

Acquisition of StanCorp Financial Group



July 24, 2015



Today's Highlights

Transaction Overview

- Acquisition of StanCorp Financial Group (“StanCorp”) in an all cash transaction
- \$115 per share, approximately \$4,997 million (approximately JPY624 billion) (※1)

Key Strengths of StanCorp

- Leading provider of group life and disability insurance in the U.S.
- Consistent long-term growth and profitability generated by robust business model
- Solid financial strength
- Trusted and talented management team with strong culture of internal development

Transaction Rationale

- Increase overall group profits and diversify the group business portfolio (risk diversification), while reinforcing the stability and sustainability of the overall group business and profits
- Provide increased policyholder benefits and strengthen domestic life insurance business

(※1) US\$1=JPY125 (The same applies hereafter, unless otherwise noted)

■ Transaction Structure and Key Terms

Transaction Structure	<ul style="list-style-type: none"> • Acquisition of 100% of StanCorp's outstanding shares in cash through a reverse triangular merger
Aggregate Consideration	<ul style="list-style-type: none"> • \$115 per share / approximately \$4,997 million total consideration (approximately JPY624 billion) • 49.9% premium to StanCorp's 1-month volume weighted average price, 50.0% premium to latest closing price on July 23, 2015 • 2.24x book value per share (ex. AOCI) as of June 30, 2015
Funding	<ul style="list-style-type: none"> • Cash and cash equivalents on hand
Required Approvals	<ul style="list-style-type: none"> • Approval by StanCorp shareholders • Customary regulatory approvals
Expected Closing Date	<ul style="list-style-type: none"> • First quarter of 2016 (calendar year)

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■ Our Overseas Insurance Business Strategy

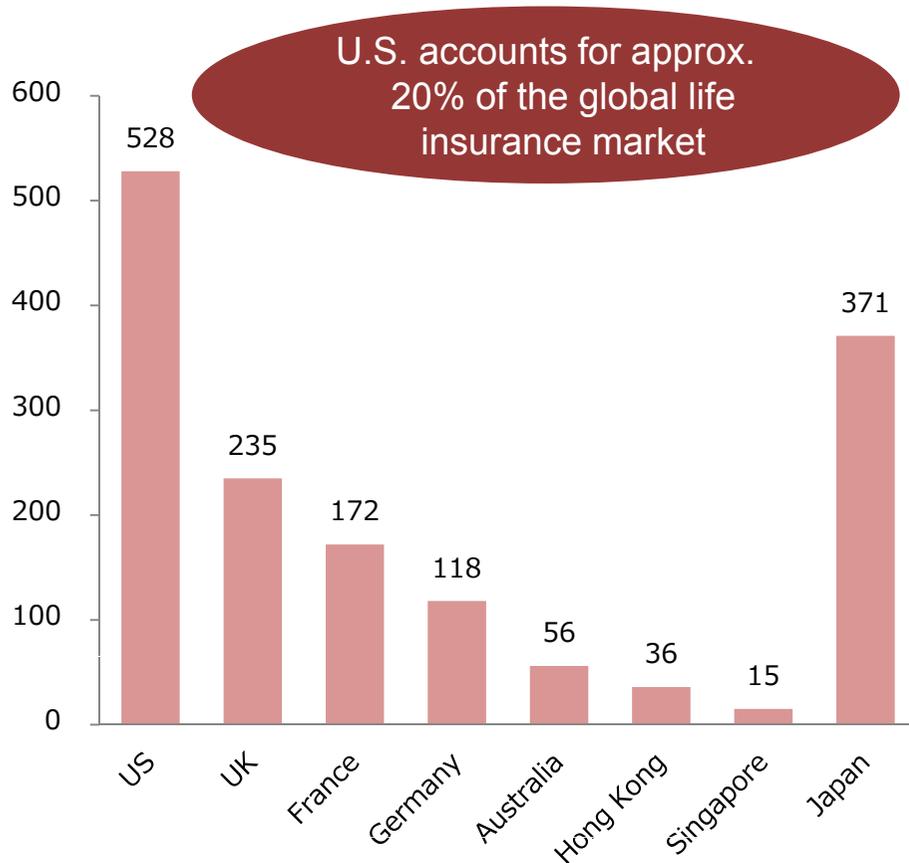
■ Overseas Insurance Business



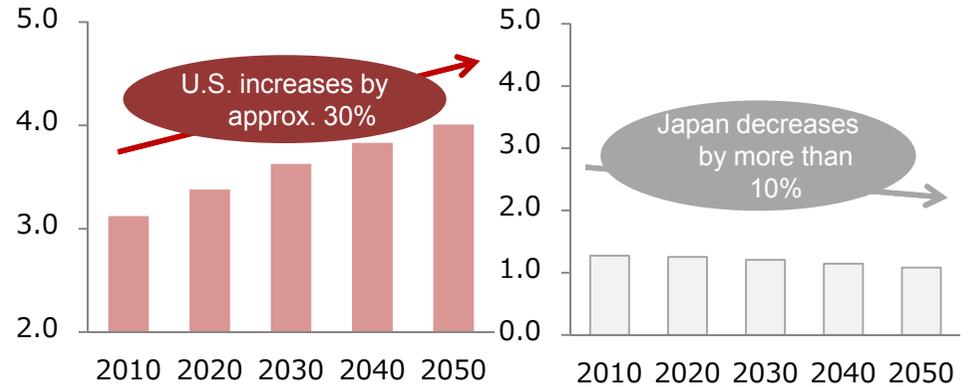
- In addition to profit expansion in our existing overseas operations, our strategy is to promote new investment opportunities in both developing and developed countries, while considering the geographical diversification and the developmental stage of the life insurance market of each country
- This transaction is our first significant majority investment in a developed market

