



## Status of Meiji Yasuda NEXT Challenge Program

(April 2014 – September 2015)

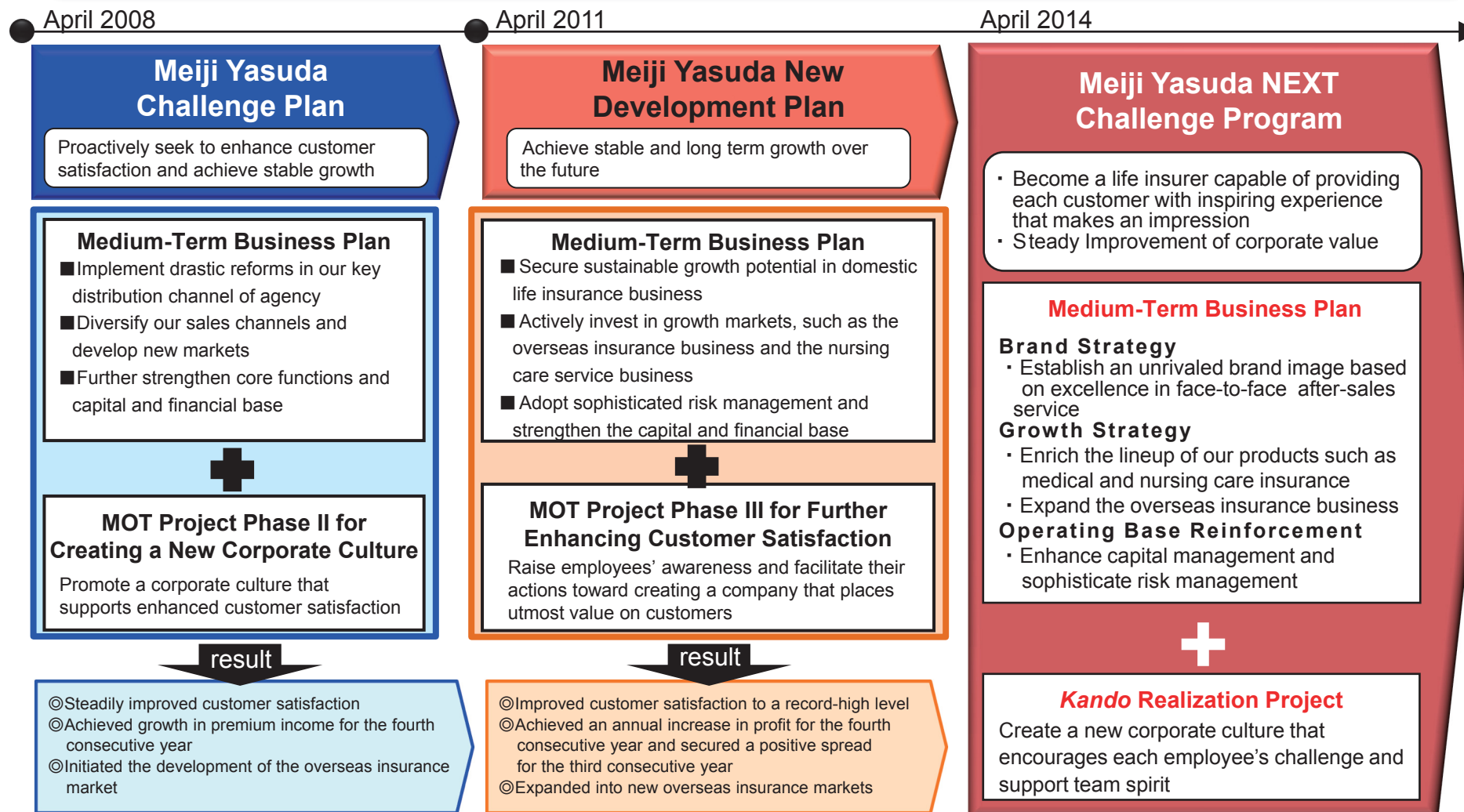
December 2015



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# Role of the Meiji Yasuda NEXT Challenge Program

In April 2014, we launched the Meiji Yasuda NEXT Challenge Program, a three-year plan that entails the implementation of the Medium-Term Business Plan and the *Kando* Realization Project. Under this program, we will persist with and advance our longstanding efforts to enhance customer satisfaction.



\* Sales personnel is named MY life plan advisors

# Framework of the Meiji Yasuda NEXT Challenge Program

In addition to our continuous initiatives to pursue customers' satisfaction, through the "Meiji Yasuda NEXT Challenge Program", we are taking another step forward to transform ourselves into a life insurer capable of providing impression to customers. With this target we are promoting our initiatives in the growth sector, reinforcing our operating base to allow and support this initiative, and also challenging to create a new corporate culture.

## Meiji Yasuda NEXT Challenge Program

Medium-Term Business Plan	Brand Strategy	Provide active, face-to-face after-sales services and establish an unrivaled brand image based on excellence in such services
	Growth Strategy	Enrich the lineup of our products and services in the domestic life insurance business, such as those in the areas of medical and nursing care insurance, to accurately address customer needs while proactively expanding the overseas insurance business
	Operating Base Reinforcement	Maintain financial soundness and secure an even stronger financial base through the maintenance of an adequate level of capital as well as sophisticated enterprise risk management while simultaneously nurturing and securing human resources with a perpetual drive for taking on challenges



### The Kando Realization Project

Create a new corporate culture that encourages each employee to proactively take on challenges and fosters deep bonds of trust and understanding between employees that, in turn, create team strength

## FY 2016 Targets of the Medium-Term Business Plan

Corporate Value (EEV)\* : **¥5,300 billion** (increased by approximately **25%** from the end of FY2013 level )

Individual insurance marketing Annualized Premiums in Force: **¥2,198 billion** (increased by approximately **5.5%** from the end of FY2013 level)

Group insurance marketing Group life insurance: The maintenance of the **No. 1** domestic market share  
Group pension: The maintenance of and stable increase in assets under management

\* Based on the business environment as of the end of FY2013, the year in which the target has been established.

