

CORPORATE GOVERNANCE

Meiji Yasuda Life Insurance Company

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Meiji Yasuda Life Insurance Company

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The following is an overview of Corporate Governance at Meiji Yasuda Life Insurance Company (hereafter, “the Company”).

I Fundamental Corporate Governance Concepts, Corporate Profile and Other Basic Information

1. Fundamental Concepts

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.

Please refer to “Corporate Governance Guidelines” posted on the Company’s website.

<http://www.meijiyasuda.co.jp/english/about-us/pdf/governance.pdf>

[Reasons for Abstaining from Adopting Principles Set Forth by the Corporate Governance Code]

As the Company operates in the form of mutual company, it is not bound by the principles set forth by Japan’s Corporate Governance Code, which applies to listed companies.

Specifically, the Company recognizes that the following principles are not applicable: supplementary principle 1.2.4 (electronic voting), supplementary principle 1.2.5 (exercise of voting rights by institutional investors who hold shares in a street name registration or nominee account), principle 1.5 (anti-takeover measures), supplementary principle 1.5.1 (response to the tender offer), principle 1.6 (capital policy that may harm shareholder interests), supplementary principle 5.1.3 (identifying shareholder ownership structure) and principle 5.2 (business strategy and business plan with targets for both profitability and capital efficiency). Though not bound to, the Company has voluntarily adopted the Corporate Governance Code with the exception of the irrelevant principles mentioned above.

[Information Disclosure in Accordance with the Corporate Governance Code Principles]

• Principle 1.4 (Cross-Shareholdings)

1. Fundamental concept for stock investment

From the stance of a long-term perspective, the Company recognizes that securing investment profits while controlling risk is essential to fulfilling its obligation to its customers. Therefore, the Company’s fundamental concept for stock investment is to yield stable returns over the long-term in step with growth in each investee’s corporate value. In addition to undertaking stock investment under this fundamental concept, the Company’s stock portfolio may include strategically held stocks.

2. Policies on strategic stockholding

(1) Our stance on strategic stockholding

The Company may engage in strategic stockholding by investing in other companies with the aim of strengthening partnerships through business alliance and collaboration. The strategically held stocks are managed as “Investment Securities not Held Solely

for the Purpose of Investment” and managed distinctly from other stocks, which are held in line with the aforementioned fundamental concept for stock investment.

(2) Reasons for retaining strategically held stocks

To explain the reasons for retaining strategically held stocks, the Company analyzes the future outlook for the stocks and verifies the economic rationality of holding these stocks from a long-term perspective.

Note: Please refer to “Status of Stocks Held” on page 118 of *Annual Report 2016* posted on the Company’s website.

<http://www.meijiyasuda.co.jp/english/annual-reports/index.html>

(3) Exercise of voting rights

With regard to strategically held stocks issued by listed companies, the Company will exercise its voting rights in line with its in-house standards, a summary of which has already been disclosed*. The Company may, however, exercise its voting rights in ways that vary from these standards in light of the overarching purpose of business alliance or investment objective.

Note: Please also refer to “Our Initiatives Related to the Exercise of Voting Rights for General Account Assets” posted on the Company’s website for details of the aforementioned in-house standards for the exercise of voting rights.

http://www.meijiyasuda.co.jp/profile/csr/governance/pdf/vote_approach.pdf*

*Japanese only

• **Principle 1.7 (Related Party Transactions)**

The Company rules for its Board of Directors require the prior board approval of business transactions between directors or officers and the Company. These rules also mandate such pre-approval of business transactions that may give rise to a conflict of interest between participants and the Company.

With established procedures, such as these, in place to manage conflicts of interest, the Company is taking thoroughgoing measures to eliminate the possibility of such conflicts as part of its compliance promotion structure. The status of these measures is reported to the Board of Directors.

• **Principle 3.1 (Full Disclosure)**

i) Company objectives (e.g., business principles), business strategies and business plans

The Company’s Management Philosophy, Corporate Vision and Code of Conduct are disclosed on its website.

http://www.meijiyasuda.co.jp/english/about-us/management_policy.html

Please also refer to the outline of the Meiji Yasuda NEXT Challenge Program (April 2014 – March 2017) entailing the Medium-Term Business Plan posted on the Company’s website.

http://www.meijiyasuda.co.jp/english/news/pdf/20140319_01.pdf

http://www.meijiyasuda.co.jp/english/news/pdf/20140319_02.pdf

ii) Basic views and guidelines on corporate governance based on each of the principles of the Code

Please refer to 1. “Fundamental Concepts” for the Company’s basic views on corporate governance. The basic policies for corporate governance (the Corporate Governance Guidelines) are posted on the Company’s website.

<http://www.meijiyasuda.co.jp/english/about-us/pdf/governance.pdf>

iii) Board policies and procedures in determining the remuneration of senior management and directors

Matters regarding remuneration for directors and executive officers are posted on page 82 of the *Current Status of Meiji Yasuda Life 2016(integrated report)*.* Copies of this publication are available at the Company’s regional offices and agency offices from the end of July 2016 onward and also posted on the Company’s website.

http://www.meijiyasuda.co.jp/profile/corporate_info/disclosure/data/index.html*

iv) Board policies and procedures in the appointment of the senior management and the nomination of directors and *kansayaku* candidates

Policies and procedures in the appointment of directors, executive officers and operating officers are posted on page 82 of the *Current Status of Meiji Yasuda Life 2016(integrated report)*.* Copies of this publication are available at the Company’s regional offices and agency offices from the end of July 2016 onward and also posted on the Company’s website.

http://www.meijiyasuda.co.jp/profile/corporate_info/disclosure/data/index.html*

v) Explanations with respect to the individual appointments and nominations based on iv)

Reasons for the individual appointments of directors who took office in July 2016 are provided in a press release posted on the Company’s website.

http://www.meijiyasuda.co.jp/english/news/pdf/20160526_04.pdf

Reasons for the individual appointments of executive officers and operating officers who took office in July 2016 are provided in a press release posted on the Company’s website.

http://www.meijiyasuda.co.jp/profile/news/release/2016/pdf/20160706_01.pdf*

*Japanese only

• **Supplementary Principle 4.1.1 (The Scope and Content of Matters Delegated to the Management)**

In principle, the execution of business operations is delegated to executive officers, except for matters reserved for the Board of Directors in accordance with the law. This principle is stipulated in Article 7 of the Corporate Governance Guidelines.

<http://www.meijiyasuda.co.jp/english/about-us/pdf/governance.pdf>

· **Principle 4.8 (Effective Use of Independent Directors)**

The majority of the Company's directors are outside directors (6 out of 11 directors). With an eye to ensuring that directors represent diverse backgrounds, the Company is striving to strengthen the functions of the Board of Directors as a whole to secure more robust management supervision. This principle is stipulated in Article 8 of the Corporate Governance Guidelines.

<http://www.meijiyasuda.co.jp/english/about-us/pdf/governance.pdf>

· **Principle 4.9 (Independence Standards and Qualification for Independent Directors)**

"Standards for Securing the Independence of Outside Directors" are presented in this report in a section entitled "Other Matters regarding Independent Directors" in the "Independent Directors" section of // 1. "The Composition of Internal Organizations, Management and Other Structures." These standards are also posted on the Company's website.

<http://www.meijiyasuda.co.jp/profile/csr/governance/pdf/independencies.pdf>*

*Japanese only

· **Supplementary Principle 4.11.1 (View on the Composition of Board Members)**

Please refer to paragraph (iv) of "Principle 3.1 (Full Disclosure)" stated above.

