

Reference Document for Shareholders Meeting

Proposals and Reference Matters:

First Item: Appropriation of Surplus

The Company is committed to meeting the expectations of shareholders by increasing the Group's corporate value as a whole through improvement of profitability and capital efficiency on the premise of securing soundness, and by providing continuous returns to shareholders commensurate with the Company's performance.

In view of the above, it is the Company's policy to secure consistently stable dividends per share and to provide returns to shareholders equivalent to 40% to 60% of its Group Adjusted Profit based on shareholder dividends and repurchase of our own shares.

In accordance with the above policy, the Company proposes the following appropriation of surplus for the fiscal year under review:

Matters concerning the year-end dividend:

1. Matters regarding distribution of dividends to shareholders and the total amount thereof:

70 yen per share of common stock of the Company

Total: 40,859,822,430 yen

As a result, the year-end dividend for the fiscal year under review totals 140 yen per share, including the interim dividend.

2. Effective date of dividend:

June 25, 2019

(Note)

The Group Adjusted Profit is the Company's own index showing the ordinary profitability of the entire group. It is calculated by adding to/deducting provision for catastrophe loss reserve and others (adding for provision and deducting for reversal) from consolidated net income.

Second Item: Election of Twelve (12) Directors

The terms of office of all twelve (12) Directors will expire at the close of this Annual Shareholders Meeting. Therefore, we would like to request the appointment of twelve (12) Directors, including five (5) Outside Directors.

The candidates for Directors are as follows:

Candidate No.	Name		Position and Duties at the Company
1	Reappointment	Hisahito Suzuki	Representative Director, Chairman
2	Reappointment	Yasuyoshi Karasawa	Representative Director, President & CEO
3	Reappointment	Noriyuki Hara	Representative Director, Executive Officer
4	Reappointment	Yasuzo Kanasugi	Representative Director, Executive Officer
5	Reappointment	Shiro Fujii	Director, Executive Vice President Corporate Planning Dept., Corporate Communications and Investor Relations Dept., Business Development Dept., International Life Insurance Business Dept., Information Technology Planning Dept., International Supervisory Dept., Internal Audit Dept., Chief Financial Officer, Capital Policy, Sustainability
6	Reappointment	Masahiro Higuchi	Director, Executive Officer Claims Services
7	Reappointment	Takashi Kuroda	Director, Executive Officer Sales
8	Reappointment	Mari Matsunaga	Outside Director Independent Director Director (Outside Director)
9	Reappointment	Mariko Bando	Outside Director Independent Director Director (Outside Director)
10	Reappointment	Akira Arima	Outside Director Independent Director Director (Outside Director)
11	Reappointment	Kazuhito Ikeo	Outside Director Independent Director Director (Outside Director)
12	Reappointment	Junichi Tobimatsu	Outside Director Independent Director Director (Outside Director)

