

## Corporate Governance Guidelines

As a pioneer in the life insurance industry, we commit ourselves to being a company that works to the spirit of mutual aid. We endeavor to become “a company placing utmost value on our customers,” providing them with high-quality, comprehensive insurance services, in which life insurance plays a core role, as we deliver assured ease of mind and wealth. Guided by this management philosophy, we will practice the following fundamental concepts in our effort to strengthen the Company’s corporate governance structure.

### Our Fundamental Concepts regarding Corporate Governance

- We recognize that providing customers with lifelong protection is a life insurers’ 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, capable of better supporting our mutual company system, is of primary importance to ensure the payment of insurance claims and benefits, as well as to help our customers enjoy peace of mind and affluent lives.
- We recognize that our relationships with various stakeholders (including customers, employees and communities) are indispensable to achieving sustainable corporate growth. We therefore strive to build appropriate and robust relationships with each stakeholder.
- We regularly review these guidelines to promote our initiatives to strengthen corporate governance. By doing so, we improve our corporate governance structure, maintain the soundness of our operations and secure the ability to make prompt decisions aimed at realizing sustainable growth in business operations as well as corporate value.

### I. General Provision

#### 1. *A Company Placing Utmost Value on Customers*

In line with its management philosophy, we commit ourselves to being a company that places utmost value on its customers. With this in mind, we give due consideration to the characteristics of the mutual company system and strive to enhance customer satisfaction by appropriately reflecting customer feedback in the Company’s operations. Specifically, we collect and analyze customer requests and opinions, including those communicated as secondhand information.

#### 2. *Information Disclosure and Transparency*

In line with our corporate vision of becoming a company that is always open to its customers and society, we appropriately disclose our corporate information as required by the law, and further, proactively disclose other management information that can be deemed beneficial to our customers and other stakeholders from the perspective of securing the transparency and fairness of management decisions, or that otherwise upholds the effectiveness of corporate

governance.

### 3. *Internal Controls*

We recognize that a sophisticated internal control system constitutes a key factor to winning the trust of our customers and other stakeholders. In line with this recognition, we established and announced the Basic Policies for the Internal Control System. Putting these policies into practice, we continuously strengthen our internal auditing systems and enhance our compliance and risk management structures.

## II. Management Structure

### 4. *Board of Policyholder Representatives Meeting*

We strive to ensure that the intentions of our mutual members are better reflected in management through the operation of the Board of Policyholder Representatives Meeting, which consists of policyholder representatives selected from among mutual members and serves as the highest decision-making body of the Company.

### 5. *Selection of Voluntary Candidates for Policyholder Representatives*

We continuously work to diversify the selection process for policyholder representatives by, for example, choosing some representatives from the voluntary candidates.

### 6. *Provision of Information to Policyholder Representatives*

We promptly provide policyholder representatives with information that may help them reach appropriate decisions at the Board of Policyholder Representatives Meeting.

### 7. *Company with Three Committees*

We have adopted a Company with Three Committees system based on recognition that this system is best suited for our goal of accelerating decision making and enhancing management efficiency. Under this system, we secure a clear separation between functions for the supervision and execution of business operations, with the Nominating, Audit and Compensation committees being put in place. In principle, we delegate the execution of business operations to executive officers, except for matters to be referred to the Board of Directors in accordance with the law.

### 8. *Composition of Outside Directors*

We appoint a sufficient number of outside directors to ensure they comprise the majority of directors (currently, six out of 11 directors) and ensure these directors represent diverse backgrounds. With an eye to securing the effectiveness and consistency of management

supervision by outside directors, we limit their term of service to eight years in principle. In these ways, we reinforce the overall function of the Board of Directors to ensure more robust supervision of management.

#### 9. *Board of Directors*

To realize our management philosophy, our Board of Directors supervises management and makes decisions on basic policies for business operations while engaging in constructive discussions on concrete strategies and plans aimed at supporting appropriate business execution.

#### 10. *Role of Directors*

Fully aware of their obligation to loyally perform their fiduciary duties with due care and prudence, our directors strive to secure the effectiveness of the Board of Directors' function for management supervision, in addition to maintaining appropriate and robust relationships with stakeholders. To this end, they engage in thoroughgoing discussions at Board meetings and require the Company to provide necessary information, thereby fulfilling their roles and duties in an effective matter.

#### 11. *Role of Outside Directors*

Our outside directors bring an objective perspective and employ their diverse standpoints to supervise management in terms of the appropriateness of business execution. At the same time, they contribute their expertise and provide advice aimed at helping the Company achieve sustainable growth in business operations and in corporate value. As they have independent positions from the Company, they also work to ensure that opinions voiced by policyholders and other stakeholders are better reflected in decisions made at the Board meetings.

#### 12. *Outside Directors Council*

Having established the Nominating, Audit and Compensation committees in accordance with the law, we also put the Outside Directors Council in place to secure robust communication among outside directors and to facilitate the exchange of opinions between outside directors and the Chairman of the Board, President, relevant directors and executive officers with regard to important management issues.

#### 13. *Roles of Executive Officers*

Our executive officers work to maintain the Company's financial soundness and secure sustainable growth in business operations and corporate value within the scope of their authorities delegated by the Board of Directors with regard to business execution. They also strive to nurture human resources to lead the Company's future operations.

#### 14. *Medium-Term Business Plan*

As we aim to accomplish the Medium-Term Business Plan, we make sure that the progress under this plan is appropriately evaluated and reported to the Board of Directors. In cases where a target set forth in the plan has been missed, we thoroughly analyze the causes, reflect these in formulating future plans, and provide sufficient explanation to our mutual members (policyholders).

#### 15. *Training of Directors and Executive Officers*

Our directors and executive officers strive to realize their maximum potential, and the Company provides them with necessary opportunities to develop their competencies.

### III. Relationships with Policyholders and Other Stakeholders

#### 16. *Structure to Maintain Dialogue with Mutual Members (Policyholders)*

We work to maintain favorable relationships and smooth communications with our mutual members (policyholders) through the Board of Policyholder Representatives Meeting, Reporting Meetings for Policyholder Representatives, the Conference of Customers and other opportunities aimed at facilitating dialogue.

#### 17. *CSR*

We recognize that to grow sustainably in tandem with society, it is essential to win the trust and understanding of our policyholders and other stakeholders. With this in mind, our CSR Management Declaration guides and empowers our social contribution and environmental protection activities, which aim at better accommodating the needs of local society.