

Business Foundation Supporting Value Creation

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Framework of the Mutual Company System

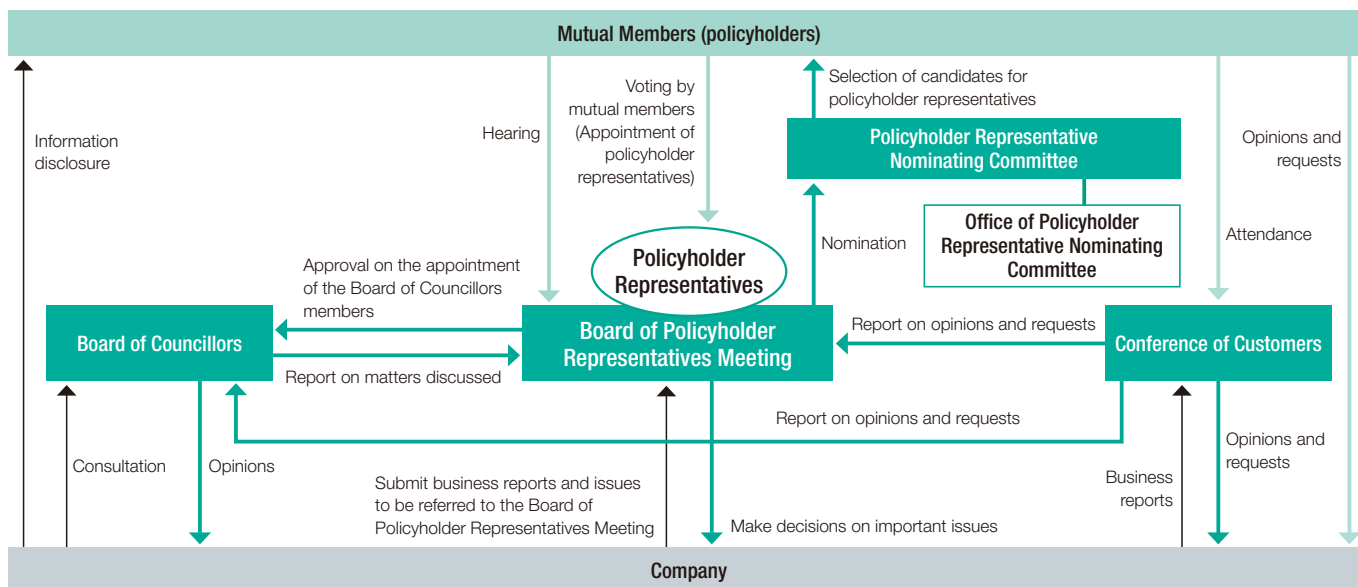
Although a life insurance company can be established as either a “stock company” or a “mutual company,” Meiji Yasuda Life was founded as a mutual company in accordance with Japan’s Insurance Business Act.

A mutual company is an incorporated body in which those* who enroll in its insurance policies also become “mutual members.” These members own the mutual company, just as shareholders own a stock company. As of March 31, 2020, Meiji Yasuda Life’s mutual members numbered approximately 6.42 million.

In addition to the Board of Policyholder Representatives Meeting, Meiji Yasuda Life maintains the Policyholder Representative Nominating Committee and the Board of Councillors, as well as the Conference of Customers to enhance the operation of its governance system to ensure that policyholders’ opinions and requests are better reflected in the Company’s management.

* Excluding those who enroll only in policies without dividends

► Framework of the Mutual Company System



Differences between Insurers Taking the Form of a Mutual Company and Stock Company

The main factors that distinguish life insurers taking the form of a mutual company from their stock company peers are listed below.

as a mutual member, Meiji Yasuda Life is focused on reflecting policyholder intentions into business management by employing a long-term perspective.

As a mutual company is jointly owned by each policyholder, who acts

	Mutual company	Stock company
Legal nature	An intermediate corporation founded in accordance with Japan’s Insurance Business Act	A for-profit corporation founded in accordance with Japan’s Company Act
Owners	Mutual members	Shareholders
Decision-making body	General meeting of mutual members or the board of policyholder representatives meeting	General meeting of shareholders
Methods for the payment of dividends	<p>Source: Profit (surplus)</p> <p>Resolution by the board of policyholder representatives meeting (on behalf of the general meeting of mutual members) approving the appropriation of surplus</p> <p>Policyholder dividends</p>	<p>Source: Profit (surplus)</p> <p>Approval from the board of directors to record a provision for policyholder dividend reserves on the statement of income</p> <p>Resolution by the general meeting of shareholders approving the appropriation of surplus</p> <p>Policyholder dividends Dividends for shareholders</p>

Board of Policyholder Representatives Meeting

In order to operate the Company in the way that directly reflects every member's opinion, it is necessary to hold a "General Meeting of Policyholders." In reality, however, inviting roughly 6.42 million policyholders nationwide to attend a single meeting is simply impossible.

Meiji Yasuda Life therefore has the Board of Policyholder Representatives Meeting, which consists of representatives selected from policyholders in accordance with the Insurance Business Act. As the highest decision making body of the Company, the Board of Policyholder Representatives Meeting reviews reports on financial results and deliberates on the appropriation of surplus and the appointment of directors, before making decisions on these and other important management issues.

Policyholder Representatives

In line with its Articles of Incorporation, Meiji Yasuda Life has set the number of policyholder representatives at 222. Of these, 120 representatives are

selected from all 47 prefectures throughout Japan. While using a proportional representation system based on the number of policyholders residing in each prefecture, the Company selects a minimum of one representative from every prefecture. An additional 80 representatives are selected irrespective of where they reside. These measures are designed to ensure that representatives reflect the diverse demographic base of our mutual members, including people from every region and age group, as well as various occupations.

Furthermore, the Company appoints 22 representatives from policyholders who voluntarily apply to become candidates. As such, Meiji Yasuda Life maintains diverse and transparent processes for the selection of its policyholder representatives.

In light of the primary role of policyholder representatives, who attend the Board of Policyholder Representatives Meeting and engage in practical discussions involving question and answer sessions, we believe the size of this body is appropriate to represent all policyholders.

Policyholder Representative Nominating Committee

The Policyholder Representative Nominating Committee consists of members selected from policyholders and appointed by the Board of Policyholder Representatives Meeting. The number of committee members is limited to 10 or less.

In addition, Meiji Yasuda Life maintains a support team to assist the Policyholder Representative Nominating Committee. With the aim of securing a transparent selection process that is independent of management, the Company consigns supervision of this team to an outside individual who is not an employee of the Company.

Board of Councillors

The Board of Councillors serves as an advisory body to management and is in charge of addressing policyholders' opinions and requests that are deemed important management issues, as well as other significant matters of concern. In general, the board meets three times a year, and matters discussed at these meetings are reported to the Board of

Policyholder Representatives Meeting.

The members of the Board of Councillors are appointed from policyholders or academic experts upon the approval of the Board of Policyholder Representatives Meeting. The number of such members is limited to 20 or less in accordance with the Company's Articles of Incorporation.

Conference of Customers

Ahead of other insurers in Japan, in 1973 Meiji Yasuda Life began holding an annual Conference of Customers on a nationwide basis. These meetings were held at a total of 101 locations, including regional offices across Japan, from January to February 2020, with a total of 2,347 policyholders attending.

The conference provided briefings on the operating results for the first half of the fiscal year (April 1 to September 30, 2019), the accomplishments of the 15 years since the inauguration of Meiji Yasuda Life, and the Company's activities aimed at contributing to regional communities. In addition, a total of 7,347 opinions and requests were submitted by attendees. This input is very important for us.

During the period in which these meetings were held, the Company also created a dedicated section for the Conference of Customers within its corporate website. This section accepted opinions and requests from customers who have difficulties with attending the conference and thereby obtained a broad range of feedback on its business operations.

These opinions and requests are reported to the Board of Policyholder Representatives Meeting and the Board of Councillors. In addition, whenever we receive opinions identifying issues in need of improvement, the department in charge of addressing the particular issue considers options and implements improvement measures, while the Customer-Oriented Service Verification Committee, an advisory body to the Management Council, follows up to verify the status of implementation.

Policyholder representatives who attend the Conference of Customers are asked to make suggestions at the Board of Policyholder Representatives

Meeting to reflect the policyholders' opinions and requests submitted at the conference. Moreover, we select a certain number of policyholder representatives from the attendees of the conference. These are some of the ways the Board of Policyholder Representatives Meeting and the Conference of Customers complement each other.

To notify our members of the application procedures to attend the upcoming Conference of Customers during the fiscal year ending March 31, 2021, we will display posters at regional offices and other business bases, as well as making this information available via our website, prior to holding the conference. Related information is also available to policyholders upon inquiry at the nearest Meiji Yasuda Life regional office or agency office.



Conference of Customers

Management Structure

Meiji Yasuda Life has adopted the “Company-with-Committees” system (currently known as the Company with Three Committees system) to strengthen its corporate governance and increase transparency. The Board of Directors consists of 11 elected directors, including six outside directors who make up the majority. The Company also maintains Nominating, Audit, and Compensation committees, with the

majority of each committee comprised of outside directors. Moreover, Meiji Yasuda Life has designated executive officers in charge of business execution, thereby ensuring clear institutional separation between management supervision and executive functions. In these ways, the Company secures a transparent management structure capable of ensuring solid oversight.

Board of Directors

The Board of Directors reaches decisions on important management issues while supervising business execution undertaken by directors and executive officers. In addition, the Outside Directors Council is in place, with all the outside directors serving as members to deliberate key management matters.

Nominating Committee

The Nominating Committee determines proposals related to the election and dismissal of directors. These are submitted to the Board of Policyholder Representatives Meeting.

Audit Committee

The Audit Committee audits the business execution of directors and executive officers, and prepares audit reports. It also submits recommendations to the Board of Policyholder Representatives Meeting on the election and dismissal of accounting auditors.

Compensation Committee

The Compensation Committee formulates the overall policy on remuneration for those in key positions, such as directors and executive officers, and thereby determines the content of remuneration for such individuals.

Initiatives to Enhance Our Governance Structure

Roles Outside Directors Are Expected to Fulfill

At Meiji Yasuda Life, outside directors are expected to fulfill the following three roles in the course of their deliberations at the Board of Directors.

