



MY INNOVATION 2020

**MEIJI YASUDA
3-year program**

– Medium-Term Business Plan + Corporate Vision Realization Project –

March 2017

I.	Review of the Current Three-Year Program	...	2
II.	Current Business Environment and Long-Term Direction	...	4
III.	New Corporate Philosophy: Meiji Yasuda Philosophy	...	5
IV.	New Three-Year Program: MY INNOVATION 2020	...	7
1.	“MY INNOVATION 2020” Framework (Key Policies & Reforms)	...	7
2.	Main 2020 Performance Targets	...	9
3.	Key Policies		
①	Growth Strategy: Customer Base Expansion	...	11
②	Growth Strategy: New Market Initiatives	...	12
③	Growth Strategy: Better Asset Management	...	13
④	Growth Strategy: Advanced Technological Innovation	...	14
⑤	Operating Base Reinforcement Strategy: Better Governance	...	15
⑥	Operating Base Reinforcement Strategy: Improved Work Engagement	...	16
⑦	Brand Strategy: Promote New Corporate Philosophy	...	17

I. Review of the Current Three-Year Program (1)

- The Meiji Yasuda NEXT Challenge Program (Medium-Term Business plan and the “Kando” Realization Project), which launched in April 2014, was a three-year plan to create a solid base for the upcoming decade.

Meiji Yasuda NEXT Challenge Program

Medium-Term Business Plan	Brand Strategy	Provide 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 (ERM) 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.
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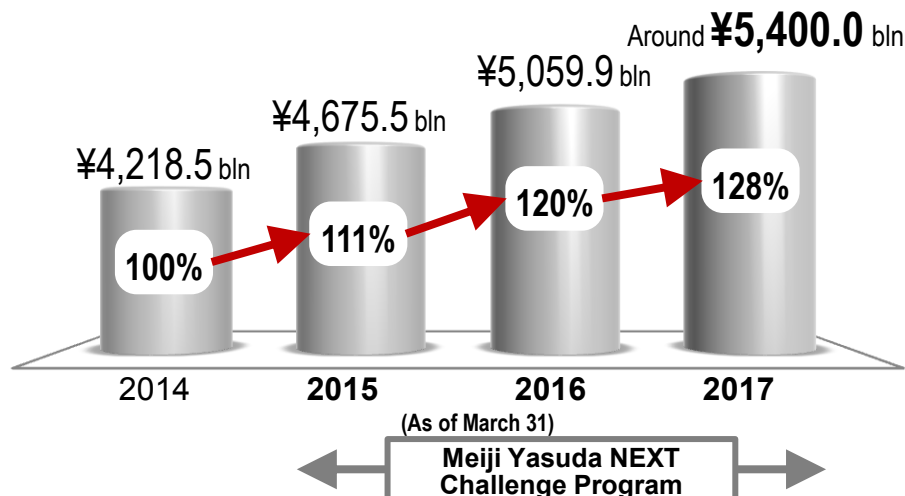
I. Review of the Current Three-Year Program (2)

- With interest rates remaining at extreme lows, results for annualized premiums from business in force were slightly lower than the original targets due to the controls we put on saving-type products. Nevertheless, we generally achieved the targets set out in the Medium-Term Business Plan, and customer satisfaction reached an all-time high. In March 2016, we completed the acquisition of the U.S. life insurance company StanCorp Financial Group, Inc.

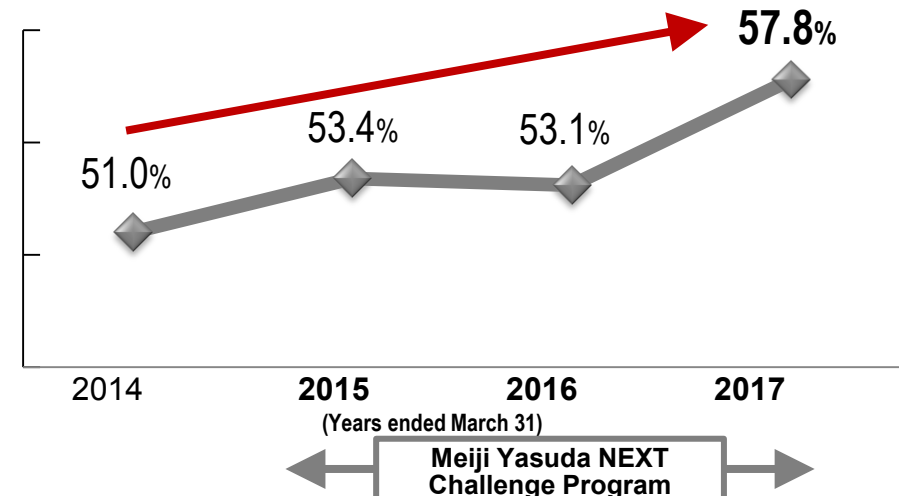
Items		March 31, 2017 (estimate)	Increase since March 31, 2014
Corporate value (EEV)*1		Around ¥5,400 billion	+28.0%
Individual insurance marketing	Annualized premiums from business in force	¥2,180 billion	+4.6%
Group insurance marketing	Group life insurance from business in force	¥112.7 trillion	+¥1.7 trillion
	Group pension assets	¥7.45 trillion	+6.8%

Medium-Term Business Plan targets (as of March 31, 2017)
¥5,300 billion (Compared with March 31, 2014, approx. +25%)
¥2,198 billion (Compared with March 31, 2014, approx. +5.5%)
Maintenance of the No. 1 domestic market share
Stable increase in assets under management