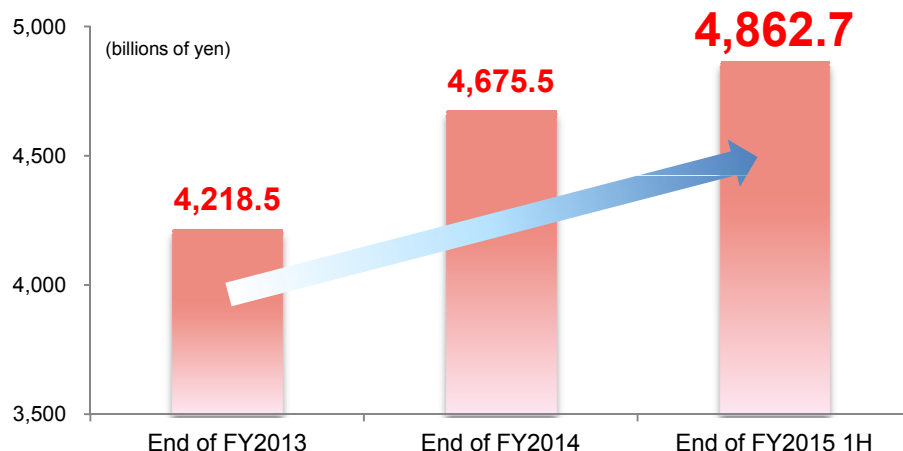
# Progress in the Medium-Term Business Plan

## 1. Management Targets

We are moving steadily toward the Medium-Term Business Plan goal in all management targets.

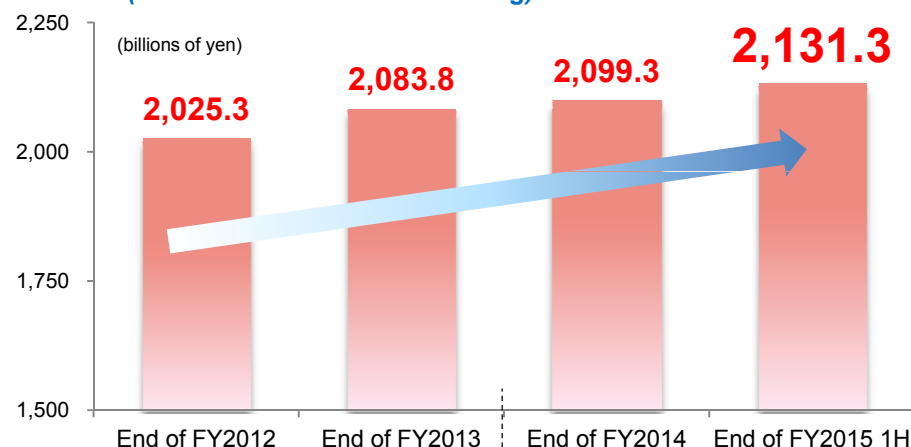
		End of FY2015 1H	Change (Compared with the end of FY2013)	Medium-Term Business Plan targets (End of FY2016)
Corporate Value (EEV)*		¥ 4,862.7 bil.	+15.3%	¥ 5,300.0 bil.
Individual Insurance Marketing	Annualized Premiums in Force	¥ 2,131.3 bil.	+ 2.3%	¥ 2,198.0 bil.
Group Insurance Marketing	Group Life Insurance in Force	¥ 111.2 tril.	+ 0.2%	Maintain the top marketing share
	Group Pension Assets	¥ 7.2 tril.	+ 3.4%	Stable growth in asset under management

### Corporate Value (EEV)\*



\* Based on the business environment as of the end of FY2013, the year in which the target has been established.

### Annualized Premiums in Force (Individual Insurance Marketing)



Meiji Yasuda New Development Plan

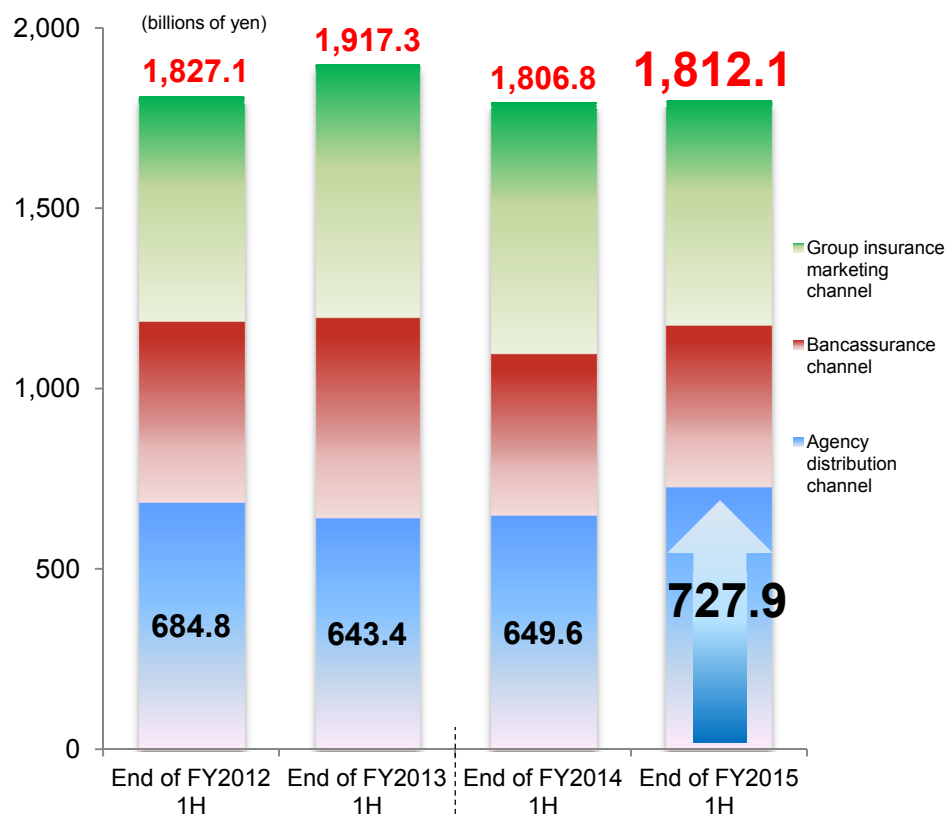
Meiji Yasuda NEXT Challenge Program

# Progress in the Medium-Term Business Plan

## 2. Business Performance

The overall results of insurance premiums and other income increased due to the strong performance in the Agency distribution channel, despite the decrease in the bancassurance channel due to the purposed tightening of the sales volume of single premium whole life insurance. Base profit increased for the three consecutive half-year.