- (1) Supervise the appropriateness of business execution from objective and multifaceted standpoints
- (2) Advise the Board of Directors employing their own expertise to facilitate the Company's sustainable growth and the long-lasting enhancement of its corporate value
- (3) Ensure that opinions of stakeholders, such as policyholders, are appropriately reflected in deliberations of the Board of Directors by bringing an independent stance to bear on management

Name	Current position at Meiji Yasuda Life and duties	Specialty	Reasons for appointment
 <p>Shigehiko Hattori</p>	Lead Outside Director, Compensation Committee (Chair)	Corporate management	<p>Mr. Shigehiko Hattori has experience in a number of important positions, including as president of Shimadzu Corporation, outside director of Mitsubishi Tanabe Pharma Corporation and president of Japan Analytical Instruments Manufacturers' Association. Accordingly, he possesses the knowledge and experience in corporate management to accurately, fairly and efficiently make important management decisions for the Company and oversee the execution of duties by its directors, executive officers and other officers.</p> <p>Since 2012, Mr. Hattori has served the Company as an outside director. He has been nominated as an outside director because it is expected that he will continue to supervise business execution, including that of the Company's executive officers, from an independent standpoint and thus strengthen the Board of Director's functions.</p>
 <p>Teruo Kise</p>	Director, Nominating Committee (Chair), Audit Committee	Corporate management	<p>Mr. Teruo Kise has experience in a number of important positions, including as president of TOTO LTD., outside director of Nishi-Nippon Railroad Co., Ltd., and vice chairman of the Kyushu Economic Federation. Accordingly, he possesses the knowledge and experience in corporate management to accurately, fairly and efficiently make important management decisions for the Company and oversee the execution of duties by its directors, executive officers and other officers.</p> <p>Since 2014, Mr. Kise has served the Company as an outside director. He has been nominated as an outside director because it is expected that he will continue to supervise business execution, including that of the Company's executive officers, from an independent standpoint and thus strengthen the Board of Director's functions.</p>
 <p>Miyako Suda</p>	Director, Nominating Committee, Audit Committee (Chair)	Finance	<p>Ms. Miyako Suda possesses wide-ranging knowledge as an economist, member of the Policy Board of the Bank of Japan and special advisor of the Canon Institute for Global Studies. Accordingly, she possesses the knowledge and experience as an expert in finance and economics to accurately, fairly and efficiently make important management decisions for the Company and oversee the execution of duties by its directors, executive officers and other officers.</p> <p>Ms. Suda participated in corporate management as an outside director and outside auditor and she has served the Company as an outside director since 2014. She has been nominated as an outside director because it is expected that she will continue to supervise business execution, including that of the Company's executive officers, from an independent standpoint and thus strengthen the Board of Director's functions.</p>
 <p>Keiko Kitamura</p>	Director, Audit Committee, Compensation Committee	Accounting	<p>Ms. Keiko Kitamura possesses wide-ranging knowledge as an expert of accounting, director of the Financial Accounting Standards Foundation and auditor of Keio Corporation. Accordingly, she possesses the knowledge and experience as an expert in finance and accounting to accurately, fairly and efficiently make important management decisions for the Company and oversee the execution of duties by its directors, executive officers and other officers.</p> <p>Ms. Kitamura participated in corporate management as an outside director and outside auditor and she has served the Company as an outside director since 2015. She has been nominated as an outside director because it is expected that she will continue to supervise business execution, including that of the Company's executive officers, from an independent standpoint and thus strengthen the Board of Director's functions.</p>
 <p>Masaki Akita</p>	Director, Nominating Committee	Corporate management	<p>Mr. Masaki Akita has experience in a number of important positions, including as president of Matsuya Co., Ltd. Accordingly, he possesses the knowledge and experience in corporate management to accurately, fairly and efficiently make important management decisions for the Company and oversee the execution of duties by its directors, executive officers and other officers.</p> <p>Since 2017, Mr. Akita has served the Company as an outside director. Mr. Akita has been nominated as an outside director because it is expected that he will continue to supervise business execution, including that of the Company's executive officers, from an independent standpoint and thus strengthen the Board of Director's functions.</p>
 <p>Tatsuo Uemura</p>	Director, Audit Committee, Compensation Committee	Legal affairs	<p>Mr. Tatsuo Uemura possesses wide-ranging knowledge and experience as a professor, who researches the Company Act and other legal subjects, and as an outside director of JASDAQ Securities Exchange, Inc. and Shiseido Co., Ltd. Accordingly, he possesses the knowledge and experience as an expert in legal affairs to accurately, fairly and efficiently make important management decisions for the Company and oversee the execution of duties by its directors, executive officers and other officers.</p> <p>Mr. Uemura participated in corporate management as an outside director and outside auditor, and he has been nominated as an outside director of the Company because it is expected that he will supervise business execution, including that of the Company's executive officers, from an independent standpoint and thus strengthen the Board of Director's functions.</p>

Procedures for and Policies on the Selection of Directors, Executive Officers and Operating Officers

Selection Procedures

Directors are appointed by the Board of Policyholder Representatives Meeting based on a selection proposal prepared by the Nominating Committee in accordance with the Company's Fundamental Concepts on the Selection of Director Candidates.

Executive officers and operating officers are appointed by the Board of Directors based on the Company's Fundamental Concepts on the Selection of Executive Officers and Operating Officers.

Selection Policies

Fundamental Concepts on the Selection of Director Candidates

- (1) Director candidates must be capable of contributing to the Company's sustainable growth and medium- to long-term improvement in corporate value and be equipped with ability to appropriately fulfill their roles and responsibilities as Board members.
- (2) Director candidates must be selected in accordance with standards stipulated by the Company's Rules on the Selection of Director Candidates from among those who have knowledge and experience to support accurate, fair and efficient supervision over the Company's business management as well as duties carried out by executive officers and directors. In addition, these candidates must have sufficient social credibility.

- (3) To secure the independence of outside directors, candidates for such positions must undergo the confirmation of their status in relation to the Company's Standards for Securing the Independence of Outside Directors.

Fundamental Concepts on the Selection of Executive Officers and Operating Officers

- (1) The selection of executive officers and operating officers must be focused on ensuring the steady implementation of business plans over the medium to long term and, to this end, give due consideration to such perspectives as refreshing senior management membership to secure ongoing business development and maintain organizational vitality.
- (2) Executive officers and operating officers must be selected from among those deemed to have sufficient knowledge and experience to support the accurate, fair and efficient execution of their duties with regard to the Company's business management based on the assessment of their track record and experience in corporate management as well as evaluations by in-house and external individuals. In addition, candidates for these officers must have sufficient social credibility.

Self-Evaluation of the Board's Effectiveness

The Company conducts evaluation of the effectiveness of the Board of Directors and Nominating, Audit and Compensation committees once a year based on self-evaluation results.

Self-evaluation conducted in the fiscal year ending March 31, 2021 covered a period from July 2019 to June 2020. Like self-evaluation conducted in the previous year, the Company employed third-party consultants who contributed specialist advice and support, with the aim of enhancing the fairness and objectivity in the evaluation of the effectiveness of the Board of Directors and committees named above. The results are as outlined below.

Board of Directors

1. Response to Major Issues Identified via Self-Evaluation in the Previous Year

The Board of Directors has addressed issues identified in the course of self-evaluation (covering the period from July 2018 to June 2019) that was conducted in the fiscal year ended March 31, 2020. These are described below.

Major Issues	Responses
<ul style="list-style-type: none"> • The need to continuously facilitate efforts to ensure that the Meiji Yasuda philosophy and other key concepts are adopted by all employees as well as to foster the desired corporate culture • The need for deliberation employing a forward-looking approach with regard to the formulation of our business strategies and plans, giving due consideration to how we contribute to customer interests over the medium to long term as a life insurer and what initiatives we must launch as we compete against growing industry peers 	<ul style="list-style-type: none"> • Outside directors visited regional offices, agency offices and administrative service departments to deepen their understanding of Meiji Yasuda Life's business operations, while the Company confirmed the status of employees' understanding and support of its management philosophy and other key concepts • Employed a "backcasting approach," based upon a business environment analysis that forecasts the ultra-long-term spanning 30 years, in the revision of "Our Long-Term Management Direction" and the formulation of the Medium-Term Business Plan to facilitate constructive deliberations
<ul style="list-style-type: none"> • The need for input and deliberation supporting the evaluation of proactive risk-taking in addition to risk aversion 	<ul style="list-style-type: none"> • Clarified a framework for optimally exercising risk control in light of the level of surplus and ensuring timely reporting to the Board of Directors by focusing on "soft limits" and "hard limits" as part of the development of an enterprise risk management (ERM) structure
<ul style="list-style-type: none"> • Room for improvement with regard to failure analysis when management targets or goals for priority measures are not met 	<ul style="list-style-type: none"> • Mandated detailed reporting on factors leading to the failure to meet targets in sessions aimed at evaluating progress in the business plan while maintaining ongoing and in-depth deliberations aimed at analyzing root causes

2. Summary of Self-Evaluation Results and Issues Identified Based on Such Results

Evaluation items

Composition and operation of the Board of Directors, a system for supporting outside directors, the effectiveness of the Board of Directors, the selection of executive officers and operating officers, deliberation on and process leading up to the formulation of the Medium-Term Business Plan, and initiatives aimed at promoting digital transformation (DX)

(1) Summary of Self-Evaluation

Based upon input from each director and analysis employing third-party consultants, the self-evaluation concluded that the governance provided by the Board of Directors functions effectively. In addition, the self-evaluation also determined that overall the issues identified in the course of the previous self-evaluation are being properly addressed.

(2) Evaluation of Initiatives to Secure the Board of Directors' Effectiveness and Issues Identified in the Course of Self-Evaluation

The following table describes the results of the assessment of the Board of Directors' effectiveness in terms of its fulfillment of the roles, noted in (i) to (iii), that the Board is expected to play in accordance with Japan's Corporate Governance Code. The self-evaluation also confirmed that the Board of Directors continuously endeavors to enhance its effectiveness.

In addition, all members of the Board are aware of the need to optimize the Board's operations in light of the fallout from the COVID-19 pandemic and maintain further deliberation aimed at adjusting the direction of business management to adapt to new circumstances influenced by the pandemic.