U.S. Life Insurance Market

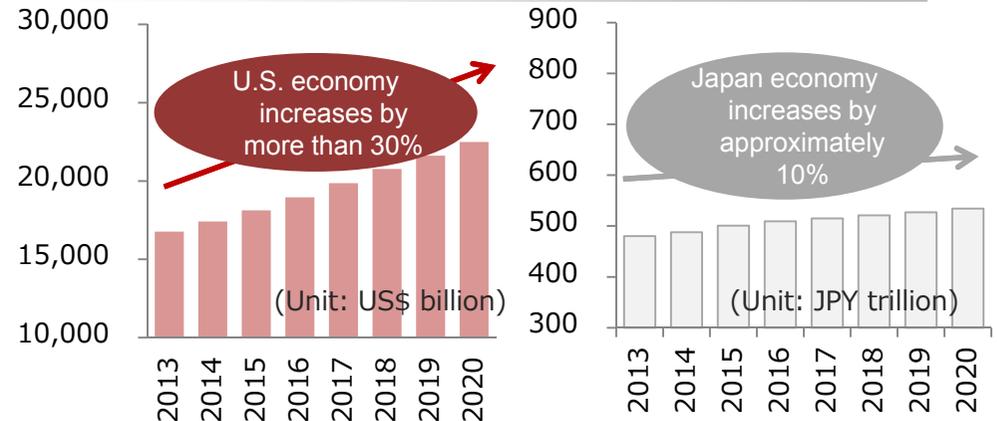
■ Premium Income (2014) (Unit: US\$ billion)



■ Population (2010-2050) (Unit: 100 million)



■ Nominal GDP (2013-2020)

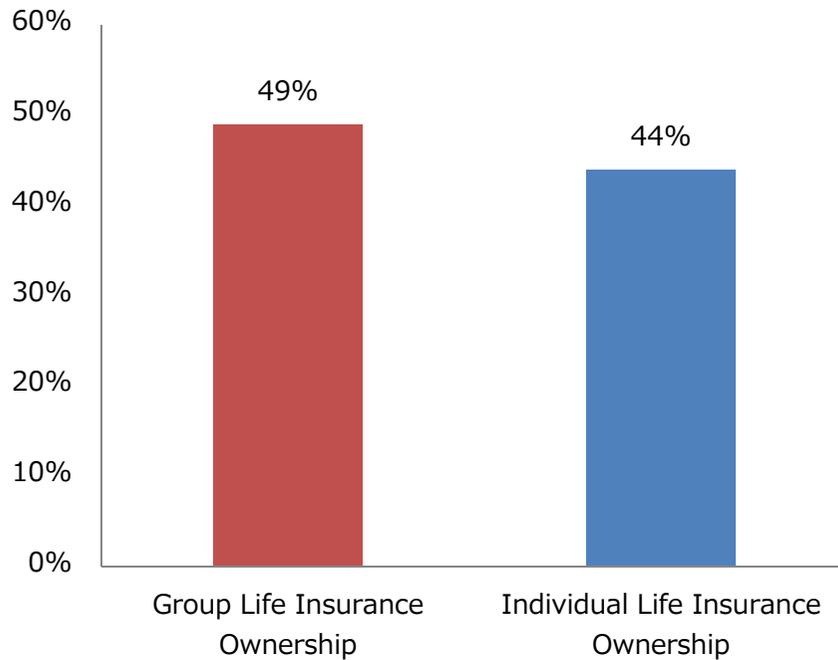


- U.S. life insurance market is the world's largest life insurance market with JPY66 trillion of premium income
- Mid/long-term stable growth based on growing population and robust economic growth
- Group life insurance has central role in filling large protection gap for middle income demographic

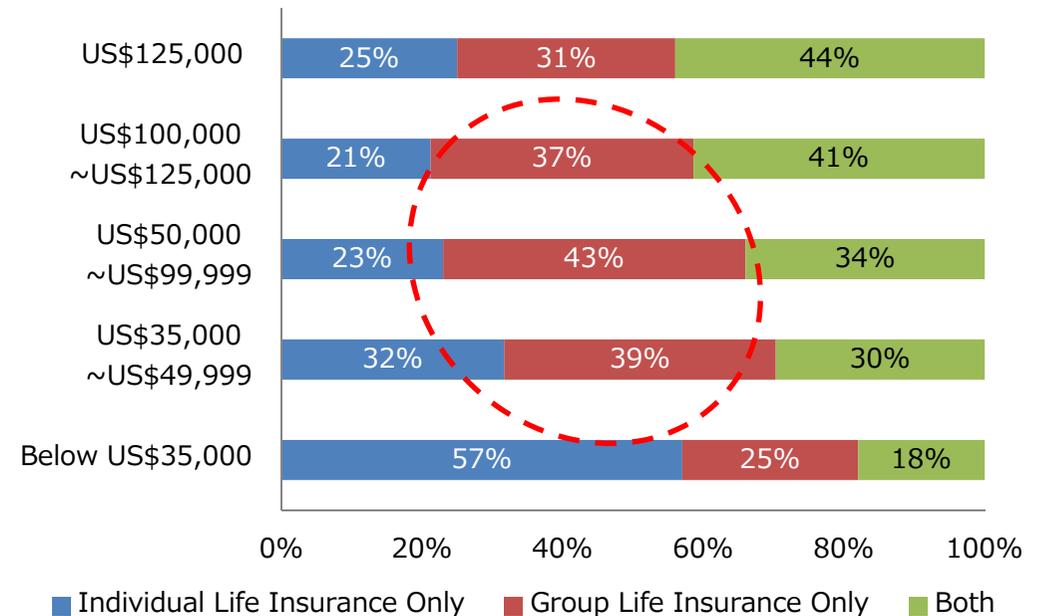
[Source: Swiss Re, United Nations, IMF]