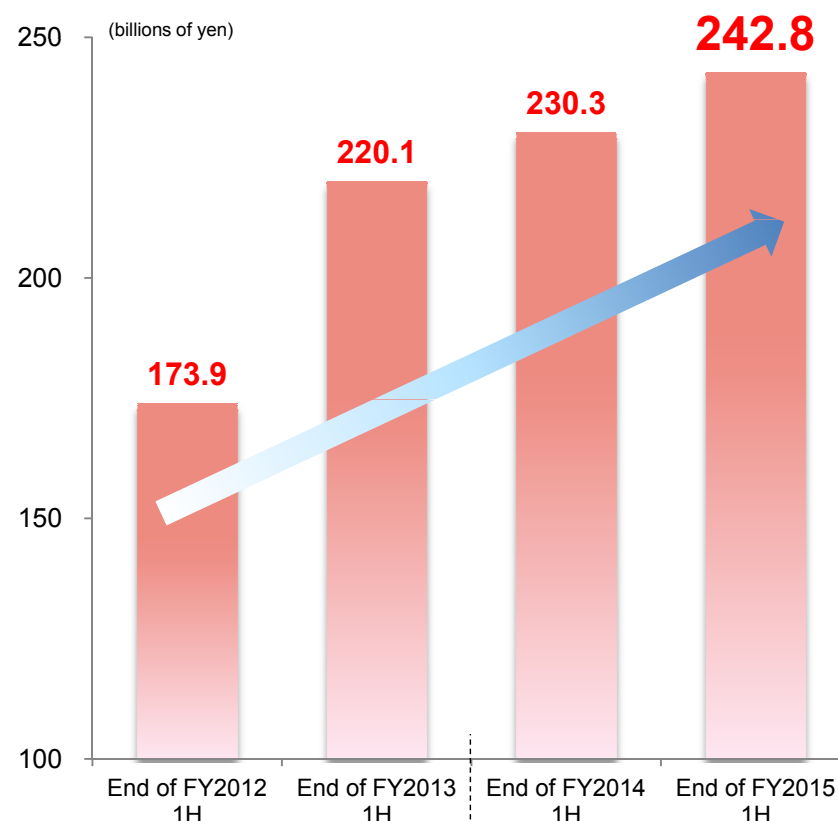
### Insurance premiums and other income



Meiji Yasuda New Development Plan

Meiji Yasuda NEXT Challenge Program

### Base profit

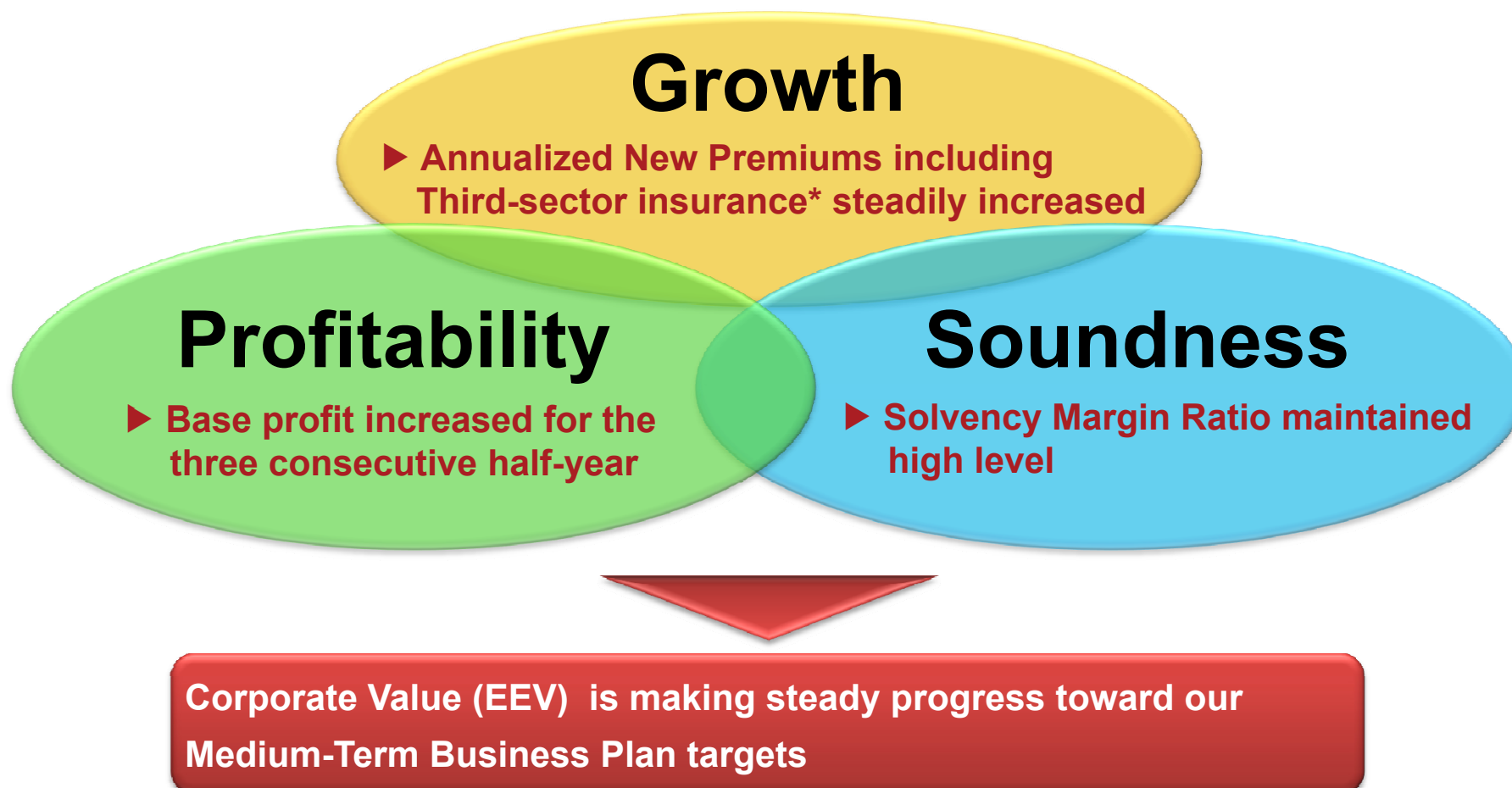


Meiji Yasuda New Development Plan

Meiji Yasuda NEXT Challenge Program

### 3. Management with an emphasis on balance

Considering the long term business characteristics of life insurance, we put value on the balance of the three point of views, “Growth”, “Profitability”, and “Soundness” and practice business management to pursue sustainable and stable growth.



