



# Annual Report 2007

Meiji Yasuda Life Insurance Company,  
Year Ended March 31, 2007



Ken-ichi Sekiguchi  
Chairman of the Board

Kenji Matsuo  
President

# Meiji Yasuda Life Insurance Company

## Management Philosophy

**As a pioneer in the life insurance industry, we commit ourselves to being a company that works to the spirit of mutual aid and endeavor to become a “Company that Values its Customers,” provides them with high quality comprehensive insurance services, in which life insurance plays a core role, and delivers assured ease of mind and wealth.**

Meiji Yasuda Life Insurance Company (Meiji Yasuda Life) was inaugurated on January 1, 2004, in an historic merger between two of Japan’s major life insurers, Meiji Life Insurance Company and The Yasuda Mutual Life Insurance Company. These two companies, both established in the 1880s and with over 120 years of history and tradition to uphold, integrated their “pioneering spirits” to form a rejuvenated and innovative life insurance company.

Today, Meiji Yasuda Life’s 39,776 employees including sales personnel serve its customers through a worldwide network that encompasses its headquarters in Tokyo, 95 regional offices, 25 group marketing offices and 1,314 agency offices in Japan. Overseas offices include subsidiaries and affiliates in 8 cities around the world. At the end of fiscal 2006, Meiji Yasuda Life had ¥244,122 billion (US \$2,067 billion) worth of life insurance in force and total assets of ¥26,797 billion (US\$226 billion).

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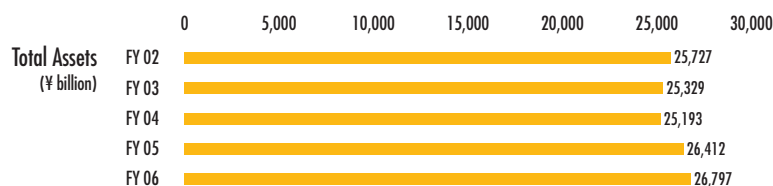
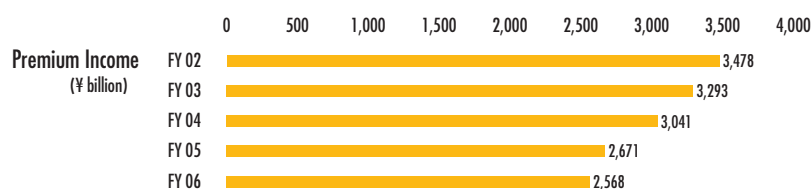
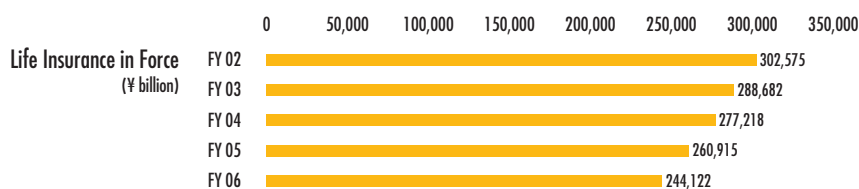
# Financial Highlights

Meiji Yasuda Life Insurance Company

	Years ended March 31		
	Billions of Yen		Billions of U.S. Dollars*
	FY2006	FY2005	FY2006
Life Insurance in Force .....	¥244,122	¥260,915	\$2,067.9
Group Pensions in Force .....	6,708	6,774	56.8
Total Assets .....	26,797	26,412	226.9
For the years ended March 31, 2007 and 2006			
New Business** .....	5,531	6,462	46.8
Premium Income .....	2,568	2,671	21.7
Investment Income .....	506	496	4.2
Insurance Benefits Paid and Others .....	2,402	2,780	20.3

\* Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥118.05 to US\$1.00 prevailing on March 30, 2007.

\*\* Figures in New Business are the amount of individual life insurance and annuities (adjusted for conversion).



## Notes:

- Figures at the end of fiscal 2002 and figures for fiscal 2002 are the combined total of Meiji Life Insurance Company and The Yasuda Mutual Life Insurance Company.
- Figures for fiscal 2003 are 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 Insurance Company results from January 1 to March 31, 2004.

# A Message from the Management

Kenji Matsuo  
President

松尾憲治



## Overview of Fiscal 2006

Meiji Yasuda Life continued to make commitments throughout fiscal 2006 to prevent any recurrence and to drastically reform our management structure, after receiving two administrative measures in 2005, which resulted in the decline of customers' trust. The measures were due to violations of laws and regulations through inappropriate non-payments of insurance claims and improprieties related to insurance sales, along with problems in internal management and business administration.

Based on the operational improvement plan drawn up in November 2005, we continued our ongoing reviewing into approximately 2.6 million cases of insurance claim payment events that had arisen in the five years from fiscal 2001 through fiscal 2005. Where we found cases of inadequate payments due to clerical errors, and insufficient guidance upon insurance claims, we have been confirming whether payments can be made or not and, where appropriate, making such payments as quickly as possible.

Taking rigorous enforcement of compliance within the company as our basic premise, we made efforts to create a new corporate culture that values customers more. In January 2006, we drew up the "Meiji Yasuda Revitalization Plan," which comprises the "Medium-Term Business Plan" and the "MOT Project for Creating a New Corporate Culture." The plan calls upon all officers and employees to strive to enhance trust in Meiji Yasuda Life by realizing a company that values its customers more.