	Self-Evaluation Results	Issues Identified
(i) Direction of corporate strategies	<p>Formulation of medium- to long-term business plan</p> <ul style="list-style-type: none"> The Board of Directors has been engaged in active deliberation on multiple occasions with regard to the formulation of a medium- to long-term business plan involving the assessment of the current business environment. The self-evaluation concluded that this approach helped facilitate directors' understanding on the topics and led to constructive deliberation. <p>Deliberation on the overseas insurance business</p> <ul style="list-style-type: none"> The Board of Directors has been engaged in sufficient deliberation, with each session being held at appropriate times. The self-evaluation also concluded that development is steadily under way of functions to monitor this business based on a PDCA cycle. 	<ul style="list-style-type: none"> It was recognized that the Board of Directors needs to improve the operation of each session and the layout of meeting materials so that attendees can more smoothly focus on subjects to be discussed without being distracted by non-essential matters. Moreover, all directors are aware that when specific themes are being discussed over multiple sessions, they need to narrow the scope to ensure a common understanding of which aspects will be discussed at upcoming sessions. The self-evaluation recognized that the overseas insurance business needs to be better coordinated with the management philosophy, the Medium-Term Business Plan and other Companywide strategies. It was also determined that the Company must step up in-depth surveys into this business.
(ii) Development of a system supporting senior management members in appropriate risk-taking endeavors	<p>Establishment of a robust business management structure and the development and maintenance of internal controls</p> <ul style="list-style-type: none"> The self-evaluation concluded that the Board of Directors succeeded in contributing constructive advice and helpful insights to executive team members with regard to the following matters. <ul style="list-style-type: none"> Positioning of the Audit Department and the enhancement of its roles and functions Status of regional strategies Initiatives associated with the overseas insurance business Customer perspectives on "Our Conduct Principles" 	<ul style="list-style-type: none"> It was recognized that IT utilization and other digitalization initiatives must be discussed at a faster pace in light of the fallout from the COVID-19 pandemic as well as growing needs to ensure our ability to flexibly adapt to expected changes in the business environment. This deliberation must also address, employing input from external specialists, the matter of how we contribute to customer interests over the medium to long term.
(iii) Highly effective supervision over top management and directors from an independent and objective standpoint	<p>Monitoring the execution of the business plan</p> <ul style="list-style-type: none"> The self-evaluation concluded that, as part of the efforts to help outside directors deepen their understanding of Meiji Yasuda Life's business operations, sufficient opportunities are provided to them in a timely and appropriate manner. These opportunities include the prior explanation of agenda items to be discussed by the Board of Directors, the Outside Directors Council, presentation meetings focused on specific themes, and meetings attended by outside directors and representatives from regional offices, group insurance marketing departments and overseas subsidiaries to exchange opinions. 	<ul style="list-style-type: none"> The self-evaluation determined that the Company needs to develop a structure for improving the convenience and efficiency of meeting platforms by, for example, allowing executive officers in charge of the prior explanation of agenda items to employ web-conferencing systems, in addition to promoting ongoing initiatives aimed at helping the Board of Directors realize highly effective supervisory functions.

Nominating Committee

1. Response to Major Issues Identified via Self-Evaluation in the Previous Year

The Nominating Committee has addressed issues identified in the course of self-evaluation (covering the period from July 2018 to June 2019) that was conducted in the fiscal year ended March 31, 2020. These are described below.

Major Issues	Responses
<ul style="list-style-type: none"> The need to increase opportunities in which all committee members confirm the current status and share their opinions during the process to select director candidates 	<ul style="list-style-type: none"> Introduced a preliminary selection of outside director candidates that incorporates such insights as recommendations from outside committee members while securing opportunities in which all committee members confirm the current status and share their opinions (three times per year)
<ul style="list-style-type: none"> The need to secure sufficient time to discuss important agenda items 	<ul style="list-style-type: none"> Increased time for deliberation per committee session to approximately 1.5 times the conventional duration in the fiscal year ending March 31, 2021, thereby securing sufficient time for deliberation

2. Summary of Self-Evaluation Results and Issues Identified Based on Such Results

(1) Summary of Self-Evaluation

Based upon input from each committee member and analysis employing third-party consultants, the self-evaluation assessed the composition and operation of the committee, a system for supporting outside committee members, and the overall effectiveness of the committee. The self-evaluation thus concluded that the committee's functions are effective as a body tasked with the selection of director candidates thanks to new initiatives aimed at facilitating information sharing and robust communication among committee members via, for example, the clarification of the selection process based on guidelines for selecting outside director candidates and the introduction of a preliminary selection of candidates.

(2) Issues Identified

The self-evaluation confirmed that the Nominating Committee continuously endeavors to address various issues, including those listed below, to further enhance its effectiveness.

- The need to enhance the selection process, including preliminary candidate selection, to further upgrade methods for selecting director candidates
- The need to maintain periodic reviews on the appropriateness of guidelines for selecting new outside director candidates
- The need to acquire more detailed information with regard to director candidates and facilitate active deliberation at committee sessions

Audit Committee

1. Response to Major Issues Identified via Self-Evaluation in the Previous Year

The Audit Committee has addressed issues identified in the course of self-evaluation (covering the period from July 2018 to June 2019) that was conducted in the fiscal year ended March 31, 2020. These are described below.

Major Issues	Responses
<ul style="list-style-type: none"> • The need to enhance the content of information provided to Audit Committee members 	<ul style="list-style-type: none"> • Reevaluated key subjects in agenda items to be discussed by the Management Council and latent risks associated with such subjects while narrowing down matters that should be relayed to other bodies and otherwise striving to effectively provide relevant information to outside Audit Committee members
<ul style="list-style-type: none"> • The need to discuss the introduction of a new evaluation process to clarify the Audit Committee's accountability on the selection of accounting auditors 	<ul style="list-style-type: none"> • The committee received interim reporting on the status of surveys into and research on the introduction of a periodic process for selecting accounting auditors in addition to reviewing the interim reporting on the performance of current accounting auditors
<ul style="list-style-type: none"> • The need to step up collaboration with the Internal Audit Department 	<ul style="list-style-type: none"> • Formulated an internal audit plan based on a draft plan prepared by the Audit Committee • Strengthened collaboration between the Audit Committee and the Internal Audit Department by, for example, holding multiple committee sessions with the attendance of senior internal auditors and other key personnel from the Internal Audit Department to exchange opinions

2. Summary of Self-Evaluation Results and Issues Identified Based on Such Results

(1) Summary of Self-Evaluation

Based upon input from each committee member and analysis employing third-party consultants, the self-evaluation assessed the operation of the Audit Committee, circumstances surrounding its audit activities, the status of operational and accounting audits, methods used for auditing, priority measures undertaken by the committee and other matters. The self-evaluation thus concluded that the committee carries out its duties in a proper manner in accordance with the Company's Rules on the Audit Committee and Rules on Auditing by the Audit Committee.

(2) Issues Identified

The self-evaluation also confirmed that the Audit Committee continuously endeavors to address various issues, including those listed below, to further enhance its effectiveness.

- The need to enhance audit quality by directly supervising the Company's internal audit functions (upgrade the structure to properly relay audit findings to audited business units)
- The need to discuss a new evaluation process to clarify the Audit Committee's accountability on the selection of accounting auditors

Compensation Committee

1. Response to Major Issues Identified via Self-Evaluation in the Previous Year

The Compensation Committee has addressed issues identified in the course of self-evaluation (covering the period from July 2018 to June 2019) that was conducted in the fiscal year ended March 31, 2020. These are described on the next page.

Measure Issues	Reponses
<ul style="list-style-type: none"> The need to enhance the effectiveness of a PDCA cycle used for director evaluation to secure optimal linkage with performance 	<ul style="list-style-type: none"> Pushed ahead with the optimization of the linkage between director evaluation and performance and the enhancement of the PDCA cycle by, for example, discussing the introduction of a medium- to long-term performance-based compensation program in the fiscal year ending March 31, 2021 and by making it a rule to monitor director compensation every three years
<ul style="list-style-type: none"> The need to secure sufficient time to discuss important agenda items 	<ul style="list-style-type: none"> Increased time for deliberation per committee session to approximately 1.5 times the conventional duration in the fiscal year ending March 31, 2021, thereby securing sufficient time for deliberation

2. Summary of Self-Evaluation Results and Issues Identified Based on Such Results

(1) Summary of Self-Evaluation

Based upon input from each committee member and analysis employing third-party consultants, the self-evaluation assessed the composition and operation of the committee, a system for supporting outside committee members and the overall effectiveness of the committee. The self-evaluation thus concluded that the committee's functions are effective as a body tasked with determining director compensation thanks to efforts to improve its effectiveness. These efforts included the introduction of a medium- to long-term performance-based compensation program and other measures aimed at revising conventional compensation systems in a way that gives due consideration to consistency with employee compensation systems as well as maintaining intensive deliberation in the course of a robust process leading up to such revisions, with each committee member contributing his/her opinions.

(2) Issues Identified

The self-evaluation confirmed that the Compensation Committee continuously endeavors to address various issues, including those listed below, to further enhance its effectiveness.

- The need to acquire more detailed information to evaluate each internal director
- The need to upgrade methods for collecting information via ongoing surveys into external practices
- The need to enhance information disclosure regarding the reasons compensation systems were changed and the results of such revisions to facilitate stakeholder understanding

Status of the Audit Committee's Activities

1. Organization and Staffing

In accordance with relevant laws and the Company's Articles of Incorporation, the Audit Committee consists of five individuals, including four outside directors acting as committee members and one internal director acting as a full-time committee member. Each committee member is specialized in legal affairs, corporate management, finance, economics or accounting. Therefore, the committee is positioned to employ the considerable expertise contributed by its members especially in the field of finance and accounting.

2. Meeting Frequency and Attendance

In the fiscal year ended March 31, 2020, the Audit Committee met once a month in general. Attendance by each committee member is as described below.

	Name	Number of Meetings	Number Attended
Outside director	Seiichi Ochiai	15	15
Outside director	Teruo Kise	15	15
Outside director	Miyako Suda	15	15
Outside director	Keiko Kitamura	15	12
Director	Seiichiro Utsubo	15	15

3. Main Agenda Items Discussed by the Committee

The Audit Committee conducts audits in line with its audit policies and plans. The audit plans are prepared to specify priority audit items in light of (1) law revisions, regulatory trends and other external factors, (2) executive team members' recognition of important risks, and (3) conclusions reached at Audit Committee sessions.

Priority audit items in the fiscal year ended March 31, 2020 were (1) the status of the Company's response to market risks, (2) the status of its initiatives to enhance the structure for managing insurance solicitation, and (3) the status of its initiatives to upgrade the Group's business management structure.

4. Status of Committee Activities

- The committee held sessions, both periodically and as necessary, to receive reporting and exchange opinions on such topics as the development and operational status of the Group's internal control systems and the progress of the Medium-Term Business Plan. Attendees who provided such reports and contributed their opinions at these sessions included executive officers who supervise departments in charge of internal control (the Compliance Control Department, the Risk Management Control Department, the Customer Relations Department, the Profit Management & Actuarial Department, and the Corporate Planning Department) as well as top management members responsible for Group management in addition to President, Representative Executive Officer and Group CEO.
- The committee acted in close, ongoing collaboration with the Audit Department, from which it received reports, both periodically and as necessary, and otherwise exchanged opinions with regard to internal audit plans, the content of audit items, audit results, the evaluation of the quality of internal audits, the status of efforts to upgrade the structure for ensuring audit findings are properly relayed to audited business units, and the audit methodologies used.
- The committee also acted in close, ongoing collaboration with the accounting auditors, receiving reports both periodically and as necessary, and otherwise exchanging opinions with regard to audit plans prepared by the accounting auditors, the content of audit items, audit results (including those associated with the status of internal control for ensuring proper financial reporting) and other matters related to the execution of their duties. Furthermore, the committee strove to clarify its accountability on the selection of accounting auditors and, to this end, performed the interim evaluation of accounting auditors as well as surveys into and research on the possible introduction of a periodic process for the selection of such individuals.

