

# BUSINESS ACTIVITIES

## Insurance Services

### Quality Product Line

Meiji Life's objective is to achieve the highest level of customer trust in the industry, and that is why Meiji Life has continued to develop new products based on customer needs. Our capability to develop new products has won us acclaim as an industry pioneer. In fiscal 2000, Meiji Life added the Life Account L.A. to its outstanding product lineup. Life Account L.A. includes several distinctive features. First of all, this product is flexible enough to enable customers to review and change their coverage and their premiums annually, maintaining the necessary coverage related to their current stage in the life cycle. Secondly, by utilizing the premium adjustment function, customers can increase their coverage without raising their premium. In addition, so as to allow customers to verify up-to-date policy content, Meiji Life delivers a detailed individualized report annually. Life Account L.A. also has many other innovative functions besides those above. Life Account L.A. gets high marks from consumers for its transparency and flexibility, and demand for Life Account L.A. continues to increase more than one year after their introduction.

Since January 2001, Meiji Life has offered a new Nursing Care rider for Life Account L.A. that is the industry's first rider linked to the public long-term care insurance system. The Nursing Care rider benefits are paid when the government qualifies the person for long-term care according to the public long-term care insurance system. Since Meiji Life offered it on the market, the

rider has been widely acclaimed for covering the initial costs required for long-term care.

In the general insurance sector, in April 2000, Meiji General Insurance Co., Ltd. created a business alliance with QBE Insurance (International) Ltd. and QBE Trade Indemnity Ltd., members of the major Australian insurer QBE Insurance Group Ltd., to offer new trade credit insurance that minimizes the risk resulting from corporations unable to pay their debts.

Meiji Life Group is committed to developing new

products of the highest quality in the future to respond rapidly to diverse customer needs in any field, be it life or general insurance, or individual or corporate insurance.

### Consulting Services

In recent years, customer needs for consulting services from financial institutions have

increased. So as to meet those needs, Meiji Life has transferred financial planners to the staff of our regional offices nationwide. Our financial planners offer the most suitable plan for our customers as specialists based on family structure, annual income, assets, liabilities, and current insurance coverage. In addition to the abilities demonstrated by acquisition of the qualification conferred by the Japan Association for Financial Planners, our financial planners use their extensive knowledge of insurance, financial instruments and taxation to quickly formulate an insurance design in accordance with our customers' life cycles.

All our sales personnel carry palmtop computers with them to provide detailed information on existing policies

**COMMEMORATING THE 120TH ANNIVERSARY SINCE FOUNDING, MEIJI LIFE REAFFIRMS COMMITMENT TO BEING "NO.1 IN CUSTOMER TRUST" AMONG ALL INSURERS ON WHICH CUSTOMERS CAN RELY FOR THEIR DIVERSE INSURANCE NEEDS.**

and simulation of required coverage during visits to customers. These computers enable us to provide speedy attentive consulting services of every kind to meet the individual needs of our customers.

### Improving Customer Convenience

Customer convenience is of paramount importance to Meiji Life, and we endeavor to utilize one of the industry's most advanced information technology systems to improve customer access and speed up our service. In fiscal 2000, Meiji Life expanded Internet services for responding to inquiries about existing policies and for various procedures. Also, our customers who have i-mode cellular phones can access the same services via their cellular phone.

Meiji Life has also developed a database known as "Voice of Customers" that is used to collect and analyze customers opinions, comments and needs. This system enables us to both respond more quickly to and incorporate customers' opinion in our new products and services to allow us to facilitate services for our customers.

Meiji Life's call center is the first in the industry to be staffed 24 hours a day, every day of the year. It handled roughly 260,000 inquiries in fiscal 2000.

### Long-Term Care Services

With public interest regarding the long-term care sector rising due to the introduction of the public long-term care insurance system in April 2000, Meiji Life has set up seventeen advisory centers in major cities throughout Japan at which long-term care experts provide customers with professional advice and their optimum long-term care plan. Meiji Life provides the high quality long-term care services for our customers by utilizing the largest network in the industry. For those customers not in an

area with advisory centers nearby, consultation service is available 24 hours a day via telephone or the Internet.

Meiji Life Group organizes the "Meijiseimei Network for Long-Term Care," comprised of medical institutions, local government agencies, and other groups over the country that provide long-term care services. This network provides extensive long-term care services to customers, including services not covered by the public long-term care insurance system. This network is made up of roughly 2,500 institutions, making it the most extensive in the industry. Additionally, the industry's first software application (developed by Meiji Life Group to create long-term personalized care plans) has been upgraded so as to respond to customer requests, and is garnering wide acclaim.

Meiji Life formed a business alliance in the long-term care field with Matsushita Electric Industrial Co., Ltd., in February 2001. Approximately 4,000 electrical appliance stores nationwide handling Matsushita's health care products offer long-term care products to our customers at special prices.

Among our newly developed products, Meiji Life has offered for sale the new Nursing Care rider for Life Account L.A. Thus, Meiji Life provides long-term care coverage for customers through both products and service.

## International Insurance Services

Since 1971, when we first entered into business alliances with four overseas insurance companies, Meiji Life has been a pioneer in the international insurance business. Using our extensive overseas network, Meiji Life conducts its insurance business throughout the world in four sectors: international insurance business, insurance brokerage and providing information services, international insurance networks and the international reinsurance business with overseas insurance companies.

### *The United States*

Pacific Guardian Life Insurance Company, Limited (PGL), Hawaii's largest life insurer, is a wholly owned subsidiary of Meiji Life. It has been 25 years since Meiji Life participated in PGL's management in 1976. PGL now offers life insurance and annuities focusing on the needs of the local community, primarily in Hawaii, the West Coast of the United States, Guam and the Northern Mariana Islands. PGL has received an A rating from AM Best and an A+ rating from Standard & Poor's.