\* Medical and nursing care insurance

## 1. Brand Strategy

**“Meiji Yasuda Life = After-Sales-Service”**

We are building brand recognition based on excellence in after-sales service.

### Promoting checkup of contract

- Distributing “Anshin Roadmap” booklet to policyholders of “Best Style”, the comprehensive protection product.
- Through our annual checkup visit to policyholders, we proactively check whether there are policies eligible for claims that can be applied for, and whether there is a gap between their needs and coverage.

進化する保険  
**ベストスタイル**



安心ロードマップ

### Enhancing after-sales service tailored for the Elderly “MY Longevity Policy Checking Scheme”

- The experience of The Great East Japan Earthquake and the ongoing graying society has reminded and taught us how important it is to adopt more sophisticated systems to ensure the prompt payment of insurance claims and benefits. “MY Longevity Policy Checking Scheme” covers all policyholders who reach the milestone ages celebrated in Japan of 77 (*Kiju*), 90 (*Sotuju*), 99 (*Hakuju*), 108 (*Chaju*) and 111 (*Koju*) to check whether they have policies eligible for claims that they need to apply for and reconfirm their latest contact information. Approximately 90,000 policies have been and will be checked during FY2015.
- “MY Anshin Family Registration Scheme”, a scheme registering a policyholder’s secondary contact, allows to swiftly reestablish communication in case policyholder service notifications sent by the Company are not properly delivered or contact becomes difficult to establish (launched in October 2014, approximately 240,000 policyholders with a total of 400,000 policies, mainly of the elderly, subscribed for this registration scheme as of September 30, 2015)





## Our Community Contribution Activities through Meiji Yasuda J. League

- Through the title partner contract with J. League and sponsorship contract with all member clubs, we cheer J. League and local football clubs under the slogan “supporters across-the-board”. By the end of November, Approximately 125,000 employees and customers went to stadiums to watch a game.
- As of early November 2015, we were able to hold football clinics for elementary school students on 147 occasions in areas throughout Japan with the cooperation of J. League and the clubs. A total of around 12,000 children and their parents had participated in the clinics.
- We are a special sponsor of the Meiji Yasuda Life J. League Championship, the year’s final match held in December 2015. We continuously contribute to the vitalization of local society and the sound upbringing of children.



Football clinics held by  
San-in Regional Office



## Community Safety Initiative

- Since September 2014, we have been implementing the Community Safety Initiative in tandem with Meiji Yasuda Labor Union. In this way, we contribute to society on local level.
- This community-based initiative is undertaken in collaboration with the National Police Agency while strengthening relationships with local governments through agreements that register the Company in these official partnerships. The initiative was featured on the *Annual Health, Labour and Welfare Report 2014-2015*.

Partnership agreement with  
Sapporo City



Annual Health, Labour  
and Welfare Report  
2014-2015



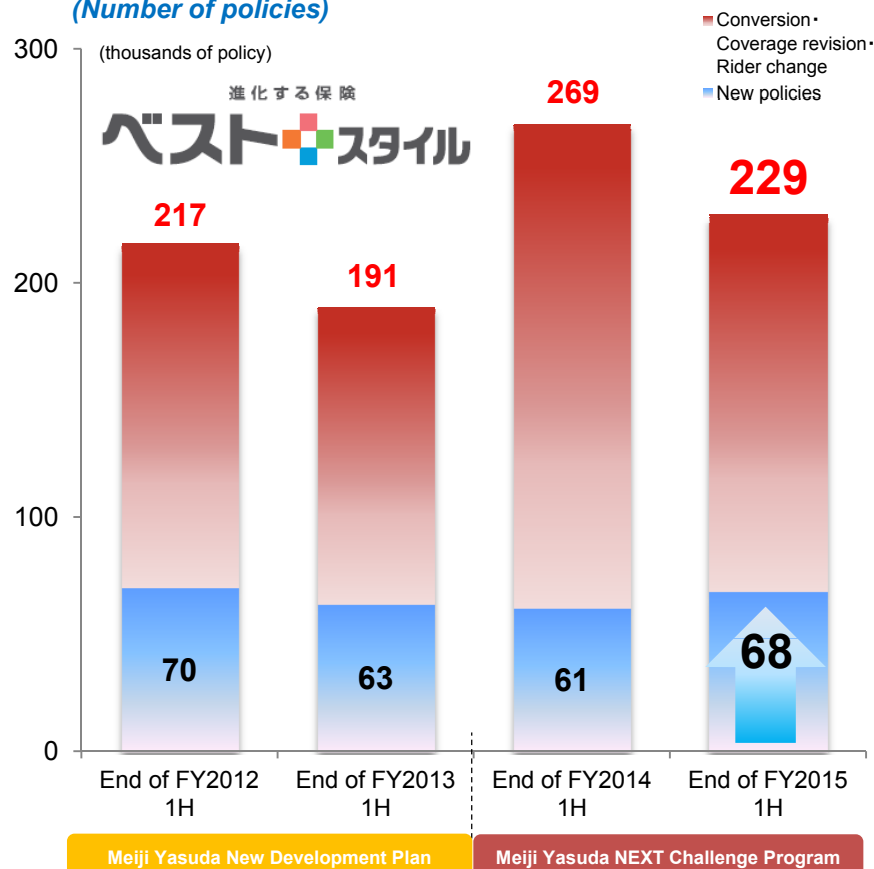
# Status of the Medium-Term Business Plan

## 2. Growth Strategy (Agency distribution channel)

“Best Style” recorded a cumulative total sales of more than 750,000 policies\*. “Medical Style F”, a medical insurance product, and “Pioneer Care Plus”, a whole-life nursing care insurance product, are also showing strong sales.