· **Supplementary Principle 4.11.2 (The Status of Outside Directors' Concurrent Positions)**

Please refer to the section of this report entitled "Relationship with the Company (2)" in "Matters regarding Outside Directors" section of // 1. "The Composition of Internal Organizations, Management and Other Structures." Also, these matters are presented on page 15 of the agenda for the 69th regular Board of Policyholder Representatives Meeting (July 5, 2016) posted on the Company's website.

http://www.meijiyasuda.co.jp/profile/corporate_info/mutual/pdf/agenda_69th.pdf*

*Japanese only

· **Supplementary Principle 4.11.3 (Self-Evaluation of the Board's Effectiveness)**

The Company conducts evaluation of the effectiveness of the Board of Directors and Nominating, Audit and Compensation committees once a year based on self-evaluation results. Self-evaluation results from the period of July 2015 to June 2016 are as follows.

<Board of Directors>

1. Tackle issues recognized based on the self-evaluation results of the previous fiscal year

Addressed issues recognized based on the self-evaluation results of FY2015 as follows.

Recognized Major Issues	Responses to the Issues
Revised operation of the Board of Directors to contribute to the enhancement of discussions of important propositions	<ul style="list-style-type: none"> Enhanced and improved the function of the Board of Directors through revision of the operation of the Board of Directors including the reduction of resolutions to ensure sufficient discussion time. Enhanced discussions regarding principal items such as advanced corporate governance, HR requirements of executives and the next Medium-Term Business Plan by utilizing the "Outside Directors Council".
Enhanced measures to deepen the understanding of outside directors regarding company performance	<ul style="list-style-type: none"> Created opportunities to enhance the understanding of company performance and corporate culture including outside directors' inspection of regional offices and affiliates, attendance at meetings addressing company-wide activities.

2. Method of self-evaluation and items

Each director (6 outside and 5 internal) answered questionnaires based on below evaluation items which served as the basis for the Board of Directors to deliberate over the self-evaluation results, recognized issues and improvement methods and came to a resolution.

[Evaluation items]

- Composition of the Board of Directors (ensure a diversified mix and the independence of outside directors)
- Operation of the Board of Directors (preliminary explanation regarding agenda items, resolution details, meeting frequency, discussion time, etc.)
- Support structure for outside directors (provision of information, create opportunity to enhance understanding of company performance)
- Effectiveness of the Board of Directors (providing material information of agenda items and sufficient discussion opportunities)
- Appointment of executive officers and operating officers (clarify the basic principles and reasoning of the appointment)

3. Outline of self-evaluation results and recognized issues

- (1) Based on each director's evaluation, the Company recognized that the corporate governance through the Board of Directors functioning effectively based on the facts that the majority of members are outside directors, members with diverse experiences, expertise and gender are ensured as well as created opportunities for constructive discussions utilizing "Outside Directors Council". In addition, the Company reckoned that issues recognized through self-evaluation are dealt properly.
- (2) Whereas, being the "Company-with-Committees", confirmed the necessity to optimize the functioning of the Board of Directors by further improvement regarding below items.
 - Create more opportunity for outside directors to exchange views in addition to exchanging views with operating side at the "Outside Directors Council"
 - Continue the initiatives to rationalize documents volume and number of agenda items for sufficient discussion and efficiency
 - Create opportunity for outside directors to check and recognize the progress of spreading corporate culture

<Nominating Committee>

Based on the FY2015 self-evaluation, the Company strives to provide sufficient information especially to outside members for the purpose of evaluation and judgment to further enhance the discussion at the Nominating Committee meeting.

Based on the evaluation of 3 outside members and 2 internal members, the Company recognized that the Nominating Committee fulfilled its duties whereas confirmed the necessity to enhance the effectiveness through improvements towards the composition and functioning and appointment process of the candidates.

[Evaluation items]

- Composition of the Nominating Committee
- Operation and support structure for outside members of the Nominating Committee
- Effectiveness of the Nominating Committee

<Audit Committee>

Based on the evaluation of 4 outside members and 1 internal member, the Company recognized that the Audit Committee fulfilled its duties. In addition, the Company recognized that the improvements towards issues based on the FY2015 self-evaluation are in progress whereas confirmed the necessity to enhance the effectiveness of audit through improvements towards below items.

- Strive to provide sufficient information related to agenda items to outside members
- Revise the operation of the Audit Committee including the further reduction of agenda items

[Evaluation items]

- Composition and balance of the Audit Committee
- Operation of the Audit Committee (provide information of agenda items beforehand, agenda items details, frequency and discussion time)
- Audit environment (secretariat structure to assist the Audit Committee, reporting system to the Audit Committee)
- Audit method and details of operation audit and accounting audit
- Audit records and reporting, etc.

<Compensation Committee>

Based on the FY2015 self-evaluation, the Company partially revised rules including the Executive Officers Remuneration Rule. Also, based on the evaluation of 3 outside members and 2 internal members, the Company recognized that the individual amount of remuneration appropriately determined in accordance with the decision policy and rules of the executive officers remuneration. In addition, the Company confirmed to further enhance the effectiveness of the Compensation Committee through continued revision and clarification of issues based on ongoing monitoring and referencing other companies' examples.

[Evaluation items]

- Composition of the Compensation Committee
- Operation of the Compensation Committee
- Support structure for the outside members
- The effectiveness of the Compensation Committee

· **Supplementary Principle 4.14.2 (Policies for Director Training)**

With the Company providing them with necessary opportunities to develop their competencies, directors and executive officers strive to realize their maximum potential. This principle is stipulated in Article 15 of the Corporate Governance Guidelines.

<http://www.meijiyasuda.co.jp/english/about-us/pdf/governance.pdf>

· **Principle 5.1 (Policy for Constructive Dialogue with Shareholders)**

In line with its management philosophy, the Company commits itself to placing utmost value on its customers. With this in mind, the

Company gives due consideration to the characteristics of the mutual company system and strives to enhance customer satisfaction by appropriately reflecting customer feedback in its operations. Specifically, the Company collects and analyzes customer requests and opinions, including those communicated as secondhand information. This principle is stipulated in Article 1 of the Corporate Governance Guidelines.

The Company works to maintain favorable relationships and smooth communications with its company 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. This principle is stipulated in Article 16 of the Corporate Governance Guidelines.

<http://www.meijiyasuda.co.jp/english/about-us/pdf/governance.pdf>

In addition, the executive officer in charge of the Corporate Planning Department supervises the operation of the mutual company system as well as public relations. The Conference of Customers is run under the initiative of this department, with headquarters departments collaborating.

Opinions voiced by customers at the aforementioned conference are reported to the Board of Policyholder Representatives Meeting and the Board of Councillors. In addition, whenever the Company receives opinions identifying issues in need of improvement, the department in charge of addressing the particular issue considers options and implements improvement measures, while the Customer Satisfaction Promotion Committee, an advisory body to the Management Council, follows up to verify the status of implementation. Customer information is protected and strictly managed in accordance with in-house regulations regarding information management.

