

Code of Conduct

The Life Insurance Association of Japan

Life insurance business is a highly public business closely related to the stability and improvement of people's life as well as the economic developments and has a social mission to contribute to the enhancement of public and social welfare through its activities.

The Life Insurance Association of Japan (LIAJ) shall lay down the code of conduct consisting of the "Principles of Conduct" and the "Action Guidelines" with an aim to establish a high reliability of life insures as the trust from customers and society obtained through the sound business operation is fundamental to comply with the mandate of customers while also fulfilling expectations of society as well as social responsibilities.

Each life insurer and its employees shall comply with the code of conduct and its executives themselves should take initiatives fully enforcing corporate ethics and to encourage all of its employees to comply with the code.

I. Principles of Conduct

The LIAJ shall lay down the principles and criteria which should be complied with by each life insurer and its employees as they operate a company and conduct business as follows:

1. Customer-oriented action
2. Action based on compliance and high business ethics
3. Action based on social responsibilities

II. Action Guidelines

According to the "Principles of Conduct" stated above, the LIAJ shall lay down the "Action Guidelines" as follows:

<p>1. Encouraging appropriate response to customers throughout the stages from proposal and provision of products to claims payment</p>
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<p>To establish customer's satisfaction and trust, life insurers shall provide quality products which meet customer's needs, render services from the customer's point of view, and award appropriate insurance payouts.</p>
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(1) Life insurers should adequately recognize customer's needs and strive to develop and

provide high quality products which can surely deliver the "sense of security" to customers.

- (2) Life insurers should develop and publish a solicitation policy as well as taking measures to ensure an appropriate solicitation. Also, life insurers should make an appropriate and sufficient explanation to enable customers to accurately understand details of products in order to select the best product.
- (3) Life insurers should provide information related to contract details and each procedure to customers throughout the stages from the conclusion of a contract to claims and payment of insurance money and benefits on a timely basis and in a comprehensible manner.
- (4) Life insurers should recognize that the payment of insurance money and benefits is the most important and fundamental function in the life insurance business and provide the service in a quick, accurate, fair and careful manner. Life insurers should make a sufficient explanation in order to gain understanding and satisfaction of customers where they cannot pay out the benefits.
- (5) Life insurers should cultivate their employees who can render appropriate services from the customer's point of view throughout the stages from provision of contracts to claims payment.

2. Promoting mutual understanding with customers and society

Life insurers shall provide customers and society with information related to business activities in an accurate and proactive manner, listen extensively to customer input, respond to it sincerely, and reflect it in the management.

- (1) Life insurers should provide customers and society with information related to financial conditions and business activities such as listening extensively to customer input in an accurate and proactive manner in order to enable customers to accurately understand the life insurance business.
- (2) Life insurers should listen extensively to customer input and respond to the opinions and requests sincerely in order to improve their operations, products and services.

3. Handling properly and protecting thoroughly the customer information

Life insurers shall recognize the materiality (highly confidential and significant nature) of information received from customers through life insurance business and strive to carefully handle and thoroughly protect such information.

- (1) Life insurers should recognize that they handle the important personal information related to customer's life, corporeity and property and ensure its appropriate treatment and protection in order to enable customers to provide the information with a sense of security.
- (2) Life insurers should also recognize the importance of information of legal entities and organizations obtained through each transaction and ensure its appropriate treatment and protection.
- (3) Life insurers should appropriately treat the personal information based on the Personal Information Protection Law, the guidelines set by the Financial Service Agency (FSA) and the LIAJ as well as laws and provisions including guidelines.

4. Promoting compliance

In order to establish the firm trust of customers and society, life insurers shall conduct fair business activities in conformity with the norms of society, including all relevant laws and regulations.

- (1) Life insurers should comply with relevant laws for the protection of life insurance policyholders and consumers as well as social norms in order to conduct fair business activities.
- (2) Life insurers should comply with the Anti-Monopoly Act and compete fairly and freely in order to promote the protection of customer's benefits and sound market development.
- (3) In international business activities, life insurers should comply with international rules and laws as well as respecting a local culture. Also, they should pay attention to any of its impacts on a local society and economy.

