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\*Please read figures on pages 13 through 28 as follows:

- Figures at the end of the year  
Figures at the end of fiscal 2004 and 2003 represent results from Meiji Yasuda Life Insurance Company.
- Figures for the year  
Figures for fiscal 2003 are the aggregate total of Meiji Life Insurance Company results from April 1 to December 31, 2003, and Meiji Yasuda Life Insurance Company results from January 1 to March 31, 2004.
- Figures of investment returns  
Figures for fiscal 2003 are calculated using the combined total of Meiji Life Insurance Company results from April 1 to December 31, 2003, and Meiji Yasuda Life Insurance Company results from January 1 to March 31, 2004.

Notes to consolidated financial statements on pages 26 through 28.

- Figures in the consolidated financial statements for fiscal 2003  
Meiji Life and Yasuda Life merged during the year, however, the consolidated financial statements were presented on the assumption that they merged at the beginning of the year.
- Concepts employed in assuming merger at beginning of year  
The pooling of interests method (assumption at book value) is applied in the treatment of assets and liabilities accepted from the non-surviving company.  
On October 31, 2003 the Business Accounting Deliberation Council published the Opinion on Setting Accounting Standards for Business Combinations (enters into force in FY 2006) that mandates treating mergers as occurring at the beginning of the year when using the pooling of interests method to prepare consolidated financial statements. Our treatment accords with the opinion.

## Non-Consolidated Balance Sheet

Meiji Yasuda Life Insurance Company

As of March 31, 2005 and 2004

	Millions of Yen		Millions of U.S. Dollars*
	FY2004	FY2003	FY2004
<b>ASSETS</b>			
Cash and deposits:			
Cash .....	¥ 1,167	¥ 1,580	\$ 10.8
Deposits .....	252,052	295,961	2,347.0
Call loans .....	380,000	700,000	3,538.5
Monetary claims bought .....	94,138	102,527	876.5
Money-placed-in-trust .....	10,023	9,934	93.3
Securities:			
Domestic bonds:			
Government bonds .....	6,600,787	5,217,850	61,465.5
Municipal bonds .....	239,191	313,175	2,227.3
Corporate bonds .....	1,863,837	2,056,258	17,355.7
Domestic stocks .....	3,851,102	3,632,129	35,860.9
Foreign securities .....	2,994,002	3,080,520	27,879.7
Other securities .....	115,508	133,764	1,075.5
Loans:			
Policy loans .....	431,750	443,196	4,020.3
Financial loans .....	6,729,372	7,522,286	62,662.9
Real estate and movables:			
Land .....	784,166	812,920	7,302.0
Buildings .....	502,645	474,742	4,680.5
Movable properties .....	8,282	10,084	77.1
Buildings and repairing suspense account .....	8,664	55,203	80.6
Agency account receivable .....	338	333	3.1
Reinsurance account receivable .....	2,717	3,174	25.3
Other assets:			
Accounts receivable .....	97,162	123,008	904.7
Prepaid expenses .....	6,091	5,341	56.7
Accrued investment income .....	83,407	93,149	776.6
Security deposits and rental deposits .....	7,387	11,238	68.7
Deposits on financial futures .....	214	39	1.9
Margins on financial futures .....	19	—	0.1
Derivative financial instruments .....	481	7,690	4.4
Deferred losses on hedging instruments .....	—	11	—
Suspense payment .....	7,608	9,232	70.8
Miscellaneous assets .....	112,904	121,900	1,051.3
Deferred tax assets .....	17,763	108,427	165.4
Customers' liabilities for acceptances and guarantees .....	—	123	—
Reserves for possible loan losses .....	(9,408)	(15,934)	(87.6)
<b>TOTAL ASSETS .....</b>	<b>¥25,193,379</b>	<b>¥25,329,873</b>	<b>\$234,597.0</b>

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥107.39 to US\$1.00 prevailing on March 31, 2005.

	Millions of Yen		Millions of U.S. Dollars*
	FY2004	FY2003	FY2004
<b>LIABILITIES AND SURPLUS</b>			
(Liabilities)			
Policy reserves:			
Reserves for outstanding claims .....	¥ 184,393	¥ 174,893	\$ 1,717.0
Liability reserves .....	21,877,961	22,101,172	203,724.3
Reserves for policyholder dividends .....	459,677	494,878	4,280.4
Agency account payable .....	0	0	0.0
Reinsurance account payable .....	2,637	2,711	24.5
Corporate bonds .....	—	9,723	—
Other liabilities:			
Deposits received on bonds lending .....	400,610	598,127	3,730.4
Loans payable .....	100,000	100,038	931.1
Corporate income tax payable and others .....	62,834	333	585.1
Account payable .....	50,784	66,616	472.8
Unpaid expenses .....	26,878	27,761	250.2
Unearned investment income .....	11,105	14,122	103.4
Employees' and agents' savings deposits .....	17,007	14,973	158.3
Deposits received for guarantee .....	46,257	43,216	430.7
Margins on financial futures .....	—	18	—
Derivative financial instruments .....	5,274	32	49.1
Deferred gains on hedging instruments .....	5	—	0.0
Suspense receipts .....	12,204	10,141	113.6
Reserves for retirement benefits .....	62,488	78,518	581.8
Reserves for losses on sales of claims .....	—	25	—
Reserves for contingent liabilities .....	70,002	59,316	651.8
Reserves for asset value fluctuations .....	194,569	162,858	1,811.8
Deferred tax liabilities on revaluation of land .....	49,516	43,062	461.0
Acceptances and guarantees .....	—	123	—
<b>TOTAL LIABILITIES .....</b>	<b>¥23,634,208</b>	<b>¥24,002,667</b>	<b>\$220,078.3</b>
(Surplus)			
Foundation funds .....	150,000	190,000	1,396.7
Reserves with amortization of foundation funds .....	200,000	160,000	1,862.3
Revaluation surplus reserves .....	452	452	4.2
Surplus retained:			
Reserves for losses .....	5,057	4,623	47.0
Voluntary reserves:			
Reserves for fund amortization .....	63,000	67,000	586.6
Fund for asset value fluctuations .....	15,264	2,624	142.1
Fund for retirement allowances .....	1,796	1,498	16.7
Fund for promotion of welfare .....	443	665	4.1
Reserves for compressed entry of real estate .....	10,929	11,484	101.7
Reserves for separate account for compressed entry of real estate .....	4,159	1,276	38.7
Special reserves .....	2,000	2,000	18.6
Reserves for other uses .....	85	85	0.7
Unappropriated surplus for the period .....	185,056	196,764	1,723.2
[Net surplus for the period] .....	182,763	171,549	1,701.8
Revaluation reserves of land .....	66,987	76,059	623.7
Net unrealized gains on investments .....	853,937	612,671	7,951.7
<b>TOTAL SURPLUS .....</b>	<b>1,559,170</b>	<b>1,327,206</b>	<b>14,518.7</b>
<b>TOTAL LIABILITIES AND SURPLUS .....</b>	<b>¥25,193,379</b>	<b>¥25,329,873</b>	<b>\$234,597.0</b>

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥107.39 to US\$1.00 prevailing on March 31, 2005.