Corporate Value (EEV)*1



Customer Satisfaction (satisfied + somewhat satisfied)*2

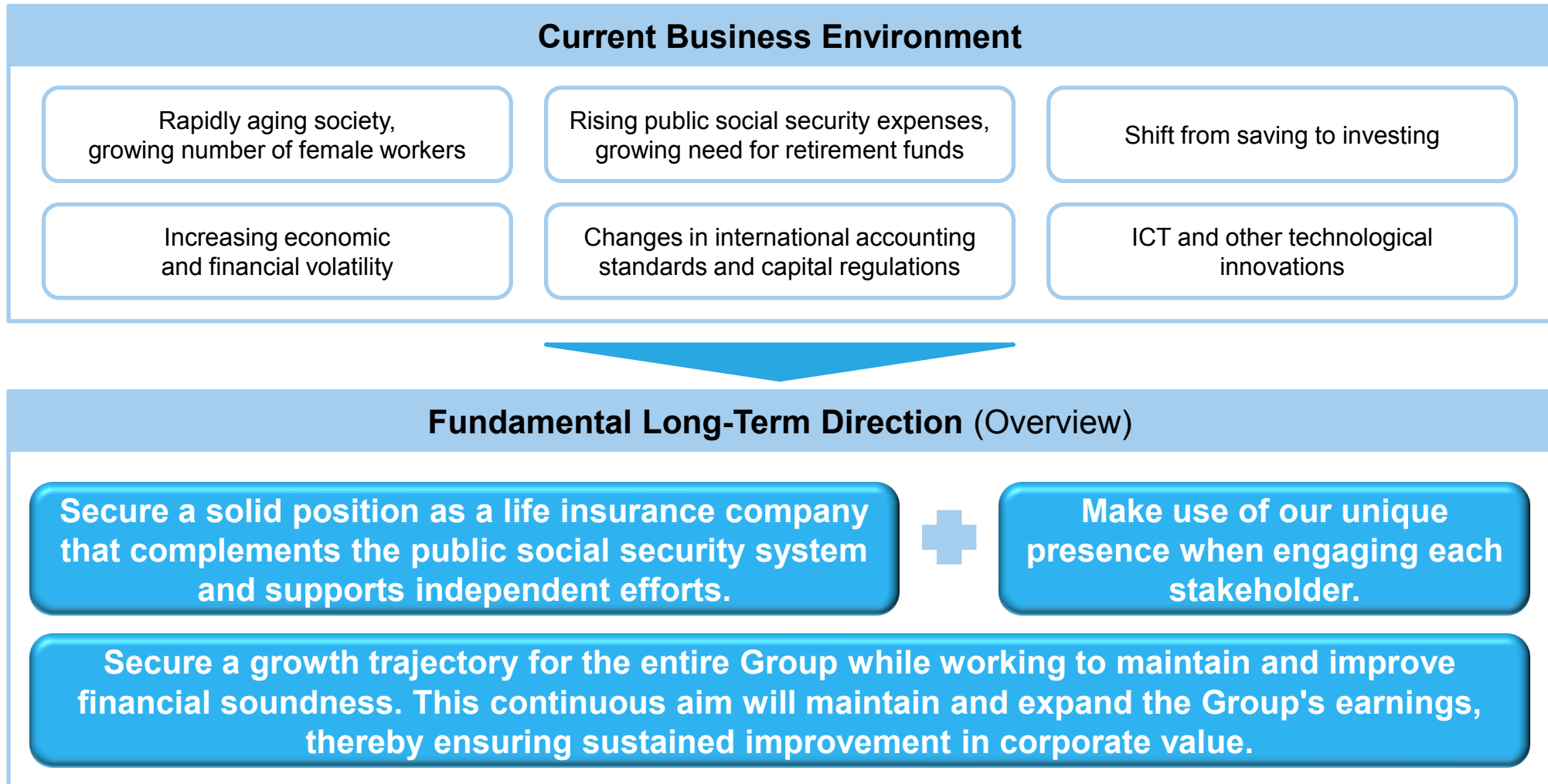


*1 Amount based on the business environment as of March 31, 2014, the end of the fiscal year in which the target was established.

*2 The survey offered five choices: satisfied, somewhat satisfied, normal, somewhat unsatisfied, and unsatisfied.

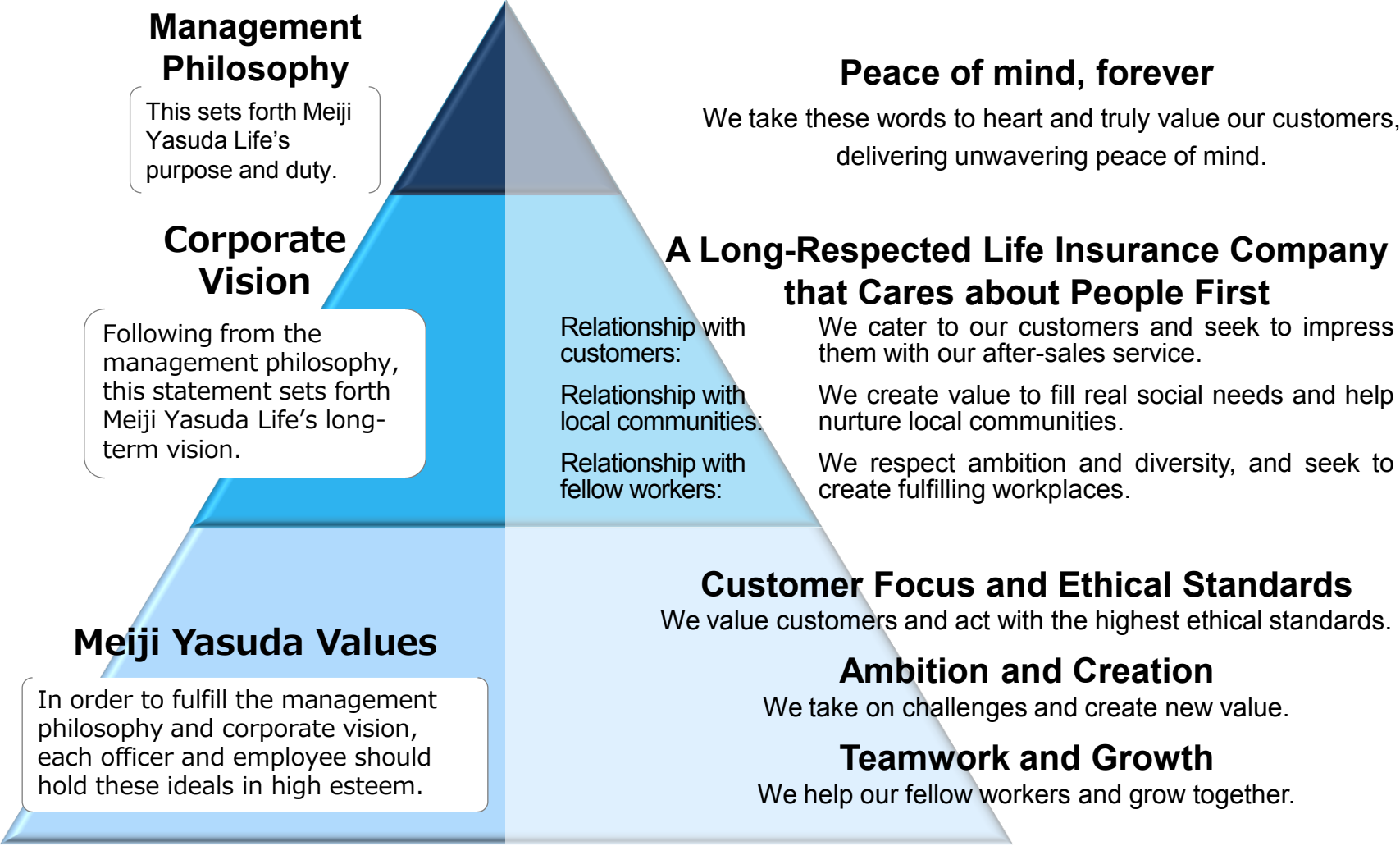
II. Current Business Environment and Long-Term Direction