U.S. Group Life Insurance Market

Life Insurance Ownership by Household



Proportion of Group Life Insurance to Life Insurance Ownership by Household (by Household Income)



Household insurance ownership is higher for group life compared to individual life

Group insurance is used as protection instrument primarily by middle-income demographic

- High potential growth is expected for the middle-income demographic due to the large coverage gap
- Group life insurance has a central role in providing protection to the middle-income demographic

[Source: LIMRA (as of 2010)]

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Overview of StanCorp

Company Overview

- Year of Foundation: 1906
 - Demutualization: 1998
 - NYSE Listing: 1999
- Employees: 2,739 (As of June 30, 2015)
- Headquarters: Portland, Oregon, U.S.
- Customers: approximately 6.1 million (operates in all 50 states)
- Financial Strength Ratings: S&P A+ (Strong); Moody's A2 (Good); A.M. Best A (Excellent) (As of June 30, 2015)
- Chairman, President and CEO: J. Greg Ness

Core Products

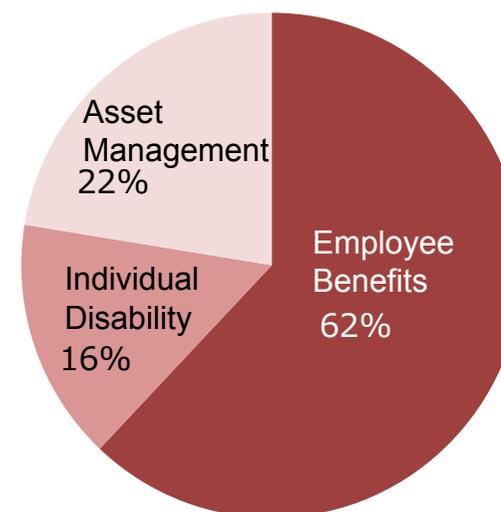
Insurance Services	<ul style="list-style-type: none"> • Employee Benefits <ul style="list-style-type: none"> – Group Life – AD&D – Group Disability – Group Dental – Group Vision • Individual Disability
Asset Management	<ul style="list-style-type: none"> • Retirement Plan • Individual Annuities

(※1) Excludes other business (US\$42 million loss before income taxes)
 [Source: Company filings]

Financial Highlights (2014)

- Premium Income:
 - US\$2,052 million (US GAAP)
 - US\$4,122 million (US Statutory Accounting)
- Total Income Before Income Taxes: US\$305 million
- Net Income: US\$210 million
- Total Assets: US\$22,711 million
- Shareholders' Equity: US\$2,156 million
- ROE: 9.8%

Business Segments (2014 P/T Income)



US\$347 million (※1)

■ Key Strengths of StanCorp

Leading Provider of Group Life and Disability Products

- 8th in group life / AD&D insurance (market share: 3%)
 - 5th in group long-term disability insurance (market share: 8%)
 - 5th in group short-term disability insurance (market share: 6%)
- (Rankings based on 2013 In-force Premiums)

Consistent Long-term Growth and Profitability Generated By Robust Business Model

- Consistent long-term growth and profitability generated by robust business model; strong relationship of trust with its primary broker-based distribution channel and loyal customer base
 - 2010-14 net income CAGR: 3.1% (Peer average: 0.5%) (※1)
 - 2010-14 average ROE: 8.9% (Peer average: 6.4%) (※1)

Solid Financial Strength

- RBC ratio: 435% as of June 30, 2015
- Credit ratings: A+ (S&P) / A2 (Moody's) / A (A.M.Best) as of June 30, 2015

Trusted and Talented Management Team with Culture of Internal Development

- Experienced and talented management team with proven track record supported by its own internal development programs
- Shares the same customer-oriented management philosophy

(※1) Average of 4 U.S. listed life insurers primarily operating in group insurance business

■ Leading Provider of Group Life and Disability Insurance in the U.S.

■ Group Life

	Company	Market Share (%)
1	MetLife	31.6%
2	Prudential	13.4%
3	Minnesota Life	7.9%
4	Cigna	6.0%
5	Unum	5.5%
6	Hartford	5.5%
7	Aetna	4.6%
8	StanCorp	3.4%
9	Lincoln FG	3.3%
10	Sun Life Financial	2.7%

■ Group LTD (※1)

	Company	Market Share (%)
1	Unum	15.3%
2	Cigna	11.6%
3	MetLife	10.8%
4	Hartford	10.1%
5	StanCorp	8.0%
6	Prudential	6.8%
7	Lincoln FG	5.5%
8	Aetna	5.3%
9	Liberty Mutual	5.0%
10	Sun Life Financial	4.4%

■ Group STD (※1)

	Company	Market Share (%)
1	Unum	13.5%
2	Cigna	10.0%
3	Hartford	9.5%
4	Lincoln FG	8.7%
5	StanCorp	6.0%
6	Aetna	5.9%
7	MetLife	5.8%
8	Sun Life Financial	5.7%
9	Guardian Life	5.6%
10	Prudential	4.8%