# Non-Consolidated Statement of Operations and Surplus

Meiji Yasuda Life Insurance Company

For the years ended March 31, 2005 and 2004

	Millions of Yen		Millions of U.S. Dollars*
	FY2004	FY2003	FY2004
<b>ORDINARY INCOME</b>			
Premium income and reinsurance refunds:			
Premium income .....	¥3,041,437	¥2,394,388	\$28,321.4
Refunds on reinsurance .....	2,075	1,304	19.3
Investment income and gain:			
Interest and dividends:			
Interest on deposits .....	4	7	0.0
Interest and dividends on securities .....	298,644	224,041	2,780.9
Interest on loans .....	168,139	141,989	1,565.6
Rental income .....	41,959	32,248	390.7
Other interest and dividends .....	8,050	8,160	74.9
Money-placed-in-trust income .....	266	—	2.4
Gains on trading securities .....	1,648	445	15.3
Gains on securities sold .....	41,223	17,728	383.8
Gains on securities redeemed .....	13,607	—	126.7
Gains on foreign exchange .....	—	86	—
Other investment income .....	467	318	4.3
Gains on separate account assets investment .....	28,038	89,319	261.0
Other ordinary income:			
Annuity supplementary contract premiums .....	21,531	7,262	200.4
Benefits left to accumulate at interest .....	194,928	276,060	1,815.1
Reversal of liability reserves .....	223,211	388,964	2,078.5
Reversal of reserves for retirement benefits .....	32,056	40,139	298.5
Miscellaneous income .....	6,262	4,368	58.3
<b>TOTAL ORDINARY INCOME</b> .....	<b>4,123,550</b>	<b>3,626,834</b>	<b>38,397.9</b>
<b>ORDINARY EXPENSES</b>			
Insurance benefits paid and others:			
Claims paid .....	894,306	752,022	8,327.6
Annuities paid .....	285,219	195,324	2,655.9
Benefits on policies paid .....	613,308	480,191	5,711.0
Surrender benefits paid .....	694,339	864,090	6,465.5
Other refunds paid .....	505,014	328,214	4,702.6
Reinsurance premiums .....	2,277	1,078	21.2
Transfers to policy reserves:			
Reserves for outstanding claims .....	9,500	3,186	88.4
Interest on dividend reserves .....	372	220	3.4
Investment expenses and losses:			
Interest paid .....	4,747	1,683	44.2
Losses on money-placed-in-trust .....	—	55	—
Losses on securities sold .....	57,428	40,159	534.7
Losses on securities appraised .....	6,556	7,425	61.0
Losses on securities redeemed .....	441	78	4.1
Expenses for derivative financial instruments .....	1,380	5,417	12.8
Losses on foreign exchange .....	1,265	—	11.7
Write-off of loans .....	131	34	1.2
Depreciation on real estate for rent .....	12,347	10,459	114.9
Other investment expenses .....	15,172	11,960	141.2
Operating expenses .....	372,396	316,853	3,467.6
Other ordinary expenses:			
Payments of benefits left to accumulate at interest .....	264,043	258,538	2,458.7
Taxes .....	23,994	18,221	223.4
Depreciation .....	27,860	19,772	259.4
Miscellaneous expenses .....	6,479	5,854	60.3
<b>TOTAL ORDINARY EXPENSES</b> .....	<b>¥3,798,583</b>	<b>¥3,320,842</b>	<b>\$35,371.8</b>

	Millions of Yen		Millions of U.S. Dollars*
	FY2004	FY2003	FY2004
ORDINARY PROFITS .....	<b>¥324,966</b>	¥305,992	<b>\$3,026.0</b>
Special profits:			
Gains on disposals of real estate and movables .....	<b>717</b>	221	<b>6.6</b>
Reversal of reserves for losses on sales of claims .....	<b>25</b>	2	<b>0.2</b>
Reversal of reserves for possible loan losses .....	<b>6,695</b>	8,224	<b>62.3</b>
Special losses:			
Losses on disposals of real estate and movables .....	<b>32,207</b>	33,901	<b>299.9</b>
Impairment losses .....	<b>20,882</b>	—	<b>194.4</b>
Transfer to reserves for contingent liabilities .....	<b>12,286</b>	12,198	<b>114.4</b>
Transfer to reserves for asset value fluctuations .....	<b>31,711</b>	61,966	<b>295.2</b>
Losses on compressed entry of real estate .....	<b>104</b>	279	<b>0.9</b>
Donations for promotion of welfare .....	<b>622</b>	343	<b>5.7</b>
Amortization of transition amount for retirement benefits .....	<b>13,751</b>	13,751	<b>128.0</b>
Other special losses .....	<b>9,858</b>	6,379	<b>91.8</b>
NET SURPLUS BEFORE TAXES .....	<b>210,979</b>	185,617	<b>1,964.6</b>
Provision for corporate income taxes .....	<b>75,096</b>	11,295	<b>699.2</b>
Corporate income tax equivalent adjustment .....	<b>(46,879)</b>	2,772	<b>(436.5)</b>
NET SURPLUS FOR THE PERIOD .....	<b>182,763</b>	171,549	<b>1,701.8</b>
Unappropriated surplus gained due to merger .....	—	26,651	—
Reversal of revaluation reserves of land .....	<b>1,671</b>	(2,741)	<b>15.5</b>
Reversal of fund for retirement allowances .....	—	960	—
Reversal of fund for promotion of welfare .....	<b>622</b>	343	<b>5.7</b>
UNAPPROPRIATED SURPLUS FOR THE PERIOD .....	<b>¥185,056</b>	¥196,764	<b>\$1,723.2</b>

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥107.39 to US\$1.00 prevailing on March 31, 2005.