Remuneration for Directors and Executive Officers

(1) Breakdown

Item	Number of recipients	Total amount	Total amount		
			Basic compensation	Performance-based compensation	Other
Directors	8	¥143 million	¥143 million	–	–
Executive Officers	18	¥1,095 million	¥579 million	¥505 million	¥11 million
Total	26	¥1,239 million	¥722 million	¥505 million	¥11 million

Notes:

- Remuneration for directors concurrently serving as executive officers is included in remuneration for executive officers. The figures include one director who retired at the closure of the 72nd regular Board of Policyholder Representatives Meeting held on July 2, 2019.
- The Company abolished its retirement benefit scheme for directors and executive officers on June 30, 2008.
- Apart from the remuneration presented above or disclosed in past business reports, the Company has paid ¥92 million and ¥13 million, respectively, to 48 directors and 12 corporate auditors who previously retired as annuities.
- On July 2, 2019, the Company's Compensation Committee passed a resolution approving policies on the determination of individual remuneration for directors and executive officers. Based on these policies, the committee formulated rules on the determination of such remuneration. In accordance with these rules, the committee decided the amount of individual remuneration for directors and executive officers based on the Company's operating results and individual achievements. Said policies are as described below.
 - Basic policy: The amount of remuneration for directors and executive officers shall be set at an appropriate level based on the duties carried out by each recipient, giving due consideration to the operating environment surrounding the Company and its business performance.
 - Remuneration for directors: Remuneration for directors consists only of fixed compensation whose amount is determined by each individual director's duties, including such assignments as chairing a committee.
 - Remuneration for executive officers: With the aim of ensuring the Company's sustainable growth and the medium and long-term enhancement of corporate value, remuneration for executive officers consists of basic compensation, performance-based compensation and additional compensation for those with representative authority and those responsible for Group management. Specifically,
 - basic compensation and additional compensation for those with representative authority and those responsible for Group management shall be fixed compensation determined in light of the recipient's position and duties.
 - Performance-based compensation shall be determined within certain limits based on the recipient's position and duties, with consideration given to the Company's operating results as well as individual contribution to corporate performance.
- Remuneration for the Company's directors and executive officers consists of basic compensation, which is fixed compensation; performance-based compensation; and other compensation. Performance-based compensation consists of a component determined by the Company's operating results and a component determined by the evaluation of individual achievements. The proportion of these two components are individually determined based on the recipient's position. In addition, the ratio of performance-based compensation to the total amount of compensation paid to each recipient, ranges from 39.7% to 50.8% based on his/her position during the fiscal year ended March 31, 2020.
- The main indicators used to determine performance-based compensation are identical with those used for management targets. Specifically, these include EEV, which represents corporate value; annualized premiums in force in individual insurance marketing; and group life insurance in force in group insurance marketing.
- Other compensation includes subsidies for rents of corporate housing.

(2) Total Amount of Remuneration Paid to Individual Recipients

Name	Position	Total amount	Total amount		
			Basic compensation	Performance-based compensation	Other
Nobuya Suzuki	Chairman of the Board, Representative Executive Officer	¥100 million	¥49 million	¥49 million	¥2 million
Akio Negishi	Director, President, Representative Executive Officer	¥117 million	¥59 million	¥54 million	¥3 million

Note: Recipients named above only include recipients whose remuneration amounts to ¥100 million or more in total.

(3) Remuneration for Outside Directors

	Number of recipients	Compensation paid by insurance companies	Compensation paid by the parent of insurance companies
Total	6	¥100 million	–

Note: The amount of remuneration presented above is disclosed in accordance with guidelines for the preparation of Securities Reports regarding matters stipulated by Article 24, Paragraph 1 of the Financial Instruments and Exchange Act. This is based on precaution No. 57-b issued under the Cabinet Office Ordinance to provide guidance for form No. 2 with regard to the disclosure of corporate status (Ministry of Finance's 1973 Ordinance No. 5), which provides a basis for companies to treat disclosure in the same manner as specified by precaution No. 38 issued to provide guidance for form No. 3 under said ordinance.



Nobuya Suzuki
Chairman of the Board,
Representative Executive Officer

The Board of Directors Seeks to Operate in the Manner Best Suited to a Company Owned by Mutual Members, Our Policyholders.

The Composition and Operation of Meiji Yasuda Life's Board of Directors

Under the “Company with Three Committees system,” Meiji Yasuda Life’s Board of Directors is charged with determining the fundamental management policies as well as with supervising the execution of duties by directors and executive officers. Our Board of Directors aims to serve as “monitoring board” and, to this end, strives to secure clear separation between the functions of management supervision and business execution by, for example, delegating most executive authority to executive officers. In sum, the Board of Directors prioritizes supervising the execution of business by executive officers.

Moreover, the majority (six of 11 members) of Meiji Yasuda Life’s Board of Directors is comprised of outside directors. The Board thus aims to secure robust supervisory functions and transparency and is engaged in active discussion, with all members contributing diverse opinions employing the perspective of various stakeholders, including policyholders.

My Role as the Chairman of the Board

Although I serve concurrently as a representative executive officer, I am not charged with the execution of specific operations. Accordingly, I am positioned to oversee the Company's overall business operations without being distracted by executive duties. I believe that by taking advantage of my unique standpoint as the Chairman of the Board, I can fulfill the expectation of appropriately providing information, especially to outside directors, about each agenda item to help them freely express their opinions and insights. In the course of presiding over discussion at Board meetings, I have striven to maintain a neutral position as Chairman while encouraging constructive discussion by clearly indicating what the attendees need to discuss.

Every year, the Board of Directors evaluates the overall effectiveness of its operations based on questionnaires filled out by each director, which provide a self-evaluation, as well as conclusions reached at Board meetings. Evaluations by directors, including outside directors, have been generally favorable. I believe that the Board of Directors' effectiveness hinges on the open exchange of opinions. In addition, executive team members must take heed of input from those with different perspectives and reflect such input in business execution. This approach is essential and must be maintained by all executives. We also employ insights contributed by the Outside Director Council, which consists solely of outside directors. By doing so, we strive to ensure that each Board member receives timely updates about agenda items and feels free to contribute to the discussion without constraint.

Our Future Initiatives

In the fiscal year ended March 31, 2020, the Board of Directors engaged in the determination of the Company's long-term fundamental management policies and the formulation of the Medium-Term Business Plan. Simultaneously, the Outside Director Council met on multiple occasions to address a broad range of subjects, reviewing operating results and analyzing the business environment over the ultra-long term. Thus, the council has similarly discussed long-term fundamental management policies and, in light of them, examined the Medium-Term Business Plan. In the course of constructive discussion held by these two separate bodies, each director actively contributed their diverse expertise and opinions, which, in turn, helped to adjust the business plan.

Looking ahead, the Board of Directors needs to review the business plan in light of such factors as the fallout from the COVID-19 pandemic while urgently addressing digital transformation (DX), which aims to achieve the thoroughgoing reform of our business model via the use of digital technologies. I think all members of the Board share the same sense of urgency on these important matters.

Today, the social and economic environment surrounding Meiji Yasuda Life is rapidly evolving. In addition to promoting DX, the Board of Directors is determined to accurately assess changing circumstances and monitor the execution of the Company's business operations to confirm their appropriateness. We will thereby ensure that the Board of Directors remains highly effective in its operations, with the aim of living up to the expectations of our stakeholders, especially our policyholders.



Meiji Yasuda Life recognizes that providing customers with life-long protection is a life insurer's essential mission. More specifically, in light of the unique characteristics of life insurance policies whose duration may extend to the ultra-long term, we believe that establishing a sophisticated corporate governance structure as a mutual company is the most important management issue. In line with this belief, the Company has announced its Basic Policy of Corporate Governance, which set forth fundamental concepts and policies on corporate governance consistent with the spirit of Japan's Corporate Governance Code that was enacted in June 2015 for listed companies.

Under this Basic Policy, the Company has been endeavoring to upgrade its corporate governance systems. Meiji Yasuda Life also

utilized such venues as Outside Directors Council meetings to promote constructive deliberation on its medium-term management approach and the adoption of ERM and other methodologies while helping outside directors enhance their understanding of the Company's business activities. Moreover, Meiji Yasuda Life incorporates insights offered by external consultants in the course of Board of Directors' self-evaluation to assess its effectiveness. At the same time, the Company proactively discloses to the general public issues revealed via this evaluation and improvement measures it is undertaking.

We invited Ms. Keiko Kitamura, who has been serving as an outside director since 2015, to ask about her views on Meiji Yasuda Life's initiative to enhance its corporate governance.

Q How do you evaluate the initiatives undertaken by Meiji Yasuda Life to strengthen corporate governance?

A Since becoming a director in 2015, I have seen steady progress as the Company's Board of Directors, in light of various changes in society, has enhanced its deliberations. The overseas insurance business supported by StanCorp and other subsidiaries and affiliates has been an area of particular interest for each director. The Board has thus maintained active deliberation on and fully exercised its supervision over this business. I am convinced that the Board is successful in providing the required management guidance for these operations.

Due to such factors as the fallout from the COVID-19 pandemic, there is a lingering sense of tiredness among people, businesses and society as a whole. That is why I believe it is exactly the right time for corporations to take a forward-looking approach and intensively discuss business plans for the short, medium and long-term while maintaining the flexibility to review these plans in step

with evolving circumstances. More than others, in the course of business management, life insurers are being called upon to adopt an ultra-long-term perspective aimed at pursuing policyholder interests. Life insurers are also expected to remain open to social expectations and, to this end, play their part in the vitalization of regional communities.

For outside directors, it can sometimes be hard to fully digest the characteristics of life insurance operations or management issues highly specific to life insurers. However, the Company's outside directors are given sufficient opportunities to attend study sessions aimed at addressing diverse topics, along with visits to headquarters, regional offices, agency offices and sometimes overseas subsidiaries. These opportunities help each director realize the full potential of their duties as they are able to acquire in-depth knowledge of Meiji Yasuda Life's business operation and its corporate culture. I hope that the Company will increase these opportunities.