\* Sales results from the product release in June 2014 to November 2015

### Sales of main products (Number of policies)



\*Before June 2014, total number of policies include “Life Account L.A” and “Ashita no Mikata”.  
From June 2014, total number of policies include “Best Style”, “Life Account L.A” and “Ashita no Mikata”

### Sales of medical and nursing care insurance (Number of policies)

進化する医療保険  
メディカルスタイル®

PIONEER CARE PLUS  
パイオニアケアプラス  
5年ごと利差配当付介護終身年金保障保険

(thousands of policy)

	Results	Change (year-on-year)
Medical and nursing care insurance	53	44.3%
Medical Style F *	27	-
Pioneer Care Plus **	4	-

\* Sales results from June 2015 to September 2015

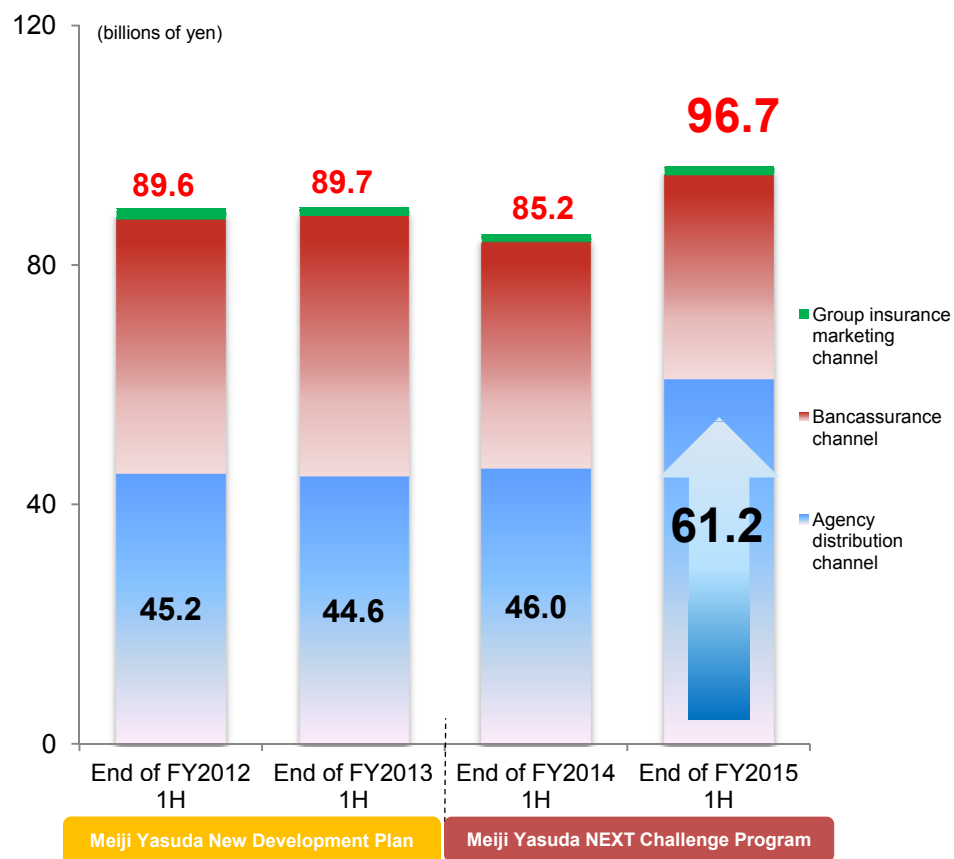
\*\* Sales results from August 2015 to September 2015

# Status of the Medium-Term Business Plan

Annualized New Premiums and Annualized New Premiums of Third sector insurance\* (in Individual insurance marketing) are in good shape due to the strong sales of main, medical and nursing insurance products.