## Appropriation of Surplus

Meiji Yasuda Life Insurance Company

For the years ended March 31, 2005 and 2004

	Millions of Yen		Millions of U.S. Dollars*
	FY2004	FY2003	FY2004
Unappropriated surplus for the period .....	<b>¥185,056</b>	¥196,764	<b>\$1,723.2</b>
Reversal of voluntary reserves:			
Reserves for compressed entry of real estate .....	—	554	—
Reserves for separate account for compressed entry of real estate .....	<b>4,159</b>	—	<b>38.7</b>
TOTAL UNAPPROPRIATED SURPLUS .....	<b>189,215</b>	197,318	<b>1,761.9</b>
Transfer to reserves for policyholder dividends .....	<b>141,270</b>	142,275	<b>1,315.4</b>
Net surplus for the period:			
Transfer to reserves for losses .....	<b>431</b>	434	<b>4.0</b>
Interest on foundation funds .....	<b>2,216</b>	2,389	<b>20.6</b>
Transfers to voluntary reserves:			
Reserves for amortization of foundation funds .....	<b>36,000</b>	36,000	<b>335.2</b>
Fund for asset value fluctuations .....	—	12,639	—
Fund for retirement allowances .....	<b>307</b>	298	<b>2.8</b>
Fund for promotion of welfare .....	<b>600</b>	400	<b>5.5</b>
Reserves for compressed entry of real estate .....	<b>8,390</b>	—	<b>78.1</b>
Reserves for separate account for compressed entry of real estate .....	—	2,882	—

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥107.39 to US\$1.00 prevailing on March 31, 2005.

## 1. Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with the Insurance Business Law and the Enforcement Regulations thereunder and in accordance with standard accounting principles and procedures followed by life insurance companies in Japan.

## 2. Significant Accounting Policies

### (1) Valuation Basis and Method of Securities

- a. Trading Securities are stated at fair value based mainly on the business year-end closing market price (Cost of their sales is determined by the moving average method).
- b. Held-to-Maturity Debt Securities are stated at amortized cost using the moving average method (straight-line method).
- c. Stock Securities Issued by Subsidiaries and Affiliates are stated at cost using the moving average method (Refers to stock securities issued by those subsidiaries prescribed under Article 2-12 of the Insurance Business Law and other companies and affiliates, excluding subsidiaries, prescribed under Article 2-3-2 of the Enforcement Regulations of Insurance Business Law).
- d. Other Securities
  - Securities for which market quotations are available are stated at fair value based on the average market price during March or at the business year-end (Cost of their sales is determined by the moving average method).
  - Securities for which market quotations are unavailable
    - i) Bonds and debentures (Including bonds issued overseas) for which the difference in acquisition amounts are recognized as the difference in interest rate adjustments are stated at amortized cost using the moving average method (straight-line method).
    - ii) Securities that are not classified in categories (a) through (d-i) are stated at cost using the moving average method. With Other Securities, valuation differences are computed using the capital adjustment method.

### (2) Derivative Transactions

Derivative transactions are stated at fair value.

### (3) Depreciation of Real Estate and Movables

Depreciation of buildings is determined according to the straight-line method, while depreciation of movables is determined according to the declining balance method.

### (4) Depreciation of Computer Software

Depreciation of computer software included under miscellaneous assets is calculated according to the straight-line method based on the useful life of the product.

### (5) Foreign Exchange Rate

Assets and liabilities other than the stock issued by subsidiaries and affiliates are converted into yen at the exchange rates prevailing on the last business day of March. The stock issued by subsidiaries and affiliates is converted into yen at the exchange rates prevailing

on the date of their acquisition.

### (6) Reserves for Possible Loan Losses

- a. Reserves for possible loan losses are calculated according to the Company's internal standards for risk assessment of assets and the rules for the write-off and provision of reserves. All loans are assented by the departments concerned and the results are audited by an independent Auditing Department.
- b. For loans to legally bankrupt and substantially bankrupt borrowers, reserves are provided at the balance outstanding after the direct deduction shown below and deduction of the net amount collectible through the disposal of collateral or the execution of guarantees.
- c. For loans to borrowers with high likelihood of bankruptcy, reserves are provided at the required portion of the balance outstanding, based on a general assessment of financial solvency, after deduction of the net amount collectible through the disposal of collateral or the execution of guarantees.
- d. Reserves for possible loan losses on other loans are calculated on a historical basis according to the actual rate of loan losses over a given period.
- e. Where loans to legally bankrupt or substantially bankrupt borrowers are covered by collateral or guarantees, the balance after deduction of the assessed value of the collateral and the amount considered to be collectible through the execution of guarantees is directly deducted from the loans outstanding. In FY2004, these direct deductions amounted to ¥8,058 million.

### (7) Reserves for Retirement Benefits

To provide for the payment of retirement benefits in the future, the retirement benefits are provided at the amount accrued at the end of the year, based on the Accounting Standards for Retirement Benefits.

### (8) Reserves for Contingent Liabilities

Reserves for contingent liabilities are provided based on the amount of estimated possible losses in the future with respect to current liabilities and future real estate contracts. These reserves are provided in compliance with Article 32-14 of Enforcement Regulations of Insurance Business Law.

### (9) Reserves for Asset Value Fluctuations

Reserves for asset value fluctuations are calculated in accordance with Article 115 of the Insurance Business Law.

### (10) Method of Hedge Accounting

Hedging transactions have been accounted for in accordance with the Opinion on Setting Accounting Standards for Financial Instruments (the Business Accounting Deliberation Council, January 22, 1999). Mainly, interest rate swaps are used as a cash flow hedge related to loans and loans payable, which are treated exceptionally. Current price hedge is used as a hedge against exchange rate fluctuations for some foreign currency denominated bond. Decisions on the effectiveness of market-based hedges are based on comparative analyses of variations in fair value of the underlying hedge variables and the hedging method used.

### (11) Consumption Tax

Consumption and local consumption taxes and the base price are recorded separately. Note that deferred consumption taxes on assets that do not qualify as deductible expenses are recorded as prepaid expenses and amortized on a straight-line basis over a five year period. Other consumption taxes that do not qualify as deductible expenses are recorded as expenses for the fiscal year in which they are incurred.

### (12) Liability Reserves

Liability reserves are provided in accordance with Article 116 of the Insurance Business Law. The amounts are calculated using the following methods.

- a. Reserves for policies subject to the standard liability reserve requirement are calculated according to ordinances stipulated by the Prime Minister.
- b. Reserves for other policies are calculated on the basis of the net level premium method.

## 3. Balance Sheets

### (1) Depreciation on Real Estate and Movables

Accumulated depreciation on real estate and movables totaled ¥491,745 million.

### (2) Assets and Liabilities for Separate Accounts

Combined assets and liabilities for separate accounts, prescribed in Article 118 of the Insurance Business Law, amounted to ¥721,025 million.

### (3) Net Assets

The amount of net assets in accordance with the provisions of Article 24-2-2-2 of Enforcement Regulations of Insurance Business Law is ¥854,040 million.

### (4) Monetary Claims on and Liabilities to Subsidiaries

Total monetary claims receivable from the Company's subsidiaries amounted to ¥3,625 million, while total monetary liabilities owed to subsidiaries amounted to ¥3,129 million.

### (5) Leased Movables

The Company holds leased movables, including computers and peripherals, in addition to the real estate and movables reported on the Balance Sheets.

