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Basic Policy of Group Internal Controls

Under the management philosophy of “Peace of mind, forever”, Meiji Yasuda Life Insurance Company shall state following fundamental views on the internal control of Meiji Yasuda Life Insurance Group.

In this policy, Meiji Yasuda Life Insurance Company (the “Company”) and its subsidiaries and affiliates (the “group companies”) are collectively referred to as the “Group”.

1. Systems necessary for the execution of duties of the Audit Committee

(1) Develop the following for allocating employees who would assist in discharging the job duties of the Company’s Audit Committee (hereinafter referred to as the “Audit Committee”), ensuring independence of such employees from the Company’s executives and officers, and ensuring the effectiveness of the instructions given by the Audit Committee to such employees.

[1] Audit Department

The Company shall establish the Audit Department as an organization under the supervision of the Audit Committee, and prepare organizations and employees who assist the Audit Committee without receiving instructions and orders from executive officers and operating officers.

[2] Allocating employees to the Audit Department

The Company shall continuously allocate employees with necessary knowledge and expertise to the Administration Office of the Audit Committee in order to ensure the effective implementation of audits.

[3] Ensuring Independence and Effective Instructions

The Company shall ensure the independence of employees allocated to the Audit Department from executive officers and operating officers, as well as the effectiveness of instructions given by the Audit Committee to such employees.

The Company may not determine any relocation, assessment or disciplinary action regarding the employees allocated to the Audit Department without obtaining consent from the Audit Committee.

(2) Develop the system of reporting to the Audit Committee as follows.

The Company shall establish an appropriate reporting system, under which reporting to the Audit Committee shall be made through the attendance of the Audit Committee members to the important meetings of the Company, and through regular opinion exchanges and individual reports between the Audit Committee or the Audit Committee members and the Company's and its group companies' directors, executive officers, operating officers, auditors, employees and other persons who receive reports from the above persons primarily focusing on the following matters.

In addition, the Company shall establish a system to ensure that reporters will not receive disadvantageous treatments due to their reporting.

[1] The status of businesses, assets and business operations of the Company and its group companies deemed necessary by the Audit Committee and the Company;

[2] The status of establishment and operation of internal control systems of the Company and its group companies deemed necessary by the Audit Committee and the Company;

[3] The status of complaint handling and operations of a whistle-blowing system of the Company and its group companies deemed necessary by the Audit Committee and the Company; and

[4] Other important matters that will affect the business operations or performances of the Company or its group companies, for which the Audit Committee considers it necessary to receive reports for the purpose of audits.

The Company shall establish a system under which the Audit Committee requests the Audit Department to conduct internal audits or investigations and receives the results, when performing assessments on the status of operations and assets of the Company and other audit duties.

(3) Develop other systems as follows for ensuring effective implementation of audits by the Audit Committee of the Company.

[1] Confirmation of Important Records such as Documents, Policies and Internal Rules

The Company shall establish a system under which the Audit Committee checks whether important records including specific documents, policies and internal rules and other important information are appropriately prepared, retained and managed so as to ensure that audits are effectively implemented.

[2] Audit Expenses

The Company shall record the budget on audit expenses arising from the performance of

duties of the Audit Committee or the Audit Committee members, and bear any additional expenses unless such additional expenses are considered not necessary for the performance of their duties.

2. Systems to ensure the appropriateness of business operations

- (1) For realizing appropriate management of the whole Group, the Company shall set forth the basic matters related to group management in “Domestic Affiliated Companies Business Management Rules” and “Overseas Affiliated Companies Business Management Rules”. Based on these rules, the Company shall implement an effective management in consideration of business characteristics of each group company and support group companies to develop the management system for ensuring the appropriate business operation, compliance and risk management.
- (2) The Company shall establish the Risk Management Control Department, the Compliance Control Department and the Customer Relations Department as departments responsible for comprehensive and collective management of the risks, compliance and customer relations of the Company and its group companies, and in addition, the Company shall set up the Audit Department as the department to verify the appropriateness of internal control, thereby increasing effectiveness of internal controls of the whole Group.
- (3) The Company shall establish policies for the areas required for the development and implementation of internal control systems in the Group.
- (4) The Company shall also dispatch directors or auditors to its group companies as necessary and verify the appropriateness of the management of group companies.
- (5) On the basis of complying with the Japanese Insurance Business Act and other domestic and overseas laws applicable to the Company, the Company shall support, provide guidance, oversee and monitor business execution and formulation of business plan of the group companies in light of the Memorandum of Understanding and the Company’s shareholding ratios. The Company shall promote internal controls of group companies based on the following segments.

[1] Subsidiaries

In addition to deciding the matters to be discussed in advance and matters to be reported on a periodic basis or in a timely manner in light of business characteristics, scale, applicable laws and regulations, etc., ensure that appropriate reporting structure is in place. With regard to major subsidiaries with capital allocation in terms of business strategy, develop the same level of internal control systems as the Company.

[2] Affiliated companies

In light of business characteristics, scale, applicable laws and regulations, the Company's shareholding ratios, etc., conduct monitoring pertaining to business management.

(6) The Company and group companies shall establish a system for preventing the occurrence of inappropriate inter-group transactions including those transactions that violate the arm's length principle.

(7) Recognizing that any misconduct arising from a group company may adversely affect the Company or group companies, the Company shall establish a system under which a group company promptly reports any material misconduct to the Company when occurred, in order to minimize the effects of such misconduct to the Company and other group companies.

