

Meiji Yasuda Life Insurance Company (Meiji Yasuda Life) was inaugurated on January 1, 2004, making it the youngest life insurance company in the 21st century in Japan. It was formed by a merger between Meiji Life Insurance Company (Meiji Life) and The Yasuda Mutual Life Insurance Company (Yasuda Life), both pioneers in the life insurance arena in Japan with over 120 years of history and tradition. As of March 31, 2004, Meiji Yasuda Life had total assets of ¥25,329.8 billion, while also recording ¥288,682.9 billion worth of life insurance in force, and in particular, more than ¥119,000 billion in group insurance, which places us at the top level of global rankings.

The new corporate philosophy states: “As a pioneer in the Japanese life insurance industry, we will adhere to the spirit of mutual aid and our fundamental principle on being customer-oriented to provide high quality comprehensive insurance services in which life insurance plays a core role, and deliver assured ease of mind and wealth to our customers.” In line with this philosophy, all directors, employees and field forces are decisively acting to make Meiji Yasuda Life the life insurance company most trusted by customers. To ensure success in this mission, each and every member of the organization will respond with accuracy, flexibility and speed to the changes and demands of the times, always acting with high ethical standards and a cooperative spirit.

OVERVIEW OF FISCAL 2003

While Meiji Life and Yasuda Life each continuously worked to strengthen marketing and customer service capabilities, reinforce investment competency and financial strength, and refine internal controls, a transitional parallel operations program was introduced in order to achieve successful integrations. Up until the end of December 2003, that program enabled the two companies to operate as if one company aiming to boost profitability, sustain a sound financial base and exploit growth potential.

Since the merger in January 2004, Meiji Yasuda Life has proactively introduced a number of diverse initiatives that are rooted in its new corporate philosophy. These moves aim to create the life insurance company most trusted by customers.

The following are the major activities and achievements for the period under review.

- Launch of newly developed products commemorating the newly formed company. The competitive advantages of both companies' products were leveraged to develop the unequivocally unique concepts, which have never existed before in the Japanese life insurance industry.
- Well managed asset allocation, aiming to ensure stable investment income, came into operation which continually increased domestic public and corporate bonds, while also reducing the level of risk assets with special focus on the liquidation of Japanese stocks. Also foreign bonds were increased upon meticulous analysis of risk associated with exchange rate fluctuations to achieve yield potential. As a result of these efforts, coupled with the positive impact of the stock market recovery, more than ¥1 trillion in unrealized gains on securities were maintained at year-end.
- Base profit, an indicator of annual earnings from mainstay insurance operations, stood at ¥462.7 billion. Actual net assets stood at ¥2,687.7 billion (10.9% of total assets in the general account), as Meiji Yasuda Life preserved its leading position in the industry.
- A relatively high solvency margin ratio of 747.9%, which is a measurement of claim paying ability, was maintained at year-end. As of the end of April, 2004, Meiji Yasuda Life was awarded an “A+” rating from the Japan Credit Rating Agency, Ltd., an “A” from Rating and Investment Information, Inc., an “A” rating from AM Best, and a “BBB+” rating from Standard & Poor's.

STRATEGIC DIRECTION FOR FISCAL 2004

Fiscal 2004 has been designated as an extremely important year to promote the generation of merger synergies. Meiji Yasuda Life continues to endeavor to raise profitability, achieve competitive financial strength and increase growth potential. We will thus lay solid business foundations toward the development of the best company. Moreover, we will make further progress in refining our solid compliance and risk management system and in upgrading our customer service capability to enable us to increase the level of trust from our customers.

In the 21st century, it is expected that a declining birth rate and an aging population will be more prominent than ever experienced in Japanese society. These characteristics are forecast to drive an even greater need for self-help and self-reliance efforts in the coming years and thus the functions and services provided by the life insurance industry will certainly grow in importance. In these circumstances, Meiji Yasuda Life, as the most youthful and vigorous life insurance company in Japan, together with all management and personnel, will take action decisively and faithfully to promote the scale and quality of its business, and thereby we will gain a supreme level of customers' trust, both now and long into the future.

Note: Base profit for fiscal 2003 is the combined total of Meiji Life Insurance Company and The Yasuda Mutual Life Insurance Company from April 1 to December 31, 2003, and Meiji Yasuda Life from January 1 to March 31, 2004.



宮本 三喜彦 金子 亮太郎
Mikihiko Miyamoto Ryotaro Kaneko
Chairman of the Board President