

Business Activities

Individual Insurance Marketing

As for our key channel, our sales personnel channel, we have been implementing vigorous changes in our marketing structure since fiscal 2008 by adopting the “Program of Ease of Mind Service Activities” for standardizing the frequency of policyholder visits and service levels, and the “Company Training Authorization System” for regularly confirming the knowledge and skill levels of our sales personnel. In fiscal 2009, we made partial adjustments to the aforementioned schemes on the basis of reviews of their implementation and effectiveness during the preceding fiscal year, and made efforts to make customer services more sophisticated and consistent. Furthermore, we continued to implement regional marketing programs that clarify priority challenges according to the situation of the in-force business in each region, and expanded our sales team specializing in corporate and institutional workplace sales in the Tokyo Metropolitan Area. We also streamlined our approach to using outbound calls and other methods to provide after-sales service for customers in remote locations.

As a result of these initiatives, the number of sales increased in fiscal 2009 compared with the preceding year, and our policy persistency and lapse and surrender ratios improved. A survey on customer satisfaction carried out from January through March 2010 also showed that the number of customers responding “Satisfied” or “Somewhat Satisfied” continued to increase, and we are making steady progress in revamping individual insurance marketing centered on the drastic reforms of our key channel.

In June 2009, we launched “Ashita no Mikata,” a comprehensive protection product and “Genki no Mikata,” a medical insurance, both products provide

easy to understand details on receiving benefits and cover the self-pay burden for hospitalization and medical care costs. In October, we altered part of the payment conditions of existing policies in order to reflect the latest changes in policy provisions and thus improve the details of the assurance. We also started to handle single premium individual annuity insurance in our sales personnel channel, which has earned a strong reputation in the bancassurance channel.

General Agent Marketing

As for OTC sales at banks and other financial institutions, we introduced a new variable insurance product in November 2009 to respond to potential customer needs while continuing to focus on fixed benefit insurance to meet the need for stable asset management. We responded to changes in customer lifestyles and purchasing needs by launching a new “Internet service in April 2009 for explaining life insurance in an easy to understand manner. In May 2009, we opened two new types of shops: one is for handling our products exclusively, and the other is for handling other companies’ products as well as our products. We continue to conclude new partnership agreements with corporate agencies and tax accountant agencies, and have strengthened our sales support by reinforcing training for agencies.

Group Marketing

We are endeavoring to improve corporate and group welfare schemes, including consultation services for bereaved families, as well as preparing product guides for people who are soon to become retirees to maintain various kinds of assurance once they

retire. As for tax-qualified retirement pension plans, which will be abolished at the end of March 2012, we offer comprehensive consulting services in response to the varied demands of companies. We are also strengthening our marketing and support systems in order to encourage a smooth transition to the new regime before the abolition.

Underwriting, Policyholder Services and Claim Payment

We continued to allocate management resources for IT systems development to raise operational

quality and for reforming the new medical exam IT system. In addition to improving and strengthening our operational and service responses to the diversification of sales channels such as banks and financial institutions and new types of shops, we use the operational improvement plan submitted to the Financial Services Agency (FSA) in August 2008 as the basis for preventing the recurrence of inappropriate non-payments. We carry out regular examinations on the effectiveness of these steps and, where necessary, make revisions and improvements.

Five Year Results for Main Businesses

Years ended March 31

	Millions of Yen				
	FY2009	FY2008	FY2007	FY2006	FY2005
Total ordinary revenue	¥ 4,165,183	¥ 3,784,791	¥ 3,551,816	¥ 3,458,848	¥ 3,766,051
Ordinary income	178,577	111,448	189,893	307,869	289,913
Base profit	291,478	329,341	415,868	458,295	468,143
Surplus for the period	143,470	122,269	163,182	241,417	226,074
Total amount of foundation funds (Note 1)	410,000	410,000	410,000	410,000	350,000
Total assets	25,012,490	23,903,468	25,233,431	26,797,211	26,412,256
Assets in separate accounts	595,353	522,696	713,742	844,789	812,781
Policy reserves	22,236,124	21,313,343	21,670,167	21,752,931	21,749,959
Loans	5,477,264	5,996,704	6,251,388	6,444,126	6,882,729
Securities	17,067,741	15,049,440	16,539,722	17,880,232	17,297,350
Solvency-margin ratio	1,187.5%	1,098.7%	1,314.1%	1,354.9%	1,179.9%
Life insurance in force (Note 2)	214,991,461	224,140,300	234,434,970	244,122,173	260,915,270
Individual life insurance	97,485,858	105,953,065	115,629,745	124,662,648	134,438,056
Individual annuities	11,690,075	11,258,235	11,202,259	11,134,807	11,013,419
Group life insurance	105,815,528	106,929,000	107,602,965	108,324,717	115,463,795
Group pensions in force (Note 3)	6,456,604	6,380,688	6,563,311	6,708,063	6,774,491
Negative spread (billions of yen)	59.0	68.8	56.7	83.3	106.9