Candidate No.	Name (Date of birth)	Career summary, position and duties at the Company and important concurrent positions, if any	Number of shares of the Company owned
1	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Hisahito Suzuki (Sep. 15, 1950)</p> <p>Attendance at Board of Directors meetings held in FY2018: 12/12 (100%)</p>	<p>Apr. 1973 Entered Dai-Tokyo Fire & Marine Insurance Co., Ltd. (“<i>Dai-Tokyo</i>”)</p> <p>Apr. 2000 Executive Officer, General Manager of Merger Preparation Dept., <i>Dai-Tokyo</i></p> <p>Apr. 2001 Executive Officer, General Manager of Corporate Planning Dept., <i>Aioi Insurance Co., Ltd.</i> (“<i>Aioi</i>”)</p> <p>Apr. 2002 Managing Executive Officer, <i>Aioi</i></p> <p>Jun. 2002 Managing Director, <i>Aioi</i></p> <p>May 2003 Senior Managing Executive Officer, <i>Aioi Life Insurance Co., Ltd.</i> (“<i>Aioi Life</i>”)</p> <p>Jun. 2003 Director & Vice President, <i>Aioi Life</i></p> <p>Mar. 2004 Senior Managing Executive Officer, <i>Aioi</i></p> <p>Jun. 2004 Senior Managing Director, <i>Aioi</i></p> <p>Jun. 2008 Director, Senior Managing Executive Officer, <i>Aioi</i></p> <p>Apr. 2010 Director & President, <i>Aioi</i></p> <p>Director, Executive Officer, <i>the Company</i></p> <p>Oct. 2010 Director & President, <i>Aioi Nissay Dowa Insurance Co., Ltd.</i> (“<i>ADP</i>”)</p> <p>Jun. 2014 Chairman and Director, Chairman Executive Officer, <i>the Company</i> (present)</p> <p>Apr. 2016 Director & Vice Chairman, <i>ADI</i> (present)</p> <p><Position and Duties at the Company> Chairman and Representative Director, Chairman Executive Officer</p> <p><Important Concurrent Positions> Director & Vice Chairman, <i>ADI</i></p>	37,370 shares
<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. Hisahito Suzuki has a wealth of business experience gained through his involvement in marketing & sales, corporate planning, merger preparation, life insurance business, etc. He served as Director and President of Aioi Nissay Dowa Insurance Co., Ltd. (“<i>ADP</i>”) from 2010 to 2016 and has been serving as Director & Vice Chairman of <i>ADI</i> since 2016. He has been serving as Chairman and Director of the Company since 2014. Thus, he has expertise for precisely and fairly overseeing overall management of insurance companies etc. Therefore, we propose to re-elect him as Director.</p>			
2	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Yasuyoshi Karasawa (Oct. 27, 1950)</p> <p>Attendance at Board of Directors meetings held in FY2018: 12/12 (100%)</p>	<p>Apr. 1975 Entered The Sumitomo Marine and Fire Insurance Co., Ltd.</p> <p>Apr. 2004 Executive Officer, General Manager of Corporate Planning Dept., <i>Mitsui Sumitomo Insurance Co., Ltd.</i> (“<i>MSI</i>”)</p> <p>Jun. 2005 Director, Executive Officer, General Manager of Corporate Planning Dept., <i>MSI</i></p> <p>Apr. 2006 Director, Managing Executive Officer, <i>MSI</i></p> <p>Apr. 2008 Director, Senior Executive Officer, <i>MSI</i></p> <p>Director, <i>the Company</i></p> <p>Apr. 2009 Director, Senior Executive Officer, <i>the Company</i></p> <p>Apr. 2010 President, Director & CEO, <i>MSI</i></p> <p>Director, Executive Officer, <i>the Company</i></p> <p>Jun. 2014 Director, President and CEO, <i>the Company</i> (present)</p> <p>Apr. 2016 Chairman & Director, Chairman Executive Officer, <i>MSI</i> (present)</p> <p><Position and Duties at the Company> Representative Director, President & CEO</p> <p><Important Concurrent Positions> Chairman & Director, Chairman Executive Officer, <i>MSI</i></p>	25,200 shares
<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. Yasuyoshi Karasawa has a wealth of business experience gained through his involvement in corporate planning, marketing & sales, corporate communications, investment planning, etc. He served as President, Director & CEO of Mitsui Sumitomo Insurance Co., Ltd. (“<i>MSI</i>”) from 2010 to 2016 and has been serving as Chairman & Director of <i>MSI</i> since 2016. He has been serving as President and CEO of the Company since 2014. Thus, he has expertise for precisely and fairly overseeing overall management of insurance companies etc. Therefore, we propose to re-elect him as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and duties at the Company and important concurrent positions, if any		Number of shares of the Company owned
3	<p><u>Reappointment</u></p> <p>Noriyuki Hara (Jul. 21, 1955)</p> <p>Attendance at Board of Directors meetings held in FY2018: 12/12 (100%)</p>	<p>Apr. 1978 Entered Taisho Marine and Fire Insurance Co., Ltd.</p> <p>Apr. 2008 Executive Officer, General Manager of Corporate Quality Control Dept., <i>Mitsui Sumitomo Insurance Co., Ltd. ("MSI")</i></p> <p>Apr. 2010 Managing Executive Officer, General Manager of Nagoya Commercial Business Div., <i>MSI</i></p> <p>Apr. 2012 Director, Managing Executive Officer, <i>MSI</i></p> <p>Apr. 2013 Director, Senior Executive Officer, <i>MSI</i></p> <p>Apr. 2015 Director, Vice President, Executive Officer, <i>MSI</i></p> <p>Apr. 2016 President, Director & CEO, <i>MSI</i> (present)</p> <p>Executive Officer, <i>the Company</i></p> <p>Jun. 2016 Director, Executive Officer, <i>the Company</i> (present)</p> <p><Position and Duties at the Company> Representative Director, Executive Officer</p> <p><Important Concurrent Positions> President, Director & CEO, <i>MSI</i></p>	20,100 shares	
<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. Noriyuki Hara has a wealth of business experience gained through his involvement in market development, marketing & sales, product operations, corporate planning, etc. He has been serving as President, Director & CEO of Mitsui Sumitomo Insurance Co., Ltd. since 2016. Thus, he has expertise for precisely and fairly overseeing overall management of insurance companies etc. Therefore, we propose to re-elect him as Director.</p>				
4	<p><u>Reappointment</u></p> <p>Yasuzo Kanasugi (May 29, 1956)</p> <p>Attendance at Board of Directors meetings held in FY2018: 12/12 (100%)</p>	<p>Apr. 1979 Entered Dai-Tokyo Fire & Marine Insurance Co., Ltd.</p> <p>Apr. 2008 Managing Officer, General Manager of Human Resource Planning Dept., <i>Aioi Insurance Co., Ltd. ("Aioi")</i></p> <p>Apr. 2009 Executive Officer, <i>Aioi</i></p> <p>Oct. 2010 Executive Officer, <i>Aioi Nissay Dowa Insurance Co., Ltd. ("ADI")</i></p> <p>Apr. 2011 Managing Executive Officer, <i>ADI</i></p> <p>Apr. 2012 Executive Officer, <i>the Company</i></p> <p>Jun. 2012 Director, Managing Executive Officer, <i>ADI</i></p> <p>Apr. 2013 Director, Senior Executive Officer, <i>ADI</i></p> <p>Jun. 2014 Director, Executive Officer, <i>the Company</i> (present)</p> <p>Apr. 2016 Director & President, <i>ADI</i> (present)</p> <p><Position and Duties at the Company> Representative Director, Executive Officer</p> <p><Important Concurrent Positions> Director & President, <i>ADI</i></p>	29,108 shares	
<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. Yasuzo Kanasugi has a wealth of business experience gained through his involvement in human resources, marketing & sales, corporate planning, merger preparation, etc. He has been serving as Director & President of Aioi Nissay Dowa Insurance Co., Ltd. since 2016. Thus, he has expertise for precisely and fairly overseeing overall management of insurance companies etc. Therefore, we propose to re-elect him as Director.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and duties at the Company and important concurrent positions, if any	Number of shares of the Company owned
5	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Shiro Fujii (Sep. 29, 1956)</p> <p>Attendance at Board of Directors meetings held in FY2018: 12/12 (100%)</p>	<p>Apr. 1979 Entered Taisho Marine and Fire Insurance Co., Ltd.</p> <p>Apr. 2008 Executive Officer, General Manager of Corporate Planning Dept., <i>Mitsui Sumitomo Insurance Co., Ltd.</i> (“MSI”)</p> <p>Apr. 2009 Director, Executive Officer, General Manager of Corporate Planning Dept., <i>MSI</i></p> <p>Apr. 2010 Managing Executive Officer, General Manager of Claims Div., <i>MSI</i></p> <p>Executive Officer, <i>the Company</i></p> <p>Apr. 2012 Managing Executive Officer, General Manager of Tokyo Div., <i>MSI</i></p> <p>Apr. 2014 Senior Executive Officer, <i>the Company</i></p> <p>Jun. 2014 Director, Senior Executive Officer, <i>the Company</i></p> <p>Apr. 2016 Director, Executive Vice President, <i>the Company</i> (present)</p> <p><Position and Duties at the Company> Director, Executive Vice President Corporate Planning Dept., Corporate Communications and Investor Relations Dept., Business Development Dept., International Life Insurance Business Dept., Information Technology Planning Dept., International Supervisory Dept., Internal Audit Dept., Chief Financial Officer, Capital Policy, Sustainability</p>	31,215 shares
<p>[Reasons for selection as a candidate for Director] Mr. Shiro Fujii has a wealth of business experience gained through his involvement in corporate planning, product operations, claims services, marketing & sales, systems and administration, etc. He has been serving as Executive Vice President of the Company since 2016. Thus, he has expertise for precisely and fairly overseeing overall management of insurance companies etc. Therefore, we propose to re-elect him as Director.</p>			
6	<p style="text-align: center;"><u>Reappointment</u></p> <p style="text-align: center;">Masahiro Higuchi (Jun. 11, 1959)</p> <p>Attendance at Board of Directors meetings held in FY2018: 10/10 (100%)*</p>	<p>Apr. 1982 Entered Dai-Tokyo Fire & Marine Insurance Co., Ltd.</p> <p>Apr. 2014 Executive Officer, General Manager of Human Resource Dept., <i>Aioi Nissay Dowa Insurance Co., Ltd.</i> (“ADI”)</p> <p>Apr. 2016 Director, Managing Executive Officer, <i>ADI</i></p> <p>Apr. 2017 Executive Officer, <i>the Company</i></p> <p>Apr. 2018 Director, Senior Executive Officer, <i>ADI</i> (present)</p> <p>Jun. 2018 Director, Executive Officer, <i>the Company</i> (present)</p> <p><Position and Duties at the Company> Director, Executive Officer Claims Services</p> <p><Important Concurrent Positions> Director, Senior Executive Officer, <i>ADI</i></p>	10,960 shares
<p>[Reasons for selection as a candidate for Director] Mr. Masahiro Higuchi has a wealth of business experience gained through his involvement in corporate planning, investment planning, human resources, claims services, etc. He has been serving as Senior Executive Officer of Aioi Nissay Dowa Insurance Co., Ltd. since 2018. Thus, he has expertise for precisely and fairly overseeing overall management of insurance companies etc. Therefore, we propose to re-elect him as Director.</p>			

