

Business Activities

▶ Individual Insurance Marketing

On the product side, we revised the insurance premiums as we amended the expected mortality rate for individual insurance and individual annuity insurance in April 2007, in accordance with the revision of the life insurance standard life table. In June 2007, Meiji Yasuda Life launched the "New Surgical Operation Rider," the "Women's Specific Hospitalization Expense Rider," and the "Women's Medical Insurance: Saishoku Kenbi," as products that deliver ease of mind to customers in the form of simple, easy to understand assurance. The "New Surgical Operation Rider" offers insurance for operations involving hospitalization irrespective of the operations' names, while the "Women's Specific Hospitalization Expense Rider" provides assurance against illnesses unique to women from the first day of hospitalization. "Saishoku Kenbi" also provides sufficient coverage for women-specific illnesses. In August 2007, we launched "Nenkin Hitosuji Wide," a new type of individual annuity insurance that not only allows people with health concerns to apply through simple disclosures, but also enables policyholders with certain mental and physical disorders at the time of the pension payments to select life annuity that offers a higher receipt rate.

On the marketing side, we reinforced our sales personnel education to enhance their consulting and after-service skills, and endeavored to improve our accountability to customers.

▶ 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 April 2007, we amended the expected mortality rate and revised the insurance premiums of the following products; "Group Term Life Insurance," "Group Credit Life Insurance," and other forms of group life insurance; and in October 2007, an individual insurance exclusive for group marketing, "Dread Disease Term Life Insurance (Type II) with no dividend," and "Medical Insurance with no dividend."

In January 2008, we launched "Hospitalization Early Benefit Payment Rider," "Surgical Benefit Rider," and "Hospital Discharge Benefit Rider" as riders for medical life insurance (group type) in response to the increasingly diverse medical coverage needs for groups and policyholders.

In the area of group pensions, we strove to expand our line-up of products and services, and to customize consulting on administrative services and management of pension fund assets. More specifically, we expanded our separate account investment products and strengthened the functions of our dedicated call centers and website in May 2007, in order to offer better services to participants in defined contribution pension plans. With regard to improvements to our internal control systems for trustee business of corporate pensions and the appropriateness and the effectiveness of our operations, we carried out verifications on the basis of US Statement on Auditing Standards (SAS) No. 70, receiving a SAS70 Report (Type II) from the third party auditor to the effect that "internal controls are appropriately designed and improved to achieve the control objectives, and are operated effectively."

► General Agent Marketing

In the area of general agent marketing, we established two departments to promote marketing and to improve our approach to promote internal controls accordingly to general agency characteristics in April 2007. The General Agent Channel Department oversees agencies other than financial institutions, while the Financial Institution Channel Department handles banks and other financial institution agencies.

In the General Agent Marketing Department, in addition to using "Term life insurance with interest dividends payable every 5 years" in measures for dealing with funding for business and inheritance, we restarted handling "Increasing term life insurance" in March 2008 in order to respond to medium- to long-term assurance needs. We also worked to offer wide ranging products for individuals, and to establish tailor-made approaches to after-service and follow-ups.

In the Financial Institution Channel Department, we have strengthened our sales support team staffs engaged in bank OTC sales and taken other steps to promote marketing and improve our services approach with a view to responding to customers' diversifying needs. We also launched our single premium increasing whole life insurance products "Kantan Jizoku Seicho Plus" in October 2007 and "San-zo ho-shi" in November 2007, both of which allow applications based on simple disclosures such as medical condition. Additionally, we strengthened our individual annuity insurance line-up for OTC sales at financial institutions.

► Insurance Policy Underwriting

In connection with applications from customers for life insurance products, we reviewed our underwriting criteria to allow us to underwrite policies to the maximum degree possible based on appropriate assessment, and continue our initiatives to make medical assessments more sophisticated. In order to provide customers with more adequate explanations, we have started to hand out "Confirmation of Intention Concerning Insurance Policies" and "Solicitation Policies for the Elderly" to customers, as a means of strengthening our approach to underwriting policies that are in line with customers' intentions.

We revised our "Guide to Special Conditional Contracts" in June 2007 with a view to enabling customers to better understand the special conditions applicable when we underwrite contracts in cases where there is a record of sickness and/or injury. To make our contract procedures more comprehensible, we simplified the documentation we receive from customers.

▶ Customer Service

We have completely revised the policy provisions that give details of contracts and how matters are dealt with following the conclusion of a contract for products from the launch of "Women's Medical Insurance: Saishoku Kenbi" in June 2007, "Nenkin Hitosuji Wide," "Kantan Jizoku Seicho Plus" and "San-zo ho-shi," making use of diagrams and headings and replacing technical terms with simple language in order to make them easier for customers to understand. In addition to confirming the effectiveness of this initiative through questionnaire surveys to customers, we shall incorporate their invaluable opinions into future revisions. We are also steadily revising our product pamphlets and other solicitation materials.

We not only continue to expand the content of our publication "Information from Meiji Yasuda Life," which we send out to policyholders once a year, but are also revising it to make it easier to understand. We are further strengthening our services by preparing a new "Corporate Contract Information" publication for corporate customers who have signed up for our "increasing term life insurance" and other term insurance with long maturities to inform their management about future trends in the cash surrender value and its ratio.

In response to the increasing number of customers who wish to make applications via the Internet, we have made it possible to submit requests for materials via our external website since October 2007.