The "Medium-Term Business Plan" runs from January 2006 through March 2008 and involves the following three reforms designed to establish thoroughgoing compliance and corporate social responsibility (CSR).

### **Reform #1: Strengthen corporate governance and enhance transparency by developing internal and external checking procedures.**

In July 2006, Meiji Yasuda Life adopted a "Company with Committees" system. A majority of the members of the Board of Directors are outside directors, and there is a clear institutional separation between the management supervisory function and executive function.

### **Reform #2: Strengthen core functions such as customer services through prioritized allocation of management resources**

We reviewed head office deployment of personnel, prioritizing adequate allocation of work force members to the customer services divisions in charge of our core insurance company operations – underwriting, policyholder services and payment procedures – and to the management and internal control divisions.

### **Reform #3: Shift to a sales and marketing policy that places greater emphasis on consulting and after-service**

Since April 2006, we have made a point of ensuring that sales personnel provide proper explanations to customers when contracts are concluded. Our sales personnel explain and deliver to customers the contents of our "Policy Summary" document, which covers matters that must be elucidated when contracts are signed, and our "Information Calling for

Attention" document, which provides an easy to understand summary of important information. Customers are given their own copies when the contract is signed.

To clarify our stance on CSR management and make it one of our permanent challenges, we drew up a new "CSR Management Declaration" in January 2007. At the same time, to ensure the thoroughgoing enforcement of our corporate philosophy of valuing customers, we revised our Code of Conduct. This lays down our corporate vision – our aspirations to create an ideal company – and prescribes the missions and behavior of our officers and employees. We also established a CSR Promotion Council comprising members of the Management Council and chaired by the President. In addition to drawing up plans to promote CSR, it monitors progress in implementation and, in February 2007, published the "CSR REPORT 2006," which describes our corporate efforts to promote CSR.

In light of environmental transformations such as the changes in population structure wrought by the declining birthrate and the aging of society, as well as the diversification of customers' lifestyles, we reviewed our product mix, centered on death benefits, and diversified our product line-up to satisfy wide-ranging needs for medical coverage and living benefits.

In September 2006, we launched two new products. "Everybody" is a new type of single premium whole life insurance product that satisfies the need for lifetime protection combined with long-term asset formation. "Nenkin Hitosuji" is an individual annuity that offers a higher annuity receipt rate than our existing products. In November 2006, we also launched several new products in the "Life Account L.A. Double" series, including "7 Guard," "G Protect" and "for Lady."

Profit-earning capability was stable as base profit, an indicator of basic annual earnings from insurance operations, reached ¥458.2 billion. In the area of capital, we procured ¥60 billion in foundation funds, raising our total foundation funds (foundation funds and accumulated redeemed foundation funds) to ¥410 billion.

Annualized new business premiums for individual life insurance and annuity amounted to ¥101.8 billion, of which third sector insurance such as medical coverage and living benefits accounted for ¥29.9 billion. Annualized premiums in force at the end of the business year amounted to ¥1,783.5 billion, of which third sector insurance accounted for ¥339.4 billion.

Our solvency margin, which indicates our ability to pay insurance claims, rose by 175.0% year-on-year to 1,354.9%. This not only exceeds the standard of 200% set by the supervisory authority, but shows that our financial health remains more than sound.

As of July 3, 2007, Standard & Poor's gave Meiji Yasuda Life an "A-" rating, Fitch Ratings an "A" rating, AM Best an "A(Excellent)" rating, and Japan Credit Rating Agency (JCR) an "A+" rating.

## Challenges for Fiscal 2007

We shall continue to devote ourselves to achieving the challenges laid down in our Operational Improvement Plan. These include improving and strengthening corporate governance and our approach to managing sales and its conduct, drastically revising our approach to managing payments of insurance claims and responding to customers' complaints, and enhancing and revising our approach to compliance. More specifically, on the business management side, aiming to strengthen our corporate governance and internal management, we shall continue to reflect views from outside the company in our management, upgrade our internal control systems, and as a company that is open to society, enhance our transparency by sustaining our ongoing proactive approach to information disclosure. With regard to our core roles in underwriting, policyholder services and payment procedures, we shall strengthen the functions customers expect of life insurance companies by effecting systematic improvements in operations and systems, and reinforce our information disclosure based on the customers' points of view. On the sales side, we shall continue to focus on quality that reinforces consulting and after-services, creates products and policy provisions that are easy to understand, and seeks higher services.

As fiscal 2007 is the final year of the "Meiji Yasuda Revitalization Plan," we shall move steadily ahead with reforms to our corporate culture through the "MOT Project for Creating a New Corporate Culture." This aims to establish a company that provides customers with ease of mind, values their opinions, and is open to society. These goals form the basis of the "Meiji Yasuda Revitalization Plan" and call for the realization of a company that values customers as described in the "Medium-Term Business Plan," which runs from January 2006 through March 2008. We shall also take the business conditions facing the company and the industry into consideration as we make preparations for future growth and a smooth start to our next "Medium-Term Business Plan," which gets underway in fiscal 2008, i.e., April 2008. Through these initiatives, we will endeavor to become a company that is respected and highly regarded by customers and society, and earns higher levels of trust and appreciation.