Keiko Kitamura

Director

1981 Professor, Faculty of Commerce, Chuo University
2015 Director, Meiji Yasuda Life Insurance Company
2016 Professor Emeritus, Chuo University (incumbent)

Q As a specialist in accounting, what do you think of the roles the Board of Directors and the Audit Committee are called to fulfill?

A As a researcher in the field of accounting, I believe there are clear expectations that I will bring my expertise, with regard to such subjects as financial reporting, to bear when I attend meetings of the Board of Directors or the Audit Committee.

Sometimes, this can mean presenting harsh opinions against the proposals or actions of executive team members.

Financial statements prepared by financial institutions, particularly life insurers like Meiji Yasuda Life, differ from those prepared by other business corporations in many ways. I can sometimes be confounded by the differences. Although outside directors receive meeting materials prior to upcoming Board meetings and attend advance briefings on such materials, I take a long time to thoroughly

examine finance-related documents. I know that significant time is involved in finalizing the financial results, but I have requested that the Board's secretariat team deliver these materials earlier.

Going forward, the Company may choose to introduce IFRS-based accounting management. Meiji Yasuda Life is also subject to economic value-based capital regulations expected to come into effect in the near future. These future trends will significantly affect Meiji Yasuda Life's business operations in such aspects as the valuation of liabilities using fair value and the matching of assets and liabilities. I will therefore need to study these matters even more thoroughly. Looking ahead, I will continue to do my best to help the Company's Board of Directors robustly fulfill its supervisory functions by contributing my accounting expertise.

Directors, Executive Officers and Operating Officers

Directors

(As of July 2, 2020)



Chairman of the Board
Nobuya Suzuki*



Director, President and Group CEO
Akio Negishi*



Director, Deputy President
Masao Aratani



Director, Deputy President
Shinya Makino



Director
Seiichiro Utsubo



Director
Shigehiko Hattori**
Senior Advisor, Shimadzu Corporation



Director
Teruo Kise**
Advisor, TOTO LTD.



Director
Miyako Suda**
Special Advisor,
The Canon Institute for Global Studies



Director
Keiko Kitamura**
Professor Emeritus, Chuo University



Director
Masaki Akita**
Representative Director, President and
Executive Operating Officer, Matsuya Co., Ltd.



Director
Tatsuo Uemura**
Professor Emeritus, Waseda University

* Representative Executive Officer
** Outside Director

Executive Officers

(As of July 2, 2020)

Executive Officers	Nobuya Suzuki	Chairman of the Board
	Akio Negishi	Director, President and Group Chief Executive Officer
	Masao Aratani	Director, Deputy President, Chief Executive, Investment Division
	Tadashi Onishi	Deputy President, Responsible for the "Wellness for All Project" and the "Community Vitalization Project"
	Shinya Makino	Director, Deputy President
Senior Managing Executive Officers	Kazunori Yamauchi	
	Takashi Kikugawa	
	Teruki Umezaki	Group Chief Compliance Officer
Managing Executive Officers	Hideki Nagashima	
	Shinji Nakatani	Chief Executive, Public Marketing Division
	Hideki Yamaguchi	Chief Executive, Individual Insurance Marketing Division
	Koichi Nagao	
	Atsushi Nakamura	
	Masanao Kawamura	Chief Executive, Corporate Marketing Division
	Yasushi Ueda	Group Chief Actuary
	Toshiyuki Sumiyoshi	
	Kenji Fukui	Group Chief Risk Officer

Operating Officers

(As of July 2, 2020)

Managing Operating Officers	Michihiko Hayashi	Chief General Manager, Tokyo Marketing Headquarters
	Masahiro Koyama	Deputy Chief Executive, Corporate Marketing Division
	Shiro Kishimoto	Chief General Manager, Saitama Marketing Headquarters
Operating Officers	Masanori Takano	General Manager, 1st Public Sector Marketing Department
	Minoru Wakabayashi	General Manager, Corporate Market Development Department
	Motohiko Sato	General Manager, Credit Investment Department
	Yoshiya Kato	Chief General Manager, Osaka Marketing Headquarters
	Hideaki Kurumaya	Chief General Manager, Fukuoka Marketing Headquarters
	Shinji Makino	General Manager, Group Market Planning & Research Department
	Nobuyuki Aoto	General Manager, Information Systems Department
	Kenji Soejima	Chief General Manager, Kanagawa Marketing Headquarters
	Toshihiko Naka	General Manger, Marketing Planning & Research Department
	Yoshiichi Asano	General Manager, Human Resources Department
	Daisaku Shintaku	Responsible for the matters relevant to StanCorp
	Nobuhiro Nakamura	Chief General Manager, Nagoya Marketing Headquarters
	Takeo Ueda	General Manager, Specified Insurance Product Investment Department

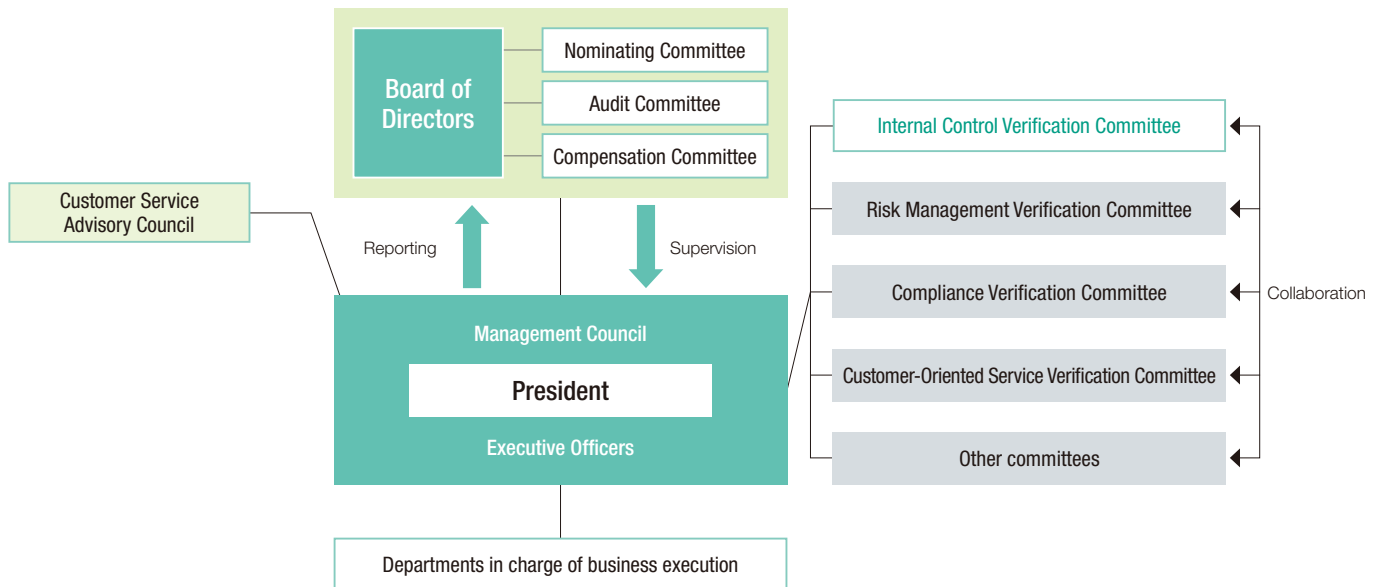
Development and Enhancement of the Internal Control System

Meiji Yasuda Life established the Basic Policy of Group Internal Controls that guides its initiatives to develop and maintain sophisticated internal controls. Moreover, the Company set up the Internal Control Verification Committee, an advisory body to the Management Council with the aim of deliberating various matters related to internal controls from across-the-board perspectives.

Although it operates as a mutual company, Meiji Yasuda Life voluntarily adopts internal control and financial reporting systems as well as related in-house rules that are mandatory for all domestically listed companies, thereby enhancing the reliability of its financial reporting. At the close of its full-year financial results, the Company evaluates the status of its internal controls to confirm whether or not significant problems requiring disclosure were identified. Based on this evaluation, the Company prepares internal control reports. These reports are audited by our external auditors, who then issue an internal control auditing report.

To develop a robust internal control structure, designated personnel, such as internal control managers, have been assigned throughout the organization. These personnel spearhead the internal control self-assessments performed by each business unit and, by checking operations for the appropriateness of internal controls, they confirm whether legal requirements are met and business risk is managed. We are also developing an internal control structure that includes system platforms that enable us to quickly verify internal controls and rapidly correct any shortcomings. Within this structure, the Company also pursues other internal control activities, such as executing rigorous follow-up self-assessments, thereby ensuring the appropriateness of its business operations.

► The Internal Control Verification Committee's Relationships with Other Important Bodies



Basic Policy of Group Internal Controls

In concert with the enforcement of the Company Act in May 2006, Japan's Insurance Business Act was revised, making it mandatory for insurers to resolve related policies at their board of directors meetings. Accordingly, Meiji Yasuda Life established basic policies governing such matters as its Audit Committee support structure, as well as systems to ensure the appropriateness of Group operations through legal compliance, risk management and internal audits.

Internal Audit Structure

Basic Approach

Meiji Yasuda Life has positioned internal auditing as an important process in which it obtains advice and recommendation from auditors who evaluate the status of its organizational activities from a fair and objective standpoint with the aim of helping the Company achieve its organizational targets. To secure the effectiveness of internal audits, the Company established the Basic Policy of Group Internal Audit. In line with this policy, the Audit Department has been put in place, operating under the direct supervision of the Audit Committee. With the aim of ensuring that its audit function is strictly independent from business execution functions, the Company requires a resolution by the Audit Committee for any change in the aforementioned policy or the formulation of internal audit plans while consolidating all internal audit results to be reported to the committee.

Moreover, the Audit Committee is positioned to directly instruct the Audit Department, which is tasked with monitoring functions as a component of the internal control system.

Initiatives to Reinforce Our Internal Audit Structure

To ensure that internal audits are carried out in an efficient and effective manner, internal audit plans are formulated based on plans drafted by the Audit Committee and risk assessments conducted by the Audit Department, with the scope of audits encompassing all business units and activities of Meiji Yasuda Life and its domestic Group companies. Specific audit themes include the status of countermeasures aimed at addressing key risks and the progress of the Medium-Term Business Plan. These themes are applied across-the-board in audits covering the Group companies. Meanwhile, headquarters and other business bases, including regional offices as well as group marketing departments, are subject to unit-specific audits aimed at determining the status of business activities at each business unit.

In addition, these audits involve off-site monitoring in which meeting materials and other documents are examined as necessary, with monitoring results being reflected in the risk assessment process.