2. Capital Structure

Percentage of Foreign Shareholders	Not applicable
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[Overview of Major Shareholders]

Name	Number of shares	Shareholding ratio (%)
Not applicable	----	----
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Controlling shareholders (except parent company)	Not applicable
Parent company	Not applicable

3. Corporate Attributes

Stock Exchange and Section	Not applicable
Fiscal year-end	March
Sector	Insurance
Number of employees at the end of the previous fiscal year (consolidated)	Not less than 1,000 persons
Sales during the previous fiscal year (consolidated)	Not less than 1 trillion yen
Number of consolidated subsidiaries at the end of the previous fiscal year	Less than 10 companies

4. Guidelines for the Protection of Minority Shareholders When Making Transactions with Controlling Shareholders

Not applicable

5. Other Special Circumstances That Could Materially Affect Corporate Governance

Not applicable

II Organizational Status of Management Decision Making, Execution and Supervision, and Other Systems for Maintaining Corporate Governance

1. Items Concerning Institutional Structure, Organizational Operation

Organizational form	Company with Committees
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[Directors]

Number of Directors in Articles of Incorporation	15 persons
Term of Directors specified in Articles of Incorporation	1 year
Chairperson of the Board of Directors	Chairman (excluding concurrently serving as President)
Number of Directors	11 persons

[Outside Directors]

Number of Outside Directors	6 persons
Number of Outside Directors designated as Independent Directors	The Company has not formally designated independent directors as it is not a listed company. However, the Company has 6 directors who meet the requirements of independent directors as defined by rules, stipulated for listed companies, by stock exchanges and other regulations.

Relationship with the Company (1)

Name	Attribution	Status of confirmation of "The criteria for the independence of outside directors"				
		(1)	(2)	(3)	(4)	(5)
Shigehiko Hattori	Comes from other company	○	○	○	○	○
Seiichi Ochiai	Academic	○	○	○	○	○
Yoshihide Munekuni	Comes from other company	○	○	○	○	○
Teruo Kise	Comes from other company	○	○	○	○	○
Miyako Suda	Academic	○	○	○	○	○
Keiko Kitamura	Academic	○	○	○	○	○

"○" indicates that the appointee fulfills the conditions presented below.

- (1) The appointee meets the requirements of an outside director as specified by Japan's Insurance Business Act.
- (2) Over the past three fiscal years, excepting director remuneration, the appointee did not receive annual remuneration for their specialist services to the Company that totaled ¥10 million or more.
- (3) The appointee is not a spouse or a near relative (within the third degree of kinship) of the Company's directors, executive officers or general managers of departments, regional offices and corporate marketing departments, or an individual holding similar posts at a specified business of the Company.
- (4) Over the past three fiscal years, the appointee had not been serving as an officer or employee at any company whose insurance transactions amounted to more than 2% of the Company's annual premium income. The transaction amount includes transactions made by that company's consolidated subsidiaries as defined under Japan's *Yuka Shoken Hokokusho* (annual securities report) disclosure system.
- (5) The appointee is not serving as an officer or employee at an entity that receives donations exceeding 2% of its net sales or ordinary income from the Company.

Relationship with the Company (2)

Name	Committee to which they belong			Independent Director	Significant concurrently held positions	Reasons for appointment
	Nominating Committee	Compensation Committee	Audit Committee			
Shigehiko Hattori		○		○	<p>Senior Advisor, Shimadzu Corporation</p> <p>Director, Mitsubishi Tanabe Pharma Corporation</p> <p>Director, Sapporo Holdings Ltd.</p> <p>Director, Brother Industries, Ltd.</p>	<p>As a corporate manager, he has sufficient knowledge and experience to make decisions on the Company's important management issues and supervise business execution undertaken by directors and executive officers and such in an accurate, fair and efficient manner. Since his appointment in 2012 as an outside director of the Company, he has continuously supervised the execution of business from an independent standpoint. Because of that, the Company expects him to help strengthen the functions of its Board of Directors and thus reappointed him as an outside director.</p>
Seiichi Ochiai	○		○	○	<p>Attorney</p> <p>Auditor, NIPPON TELEGRAPH AND TELEPHONE CORPORATION</p> <p>Auditor, Ube Industries, Ltd.</p>	<p>As an attorney-at-law, he has sufficient knowledge and experience to make decisions on the Company's important management issues and supervise business execution undertaken by directors and executive officers and such in an accurate, fair and efficient manner. Since his appointment in 2012 as an outside director of the Company, he has continuously supervised the execution of business from an independent standpoint. Because of that, the Company expects him to help strengthen the functions of its Board of Directors and thus reappointed him as an outside director.</p>

Yoshihide Munekuni	○	○		○		<p>As he has a solid track record in corporate management, he has sufficient knowledge and experience to make decisions on the Company's important management issues and supervise business execution undertaken by directors and executive officers and such in an accurate, fair and efficient manner. Since his appointment in 2013 as an outside director of the Company, he has continuously supervised the execution of business from an independent standpoint. Because of that, the Company expects him to help strengthen the functions of its Board of Directors and thus reappointed him as an outside director.</p>
Teruo Kise	○		○	○	Senior Advisor, TOTO LTD.	<p>As a corporate manager, he has sufficient knowledge and experience to make decisions on the Company's important management issues and supervise business execution undertaken by directors and executive officers and such in an accurate, fair and efficient manner. Since his appointment in 2014 as an outside director of the Company, he has continuously supervised the execution of business from an independent standpoint. Because of that, the Company expects him to help strengthen the functions of its Board of Directors and thus reappointed him as an outside director.</p>
Miyako Suda		○	○	○	Special Advisor, The Canon Institute for Global Studies Director, Fujitsu Limited Auditor, Ube Industries, Ltd.	<p>As a specialist of monetary economics, she has sufficient knowledge and experience to make decisions on the Company's important management issues and supervise business execution undertaken by directors and executive officers and such in an accurate, fair and efficient manner. Since her appointment in 2014 as an outside director of the Company, she has continuously supervised the execution of business from an independent standpoint. Because of that, the Company expects her to help strengthen the functions of its Board of Directors and thus reappointed her as an outside director.</p>

Keiko Kitamura			○	○	Auditor, Keio Corporation Auditor, Hino Motors, Ltd.	As a specialist of finance and accounting, she has sufficient knowledge and experience to make decisions on the Company's important management issues and supervise business execution undertaken by directors and executive officers and such in an accurate, fair and efficient manner. Since her appointment in 2015 as an outside director of the Company, she has continuously supervised the execution of business from an independent standpoint. Because of that, the Company expects her to help strengthen the functions of its Board of Directors and thus reappointed her as an outside director.
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Note: The Company has not formally designated independent directors as it is not a listed company. However, the 6 outside directors listed above all meet the requirements of independent directors as defined by rules, stipulated for listed companies, by stock exchanges and other regulations.

【Various committees】

Composition of members and attribution of the chairperson of each committee

	Total number of members	Number of Full-time Members	Number of Internal Directors	Number of Outside Directors	Chairperson
Nominating Committee	5	2	2	3	Outside Director
Compensation Committee	5	2	2	3	Outside Director
Audit Committee	5	1	1	4	Outside Director

【Executive Officers】

Number of Executive Officers	17 persons
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Status of concurrent positions

Name	Authority to represent company	Concurrently serving as a Director		Concurrent status as employee
		Member of Nominating Committee	Member of Compensation Committee	
Nobuya Suzuki	Yes	Yes	○	No
Akio Negishi	Yes	Yes	○	No
Toshihiko Yamashita	No	Yes	×	No
Masahiro Ifuku	No	Yes	×	No
Takashi Ito	No	No	×	No
Kikuo Asano	No	No	×	No
Tatsuo Ogoshi	No	No	×	No
Akio Sakai	No	No	×	No
Tadashi Onishi	No	No	×	No
Masahiko Sagara	No	No	×	No
Masao Aratani	No	No	×	No
Shinya Makino	No	No	×	No
Tetsuo Maejima	No	No	×	No
Takashi Kikugawa	No	No	×	No
Yasuyuki Ayai	No	No	×	No
Teruki Umezaki	No	No	×	No
Kazunori Yamauchi	No	No	×	No

[Auditing System]

Existence or nonexistence of directors and employees who support the Audit Committee

Exists

Independence of Directors and Employees Who Support the Audit Committee from Executive Officers

A secretariat team for the Audit Committee is in place under the direct control of the Audit Committee. The team is independent from business execution and allocated dedicated staff equipped with specialist knowledge. To secure strict independence from business execution, the evaluation, transfer and discipline of the secretariat team staff require a resolution by the Audit Committee giving prior consent.