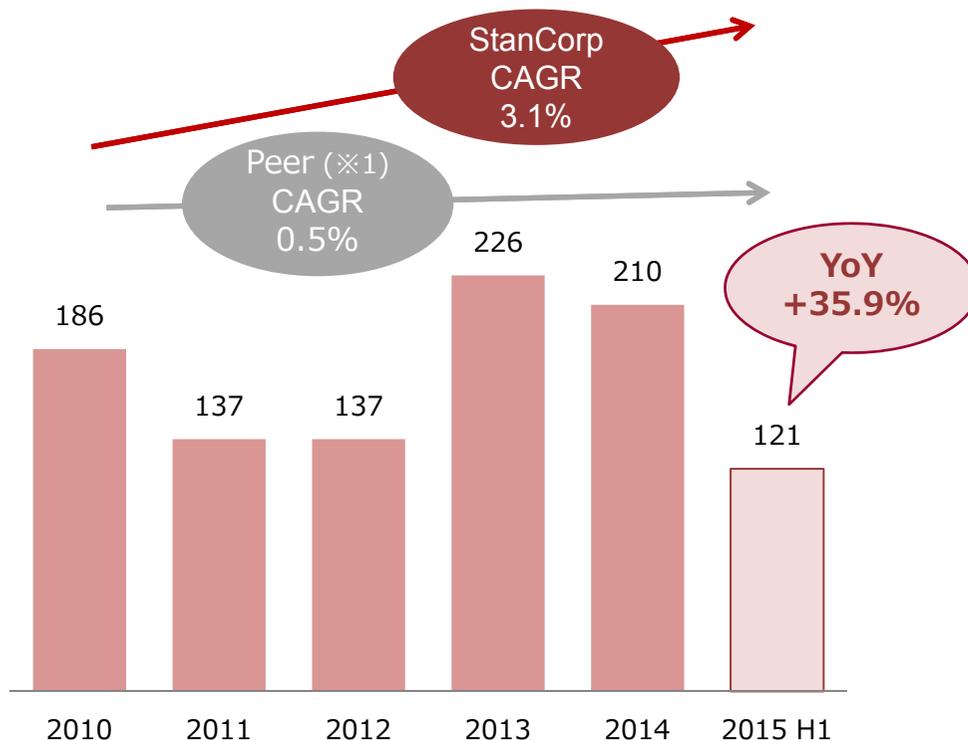
● **StanCorp has established a top 10 market position in major group insurance areas**

(※1) Disability insurance is a form of insurance that insures against accident, illness, pregnancy or psychological disorders that may prevent the beneficiary from working, which also protects against loss of income. There are limited state-provided benefits in the U.S. for disability allowance, maternity benefit or child-care allowance similar to those of Japan. As a result, private disability insurance provided through an employer's benefits program is common.

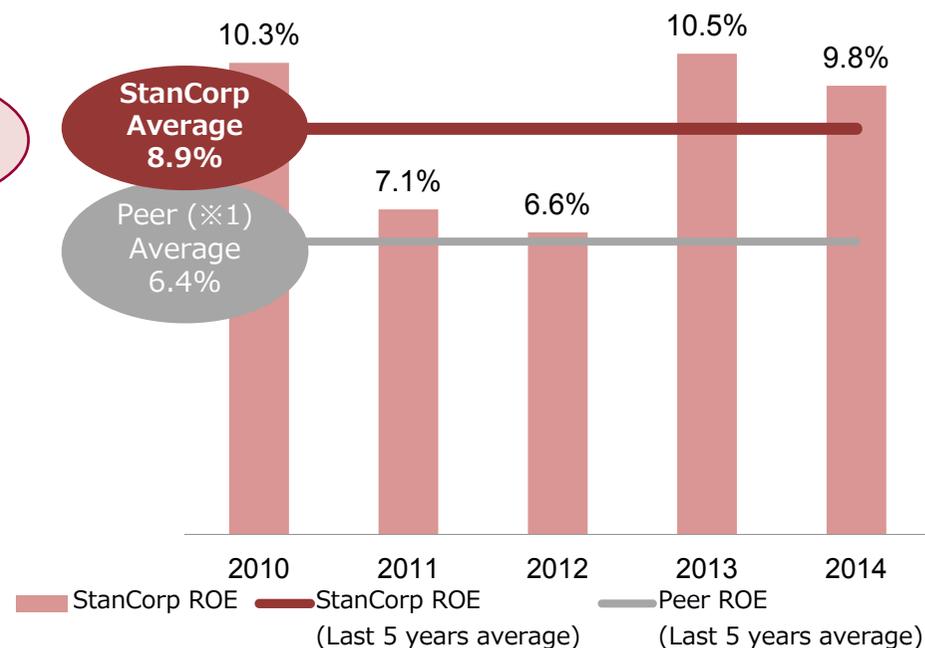
[Source : Gen Re (market share is based on 2013 In-force Premiums)]

Robust Business Model with Consistent Long-term Growth and Profitability

■ Net Income (Unit: US\$ million)