Notes : 1. Accumulated redeemed foundation funds are included.

2. Sum total of individual life insurance, individual annuities and group life insurance in force

3. Sum total policy reserves for group pensions

Business Activities

Asset Management

Based on the concept of “surplus management-type ALM,” we managed assets with a view to strengthening our financial base and increased profitability. Keeping an eye on interest rate levels, we achieved longer asset duration through purchases of long and super-long term bonds. We accumulated foreign-currency denominated bonds with currency hedging.

Anticipating the revision of international accounting standards and solvency margin criteria, we aimed for a more sophisticated risk management regime that kept economic value-based management in mind. We took steps to enhance the methods we use for measuring and assessing risk by making continuous economic value-based measurements that included interest rate risk associated with insurance liabilities as well as investment risk.

To encourage a quick resolution to negative spreads and further enhance the soundness of our financial base, we accumulated additional policy reserves over a period of three years from fiscal 2007 in respect of the individual annuity insurance policy sold prior to April 1, 1996.

Improving Customer Services

In April 2009, we modified the health declaration form to make it easier to read the itemized contents and fill out. In December, we reformed the new medical exam IT system and improved our approach to medical assessments to make underwriting easier, more detailed and more appropriate. We have also reviewed the documents that customers submit for benefit claims, policy conservation, etc. We simplified and standardized procedural documents for surrender and policy loans in July, and for benefit payments and policy alterations in November. With this, we aim to enhance convenience for policyholders and speed up procedures. In March 2010 we improved the “Benefit Payment Statement” for notifying policyholders of their benefit payment details. We revised the leaflet entitled “Information from Meiji Yasuda Life”. We issue this leaflet once a year to give policyholders details of policies and in it we describe details of the rider for people starting to receive their pensions.



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 34 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, which has offices in New York and Los Angeles.

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 is doing insurance broking business in China (Hong Kong).

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 for foreign owned multinational corporations.

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.

Business Activities

Risk Management

Basic Awareness and Risk Management Policies and Regulations, etc.

Meiji Yasuda Life knows it is important to ensure sound management and faithfully fulfill its contractual obligations over the long term in order to realize a “Company that Values its Customers.” Based on this awareness, it sees risk management as one of the most crucial elements of business management, and its Board of Directors, Management Council and various risk-management-related committees set risk management policies and regulations.

Risk Management Structure

In addition to managing risk according to category (category-specific risk management), we have established a system for managing risk at each department (organization-specific risk management), thereby improving and enhancing our risk management system through regular monitoring and appropriate control of risk.

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

Under category-specific 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.

Under our organization-specific risk management system, we have designated risk management managers and staff for each organizational unit at our head office departments, group marketing departments, and regional offices. Their responsibilities are to understand and confirm the status of operational risk management and consider ways to mitigate or eliminate risks, and prevent recurrences of past problems.

With regard to head office departments, in particular, we have formulated risk management plans underpinned by our fundamental understanding of risks we face. In addition, we have documented business processes, exhaustively identified risks related to our operations, developed risk management policies, established a risk management framework, assessed the importance of individual operations, and are monitoring the status of risk management for our most critical operations.

On top of that, our Risk Management Control Department monitors and oversees risk management in each organizational unit.

Enterprise risk management plays a key role at Meiji Yasuda Life. We identify the quantitative and qualitative aspects of the various risks we face and examine them from an integrated perspective. We continuously work to enhance and upgrade this aspect of our risk management system.