Coordination between the Audit Committee, Accounting Auditors and the Internal Audit Department

The Audit Committee receives periodic reports from and exchanges opinions with the accounting auditors in regard to such matters as their audit plans and activities, as well as the results of audits, along with detailed status on the implementation of their duties. As such, the committee maintains close collaboration with the accounting auditors.

The Audit Committee also receives periodic reports on internal audit plans and results from the Internal Audit Department and, on an as-needed basis, gives instructions on internal audits. Moreover, members of the committee attend meetings hosted by this department while observing on-site audits carried out by department staff. In these ways, the committee maintains close collaboration with the Internal Audit Department.

[Independent Directors]

Number of independent directors

The Company has not formally designated independent directors as it is not a listed company. However, the Company has 6 directors who meet the requirements of independent directors as defined by rules, stipulated for listed companies, by stock exchanges and other regulations.

Other Matters regarding Independent Directors

■ Standards for Securing the Independence of Outside Directors

As part of initiatives to strengthen corporate governance, the Company sets forth the following standards to judge the independence of its outside directors.

To secure the independence of the Company's outside directors, the Nominating Committee appoints outside director candidates based on assessments centered on verifying the following matters.

- (1) The appointee meets the requirements of an outside director as specified by Japan's Insurance Business Act.
- (2) Over the past three fiscal years, excepting director remuneration, the appointee did not receive annual remuneration for their specialist services to the Company that totaled ¥10 million or more.
- (3) The appointee is not a spouse or a near relative (within the third degree of kinship) of the Company's directors, executive officers or general managers of departments, regional offices and corporate marketing departments, or an individual holding similar posts at a specified business of the Company.
- (4) Over the past three fiscal years, the appointee had not been serving as an officer or employee at any company whose insurance transactions amounted to more than 2% of the Company's annual premium income. The transaction amount includes transactions made by that company's consolidated subsidiaries as defined under Japan's *Yuka Shoken Hokokusho* (annual securities report) disclosure system.
- (5) The appointee is not serving as an officer or employee at an entity that receives donations exceeding 2% of its net sales or ordinary income from the Company.

[Incentives]

Implementation of Measures to Grant Incentives to Directors and Executive Officers

Introduction of performance-based compensation program for Executive Officers

Supplementary Explanation

Please refer to "Disclosure of Policies for Determining Remuneration Amounts and Calculation Methods."

The Grantees of Stock Options as Stock-linked Compensation

Not applicable

Supplementary Explanation

[Compensation for directors and executive officers]

Disclosure of individual Compensation for Directors

Not disclosed

Disclosure of individual Compensation for Executive Officers

Not disclosed

Supplementary Explanation

Total Amount of Compensation for directors and executive officers are described below.

Fiscal 2015

Category	Number of Applicable Persons	Total Amount of Compensation (millions of yen)
Director	8	97
Executive Officer	29	1,332
Total	37	1,430

Notes:

1. Remuneration paid to directors who concurrently hold the position of executive officer is presented as remuneration for executive officers. The figures presented above include one executive officer who retired at the closure of the 68th Board of Policyholder Representatives Meeting held on July 2, 2015.
2. The Company abolished its retirement benefit scheme for directors and executive officers on June 30, 2008.
3. Apart from the remuneration amount presented above and amounts previously disclosed in past business reports, the Company has paid ¥53 million to 28 directors and ¥7 million to seven corporate auditors who have already retired as annuities. The Company also paid ¥3 million to one director and ¥3 million to one corporate auditor as condolence money.

Existence or nonexistence of policies for determining remuneration amounts and calculation methods

Exists

Disclosure of Policies for Determining Remuneration Amounts and Calculation Methods

On July 2, 2015, the Company's Compensation Committee has set policies for determining the content of remuneration for individual directors and executive officers. Details of the policies follow.

(1) Basic policy

The total amount of remuneration shall be set at an appropriate level by giving due consideration to the operating environment surrounding the Company, business performance, and the responsibilities of the directors and executive officers.

(2) Remuneration for directors

Remuneration for directors consists only of fixed compensation whose amount is determined by the content of each individual director's duties. However, the Company shall not pay compensation to directors who concurrently hold the position of executive officer.

(3) Remuneration for executive officers

Remuneration for executive officers consists of basic compensation and performance-based compensation aiming at the Company's sustainable growth and the medium and long-term enhancement of corporate value.

(i) A fixed amount of basic compensation shall be determined based on the position of the executive officer and the content of his/her duties.

(ii) A specified amount of performance-based compensation shall be determined based on the position of the executive officer and the content of his/her duties, with consideration given to the Company's operating results as well as contributions to corporate performance made by individual recipients.

Support Structure for Outside Directors

With the Corporate Planning Department serving as its secretariat team, the Board of Directors is equipped with a structure for supporting the activities of the directors. Within this structure, external specialists are available upon request from outside directors. Materials handed to directors at board meetings are prepared without using terms unknown to laypersons so that they are fully understood by outside directors, with the objective and content of proposals being concisely summarized on the top pages. Moreover, when proposals seem to require prior explanation aimed at enhancing outside directors' understanding, the Company holds a briefing a day or week before the board meeting is convened, with an executive officer in charge of the Corporate Planning Department giving the presentation. With regard to proposals that seem to require no prior explanation, in principle, the Company distributes materials explaining such proposals four business days prior to the board meeting.

2. Matters regarding Execution, Audit and Supervisory, Nominating, Compensation and Other Functions (Overview of the Current Corporate Governance System)

(1) Management Supervisory Functions

■ Board of Directors

The Board of Directors reaches decisions on important management issues while supervising business execution undertaken by directors and executive officers. In the fiscal year ended March 31, 2016, Board of Directors meetings were held on 15 occasions, with attendees engaging in lively discussions to enhance the board's management supervisory functions.

■ Nominating Committee

The Nominating Committee determines proposals related to the election and dismissal of directors. These are submitted to the Board of Policyholder Representatives Meeting. In the fiscal year ended March 31, 2016, the committee met on 5 occasions and appropriately selected director candidates in accordance with rules that it has established regarding the selection of director candidates.

■ Compensation Committee

The Compensation Committee formulates the overall policy on remuneration for individual directors and executive officers, and thereby determines the content of remuneration for individual directors and executive officers. In the fiscal year ended March 31, 2016, the committee met on 5 occasions and determined the content of remuneration for individual directors and executive officers, with due consideration given to the Company's operating results and each recipient's contributions to business performance, in accordance with its policies for determining the content of remuneration for individual directors and executive officers as well as in-house rules regarding director remuneration and executive officer remuneration.

■ Audit Committee

The Audit Committee audits the business execution of directors and executive officers, and prepares audit reports. It also submits recommendations to the Board of Policyholder Representatives Meeting on the election and dismissal of accounting auditors. In the fiscal year ended March 31, 2016, the committee met on 16 occasions and received periodic reports from the

Internal Audit Department and accounting auditors while exchanging opinions with the President and other senior management who, as needed, were requested to attend the meetings. Members of the committee also engaged in dialogue with other managerial personnel on a regular basis with regard to information they gleaned by attending key management meetings and reviewing important documents. In these ways, the committee audited the status of business execution undertaken by directors and executive officers and the development of the Company's internal control system.