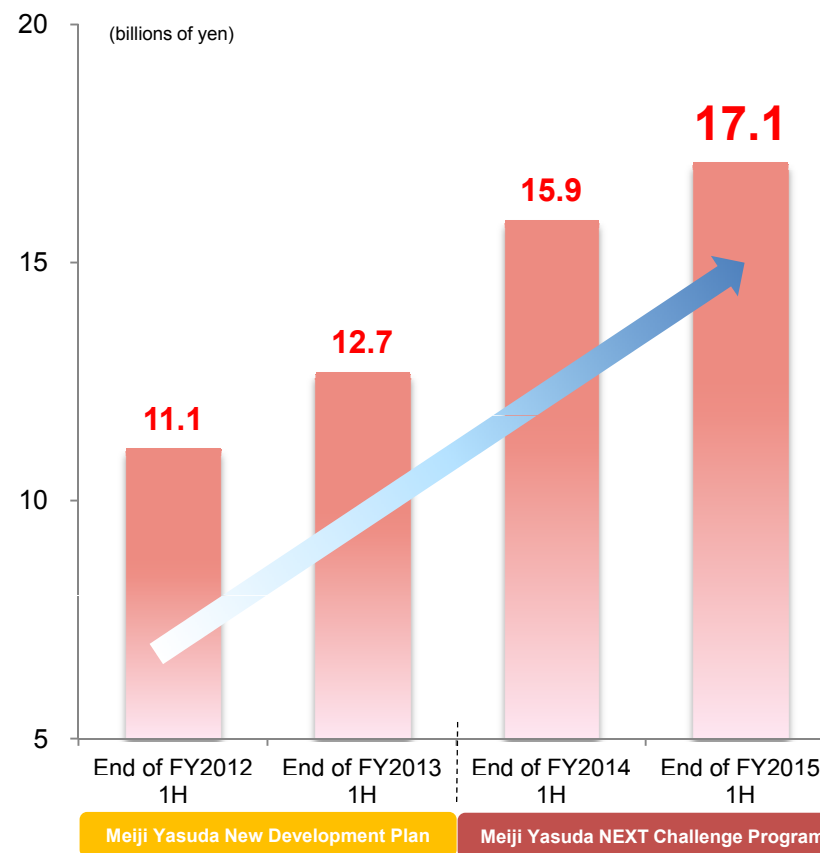
\* Medical and nursing care insurance

## Annualized New Premiums



## Annualized New Premiums

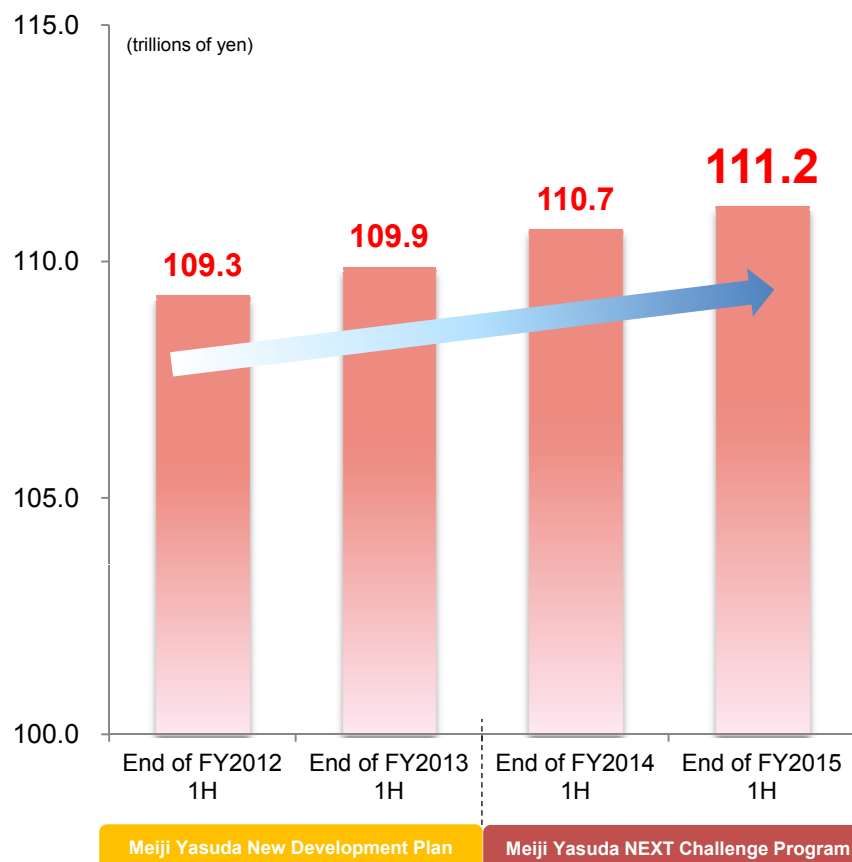
(Third sector insurance - Individual insurance marketing)



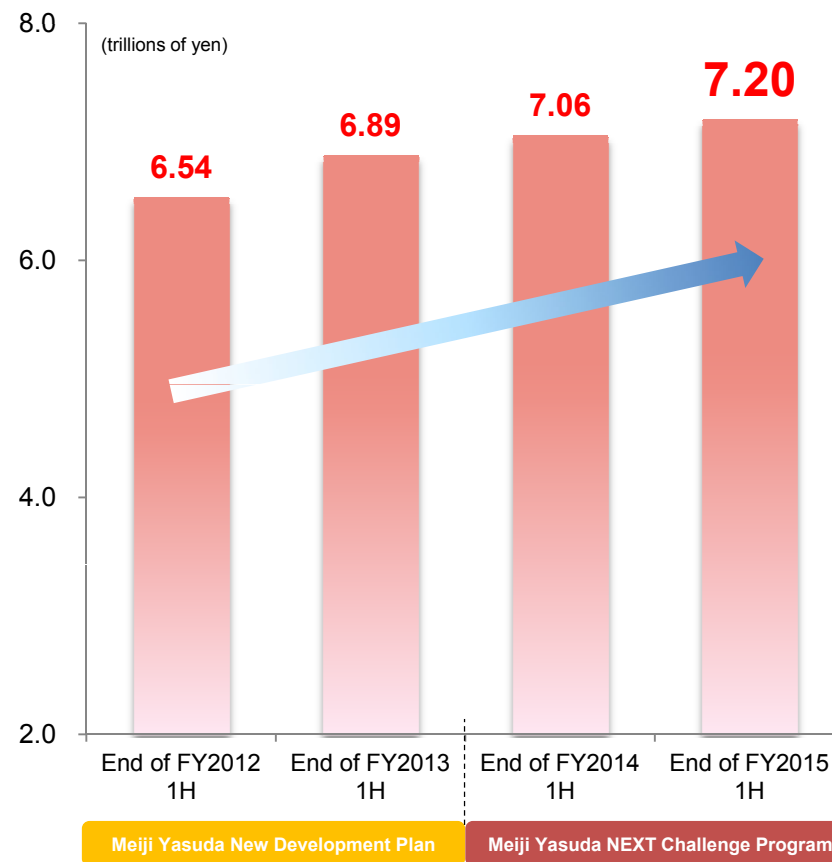
## 3. Growth Strategy (Group insurance marketing channel)

“Group Life Insurance in Force” and “Group Pension Assets” have been steadily increasing, and we maintain the top marketing share in Group life insurance.

### Group Life Insurance in Force



### Group Pension Assets



## 4. Growth Strategy (Administrative Service)

Improving our underwriting, policy maintenance, and payment services through “Administrative Service Reforms” and “Underwriting Service Reforms” to make the procedures simple and quick

### Underwriting

#### 【 Underwriting Service Reforms 】

- Stepping up the underwriting of medical insurance, nursing care insurance and other policies for middle-aged or older customers
- Introducing electronic forms for new policies to enhance our underwriting service capability

### Policy Maintenance

#### 【 Administrative Service Reforms 】

- Promoting the use of electronic forms in policy maintenance procedures, providing cashless services from the payment of the first premium
- Reviewing our in-house rule to simplify administrative services and application procedures reflecting the needs of the elderly
- Enhancing sales personnel’s support for the procedure of maturity benefits and annuity payments

### Payment

#### 【 Administrative Service Reforms 】

- Speeding up the payment of insurance claim and benefit application procedures

≪Average days required for the payments of insurance claims and benefit , counted from the main office’s acceptance date ≫

	End of FY2012 1H	End of FY2013 1H	End of FY2014 1H	End of FY2015 1H
Insurance claims	1.76	1.45	1.44	<b>1.31</b>
Benefits	1.79	1.51	1.61	<b>1.42</b>

## 5. Growth Strategy (Overseas insurance business)

In July 2015, the Company entered into a definitive agreement to acquire 100% shares of StanCorp Financial Group, Inc. Through enhancing profits and diversifying the business portfolio (dispersing business risk) of the entire group, the Company aims to further improve value for policyholders.