- To respond optimally to changes in the business environment, it is important to first determine the fundamental long-term direction of the business before formulating business strategies.



III. New Corporate Philosophy: Meiji Yasuda Philosophy, (1) Overview

- Based on its long-term direction, Meiji Yasuda Life launched its new three-year program and introduced an updated corporate philosophy that resonates with a simpler, more engaging message.



III. New Corporate Philosophy: Meiji Yasuda Philosophy, (2) Management Philosophy and Corporate Vision

Management Philosophy

(Our purpose and duty)

Peace of mind, forever



The winning entry in the My Happiness Photo Contest, entitled *Atarashii Inochi* ("new life"), during the fiscal year ended March 31, 2016.

The Thought behind the Management Philosophy

Since our founding, we have supported customers and local communities as a pioneer* of the life insurance business based on a spirit of mutual aid.

Our life insurance is imbued with people's hopes; a fact that has remained unchanged throughout the years. Our duty is to respond to the hopes each customer has entrusted with us and continuously support them throughout their lives.

"Peace of mind, forever".

We take these words to heart and truly value our customers, delivering unwavering peace of mind.

* In January 2004, Meiji Yasuda Life Insurance Company was inaugurated through the merger of Meiji Life Insurance Company, which began operations in July 1881 as Japan's first modern life insurance company, and The Yasuda Mutual Life Insurance Company, which has its roots in Kyosai Gohyakumei-Sha founded in January 1880.

Corporate Vision

(Our long-term vision and our stakeholder initiatives)

A Long-Respected Life Insurance Company that Cares about People First

A thoughtful company that caters to its customers
= Customers know we care.

Relationship with customers

We cater to customers and seek to impress them with our after-sales service.

A company that serves society and supports local communities
= Local communities know we care

Relationship with local communities

We create value to fill real social needs and help nurture local communities.

A vibrant company that fosters ambition and individuality
= Employees know we care

Relationship with fellow workers

We respect ambition and diversity, and seek to create fulfilling workplaces.

IV. 1. New Three-Year Program: MY INNOVATION 2020 Framework, (1) Seven Key Policies

- Based mostly on changes in the business environment, we are promoting our Medium-Term Business Plan and Corporate Vision Realization Project to inspire innovation* aimed at realizing our new corporate philosophy.

We aim to achieve stable, firm improvement in corporate value and realize the new corporate philosophy.

Medium-Term Business Plan

- ◇ Prefaced on customer focus and thoroughgoing compliance, we are promoting our growth strategy, operating base reinforcement strategy and brand strategy.
- ◇ Each key policy will incorporate innovative initiatives and bring about greater innovation, mainly through advanced technology.