■ **Outside Directors Council**

With the aim of better employing the knowledge possessed by its outside directors in corporate management, the Outside Directors Council is in place to facilitate the exchange of opinion among outside directors, between outside directors and the chairman of the board, and between outside directors and the President, directors, executive officers and other managerial personnel. With the Lead Outside Director who was elected by a vote of the outside directors serving as the chairperson, such matters as basic management plan strategies and the election of executive officers are discussed.

(2) Business Execution Functions

■ **Management Council**

The Management Council deliberates important issues related to business execution undertaken by the President in line with basic management policies resolved on by the Board of Directors.

■ **Investment Council**

The Investment Council deliberates and makes decisions on important asset management issues in line with basic management policies resolved by the Board of Directors and business execution policies discussed at the Management Council meetings and approved by the President.

(3) Internal Audit Functions

The Company's Internal Audit Department operates under the direct control of the Representative Executive Officer and is independent from business execution or any other department. It performs internal audits and evaluates and assesses whether business activities are appropriately conducted, thus providing recommendations that address issues and problems needing improvement while implementing follow-up audits to secure the soundness of operations. The results of the internal audits and the status of follow-up audits are promptly reported to the Board of Directors.

3. Reasons for Adopting the Current Corporate Governance System

With the aim of incorporating outside perspectives in its overall corporate management, the Company has adopted the "Company-with-Committees" system (currently known as the Company with Three Committees system) in July 2006. This move was intended to put greater emphasis on customer protection in its decision-making process and enhance corporate governance and management transparency. Maintaining clear and systematic separation between management supervision and business execution functions, the Company aims to secure a more robust management oversight by ensuring that the majority of its board members consists of outside directors (6 out of 11 directors). The Company also gives due consideration to ensuring these directors represent diverse backgrounds. With an eye to securing the effectiveness and consistency of management supervision by outside directors, the Company limits their term of service to eight years in principle.

III The Status of Initiatives regarding Shareholders and Other Interested Parties

1. Measures Aimed at Revitalizing Shareholders' Meetings and the Smooth Exercise of Voting Rights

	Supplementary Explanation
Early notification for the Board of Policyholder Representatives Meeting	The Company sends a Convocation Notice approximately 1 month prior to the day of the Board of Policyholder Representatives Meeting.
Scheduling the Board of Policyholder Representatives Meeting to avoid peak days	The Company convened the Board of Policyholder Representatives Meeting on July 5, 2016.
Exercise of voting rights by electronic means	An electronic means to exercise voting rights is not adopted.
Participation in a voting right electronic exercise platform and other measures to improve the convenience for institutional investors exercising their voting rights	As the Company operates in the form of mutual company, this item is not applicable to the Company. However, more than 90% of the Company's policyholder representatives attend its Board of Policyholder Representatives Meeting. Taking into account a letter of proxy submitted by those who did not attend the meeting, virtually all voting rights are exercised. Accordingly, the Company believes that it has in place sufficient measures to help policyholder representatives exercise their voting rights.

Providing Convocation Notice of the Board of Policyholder Representatives Meeting (Summary) in English	English translation of convocation notice is not provided.
Other	----

2. IR Activities

	Supplementary Explanation	Presentation by the Representative
Establishing and announcing disclosure policy	The Company established "Basic policy for Information Disclosure". It is posted on the website. http://www.meijiyasuda.co.jp/info/index.html * *Japanese only	
Regular conference for individual investors	In addition to the Board of Policyholder Representatives Meeting, the Company held the Reporting Meetings for Policyholder Representatives and the Conference of Customers.	Yes
Regular conference for financial analysts and institutional investors	The Company announces financial results semi-annually, and held the financial results briefing for press and analysts.	No
Regular meetings for overseas investors	Regular meetings for overseas investors are not hold.	
Posting of IR materials on website	Materials of financial results and Disclosure Report are posted on the website. http://www.meijiyasuda.co.jp/english/annual-reports/index.html (Annual Report) http://www.meijiyasuda.co.jp/english/about-us/financial_information.html (Financial Results)	
Establishment of a section (Post) for IR	Department in charge: Corporate Communications Department	
Other	----	

3. Initiatives to Maintain Respect for Stakeholders

	Supplementary Explanation
<p>In-house rules and regulations that promote respect for the views of stakeholders</p>	<p>In line with the CSR Management Declaration established in January 2007, the Company maintains engagement with such stakeholders as customers and society as a whole, with every officer and employee striving to deliver assured ease of mind and wealth.</p>
<p>Implementation of environmental protection and CSR activities</p>	<p>< Supporting Meiji Yasuda J. League to Contribute to the Vitalization of Local Society ></p> <ul style="list-style-type: none"> <p>■ 2016 Season Marks Second Year of Meiji Yasuda J. League</p> <p>During the Meiji Yasuda J. League 2015 season, the number of Meiji Yasuda Life employees and customers who flocked to the stadiums to cheer for players totaled approximately 130,000. Under the slogan “supporters across-the-board,” the Company contributes to the vitalization of local society and the sound upbringing of children by assisting J. League and local football clubs.*</p> <p>*Including football clubs belonging to such associations as the Japan Football League(JFL)</p> <p>■ Signed Sponsorship Contracts with Each Football Club Operating under J. League</p> <p>To strengthen relationships with our customers as well as J. League fans and supporters, we signed sponsorship deals with all 53 member clubs of the J. League through our business bases nationwide, including three marketing headquarters and 78 regional offices.</p> <p>■ Football Clinics for Elementary School Students Were Hosted on Approximately 200 Occasions in Locations Nationwide</p> <p>In the fiscal year ended March 31, 2016, we were able to hold football clinics for elementary school students on approximately 200 occasions in areas throughout Japan, thanks to the generous cooperation of local clubs operating under J. League and other associations. A total of around 17,000 children and their parents participated in the clinics.</p> <p>■ Meiji Yasuda J. League 2016 Season TV Commercials are Currently Broadcast on a Nationwide Basis</p> <p>With the aim of communicating our aspirations to contribute to local society and help children pursue their future dreams, these TV commercials feature scenes of football clinics, incorporating the footage of children vigorously practicing with peers and their beaming smiles.</p> <p><Social Contribution Activities></p> <p>Remaining true to the spirit of mutual assistance, which led to our founding as a mutual company, we are implementing social contribution activities aimed at better accommodating the needs of society on a local level. In particular, we have been active in supporting the sound upbringing of children. Having named such activities the “<i>Kodomo-no Ashita Ouen</i> (Support the Future of Children) Project,” we are assisting the development of future generations in a comprehensive manner.</p> <ul style="list-style-type: none"> <p>■ Initiatives Aimed at Contributing to Communities and the Sound Upbringing of Children</p> <ul style="list-style-type: none"> <p>● Community Safety Initiative</p> <p>In September 2014, we launched community-based initiatives in which sales personnel check on children and elderly people living in the neighborhood in the course of their customer visit activities. Whenever they recognize something unusual, they report to police stations or local governments, thereby preventing unexpected incidents from occurring. In this way, we are contributing to the safety of local communities.</p> <p>● Presenting Yellow Patches</p> <p>Our longstanding traffic safety campaign of presenting Yellow Patches to new elementary school children has now been in service for more than half a century. Each Yellow Patch confers insurance protection against traffic-related injuries while helping drivers better spot the children, thereby protecting them from accidents. Since 1965, we have presented approximately 63,320,000 children with these patches. This activity is conducted in tandem with Mizuho Financial Group, Inc., Sompo Japan Nipponkoa Insurance Inc. and The Dai-ichi Life Insurance Company, Limited.</p> <p>● Hello! Baby Scholarship Program</p> <p>To support students who aim to become midwives, the Company launched a scholarship program in 2010 in tandem with the Japanese Midwives’ Association. The overall budget for this program is determined by the number of “child insurance” policies we have in force. In this way, we are collaborating and contributing to safe childbirth in which every expecting mother can rest assured.</p>

■ Creative Education through Music

● *Fureai* Concerts

Since 1984, we have been sponsoring the *Fureai* Concerts featuring Shigeki Torizuka of the famous pop group "The Wild Ones," to give children with disabilities a chance to interact with live music. The concerts were held at 141 special-needs schools around Japan over the past 32 years.