# The Meiji Yasuda Revitalization Plan

## — Working to Restore Confidence

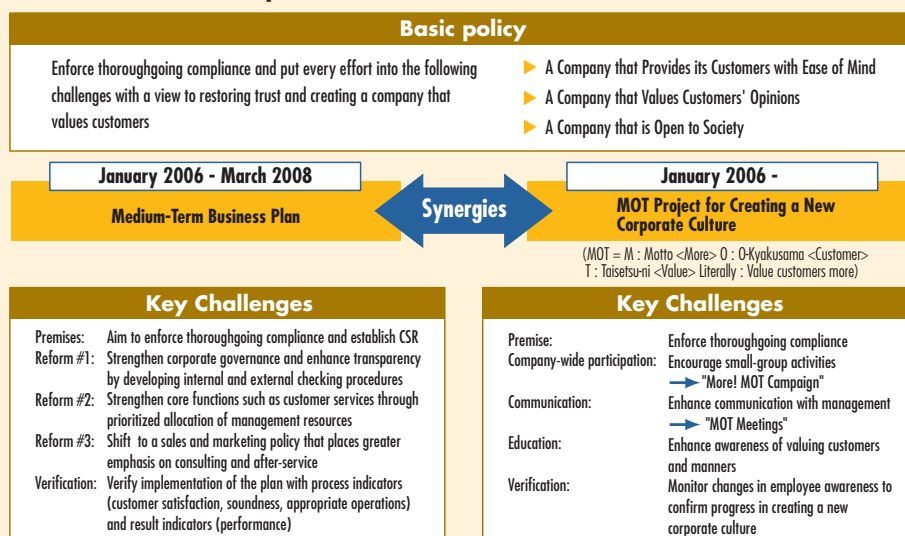
In January 2006, Meiji Yasuda Life drew up the "Meiji Yasuda Revitalization Plan," which is comprised of the "Medium-Term Business Plan" and the "MOT Project for Creating a New Corporate Culture." In addition to enforcing rigorous compliance, the plan calls upon all officers and employees to make every effort to restore trust in Meiji Yasuda Life by creating a "Company that Values its Customers:" a company that provides its customers with ease of mind, values their opinions, and is open to society.

The "Medium-Term Business Plan" runs from January 2006 through March 2008 and promotes the following three reforms designed to establish thoroughgoing compliance and corporate social responsibility (CSR).

- Reform #1 Strengthen corporate governance and enhance transparency by developing internal and external checking procedures
- Reform #2 Strengthen core functions such as customer services through prioritized allocation of management resources
- Reform #3 Shift to a sales and marketing policy that places greater emphasis on consulting and after-service

The "MOT Project for Creating a New Corporate Culture" calls for the creation of a new corporate culture that values customers and forms the foundations for realizing the "Meiji Yasuda Revitalization Plan." Under the leadership of the company president, it comprises three-pronged basic policies; mobilizing all officers and employees in the challenge to value customers, nurturing a sense of value and awareness of valuing customers, and enhancing employee motivation.

### Overview of the "Meiji Yasuda Revitalization Plan"



## Progress in Implementing the Medium-Term Business Plan

The initiatives set forth in the "Medium-Term Business Plan" have for the most part advanced according to schedule.

In July 2006, we completed the transition to the "Company with Committees" system and created the Board of Directors with a majority of outside directors. We also adopted a representative members candidacy scheme to strengthen our business management, established a multi-layered checking system and reinforced our core functions (underwriting, policyholder services and claims payment procedures) through prioritized allocation of human resources and budgets.

On the marketing side, we converted to evaluation systems that focus on enhancing quality and trust as a means of improving qualitative indicators such as new business persistency ratios and cancellation and lapse rates for insurance business in force. By strengthening our training programs, we greatly increased the number of sales personnel who are government-certified financial planners to reinforce our consulting capabilities.

In terms of sales results, annualized premiums in force fell year-on-year, but annualized new business premiums (ANP) increased because new products such as "Nenkin Hitosuji" and "Everybody" launched in September 2006, and "Life Account L.A. Double '7 Guard' " launched in November the same year were well-received.

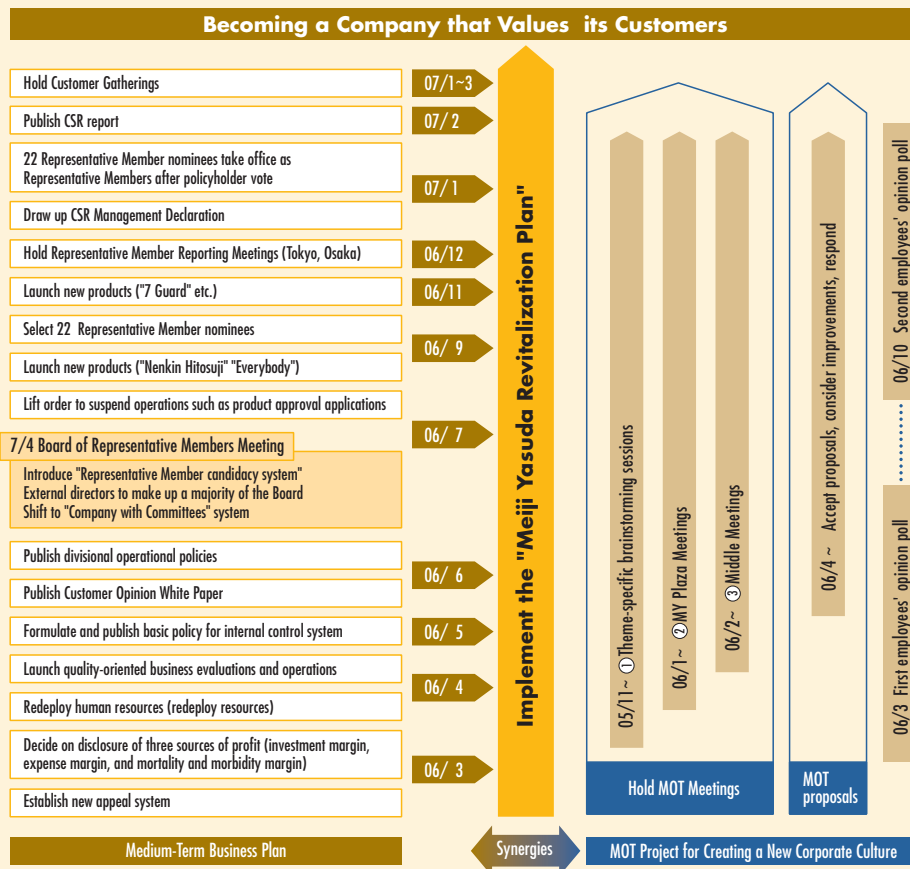
## Progress in Implementing the MOT Project for Creating a New Corporate Culture