Meiji Yasuda Life also offers the "map (mental and physical health support) service" to help policyholders with their efforts to keep healthy. The "map service" is a dedicated service for customers who have a Meiji Yasuda Life Card and allows policyholders to accumulate points according to the type of insurance policy and the duration of the policy. The points can be applied to four services: "Total Support for Health, Medical, and Nursing Care," "Health Support," "Life Support Finance," and "Complimentary and Discount Services."

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 32 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 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.

*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.

Business Activities

▶ Asset Management

In the area of asset management, we maintained and enhanced asset soundness using sophisticated risk management procedures, and continued to aim for investments that yield stability in terms of favorable long-term results based on the concept of "surplus management-type ALM." ("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.)

More specifically, we promoted the prolongation of asset duration (average residual maturity of bondholdings, etc.) through equalized purchases centered on long-term and super-long-term bonds while monitoring interest rates, and restructuring our portfolio by replacing short- to medium-term bonds with super-long-term bonds during rising interest rate phases.

We also endeavored to increase profitability by replacing the relatively low yield bonds in our portfolio, increasing our holdings of foreign currency-denominated bonds, and putting more emphasis on interest rate levels when making loans. During yen appreciation phases, moreover, we continued to maintain and enhance asset soundness by replacing foreign bonds in our portfolio that had incurred unrealized losses. These efforts enabled us to maintain ample unrealized gains of ¥2,395 billion on overall assets, including securities and land, at the end of fiscal 2007.

Since we had almost no direct investments in the instruments involved, the so-called subprime loan problem in the United States had virtually no impact on our bottom line.



► 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

As a "Company that Values its Customers", Meiji Yasuda Life has adopted CSR management policies that, among other things, aim to promote thoroughgoing compliance as a means of faithfully satisfying the requests that its customers and society make upon as a life insurance company.

We have established the "Code of Conduct" and "Job Performance Guidelines" based on the basic compliance policies and standards, and behavioral rules (ethical guidelines) for all officers and employees, and also adopted the "Sales and Service Policy" as a pledge to customers that we will conduct sales of products appropriately. Matters concerning these compliance guidelines are mentioned on cards that officers and employees carry at all times, and are referred to constantly at meetings and training sessions. In April 2008, a new item concerning compliance was added to these cards under the heading "Our Pledge." The aim is to encourage a much greater awareness of compliance at the personal level, and ensure it becomes more thoroughly embedded in our corporate culture.

Our "Compliance Manual", covering business affairs necessary for compliance in daily operations, is updated every year, and all officers and employees regularly refer to it.

Compliance at Meiji Yasuda Life is promoted through the action plan known as the "Compliance Program." During fiscal 2008, we shall establish basic policies for education and training designed to promote prompt, disciplinary and autonomous actions to compliance offenses and raise ethical awareness within the company.

Programs are being drawn up and implemented at various levels – company-wide, head office, branches, and the Corporate Marketing Department. Planning, review, and evaluation of these programs are compiled by the Compliance Control Department. After the reports have been proposed through the Compliance Promotion Advisory Council, it is submitted for discussion to the Management Council and the Board of Directors.

The Compliance Control Department promotes compliance multilaterally as follows:

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

As part of our integrated management of compliance, we established the Compliance Promotion Committee to study and improve compliance approaches in all aspects of operations, including those of affiliated companies. Under this committee, we have also established special sub-committees for individual and corporate insurance marketing to analyze marketing compliance information and propose and implement policies for improving and reinforcing marketing management approaches.

We have established a Compliance Promotion Advisory Council with a majority of external members in order to build a more transparent, more effective compliance regime by reflecting the opinions of external experts and strengthening the business monitoring function from a third-party perspective. As an advisory body to the Management Council, it holds discussion on basic policies, important regulatory revisions, and the state of progress for promoting compliance, and where necessary, seeks reports from the departments.

► Contribution to Society

We have been holding the "Fureai Concert," an intercommunication concert featuring Torizuka Shigeki of The Wild Ones, since 1984 to bring children with disabilities into contact with live music. This concert, in its 24th year, was held at five schools for disabled children in fiscal 2007. The concert is funded by contributions from officers and employees and has visited 100 such schools throughout Japan to date.

Since 2001, we have also worked together with Tokyo YMCA to hold a charity concert for peace and love. Charitable donations collected at the venue were donated to five non-profit organizations.

Meiji Yasuda Life has been running the "Able Art Onstage" program from 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.

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.

In 1996, employees also started participating in the activities of the "Ai no Koe kake Haishoku Undo," a food distribution service organization. Employees throughout the country not only deliver hot packed lunchboxes to elderly and disabled people who have difficulty preparing meals for themselves, but also spend time chatting with them. Based on inspections conducted by Meals on Wheels Japan, we provide funding assistance to citizen food distribution groups throughout the country, making donations to 10 such groups in fiscal 2007.

From June 2006, we have been contributing to local communities through activities designed to protect the lives and safety of children. In recent years, there have been several cases where children were involved in incidents on their way to or from school. For this reason, Meiji Yasuda Life sales personnel have been carrying name tags bearing details of our crime prevention initiative and emergency contacts such as the police during their marketing visits in their sales territories. This way, they can contact the nearest police station, etc., if they observe anyone or anything suspicious.