### (6) Reserves for Policyholder Dividends

Changes in the reserves for policyholder dividends for FY2004 are shown below:

a. Amount at the end of FY2003 .....	¥494,878 million
b. Transfer from surplus for FY2003 .....	¥142,275 million
c. Dividends to policyholders in FY2004 .....	¥178,003 million
d. Interest on reserves .....	¥ 528 million
e. Balance at the end of FY2004 .....	¥459,677 million

### (7) Assets and Liabilities Denominated in Foreign Currencies

Assets denominated in foreign currencies totaled ¥2,377,852 million. (The main foreign currencies are US\$14,095 million and EUR4,588 million.) Liabilities denominated in foreign currencies totaled ¥9,080 million. (The main foreign currency are EUR 28 million and US\$25 million.)

### (8) Foundation Funds

Since ¥40,000 million of the foundation funds was amortized, the same amount of reserves for amortization of foundation funds was transferred to the reserves with amortization of foundation funds under the provisions of Article 56 of the Insurance Business Law.

### (9) Assets Pledged as Collateral

Assets pledged as collateral amounted to ¥50,020 million.

### (10) Non-Performing Loans

- a. Non-performing loans, including loans to borrowers under bankruptcy proceedings, past due loans, loans past due for three months or more, and restructured loans totaled ¥41,428 million. Loans to borrowers under bankruptcy proceedings amounted to ¥781 million and past due loans totaled ¥8,343 million.
- b. The estimated uncollectible amount for loans to bankrupt borrowers and past due loans was directly deducted from the outstanding balance. These deductions came to ¥1,263 million for loans to bankrupt borrowers and ¥6,794 million for past due loans.
- c. Loans to borrowers under bankruptcy proceedings are nonaccrual loans for which events defined in Articles 96-1, Subparagraphs 3 (i-v) and 4 of the Enforcement Regulations of the Corporate Income Tax Law (the Ordinance No. 97, 1965) have taken place. Accrued interest is not recorded as income due to substantial doubt over the ability to collect interest or principal because of delay in payment for extended periods.
- d. Past due loans are nonaccrual loans, other than loans to bankrupt borrowers, and loans whose interest payments are postponed to support the reconstruction efforts of borrowers.
- e. There were no loans past due for three months or more. Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under terms of the respective loans but not classified as loans to borrowers under bankruptcy proceedings or past due loans.
- f. Restructured loans, excluding the above, totaled ¥32,304 million. Restructured loans are those subject to certain favorable concessions, including reduced interest rates or moratorium on interest payments, moratorium on repayments, or release of credit, which are made to support the reconstruction efforts of borrowers.

### (11) Securities Lent

The balance sheet amount of the securities lent under consumption loan agreements, including sales and repurchase transactions ("repo") was ¥460,414 million.



**(12) The Balance of Funds not yet Provided in Financing through Commitment Line Agreements for Loans**

The balance of funds not yet provided in financing through commitment line agreements for loans totaled ¥31,219 million.

**(13) Loans Payable**

Loans payable are subordinated debts whose repayment is subordinated to other obligation.

**(14) Contribution to Policyholders' Protection Fund**

The amount of the future contribution to the Policyholders Protection Fund, which was succeeded by the Life Insurance Policyholders Protection Corporation of Japan in accordance with Article 140-5 of the Supplementary Provisions of the Financial System Reform Law, is estimated at ¥7,950 million. The contribution is recorded as an operating expense at the time of payment.

**(15) Contribution to Life Insurance Policyholders' Protection Corporation of Japan**

The amount of the future contribution to the Life Insurance Policyholders Protection Corporation of Japan, founded in accordance with Article 259 of the Insurance Business Law, is estimated at ¥44,579 million. The contribution is recorded as an operating expense at the time of payment.

**(16) Liability for Retirement Benefits**

The itemization of the Liability for Retirement Benefits is as listed below:

a. Benefit obligation .....	–¥412,837 million
b. Plan assets .....	¥446,809 million
Including retirement benefit trust .....	¥259,906 million
c. Non-accumulated liability for retirement benefits (a+b) .....	¥ 33,972 million
d. Unrecognized actuarial loss .....	–¥ 59,488 million
e. Unrecognized prior service cost.....	–¥ 20,652 million
f. Pre-paid plan cost .....	¥ 16,319 million
g. Reserves for retirement benefits (c+d+e–f) .....	–¥ 62,488 million

A calculation of Liability for Retirement Benefits is as listed below:

a. Allocation of expected retirement benefit payments .....	Fixed payments over a period of time
b. Discount rate .....	2.0%
c. Expected rate of return on plan assets	
Approved pension fund .....	3.0%
Retirement benefit trust .....	0.0%
d. Years for amortization of transition amount .....	5 years
e. Years for amortization of actuarial loss .....	10 years
f. Years for amortization of prior service cost .....	10 years

**(17) Deferred Tax Assets and Liabilities**

- a. Deferred tax assets, which amount to ¥540,795 million, consist mainly of ¥230,336 million on policy reserves, ¥107,860 million on losses on securities appraised, ¥74,336 million on reserves for retirement benefits, and ¥70,336 million on reserves for asset value fluctuations. The amount of deferred tax assets deducted as revaluation reserves was ¥5,584 million.
- b. Deferred tax liabilities, which amount to ¥517,447 million, consist mainly of ¥483,474 million on unrealized gains on other securities.
- c. The statutory effective tax rate for FY2004 was 36.15%. The difference between the statutory effective tax rate and the tax burden ratio after applying tax effect accounting consists primarily of a decrease of 24.21% in reserves for policyholder dividends.

**(18) Revaluation of Land for Business**

- a. Land used for the Company's business was revalued at publicly disclosed prices, in accordance with the Law concerning the Revaluation of the Land (Law No. 34, promulgated on March 31, 1998).
- b. Unrealized gains on the revaluation of land, net of deferred tax, was reported as revaluation reserves of land within Surplus, and the relevant deferred tax was included in liabilities as deferred tax liabilities on revaluation of land.
- c. The difference in the total market value at the end of FY2004 for the land for business use revalued in accordance with Article 10 of the law and the total book value of the said land for business use after revaluation ..... –¥44,410 million
- d. Date of revaluation: March 31, 2000  
Method of revaluation as provided in Article 3, Item 3 of the law: The fair value of land is determined based on revisions to the Law Concerning Public Notification of Land Prices, as stipulated in Article 2-1 of the Law Concerning the Revaluation of Land (Law No. 119, issued on March 31, 1998) after making reasonable adjustments.
- e. The date and method related to the revaluation reserves of land acquired from The Yasuda Mutual Life Insurance Company upon the merger on January 1, 2004, are as follows.  
Date of revaluation: March 31, 2001  
Method of revaluation as provided in Article 3, Item 3 of the law: The fair value of land is determined based on revisions to the Law Concerning Public Notification of Land Prices, as stipulated in Article 2-1 of the Law Concerning the Revaluation of Land (Law No. 119, issued on March 31, 1998) after making reasonable adjustments or to the Law Concerning Appraised Values, as stipulated in Article 5.