### (1) Strategic Rationale of the Transaction

Establish More Stable and Sustainable Profit and Business Base Through Promoting Overseas Business

**Enlarge Profit Base**  
(Improvement of Profitability)

**Diversify Business Portfolio**  
(Diversify Business Risk)

**Enhance Policyholder Benefits**  
= Deliver Greater Peace of Mind

Further strengthen insurance claims and benefits payment capability

Secure source of funds to provide stable policyholder dividends going forward

Further improve insurance products and after-sales services

### (2) Key Strengths of StanCorp

#### 1. Leading Provider of Group Life and Disability Products

(8th in group life / AD&D insurance, 5th in group long-term disability insurance, 5th in group short-term disability insurance)\*

\* Rankings based on 2013 In-force Premiums

#### 2. Consistent Long-term Growth and Profitability Generated By Robust Business Model

2010-14 net income CAGR: 3.1% , 2010-14 average ROE: 8.9%

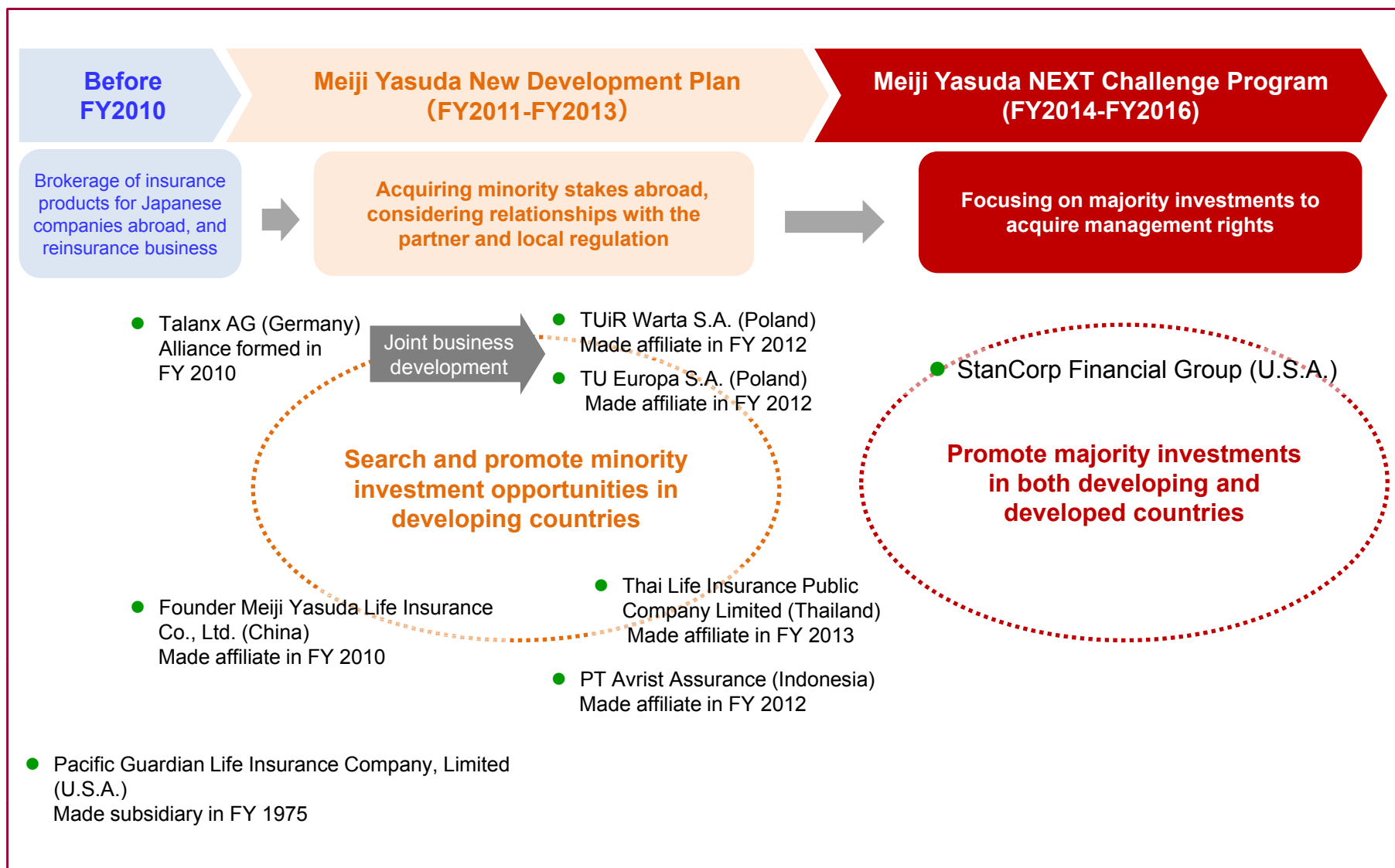
#### 3. Solid Financial Strength

(Credit ratings: A+ (S&P) / A2 (Moody's) / A (A.M.Best) as of June 30, 2015)\*

\* Ratings of insurance subsidiaries

#### 4. Trusted and Talented Management Team with Culture of Internal Development

## (3) Progress in our Overseas Insurance Business



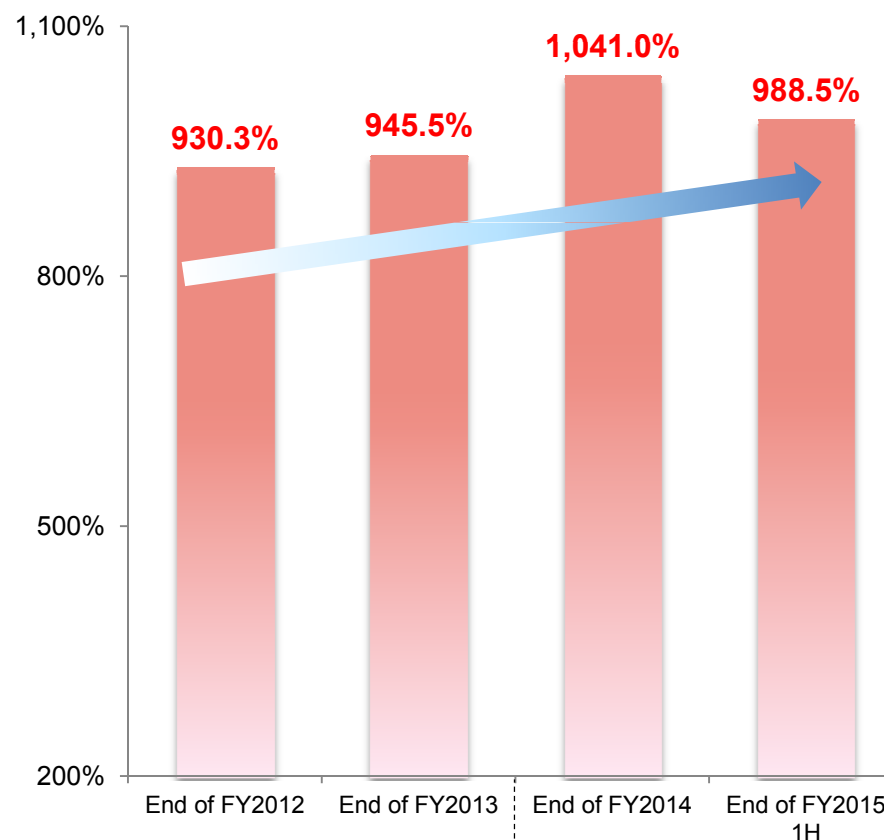
## 6. Operating Base Reinforcement (Maintaining and enhancing financial soundness)

We have been adapting to the ultra-low interest rate environment, enhancing the surplus management type of asset liability management, reducing risk and increasing own capital to maintain superior financial soundness.

	End of FY2015 1H
Solvency margin ratio	988.5%
Real net assets	¥8,429.2 bil.
Ratio in general account investment assets	23.8%
Unrealized gains in general account investment assets	¥5,180.7 bil.
Securities with market price*	¥4,846.7 bil.

\* Including securities that are deemed appropriate to handle under the Financial Instruments and Exchange Act

### Solvency Margin Ratio



Meiji Yasuda New Development Plan

Meiji Yasuda NEXT Challenge Program



## 7. Operating Base Reinforcement (Strengthening corporate governance)

We promote stewardship initiatives and strengthen corporate governance while corresponding to the Social Security and Tax Number System.

### Stewardship Initiatives

- We established the Responsible Investment Promotion Committee, which serves as an advisory body to the Management Council and verifies the appropriateness of dialogue with investees through the monitoring of their status to encourage them to achieve sustainable growth.
- We have been engaged in dialogue with 561 investees on 733 occasions between September 2014 and June 2015, and confirmed their initiatives while encouraging them to make improvements.

Management issues discussed	Number of companies*	Concrete steps or expected improvements	Number of companies that took concrete steps or achieved improvements