■ ROE

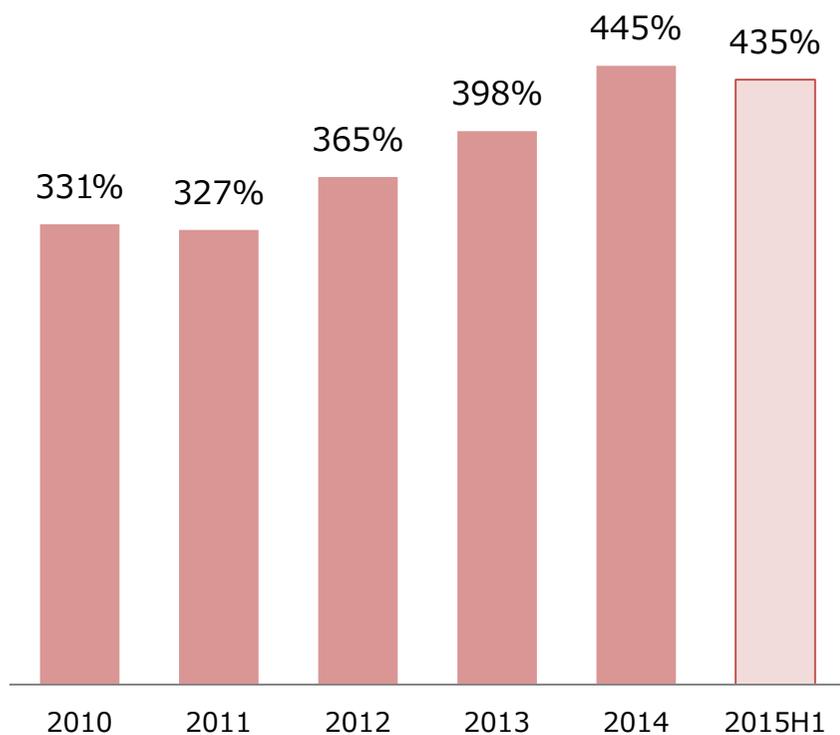


- Strong group insurance franchise has enabled steady long-term growth, profitability, and financial soundness
- Long-term, stable broker relationships enabled by nationwide network of 40 sales offices
- Robust business management and conservative culture exemplified by flexible pricing management in light of changes in claims activity

(※1) Average of 4 U.S. listed life insurers primarily operating in group insurance business

■ Solid Financial Strength

■ RBC Ratio



■ Financial Strength Ratings

(As of June 30, 2015)

Rating Firm	Rating	Outlook
S&P	A+	Stable
Moody's	A2	Stable
A.M. Best	A	Stable

● **Solid financial strength driven by robust business management**

[Source: Company filings]

■ Experienced and Talented Management Team and Culture of Internal Development

■ StanCorp Management Team



J. Greg Ness
Chairman, President and
CEO StanCorp, Standard
Insurance Company
Tenure: 36 years



Floyd Chadee
Senior Vice
President and CFO
StanCorp, Standard
Insurance Company
Tenure: 7 years



Scott Hibbs
Vice President And Chief
Investment Officer
Standard Insurance
Company
Tenure: 15 years



Dan McMillan
Vice President,
Employee Benefits
Standard Insurance
Company
Tenure: 26 years



David O'Brien
Senior Vice President,
Information Technology
Standard Insurance
Company
Tenure: 11 years



Katherine Durham
Vice President, Individual
Disability Insurance and
Corporate Marketing and
Communications Standard
Insurance Company
Tenure: 5 years



John Hooper
Vice President, Human
Resources
Standard Insurance
Company
Tenure: 1 year

■ StanCorp Management Philosophy

- To exceed customers' needs for financial products and services in growing markets where the application of specialized expertise creates potential for superior shareholder returns
- To lead the financial services industry, helping customers achieve financial well-being and peace of mind
- Through integrity, superior expertise and differentiated customer service, to lead the financial services industry and maintain a strong market position

- Experienced and talented management team with proven track record supported by culture of internal development
- Shares our customer-oriented management philosophy
- 5 year average persistency ratio, a key customer evaluation criteria, of 88% (※1)

(※1) Group life insurance persistency ratio
[Source: Company filings]

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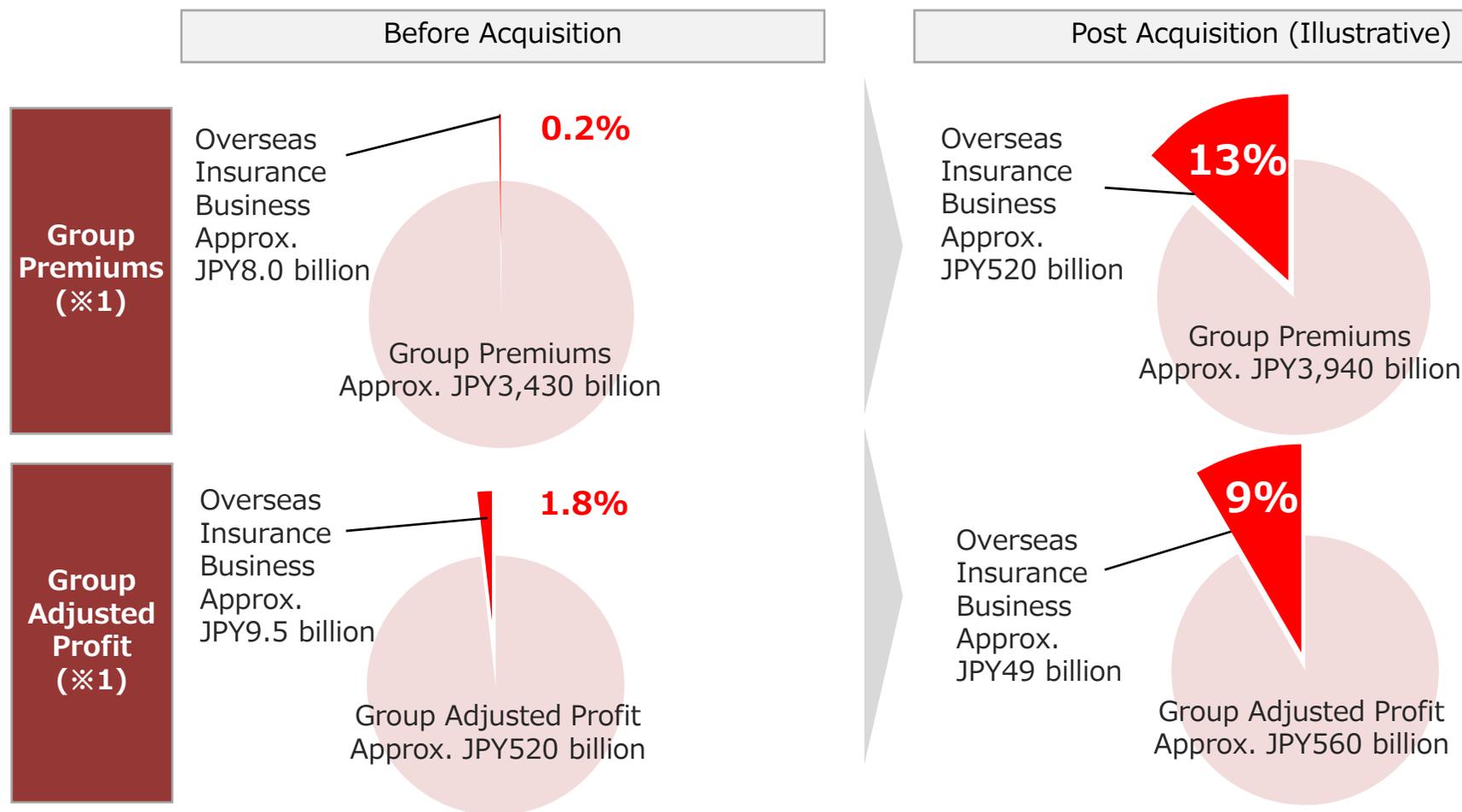
Key Strengths of StanCorp