**(19) Subsidiaries' Shares**

The shares of subsidiaries were valued at ¥164,299 million.



## (20) Others

The reserves for outstanding claims corresponding to the portion of reinsurance provided for under Article 71-1 of the Enforcement Regulations of Insurance Business Law applied mutatis mutandis to Article 73-3 amounted to ¥57 million, and the underwriting reserves provided for under Article 71-1 of the Enforcement Regulations of Insurance Business Law amounted to ¥857 million.

## 4. Operations and Surplus

### (1) Transactions with Subsidiaries

Total profits from transactions with the Company's subsidiaries amounted to ¥6,040 million, while total expenses amounted to ¥21,290 million.

### (2) Gains and Losses on Securities

- Gains on securities sold are ¥203 million from domestic bonds, ¥29,046 million from domestic stocks, and ¥8,778 million from foreign securities.
- Losses on securities sold are ¥6,269 million from domestic bonds and ¥13,665 million from domestic stocks, and ¥37,416 million from foreign securities.
- Losses on securities appraised are ¥6,327 million from domestic stocks, and ¥228 million from foreign securities.

### (3) Gains on Trading Securities

Gains on trading securities primarily include ¥603 million in interest and dividend income, ¥754 million in gains on securities sold, and ¥334 million in valuation gains.

### (4) Gains on Money-Placed-in-Trust

Gains on money-placed-in-trust include valuation gains of ¥90 million.

### (5) Expenses for Derivative Financial Instruments

Expenses for derivative financial instruments include valuation losses of ¥4,698 million.

### (6) Cost of Retirement Benefits

The itemization of cost of retirement benefits is as listed below:

a. Service cost .....	¥13,453 million
b. Interest cost.....	¥ 8,721 million
c. Expected return on plan assets .....	-¥ 5,538 million
d. Amortization of transition amount .....	¥13,751 million
e. Amortization of actuarial loss .....	-¥ 6,222 million
f. Amortization of prior service cost .....	-¥ 2,562 million
g. Others .....	¥ 9,431 million

Net Benefit Cost amounted to ¥31,034 million (a+b+c+d+e+f+g).

### (7) Other Special Losses

Other special losses include expenses for extra retirement allowances under the special early retirement plan.

## (8) Impairment Losses

Impairment losses for the year are as itemized below:

### 1) Asset grouping method

Real estate, etc., provided for the use of the insurance business, etc., is treated as a single asset group for the overall insurance business, etc. For rental real estate and idle real estate, etc., not provided for the use of the insurance business, each individual property is treated as a single asset group.

### 2) Developments leading to recognition of impairment losses

Since there were marked declines in the profitability or fair value of some asset groups as a result of the deterioration in real estate business conditions, book values were reduced to the amounts collectible, and the amounts of reduction were reported under special losses as impairment losses.

### 3) Itemization of asset groups for which impairment losses were recognized, and impairment losses posted by type of fixed asset

Use	No. of cases	Impairment loss (¥ million)		
		Land	Buildings	Total
Rental real estate, etc.	9	2,352	15,138	17,491
Idle real estate, etc.	5	2,986	404	3,391
Total	14	5,339	15,543	20,882

Note: Since impairment losses occurred in many asset groups, they have been consolidated and reported by category for the sake of clarity.

### 4) Calculations of collectible amounts

The collectible amounts applied are the use value or net sales value in the case of rental real estate, etc., and the net sales value in the case of idle real estate. Net use value has been calculated as the future cash flow after reflecting estimated divergence risk, discounted by 2.93%. Net sales value is calculated by deducting estimated disposal expenses from the appraisal value based on real estate appraisal criteria.

## Supplementary Financial Information (Non-Consolidated Basis)

Meiji Yasuda Life Insurance Company

### 1. Outline of Life Insurance and Group Pension Business

#### 1-1. Life Insurance and Group Pensions in Force

	(Millions of Yen)	
	FY2004	FY2003
Individual life insurance .....	¥148,062,638	¥157,527,222
Individual annuities .....	11,325,121	11,439,315
Group life insurance .....	117,830,694	119,716,423
Group pensions* .....	6,920,182	7,413,737

\*Group pensions in force are the sum total of liability reserves for group pensions.

#### 1-2. Life Insurance and Group Pensions New Business

	(Millions of Yen)	
	FY2004	FY2003
Individual life insurance .....	¥10,588,802	¥7,718,659
Individual annuities .....	344,316	244,019
Group life insurance .....	6,553,137	3,557,172
Group pensions* .....	1,356	1,232

\*New business of group pensions is the sum total of first premiums.

#### 1-4. Insurance Benefits Paid

	(Millions of Yen)					FY2003
	FY2004					FY2003
	Individual life	Individual annuities	Group life	Group pensions	Total*	Total*
Claims paid:						
Death benefits .....	¥316,527	¥1,914	¥193,542	¥ —	¥516,459	¥363,149
Accidental death benefits .....	4,483	12	529	—	5,070	3,483
Disability benefits .....	26,930	33	9,329	—	36,297	22,807
Maturity benefits .....	279,394	24	8	55,559	336,387	362,543
Others .....	88	—	0	—	91	38
Annuities paid .....	25,190	97,028	19,531	139,281	285,219	195,324
Benefits on policies paid:						
Death benefits .....	1,010	10,744	3	3,858	15,853	10,136
Hospitalization benefits .....	46,477	1,612	595	—	50,381	37,360
Operation benefits .....	17,282	684	—	—	17,967	11,992
Injury benefits .....	807	11	66	—	885	774
Survivor benefits .....	118,975	1,946	—	—	124,144	102,903
Lump sum benefits .....	—	—	144	373,585	373,730	290,578
Others .....	24,870	112	—	5,286	30,346	26,444
Surrender benefits paid .....	280,018	89,907	—	293,706	694,339	864,090

\*Total includes insurance benefits paid to other types of insurance and annuities.

#### 1-3. Premium Income

	(Millions of Yen)	
	FY2004	FY2003
Individual life insurance .....	¥1,409,751	¥1,093,575
Individual annuities .....	354,972	302,856
Group life insurance .....	375,294	231,417
Group pensions .....	847,310	722,826
TOTAL* .....	¥3,041,437	¥2,394,388

\*Total includes premium income from other types of insurance and annuities.

