

Business Activities

Individual Insurance Marketing

We made efforts to strengthen our sales personnel channel, which represents our key sales channel, further accelerating the reform of our individual insurance marketing that began in fiscal 2008. Our efforts are aimed at improving the lapse and surrender ratios as well as strengthening our sales capabilities through such measures as increasing the quality and frequency of face-to-face meetings with customers.

More specifically, from the point of view of further increasing the amount of sales-related activities that our sales personnel carry out, we expanded and enhanced the list of activities in our “Ease of Mind Service Activities Program.” This program standardizes the frequency of policyholder visits and service levels. We also steadily increased the number of offices that send their sales personnel out on sales visits on Saturdays. Furthermore, we took steps to expand the number of “Core Sales Personnel,” who have superior sales ability. Based on a clarification of the skill levels for required activities and capabilities, we selected candidates for this qualification and proceeded with training with an emphasis on methods of carrying out activities and promoting sales.

As a result of these efforts, the number of face-to-face meetings with customers increased compared with the previous fiscal year and the lapse and surrender ratios continued to improve. Moreover, there were other signs that we were making steady progress with the reform of our individual insurance marketing, such as the recovery of a growth trend in the premium income of our key sales channel.

In April 2010, to establish an effective sales system that adapts to market characteristics, we reorganized our domestic network, reducing the number of regional offices from 92 to 81. We also expanded the part of our sales organization that specializes in marketing on site at companies, associations, and other organizations, primarily in the metropolitan Tokyo area.

Looking at our insurance products, we revised our “Life Account L.A.” product to enable the addition of a medical insurance rider that covers the self-pay portion of hospitalization and medical care expenses. And, in June 2010, we began sales of our “Medical Expense Linked Series,” comprising “Life Account L.A.,” “*Ashita no Mikata*,” and “*Genki no Mikata*.”

Among other products introduced during the fiscal year, in October 2010 we launched our “Accelerated Benefit Rider for Severe Cancer.” This rider prepays the death insurance amount regardless of estimated life expectancy when policyholders have developed a serious case of cancer that has not responded to all forms of standard treatments. Another new product that we introduced in January 2011 is “*Shin-yoro Hoken E*.” This product for corporate customers allows those covered to enhance their employee benefits for a low additional cost.

General Agent Marketing

To further build our general agent network, which covers OTC sales at banks and other financial institutions, we continued to focus on providing detailed sales support for each bank or financial institution, and promoting sales of single premium whole life insurance which meets the need for stable wealth building and corresponds to inheritance planning. In January 2011, we launched sales of “*Kantan Mirai Keikaku/Nijjiro Kippu*,” a level premium individual annuity product that meets the savings needs of customers, with the aim of enhancing our product lineup.

We expanded our agency network by concluding new partnership agreements with corporate agencies and tax account agencies and strengthened our sales support by reinforcing training for those types of agencies. Additionally, we expanded our network of sales outlets, adding a total of four outlets. In May 2010, we opened two “*Hokenport*” outlets that are run by Meiji Yasuda Life

subsidiary but handle both our products and those of other insurers. In October 2010, we opened two “*Hoken ga Wakaru Desk*” outlets, which specialize in our products.

Group Insurance Marketing

To strengthen our group insurance marketing channel, we increased the number of consulting staff in response to the growth in number of insured persons in the public market. Among other changes, in April 2010 we established a “Financial Institution Marketing & Promotion Office” with the goal of strengthening our support functions for financial

institutions. Meanwhile, we reorganized part of our group insurance marketing organization to reinforce our ability to serve the individual needs of corporate policyholders.

We boosted efforts to effect a smooth transition of tax-qualified retirement pension plans, which the Japanese government is scheduled to terminate on March 31, 2012, to a new pension plan. In other areas, we introduced measures to enable us to serve a wide range of the needs of the “seniors” market, such as establishing a sales services system in collaboration with our individual insurance marketing organization.