* Mr. Masahiro Higuchi was newly appointed as a Director at the tenth Annual Shareholders Meeting held on June 25, 2018. The status of his attendance at the Board of Directors meeting held on or after June 25, 2018 is described herein.

Candidate No.	Name (Date of birth)	Career summary, position and duties at the Company and important concurrent positions, if any	Number of shares of the Company owned
7	<p style="text-align: center;">[Reappointment]</p> <p style="text-align: center;">Takashi Kuroda</p> <p style="text-align: center;">(Mar. 18, 1956)</p> <p>Attendance at Board of Directors meetings held in FY2018: 10/10 (100%)*</p>	<p>Apr. 1979 Entered The Sumitomo Marine and Fire Insurance Co., Ltd</p> <p>Apr. 2009 Executive Officer, General Manager of Chubu Div., <i>Mitsui Sumitomo Insurance Co., Ltd.</i> (“<i>MSI</i>”)</p> <p>Apr. 2011 Managing Executive Officer, General Manager of Tokyo Commercial Div. 1st, <i>MSI</i></p> <p>Apr. 2014 Senior Executive Officer, General Manager of Tokyo Commercial Div. 1st, <i>MSI</i></p> <p>Apr. 2015 Director, Senior Executive Officer, General Manager of Claims Div., <i>MSI</i></p> <p>Apr. 2018 Director, Executive Vice President, <i>MSI</i> (present) Executive Officer, <i>the Company</i></p> <p>Jun. 2018 Director, Executive Officer, <i>the Company</i> (present)</p> <p><Position and Duties at the Company> Director, Executive Officer Sales</p> <p><Important Concurrent Positions> Director, Executive Vice President, <i>MSI</i></p>	18,500 shares
<p>[Reasons for selection as a candidate for Director] Mr. Takashi Kuroda has a wealth of business experiences gained through his involvement in marketing & sales, corporate planning, claims services, etc. He has been serving as Executive Vice President of Mitsui Sumitomo Insurance Co., Ltd. since 2018. Thus, he has expertise for precisely and fairly overseeing overall management of insurance companies etc. Therefore, we propose to re-elect him as Director.</p>			

* Mr. Takashi Kuroda was newly appointed as a Director at the tenth Annual Shareholders Meeting held on June 25, 2018. The status of his attendance at the Board of Directors meeting held on or after June 25, 2018 is described herein.

Candidate No.	Name (Date of birth)	Career summary, position and duties at the Company and important concurrent positions, if any	Number of shares of the Company owned
8	<p style="text-align: center;"> <u>Reappointment</u> <u>Outside Director</u> <u>Independent Director</u> </p> <p style="text-align: center;"> Mari Matsunaga (Nov. 13, 1954) </p> <p>Attendance at Board of Directors meetings held in FY2018: 11/12 (91.7%)</p>	<p>Apr. 1977 Entered Japan Recruit Center (currently, Recruit Holdings Co., Ltd. ("Recruit"))</p> <p>Jul. 1986 Chief Editor of SHUSHOKU JOURNAL, published by Recruit</p> <p>Jul. 1988 Chief Editor of TRAVAILLE, published by Recruit</p> <p>Jul. 1997 General Manager of Planning Div., Gateway Business Dept., NTT Mobile Communications Network Inc. (currently, NTT DOCOMO, INC.)</p> <p>Apr. 2000 President & Director, Mari Matsunaga Office</p> <p>Jun. 2012 Director, <i>the Company</i> (present)</p> <p><Position and Duties at the Company> Director (Outside Director)</p> <p><Important Concurrent Positions> Director (External Director), Rohto Pharmaceutical Co., Ltd. Director (Outside Director), Seiko Epson Corporation</p>	1,800 shares
<p>[Reasons for selection as a candidate for Outside Director] Ms. Mari Matsunaga was a chief editor of magazines and was involved in planning and development of new services at NTT DOCOMO, INC. She has been stating opinions at meetings of the Company's Board of Directors and on other occasions based on her broad knowledge and experience concerning society, culture, consumer lifestyles, and other areas. We propose to re-elect her as Outside Director in order to continue to draw on her knowledge and experience in the management of the Company.</p>			

(Notes)