The results of internal audits and the status of recommended improvement measures are swiftly reported to the Audit Committee, Board of Directors and Management Council.

Meiji Yasuda Life's main domestic Group companies also have their own internal audit departments operating under the instruction of and receiving advice from their counterparts at the Company. Meiji Yasuda Life is cooperating with its overseas Group insurance companies as necessary, with the aim of strengthening the internal auditing systems of the entire Group.

Initiatives to Maintain and Enhance the Quality of Internal Audits

To maintain and enhance specialist knowledge and skills possessed by internal auditors, we established programs to nurture our human resources, including an in-house educational program, and are regularly providing training sessions. In doing so, we are striving to nurture expert human resources who can be accredited under the Certified Internal Auditor (CIA) scheme sponsored by The Institute of Internal Auditors (IIA), an international association of internal auditing professionals. Moreover, we utilize external auditors and other outside experts to conduct audits in certain fields that require highly specialized expertise.

Also, we have formulated audit quality management programs to constantly enhance the quality of internal auditing, thereby carrying out the periodic evaluation of audit quality. In the fiscal year ended March 31, 2019, we appointed dedicated staff in charge of assessing the quality of the internal audit results from the viewpoints of fairness, validity and appropriateness. Our internal audits for the same fiscal year were assessed by a third party audit firm, which evaluated the quality of our audit results based on the International Standards for the Professional Practice of Internal Auditing set forth by the IIA. These assessments concluded that our audits deserve a "Generally Conforms" rating, which represents the highest degree of conformity to the standards.

External Recognition

Meiji Yasuda Life was chosen to receive the Chairman's Award at the 52nd National Conference for Promotion of Internal Auditing sponsored by The Institute of Internal Auditors-Japan (September 2018).

Basic Recognition, ERM, and Risk Management Policies and Rules

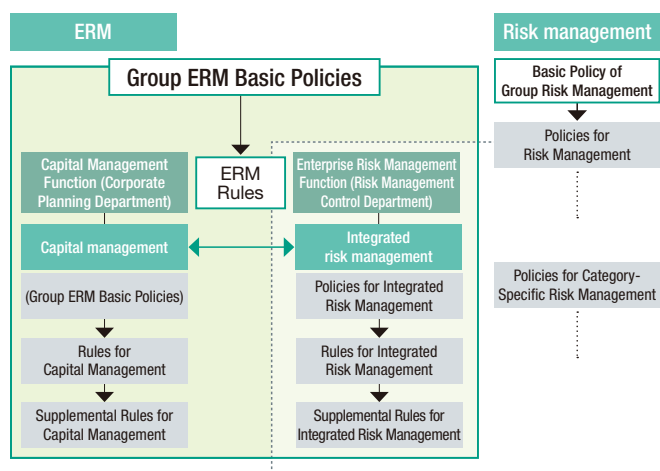
Meiji Yasuda Life recognizes the importance of ensuring sound management and faithfully fulfilling contractual obligations over the long term to achieve its goal of providing customers with services that live up to the management philosophy “Peace of mind, forever.” In line with this recognition, the Company views risk management as one of the most

crucial elements of business management, with ERM, which aims to control all operational risk in a way consistent with management strategies, positioned as a key methodology. Accordingly, the Board of Directors, Management Council and other bodies set ERM and risk management policies and rules.

ERM Structure

Meiji Yasuda Life has determined that its ERM structure must serve two functions: capital management and integrated risk management. In line with this determination, the Company has charged its Corporate Planning Department with the former function while assigning the latter function to the Risk Management Control Department, which is in charge of overall risk management. These two bodies are expected to realize synergies in the practice of ERM while mutually providing checks and balances.

Note: Enterprise risk management (ERM) is a business management method aimed at quantitatively controlling risk, return, and capital for the entire corporation on an economic value basis via the formulation of basic policies for risk aversion. ERM also defines the types of risks a corporation is willing to take. Through these activities, ERM aims to maximize corporate value.



The ERM Framework in Operation

With the aim of stably enhancing corporate value while striking a balance between growth potential, profitability and financial soundness, Meiji Yasuda Life has utilized an ERM framework in the formulation and implementation of business plans.

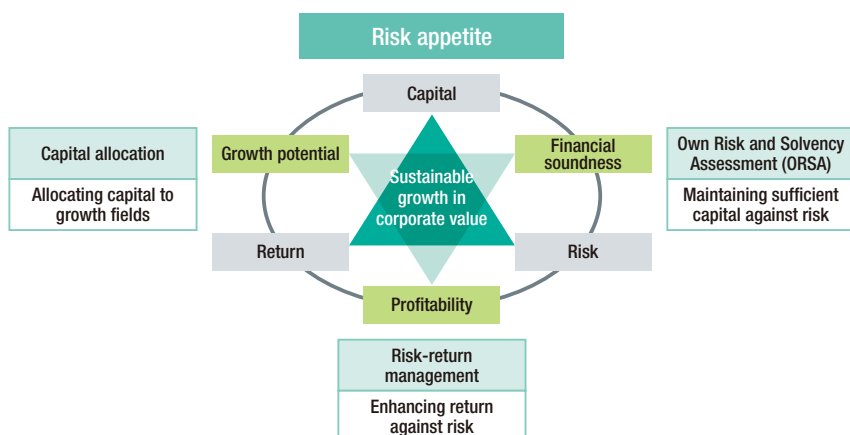
More specifically, to ensure sustainable growth in corporate value and based upon its unique risk appetite, which clarifies the types and levels of acceptable risk, the Company engages in capital allocation, risk-return management and Own Risk and Solvency Assessment (ORSA) in an integrated manner.

In the fiscal year ended March 31, 2020, the final year of the three-year program MY INNOVATION 2020, the Company strove to upgrade its ERM structure by, for example, enhancing the preciseness of risk control, with an eye to addressing issues identified in the course of implementing the Medium-Term Business Plan. As a result, our ESR,

a key economic value-based indicator for financial soundness, stood at 155%* as of March 31, 2020, meeting our Medium-Term Business Plan target of 150 to 160% or more.

In the fiscal year ending March 31, 2021, we will continue to take advantage of our ERM framework to practice a management approach focused on securing financial soundness, which serves as a basis for customer-oriented business operations. At the same time, we will strive to enhance the effectiveness of our ERM-based management in anticipation of the upcoming introduction of economic value-based capital regulations.

* For the fiscal year ending March 31, 2021, the Company has upgraded methods used in ESR measurement in light of the Insurance Capital Standard (ICS) and the status of domestic discussions regarding economic value-based capital regulations while switching to Group-based ESR management. ESR, provisionally calculated using the upgraded methods, stood at 183% as of March 31, 2020.



Economic Solvency Ratio (ESR)

An economic-value based indicator that shows whether Meiji Yasuda Life has secured sufficient capital in contrast with its total amount of risk. (Adopting a 99.5% confidence level, the figure assumes an investment environment based on the Company's internal model.)

$$ESR = \text{capital} / \text{total amount of risk}$$

Risk Appetite

At Meiji Yasuda Life, risk appetite designates the types and levels of risk the Company is willing to take. It clarifies the Company's targets for risk and returns, which, in turn, are utilized to direct its decision making and manage its business activities. The Company's risk appetite is set forth in its Group ERM Basic Policies and serves as a key element supporting business plan formulation and operations management. In addition,

the Company has defined Group risk appetite, which is uniformly applied to the Company and its important subsidiaries.

The Company has specified its risk tolerance in written rules. These rules include established criteria that must be met upon assuming risk. They are also used to determine quantitative limits on the risk that can be taken, helping us maintain appropriate control over risk-taking.

Outline of Meiji Yasuda Life's Risk Appetite

- Based on its management philosophy, the Company aims to provide its customers with services that live up to the management philosophy "Peace of mind, forever" and, to this end, engages in risk-taking in the pursuit of its domestic life insurance business, asset management, affiliate businesses and other operations as long as its financial soundness is maintained at high levels.
- To maintain financial soundness that can earn an "AA" rating, the Company modifies its risk-taking practices based on the level of its ESR, striking a balance between growth potential, profitability and financial soundness. By doing so, the Company will secure stable profit while enhancing its corporate value.
- In the domestic life insurance business, the Company aims to diversify insurance underwriting risk. At the same time, the Company proactively underwrites certain types including medical and nursing care insurance.
- In asset management, the Company focuses on controlling interest rate risk, with due consideration given to the impact of interest rates on its liabilities. The Company also disperses its asset management risk while diversifying its asset management methodologies. In these ways, the Company engages in risk-taking, with the aim of securing the greatest profitability possible within its risk tolerance.
- In the affiliate business, the Company engages in risk-taking aimed at securing potential for sustainable future growth while avoiding the concentration of risk in the domestic life insurance business.

Capital Allocation

Since its risk-taking approach is designed to secure both financial soundness and growth potential, Meiji Yasuda Life has set the maximum amount of risk that can be taken, with economic capital being allocated to each business category and risk type based on the maximum amount of risk specified by the Company. In general, organizations in each business category and important subsidiaries engage in risk-taking within the scope of allocated capital.

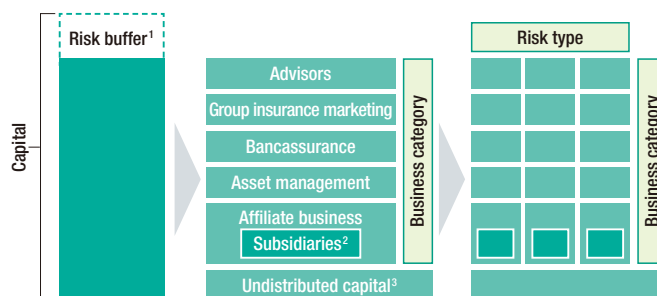
Risk-Return Management

In line with its aim of securing profitability corresponding to risk, Meiji Yasuda Life employs a risk-adjusted return index, a profitability indicator that takes risk into account. The Company utilizes this indicator in the course of business planning, product development and asset management.

Own Risk and Solvency Assessment (ORSA)

ORSA provides a comprehensive verification of an insurer's risk-taking strategies by evaluating the sufficiency of its capital through comparisons of present and future risk and capital. To analyze internal and external conditions, Meiji Yasuda Life undertakes an ORSA whenever formulating or revising business plans, with the sufficiency of its capital being evaluated via such methods as stress tests based on foreseeable medium-term risk scenarios over three to five years.