Five-Year Results for Main Businesses

	Years ended March 31				
	Millions of Yen				
	FY2010	FY2009	FY2008	FY2007	FY2006
Total ordinary revenue	¥ 4,795,406	¥ 4,165,183	¥ 3,784,791	¥ 3,551,816	¥ 3,458,848
Ordinary income	235,022	178,577	111,448	189,893	307,869
Base profit	310,544	291,478	329,341	415,868	458,295
Surplus for the period	139,754	143,470	122,269	163,182	241,417
Total amount of foundation funds (Note 1)	470,000	410,000	410,000	410,000	410,000
Total assets	27,065,316	25,012,490	23,903,468	25,233,431	26,797,211
Assets in separate accounts	694,105	595,353	522,696	713,742	844,789
Policy reserves	23,767,432	22,236,124	21,313,343	21,670,167	21,752,931
Loans	5,082,632	5,477,264	5,996,704	6,251,388	6,444,126
Securities	19,434,702	17,067,741	15,049,440	16,539,722	17,880,232
Solvency-margin ratio (Note 2)	1,156.8%(663.6%)	1,187.5%	1,098.7%	1,314.1%	1,354.9%
Life insurance in force (Note 3)	210,485,950	214,991,461	224,140,300	234,434,970	244,122,173
Individual life insurance	92,383,785	97,485,858	105,953,065	115,629,745	124,662,648
Individual annuities	12,082,476	11,690,075	11,258,235	11,202,259	11,134,807
Group life insurance	106,019,687	105,815,528	106,929,000	107,602,965	108,324,717
Group pensions in force (Note 4)	6,455,066	6,456,604	6,380,688	6,563,311	6,708,063
Negative spread (billions of yen)	1.0	59.0	68.8	56.7	83.3

Notes: 1. Accumulated redeemed foundation funds are included.

2. In accordance with Cabinet Office Ordinance No. 23, 2010, and the Financial Services Agency Notification No. 48, 2010, a partial revision was made in the method of determining the total amount of net assets and reserves and total risk (stricter rules for inclusion in solvency margin requirement, stricter rules and finer details for calculating risk, etc.) used in calculating the solvency margin ratio. The Company implemented these changes beginning with the fiscal year ending March 31, 2012. The figure in parentheses represents the solvency-margin ratio that would have resulted if the revision had been implemented at March 31, 2011.

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

4. Sum total policy reserves for group pensions.

Business Activities

Underwriting, Policyholder Services, and Claim Payments

Our priority in allocating management resources remained on our core insurance company function for underwriting, policyholder services, and claim payments. We increased the speed and precision of our underwriting assessments, continued to make improvements to our policyholder services operations, and carried out IT system development aimed at increasing the sophistication of our claim payment system.

We utilize the operational improvement plan submitted to the Financial Services Agency (FSA) in August 2008 as a basis for preventing the recurrence of inappropriate non-payments. We carry out regular examinations on the effectiveness of the steps and, where necessary, make revisions and improvements of our claim payment system.

Asset Management

We continued to employ the surplus management type of asset liability management (ALM) in our asset management operations. Among the measures implemented, we increased asset duration (the weighted-average time until repayment) through constant purchases of longer-term bonds, particularly super long-term bonds. We also endeavored to decrease our holdings of Japanese equities to reduce our exposure to price fluctuation risk. With an eye on foreign exchange rate levels, we sought to increase profitability by increasing our holdings of foreign currency denominated bonds to take advantage of the gap between domestic and overseas interest rates.

At the same time, we strengthened our asset management risk limit control system, which aims to protect our actual net asset value. As of April 2010, we began managing risk by individual categories (market-related risk, credit risk, and real estate investment risk) and reinforcing our risk management system.

Improving Customer Services

We took steps to enhance our presentation of information to enable us to communicate the results of our underwriting decision in an easily understood manner to customers that have applied for policies.

We also made improvements to our claims and benefits payment system. In December 2010, we revised the medical claim document, clearly indicating the items that require certification from the medical institution. We also prepared a new “Customer Check List” that allows policyholders to check whether they have any additional claim and others on their own when making claims.

In renewing the riders and other aspects of our “Life Account L.A.” product, which entered its 10th year of sales during the fiscal year, we made significant improvements in the renewal application and other related documents and set up administrative systems to ensure that the application process went smoothly.