## 2. Outline of Investments (General Account)

### 2-1. Breakdown of Assets

	(Millions of Yen)	
	FY2004	FY2003
Cash, deposits and call loans .....	¥ 597,296	¥ 949,610
Monetary claims bought .....	94,138	102,527
Money-placed-in-trust .....	10,023	9,934
Securities:		
Domestic bonds .....	8,495,858	7,357,373
Domestic stocks .....	3,630,728	3,378,989
Foreign securities:		
Foreign bonds .....	1,909,473	1,914,489
Foreign stocks .....	880,118	958,758
Others .....	102,905	121,495
Loans:		
Policy loans .....	431,750	443,196
Financial loans .....	6,729,372	7,522,286
Real estate .....	1,295,475	1,342,865
Deferred tax assets .....	17,763	108,427
Others .....	298,437	381,202
Reserves for possible loan losses .....	(9,408)	(15,934)
<b>TOTAL .....</b>	<b>¥24,483,933</b>	<b>¥24,575,223</b>
(Assets denominated in foreign currencies) .....	¥ 2,167,985	¥ 2,267,015

### 2-2. Average Balances of Assets

	(Millions of Yen)	
	FY2004	FY2003
Cash, deposits and call loans.....	¥ 580,836	¥ 589,721
Repurchase account .....	—	4,505
Monetary claims bought .....	116,094	86,294
Money-placed-in-trust .....	9,898	9,207
Domestic bonds .....	8,041,717	5,708,618
Domestic stocks .....	2,503,716	2,039,707
Foreign securities:		
Foreign bonds .....	1,959,727	1,269,520
Foreign stocks .....	844,943	476,723
Loans .....	7,456,497	5,653,248
(Financial loans) .....	7,019,584	5,297,134
Real estate .....	1,338,960	1,078,355
<b>TOTAL .....</b>	<b>¥23,695,046</b>	<b>¥17,522,097</b>
(Overseas investments) .....	¥ 3,409,169	¥ 2,413,379

### 2-3. Investment Income and Gain

	(Millions of Yen)	
	FY2004	FY2003
Interest and dividends .....	¥516,797	¥406,448
Money-placed-in-trust income .....	266	—
Gains on trading securities .....	1,648	445
Gains on securities sold .....	41,223	17,728
Gains on securities redeemed.....	13,607	—
Gains on foreign exchange .....	—	86
Others .....	467	318
<b>TOTAL .....</b>	<b>¥574,010</b>	<b>¥425,026</b>

### 2-4. Investment Expenses and Losses

	(Millions of Yen)	
	FY2004	FY2003
Interest paid .....	¥ 4,747	¥ 1,683
Losses on money-placed-in-trust .....	—	55
Losses on securities sold .....	57,428	40,159
Losses on securities appraised .....	6,556	7,425
Losses on securities redeemed .....	441	78
Expenses for derivative financial instruments.....	1,380	5,417
Losses on foreign exchange .....	1,265	—
Write-off of loans .....	131	34
Depreciation of real estate for rent.....	12,347	10,459
Others .....	15,172	11,960
<b>TOTAL .....</b>	<b>¥99,470</b>	<b>¥77,273</b>

### 2-5. Net Investment Returns

	(%)	
	FY2004	FY2003
Cash, deposits and call loans .....	0.01	0.00
Repurchase account.....	—	0.01
Monetary claims bought .....	2.72	3.28
Money-placed-in-trust .....	2.70	(0.60)
Domestic bonds .....	1.55	1.54
Domestic stocks .....	2.08	1.26
Foreign securities:		
Foreign bonds .....	2.95	2.28
Foreign stocks .....	4.61	8.58
Loans .....	2.30	2.58
(Financial loans) .....	2.14	2.42
Real estate .....	1.53	1.34
<b>TOTAL .....</b>	<b>2.00</b>	<b>1.98</b>
(Overseas investments) .....	3.37	3.89

## 2-6. Breakdown of Securities Investment

	(Millions of Yen)	
	FY2004	FY2003
Domestic bonds:		
Government bonds .....	¥ 6,460,200	¥ 5,052,586
Municipal bonds .....	231,191	305,373
Corporate bonds .....	1,804,466	1,999,413
(Public corporation bonds) .....	718,217	776,067
Domestic stocks .....	3,630,728	3,378,989
Foreign securities:		
Foreign bonds .....	1,909,473	1,914,489
Foreign stocks .....	880,118	958,758
Others .....	102,905	121,495
<b>TOTAL .....</b>	<b>¥15,019,083</b>	<b>¥13,731,106</b>

## 2-7. Breakdown of Loans

	(Millions of Yen)	
	FY2004	FY2003
Policy loans .....	¥ 431,750	¥ 443,196
Financial loans:		
(Overseas loans) .....	454,664	754,891
Corporate loans .....	5,556,035	6,070,464
(to domestic corporations) .....	5,406,319	5,796,611
Loans to governments and supranationals .....	266,452	364,379
Loans to public organizations .....	338,190	439,571
Housing loans .....	311,427	330,420
Consumer loans .....	251,719	311,754
Others .....	5,546	5,694
<b>TOTAL .....</b>	<b>¥7,161,122</b>	<b>¥7,965,483</b>

## \*Securities and Others with Market Value

	(Millions of Yen)				
	FY2004				
	Book value	Market value	Equivalent of net unrealized gains	Equivalent of gross unrealized gains	Equivalent of gross unrealized losses
Domestic bonds .....	¥ 8,432,220	¥ 8,662,902	¥ 230,681	¥ 249,515	¥ 18,833
Domestic stocks .....	2,212,247	3,322,713	1,110,465	1,135,423	24,958
Foreign securities:					
Foreign bonds .....	1,866,205	1,912,314	46,108	82,605	36,496
Foreign stocks .....	566,964	681,071	114,106	154,388	40,281
Other securities .....	69,754	76,454	6,700	8,428	1,728
Others** .....	57,210	57,737	527	631	104
<b>TOTAL .....</b>	<b>¥13,204,602</b>	<b>¥14,713,193</b>	<b>¥1,508,590</b>	<b>¥1,630,993</b>	<b>¥122,402</b>

\* The above table shows information regarding securities and other instruments with market price. Trading securities are not included.

\*\* Others include those instruments treated as securities regulated by the Securities and Exchange Law, such as monetary claims bought.

	(Millions of Yen)				
	FY2003				
	Book value	Market value	Equivalent of net unrealized gains	Equivalent of gross unrealized gains	Equivalent of gross unrealized losses
Domestic bonds .....	¥ 7,332,586	¥ 7,478,030	¥ 145,444	¥ 188,878	¥ 43,434
Domestic stocks .....	2,315,635	3,143,900	828,265	867,032	38,767
Foreign securities:					
Foreign bonds .....	1,870,606	1,915,075	44,469	78,705	34,236
Foreign stocks .....	660,534	722,313	61,778	124,122	62,344
Other securities .....	85,103	94,293	9,189	12,196	3,006
Others** .....	65,208	65,241	32	238	205
<b>TOTAL .....</b>	<b>¥12,329,674</b>	<b>¥13,418,854</b>	<b>¥1,089,179</b>	<b>¥1,271,172</b>	<b>¥181,993</b>

\* The above table shows information regarding securities and other instruments with market price. Trading securities are not included.

