

Business Activities

Individual Insurance Marketing

In September 2006, we launched two new products: "Everybody," a single premium whole life insurance, and "Nenkin Hitosuji," an individual annuity. "Everybody" is a new type of single premium whole life insurance product that meets customers' needs to sign up through a simple procedure and assure lifetime cover with long-term asset formation. "Nenkin Hitosuji" is an individual annuity that offers a higher annuity receipt rate than our existing products, and meets customers' needs to plan for a more affluent future. In November 2006, we also launched several new products in the "Life Account L.A. Double" series, including "7 Guard," "G Protect," and "for Lady." "7 Guard" assures ease of mind for customers by providing broad coverage against seven lifestyle-related diseases, while "G Protect" and "for Lady" strengthen the assurance offered by our earlier "Gan Juten Pack" (Cancer Package) and "Josei Iryou Pack" (Female Medicare Package).

With a view to strengthening the consulting capabilities of our sales personnel, we reinforced our curriculum and used full-time financial planners as instructors to improve our education and instruction programs. The number of our sales personnel who are government-certified financial planners stood at 5,061 as of the end of March 2007, and we intend to reinforce this further going forward.

General Agent Marketing

In the area of general agent marketing, we have deployed agency sales personnel throughout the country. We sold individual annuities and whole life insurance through banks and other financial institutions (bank OTC sales). We also sold individual life insurance through other general agency channels, mainly corporate agencies.

With regard to bank OTC sales, we strengthened our line-up by adding the "Everybody," a single premium whole life insurance product, to our existing annuity products in October 2006.

We worked hard at promoting consulting proposals and offering a wide range of products and services to enable general agency channels to respond to customers' varied needs, such as measures to deal with business security funding and inheritance.

Group Marketing

In the area of Group Life Insurance, we promoted wider adoption of products that answer customers' welfare benefit needs, and improved convenience for policyholders and personnel in charge of group life insurance paperwork by offering an operational support system. In September 2006, we also started handling "Group Credit Life Insurance with Three Major Diseases Rider" to respond to the broader assurance needs of home loan borrowers by expanding coverage beyond death and total and permanent disabilities to the three major diseases-cancer, cerebral stroke, and acute myocardial infarction.

We strove to respond to customers' diversifying needs in the area of group pensions by offering tailored consulting services on administrative services and management of pension fund assets, and expanding our product and services line-up. More specifically, in the area of defined benefit corporate pensions, we started handling "Definite Term Interest Guarantee Contracts" in October 2006. These guarantee the interest rate over a given period. In January 2007, we also added a fixed rate scheme to the "Simple Criteria-type Cash Balance Plan," which allows the design of salary linked schemes. As for defined contribution pension products, we added a 10-year guaranteed product to our variable assumed interest rate defined contribution pension insurance-a typical principle protection product-in July 2006. We also introduced the "Meiji Yasuda DC Package Plan" in September 2006 to shorten the introduction period and reduce management costs compared with those incurred by customers who create their own defined contribution pension plans.

Customer Services

We have strengthened our systems to allow for more sophisticated medical assessments to help us respond to customers' needs as much as possible by underwriting contracts while maintaining the appropriate assessments.

We simplified some of the procedures for insurance applications and contract changes from April 2006 in order to enhance the customers' convenience. We also revised our "Information from Meiji Yasuda Life" publication, which is delivered to all policyholders, to make it easier to read and more informative.

We worked on systems development to enhance the speed and appropriateness of claim payment practices and in March 2007, revised our booklet "About Insurance Benefit Claims," which introduces procedures for making insurance claims and concrete examples of cases where benefits can and cannot be paid.

We also entered into a tie-up with Seven Bank, Ltd., which allows policyholders to use their cards to borrow money and check their account balances through the bank's 12,000 ATMs. In addition to the health, medical, and nursing services we offer through our "map (mental and physical health support)" service, whereby policyholders accumulate points according to the amount of insurance coverage and the duration of the policy, we offer nursing consultation and care management services through Wellness Care Network Co., Ltd., a member of the Meiji Yasuda Life Group.

International Insurance Services

Meiji Yasuda Life has promoted its international insurance business in three core areas: international insurance, international insurance networks and international reinsurance with overseas insurance companies.

The United States

Pacific Guardian Life Insurance Company, Limited ("PGL"), the largest life insurance company domiciled in Hawaii, is a wholly-owned subsidiary of Meiji Yasuda Life. It has been 31 years since Meiji Yasuda Life first participated in the operations of PGL, which provides life insurance to meet the needs of communities, mainly in Hawaii, the West Coast of the United States, Guam and the Northern Mariana Islands. In 2006, PGL won an award as the Best Insurance Company in the insurance company section of the Best of the Best People's Choice Awards, which were held by Hawaii's largest daily newspaper, The Honolulu Advertiser. PGL was given an "A(Excellent)" rating by AM Best. In addition, Meiji Yasuda America Inc. offers insurance services for the products of associated insurers to Japanese affiliates in the United States, especially the states of New York and California.

Europe

Meiji Yasuda Europe Limited, which located in London, and our Frankfurt office provide information on local insurance and financial markets which contribute to the management of Meiji Yasuda Life.

Asia

Hong Kong based Meiji Yasuda Asia Limited provides the insurance products of associated insurers in China (Hong Kong), Thailand, Malaysia, Taiwan and Singapore.

In addition, Meiji Yasuda Asia Limited works in cooperation with local insurance companies in Hong Kong, and controls the management of Mandatory Provident Funds (MPFs). Meiji Yasuda Life also has offices in Seoul and Beijing and continues to enhance operations of those offices in the Asian market.