5. Blocking off the relationship with anti-social forces

Life insurers shall completely block off the relationship with any anti-social forces that could jeopardize public order and safety.

- (1) In order to block off the relationship with anti-social forces, life insurers should take appropriate measures as an organization, for example, resolutely refusing unreasonable demands from anti-social forces with the cooperation of external professional organization.
- (2) In order to prevent terrorism financing and money laundering, life insurers should take appropriate actions to confirm identification of customers and report suspicious activities.

6. Engaging in safe and profitable asset management with due consideration for its social nature

Life insurers shall engage in asset management seeking to ensure safety and profitability, taking into consideration its social and public nature.

- (1) Life insurers should engage in asset management seeking to ensure safety and profitability in order to comply with the mandate of customers.
- (2) Given the public nature of life insurance business, life insurers should engage in asset management with due consideration for its social public nature.
- (3) As a major participant in both financial and capital markets at home and abroad, life insurers should engage in asset management taking its impacts on each market and economy into consideration.

7. Promoting efforts to address environmental issues

Life Insurers shall address environmental issues voluntarily and proactively based on the recognition that addressing the issues are important tasks to be undertaken commonly by all humankind.

- (1) Life insurers should address environmental issues voluntarily and proactively by promoting savings of energy and resources in business activities.
- (2) Life insurers should enhance employee's awareness of environmental issues through environmental education and support them to participate in environmental conservation activities.

8. Promoting social service activities

To achieve a sound and sustainable development of society which serves as the basic infrastructure of life insurance business activities, life insurers shall actively take part in social service activities or programs as a good corporate citizen.

- (1) Life insurers should become aware that they are a member of a local community and actively take part in social service activities or programs as a good corporate citizen to achieve a sound and sustainable development of society in order to create a society that is rich and filled with a sense of security.
- (2) Life insurers should contribute to resolution of social issues cooperating with non-profit organizations, non-governmental organizations and local communities as well as

participating to social service activities as the industry and business community.

9. Respecting the human rights of employees and achieving a vigorous work environment

While respecting the human rights of employees, life insurers shall ensure an employee-friendly work environment which allows each person to exercise his/her full abilities.

- (1) Life insurers should ensure a fair work environment where there is no discrimination or harassment while respecting the human rights and privacy of employees.
- (2) Life insurers should ensure a vigorous work environment which allows each employee to exercise his/her full abilities, while enhancing abilities of each person through career formation and competence development.
- (3) Given the acceleration of the aging population, life insurers should achieve a vigorous work environment by supporting employees who give birth to a child, raise children or care for aging parents and promoting their flexible working style.
- (4) Life insurers should promote employment which helps to pursue social participation of diverse human resources.

10. Strengthening risk management measures

Life insurers shall strengthen risk management measures under the leadership of executives with appropriate operation and continuous improvement to be able to meet obligations to customers and establish trustworthiness.

- (1) Life insurers should establish the risk management system in order to recognize and evaluate various risks, and deal with them appropriately under the leadership of executives with an aim to fulfill obligations to customers, then they should reexamine it to verify if the system functions properly and implement continuous improvement.
- (2) Life insurers should strengthen risk management measures responding to each risk such as insurance underwriting risks, asset management risks, operational risks and system risks.
- (3) Life insurers should establish the risk management system responding to crisis management and large-scale disasters for any situations that the normal risk management system is not enough and prepare a system of appropriate payouts of benefits through smooth transaction of business.

11. More effective prevention of recurrence of mismanagement and fulfillment of accountability

In the cases of the events that shall affect customers or society, under a solid leadership of executives, life insurers shall strive to thoroughly determine the causes, prevent a recurrence and fulfill their accountability vis-a-vis customers and society.

- (1) Life insurers should establish a company structure to promptly and appropriately respond to a situation that affects customers or a society, for example by amending a manual.
- (2) Life insurers should conduct the fact-finding research and investigate the cause of any situation that affect customers or a society under the leadership of executives. Also, they should deal with it promptly and appropriately as well as putting out efforts to prevent recurrence to restore confidence in a company. In addition, they should fulfill accountability giving a clear and quick explanation to the customers and the society.

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