Absence of outside directors	307	Appointed outside directors	247
Insufficient shareholder returns	44	Increased dividends and dividend payout ratio Purchased treasury stock	31
Sluggish business performance (including continuously low ROE or non-payment of dividends)	29	Improved ROE Resumed dividend payout reflecting improving business performance	12
Retirement benefit schemes for outside corporate auditors	51	Abolished the retirement benefit scheme	2
Installation of problematic anti-takeover measures	6	Improved the content of anti-takeover measures	1

\* Companies may be counted multiple times if they are engaged in dialogue on multiple issues.

### Initiatives to Strengthen Corporate Governance

- Although “Corporate Governance Code” is not directly applied to a mutual company, we comply with this regulation took effect in June 2015.
  - “Corporate Governance Guidelines” is established and announced in July 2015
  - “Corporate Governance Report” is announced in July 2015

### Corresponding to the Social Security and Tax Number System

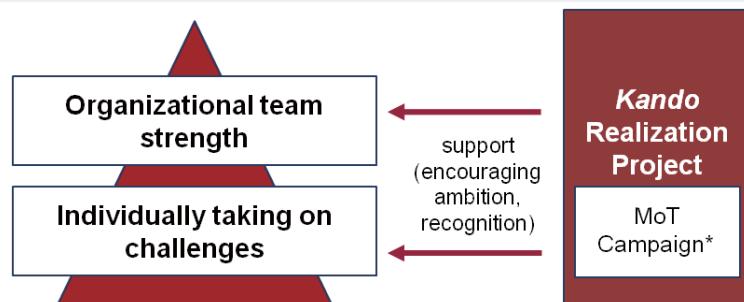
- Developing information management structure
- Distributing our original guidance booklet to customer to assist them understand the system overview



# Status of the *Kando* Realization Project

To become a life insurer capable of providing each customer with inspiring experience that make an impression, it is essential to pursue proactive initiatives placing the utmost value on customers. With this in mind, we are implementing the “*Kando*” *Realization Project*. This campaign aims to facilitate a corporate culture that emphasizes organizational team strength, which will, in turn, help every officer and employee to proactively fulfill their duties in each business unit.

## The *Kando* Realization Project



### Main Actions

- Collect customer feedback to share best practices that made an impression
- **Initiatives aimed at providing customer with better hospitality by after-sales service**
- Implement organizational and team initiatives to support individuals' taking on challenges
- Share our vision through direct dialogue between management and employees
- Foster a sense of unity among employees and contribute to society through Meiji Yasuda J.League
- Commend employees who provide particularly excellent customer service

## Case Approach

### *MY Message Activity*

- We place utmost value on hospitality for customer through face-to-face consultations and after sales service.
- We promote “MY Message Activity” nationwide, sending message cards on milestone events like birthday and policy anniversary date through MY life plan advisors .

Message cards



\* Moment of Truth Campaign: An initiative carried out in small groups to create more “moments of truth,” in which our services provided customers with an inspiring experience that made them sure that Meiji Yasuda Life really was the best choice for them