\*\* Others include those instruments treated as securities regulated by the Securities and Exchange Law, such as monetary claims bought.

## 2-8. Distribution of Foreign Securities Investment and Overseas Loans

(Millions of Yen)

	FY2004				FY2003			
	Foreign securities			Overseas loans	Foreign securities			Overseas loans
	Total	Bonds	Stocks		Total	Bonds	Stocks	
North America .....	¥ 951,499	¥886,499	¥65,000	¥ 97,147	¥1,145,874	¥1,062,604	¥ 83,270	¥155,088
Europe .....	1,023,341	709,538	313,802	162,274	837,507	532,741	304,765	300,659
Oceania .....	25,330	25,330	—	6,800	22,328	22,328	—	59,050
Asia .....	16,314	8,902	7,412	33,996	17,244	8,915	8,329	64,958
Latin America .....	729,929	236,026	493,903	11,033	828,986	266,593	562,392	12,845
Middle East .....	—	—	—	—	—	—	—	—
Africa .....	1,030	1,030	—	4,710	1,042	1,042	—	5,102
Supranationals .....	42,146	42,146	—	138,703	20,262	20,262	—	157,187
<b>TOTAL .....</b>	<b>¥2,789,591</b>	<b>¥1,909,473</b>	<b>¥880,118</b>	<b>¥454,664</b>	<b>¥2,873,247</b>	<b>¥1,914,489</b>	<b>¥958,758</b>	<b>¥754,891</b>

## 3. Non-performing Loans

(Millions of Yen)

	FY2004	FY2003
Loans to bankrupt borrowers .....	¥ 781	¥ 1,158
Past due loans .....	8,343	10,847
Loans past due three months or more .....	—	23
Restructured loans .....	32,304	35,180
<b>TOTAL .....</b>	<b>¥41,428</b>	<b>¥47,210</b>
Non-performing loans/total loans .....	<b>0.58%</b>	0.59%

## 4. Outline of Reserves

### 4-1. Liability Reserves

(Millions of Yen)

	FY2004	FY2003
Liability reserves:		
Individual life insurance .....	¥9,221,609	¥ 9,369,334
Individual annuities .....	4,730,361	4,444,313
Group life insurance .....	166,520	162,135
Group pensions .....	6,920,182	7,413,737
Others .....	269,092	271,692
Reserves for contingencies .....	570,195	439,958
<b>TOTAL .....</b>	<b>¥21,877,961</b>	<b>¥22,101,172</b>

### 4-2. Other Reserves

(Millions of Yen)

	FY2004	FY2003
Reserves for possible loan losses:		
General reserves for possible loan losses .....	¥ 4,307	¥ 10,013
Specific reserves for possible loan losses .....	5,101	5,921
Specific reserves for country risk .....	—	0
Reserves for retirement benefits .....	62,488	78,518
Reserves for losses on sales of claims .....	—	25
Reserves for contingent liabilities .....	70,002	59,316
Reserves for asset value fluctuations .....	194,569	162,858

## Consolidated Balance Sheet

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

As of March 31, 2005 and 2004

	Millions of Yen		Millions of U.S. Dollars*
	FY2004	FY2003	FY2004
<b>ASSETS</b>			
Cash and deposits .....	¥ 289,739	¥ 342,240	\$ 2,698.0
Call loans .....	380,000	700,000	3,538.5
Monetary claims bought .....	94,138	102,527	876.5
Money-placed-in-trust .....	10,023	9,934	93.3
Securities .....	15,613,443	14,391,767	145,390.1
Loans .....	7,176,343	7,960,959	66,825.0
Real estate and movables .....	1,334,555	1,406,097	12,427.1
Agency account receivable .....	1,577	1,379	14.6
Reinsurance account receivable .....	2,911	3,369	27.1
Other assets .....	324,812	385,054	3,024.6
Deferred tax assets .....	18,528	107,337	172.5
Customers' liabilities for acceptances and guarantees .....	—	123	—
Reserves for possible loan losses .....	(9,462)	(15,404)	(88.1)
<b>TOTAL ASSETS</b> .....	<b>¥25,236,612</b>	<b>¥25,395,388</b>	<b>\$234,999.6</b>
<b>LIABILITIES AND SURPLUS</b>			
(Liabilities)			
Policy reserves:			
Reserves for outstanding claims .....	¥ 190,779	¥ 185,217	\$ 1,776.5
Liability reserves .....	21,934,862	22,168,908	204,254.2
Reserves for policyholder dividends .....	459,677	494,878	4,280.4
Agency account payable .....	6	6	0.0
Reinsurance account payable .....	2,939	3,155	27.3
Corporate bonds .....	—	9,723	—
Other liabilities .....	743,227	896,352	6,920.8
Reserves for retirement benefits .....	63,013	79,128	586.7
Reserves for losses on sales of claims .....	—	25	—
Reserves for contingent liabilities .....	70,002	59,316	651.8
Reserves for asset value fluctuations .....	194,973	163,284	1,815.5
Deferred tax liabilities .....	1,475	1,440	13.7
Deferred tax liabilities on revaluation of land .....	49,516	43,062	461.0
Acceptances and guarantees .....	—	123	—
<b>TOTAL LIABILITIES</b> .....	<b>23,710,474</b>	<b>24,104,623</b>	<b>220,788.4</b>
<b>MINORITY INTERESTS</b> .....	<b>2,345</b>	<b>6,310</b>	<b>21.8</b>
(Surplus)			
Foundation funds .....	150,000	190,000	1,396.7
Reserves with amortization of foundation funds .....	200,000	160,000	1,862.3
Revaluation surplus reserves .....	452	452	4.2
Consolidated surplus .....	265,528	259,928	2,472.5
Revaluation reserves for land .....	66,987	76,059	623.7
Net unrealized gains on investments .....	855,126	613,539	7,962.8
Currency translation adjustment .....	(14,303)	(15,526)	(133.1)
<b>TOTAL SURPLUS</b> .....	<b>1,523,791</b>	<b>1,284,454</b>	<b>14,189.3</b>
<b>TOTAL LIABILITIES, MINORITY INTERESTS AND SURPLUS</b> .....	<b>¥25,236,612</b>	<b>¥25,395,388</b>	<b>\$234,999.6</b>

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥107.39 to US\$1.00 prevailing on March 31, 2005.