1. Ms. Mari Matsunaga is a candidate for Outside Director.
2. To enable Outside Directors to fully perform their expected roles, the Company has entered into an agreement with Ms. Mari Matsunaga that limits her liability for any damage to the Company caused by a failure to perform the duties of a Director if she as Outside Director has performed the duties in good faith and without gross negligence. The limit of Outside Director's liability under such agreement is the sum of the amount provided by the items in Article 425, Paragraph 1 of the Companies Act. The Company plans to continue with such agreement if Ms. Mari Matsunaga is elected as Outside Director.
3. Ms. Mari Matsunaga will have served as Outside Director for seven (7) years as of the close of this Annual Shareholders Meeting.
4. There are transactions between the Company or its subsidiaries and Rohto Pharmaceutical Co., Ltd. and Seiko Epson Co. Ltd.; which account for less than 1% of the annual consolidated turnover of these companies during the most recent business year. The transaction amount is less than 1% of the consolidated net premiums written in the most recent business year of the Company. There is no other reason to impact her independence.
5. The Company has submitted to the Tokyo Stock Exchange and Nagoya Stock Exchange an Independent Director Notification, indicating that Ms. Mari Matsunaga is an Independent Director who is unlikely to have conflict of interests with general shareholders.

Candidate No.	Name (Date of birth)	Career summary, position and duties at the Company and important concurrent positions, if any	Number of shares of the Company owned
9	<p style="text-align: center;"> <u>Reappointment</u> <u>Outside Director</u> <u>Independent Director</u> </p> <p style="text-align: center;">Mariko Bando</p> <p style="text-align: center;">(Aug. 17, 1946)</p> <p>Attendance at Board of Directors meetings held in FY2018: 11/12 (91.7%)</p>	<p>Jul. 1969 Entered the Prime Minister's Office</p> <p>Oct. 1985 Counsellor of Cabinet Secretariat, Councillor of Cabinet Secretariat</p> <p>Jul. 1989 Director of Consumer Statistics Division, Statistics Bureau, Management and Coordination Agency</p> <p>Jul. 1994 Director of Gender Equality Bureau, Cabinet Secretariat</p> <p>Apr. 1995 Vice-Governor of Saitama Prefecture</p> <p>Jun. 1998 Consul General of Japan in Brisbane, Australia</p> <p>Jan. 2001 Director General of Gender Equality Bureau, Cabinet Office</p> <p>Oct. 2003 Director, Showa Women's University</p> <p>Apr. 2007 President, Showa Women's University</p> <p>Apr. 2014 Chancellor (Rijicho), Showa Women's University (present)</p> <p>Jul. 2016 Chancellor (Socho), Showa Women's University (present)</p> <p>Jun. 2017 Director, <i>the Company</i> (present)</p> <p><Position and Duties at the Company> Director (Outside Director)</p> <p><Important Concurrent Positions> Chancellor (Rijicho and Socho), Showa Women's University</p>	1,500 shares
<p>[Reasons for selection as a candidate for Outside Director]</p> <p>Ms. Mariko Bando previously served as Director General of Gender Equality Bureau of the Cabinet Office, Consul General of Japan in Brisbane, Australia, President of Showa Women's University, etc. She has broad knowledge and experience in public administration and education, as well as wide insight into promotion of diversity. She has been stating opinions at meetings of the Company's Board of Directors and on other occasions based on her broad knowledge and experience. We propose to re-elect her as Outside Director in order to draw on her knowledge and experience in the management of the Company.</p>			

(Notes)

1. Ms. Mariko Bando is a candidate for Outside Director.
2. To enable Outside Directors to fully perform their expected roles, the Company has entered into an agreement with Ms. Mariko Bando that limits her liability for any damage to the Company caused by a failure to perform the duties of a Director if she as Outside Director has performed the duties in good faith and without gross negligence. The limit of Outside Director's liability under such agreement is the sum of the amount provided by the items in Article 425, Paragraph 1 of the Companies Act. The Company plans to continue with such agreement if Ms. Mariko Bando is elected as Outside Director.
3. Ms. Mariko Bando will have served as Outside Director for two (2) years as of the close of this Annual Shareholders Meeting.
4. Ms. Mariko Bando has not been involved in the corporate management in any manner other than by becoming an Outside Director or an Outside Audit & Supervisory Board Member in the past. However, she has broad knowledge and experience in the administrative and educational fields, and the Company believes that she is able to perform her duties as an Outside Director appropriately.
5. There are transactions between the Company or its subsidiaries and Showa Women's University. The amount of such transactions is less than 1% of the annual revenue from business activities of the university during the most recent business year. The transaction amount is less than 1% of the consolidated net premiums written in the most recent business year of the Company. There is no other reason to impact her independence.
6. The Company has submitted to the Tokyo Stock Exchange and Nagoya Stock Exchange an Independent Director Notification, indicating that Ms. Mariko Bando is an Independent Director who is unlikely to have conflict of interests with general shareholders.

Candidate No.	Name (Date of birth)	Career summary, position and duties at the Company and important concurrent positions, if any	Number of shares of the Company owned
10	<p style="text-align: center;"> <u>Reappointment</u> <u>Outside Director</u> <u>Independent Director</u> </p> <p style="text-align: center;"> Akira Arima (Aug. 25, 1949) </p> <p>Attendance at Board of Directors meetings held in FY2018: 10/10 (100%)*</p>	<p>Apr. 1973 Entered Nippon Telegraph and Telephone Public Corporation</p> <p>Jun. 2002 Director and General Manager of Planning Dept., Nippon Telegraph and Telephone East Corporation</p> <p>Apr. 2003 Director and General Manager of Corporate Planning Dept., Nippon Telegraph and Telephone East Corporation</p> <p>Jun. 2005 Director, Nippon Telegraph and Telephone Corporation</p> <p>Jun. 2007 Executive Vice President and Head of the Internet Business Division, NTT Communications Corporation</p> <p>Jun. 2010 President, Chief Executive Officer, Representative Director, NTT Communications Corporation</p> <p>Jun. 2015 Director and Advisor, NTT Communications Corporation</p> <p>Jun. 2017 Advisor, NTT Communications Corporation (present)</p> <p>Jun. 2018 Director, <i>the Company</i> (present)</p> <p><Position and Duties at the Company> Director (Outside Director)</p>	200 shares
<p>[Reasons for selection as a candidate for Outside Director]</p> <p>Mr. Akira Arima previously served as Director of Nippon Telegraph and Telephone Corporation, President, Chief Executive Officer of NTT Communications Corporation, etc. He has been stating opinions at meetings of the Company's Board of Directors and on other occasions based on his broad knowledge concerning telecommunications business and experience as a management executive. We propose to re-elect him as Outside Director in order to draw on his knowledge and experience in the management of the Company.</p>			