In addition, Meijiseimei Insurance Agency of America, Inc. provides the insurance products of associated insurers to U.S.-based Japanese companies.

### *Europe*

Meiji Life's overseas offices located in London and Frankfurt provide information services to customers revolving around cooperative working agreements formed with the Allianz Group and Swiss Life.

### *Asia*

Reflecting our long-term commitment to China, which is widely regarded as one of the fastest growing markets in

the 21<sup>st</sup> century, Meiji Life has invested in New China Life Insurance Co., Ltd.(NCL), China's fourth-largest life insurer in December 2000. Meiji Life is the first Japanese life insurer to have significant access to the Chinese life insurance market and we are privileged to cooperate with NCL in some areas and to introduce our advanced operational know-how for adjusting NCL to this rapidly expanding market.

Meijiseimei International Hong Kong, Ltd. provides insurance products of associated insurers in China (Hong Kong), the Philippines, Thailand, Malaysia, Taiwan, Singapore, and Indonesia. Meiji Life has also established representative offices in Seoul and Beijing, to strengthen its network in Asia.

## International Insurance Networks

Several international life insurance company networks have been established in order to meet the group life insurance and pension plan needs of the overseas branches and subsidiaries of multinational corporations. Meiji Life is a member of All Net, administrated by Allianz, and the Swiss Life Network, run by Swiss Life. Through these networks, Meiji Life is now able to offer insurance services in more than 50 countries.

## International Reinsurance Business

Meiji Life entered the international reinsurance field in 1981. Since then, we have assumed reinsurance of life, accident and health insurance policies from major foreign insurance companies around the world. Meiji Life has entered into reinsurance agreements with 20 insurers in 13 countries. Meiji Life will continue to seek opportunities to expand our operations in this field.

## Asset Management Services

### MEIJI Dresdner Asset Management Co., Ltd.

MEIJI Dresdner Asset Management Co., Ltd. (MEIJI Dresdner), an investment advisory company in Meiji Life Group, has an established reputation for its capabilities in global investment and developing new investment trust products. MEIJI Dresdner provides asset management services that meet the increasingly sophisticated and diverse investment needs of customers.

MEIJI Dresdner utilizes its global network to provide an extensive array of asset management instruments. This has been so widely recognized that group annuities under management have risen from 739 billion yen at the end of fiscal 1999 to 1,014.3 billion yen by the end of fiscal 2000.

Rating and Investment Information, Inc.'s Survey of Customer Evaluation of Asset Management Institutions 2000 conducted for Employees' Pension Funds and Tax Qualified Pension Plans ranked MEIJI Dresdner in third place among the all asset management institutions, a testament to our highly regarded and superior asset management services.

### Investment Trust Business

Meiji Life has been selling investment trusts primarily to corporate clients since fiscal 1999. To respond to our individual customers' diversifying needs for financial instruments, Meiji Life began selling investment trusts, mainly developed by MEIJI Dresdner, nationwide to individuals through our sales personnel starting in fiscal 2000.

### Defined Contribution Pension Plan

Within the social background of low interest rates and greater mobility in employment, a defined contribution pension plan system modeled on retirement plans specified under Section 401(k) of the U.S. Internal Revenue Code is to be introduced in fiscal 2001 to complement the current defined benefit pension plan system.

At present, Meiji Life provides its customers information on defined contribution pension plans by distributing

brochures, and uses questionnaires as part of its effort to grasp customers' needs and do market research. We also provide customers with consulting services in this area.

Along with the other three major Mitsubishi financial companies —The Bank of Tokyo-Mitsubishi Ltd., The Mitsubishi Trust and Banking

Corporation, and The Tokio Marine and Fire Insurance Co., Ltd.—Meiji Life has participated in new business activities related to defined contribution pension plans. In March 2001, Meiji Life joined with the other three companies to establish Defined Contribution Plan Consulting of Japan Co., Ltd. that conducts administrative business. The new company can use all the expertise available from the four founders to meet diverse customer needs resulting from the introduction of the defined contribution pension plan.

**CUSTOMERS CAN RELY ON MEIJI LIFE GROUP TO APPLY ITS ASSET MANAGEMENT SERVICES FOR THEIR INCREASINGLY SOPHISTICATED AND DIVERSE INVESTMENT NEEDS. OUR STRENGTH IN INVESTMENT SERVICES IS WIDELY RECOGNIZED BY CUSTOMERS.**

### **The Japanese Version of the Master Trust Business**

Customer needs for more comprehensive asset management services are growing in the pension market, and Meiji Life believes that interest in the master trust business will rapidly increase hereafter.

Anticipating the mounting needs for the master trust business, Meiji Life joined the Mitsubishi Trust and Banking Corporation, Nippon Life Insurance Company,

and others to found The Master Trust Bank of Japan, Ltd. as the first full-scale trust bank in Japan for the master trust business. The new company aims to lay the groundwork for the master trust business by transcending the industry differences between life insurers and trust banks, and utilizing the operational resources, human resources, and expertise of the parent companies.

### **RISK MANAGEMENT**

Meiji Life generally divides the risk incurred in the insurance business into two broad categories: first, financial; and second, customer service. Meiji Life has developed a structure that minimizes the impact of these risks through efforts to control and reduce both by reinforcing our guidelines and executing preventive measures.

In the management of the general account in particular, our priority is to maintain cash flow for the payment of benefits and other outlays. Meiji Life has created a strong asset and liability management structure by utilizing several simulation systems and the comprehensive oversight of an in-house committee, and by formulating detailed investment policies in conformity with our liability structure in every sector.