3. Systems to ensure the compliance of executive officers, operating officers and employees with laws and the Articles of Incorporation when performing their duties

(1) The Company shall establish the Compliance Control Department as the department responsible for the comprehensive and collective management of compliance related matters of the Group.

(2) The Company shall formulate the "Basic Policy of Group Compliance", and related policies and procedures where the basic matters are set forth, and promote group-wide compliance.

(3) The Company and group companies shall develop a system to appropriately handle incidents when these incidents such as external frauds from antisocial forces including organized crime groups and other criminal organizations have occurred and shall make sure that all relations with the antisocial forces are cut off. In addition, the Company and group companies shall establish a system to prevent transactions with the Company and group companies from being used for matters such as money laundering, as well as to eliminate the occurrence of illegal transactions such as insider trading.

4. Systems concerning risk management

(1) The Company shall establish the Risk Management Control Department as the department responsible for developing and promoting risk control system of the Group.

(2) The Company shall establish the "Basic Policy of Group Risk Management", and related policies and procedures where the basic matters are set forth, and promote group-wide risk management.

(3) The Company shall ensure the sound and appropriate business operations of group companies through effective risk management in accordance with the Risk Management Rules for Domestic Affiliated Companies and the Risk Management Rules for Overseas Affiliated Companies specifying basic matters to appropriately manage affiliated company risk.

5. Systems concerning internal audit

(1) The Company shall establish the “Basic Policy of Group Internal Audit”, and related policies and procedures where the basic matters are set forth, and promote the establishment of group-wide internal audit systems.

(2) The Audit Department of the Company shall conduct internal audits of the Company on a regular basis, monitor the status of internal audit of group companies and conduct internal audit of group companies as necessary in line with Memorandum of Understanding. The Company’s Audit Department shall provide the audit results to the departments and group companies subject to audits, request them to formulate improvement measures for issues identified, confirm the progress of improvement measures on a regular basis, and report the status of monitoring to the board of directors of the Company as necessary.

6. Company’s standalone internal controls (except the matters described in 1-5)

(1) Establishing systems to ensure the compliance of executive officers, operating officers and employees of the Company with laws and the Articles of Incorporation when performing their duties as follows:

[1] Compliance Pledge, Compliance Manual

The Company shall ensure that its representative executive officer, executive officers, and operating officers submit a compliance pledge to the Board of Directors and faithfully and proactively promote compliance with their leadership. The Company shall distribute the Compliance Manuals to executive officers, operating officers and employees and ensure that all of them read and understand the manuals.

[2] Compliance Action Plan

The Company shall formulate specific action plans to promote compliance at a Company-wide level as well as for each headquarters’ department, branch office and corporate department. The Company shall verify the details and implementation status of such plans and provide instructions to relevant departments.

[3] Response to Compliance Violation (and Possible Violation) Incidents

The Company shall establish a compliance reporting system under which compliance violation (and possible violation) incidents are appropriately reported to the Compliance

Control Department, the Board of Directors and other relevant departments through compliance managers in each headquarters' department, branch office and corporate department. The Company shall also establish a whistle-blowing contact point both internal and external to the Company, and ensure the protection of whistle-blowers. The Company shall conduct appropriate investigations on reported incidents and take measures for improvements based on analysis results. For compliance violations, the Company shall take a strict disciplinary approach based on its policies.

(2) Establishing systems concerning risk management as follows;

[1] Risk Management for each organization and each type and comprehensive risk management

In light of domestic and overseas regulatory trends, the Company shall adequately understand the Company specific risks and develop risk management system for each organization and each type, as well as comprehensive risk management system in order to ensure effectiveness of the risk management process.

[2] Reporting of Risk Management Status and Response to Risk Incidents

The Company shall establish a system under which the establishment and implementation status of risk management systems is reported to its Board of Directors and other relevant organizations on a regular basis. The Company shall also establish a system under which the incidents of risks are appropriately reported to its Board of Directors and other relevant organizations.

In addition, the Company shall take timely and appropriate measures to handle risk incidents and prevent re-occurrence of such incidents, and promptly handle risks that are considered crisis or highly likely to be crisis when occurred.

(3) Establishing systems to ensure the effective performance of duties of executive officers as follows;

[1] Work Authority Rules; Management Council

The Company shall appropriately determine the scope of authorities and responsibilities of executive officers in accordance with the Office Organization Rules and the Work Authority Rules, and establish a system under which executive officers can perform their duties effectively. In addition, the Company's Management Council shall deliberate matters that are important for business management, while the Company's Board of Directors shall deliberate and determine matters that are important for the Company's management policies and strategies.

[2] Formulation of Mid-Term Management Plan

Executive officers shall perform their duties and verify the status of their performance on a regular basis based on a medium-term business plan and an annual business plan systematically determined in accordance with the Business Planning Rules.

- (4) Establishing systems to retain and manage information relating to the performance of duties of executive officers as follows;

The Company shall appropriately manage information regarding the decision-making and performance of duties of executive officers (such as meeting minutes and documents created at the Management Council and other meetings) in accordance with the “Basic Rules for Compliance”, the “Information Management Rules” etc., which shall be appropriately retained and managed in accordance with the “Document Management Rules”.

- (5) Establishing systems to ensure the appropriateness of financial reporting as follows;

The Company shall establish internal rules regarding internal controls over financial reporting and representative confirmation in order to ensure appropriate financial reporting based on rules related to accounting, and maintain necessary systems based on such internal rules.

The Company shall establish the Internal Controls Verification Committee as an advisory organization of the Management Council in order to establish and maintain internal control systems on a continuous basis.