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<<Japan's Stewardship Code >>

Aioi Nissay Dowa Insurance's Policies Related to the Principles

Aioi Nissay Dowa Insurance will respond to the Principles for Responsible Institutional Investors (Japan's Stewardship Code) according to the following policies.

1. Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities, and publicly disclose it.

The Principles for Responsible Institutional Investors (Japan's Stewardship Code) stipulate various principles thought to be useful for ensuring institutional investors fulfill their stewardship responsibilities as "responsible institutional investors" with an eye to both clients/beneficiaries and investee companies. Aioi Nissay Dowa Insurance agrees with this intent and accepts the Code.

The Company will make an effort to fulfill its stewardship responsibility by promoting investee companies' corporate value and sustainable growth in the medium to long term through constructive "purposeful dialogue" with investee companies.

2. Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.

The Company will manage transactions that may be conflicts of interest and appropriately conduct business to ensure the interests of clients are not unduly harmed.

The transactions subject to management and the method of management are stipulated in the Policy on Management of Conflicts of Interest.

Decisions on the exercise of voting in investee companies are made, consistently and independently, by our decision makers based on the Company's basic policy on exercising voting rights (Principle 5).

Furthermore, the process and results of exercising voting rights are periodically reported to the Board of Directors, etc.

3. Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies.

The Company will strive to accurately understand the state of investee companies from the viewpoint of improvement of corporate value and sustainable growth of

investee companies from a medium to long-term perspective by utilizing not only financial information on the companies, but also direct dialogue including non-financial aspects such as management strategy and responses to risks and ESG (Environment, Social, Governance).

4. Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.

The Company will make an effort to arrive at an understanding in common with investee companies from the viewpoint of improvement of corporate value and sustainable growth of investee companies from a medium-to long-term perspective, by engaging in constructive dialogue regarding management issues including ESG and shareholder return policies with investee companies, and also strive to solve problems by conveying opinions from the standpoint of a shareholder as required.

5. Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.

The Company's basic policy on exercising voting rights is as follows.

1. Basic approach to exercising voting rights

The Company sees the exercise of voting rights to be an important means of influencing the management and improving the corporate value of investee companies. Decisions are not made uniformly based on formulaic short-term criteria, but rather in terms of the enhancement of corporate value in the medium to long term and improvement in shareholder returns, among others.

2. Process of exercising voting rights

When exercising voting rights, the Company verifies items such as those listed below for each potential investment, with a focus on such aspects as whether the company in question is managed with an emphasis on growth of the company and the interests of shareholders, and whether the company is engaged in any antisocial behavior. Proposals are also judged based on the results of dialogue with the company concerned following a detailed examination of individual issues as required.

<Main types of proposals and items reviewed>

- Profit distribution plan (such as low payout ratios in proposals for appropriation of

surplus)

- Appointment and dismissal of directors (such as poor performance, the occurrence of scandals, etc., or no outside directors being elected)
- Directors' remuneration, retirement benefits (such as poor performance or the occurrence of scandals, etc.)
- Issuance of subscription rights to shares (recipients being outside corporate auditors, etc.)
- Changes to the articles of incorporation (such as changes that may be significantly detrimental to the rights of shareholders)
- Takeover defense measures (Poison Pills)
- Business restructuring, etc.

3. Publication of the results of the exercise of voting rights

The Company believes that, when conducting stewardship activities, it is important to hold continuous and constructive dialogue to enhance corporate value and support sustained growth of investee companies in the medium- to long-term, leading to the sharing of awareness and the improvement of problems.

Therefore, in order to encourage the understanding of the Company's stewardship activities, the Company will publish aggregate voting records on the main types of proposals voted upon, along with examples of proposals which the Company voted against.

Note that the results of the exercise of voting rights in individual investee companies will not be published because this may affect constructive dialogue with such companies.

6. Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.

The Company will periodically report on its stewardship activities on the Company's website.

7. To contribute positively to the sustainable growth of investee companies, institutional investors should have in-depth knowledge of the investee companies and their business environment and skills and resources needed to appropriately engage with the companies and make proper judgments in fulfilling their stewardship activities.

Through stewardship activities such as "dialogue with companies, the Company will work to obtain a deeper understanding of investee companies and their business environments in an effort to ensure stewardship activities are conducted more appropriately in the future.