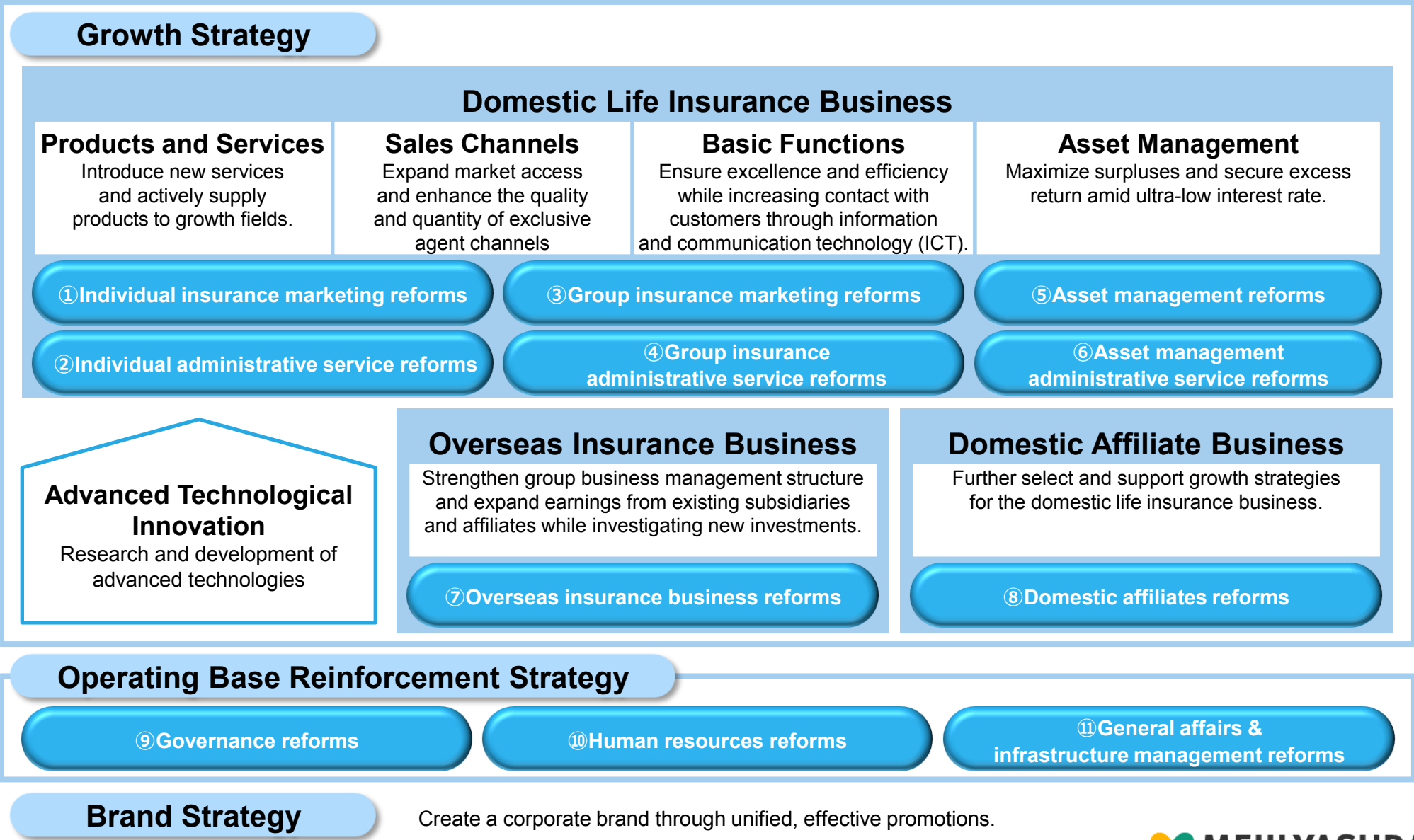
◇ We will foster a culture where each employee proactively works to realize the new corporate philosophy and especially the corporate vision.

Corporate Vision Realization Project

* Innovation includes incremental transformation and more radical creation, both generate new value. Innovation can be achieved either by improving an existing idea or by creating something that generates entirely new value. The Company promotes initiatives for both types of innovation.

IV. 1. New Three-Year Program: MY INNOVATION 2020 Framework, (2) Eleven Reforms

○ We are decisively allocating management resources and capital to Eleven Reforms that will drive the growth strategy and operating base reinforcement strategy of the Medium-Term Business Plan.



IV. 2. Main 2020 Performance Targets, (1) Overview

- Aim to improve corporate value while maintaining balance between growth potential, profitability, and financial soundness.*¹
- We forecast an increase in revenue and profit throughout the next Medium-Term Business Plan.

Corporate Value (EEV)* ²			* Target figures for the fiscal year ending March 31, 2020 * Figures shown as an increase in percentage or number are based on the results forecast for the fiscal year ending March 31, 2017.
+20% (approx. ¥5,900 bln)			
Annualized Premiums from Business in Force (Individual insurance marketing)	Annualized New Premiums from Third-Sector Insurance (Individual and Group insurance marketing, Nonlife insurance)* ³	Group Life Insurance from Business in Force (Group insurance marketing)	
¥2,225 bln (+¥45 bln)	+40% (¥55 bln)	No. 1 Domestic Share	
Number of Customers			
Advisor channel and other channels* ⁴	7,000,000 (approx. +260,000)	Group insurance marketing channel* ⁵	4,930,000 (approx. +150,000)
◇Expand exclusive agent channels (Number of sales personnel: FY2017 30,000 → FY2020 33,000, etc.) ◇Improve customer satisfaction, corporate image, and work engagement			
Capital Efficiency Indicator (RoEEV: corporate value (EEV) base)* ⁶	Economic Solvency Ratio (ESR) * ⁷	On-Balance Sheet Equity* ⁸	
Stably ensure an annual average of around 6%	Over 160%	¥3 trillion (+20%)	

*¹ All of these figures are provisional. We plan on releasing definite figures after financial results are announced for the fiscal year ending March 31, 2017.

*² These figures are based on the investment environment forecast as of March 31, 2017.

*³ This figure is achieved by adding together annualized new premiums from third-sector insurance from individual insurance marketing and the third-sector insurance portion from group insurance marketing (Individual insurance products designed for group insurance customers, group medical insurance, group disability income insurance, and group credit life insurance) as well as the equivalent value of annualized new premiums of Meiji Yasuda General Insurance Co., Ltd. (accident insurance, disability income insurance, medical insurance, and single premium accident insurance for retiree).

*⁴ Life insurance policyholders of advisor channel and other channels (including deferments and those currently receiving annuity payments) + Life insurance insured persons + Nonlife insurance policyholders (excluding redundant policyholders)

*⁵ The number of insured persons of voluntary group life insurance (insured persons and insured their spouses of group life insurance contracts solely underwritten by the Company)

