

December 24, 2020
Nippon Life Insurance Company

Notice regarding additional capital increase and others of MLC Limited

Nippon Life Insurance Company (President: Hiroshi Shimizu; hereinafter “Nippon Life”), together with National Australia Bank (hereinafter “NAB”), has resolved to inject capital into MLC Limited (hereinafter “MLC Life”), a consolidated subsidiary of “Nippon Life” (which is majority shareholder of MLC Life) through a third-party allotment. In addition, Nippon Life has decided to subscribe subordinated debt issued by MLC Life.

The increase in claims payments of income protection products and others is an industry-wide challenge in Australia. As such, MLC Life has been working to raise premiums and promote efficiencies of its business operations based on their business plan. Nippon Life injected capital into MLC Life back in December of 2019 and June of 2020 in attempts to ensure the soundness of their business as well as support execution of their business plan. However, risk of MLC Life’s stagnant business performance continuing beyond next year is of concern in light of the increased unemployment rate due to worsening economy impacted by COVID-19 and expected increase in claims payment and cancellations etc. relating to such developments.

With such backdrop, MLC Life reviewed its business plan for FY 2021 and beyond along with detailing the necessary capital to execute the business plan and put forward a capital response request to Nippon Life and NAB. In recognition of the said business plan’s feasibility as well as efforts to materialize business performance recovery and medium to longer term growth of the business, Nippon Life has decided to increase capital and subscribe subordinated debt. Please note that this capital response does not bring changes to the ownership structure of MLC Life.

Nippon Life will work closely with MLC Life, carefully monitor the developments and continue extending support to MLC Life.

< Overview of capital increase >

1. Number of shares issued	619,491,785 ordinary shares
2. Total subscription price	Approximately AUD 530 million (AUD0.85554 per share) (Approximately JPY 41 billion)
3. Subscription Date	December 29, 2020 (Schedule)
4. Capital following capital increase	Approximately AUD 3,190 million (Approximately JPY 250 billion)
5. Subscribers	Nippon Life Insurance Company 495,593,428 shares National Australia Bank 123,898,357 shares
6. Shareholding percentages following capital increase	Nippon Life Insurance Company 80% National Australia Bank 20%

< Overview of subordinated debt >

1. Amount	AUD 120 million (Approximately JPY 9.4billion)
2. Issue date	December 29, 2020 (Schedule)
3. Maturity date	January 29, 2031 (Advanced redemption on every quarterly interest payment date after December 29, 2025 based on MLC Life's discretion possible subject to acquiring advance approval from regulators and others)
4. Subscriber	Nippon Life Insurance Company 100%

< MLC Overview >

Name	MLC Limited
Head office address	Level 7, 40 Mount Street, NORTH SYDNEY, NSW 2060
Representative	CEO : Rodney Cook
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 = 78.24 JPY)