

# A Message from the Management



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## Overview of Fiscal 2007

Under the "Meiji Yasuda Revitalization Plan," launched in January 2006, which comprised the "Medium-Term Business Plan" and the "MOT Project for Creating a New Corporate Culture," we worked to ensure that compliance was rigorously enforced and aspired to the status of a "Company that Values its Customers." To establish the status we mobilized our entire workforce in our efforts to restore our customers' and society's trust in the company based on the concepts of becoming a company that delivers ease of mind to customers, values customers' views, and is open to society. We implemented the "Meiji Yasuda Revitalization Plan" mostly in line with our original intentions, and achieved sound results from our efforts to create a "Company that Values its Customers."

In the area of compliance enforcement, we strengthened compliance relating to insurance solicitation in both individual and group insurance marketing. We also continued our program of compliance training for executive officers and employees, and endeavored to make it more effective by having people in charge of compliance give on-the-spot guidance at branches and agency offices. Furthermore, based on the "CSR Management Declaration" adopted in January 2007, the entire company was engaged in various CSR activities aiming at creating a "Company that Values its Customers" through concrete programs designed to foster trust.

In order to further strengthen corporate governance and ensure greater management transparency, Meiji Yasuda Life has adopted a "Company with Committees" system and established a Board of Directors of which majority is made up of outside directors. In the area of internal audit, our awareness of the important role that our Internal Audit section plays in verifying appropriateness and effectiveness of our compliance and risk management structures has led us to strengthen our Auditing Department by increasing personnel with specialist knowledge and skills and sophisticating auditing measures to reinforce our inspection capabilities and increase the depth and frequency of our inspections.

We have also continued our phased reinforcement of our Customer Communications Center personnel to improve our responsiveness and readiness to deal with customer requests, and deployed "Customer Opinion Promotion Staff" at headquarters departments and regional headquarters as a means of further strengthening our approach to customer opinions. Between November 2007 and February 2008, we repeated the previous fiscal year's survey of customer satisfaction levels in connection with insurance claims and policy cancellation procedures to ensure that we reflect customer opinions in management as much as possible.

Reports on customers' opinions are regularly submitted to the Management Council and reflected in operational improvement initiatives and in-house training from the customers' perspective through the "Customer Opinion Promotion Committee," which met on 11 occasions during fiscal 2007.

In order to ensure the appropriateness of our key functions as a life insurance company – underwriting, policyholder services and claim payment services – we have set out a "Basic Policy for Insurance Contract Procedures" clarifying that

when claims are made by customers, we make sure to examine all payable benefits and inform our customers of its details. We have also strengthened the functions of our core insurance company operations through priority investment in systems for our underwriting, policyholder services and claim payment services.

In order to secure and foster superior personnel resources, we have strengthened our training program for newly employed sales personnel. We are also endeavoring to improve the follow-up services offered by our sales personnel by encouraging them to obtain FP (financial planner) qualifications, working to strengthen their consulting capabilities, and ensuring regular customer visits and contacts become an established practice. As a result, quality indicators such as new business persistency ratios and our sales personnel education development ratios have improved substantially.

Base profit, an indicator of annual earnings from insurance operations, amounted to ¥415.8 billion. Annualized new business premiums for individual life insurance and annuities amounted to ¥97 billion, and annualized premiums in force at the end of the business year amounted to ¥1,731.5 billion. Of this, third sector insurance such as medical coverage and living benefits accounted for ¥25.9 billion of annualized new business premiums, and ¥338.6 billion of annualized premiums in force at the end of the business year. Our solvency margin, which indicates our ability to pay insurance claims, fell by 40.8 percentage points year-on-year to 1,314.1%. This is roughly the same level as the previous fiscal year, and shows that our financial health remains more than sound.

As of July 1, 2008, Standard & Poor's gave Meiji Yasuda Life an "A-" rating, Fitch Ratings an "A+" rating, AM Best an "A" (Excellent) rating, and Japan Credit Rating Agency (JCR) an "A+" rating.

## Challenges for Fiscal 2008

March 2008 marked the completion of the "Meiji Yasuda Revitalization Plan," which was drawn up in January 2006. Since April 2008, we have been steadily putting the three-year "Meiji Yasuda Challenge Plan" into action.

The "Meiji Yasuda Challenge Plan" consists of the "Medium-Term Business Plan" and the "MOT Project for Creating a New Corporate Culture – Phase II." These comprise our basic policy for achieving stable growth as a "Company that Values its Customers" through promoting CSR management policies that include thoroughgoing compliance, company-wide efforts to faithfully satisfy the demands that customers and society make upon us, and proactively seeking enhanced customer satisfaction.

Under the "Medium-Term Business Plan," we shall focus on "Drastic Reforms of Key Channels" in order to continuously position our sales personnel channels as key channels and shall go forward with "Channel Diversification and the Development of New Markets" and "Further Improvement of the Business Structure."

Concrete initiatives under "Drastic Reforms of Key Channels" include standardizing the frequency of customer visits and service content under the "Ease of Mind Service Program" as a means of promoting communications with customers, as well as the introduction of a "Company Training Authorization System" to promote efforts to enhance and regularize knowledge, skills and manners at a high level with a view to satisfying customers and winning their trust. To give these initiatives greater momentum, we have extensively reviewed our treatment of sales personnel, or, as we call them, "MY Life Plan Advisors."

Looking ahead, we plan to develop products and services that can respond to wide-ranging needs based on ease of understanding, with particular emphasis on expanding sales of medical, nursing and annuity products for the middle-aged and elderly. By deploying follow-up service specialists and expanding the functions of our call centers, we shall streamline our communications approach to answer a broad range of customer needs.

Under our "MOT Project for Creating a New Corporate Culture – Phase II," we will implement "Hospitality" aimed at thoroughly enhancing customer satisfaction, and continuously promote to heighten awareness and foster a corporate culture that values our customers.