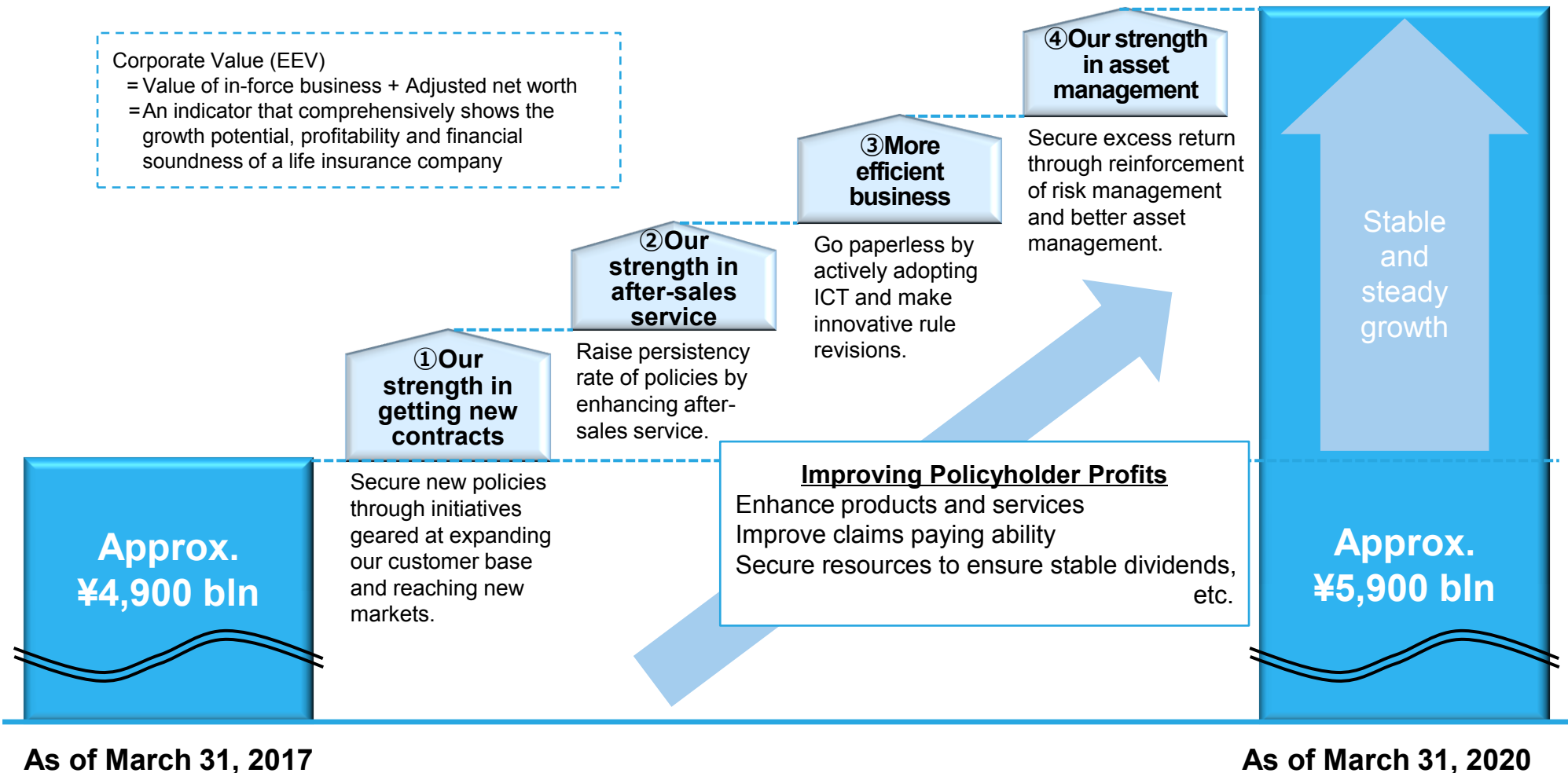
*⁶ An indicator that shows the ratio between profit efficiency and equity (This figure is based on the investment environment forecast as of March 31, 2017.)

*⁷ An economic-value based indicator that shows whether the Company has secured sufficient equity in contrast with its total amount of risk (The figure assumes an investment environment based on the Company's internal model.)

*⁸ The total amount of specified internal reserves and external financing

IV. 2. Main 2020 Performance Targets, (2) Reason behind Increase in Corporate Value (EEV)

- We recognize that the steady implementation of this program will lead to improved corporate value and eventually to improved profits for policyholders, such as improved claims paying ability and resources to ensure stable dividends.



*Corporate value (EEV) is calculated based on the current investment environment. We plan on releasing a definite figure after financial results are announced for the fiscal year ended March 31, 2017.

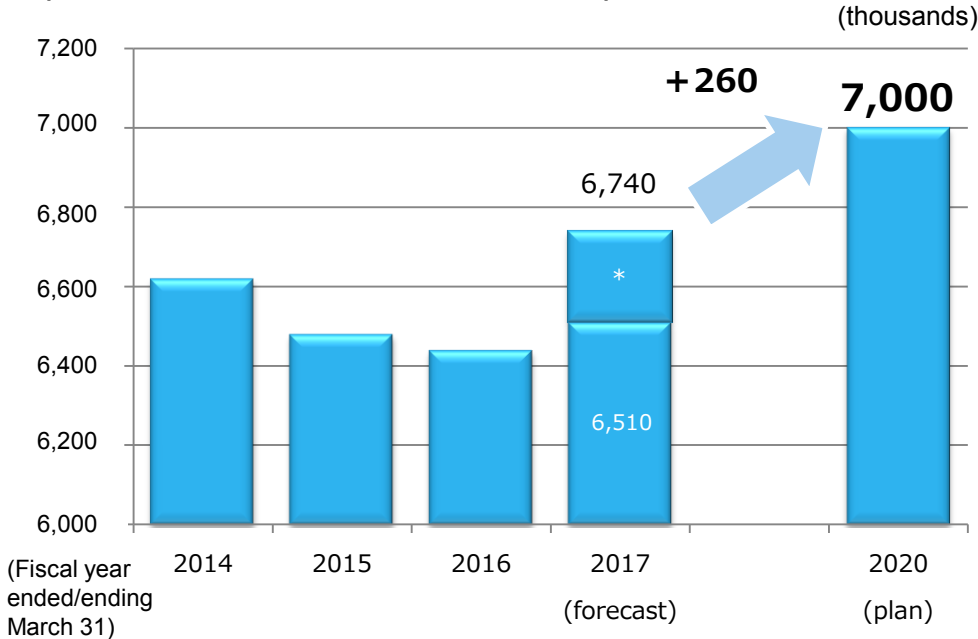
IV. 3. Key Policy ① Growth Strategy: Customer Base Expansion

