

Notice regarding additional capital injection into MLC Limited

Nippon Life Insurance Company (President: Hiroshi Shimizu; hereinafter “Nippon”), together with National Australia Bank, has resolved to inject capital into MLC Limited (hereinafter “MLCL”), a consolidated subsidiary of “Nippon” for a capital increase through third-party allotment.

The increase in claims payments and others for income protection products is an industry-wide challenge in Australia. As such, MLCL has also been driving to redesign the income protection product and promoting efficiencies of its business operations based on their business plan developed last December. However, with the recent global spread of COVID-19, there is a rising need to address risks of downward pressure on its business performance expected to occur from future increase in claims, lapses and others.

Within such context, Nippon and MLCL engaged in dialogue upon receiving a request from MLCL to attend to the capital situation at an early stage for enhancing the soundness of the firm, and as a result, Nippon decided to undertake a capital injection.

Assuming that further capital response may be required should challenging times continue, Nippon will work closely with MLCL, carefully monitor the developments and continue extending its support to MLCL.

< Overview of capital increase >

1. Number of shares issued	396,055,290 ordinary shares
2. Total subscription price	Approximately AUD 400 million (AUD 1.00996 per share) (Approximately JPY 29 billion)
3. Subscription Date	June 9, 2020 (Plan)
4. Capital following capital increase	Approximately AUD 2,660 million (Approximately JPY 194 billion)
5. Subscribers	Nippon Life Insurance Company 316,844,232 shares National Australia Bank 79,211,058 shares
6. Shareholding percentages following capital increase	Nippon Life Insurance Company 80% National Australia Bank 20%

< MLC Overview >

Name	MLC Limited
Head office address	Level 7, 40 Mount Street, NORTH SYDNEY, NSW 2060
Representative	CEO : Rodney Cook ※Scheduled to be installed on June 15
Business	Life insurance business
Established	1886
Number of employees	1,470 (as of December 31, 2019)
Total gross assets	Approximately AUD 6,400 million (as of December 31, 2019)
Income from insurance premiums	Approximately AUD 1,900 million (as of December 31, 2019)

(Exchange rate: 1AUD=73.17JPY)