Under the "MOT Project for Creating a New Corporate Culture," we developed our original, long-standing company-wide approach into the "More! MOT Campaign" and promote it through an incentive approach in each organizational entity, with a view to realizing a company that values customers.

We worked to enhance communication between the management and a wider range of employees by holding 21 "MOT Meetings" at the head office during the fiscal year to encourage direct dialog, and arranging for the management to hold similar meetings on their business visits to branches.

In April 2006, we introduced the "MOT Proposal" scheme to allow employees to make use of our intranet to file proposals to protect our customers and to improve their convenience, and received a large number of suggestions in response. The departments in charge are now considering the viability of these proposals and, if viable, they will steadily put them into practical use.

### Main Pillars of the "Meiji Yasuda Revitalization Plan"





# Business Activities

## Individual Insurance Marketing

In September 2006, we launched two new products: "Everybody," a single premium whole life insurance, and "Nenkin Hitosuji," an individual annuity. "Everybody" is a new type of single premium whole life insurance product that meets customers' needs to sign up through a simple procedure and assure lifetime cover with long-term asset formation. "Nenkin Hitosuji" is an individual annuity that offers a higher annuity receipt rate than our existing products, and meets customers' needs to plan for a more affluent future. In November 2006, we also launched several new products in the "Life Account L.A. Double" series, including "7 Guard," "G Protect," and "for Lady." "7 Guard" assures ease of mind for customers by providing broad coverage against seven lifestyle-related diseases, while "G Protect" and "for Lady" strengthen the assurance offered by our earlier "Gan Juten Pack" (Cancer Package) and "Josei Iryou Pack" (Female Medicare Package).

With a view to strengthening the consulting capabilities of our sales personnel, we reinforced our curriculum and used full-time financial planners as instructors to improve our education and instruction programs. The number of our sales personnel who are government-certified financial planners stood at 5,061 as of the end of March 2007, and we intend to reinforce this further going forward.

## General Agent Marketing

In the area of general agent marketing, we have deployed agency sales personnel throughout the country. We sold individual annuities and whole life insurance through banks and other financial institutions (bank OTC sales). We also sold individual life insurance through other general agency channels, mainly corporate agencies.

With regard to bank OTC sales, we strengthened our line-up by adding the "Everybody," a single premium whole life insurance product, to our existing annuity products in October 2006.

We worked hard at promoting consulting proposals and offering a wide range of products and services to enable general agency channels to respond to customers' varied needs, such as measures to deal with business security funding and inheritance.

### Group Marketing

In the area of Group Life Insurance, we promoted wider adoption of products that answer customers' welfare benefit needs, and improved convenience for policyholders and personnel in charge of group life insurance paperwork by offering an operational support system. In September 2006, we also started handling "Group Credit Life Insurance with Three Major Diseases Rider" to respond to the broader assurance needs of home loan borrowers by expanding coverage beyond death and total and permanent disabilities to the three major diseases-cancer, cerebral stroke, and acute myocardial infarction.

We strove to respond to customers' diversifying needs in the area of group pensions by offering tailored consulting services on administrative services and management of pension fund assets, and expanding our product and services line-up. More specifically, in the area of defined benefit corporate pensions, we started handling "Definite Term Interest Guarantee Contracts" in October 2006. These guarantee the interest rate over a given period. In January 2007, we also added a fixed rate scheme to the "Simple Criteria-type Cash Balance Plan," which allows the design of salary linked schemes. As for defined contribution pension products, we added a 10-year guaranteed product to our variable assumed interest rate defined contribution pension insurance-a typical principle protection product-in July 2006. We also introduced the "Meiji Yasuda DC Package Plan" in September 2006 to shorten the introduction period and reduce management costs compared with those incurred by customers who create their own defined contribution pension plans.

### Customer Services

We have strengthened our systems to allow for more sophisticated medical assessments to help us respond to customers' needs as much as possible by underwriting contracts while maintaining the appropriate assessments.

We simplified some of the procedures for insurance applications and contract changes from April 2006 in order to enhance the customers' convenience. We also revised our "Information from Meiji Yasuda Life" publication, which is delivered to all policyholders, to make it easier to read and more informative.

We worked on systems development to enhance the speed and appropriateness of claim payment practices and in March 2007, revised our booklet "About Insurance Benefit Claims," which introduces procedures for making insurance claims and concrete examples of cases where benefits can and cannot be paid.