In June 2010, we also improved the clarity of our “Life Account L.A.” policy provisions and followed up with improvements in our other policy provisions in October of the same year. We changed the writing style to make the provisions easier to understand. We also enhanced the content of our “Information from the Meiji Yasuda Life” leaflet that the Company sends annually to policyholders to confirm the details of their policies. In our annual leaflet mailing, we enclosed a leaflet outlining details of the Insurance Act that was enforced in April 2010. In addition, we now list in detail all of the coverage regarding insurance claims and benefits for any riders attached to individual policies.

Notes: Surplus management type of ALM: Risk management technique that defines a surplus as the difference between the assessed economic value of assets and liabilities and aims to control fluctuation risk for the surplus using asset liability management.

Asset management risk limit control system: Risk control system that aims to control the maximum expected losses of individual categories of risk in asset management operations within the allowable range.

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 (PGL), the largest life insurance company domiciled in Hawaii, is a wholly owned subsidiary of Meiji Yasuda Life. It has been 35 years since Meiji Yasuda Life first participated in the operations of PGL, which provides life insurance to meet the needs of communities, mainly on Hawaii, the West Coast of the United States. In addition, Meiji Yasuda America offers insurance services for the products of associated insurers to Japanese affiliates in the United States, where it has offices in New York and Los Angeles.

Europe

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

Asia

In November 2010, Meiji Yasuda Life formed a capital and business alliance with an Indonesian life insurance company, Avrist Assurance. In December 2010, we also concluded a business alliance with The Haier Group and invested in Haier Meiji Yasuda Life, which is now run as our joint venture. We have placed some of our officers and employees in Avrist Assurance and Haier Meiji Yasuda Life and are providing them with support in a variety of business

fields. Through these measures, we are working to address the needs of Japanese companies in Indonesia and China as well as of local customers.

Hong Kong-based Meiji Yasuda Asia is doing insurance broking business in China (Hong Kong). In addition, Meiji Yasuda Asia 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 the 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 its 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 Policy and Risk Management Structure

Basic Recognition and Risk Management Policies and Regulations, etc.

Meiji Yasuda Life recognizes the importance of ensuring sound management and faithfully fulfilling contractual obligations over the long term to achieving its goal of being a “Company That Values Its Customers.” Accordingly, we view risk management as one of the most crucial elements of business management. To guide our efforts, our Board of Directors, Management Council and various risk-management-related committees set risk management policies and regulations.

Risk Management Structure

Besides managing risk by category (category-specific risk management), we have established an organization to manage risk at the business unit level (business unit-specific risk management). Based on these measures, we work to improve and enhance our risk management system through regular monitoring and appropriate control of risk.

Moreover, we take steps to ensure the effectiveness of our risk management. Through inspections by the Auditing Department and audits and other measures by the Audit Committee and Audit Corporation (external auditor), we verify such aspects as appropriateness and effectiveness of risk management functions and the risk management system and work to further enhance the risk management.

For each category of risk, we have determined departments responsible for establishing risk management systems and carrying out appropriate risk management. We also have set up departments that monitor and analyze conditions in each above-

mentioned department and provide improvement instructions and expert advice to them. The overall category-specific risk management system is overseen by the Risk Management Control Department, which establishes and promotes the overall risk management system, monitors and controls risk management conditions, and provides expert advice to the monitoring and analyzing departments.

In addition, 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 manages company-wide risks.

For business unit-specific risk management, we have designated risk management managers and staff for each business unit in our head office departments, group insurance marketing departments, and regional offices. Their responsibilities are to check and confirm the status of operational risk management and consider ways to mitigate or eliminate risks and prevent recurrences of past problems.

At our head office in particular, we have each department formulate a risk management action plan based on a recognition of the fundamental risks involved. Among other risk management measures, we document our business processes, exhaustively identify risks related to our operations, develop risk management policies, establish risk management frameworks, and assess the importance of the risk of individual operations. In addition, we carefully monitor the risk management status of our most

critical operations.

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

From the perspective of comprehensively perceiving various risks and managing them, we identify, aggregate, and verify our risks on a quantitative or qualitative basis according to the characteristics of each risk. We report the results of this process regularly to the Risk Management

Committee and other risk management bodies.