International Insurance Networks

Several international life insurance company networks have been established in order to meet the group insurance and annuity needs of the overseas branches and subsidiaries of multinational corporations. Meiji Yasuda Life has joined two networks: All Net, administered by the Allianz Group, and the Swiss Life Network, run by Swiss Life. Through our cooperation with members of these networks, Meiji Yasuda Life provides insurance services across the globe.

International Reinsurance Business

Meiji Yasuda Life entered the international reinsurance field in 1981. Since then, the company has assumed the reinsurance of life, accident and health insurance policies from major foreign insurance companies around the world.

Asset Management

We focused on three areas of asset management. First, we promoted "surplus management-type ALM," which takes into account debt characteristics for each asset classification, internal reserves (risk buffer), necessary profits (losses), insurance products, and sales strategies. ("Surplus" refers to the difference between assessed values of assets and liabilities that are consistent with financial market values. It takes this as a new capital concept, and uses the term "surplus management-type ALM" for ALM that controls the fluctuation risk affecting this surplus.) Second, we maintained and enhanced asset soundness by further improving our asset management risk control functions, raising the ratio of assets that deliver stable profits, and curbing price fluctuation risk. And third, we improved investment value-added on the premise of appropriate risk recognition in conformity with ALM.

More specifically, from the viewpoint of promoting "surplus management-type ALM," we promoted the prolongation of asset duration (average residual maturity of bondholdings, etc.) by working to liquidate stockholdings and purchasing long-term and super-long-term bonds while monitoring interest rates. We also reduced our low-profit/idle real estate and other assets, and liquidated personal loans managed by the company, thus continuing our efforts to maintain and upgrade the soundness of our assets and increase the efficiency of our business operations. We also endeavored to improve our earning power by replacing the relatively low yield bonds in our portfolio, increasing our holdings of foreign securities, etc., and putting more emphasis on interest rate levels when extending loans.

At the end of March 2007, these efforts to improve the soundness of our assets plus a favorable turn in the investment environment in the form of rising stock and land prices helped us maintain our unrealized gains on overall assets including securities and land at the high level of ¥3,758.4 billion.



Risk Management

Meiji Yasuda Life believes that ensuring sound management and faithfully fulfilling contractual obligations over the long term are essential to create a "Company that Values its Customers." As the speed of change increases in the business environment, the need to accurately identify and appropriately manage the risk affecting the insurance business is becoming more crucial to ensure sound management.

We see risk management as one of the most important elements of business management. The Board of Directors, Management Council and various risk-management-related committees control risks in an appropriate manner by setting key risk management policies and regulations, and monitoring and analyzing risks on a regular basis.

In addition to managing risks according to the category (category-specified risk management), we have implemented a risk management system at each department.

Under category-specified risk management, we have set up a framework of Risk Management Sub-committees with responsibility for promoting risk management for each category. The sub-committees report to the Risk Management Committee, which serves as an advisory body to the Management Council and identifies and manages company-wide risks. We also deploy risk management officers and managers at each department, primarily to identify and confirm the operational risk management situation. The Risk Management Control Department oversees the risk management situation for each department.

To enhance the effectiveness of risk management even further, the Auditing Department conducts inspections and the Audit Committee and Audit Corporation (external auditor) carry out audits to verify the appropriateness and effectiveness of a risk management system.

Overview of the Risk Management System



Promoting Compliance

Meiji Yasuda Life considers that compliance is fundamentally important for restoring customers' confidence, and has set compliance guidelines for all officers and employees in the form of the "Code of Conduct" and the "Job Performance Guidelines." We have also established and published the "Sales and Service Policy" as a pledge to customers that we will conduct sales of products appropriately. All officers and employees are subject to thoroughgoing education in these guidelines through meetings and training courses. The "Compliance Manuals" cover business affairs necessary for compliance in daily operations and all officers and employees regularly refer to them.

The Compliance Control Department promotes compliance multilaterally as follows:

- ①Integrates management of compliance-related information, and investigates and responds to individual cases relating to compliance.
- ②Identifies improper cases relating to insurance sales, policyholder service procedures and payments of insurance claims, and devises responses to these issues.
- ③Runs compliance training courses for officers and employees on a regular basis.

As part of our integrated management of compliance, in November 2006, we established new special sub-committees for individual and corporate insurance marketing to rapidly analyze marketing compliance information, and propose and implement policies for improving and reinforcing marketing management approaches. The sub-committees were set under the Compliance Promotion Advisory Council, which was established to study and rationalize compliance approaches in all aspects of operations, including those of affiliated companies.

In July 2005, we established a Compliance Council consisting of three external and two internal members with a view to building a highly effective compliance regime by reflecting the opinions of external experts and strengthening the business monitoring function from a third-party perspective. With the adoption of the "Company with Committees" system in July 2006, we reorganized the Compliance Council into the Compliance Promotion Advisory Council as an advisory body to the Management Council. This continues to hold discussions on basic policies for promoting compliance, important regulatory revisions and the state of progress in other areas and, where necessary, seeks reports from the departments.

Contribution to Society

Meiji Yasuda Life has initiated the "Able Art Onstage" program since 2004, which aims to offer people with disabilities the opportunity to express themselves through performing arts such as theater, dance and music, and to discover new possibilities in the area of artistic expression.

Since 2001, we have also worked together with Tokyo YMCA with a charity concert for peace and love. On January 18, 2007, we held a concert at the MYPLAZA Hall in Marunouchi, Tokyo, featuring a woodwind quintet from the Japan Philharmonic Orchestra. Charitable donations collected from the audience were donated through Tokyo YMCA to support children working in Bangladesh.

We have set up the "MY Community Fund," which is financed by donations from officers and employees for the purpose of supporting activities contributing to local communities. The Fund provides grants for volunteer activities by employees, and for non-profit organizations in which employees participate. It also makes contributions for humanitarian purposes, including disaster relief and reconstruction assistance.