● Love & Peace Charity Concert and Classes in Playing Music of the "Future"

Aiming to nurture a rich aesthetic sense by providing children with opportunities to become more familiar with music, we have since 2009 been sponsoring the "Love & Peace Charity Concert," performed by the famous composer Shigeaki Saegusa across Japan, as well as "Classes in Playing Music of the 'Future'" at elementary schools and junior high schools.

■ Supporting Orphans with Their Pursuit of Education

● *Ashinaga* Charity & Philanthropy Walk

In Japanese, *Ashinaga* means "Daddy-Long-Legs," a fitting name for this activity in which the Company's employees take part. This walking event and the related charitable fund raising campaign raises money to support orphans with their schooling and mental healthcare. In 2015, the number of employees and their families who participated in this activity totaled approximately 39,000.

■ Raising Environmental Awareness among the General Public

● Seaside Eco-Handcraft Workshop

Some of the Company's employees engage in voluntary cleanup activities along the seashore together with children and customers living in the neighborhood. PET bottles, seashells and other objects collected through cleanup activities are then used to create artwork, with the aim of expanding awareness of the importance of environmental protection efforts. Since 2007, these initiatives have been undertaken in areas throughout Japan under the title of "Seaside Eco-Handcraft Workshop."

<Environmental Initiatives>

We consider environmental initiatives, especially global warming countermeasures as our corporate social responsibility, we engage in significantly reducing the environment burden as well as raising environment awareness internally. We strive to maintain committed to environmental conservation with the aim to foster and safeguard an affluent and comfortable society and environment with our customers

■ Implementing Companywide Energy-Saving Countermeasures

We continue to carry out company-wide efforts to conserve energy through various measures including moderate temperature settings and using hours for heating and cooling, turning off office lighting during lunch hour and when not in use to cull lighting, encouraging the use of stairs when moving between floors. Also we use internal magazine and intranet to promote employee awareness and actions towards energy saving, distribute energy saving stickers and adopt Cool Biz dress code.

■ Creating Environmentally Conscious Office Environments

We created 7,007 sq. meters greening rooftops at 11 company-owned building nationwide. This helps to reduce the urban heat island effect as well as energy saving of air conditioners by insulation effects.

■ Introducing Eco-car (Low-emission Car) for Company Use

We shift company car to eco-car (low-emission car) progressively. In FY2015, we further enhanced the efficiency of company car as well as partially switch to electric or hybrid vehicles. Accordingly eco-car (low-emission car) totaled 102, 98% of all company car.

■ Initiatives to Reduce Paper Usage

In the head office, we promote paperless by utilizing "Electronic Document Management System (e-filing)" for sharing materials company-wide and projectors in meetings. In addition, we strive to use double-sided and 2-in-1 printing. Also we published news of the progress of each section's paper reduction on the company intranet to enhance such awareness and initiatives.

■ Promoting Environmentally Conscious Printed Material

We proactively utilize environmentally friendly paper raw materials and printing process involving ink and prepress regarding brochures and other printed materials for customers. Concretely, we choose printing process that does not involve photoengraving film and decomposable vegetable-based ink. As one of the initiatives to reduce paper usage to promote energy-saving, we created DVDs for policy terms and conditions of our life insurance product, "Life Account L.A.". In September, 2015, web-enabled policy terms and conditions of all products handled as new policy by sales personnel including "Best Style", our major life insurance product launched in June, 2014, upgraded from "Life Account L.A.".

	<ul style="list-style-type: none"> ■ Purchase Environmentally Conscious Office Supplies We have developed in-house system to prioritize purchase of environmentally conscious office supplies including Eco-Mark products, Green Purchase Network (GNP) listed products and green procurement products in our headquarters, regional offices and agency offices. Therefore, 83.4% of our office supplies are complied with green procurement in FY2015, improved from FY2014, maintained high standard. Going forward, we would continue such efforts company-wide to promote green procurement. ■ Enhance Environmental Awareness Held “Energy Saving Enhancement Month” from July to September. We conducted an environmental self-assessment test through our intranet in FY2015 to enhance employee’s environmental awareness in addition to sending out notice company-wide regarding energy-saving initiatives including maintaining office temperature at 28 degrees Celsius. ■ Environmental Friendly Social Contribution Activities Promoting environmental friendly social contribution activities to enhance children’s environmental awareness. For example, we sponsored “Nationwide Elementary & Middle School Art Contest” contributing to the environmental education. We held beach-cleaning event with Japan SeabornArt Association and organized ocean environment craft workshop using the collected shells, glass and seaweed.
<p>The establishment of policies on providing information to stakeholders</p>	<p>To become a company that is open to society, the Company has established its Basic Policies for Information Disclosure and is striving to maintain robust and proactive information disclosure and enhance management transparency. Specifically, the Company has become the first life insurance company to disclose three surplus factors that constitute base profit, updating these figures since the announcement of operating results for the fiscal year ended March 31, 2006. Moreover, the Company has been in the vanguard of information disclosure regarding the appropriateness of operations, publicizing quarterly reports on the number of cases that were deemed ineligible for payment and the number of complaints received.</p>
<p>Other initiatives</p>	<p><Promoting Diversity></p> <p>In line with the Meiji Yasuda NEXT Challenge Program (April 2014 – March 2017), the Company has positioned the strengthening of diversity as a key management issue. To create a workplace environment in which diverse human resources can achieve success, the Company is assisting its female workers with their career development, offering employment for people with disabilities and providing the elderly with continued career opportunities.</p> <ul style="list-style-type: none"> ■ Creating a Workplace in Which Diverse Human Resources Can Achieve Success <ul style="list-style-type: none"> ● Initiatives Aimed at Assisting Female Workers with Career Development To better accommodate diversifying customer needs and create new value, the Company is striving to ensure that female employees can realize their full potential and are given sufficient opportunities to achieve success. With this in mind, the Company is implementing the following 3 policies centered on boosting its human resource capabilities. <p>[Providing More Robust Career Development Assistance] The Company aims to constantly offer managerial positions to its female workers. To that end, the Company selects and registers higher management candidates, provides training programs tailored to their targeted positions, and offers short-term business assignments at workplaces inside and outside the Company to voluntary applicants. In these ways, we are striving to help women with ambitions and competencies develop their future careers.</p> <p>[Revising Personnel Administration Systems to Help Women Succeed] Successively streamlining and reorganizing job categories into “career track employees” and “location-specific career track employees,” the Company has clarified that those in the aforementioned two categories are equally treated except for the possibility of transfers involving changes in work locations. In line with the principle of “equal pay for work of equal value,” the portion of salary determined by rank and job role under the revised system is unified for both categories. In these ways, the Company has improved its personnel system to enhance its transparency and ensure that employees can find their job more rewarding.</p> <p>[Offering Career Opportunities in a Broader Field] Stepping up its ongoing initiatives to provide term-contract employees with greater opportunities to become permanent staff, the Company revised job hierarchy and created new positions that will allow them to better employ their experience and competencies. In these ways, we are offering broader career opportunities to ambitious workers.</p> <ul style="list-style-type: none"> ● Promoting Work-Life Balance The Company aims to help employees who are raising children and engaged in other family

duties strike optimal balance between their careers and private lives. To this end, the Company introduced a career transfer plan in which “career track employees” can convert to “location-specific career track employees” and vice versa while subsidizing parents who use childcare facilities until the child’s third birthday. In addition to developing systems aimed at helping employees strike work-life balance, the Company is fostering a working environment that allows workers to use such systems without hesitation.