<Main Initiatives>

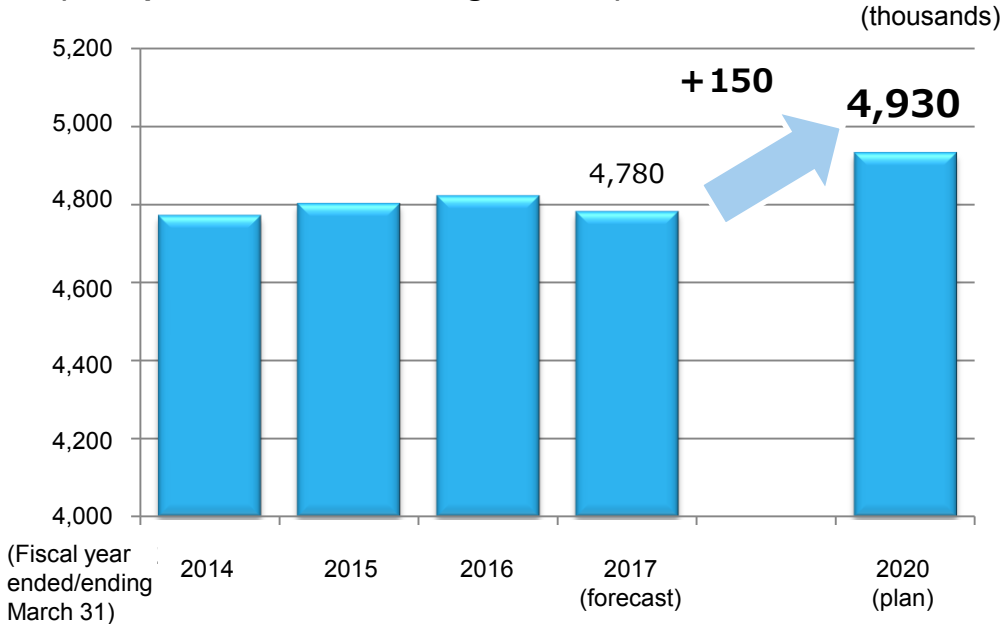
- ◇ Proactively supply products and provide enhanced after-sales service, including the introduction of new services.
- ◇ Expand our advisor channel and expand market access mainly by collaborating with other companies, promoting digital marketing, and building a B-to-E* base.
- ◇ Establish an administrative service base that improves interactions with customers through ICT and other measures.

*Business to Employee: This is a term coined by the Company that refers to targeting employees of organizations that hold corporate policies.

Number of Customers
(Advisor channel and other channels)



Number of Customers
(Group insurance marketing channel)



*Until the fiscal year ended March 31, 2016, this figure reflects life insurance policyholders and insured persons (not including nonlife insurance policyholders) in advisor channel and other channels.

Individual Insurance Marketing Reforms/
Individual Administrative Service Reforms

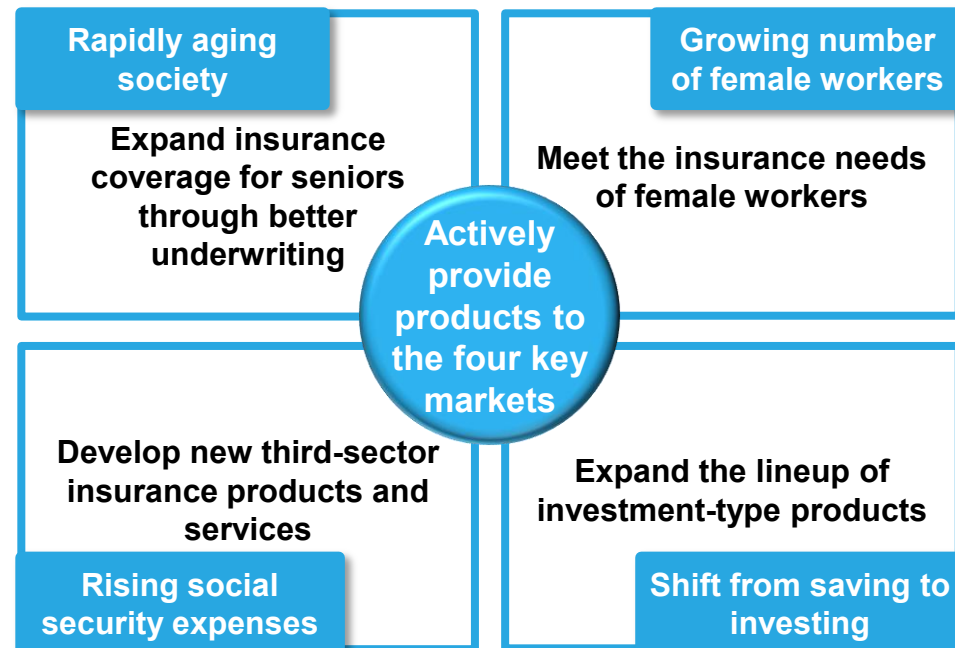
Group Insurance Marketing Reforms/
Group Insurance Administrative Service Reforms