(Notes)

1. Mr. Akira Arima is a candidate for Outside Director.
2. To enable Outside Directors to fully perform their expected roles, the Company has entered into an agreement with Mr. Akira Arima that limits his liability for any damage to the Company caused by a failure to perform the duties of a Director if he as Outside Director has performed the duties in good faith and without gross negligence. The limit of Outside Director's liability under such agreement is the sum of the amount provided by the items in Article 425, Paragraph 1 of the Companies Act. The Company plans to continue with such agreement if Mr. Akira Arima is elected as Outside Director.
3. Mr. Akira Arima will have served as Outside Director for one (1) year as of the close of this Annual Shareholders Meeting.
4. There are transactions between the Company or its subsidiaries and the NTT Communications Corporation; which account for less than 1% of the annual consolidated turnover of NTT Communications Corporation during the most recent business year. The transaction amount is less than 1% of the consolidated net premiums written in the most recent business year of the Company. There is no other reason to impact his independence.
5. The Company has submitted to the Tokyo Stock Exchange and Nagoya Stock Exchange an Independent Director Notification, indicating that Mr. Akira Arima is an Independent Director who is unlikely to have conflict of interests with general shareholders.

* Mr. Akira Arima was newly appointed as a Director at the tenth Annual Shareholders Meeting held on June 25, 2018. The status of his attendance at the Board of Directors meeting held on or after June 25, 2018 is described herein.

Candidate No.	Name (Date of birth)	Career summary, position and duties at the Company and important concurrent positions, if any	Number of shares of the Company owned
11	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Outside Director</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Independent Director</div> <p style="text-align: center;">Kazuhito Ikeo</p> <p style="text-align: center;">(Jan. 12, 1953)</p> <p>Attendance at Board of Directors meetings held in FY2018: 9/10 (90.0%)*</p>	<p>Apr. 1984 Associate Professor, Faculty of Economics, Okayama University</p> <p>Apr. 1986 Associate Professor, Faculty of Economics, Kyoto University</p> <p>Apr. 1995 Professor, Faculty of Economics, Keio University</p> <p>Apr. 2018 Professor Emeritus, Keio University (present) Professor, Faculty of Economics, Risscho University (present)</p> <p>Jun. 2018 Director, <i>the Company</i> (present)</p> <p><Position and Duties at the Company> Director (Outside Director)</p> <p><Important Concurrent Positions> Professor Emeritus, Keio University Professor, Faculty of Economics, Risscho University</p>	1,400 shares
<p>[Reasons for selection as a candidate for Outside Director] Mr. Kazuhito Ikeo has held a number of posts, including university professors and members of the Financial Services Agency's Financial System Council. He has been stating opinions at meetings of the Company's Board of Directors and on other occasions based on his broad knowledge and experience concerning economic and financial fields as well as financial administration. We propose to re-elect him as Outside Director in order to draw on his knowledge and experience in the management of the Company.</p>			

(Notes)

1. Mr. Kazuhito Ikeo is a candidate for Outside Director.
2. To enable Outside Directors to fully perform their expected roles, the Company has entered into an agreement with Mr. Kazuhito Ikeo that limits his liability for any damage to the Company caused by a failure to perform the duties of a Director if he as Outside Director has performed the duties in good faith and without gross negligence. The limit of Outside Director's liability under such agreement is the sum of the amount provided by the items in Article 425, Paragraph 1 of the Companies Act. The Company plans to continue with such agreement if Mr. Kazuhito Ikeo is elected as Outside Director.
3. Mr. Kazuhito Ikeo will have served as Outside Director for one (1) year as of the close of this Annual Shareholders Meeting.
4. Mr. Kazuhito Ikeo has not been involved in the corporate management in any manner other than by becoming an Outside Director or an Outside Audit & Supervisory Board Member in the past. However, he has wide knowledge and experience in economic and financial fields and financial administration, and the Company believes that he is able to perform his duties as an Outside Director appropriately.
5. There are transactions between the Company or its subsidiaries and Keio University and Risscho Daigaku Gakuen. The amount of such transactions is less than 1% of the annual revenue from business activities of these institutions during the most recent business year. The transaction amount is less than 1% of the consolidated net premiums written in the most recent business year of the Company. There is no other reason to impact his independence.
6. The Company has submitted to the Tokyo Stock Exchange and Nagoya Stock Exchange an Independent Director Notification, indicating that Mr. Kazuhito Ikeo is an Independent Director who is unlikely to have conflict of interests with general shareholders.

* Mr. Kazuhito Ikeo was newly appointed as a Director at the tenth Annual Shareholders Meeting held on June 25, 2018. The status of his attendance at the Board of Directors meeting held on or after June 25, 2018 is described herein.

Candidate No.	Name (Date of birth)	Career summary, position and duties at the Company and important concurrent positions, if any	Number of shares of the Company owned
12	<p style="text-align: center;"> <u>Reappointment</u> <u>Outside Director</u> <u>Independent Director</u> </p> <p style="text-align: center;">Junichi Tobimatsu</p> <p style="text-align: center;">(Aug. 15, 1972)</p> <p>Attendance at Board of Directors meetings held in FY2018: 10/10 (100.0%)*</p>	<p>Apr. 1998 Registered as Attorney-at-Law Attorney-at-Law, Mori Sogo (currently, Mori Hamada & Matsumoto)</p> <p>Jun. 2004 Registered as Attorney-at-law in N.Y.</p> <p>Apr. 2010 Associate Professor, Graduate School of Law and Political Science, the University of Tokyo</p> <p>Jul. 2016 Attorney-at-law, Tobimatsu Law (present)</p> <p>Jun. 2018 Director, <i>the Company</i> (present)</p> <p><Position and Duties at the Company> Director (Outside Director)</p> <p><Important Concurrent Positions> Attorney-at-law, Tobimatsu Law Director, AI, Inc. (Outside Director (Auditor)) Outside Corporate Auditor of amana inc. Auditor, CANDEAL Co., Ltd. (Outside Auditor)</p>	0 shares
<p>[Reasons for selection as a candidate for Outside Director] Mr. Junichi Tobimatsu has a wealth of knowledge and experience concerning overall corporate legal affairs including those overseas companies as an attorney-at-law and has been stating opinions at meetings of the Company's Board of Directors and on other occasions based on his broad knowledge and experience. We propose to re-elect him as Outside Director in order to draw on his knowledge and experience in the management of the Company.</p>			