- **Offering Employment for People with Disabilities and Developing a Better Workplace Environment**

As of June 2016, the number of people with disabilities totaled 863, exceeding the mandatory employment rate of 2.0%. The company strives to further enhance employment by allocating people with disabilities at sales organization such as regional office, general and administrative divisions in the head office with cutting edge barrier-free environment. In addition, specialized counselors are appointed at business units throughout the organization, conducting face-to-face interviews and awareness surveys aimed at promoting a comfortable workplace environment for people with disabilities. Going forward, the Company will strive to further support highly motivated people by providing promotion opportunities

- **Providing the Elderly with Continued Employment**

With the amendment of Japan’s Act on Stabilization of Employment of Elderly Persons in April 2013, the Company revised its personnel administration practices related to the employment of the elderly, creating an “Elder Staff System.” In principle, this system provides continued employment opportunities to all applicants until they reach the age of 65. By doing so, the Company engages the elderly with extensive knowledge and experience to carry out a variety of duties while introducing diverse working styles to meet their needs. As such, a number of employees who reached retirement age remain a key workforce empowering the Company.

- **Supporting the Career Development of Employees Who Are Foreign Nationals**

To step up the expansion of its overseas operations, the Company is proactively securing human resources from foreign students, especially those from elsewhere in Asia. The Company also provides assistance programs for foreign national employees in a bid to create a structure that is more supportive of their career development.

- **Current Initiatives to Enhance Diversity**

- **Joined the *IkuBoss* Corporate Alliance**

In October 2015, the Company joined the *IkuBoss* Corporate Alliance sponsored by NPO Fathering Japan. *IkuBoss* Corporate Alliance is a corporation network aiming at fostering ideal boss of new era (*IkuBoss**) through changing management-level workers’ mindset. By participating in the alliance, the Company strives to further enhance mindset reform, corporate culture and work-life balance through discovering and fostering *IkuBoss*.

(*)The so-called *IkuBoss* is someone enjoying work-life balance while committed to support subordinate staff balance work with family, contribute to their career-building and in the meantime generate organizational performance.

- **Endorsed the “Declaration on Action” by a group of male leaders who will create “A Society in which Women Shine”**

In December 2015, endorsed the “Declaration on Action” by a group of male leaders who will create “A Society in which Women Shine” sponsored by Gender Equality Bureau Cabinet Office. The “Declaration on Action” was initiated by a group of male leaders who will create “A Society in which Women Shine” constituted of males leaders promoting an active role of women upon the March 2014 meeting of the “Council for Supporting Women to Shine” at the Prime Minister’s Office. The “Declaration on Action” consists of 3 items, “taking actions and sending messages ourselves”, “disrupting the status quo” and “developing networking”. The male leaders declare implementing the initiatives to increase the motivation of a wide variety of women and make it possible for them to utilize their abilities maximally.

IV Matters regarding Internal Control and Other Systems

1. Fundamental Concepts regarding the Internal Control System and the Status of its Development

The Company established the Basic Policies for the Internal Control System that guides its initiatives to develop and maintain sophisticated internal controls. Moreover, the Company set up the Internal Control Committee, an advisory body to the Management Council with the aim of deliberating various matters related to internal controls from across-the-board perspectives.

Although it operates as a mutual company, the Company voluntarily adopts internal control and financial reporting systems as well as related in-house rules that are mandatory for all domestically listed companies, thereby enhancing the reliability of its financial reporting. At the close of its full-year financial results, the Company evaluates the status of its internal controls to confirm whether or not significant problems requiring disclosure were identified. Based on this evaluation, the Company prepares internal control reports. These reports are audited by our external auditors, who then issue an internal control auditing report.

To develop a robust internal control structure, we also assigned internal control managers throughout the organization. These internal

control managers spearhead internal control self-assessments performed by each business unit, checking their operations in light of the appropriateness of internal controls to confirm whether legal requirements are met and business risk is managed. In addition, our internal control structure comprises systems for providing instructions and conducting verification in ways best suited to each department, including headquarters and regional offices. Within this structure, the Company also pursues other internal control activities, such as executing rigorous follow-up self-assessments, thereby ensuring the appropriateness of its business operations.

The Company has positioned internal auditing as an important process in which it obtains advice and recommendation from auditors who evaluate the status of its business operations from a fair and objective standpoint with the aim of helping the Company achieve its management targets. To secure the effectiveness of internal audits, the Company established its Policy on Internal Audit. In line with this policy, the Internal Audit Division has been put in place, operating under the dedicated supervision of the executive officer serving as Chairman of the Board. With the aim of ensuring that its audit function is strictly independent from business execution functions, the Company requires the approval of the Audit Committee for any change in its Policy on Internal Audit or the formulation of internal audit plans while consolidating all internal audit results to be reported to the committee.

Moreover, the head of the Internal Audit Department attends every Audit Committee meeting while regularly exchanging opinions with a full-time Audit Committee member. As such, the department maintains close collaboration with the Audit Committee.

To ensure that internal audits are carried out in an efficient and effective manner, internal audit plans are formulated based on risk assessments, with the scope of audits encompassing all business units and activities of Meiji Yasuda Life, its subsidiaries and affiliates. Specific audit themes include key risks, insurance claim and benefit payment administration systems and the appropriateness of financial statements requiring management representation letters. Applying these themes, across-the-board audits covering subsidiaries and affiliates are being performed. Meanwhile, headquarters and other business bases, including regional offices as well as group marketing departments, are subject to unit-specific audits aimed at determining the status of business activities at each business unit. In addition, these audits involve off-site monitoring in which meeting materials and other documents are examined as necessary, with monitoring results being reflected in risk assessment process. The results of internal audits and the status of recommended improvement measures are swiftly reported to the Management Council, Audit Committee and Board of Directors. Meiji Yasuda Life's main domestic subsidiaries and affiliates also have their own Internal Audit departments operating under the instruction of and receiving advice from their counterparts at the Company. Meiji Yasuda Life is cooperating with its overseas insurance subsidiaries and affiliates as necessary, with the aim of strengthening the internal auditing systems of the entire Group.

To maintain and enhance specialist knowledge and skills possessed by internal auditors, we established in-house educational programs and are regularly providing training sessions. In doing so, we are striving to nurture expert human resources who can be accredited under the Certified Internal Auditor (CIA) scheme sponsored by The Institute of Internal Auditors (IIA), an international association of internal auditing professionals. Moreover, to secure personnel capable of performing highly specialized auditing, efforts are now under way to collaborate with external auditors and other outside experts and tap into the audit know-how they possess.

Also, we have formulated audit quality management programs to constantly enhance the quality of internal auditing, thereby carrying out periodic evaluation of audit quality. Our internal audits for the fiscal year ended March 31, 2015 were assessed by a third party audit firm, which evaluated the quality of our audit results based on the International Standards for the Professional Practice of Internal Auditing set forth by the IIA. These assessments concluded that our audits deserve a "Generally Conforms" rating, which represents the highest degree of conformity to the standards.