We also entered into a tie-up with Seven Bank, Ltd., which allows policyholders to use their cards to borrow money and check their account balances through the bank's 12,000 ATMs. In addition to the health, medical, and nursing services we offer through our "map (mental and physical health support)" service, whereby policyholders accumulate points according to the amount of insurance coverage and the duration of the policy, we offer nursing consultation and care management services through Wellness Care Network Co., Ltd., a member of the Meiji Yasuda Life Group.

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## International Insurance Services

**Meiji Yasuda Life has promoted its international insurance business in three core areas: international insurance, international insurance networks and international reinsurance with overseas insurance companies.**

### The United States

Pacific Guardian Life Insurance Company, Limited ("PGL"), the largest life insurance company domiciled in Hawaii, is a wholly-owned subsidiary of Meiji Yasuda Life. It has been 31 years since Meiji Yasuda Life first participated in the operations of PGL, which provides life insurance to meet the needs of communities, mainly in Hawaii, the West Coast of the United States, Guam and the Northern Mariana Islands. In 2006, PGL won an award as the Best Insurance Company in the insurance company section of the Best of the Best People's Choice Awards, which were held by Hawaii's largest daily newspaper, The Honolulu Advertiser. PGL was given an "A(Excellent)" rating by AM Best. In addition, Meiji Yasuda America Inc. offers insurance services for the products of associated insurers to Japanese affiliates in the United States, especially the states of New York and California.

### Europe

Meiji Yasuda Europe Limited, which located in London, and our Frankfurt office provide information on local insurance and financial markets which contribute to the management of Meiji Yasuda Life.

### Asia

Hong Kong based Meiji Yasuda Asia Limited provides the insurance products of associated insurers in China (Hong Kong), Thailand, Malaysia, Taiwan and Singapore.

In addition, Meiji Yasuda Asia Limited works in cooperation with local insurance companies in Hong Kong, and controls the management of Mandatory Provident Funds (MPFs). Meiji Yasuda Life also has offices in Seoul and Beijing and continues to enhance operations of those offices in the Asian market.

### International Insurance Networks

Several international life insurance company networks have been established in order to meet the group insurance and annuity needs of the overseas branches and subsidiaries of multinational corporations. Meiji Yasuda Life has joined two networks: All Net, administered by the Allianz Group, and the Swiss Life Network, run by Swiss Life. Through our cooperation with members of these networks, Meiji Yasuda Life provides insurance services across the globe.

### International Reinsurance Business

Meiji Yasuda Life entered the international reinsurance field in 1981. Since then, the company has assumed the reinsurance of life, accident and health insurance policies from major foreign insurance companies around the world.

### Asset Management

We focused on three areas of asset management. First, we promoted "surplus management-type ALM," which takes into account debt characteristics for each asset classification, internal reserves (risk buffer), necessary profits (losses), insurance products, and sales strategies. ("Surplus" refers to the difference between assessed values of assets and liabilities that are consistent with financial market values. It takes this as a new capital concept, and uses the term "surplus management-type ALM" for ALM that controls the fluctuation risk affecting this surplus.) Second, we maintained and enhanced asset soundness by further improving our asset management risk control functions, raising the ratio of assets that deliver stable profits, and curbing price fluctuation risk. And third, we improved investment value-added on the premise of appropriate risk recognition in conformity with ALM.

More specifically, from the viewpoint of promoting "surplus management-type ALM," we promoted the prolongation of asset duration (average residual maturity of bondholdings, etc.) by working to liquidate stockholdings and purchasing long-term and super-long-term bonds while monitoring interest rates. We also reduced our low-profit/idle real estate and other assets, and liquidated personal loans managed by the company, thus continuing our efforts to maintain and upgrade the soundness of our assets and increase the efficiency of our business operations. We also endeavored to improve our earning power by replacing the relatively low yield bonds in our portfolio, increasing our holdings of foreign securities, etc., and putting more emphasis on interest rate levels when extending loans.

At the end of March 2007, these efforts to improve the soundness of our assets plus a favorable turn in the investment environment in the form of rising stock and land prices helped us maintain our unrealized gains on overall assets including securities and land at the high level of ¥3,758.4 billion.



# Risk Management

Meiji Yasuda Life believes that ensuring sound management and faithfully fulfilling contractual obligations over the long term are essential to create a "Company that Values its Customers." As the speed of change increases in the business environment, the need to accurately identify and appropriately manage the risk affecting the insurance business is becoming more crucial to ensure sound management.

We see risk management as one of the most important elements of business management. The Board of Directors, Management Council and various risk-management-related committees control risks in an appropriate manner by setting key risk management policies and regulations, and monitoring and analyzing risks on a regular basis.

In addition to managing risks according to the category (category-specified risk management), we have implemented a risk management system at each department.

Under category-specified risk management, we have set up a framework of Risk Management Sub-committees with responsibility for promoting risk management for each category. The sub-committees report to the Risk Management Committee, which serves as an advisory body to the Management Council and identifies and manages company-wide risks. We also deploy risk management officers and managers at each department, primarily to identify and confirm the operational risk management situation. The Risk Management Control Department oversees the risk management situation for each department.

To enhance the effectiveness of risk management even further, the Auditing Department conducts inspections and the Audit Committee and Audit Corporation (external auditor) carry out audits to verify the appropriateness and effectiveness of a risk management system.

