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Policies for Fulfilling Our Stewardship Responsibilities

1. Purpose

In accordance with the spirit of the Principles for Responsible Institutional Investors, these policies aim to stipulate basic matters concerning Meiji Yasuda's efforts to fulfill its stewardship responsibilities in addition to clarifying the Company's commitment to acting appropriately as a responsible institutional investor.

2. Fundamental Concept

Life insurers in general act as institutional investors on two fronts as they are asset owners who own considerable assets while serving as asset managers in the course of such operations as group pension management. Accordingly, we are acutely aware of the profound importance of our role in the investment chain that accompanies the flow of funds from our customers to our investees.

From a long-term perspective, we recognize that securing investment profits while controlling risk is essential to fulfilling our obligation to customers. We also believe that our corporate vision, which values relationship with local communities, coincides with the objective of asset management operations aimed at helping investees raise their corporate value and achieve sustainability in terms of addressing ESG and other issues over the medium to long term. With this in mind, we will proactively play our part in the investment chain to fulfill our responsibilities as an institutional investor.

In addition, Meiji Yasuda's policy on the consideration of sustainability is laid out in its ESG Investment and Financing Policy.

3. Concrete Initiatives

(1) Assessing the status of investees

In the course of investment in domestic listed stocks, we will continuously monitor and accurately assess sustainability initiatives undertaken by and other developments at our investees on a quantitative and qualitative basis in order to engage them in meaningful dialogue and ensure our voting rights are exercised appropriately. These endeavors will be similarly undertaken in the course of investment in domestic corporate bonds to increase the probability of the redemption of principal and interest.

In particular, we will strive to promptly detect the occurrence of legal violations, antisocial conduct, serious human rights violations, environmental pollution or any other incident that suggests

a defect in corporate governance systems and functions in place at our investees that is deemed detrimental to their corporate value.

(2) Dialogue

The Company's fundamental concept for investment in domestic listed stocks is to secure greater shareholder value, which will, in turn, be attributable to Meiji Yasuda as a shareholder and position it to enjoy stable returns over the long term in step with growth in each investee's corporate value. Accordingly, we recognize the importance of encouraging our investees through dialogue to maximize their corporate value so that our interests as a shareholder are similarly maximized.

With regard to investment in domestic corporate bonds, our fundamental concept is to secure long-term, stable yields. In this regard, we deem it important to identify any issues that may possibly affect the credit status of our investees through dialogue with them.

From the stance of a long-term perspective, therefore, we will engage in dialogue with our investees regarding the status of their sustainability initiatives and corporate governance structures, with the aim of securing common understanding on these matters. In the process, we will request investees make improvements as necessary to resolve issues confronting them.

Although our basic stance on dialogue is to engage with investees as their sole counterpart, we will flexibly enter into joint engagements with other institutional investors on an as-necessary basis if such engagement is deemed beneficial or expected to yield favorable outcomes.

In addition, we will document and preserve a record of dialogue with investees, thereby ensuring that discussions will remain constructive and be held on an ongoing basis.

We do not intend to obtain undisclosed material facts through dialogue with investees. If we inadvertently come into possession of undisclosed material facts from any of our investees, we will immediately take necessary measures such as suspending trade of their stocks in accordance with laws and our in-house rules.

(3) Exercise of voting rights

We will appropriately exercise voting rights associated with our holdings of domestic listed stocks in accordance with our in-house rules and the following concepts. If the Company's standards for the exercise of voting rights are to be revised, the Audit Committee will verify and determine the appropriateness of such revisions.

- Our basic stance on the exercise of voting rights is to respect the uniqueness of each investee's management approach and corporate governance structure. However, with regard to companies considered to have problems in their structures and functions in relation to initiatives to enhance the interests of shareholders or in relation to their corporate governance, we encourage them to strive to enhance their corporate value and the interests of shareholders from a long-term perspective by proactively engaging them in dialogue and appropriately exercising our voting rights.

- We will carefully examine each proposal submitted to the shareholders meetings. If we determine that a proposal may be inappropriate from the perspective of securing the investee's corporate governance functions or it may pose a negative impact on the interests of shareholders, we will suggest alternatives or take action as a shareholder.
- We disclose details of our standard on voting judgement through our websites*. Moreover, we will periodically update the results of our exercise of voting rights on the Company's corporate website, disclosing statistics on our voting judgment by main type of proposal along with ye and nay votes cast for individual proposals submitted by investees. If we have cast a nay vote to any investee proposal, we will also provide rationale for such voting. In addition, we will disclose reasons for our voting judgment on any proposal submitted by an important business partner of the Company when such judgment is deemed to require an additional explanation in light of our standards for the exercise of voting rights.

(4) Periodic reporting

We will periodically disclose the status of the implementation of these policies through our website*.

(5) Initiatives aimed at better fulfilling our stewardship responsibilities

We have established an in-house committee tasked with monitoring the status of dialogue with investees and the exercise of voting rights, thereby verifying the appropriateness of these activities in a periodic manner. Based on the results of this verification, we will review these policies as well as our initiatives for exercise of voting rights as necessary.

In addition to pursuing the endeavors discussed above, we will develop and enhance our structure to better fulfill our stewardship responsibilities into the future by, for example, obtaining input from external specialists and experts that provide consulting regarding how to improve the effectiveness of dialogue with investees and other stewardship initiatives in general.

(6) Management of conflicts of interest

In cases where a conflict of interest emerges in the course of the implementation of our stewardship initiatives, we will put the utmost value on the interests of our customers. To prevent the interests of our customers from being unjustly damaged, we will appropriately manage our stewardship initiatives in line with the "[Basic Policy of Group Management for Conflicts of Interest](#)," which is established separately.

In the course of our stewardship initiatives, we assume a conflict of interest is most likely to emerge under two scenarios: 1) a case where Meiji Yasuda staff lure the investee into purchasing insurance products in exchange for favorable votes and 2) a case where the investee suggests the purchase of insurance products on the condition that Meiji Yasuda votes favorably. To ensure that neither of these scenarios occur, our process for making decisions to vote in favor of or against ballot items is handled exclusively by relevant departments in charge of the asset management

field.

Moreover, we strive to properly control and prevent conflicts of interest, with the Audit Committee verifying the appropriateness of voting results.

In addition, Meiji Yasuda does not enter into or sign commission contracts or other forms of agreement with institutional investors for the provision of services aimed at assisting them in the pursuit of stewardship initiatives.

*Japanese only