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■ Group Profits Expansion and Business Portfolio Diversification



- **Contribution of overseas insurance businesses increases to approximately 13% on premium income-basis and approximately 9% on adjusted profit-basis**

(※1) Figures are calculated based on a simple sum of Meiji Yasuda's FY2014 results and StanCorp's 2014 calendar year results. Premium income is calculated based on a simple sum of Meiji Yasuda's non-consolidated and consolidated subsidiary's premium income and StanCorp's consolidated premiums (US Statutory Accounting). Adjusted profit is calculated based on a simple sum of Meiji Yasuda's non-consolidated base profit and pre-tax income excluding net capital (losses) gains of StanCorp and consolidated subsidiaries and affiliates (equity equivalent).

■ Establish a Strong Business Foundation in the U.S. Market

Establish a Strong Business Foundation in the U.S. Market through StanCorp

«Further Growth and Profit Expansion in the U.S. Market»

- Continue to support and develop StanCorp's customer-oriented business
- Cater to the needs of the high-growth potential middle-income demographic

«Leverage StanCorp's Expertise and Leadership Development»

- Share and leverage StanCorp's expertise in business management and group insurance through the Meiji Yasuda group
- Promote employee exchange programs to develop global leadership

Corporate Governance to Support StanCorp

Business Management under Experienced and Talented Management Team

Monitor and Manage the Business by Sending a Select Number of Board Members and Assigned Employees

■ Transaction to Enhance Policyholders Benefits

Establish More Stable and Sustainable Profit and Business Base

**Enlarge Profit Base
(Improvement of Profitability)**

**Diversify Business Portfolio
(Diversify Business Risk)**

**Enhance Policyholder Benefits
= Deliver Greater Peace of Mind**

Further strengthen
insurance claims and
benefits payment
capability

Secure source of funds
to provide stable
policyholder dividends
going forward

Further improve
insurance products and
after-sales services

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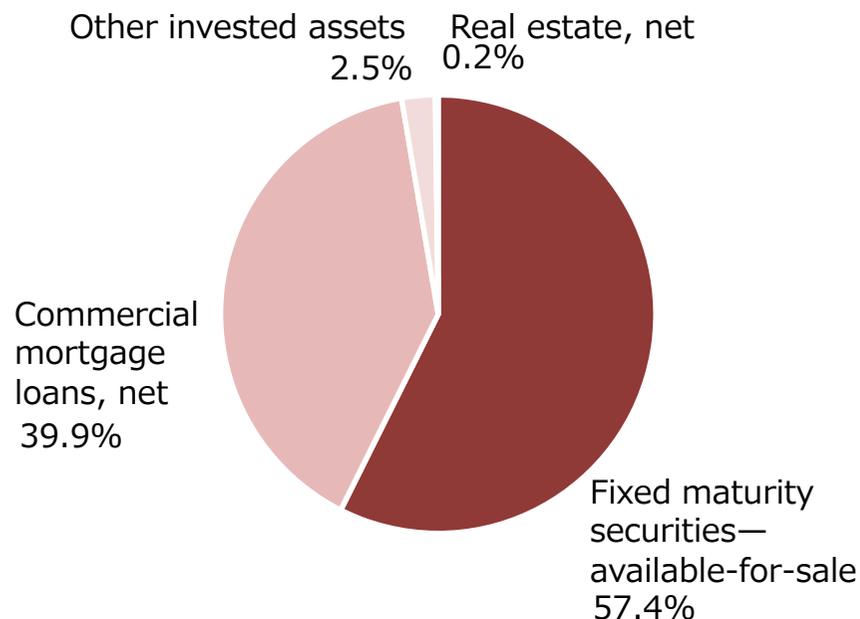
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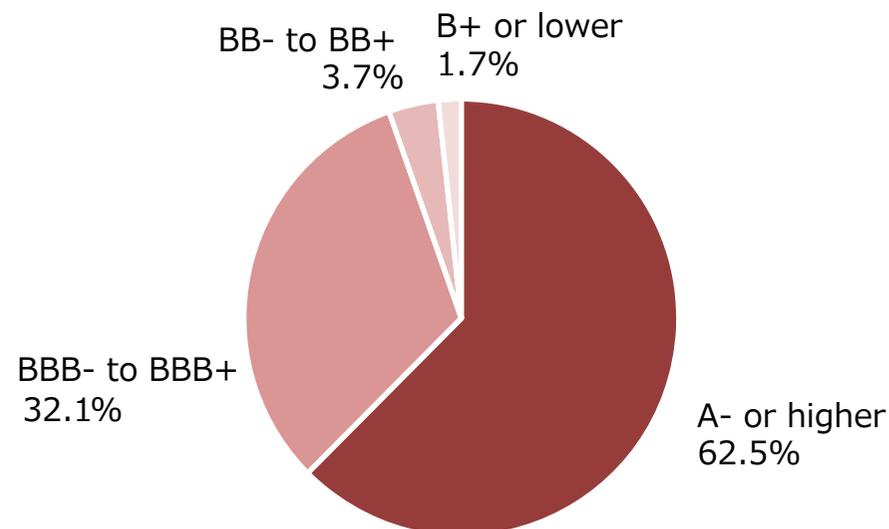
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■ StanCorp's Investment Portfolio