(Notes)

1. Mr. Junichi Tobimatsu is a candidate for Outside Director.
2. To enable Outside Directors to fully perform their expected roles, the Company has entered into an agreement with Mr. Junichi Tobimatsu that limits his liability for any damage to the Company caused by a failure to perform the duties of a Director if he as Outside Director has performed the duties in good faith and without gross negligence. The limit of Outside Director's liability under such agreement is the sum of the amount provided by the items in Article 425, Paragraph 1 of the Companies Act. The Company plans to continue with such agreement if Mr. Junichi Tobimatsu is elected as Outside Director.
3. Mr. Junichi Tobimatsu will have served as Outside Director for one (1) year as of the close of this Annual Shareholders Meeting.
4. Mr. Junichi Tobimatsu has not been involved in the corporate management other than by becoming an Outside Director or an Outside Audit & Supervisory Board Member in the past. However, he has professional knowledge and experience in legal field as an attorney-at-law, and the Company believes that he is able to perform his duties as an Outside Director appropriately.
5. There are no transactions between the Company or its subsidiaries and the Tobimatsu Law, AI, Inc. and CANDEAL Co., Ltd. There are transactions between the Company or its subsidiaries and amana inc.; which account for less than 1% of the annual consolidated turnover of amana inc. during the most recent business year. The transaction amount is less than 1% of the consolidated net premiums written in the most recent business year of the Company. There is no other reason to impact his independence.
6. In April 2018, it was discovered that in amana inc., for which Mr. Junichi Tobimatsu has been appointed as an Outside Corporate Auditor since March 2009, inappropriate accounting treatment was conducted by amana inc.'s foreign consolidated subsidiary. He was not aware of this fact in advance, but he made proposals from the viewpoint of legal compliance on a regular basis. After doubts about this fact arose, he carried out thorough investigations as a member of the Internal Investigation Committee in an appropriate manner.
7. The Company has submitted to the Tokyo Stock Exchange and Nagoya Stock Exchange an Independent Director Notification, indicating that Mr. Junichi Tobimatsu is an Independent Director who is unlikely to have conflict of interests with general shareholders.

* Mr. Junichi Tobimatsu was newly appointed as a Director at the tenth Annual Shareholders Meeting held on June 25, 2018. The status of his attendance at the Board of Directors meeting held on or after June 25, 2018 is described herein.

Third Item: Election of One (1) Audit & Supervisory Board Member

The term of office of Mr. Hiroshi Miura will expire at the close of this Annual Shareholders Meeting. Therefore, we would like to request the appointment of one (1) Audit & Supervisory Board Member.

The Audit & Supervisory Board has consented to this item.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and position at the Company and important concurrent positions, if any	Number of shares of the Company owned
<u>New Appointment</u> Hidema Jinno (Aug. 1, 1960)	Apr. 1985 Entered The Sumitomo Marine and Fire Insurance Co., Ltd Apr. 2015 Executive Officer, General Manager of Corporate Risk Management Dept., <i>the Company</i> Apr. 2019 Executive Officer, <i>the Company</i> (present) *	8,232 shares
[Reasons for selection as a candidate for Audit & Supervisory Board Member] Mr. Hidema Jinno has a wealth of business experience gained through his involvement in product operations, risk management, actuarial work, etc. He has been serving as Executive Officer of the Company since 2015. Thus, he has expertise for appropriately auditing overall operations of the Company. Therefore, we propose to elect him as Audit & Supervisory Board Member.		

* Mr. Hidema Jinno will retire the position at the close of this Annual Shareholders Meeting.

(Reference)

Criteria for the Selection of Director Candidates and Audit & Supervisory Board Member Candidates

1. Outside Director candidates and Outside Audit & Supervisory Board Member candidates

Candidates must meet the following requirements.

- Must not be disqualified from serving as a Director or Audit & Supervisory Board Member pursuant to the Companies Act.
- Must not be disqualified from serving as a Director or Audit & Supervisory Board Member of an insurance holding company pursuant to the Insurance Business Act.
- Must have a sufficient level of public credibility.
- An Outside Audit & Supervisory Board Member must satisfy the eligibility requirements for an Audit & Supervisory Board Member pursuant to the Insurance Business Act.

Additionally, candidates must satisfy the following three requirements

(1) Eligibility

A candidate must have the qualities listed below that are necessary to monitor the overall management of the Company and provide advice, based on a general knowledge of company management and a basic understanding of the roles of the Directors and Board of Directors.

- Ability to discern facts from materials and reports
- Capability to detect problems and risks and apply own knowledge to solve them
- Capacity to appropriately monitor business strategy and provide advice
- Mental independence to openly question, debate, re-examine, continuously deliberate, and propose ideas in opposition to a resolution

(2) Expertise

Must have knowledge in a specialized field such as management, accounting, finance, law, administration, or social/cultural affairs, and have a record of achievement in that field.

(3) Independence

The following persons are ineligible.

- 1) An executive of the Company or a subsidiary of the Company.
- 2) A Director or Audit & Supervisory Board Member of a subsidiary of the Company.
- 3) A person for whom the Company is a major business partner (i.e. a person who received payments from the Company or subsidiaries of the Company that represent 2% or more of annual consolidated sales for the most recent fiscal year), or an executive thereof.
- 4) A major business partner of the Company (i.e. a person who made payments to subsidiaries of the Company representing 2% or more of the Company consolidated direct premiums written excluding deposit premium from policy holders for the most recent fiscal year), or an executive thereof.
- 5) Any of the Company's top 10 largest shareholders (or, if the shareholder is a corporation, an executive thereof).
- 6) A person in an executive position with a company to which the Company or a subsidiary of the Company has appointed a Director.
- 7) A consultant, accounting professional, or legal professional who has received, other than officer compensation, average cash or other financial benefits of at least 10 million yen per year for the past three years from the Company or subsidiaries of the Company.
- 8) A person falling under any of the items 2) through 7) during the past five years.
- 9) An individual who held an executive position with the Company or subsidiaries of the Company in the past.
- 10) A spouse or second-degree or closer relative of a person listed in items 1) through 9) above.