## Overview of the Risk Management System



### Promoting Compliance

Meiji Yasuda Life considers that compliance is fundamentally important for restoring customers' confidence, and has set compliance guidelines for all officers and employees in the form of the "Code of Conduct" and the "Job Performance Guidelines." We have also established and published the "Sales and Service Policy" as a pledge to customers that we will conduct sales of products appropriately. All officers and employees are subject to thoroughgoing education in these guidelines through meetings and training courses. The "Compliance Manuals" cover business affairs necessary for compliance in daily operations and all officers and employees regularly refer to them.

The Compliance Control Department promotes compliance multilaterally as follows:

- ①Integrates management of compliance-related information, and investigates and responds to individual cases relating to compliance.
- ②Identifies improper cases relating to insurance sales, policyholder service procedures and payments of insurance claims, and devises responses to these issues.
- ③Runs compliance training courses for officers and employees on a regular basis.

As part of our integrated management of compliance, in November 2006, we established new special sub-committees for individual and corporate insurance marketing to rapidly analyze marketing compliance information, and propose and implement policies for improving and reinforcing marketing management approaches. The sub-committees were set under the Compliance Promotion Advisory Council, which was established to study and rationalize compliance approaches in all aspects of operations, including those of affiliated companies.

In July 2005, we established a Compliance Council consisting of three external and two internal members with a view to building a highly effective compliance regime by reflecting the opinions of external experts and strengthening the business monitoring function from a third-party perspective. With the adoption of the "Company with Committees" system in July 2006, we reorganized the Compliance Council into the Compliance Promotion Advisory Council as an advisory body to the Management Council. This continues to hold discussions on basic policies for promoting compliance, important regulatory revisions and the state of progress in other areas and, where necessary, seeks reports from the departments.

## Contribution to Society

Meiji Yasuda Life has initiated the "Able Art Onstage" program since 2004, which aims to offer people with disabilities the opportunity to express themselves through performing arts such as theater, dance and music, and to discover new possibilities in the area of artistic expression.

Since 2001, we have also worked together with Tokyo YMCA with a charity concert for peace and love. On January 18, 2007, we held a concert at the MYPLAZA Hall in Marunouchi, Tokyo, featuring a woodwind quintet from the Japan Philharmonic Orchestra. Charitable donations collected from the audience were donated through Tokyo YMCA to support children working in Bangladesh.

We have set up the "MY Community Fund," which is financed by donations from officers and employees for the purpose of supporting activities contributing to local communities. The Fund provides grants for volunteer activities by employees, and for non-profit organizations in which employees participate. It also makes contributions for humanitarian purposes, including disaster relief and reconstruction assistance.



# Financial Section

## Non-Consolidated Balance Sheet

Meiji Yasuda Life Insurance Company

As of March 31, 2007 and 2006

	Millions of Yen		Millions of U.S. Dollars*
	FY2006	FY2005	FY2006
<b>ASSETS</b>			
Cash and deposits:			
Cash.....	¥ 907	¥ 785	\$ 7.6
Deposits.....	261,994	293,222	2,219.3
Call loans.....	550,000	350,000	4,659.0
Monetary claims bought.....	248,985	103,028	2,109.1
Money-held-in-trust.....	9,875	9,894	83.6
Securities:			
Domestic bonds:			
Government bonds.....	7,266,501	7,165,565	61,554.4
Municipal bonds.....	374,383	193,208	3,171.3
Corporate bonds.....	1,652,935	1,677,052	14,001.9
Domestic stocks.....	5,608,122	5,360,332	47,506.3
Foreign securities.....	2,884,435	2,801,869	24,434.0
Other securities.....	93,854	99,321	795.0
Loans:			
Policy loans.....	398,197	417,352	3,373.1
Financial loans.....	6,045,928	6,465,376	51,214.9
Real estate and movables:			
Land.....	—	735,294	—
Buildings.....	—	454,101	—
Movable properties.....	—	6,615	—
Construction in progress.....	—	788	—
Tangible fixed assets:			
Land.....	689,638	—	5,841.9
Buildings.....	401,476	—	3,400.8
Construction in progress.....	2,610	—	22.1
Other tangible fixed assets.....	5,642	—	47.7
Intangible fixed assets:			
Software.....	31,775	—	269.1
Other intangible fixed assets.....	27,828	—	235.7
Agency account receivable.....	299	333	2.5
Reinsurance account receivable.....	3,428	2,012	29.0
Other assets:			
Accounts receivable.....	95,300	73,653	807.2
Prepaid expenses.....	4,182	5,060	35.4
Accrued income.....	74,947	78,649	634.8
Security deposits and rental deposits.....	5,958	6,301	50.4
Deposits on financial futures.....	262	264	2.2
Margins on financial futures.....	3	—	0.0
Derivative financial instruments.....	70	91	0.5
Deferred losses on hedging instruments.....	—	18	—
Suspense payment.....	4,109	8,030	34.8
Miscellaneous assets.....	55,060	104,666	466.4
Customers' liabilities for acceptances and guarantees.....	9,512	6,669	80.5
Reserves for possible loan losses.....	(11,018)	(7,306)	(93.3)
<b>TOTAL ASSETS.....</b>	<b>¥26,797,211</b>	<b>¥26,412,256</b>	<b>\$226,998.8</b>

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥118.05 to US\$1.00 prevailing on March 30, 2007.