■ Investment Portfolio (As of June 30, 2015)



■ Fixed Maturity Securities Credit Quality (As of June 30, 2015)



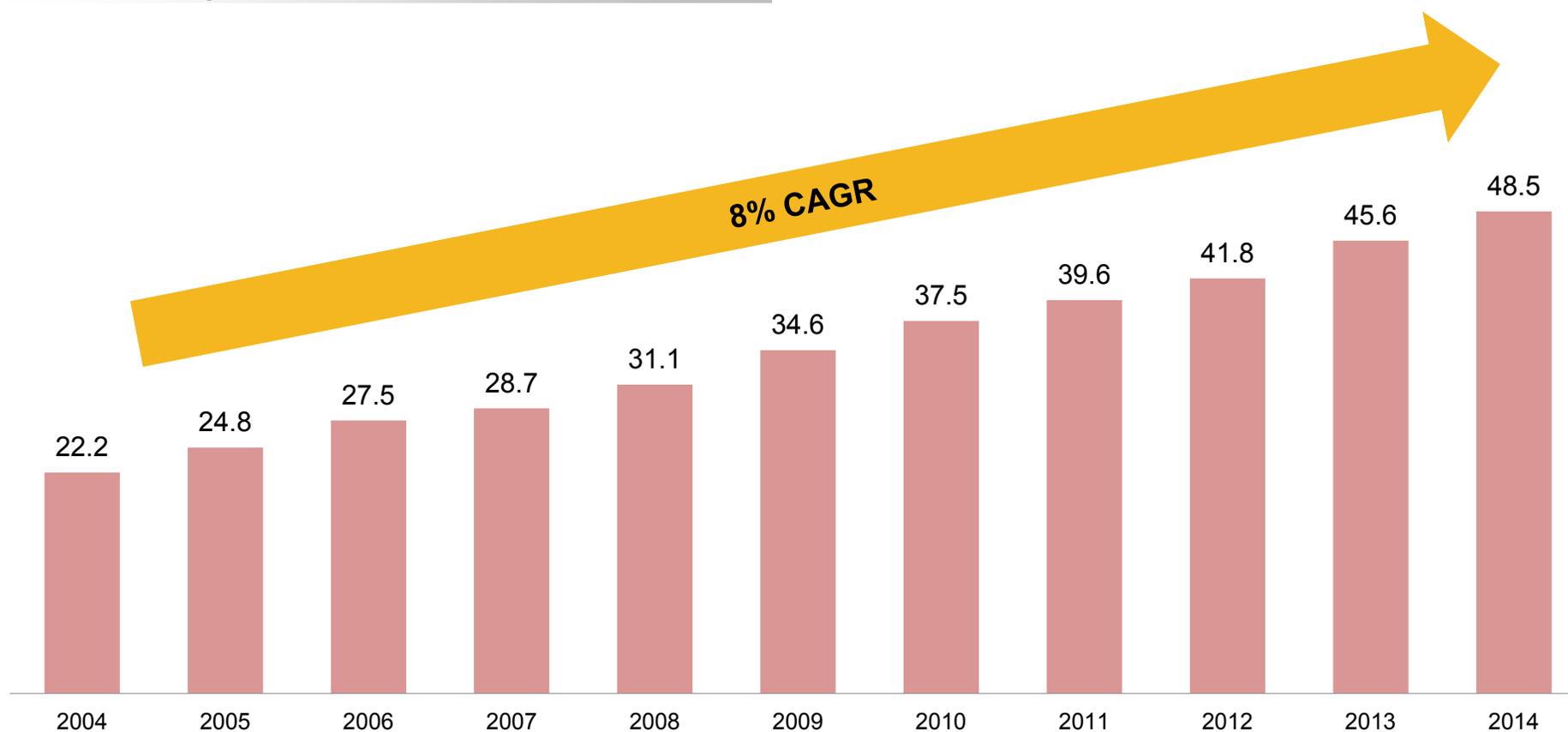
- **Fixed maturity securities and commercial mortgage loans account for over 95% of StanCorp's Investment Portfolio**
- **Fixed maturity securities are mostly high credit quality**
- **StanCorp originates commercial mortgage loans internally (expertise underpinned by long history and experience)**

[Source: Company filings]

■ Track Record of Consistent and Long-Term Value Creation

■ Book Value per Share

(Unit: US\$)

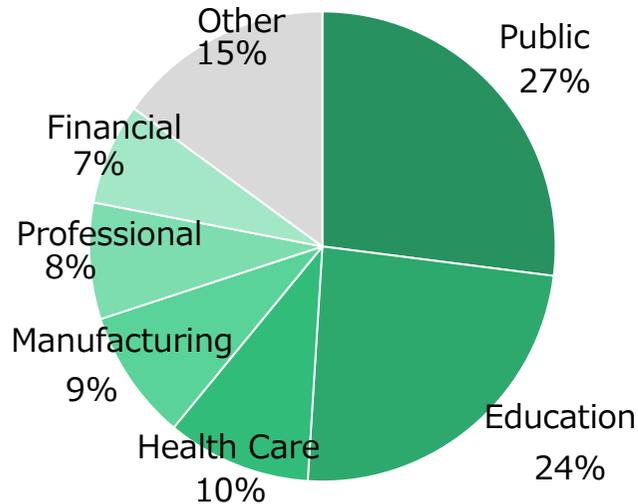


- More than a decade of disciplined earnings and book value growth even during the financial crisis