# Consolidated Statement of Operations and Surplus

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

As of March 31, 2005 and 2004

	Millions of Yen		Millions of U.S. Dollars*
	FY2004	FY2003	FY2004
<b>ORDINARY INCOME</b>			
Premium income and reinsurance refunds .....	<b>¥3,066,788</b>	¥3,343,514	<b>\$28,557.4</b>
Investment income and gain:			
Interest and dividends .....	<b>525,157</b>	548,826	<b>4,890.1</b>
Money-placed-in-trust income .....	<b>266</b>	4,494	<b>2.4</b>
Gains on trading securities .....	<b>1,648</b>	—	<b>15.3</b>
Gains on securities sold .....	<b>41,228</b>	55,645	<b>383.9</b>
Gains on securities redeemed .....	<b>13,607</b>	223	<b>126.7</b>
Other investment income .....	<b>2,484</b>	3,215	<b>23.1</b>
Gains on separate account assets investment .....	<b>28,038</b>	110,705	<b>261.0</b>
Other ordinary income .....	<b>494,495</b>	910,658	<b>4,604.6</b>
<b>TOTAL ORDINARY INCOME .....</b>	<b>4,173,713</b>	4,977,282	<b>38,865.0</b>
<b>ORDINARY EXPENSES</b>			
Insurance benefits paid and others:			
Claims paid .....	<b>908,029</b>	1,078,708	<b>8,455.4</b>
Annuities paid .....	<b>285,575</b>	278,571	<b>2,659.2</b>
Benefits on policies paid .....	<b>614,945</b>	692,910	<b>5,726.2</b>
Surrender benefits paid .....	<b>696,015</b>	1,140,474	<b>6,481.1</b>
Other refunds paid and expenses .....	<b>507,292</b>	400,304	<b>4,723.8</b>
Transfers to policy reserves:			
Reserves for outstanding claims .....	<b>6,680</b>	7,848	<b>62.2</b>
Interest on dividend reserves .....	<b>372</b>	393	<b>3.4</b>
Investment expenses and losses:			
Interest paid .....	<b>5,473</b>	5,198	<b>50.9</b>
Losses on trading securities .....	<b>—</b>	9,463	<b>—</b>
Losses on securities sold .....	<b>57,680</b>	85,660	<b>537.1</b>
Losses on securities appraised .....	<b>6,556</b>	16,564	<b>61.0</b>
Losses on securities redeemed .....	<b>459</b>	228	<b>4.2</b>
Expenses for derivative financial instruments .....	<b>1,380</b>	46,218	<b>12.8</b>
Losses on foreign exchange .....	<b>1,226</b>	317	<b>11.4</b>
Write-off of loans .....	<b>131</b>	34	<b>1.2</b>
Depreciation on real estate for rent .....	<b>13,491</b>	13,892	<b>125.6</b>
Other investment expenses .....	<b>18,357</b>	19,332	<b>170.9</b>
Operating expenses .....	<b>388,307</b>	472,281	<b>3,615.8</b>
Other ordinary expenses .....	<b>330,180</b>	351,091	<b>3,074.5</b>
<b>TOTAL ORDINARY EXPENSES .....</b>	<b>3,842,156</b>	4,619,494	<b>35,777.6</b>
<b>ORDINARY PROFITS .....</b>	<b>331,557</b>	357,788	<b>3,087.4</b>
Special profits:			
Gains on disposals of real estate and movables .....	<b>2,800</b>	19,634	<b>26.0</b>
Reversal of reserves for losses on sales of claims .....	<b>25</b>	2	<b>0.2</b>
Reversal of reserves for possible loan losses .....	<b>6,109</b>	10,222	<b>56.8</b>
Other special profits .....	<b>3</b>	26,823	<b>0.0</b>
Special losses:			
Losses on disposals of real estate and movables .....	<b>33,810</b>	38,410	<b>314.8</b>
Impairment losses .....	<b>20,882</b>	—	<b>194.4</b>
Transfer to reserves for contingent liabilities .....	<b>12,286</b>	28,465	<b>114.4</b>
Transfer to reserves for asset value fluctuations .....	<b>31,704</b>	63,851	<b>295.2</b>
Losses on compressed entry of real estate .....	<b>104</b>	279	<b>0.9</b>
Donations for promotion of welfare .....	<b>622</b>	406	<b>5.7</b>
Amortization of transition amount for retirement benefits .....	<b>13,769</b>	13,769	<b>128.2</b>
Other special losses .....	<b>10,819</b>	9,338	<b>100.7</b>
<b>NET SURPLUS BEFORE TAXES .....</b>	<b>216,497</b>	259,948	<b>2,015.9</b>
Provision for corporate income taxes .....	<b>76,682</b>	12,525	<b>714.0</b>
Corporate income tax equivalent adjustment .....	<b>(48,855)</b>	29,281	<b>(454.9)</b>
Minority interests .....	<b>78</b>	(1,452)	<b>0.7</b>
<b>NET SURPLUS FOR THE PERIOD .....</b>	<b>¥188,592</b>	¥ 219,594	<b>\$1,756.1</b>

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥107.39 to US\$1.00 prevailing on March 31, 2005.

## Consolidated Statement of Surplus

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

For the years ended March 31, 2005 and 2004

	Millions of Yen		Millions of U.S. Dollars*
	FY2004	FY2003	FY2004
Consolidated surplus at the beginning of the period .....	<b>¥259,928</b>	¥ 61,775	<b>\$2,420.4</b>
Increase in consolidated surplus:			
Net surplus for the period .....	<b>188,592</b>	219,594	<b>1,756.1</b>
Increase in surplus due to the merger .....	—	108,764	—
Change of scope of consolidation .....	—	193	—
Reversal of revaluation reserves of land .....	<b>1,671</b>	—	<b>15.5</b>
Decrease in consolidated surplus:			
Transfer to reserves for policyholder dividends .....	<b>142,275</b>	120,441	<b>1,324.8</b>
Transfer to reserves with amortization of foundation funds .....	<b>40,000</b>	—	<b>372.4</b>
Interest on foundation funds .....	<b>2,389</b>	2,392	<b>22.2</b>
Change of scope of consolidation .....	—	0	—
Change of scope of consolidation and equity method investees .....	—	5,210	—
Reversal of revaluation reserves of land .....	—	2,353	—
Consolidated surplus at the end of the period .....	<b>¥265,528</b>	¥259,928	<b>\$2,472.5</b>

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥107.39 to US\$1.00 prevailing on March 31, 2005.

Note: Consolidated companies include Meiji General Insurance Co., Ltd., The Yasuda General Insurance Co., Ltd., MEIJI Dresdner Asset Management Co., Ltd., Yasuda Asset Management Co., Ltd., Meiji Yasuda System Technology Co., Ltd., Wellness Care Network Co., Ltd., Pacific Guardian Life Insurance Co., Ltd., Meiji Yasuda Properties UK, Ltd., Meiji Yasuda Realty UK, Ltd., and Meiji Yasuda Realty USA, Inc.