IV. 3. Key Policy ② Growth Strategy: New Market Initiatives

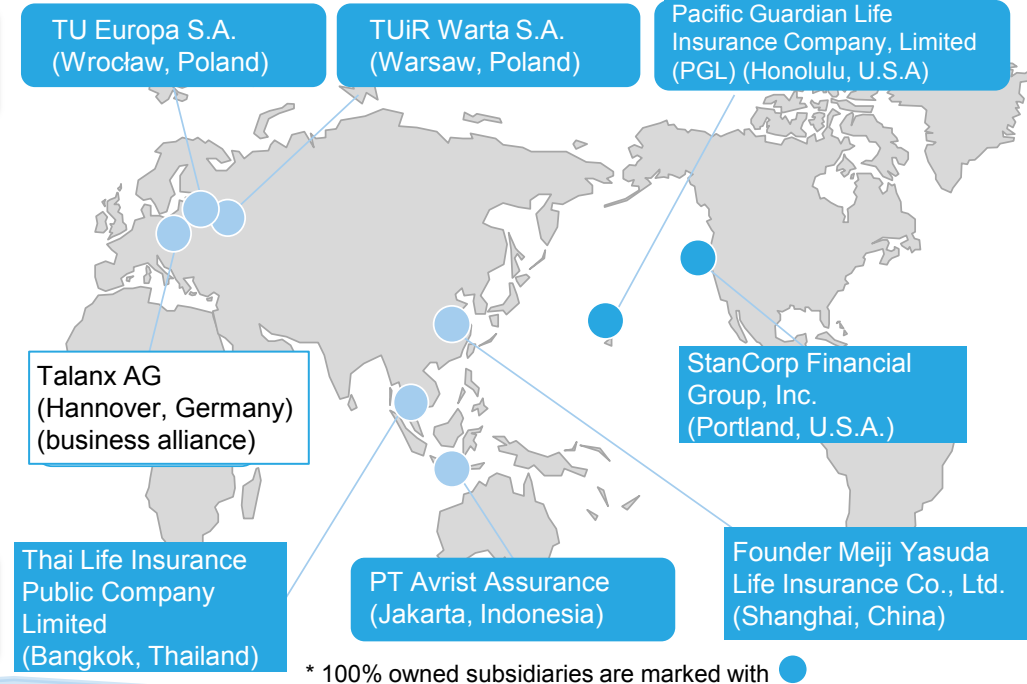
〈Main Initiatives〉

- ◇ Develop new products for seniors and retirees and provide women-oriented products and services.
- ◇ Provide investment-type products, such as foreign currency denominated insurance and group pension investment products with performance-based dividends.
- ◇ Research and develop products and services that use health-related and other information.
- ◇ Expand earnings of existing subsidiaries and affiliates, especially StanCorp Financial Group, Inc., and assess and research new investments.

Initiatives for the Domestic Life Insurance Market



Initiatives for the Overseas Life Insurance Market



Individual/Group Insurance Marketing Reforms

Overseas Insurance Business Reforms

IV. 3. Key Policy ③ Growth Strategy: Better Asset Management

<Main Initiatives>

- ◇ Enhance and diversify asset management methods: strengthen “credit investment and financing”.
- ◇ Enhance asset management governance structure.
- ◇ Promote investment and financing focused on “sustainability” and enhance stewardship activities.
- ◇ Reinforce asset management business in part by collaborating with overseas management companies.

Enhance and diversify asset management methods: strengthen “credit investment and financing”

Overseas credit = around ¥800 billion over three years

Overseas
corporate
bonds

Overseas asset
backed
securities

Overseas
outsourcing

Domestic credit = around ¥800 billion over three years

Domestic
corporate
bonds

Domestic
hybrid bonds

Domestic asset
backed
securities

Enhance asset
management
governance and risk
management

Strengthen investment
income potential

Promote investment and
financing in
“sustainability”
⇒About ¥500 billion
over three years

The environment

Energy

Society and local
communities

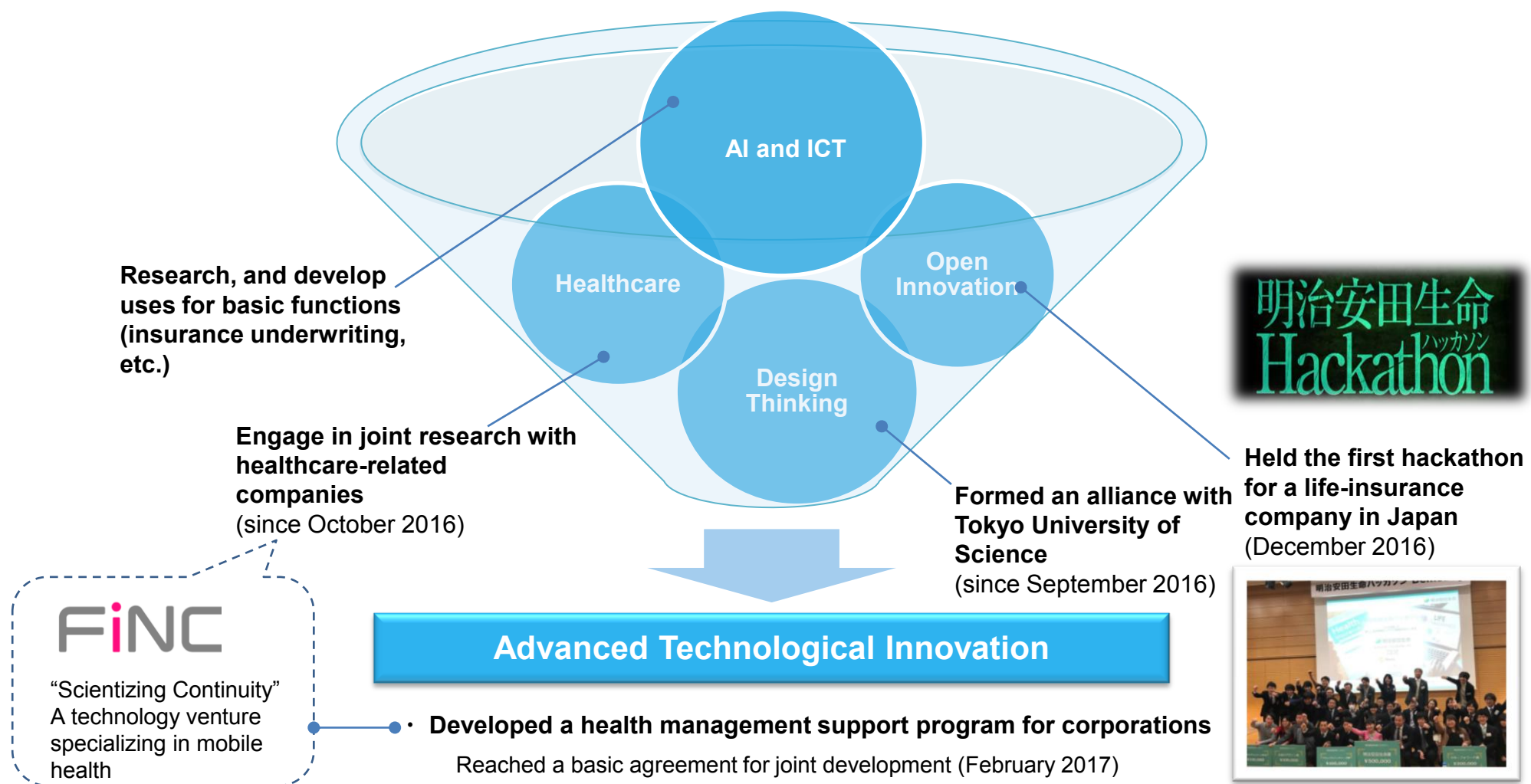
The economy

Asset Management Reforms

Asset Management Administrative Service Reforms

IV. 3. Key Policy ④ Growth Strategy: Advanced Technological Innovation

- We aim to achieve great innovation and have set four major themes in different areas: **AI and ICT**, **healthcare**, **open innovation**, and **design thinking**.