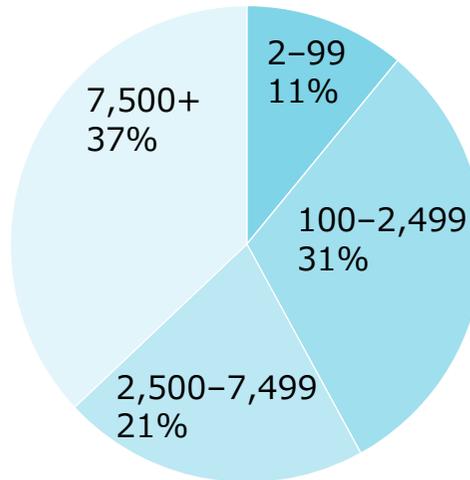
[Source: Company filings]

■ StanCorp's Group Insurance Customer Base

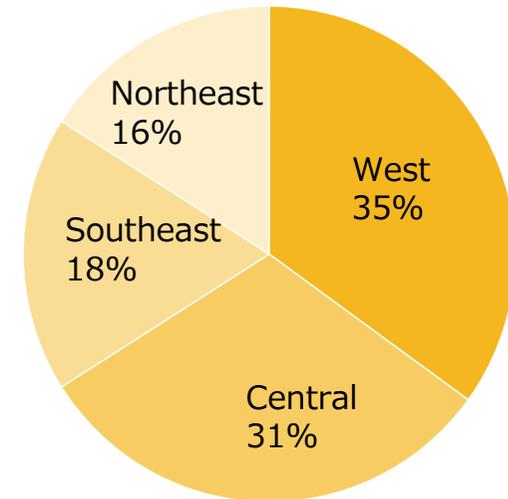
■ Share by Industry



■ Share by Customer Size



■ Share by Region



- **Customer base includes state and local public sectors and the education sector that are relatively insulated from volatility in economic conditions, as well as small to medium-size enterprises where stable relationships can be easily established**
- **Geographically well-diversified customer base**

[Source: Company filings. Based on December 31, 2014 in force premiums for Life and LTD]

■ StanCorp Group Overview

StanCorp Financial
Group, Inc.
(Holding Company)

Insurance Services Business

Standard
Insurance
Company

The Standard Life
Insurance Company
of New York

StanCap
Insurance
Company

Standard
Management,
Inc.

Standard
Retirement
Services, Inc.

StanCorp
Mortgage
Investors, LLC

StanCorp
Equities, Inc.

StanCorp
Investment
Advisers, Inc.

StanCorp
Real Estate,
LLC

Asset Management Business

[Source: Company filings]

■ StanCorp's Key Financials

■ PL (US GAAP)

(Unit: US\$ million)

	2012	2013	2014	2015 H1
Total Revenues	2,912	2,877	2,788	1,444
Total Premiums	2,164	2,124	2,052	1,075
Total Investment Income (net)	642	644	617	313
Total Benefits and Expenses	2,715	2,547	2,483	1,277
Benefits to Policyholders	1,793	1,655	1,582	803
Expenses	922	892	901	474
Income Before Income Taxes	197	330	305	167
Net income	137	226	210	121

■ BS (US GAAP)

(Unit: US\$ million)

	2012	2013	2014	2015 H1
Total Assets	19,788	21,383	22,711	23,367
Cash and Cash Equivalents	161	379	251	281
Fixed Maturity Securities	7,191	7,121	7,774	7,937
Commercial Mortgage Loans	5,267	5,405	5,321	5,515
Amounts Recoverable from Reinsurers	972	988	994	999
Deferred Acquisition Costs (DAC)	347	371	381	382
Separate Account Assets	5,154	6,393	7,180	7,431
Total Liability	17,623	19,238	20,555	21,128
Future Policy Benefits and Claims	11,374	11,899	12,370	12,696
Interest Bearing Liability	552	553	505	505
Deferred Tax Liabilities	149	62	60	38
Separate Account Liabilities	5,154	6,393	7,180	7,431
Shareholders' Equity	2,165	2,146	2,156	2,238

[Source: Company filings]

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Forward-looking statements are based on assumptions, estimates, expectations and projections made by the Company's management based on information that is currently available. As such, these forward-looking statements are subject to various risks and uncertainties and actual business results may vary substantially from the results or forecasts expressed or implied in forward-looking statements. Consequently, you are cautioned not to place undue reliance on forward-looking statements. With respect to the transaction involving the Company and StanCorp, important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, but are not limited to: risks and uncertainties relating to the ability to obtain the requisite approval of StanCorp's shareholders; the risk that the Company may be unable to obtain governmental and regulatory approvals required to complete the transaction, or that required governmental and regulatory approvals may delay the transaction or result in the imposition of conditions that could reduce the anticipated benefits from the transaction or cause the parties to abandon the transaction; the risk that conditions to the closing of the transaction may not be satisfied; the length of time necessary to consummate the transaction; the risk that the businesses will not be integrated successfully; the risk that the strategic benefits from the transaction may not be fully realized or may take longer to realize than expected; disruption arising as consequence of the transaction making it more difficult to maintain existing relationships or establish new relationships with customers or employees; the diversion of management time on transaction-related issues; the ability of the Company, after completion of the transaction, to hire and retain key personnel; the effect of future regulatory or legislative actions on the Company; and the risk that the credit ratings of the Company or its subsidiaries may be different from what the Company currently expects.

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