Capital allocation



- 1 Retaining adequate capital to ensure financial soundness capable of withstanding changes in external factors
- 2 Directly allocate capital to important subsidiaries
- 3 Capital retained by management in order to ensure financial soundness and in preparation for risk-taking through new investment, M&A and other future undertakings

Utilizing ERM in Group Management

From a perspective of managing Group operations, we have established a structure for maintaining robust governance of Group operations in both qualitative and quantitative aspects by ensuring that Group risk appetite is shared by Meiji Yasuda Life and Group companies and by optimally allocating capital to important subsidiaries.

Top Risks

Based on the magnitude of a given risk and the probability (e.g. frequency) of its materialization, the Company has examined various risks, including latent risks, and defined key risks in light of their importance. Among these key risks, those that are particularly deemed to warrant extra attention from management during the fiscal year are identified as top risks and treated as such in the Company's risk management activities.

Our responses to these top risks are stipulated as priority measures, which constitute key components of the annual business plan. Moreover, we monitor the status of our response to such risks, with the aim of ensuring robust risk control through the preemptive implementation of necessary countermeasures and securing our ability to take flexible action whenever a top risk materializes.

The following table lists the top risks that we have identified and are responding to during the fiscal year ending March 31, 2021 (as of May 2020).

Tail risks*	<ul style="list-style-type: none"> Decline in financial soundness due to rapid changes in the market environment <ol style="list-style-type: none"> Deterioration in surplus reflecting the lower domestic interest rates Posting of growing losses due to plunges in stock prices and the appreciation of the yen
Strategic and business risks	<ul style="list-style-type: none"> Insufficiency of response to the fallout from the COVID-19 pandemic
Risk of deterioration in brand value	<ul style="list-style-type: none"> Insufficiency of compliance with legal regulations associated with the solicitation of insurance

* A type of risk that is highly unlikely to occur, but could cause the Company to sustain massive losses should it materialize

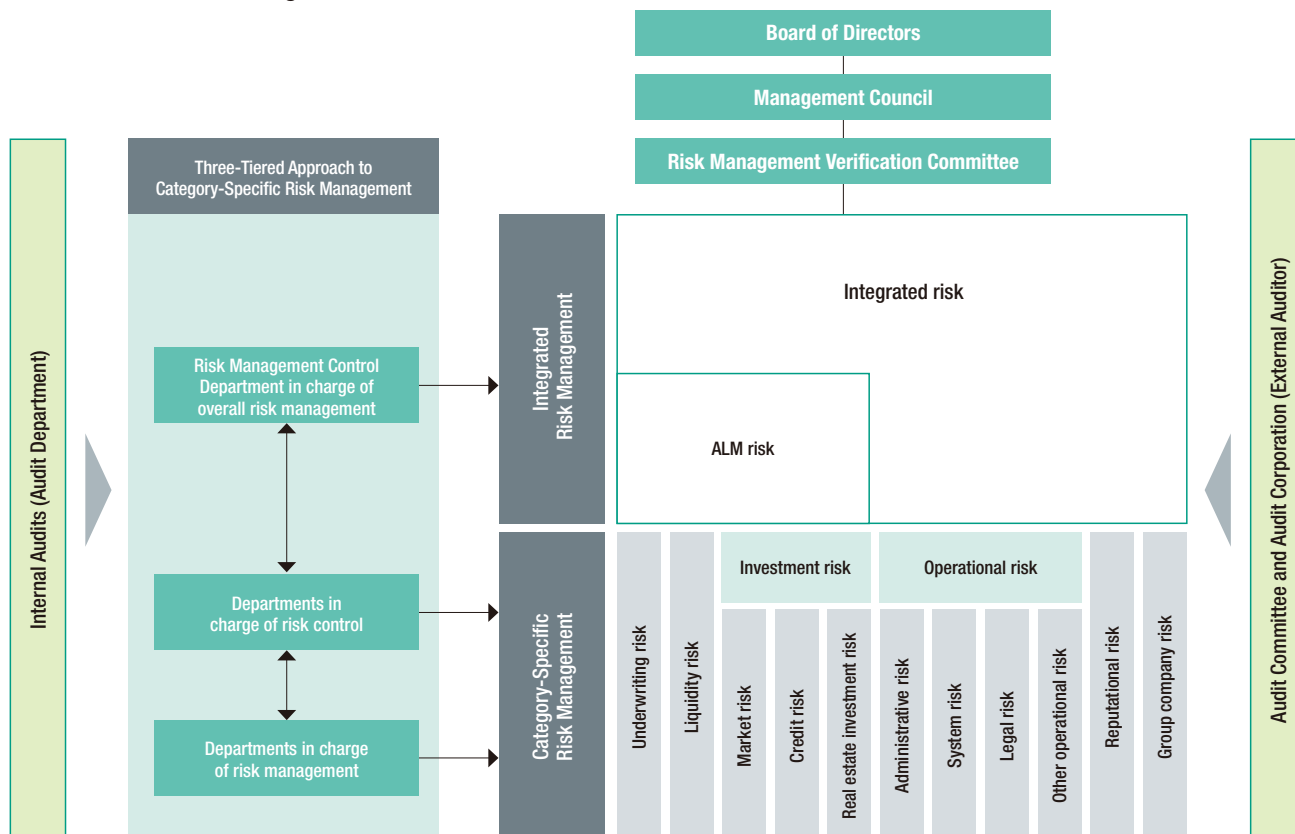
Risk Management Structure

The department in charge of overall risk management (Risk Management Control Department) develops and promotes the overall risk management system, integrating our risk management structure. It monitors and supervises the overall status of risk management while also providing expert advice to departments in charge of risk control and departments in charge of risk management, both of which are established to handle category-specific risk. Moreover, the Risk Management Verification Committee serves as an advisory body for the Management Council,

with the aim of ensuring regular monitoring and appropriate control of all manner of risks.

To enhance the effectiveness of our risk management, the Audit Department undertakes audits, while the Audit Committee carries out inspections and the Audit Corporation undertakes external audits. These audits examine the appropriateness and efficacy of risk management functions, as well as the risk management system.

► Overview of the Risk Management Structure



Integrated Risk Management

In addition to maintaining an integrated risk management framework to handle all category-specific risks, Meiji Yasuda Life pays close attention to the risk associated with its entire operations. More specifically, the Company performs risk management employing a PDCA cycle, in which it undertakes the quantitative and qualitative evaluation of risk, including potential risks that may significantly impact its business operations, while monitoring and controlling for such risk. The Company also employs Own Risk and Solvency Assessment (ORSA), a process for verifying the appropriateness of its risk-taking strategies, as a core methodology to promote integrated risk management.

Furthermore, the Company has established the Basic Policy of Group Risk Management and developed an overarching framework for assessing and managing risks associated with the entire Group in step with the expansion of the scope of its overall operations. Under this framework, the Company takes a groupwide, integrated approach in key risk management, as well as the quantitative measurement of risks related to Group operations.

The status of these risk management activities is periodically reported to the Risk Management Verification Committee, the Management Council and the Board of Directors.

ALM Risk Management

Risk management employing an Asset Liability Management (ALM) approach has two basic roles. It helps Meiji Yasuda Life perform asset management attuned to the probable cash flows of liabilities, based on the characteristic of insurance claims and benefits under insurance policies. Moreover, ALM can be utilized to better reflect the current asset management environment in the Company's product development and sales strategies.

Accordingly, the Company has positioned ALM as an important management method and is endeavoring to appropriately control asset-liability mismatches.

Key Risk Management

Meiji Yasuda Life identifies key risks (such as deterioration in surplus due to lower domestic interest rates, the occurrence of a major earthquake, a climate change-induced natural disaster, or a contagious pandemic), which can cause significant loss to the Company, taking into account the impact of these events on its business operations based on their magnitude and probabilities. To identify such risks, the Company utilizes heat maps to assess changes in the external environment, paying attention to a broad range of risk factors from those that originate in the business environment to climate change risk. The Company also takes a comprehensive approach to identify key risks by combining both top-down and bottom-up methodologies. For example, the Company conducts top management interviews and brainstorming to assess their understanding of key risks while also acquiring insights offered by staff at the department in charge of risk control to employ a frontline perspective on how to manage category-specific risk.

Having thus identified key risks, the Company is closely monitoring indicators suggesting the occurrence of the aforementioned events and periodically reports the findings to management. Moreover, the Company is implementing preemptive countermeasures as necessary and working to maintain a robust risk management process aimed at ensuring flexible response in the event a key risk materializes.

Stress Tests

Meiji Yasuda Life conducts stress tests to simulate conditions that exceed normal forecasts and cannot be assessed with VaR* (a method based on maximum foreseeable loss), such as drastic economic deterioration and major disasters including earthquakes. Through stress tests, the Company performs multivariate analysis on such factors as the assumed impact on assets and liabilities, as well as the level of increase in insurance payments.

Test results are utilized to verify the appropriateness of the Company's risk-taking strategies and discuss measures for strengthening the financial foundation.

* A method for measuring specific portfolio risk based on the maximum foreseeable loss that can be incurred in a certain period of time with a certain probability. Utilizing statistical analysis, VaR boasts advantages in accurately and uniformly assessing the value of risk associated with each asset type.

Category-Specific Risk Management

Meiji Yasuda Life categorizes and manages risks based on their causative factors and characteristics. The Company is striving to ensure that newly emerging risk is rapidly identified by giving due consideration to the uniqueness of risk in each category. Moreover, as risks are identified, the incidents are quantitatively and qualitatively evaluated so that appropriate risk control measures can be implemented as necessary.