IV. 3. Key Policy ⑤ Operating Base Reinforcement Strategy: Better Governance

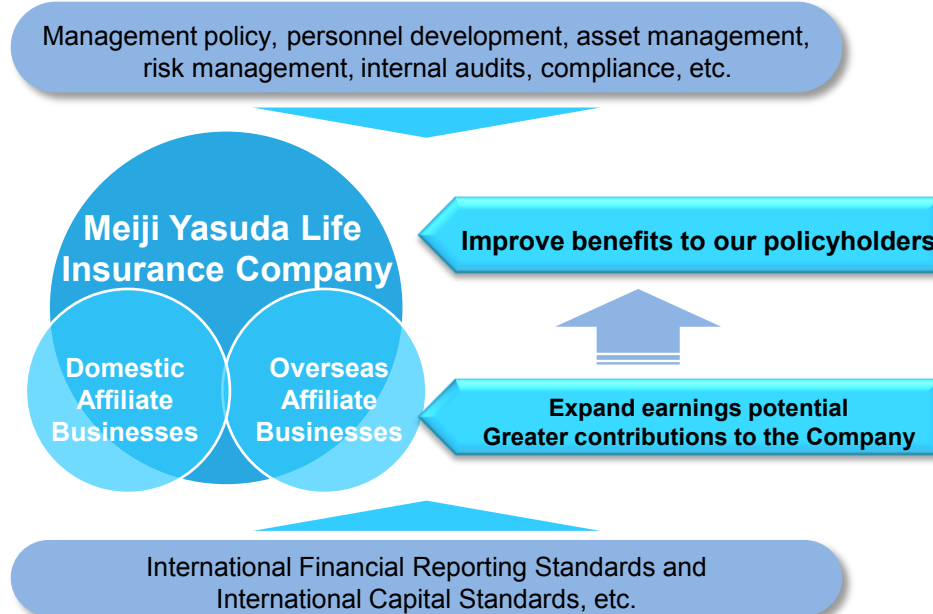
〈Main Initiatives〉

- ◇ Enhance corporate governance, including by increasing opportunities to communicate with stakeholders.
- ◇ Promote the adoption of enterprise risk management (ERM), including capital allocation management and risk return management.
- ◇ Enhance group business management structure, including by responding to International Financial Reporting Standards and International Capital Standards.
- ◇ Expand earnings of existing overseas affiliates and subsidiaries while spurring greater domestic affiliate contributions to the Company.

Promote Adoption of ERM



Enhance Group Business Management Structure



Governance Reforms

Overseas Insurance
Business Reforms

Domestic Affiliates Reforms

IV. 3. Key Policy ⑥ Operating Base Reinforcement Strategy: Improved Work Engagement

〈Main Initiatives〉

- ◇ Enhance our training structure to continuously raise the bar of our human resources.
- ◇ Promote initiatives to boost mental and physical health (promote health management).
- ◇ Promote diversity and inclusion in part by fostering a culture and establishing structures where diverse human resources are embraced.
- ◇ Create a surplus, in part by revising working styles and establishing infrastructure, in order to help promote innovation.

Meiji Yasuda Life was certified as one of the **Excellent Enterprises of Health and Productivity Management—White 500** sponsored by the Ministry of the Economy, Trade and Industry (METI) and Nippon Kenko Kaigi (Feb. 2017).

Further Improve Work Engagement*

* A state of mind where a worker feels pride and experiences fulfillment while working with vigor to pursue challenging targets



The 5th Smart Life Project Award

(Sponsored by the Ministry of Health, Labour and Welfare to promote healthy life expectancy)

We received an award for excellence in the corporate division from the Director-General of the Health Service Bureau of the Ministry of Health, Labour and Welfare.



The Commendation for Leading Companies where Women Shine

(Sponsored by the Cabinet Office)

We received the Minister of State for Gender Equality Award.



Top Hundred Telework Pioneers

(Sponsored by the Ministry of Internal Affairs and Communications)

We received the Minister of Internal Affairs and Communications Award.

Human Resources Reforms

General Affairs & Infrastructure Management Reforms

IV. 3. Key Policy ⑦ Brand Strategy: Promote New Corporate Philosophy

- Create a corporate brand in line with the new corporate philosophy through unified, effective promotions.
- Promote the Corporate Vision Realization Project, with the president taking the lead, in order to foster a culture where each employee proactively works to realize the corporate vision using their creativity.

Realizing the Corporate Philosophy = Creating Our Corporate Brand

Management Philosophy: Peace of mind, forever

Corporate Vision: A Long-Respected Life Insurance Company that Cares about People First

Relationship with customers

We cater to our customers and seek to impress them with our after-sales service.

Relationship with local communities

We create value to fill real social needs and help nurture local communities.

Relationship with fellow workers

We respect ambition and diversity, and seek to create fulfilling workplaces.

Internal/external promotion

Corporate Vision Realization Project

Create unified brand through effective promotions

Take measures to foster a new corporate culture, with the President as the leader

Roll out the “Kizuna” Campaign of small group activities in which all employees participate

- Further enhance face-to-face after sales service
- Enhance interactions with seniors, etc.

- Stimulate contributions to local communities in part by cooperating with the J.League.
- Implement initiatives to support efforts for regional revitalization.

- Implement initiatives to improve work engagement.

Promoting the Strategies for Growth and Operating Base Reinforcement Outlined in the Medium-Term Business Plan