Through this process, we are endeavoring to build an enterprise risk management system in stages, taking into consideration the changes in our business environment and regulatory trends. Among the measures, we are examining and introducing more precise and sophisticated risk calculation methods and a risk-measurement based capital allocation system.

Overview of the Category-Specific Risk Management Structure



Business Activities

Pursuing Thorough Compliance

As a “Company That Values Its Customers,” Meiji Yasuda Life implements CSR management that includes rigorous compliance measures. We have adopted the following initiatives to assist us in faithfully satisfying the expectations that customers and society have for us as a life insurance company.

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

Compliance is one of the areas covered in our “CSR Management Declaration.” Under the slogan, “Compliance—maintaining our ties with customers,” the declaration states that “We shall act with high ethical standards based on compliance, corporate ethics and common sense to earn the trust of our customers.”

Our “Code of Conduct” and “Job Performance Guidelines” define our basic compliance policies and standards and behavioral rules (ethical guidelines) for all officers and employees. In April 2011, we revised these documents, adding the necessity of a high sense of ethics that goes beyond following guidelines and specific conduct required in response to changes in the working environment. These details are intended to help all the more in increasing the customer trust placed in us.

Among other compliance tools, we also have a “Sales and Service Policy,” which serves as a pledge to customers that we will conduct sales of products appropriately. Moreover, all officers and employees act 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.

Compliance Program Guides Compliance Efforts

Meiji Yasuda Life uses a “Compliance Program”—an action plan drawn up annually—to guide its compliance efforts.

In fiscal 2011, we determined individual programs for each business section based on education and training aimed at raising ethical and compliance awareness and putting it into action. We also encouraged the use of autonomous Plan, Do, Check & Act (PDCA) cycles in each business section. We implemented the program at various levels, including company-wide, head office, regional offices, and group marketing departments. Moreover, the activities and results of these programs were reported to the Management Council and the Board of Directors through the Compliance Promotion Advisory Council and other bodies.

Compliance Promotion Structure

The Compliance Control Department is in charge of promoting compliance on a multilateral basis throughout the Company, including subsidiaries and affiliates, 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 assigned to each business section. For greater effectiveness, compliance instructors are appointed 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 checks-and-balances function.

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

To pursue Group compliance on a comprehensive basis, we have established the “Compliance Promotion Committee.” Its role is to establish and oversee compliance systems throughout the Meiji Yasuda Life Group.

To ensure objectivity, Meiji Yasuda Life established the “Compliance Promotion Advisory Council,” which is made up of a majority of external members. It was set up to build a more transparent, more effective compliance regime by reflecting the opinions of external experts and strengthening the operational oversight 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.

Social Contribution Activities

We believe that supporting our customers’ “affectionate dedication to their families” is the most befitting social contribution an insurance company can make. Therefore, we have placed our highest

priority on social contribution activities that help raise children with sound minds and bodies. Based on those principles, we conduct a variety of related activities throughout Japan.

Major Social Contribution Activities

Local Safety Maps

Since 2008, we have been conducting classes in making “local safety maps” to contribute to local communities by promoting activities designed to protect the lives and safety of children. These classes teach children how to avoid dangerous places through lectures, fieldwork, and the creation of maps and are participated in by local parents and children.



“Love and Peace Charity Concerts” and “Classes in Playing Music of the ‘Future’”

We wish to help enrich children’s aesthetic sense by providing them with opportunities to become more

familiar with music. In that spirit, we hold “Love and Peace Charity Concerts” by the famous composer Shigeaki Saegusa throughout Japan as well as “Classes in Playing Music of the ‘Future’” that teach music at elementary and junior high schools.

Charitable donations collected at each venue are donated to NPOs that are working in the fields of the sound mental and physical education of children and environment conservation throughout Japan.

“Fureai Concerts”

Since 1984, we have been holding the “Fureai Concerts,” featuring Shigeki Torizuka, of the classic Japanese pop band The Wild Ones, to give children with disabilities a chance to interact with live music. The concert has been held at 115 special-needs schools around Japan over the past 27 years and is funded by contributions from our officers and employees.