2. Fundamental Concepts regarding Systems for Severing Relationships with Antisocial Forces and the Status of the Development of Such Systems

To address problems associated with antisocial forces as well as money laundering, insider trading and other financial crimes, the Company has established the Financial Crime Prevention Office under the Compliance Control Department, thereby integrating in-house functions and building a centralized structure for handling these matters. Moreover, the Compliance Promotion Committee is in place to discuss and monitor the development of compliance structure throughout the Meiji Yasuda Life Group, with the Financial Crime Prevention Sub-committee operating under it. In these ways, the Company is striving to establish an optimal structure for promoting compliance-related initiatives.

(1) Response to Anti-Social Forces

The Company's motto of severing any relationships with antisocial forces is clearly stipulated in such documents as the Basic Policies for the Internal Control System, "Code of Conduct," "Basic Rules for Business Execution" and the "Meiji Yasuda Sales and Service Policy." In line with these stipulations, the Rules for Crime Prevention and Response to Antisocial Forces were established to guide our efforts to properly deal with such forces. The Company is constantly striving to establish close cooperation with the police authorities, the National Center for the Elimination of *Boryokudan*, law firms and other external specialist organizations. Moreover, the Company monitors the inclusion of business contract clauses that require signatories to not maintain relationships with antisocial forces, and also conducts periodic screenings aimed at detecting the involvement of such forces in counterparties who signed contracts with the Company. In cases where any of the signatories of the contracts was found to be a member of such forces, the Company cancels the related contracts, systematically severing ties with such parties. The status of the development and implementation of related systems and initiatives is reported to management through the Compliance Promotion Committee and other bodies.

In addition, persons in charge of handling illicit demands are appointed at each business site, with the aim of preventing the Company and employees from suffering damage due to illicit demands made by antisocial forces. With these persons receiving

mandatory special training,* the Company is striving to secure closer collaboration with local police stations to enhance its ability to handle the threat of antisocial forces.

*Training programs provided by branches of the National Center for the Elimination of *Boryokudan* around the country to prevent antisocial forces from unlawfully intervening in businesses

(2) Response to Money Laundering and Insider Training

In accordance with the Act on Prevention of Transfer of Criminal Proceeds, the Company has established in-house rules requiring the confirmation of identities of business counterparties and the notification of doubtful transactions. Under these rules, the Company is striving to prevent money laundering, employing the established internal reporting structure.

To eliminate the possibility of insider trading and other unfair stock transactions, the Company also formulated rules for the prevention of insider trading, thereby managing the corporate information of business counterparties, limiting or prohibiting the trading of stocks by employees at specific departments, systematically implementing training and education regarding insider trading, and monitoring the status of stock trading.

The status of the development and implementation of related systems and initiatives is periodically reported to management through the Compliance Promotion Committee and other bodies.

V Other

1. Implementation of anti-takeover measures

Implementation of anti-takeover measures

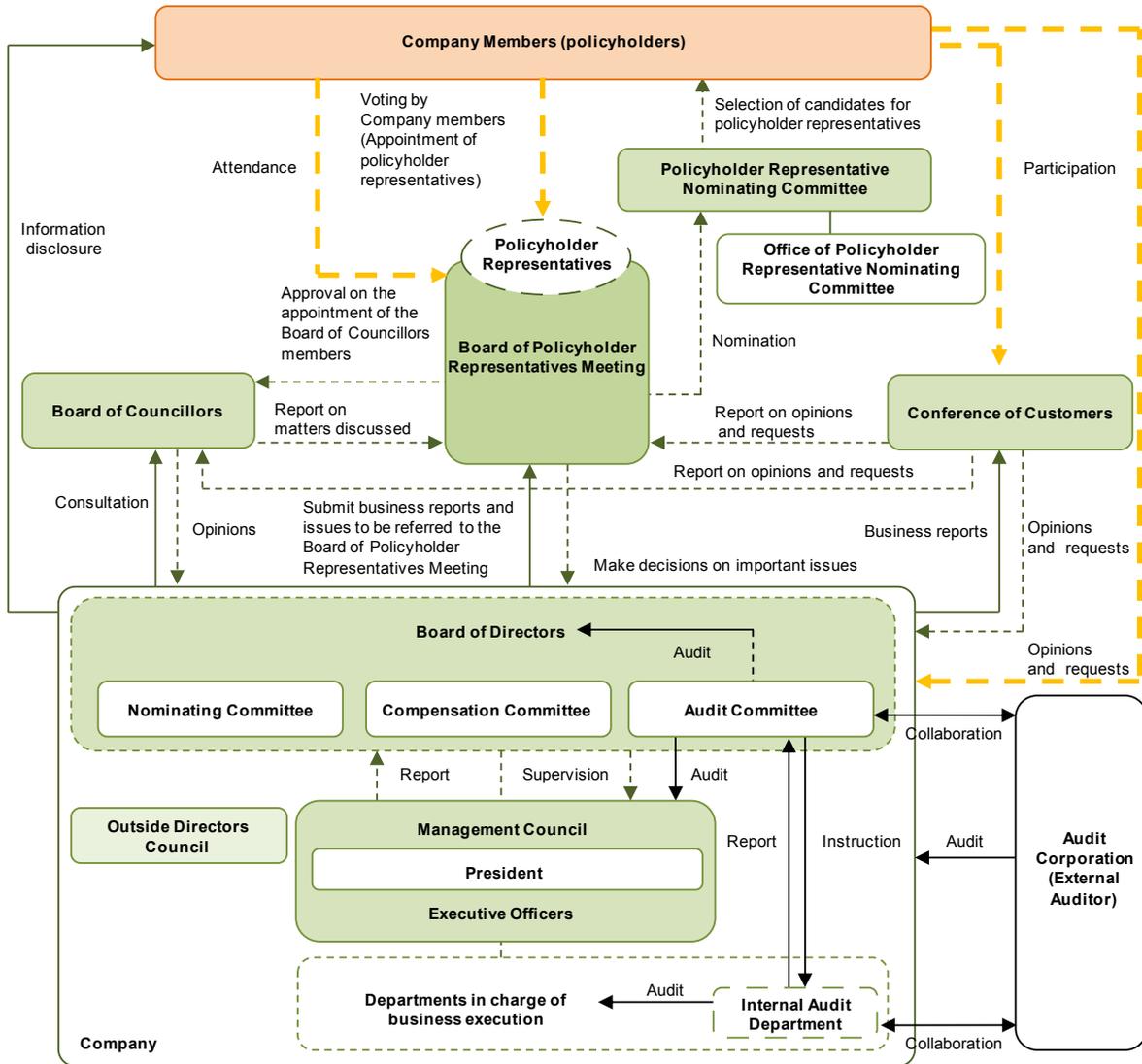
Not applicable

Supplementary Explanation

2. Other matters relating to the corporate governance structure

With the viewpoint of enhancing corporate governance, the Company adopted “Operating Officer” system on April 1, 2016 with the aim to clarify the scope of responsibilities between executives who make executive decisions as well as business execution and executives who mainly serve the role of business execution.

■ Corporate Governance Structure



■ Outline of the Company's Information Disclosure Structure

The Company is striving to promote appropriate information disclosure targeting recipients within and outside its organization. To this end, the Company established Basic Policies for Information Disclosure based on a resolution made by the Board of Directors, with the aim of realizing our Corporate Vision of becoming a company that is open to society. Moreover, rules for information disclosure were formulated at the Management Council, with the approval of the President.

These rules stipulate the execution of timely disclosure in reference to timely disclosure rules set forth by Tokyo Stock Exchange while also taking the differences between a mutual company and a stock company into account. With regard to information deemed to have significant impact on stakeholders, the Company issues press releases on an as needed-basis and posts these on its website.