Overview of the Risk Management System



Business Activities

Promoting Compliance

Promoting Compliance to Ensure Healthy and Appropriate Business Operations

As a “Company that Values its Customers,” Meiji Yasuda Life promotes CSR management that includes rigorous compliance, adopting the following initiatives to faithfully satisfy the expectations that customers and society make upon it as a life insurance company.

The “CSR Management Declaration,” “Our Pledge,” and Guidelines for Promoting Compliance

In January 2007, we established the “CSR Management Declaration” which, among other things, states “We shall act with high ethical standards based on compliance, corporate ethics and common sense to be trusted by our customers.”

We follow the “Code of Conduct” and “Job Performance Guidelines,” which define our basic compliance policies and standards, and behavioral rules (ethical guidelines) for all officers and employees. We also have the “Sales and Service Policy” as a pledge to customers that we will conduct sales of products appropriately.

Since April 2008, all employees have been acting in accordance with what we call “Our Pledge,” which is designed to encourage our awareness of compliance at a more personal level, and ensure it becomes more thoroughly embedded in our corporate culture.

These policies and rules have been inscribed on cards that officers and employees carry at all times and refer to constantly at meetings and training sessions. The “Compliance Manual,” which covers business matters necessary for compliance in daily operations, is updated annually and all officers and employees refer to it regularly.

Promoting Compliance under the “Compliance Program”

Meiji Yasuda Life promotes compliance through its action plan—the “Compliance Program”—which is drawn up each year. In fiscal 2010, we established and implemented the program at various levels—company-wide, head office, regional offices, and group marketing departments—through education and training aimed in each section to promote an autonomous PDCA (Plan, Do, Check & Act) cycle, to raise ethical and compliance awareness and to put it into action. These activities are reported through the Compliance Promotion Advisory Council for discussion by the Management Council and the Board of Directors.

Compliance Promotion Structure

The Compliance Control Department is in charge of promoting compliance on a multilateral basis throughout the company, including subsidiaries, as follows:

1. Integrates management of compliance-related information, and investigates and responds to individual cases relating to compliance
2. Identifies improprieties and deals with issues
3. Runs compliance training courses for officers and employees on a regular basis

The Compliance Control Department promotes compliance in these areas in cooperation with compliance managers and officers deployed to each department. For greater effectiveness, compliance instructors are delegated to carry out direct guidance for improvements in the field. The senior managers in administration and internal control at regional offices and in group marketing departments are concurrently assigned to the Compliance Control Department to strengthen the checking and verification functions.

If fraudulent behavior occurs, it is reported to the Compliance Control Department through the compliance managers and officers of the departments in question. We also have a “Compliance Hotline” and a “Corporate Ethics Hotline” to allow people who discover such behavior to report directly.

We have established the Compliance Promotion Committee to review and improve compliance approaches in all aspects of operations, including those of subsidiaries.

We hold 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. Acting as an advisory body to the Management Council, the Compliance Promotion Advisory Council discusses basic policies, important regulatory revisions and the state of progress in compliance initiatives concerning compliance promotion.

Contribution to Society

We are engaged in a variety of initiatives for the healthy growth and safety of children.

Local Safety Maps

Since 2008, we have been running classes in making “Local Safety Maps” with a view to promoting contributions to local communities through activities designed to protect the lives and safety of children. Involving the participation of local parents and children, these classes teach children how to avoid dangerous places through lectures, field work and the creation of maps.

“Love and Peace Charity Concert” and “Classes in Playing the ‘Future’”

With a view to being useful in cultivating aesthetic sentiments among children by providing opportunities to become more familiar with music, we hold “Love and Peace Charity Concerts” by Shigeaki Saegusa throughout the country, and “Classes in Playing the ‘Future’” to teach music at elementary and junior high schools.

Charitable donations collected at each venue

are donated to NPOs that are working on the healthy education of children and environmental conservation throughout Japan.

“Fureai Concerts”

We have been holding the “Fureai Concert” featuring Shigeki Torizuka of The Wild Ones since 1984 to bring children with disabilities into contact with live music. The concert has visited 110 special needs schools around the country over the past 26 years, and is funded by contributions from our officers and employees.