	Millions of Yen		Millions of U.S. Dollars*
	FY2006	FY2005	FY2006
<b>LIABILITIES AND SURPLUS</b>			
<b>(Liabilities)</b>			
Policy reserves and others:			
Reserves for outstanding claims .....	¥ 155,114	¥ 163,687	\$ 1,313.9
Policy reserves .....	21,752,931	21,749,959	184,268.7
Reserves for policyholder dividends .....	389,535	423,426	3,299.7
Agency account payable .....	0	0	0.0
Reinsurance account payable .....	3,216	1,806	27.2
Other liabilities:			
Deposits received on bonds lending .....	254,551	399,431	2,156.2
Loans payable .....	100,000	100,000	847.0
Corporate income tax payable and others .....	50,498	1,316	427.7
Account payable .....	111,587	66,878	945.2
Unpaid expenses .....	25,071	26,522	212.3
Unearned income .....	10,824	10,447	91.6
Employees' and agents' savings deposits .....	18,424	17,268	156.0
Deposits received for guarantee .....	40,273	42,510	341.1
Margins on financial futures .....	4	90	0.0
Derivative financial instruments .....	15	28	0.1
Suspense receipts .....	7,305	8,409	61.8
Accrued pension and severance costs .....	—	16,322	—
Reserves for contingent liabilities .....	5,133	6,293	43.4
Reserves for price fluctuations .....	202,300	195,653	1,713.6
Deferred tax liabilities .....	617,559	513,347	5,231.3
Deferred tax liabilities on revaluation of land .....	126,569	104,992	1,072.1
Acceptances and guarantees .....	9,512	6,669	80.5
<b>TOTAL LIABILITIES</b> .....	<b>¥23,880,431</b>	<b>¥23,855,062</b>	<b>\$202,290.8</b>
<b>(Surplus)</b>			
Foundation funds .....	—	120,000	—
Accumulated redeemed foundation funds .....	—	230,000	—
Revaluation reserves .....	—	452	—
Surplus retained:			
Reserves for loss compensation .....	—	5,488	—
Voluntary reserves:			
Reserves for redemption of foundation funds .....	—	69,000	—
Accumulated fund for price fluctuations .....	—	15,264	—
Reserves for retirement benefits .....	—	1,790	—
Social welfare project promotion reserves .....	—	448	—
Reserves for advanced depreciation of real estate .....	—	19,320	—
Special reserves .....	—	2,000	—
Other reserves .....	—	85	—
Unappropriated surplus for the period .....	—	189,830	—
[Net surplus for the period] .....	—	226,074	—
Revaluation reserves for land .....	—	69,697	—
Net unrealized gains on investments .....	—	1,833,814	—
<b>TOTAL SURPLUS</b> .....	<b>—</b>	<b>2,557,193</b>	<b>—</b>
<b>TOTAL LIABILITIES AND SURPLUS</b> .....	<b>—</b>	<b>¥26,412,256</b>	<b>—</b>
<b>(Net Assets)</b>			
Foundation funds .....	120,000	—	1,016.5
Accumulated redeemed foundation funds .....	290,000	—	2,456.5
Revaluation reserves .....	452	—	3.8
Surplus retained:			
Reserves for loss compensation .....	5,959	—	50.4
Other surplus retained:			
Reserves for redemption of foundation funds .....	40,000	—	338.8
Accumulated fund for price fluctuations .....	15,264	—	129.3
Reserves for retirement benefits .....	1,944	—	16.4
Social welfare project promotion reserves .....	477	—	4.0
Reserves for advanced depreciation of real estate .....	19,950	—	168.9
Special reserves .....	2,000	—	16.9
Other reserves .....	85	—	0.7
Unappropriated surplus for the period .....	214,642	—	1,818.2
Total foundation funds and others .....	710,775	—	6,020.9
Unrealized gains (losses) on available-for-sale securities .....	2,115,313	—	17,918.7
Deferred hedge gains (losses) .....	1	—	0.0
Revaluation reserves for land .....	90,691	—	768.2
Total valuation and translation adjustments and others .....	2,206,005	—	18,687.0
<b>TOTAL NET ASSETS</b> .....	<b>2,916,780</b>	<b>—</b>	<b>24,708.0</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b> .....	<b>¥26,797,211</b>	<b>—</b>	<b>\$226,998.8</b>

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥118.05 to US\$1.00 prevailing on March 30, 2007.