*** Term limits**

The total terms of office for newly elected Outside Directors and Outside Audit & Supervisory Board Members from April 1, 2015 onward are as listed below.

- 1) For Outside Directors, the expectation is 4 terms, 4 years, renewable for a maximum of 8 terms, 8 years.
- 2) For Outside Audit & Supervisory Board Members, in principle the total term is 1 term, 4 years, but this is renewable for a maximum of 2 terms, 8 years.

2. Candidates for Director other than Outside Director and candidates for Audit & Supervisory Board Member other than Outside Audit & Supervisory Board Member

Candidates must meet the following requirements.

- Must not be disqualified from serving as a Director or Audit & Supervisory Board Member pursuant to the Companies Act.
- Must not be disqualified from serving as a Director or Audit & Supervisory Board Member of an insurance holding company pursuant to the Insurance Business Act.
- Must satisfy the eligibility requirements for a Director or Audit & Supervisory Board Member who engages in daily business at an insurance company pursuant to the Insurance Business Act.

Additionally, a candidate must have varied experience as well as highly specialized experience and must embody our corporate philosophy in the exercise of leadership.

Fourth Item: Matters Concerning Determination of Remuneration for Granting Restricted Stock to the Company’s Directors

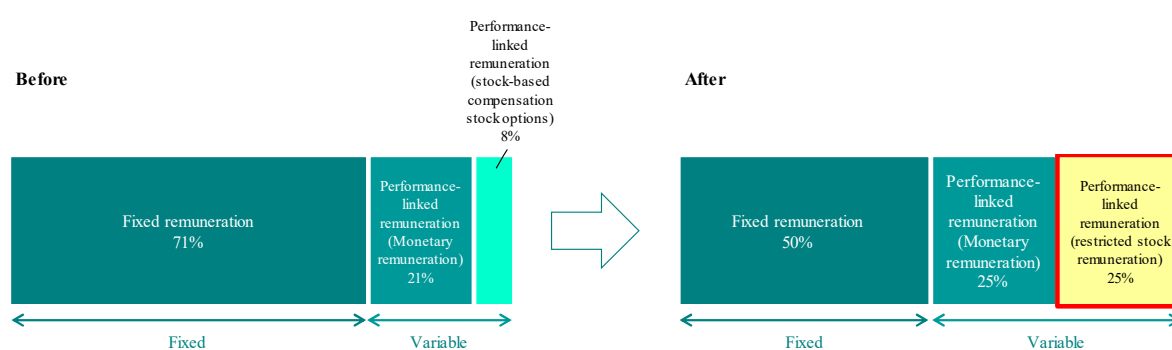
At the first Annual Shareholders Meeting held on June 25, 2009 and the tenth Annual Shareholders Meeting held on June 25, 2018, the remuneration amount for the Company’s Directors was approved as “up to 500 million yen per year (as for Directors who also serve as employees, salaries paid on account of their employee status are excluded) (as for Outside Directors, up to 100 million yen)” and at the seventh Annual Shareholders Meeting held on June 22, 2015, in addition to this remuneration, stock acquisition rights of up to 60 million yen per year as stock-based compensation stock option were approved to be allotted to the Directors excluding Outside Directors (hereinafter referred to as the “Eligible Directors”).

In order to realize a Director remuneration system functioning as an appropriate incentive for improving linkage between Director remuneration and business performance and achieving sustainable growth for the purpose of strengthening governance and increasing medium term corporate value of the Group, the Company intends to introduce a restricted stock remuneration plan (hereinafter referred to as “Plan”) for Eligible Directors under which the total amount of monetary remuneration receivables provided for allotting restricted stock to the Eligible Directors shall be up to 200 million yen, in place of stock-based compensation stock options. The specific allotment to each Eligible Director shall be decided by resolution of the Board of Directors after deliberation by the Remuneration Committee of which a majority of the members are the Outside Directors.

Under the Plan, Eligible Directors shall be provided monetary remuneration equivalent to the total paid-in amount of shares to be allotted and make contribution in kind using such monetary remuneration receivables for receiving the shares.

If the Second Item is approved as proposed, the number of Directors will be twelve (12) (including five (5) Outside Directors) and the number of Eligible Directors will be seven (7).

(Reference) Remuneration composition ratio (in case of Director, President & CEO)



(Note) The above figure shows remuneration composition ratio based on certain financial results and stock price of the Company.

Overview of restricted stock remuneration plan

Overview of the restricted stock remuneration plan shall be as follows.

Eligible Directors	Directors excluding Outside Directors
Amount of monetary remuneration to be provided (maximum)	200 million yen per year
Type of shares to be allotted	Common shares (with transfer restrictions under a restricted stock allotment agreement)
Number of shares to be allotted (maximum)	130,000 shares per year*
Transfer restriction period	Period from the allotment date to the date on which the related Eligible Director resigns or retires as the Company's Director or from another position which the Board of Directors has determined.

* This corresponds to approximately 0.022% of the total number of shares issued as of March 31, 2019 (583,711,749 shares excluding treasury stock).

(1) Method of allotment of restricted stock and paid-in amount

Restricted stock shall be allotted by either method of new issuance or disposition of treasury stock. On such occasion, the amount paid in per share shall be the amount determined by the Board of Directors within the scope that is not an amount that is particularly advantageous to the Eligible Directors, based on the closing price of the common shares of the Company in the Tokyo Stock Exchange on the business day immediately prior to the date of each resolution of the Board of Directors regarding allotment of restricted stock (in the case that the transaction has not been established on that day, the closing price on the most recent trading day preceding that day).