► Definitions of Category-Specific Risk

Category-specific risk		Risk definition
Underwriting risk		Risk that may cause Meiji Yasuda Life to sustain losses when economic trends, the incidence of insured events or other factors fluctuate contrary to the expectations of the Company upon pricing insurance premiums
Liquidity risk		Risk that may cause Meiji Yasuda Life to sustain losses if it is forced to divest assets at significantly lower prices than usual to meet urgent funding requirements due to a deterioration in cash flows
Investment risk	Market risk	Risk that may cause Meiji Yasuda Life to sustain losses due to changes in various market-related risk factors, such as interest rates, foreign exchange rates and securities prices, which will, in turn, lead to fluctuations in the value of its assets (including off-balance sheet assets) and liabilities or otherwise alter the yield from its assets
	Credit risk	Risk that may cause Meiji Yasuda Life to sustain losses due to a decline in or disappearance of the value of its assets (including off-balance sheet assets) in step with the financial deterioration of borrowers the Company granted credit
	Real estate investment risk	Risk that may cause Meiji Yasuda Life to sustain losses when the yield from its real estate is reduced by changes in rents, or the overall value of its real estate deteriorates due to fluctuations in market conditions
Operational risk		Risk that may cause Meiji Yasuda Life or its customers to sustain losses due mainly to failures in personnel, process or system functions in the course of operations or the impact of external factors
	Administrative risk	Risk that may cause Meiji Yasuda Life or its customers to sustain losses when its officers, employees or personnel commissioned by the Company to solicit insurance fail to maintain accuracy in administrative procedures or engaged in impropriety or fraudulent behaviors in the course of such procedures
	System risk	Risk that may cause Meiji Yasuda Life or its customers to sustain losses due to system failure, malfunction, or other system-related flaws, as well as the unauthorized use of its computers
	Legal risk	Risk that may cause Meiji Yasuda Life to sustain losses due to business decisions made by its business units when such decisions result in (1) the violation of laws or regulations that exposes the Company to legal liability or (2) the signing of an agreement that is significantly detrimental to the Company's own interest
	Other operational risk	Any other risk (excepting administrative, system and legal risk) that may cause Meiji Yasuda Life or its customers to sustain losses due mainly to failures in personnel, process or system functions in the course of operations or the impact of external factors
Reputational risk		Risk that may cause Meiji Yasuda Life to sustain losses when a negative impression of the Company or the life insurance industry as a whole, including concerns about credit worthiness, spreads among policyholders or the general public via press coverage, internet communications or other media and negatively impacts the Company's operating results
Group company risk		Risk that may cause the Meiji Yasuda Life Group or its customers to sustain losses due to incidents at Group companies

Meiji Yasuda Life defines compliance as “acting with fairness and integrity, not only by complying with laws and in-house rules, but also through the exercise of common sense.” Based on this definition, everyone at Meiji Yasuda Life is expected to proactively apply “Our Conduct Principles.” Specifically, they are called upon to think for themselves about whether their actions put people first and are consistent with a

spirit of fairness.

We recognize that every officer and employee of the Group must practice compliance to realize “A Long-Respected Life Insurance Company That Cares about People First” in line with our corporate vision. With this in mind, we are implementing the following initiatives to promote compliance.

Compliance-Related Policies and Rules

In line with the Basic Policy of Group Internal Controls, we established the Basic Policy of Group Compliance, which stipulates fundamental matters for promoting compliance throughout the Meiji Yasuda Life Group. Having clarified that the utmost priority should be placed on compliance in all aspects of our operations, this basic policy not only mandates compliance with all applicable laws and regulations at home and abroad as well as with international standards and in-house rules, but also asks all Meiji Yasuda Life Group members to maintain fair and sincere conduct in conformity with social norms. Furthermore, this basic policy defines that compliance must be promoted in a way that

lives up to customer trust via the provision of optimal products and high-quality services.

Moreover, we have in place various compliance-related policies and rules. We also issue “Compliance Manuals” that specify laws, regulations and in-house rules that must be observed in the course of day-to-day business conduct to ensure that every officer and employee is well-versed in these matters. The content of important policies, rules and manuals with regard to compliance is determined by the Management Council or the Board of Directors.

Compliance Structure

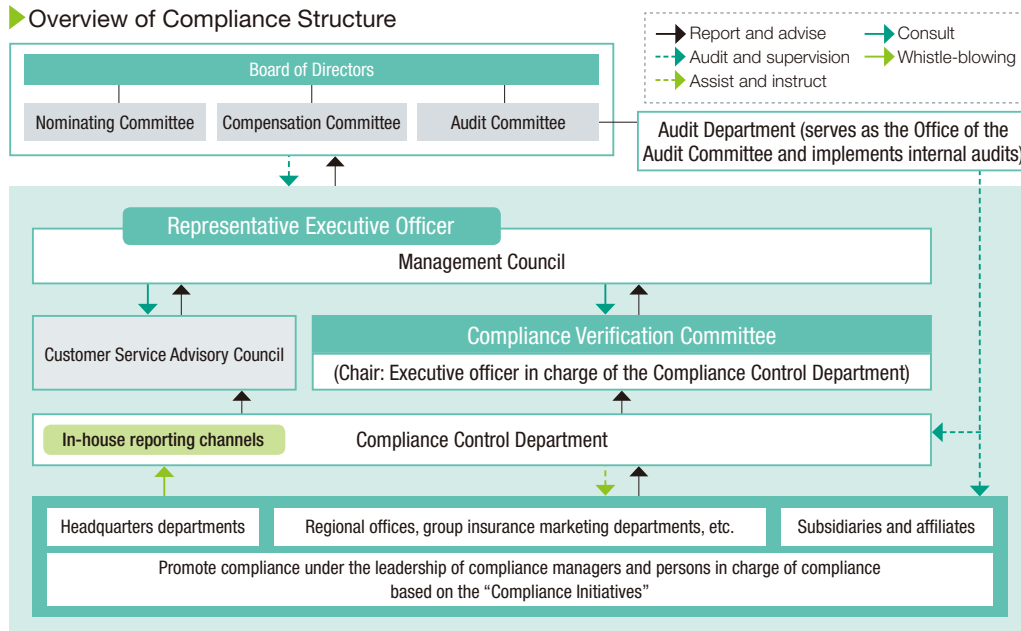
Meiji Yasuda Life has put the Compliance Control Department in place to carry out integrated management of compliance issues throughout the Meiji Yasuda Life Group. In addition to spearheading the development and updating of the Group’s compliance structure, this department maintains cooperation with compliance managers and persons in charge of compliance at each business section to provide compliance education, implement preemptive measures and deal with compliance issues when improprieties are identified.

Furthermore, we have in place a “Corporate Ethics Hotline” that provides those uncovering impropriety with a direct whistleblowing channel to external specialists. We also maintain in-house reporting channels that include a “Compliance Hotline” and “Human Rights Hotline.”

In addition, to handle work environment issues, we maintain dedicated in-house counseling desks for MY life plan advisors, Meiji Yasuda Relationship Associates (MYRA) and back office employees.

The Compliance Verification Committee is charged with the planning of compliance systems throughout the Meiji Yasuda Life Group while providing guidance to departments charged with business execution. Moreover, the Customer Service Advisory Council is in place, with external specialists serving as some of the council members. This council deliberates such important matters as the development and improvement of compliance systems aimed at supporting a customer-oriented business approach, thereby serving as an advisory body on these matters.

Overview of Compliance Structure



External Recognition

Registered as conforming to the Consumer Affairs Agency’s Whistleblowing Compliance Management System (WCMS) certification standards based on self-declaration (May 2019)



Initiatives to Promote Robust Compliance

To robustly promote compliance, each business unit at Meiji Yasuda Life is aware of its compliance risk ownership and is striving to effectively maintain compliance under the leadership of compliance managers and other personnel in charge of the autonomous and continuous operation of a PDCA cycle. In this way, the Company is working to achieve its ideal in terms of compliance. Specifically, we aim to accomplish priority initiatives under the annual business plan and meet our targets based on the evaluation indicators. To this end, we have identified priority compliance fields for each organizational category, such as regional offices and group insurance marketing departments, in light of their risk status. We are thus promoting “Compliance Initiatives” in which each business unit is responsible for the formulation and execution of concrete measures aimed at ensuring compliance. In line with these “Compliance Initiatives,” we have also set objective evaluation indicators, which we use to evaluate compliance status twice yearly,

at interim and year-end. Moreover, progress at each business unit is being reported to such bodies as the Management Council in a periodic manner.

Also, the Compliance Control Department is charged with the periodic monitoring of progress in the “Compliance Initiatives.” The department also provides necessary assistance to ensure that each business unit is able to firmly operate its PDCA cycle.

We also implement mandatory compliance education for all officers and employees. In addition to providing annual compliance training for this purpose, we have made it a general rule to address compliance topics in all joint training sessions, with the aim of seizing every opportunity to provide compliance education on an ongoing basis.

Furthermore, we utilize in-house newsletters, intranet and other outlets in an effort to constantly update officers and employees on the latest compliance issues.

Promoting Countermeasures against Money Laundering, Financing of Terrorism and Other Financial Crimes / Our Response to Antisocial Forces

Meiji Yasuda Life aims to become a company that is trusted by every customer as well as society as a whole. Therefore, Meiji Yasuda Life recognizes that for the Company to fulfill its responsibility as a corporate citizen, severing ties with antisocial forces and implementing robust countermeasures against such financial crimes as money laundering and the financing of terrorism is an essential management task.

In line with this recognition, our Basic Policy of Group Compliance identifies countermeasures against antisocial forces and financial crimes as one of our priority compliance issues. Under the initiative of the Compliance Control Department, we are therefore striving to ensure that appropriate countermeasures are in place. At the same time, representatives from all relevant departments attend the Compliance Verification Committee and the Financial Crime Prevention Small-committee to periodically confirm the status of these countermeasures.

Promoting Countermeasures against Money Laundering, Financing of Terrorism and Other Financial Crimes

Having established in-house rules governing countermeasures against and responses to money laundering and the financing of terrorism, we have mandated that the identity of business counterparties be confirmed and that, in the event of dubious transactions, proper notifications be made. We have also developed an efficient structure to identify the types of transactions subject to asset freezing, with the aim of upgrading our countermeasures against money laundering, financing of terrorism and other financial crimes. Furthermore, we have in-house rules in place to prevent insider trading and strictly prohibit the release of undisclosed corporate information about business counterparties.

As such, we also spare no effort to prevent insider trading and other types of unfair transactions.

In addition, we have established “Group Basic Policies for Managing Conflicts of Interest.” These policies are intended to ensure the appropriate management of transactions that may give rise to a conflict of interest between the Company and its customers, between customers, or between customers and third parties. In these ways, we are engaged in systematic efforts to protect customer interests from being unjustly harmed.

Our Response to Antisocial Forces

We have appointed managers and staff in charge of responding to antisocial forces at each business unit, thereby maintaining a robust organizational structure to prevent these forces from exploiting the Company. As part of measures aimed at severing relationships with antisocial forces, in April 2012 we incorporated new articles regarding the exclusion of organized crime syndicates into our general terms and conditions for insurance. We also engage in ongoing efforts to sign contracts incorporating similar articles with all business counterparties, aiming to prevent any involvement of antisocial forces in our transactions.

In addition, we have been developing a centralized database to manage antisocial force information while encouraging employees to undergo training sessions hosted by prefectural police departments to enhance employee skills to prevent undue requests. Moreover, we are striving to facilitate collaboration with police, lawyers and other external specialists in addition to holding in-house study sessions and conducting online education to provide necessary training and guidance.

Protection of Personal Information

Meiji Yasuda Life established its “Policies for the Protection of Personal Information” and has disclosed these policies through such media as its corporate website.

In line with the aforementioned policies, the Company strives to develop a robust information management system, ensuring that information is protected on every stage of its lifecycle, from acquisition to disposal of information, while strictly controlling the handling of its information by subcontractors.