(2) Total number of restricted stock

The total number of common shares of the Company to be issued or disposed of through the Plan shall be 130,000 shares or less per year. However, in case that the Company conducts stock splits (including gratis allocations of its common shares) or reverse stock splits of its common shares, or in case that an adjustment of the total number of its common shares to be issued or disposed of as restricted stocks is required to be made on or after the date of the approval of this Item, the total number of shares should be adjusted within a reasonable extent.

(3) Conclusion and details of a restricted stock allotment agreement

When allotting the common shares of the Company through the Plan, a restricted stock allotment agreement (hereinafter the "Allotment Agreement") shall be concluded between the Company and the Eligible Directors. The Allotment Agreement includes following contents.

(i) Transfer restriction period and details

The Eligible Directors must not transfer the common shares of the Company for which allotment is received (hereinafter the "Allotted Shares"), neither create a security interest on the Allotted Shares, nor dispose of the Allotted Shares in any other way (hereinafter the "Transfer Restrictions") during the period from the allotment date to the date on which the related Eligible Director resigns or retires as a Director or from another position which the Board of Directors has determined. (hereinafter the "Transfer Restriction Period").

(ii) Gratis acquisition by the Company, etc.

If the Board of Directors deems that inappropriate actions, etc., taken by an Eligible Director while in office has caused a material change in financial statements or other material event specified by the Board of Directors, the Company shall acquire at no cost Allotted Shares during the Transfer Restriction Period or such shares shall be returned after the Transfer Restrictions are released.

(iii) Treatment in the event of organizational restructuring, etc.

In the case that matters regarding merger contracts under which the Company becomes the disappearing company, share exchange agreements or share transfer plans under which the Company becomes a wholly owned subsidiary of another company, or any other organizational restructuring, etc. are approved at the Shareholders Meeting of the Company (or at a Meeting of the Board of Directors of the Company in the case that approval by the Shareholders Meeting of the Company is not required regarding the said organizational restructuring, etc.) during the Transfer Restriction Period, the Company shall release, based on the resolution of the Board of Directors of the Company, the Transfer Restrictions before the effective date of the said organizational restructuring, etc. with regard to all the Allotted Shares.

(iv) Other matters

Other matters regarding the Allotment Agreement shall be determined by the Board of Directors.

Notes:

Subject to approval of this Item as proposed, a restricted stock remuneration plan similar to the Plan is planned to be introduced for Executive Officers of the Company and Directors excluding Outside Directors, Executive Officers, and Associate Directors of following subsidiaries of the Company.

Mitsui Sumitomo Insurance Company, Limited
Aioi Nissay Dowa Insurance Company, Limited
Mitsui Direct General Insurance Company, Limited
Mitsui Sumitomo Aioi Life Insurance Company, Limited
Mitsui Sumitomo Primary Life Insurance Company, Limited

(Reference)

The Company's remuneration system for Directors and Audit & Supervisory Board Members (overview)

1. Basic policy

- The purpose is to strengthen governance and increase medium term corporate value of the Group.
- The remuneration system shall function as an appropriate incentive for sustainable growth, linking with the business performance of the Company.
- The remuneration level shall be competitive as a global company.

2. Decision process

<Remuneration, etc., for Directors>

- To ensure transparency, it shall be decided by resolution of the Board of Directors after deliberation by the Remuneration Committee of which a majority of the members are the Outside Directors.
- The Remuneration Committee shall provide advice to the Board of Directors on remuneration amounts for Directors and policies regarding decision of the remuneration, etc.
- The Board of Directors shall prioritize the advice given by the Remuneration Committee.

<Remuneration, etc., for Audit & Supervisory Board Members>

- It shall be decided by deliberation of Audit & Supervisory Board Members within a range determined by resolution of the Shareholders Meeting, taking into consideration full-time/part-time, audit operation assignment, and details and level of the Directors' remuneration, etc.

3. Composition of remuneration

	Fixed remuneration	Performance-linked remuneration	
		Monetary remuneration	Stock-based remuneration
Directors (excluding Outside Directors)	✓	✓	✓
Outside Directors	✓	—	—
Audit & Supervisory Board Members	✓	—	—

- Composed of fixed remuneration and performance-linked remuneration. Outside Directors and Audit & Supervisory Board Members shall be provided only fixed remuneration.
- To strengthen incentives for improving business performance, the ratio of performance-linked remuneration shall be higher and 50% to 30% of the total remuneration amount shall be the standard amount, according to position.
- The performance-linked remuneration is composed of monetary remuneration and stock-based remuneration. To share interests with shareholders further, the ratio of stock-based remuneration shall be higher and 9% to 25% of the total remuneration amount shall be the standard amount, according to position.

(Reference) In the case of the Chairman and Director/President and CEO (performance-linked remuneration portion is the standard amount)

Fixed remuneration : Performance-linked remuneration (monetary) : Performance-linked remuneration (stock-based) = 50 : 25 : 25

4. Key performance indicators

- Performance-linked remuneration shall be linked with business performance of the Company and determined based on the results of key performance indicators (KPIs).

(Main KPIs)

Financial indicator (single-year performance)	Non-financial indicator (medium term performance)
<ul style="list-style-type: none"> · Group Adjusted Profit · Consolidated Net Income · Group Adjusted ROE 	<ul style="list-style-type: none"> - Achievement status of initiatives “Sustainability Priority Issues” aimed at Creating Shared Value (CSV) with society using SDGs as the guideposts including “create accident-free and comfortable mobility society” and “contributing to mitigation and adaptation of climate change,” etc. - Achievement status of “Key Strategies” (Pursue Group’s comprehensive strength, Promote digitalization and Reform portfolio) in the Medium-Term Management Plan “Vision 2021”

- The ratio between the financial indicator and non-financial indicator shall be 50 : 50 as the standard and the financial indicators and non-financial indicator vary within a range of 0 to 3.0 and 0.5 to 1.5, respectively, with 1.0 as the standard.
- Restricted stock shall be provided as stock-based remuneration and in principle, the Transfer Restrictions shall be released upon retirement of the related Director (subject to approval of Fourth Item as proposed at this Annual Shareholders Meeting).
- If it is found that a Director was involved in a fraudulent act while in office, the Company acquires the restricted stock for free during the Transfer Restriction Period or the Director is made to return it after the transfer restriction is released.