## Non-Consolidated Statement of Operations and Surplus

Meiji Yasuda Life Insurance Company

For the years ended March 31, 2007 and 2006

	Millions of Yen		Millions of U.S. Dollars*
	FY2006	FY2005	FY2006
<b>ORDINARY REVENUE</b>			
Premium income and reinsurance refunds:			
Premium income .....	¥2,568,551	¥2,671,047	\$21,758.1
Refunds on reinsurance .....	1,724	2,198	14.6
Investment income and gain:			
Interest and dividends:			
Interest on deposits .....	166	1	1.4
Interest and dividends on securities .....	323,404	303,262	2,739.5
Interest on loans .....	133,478	142,593	1,130.6
Rental income .....	42,393	44,100	359.1
Other interest and dividends .....	6,840	7,028	57.9
Gains on money-held-in-trust .....	24	—	0.2
Gains on trading securities .....	1,637	3,539	13.8
Gains on securities sold .....	61,091	17,646	517.5
Gains on securities redeemed .....	16,690	16,757	141.3
Income for derivative financial instruments .....	376	18,600	3.1
Gains on foreign exchange .....	421	—	3.5
Other investment income .....	1,976	487	16.7
Gains on separate account assets investment .....	44,234	150,945	374.7
Other ordinary revenue:			
Annuity supplementary contract premiums .....	20,867	21,679	176.7
Benefits left to accumulate at interest .....	189,314	161,112	1,603.6
Reversal of outstanding claims .....	8,572	20,706	72.6
Reversal of policy reserves .....	—	128,002	—
Reversal of accrued pension and severance costs .....	31,351	49,768	265.5
Miscellaneous income .....	5,729	6,572	48.5
<b>TOTAL ORDINARY REVENUE .....</b>	<b>3,458,848</b>	<b>3,766,051</b>	<b>29,299.8</b>
<b>ORDINARY EXPENSES</b>			
Insurance benefits paid and others:			
Claims paid .....	810,209	911,028	6,863.2
Annuities paid .....	334,891	309,787	2,836.8
Benefits on policies paid .....	539,857	559,676	4,573.1
Surrender benefits paid .....	546,687	676,142	4,630.9
Other refunds paid .....	168,485	321,434	1,427.2
Reinsurance premiums .....	2,020	2,160	17.1
Provision for policy reserves and others:			
Provision for policy reserves .....	2,972	—	25.1
Interest on dividend reserves .....	332	350	2.8
Investment expenses and losses:			
Interest paid .....	5,111	5,442	43.2
Losses on money-held-in-trust .....	—	118	—
Losses on securities sold .....	30,317	37,952	256.8
Losses on securities appraised .....	6,754	6,478	57.2
Losses on securities redeemed .....	88	483	0.7
Losses on foreign exchange .....	—	24	—
Provision for reserves for possible loan losses .....	4,031	—	34.1
Depreciation on real estate for rent .....	10,712	11,958	90.7
Other investment expenses .....	12,051	13,478	102.0
Operating expenses .....	329,959	342,393	2,795.0
Other ordinary expenses:			
Payments of benefits left to accumulate at interest .....	295,103	222,691	2,499.8
Taxes .....	21,284	22,096	180.2
Depreciation .....	23,758	26,044	201.2
Miscellaneous expenses .....	6,348	6,395	53.7
<b>TOTAL ORDINARY EXPENSES .....</b>	<b>¥3,150,979</b>	<b>¥3,476,137</b>	<b>\$26,691.9</b>

	Millions of Yen		Millions of U.S. Dollars*
	FY2006	FY2005	FY2006
ORDINARY INCOME .....	¥307,869	¥289,913	\$2,607.9
Extraordinary profits:			
Gains on disposals of fixed assets .....	18,788	11,519	159.1
Reversal of reserves for contingent liabilities .....	—	2,910	—
Reversal of reserves for possible loan losses .....	—	4,369	—
Other extraordinary profits .....	6	—	0.0
Extraordinary losses:			
Losses on disposals of fixed assets .....	29,676	26,127	251.3
Impairment losses .....	15,248	11,096	129.1
Provision for reserves for contingent liabilities .....	292	—	2.4
Provision for reserves for price fluctuations .....	6,647	1,083	56.3
Losses on advanced depreciation of real estate .....	24	73	0.2
Donations for social welfare project promotion .....	570	594	4.8
Other extraordinary losses .....	—	2,301	—
NET SURPLUS BEFORE TAXES .....	274,205	267,436	2,322.7
Provision for corporate income taxes .....	72,751	43,993	616.2
Corporate income tax equivalent adjustment .....	(39,964)	(2,632)	(338.5)
NET SURPLUS FOR THE PERIOD .....	241,417	226,074	2,045.0
Reversal of revaluation reserves for land.....	—	(37,151)	—
Reversal of reserves for retirement benefits .....	—	313	—
Reversal of social welfare project promotion reserves.....	—	594	—
UNAPPROPRIATED SURPLUS FOR THE PERIOD .....	—	¥189,830	—

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥118.05 to US\$1.00 prevailing on March 30, 2007.

## Appropriation of Surplus

Meiji Yasuda Life Insurance Company

	Millions of Yen		Millions of U.S. Dollars*
	FY2006	FY2005	FY2006
Unappropriated surplus for the period .....	¥214,642	¥189,830	\$1,818.2
Reversal of voluntary reserves:			
Reversal of reserves for advanced depreciation of real estate .....	861	—	7.2
TOTAL UNAPPROPRIATED SURPLUS .....	215,503	189,830	1,825.5
Provision for reserves for policyholder dividends .....	177,228	155,339	1,501.2
Net surplus for the period:			
Reserves for loss compensation .....	538	471	4.5
Interest on foundation funds .....	1,825	1,614	15.4
Voluntary reserves:			
Reserves for redemption of foundation funds .....	35,000	31,000	296.4
Reserves for retirement benefits .....	261	175	2.2
Social welfare promotion reserves .....	600	600	5.0
Reserves for advanced depreciation of real estate .....	49	629	0.4

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥118.05 to US\$1.00 prevailing on March 30, 2007.

# Non-Consolidated Statement of Changes in Net Assets

Meiji Yasuda Life Insurance Company

From April 1, 2006 to March 31, 2007

	Millions of yen													
	Foundation funds and others												Total foundation funds and others	
	Surplus retained											Total surplus retained		
	Other surplus retained										Unappro- priated surplus			
Founda- tion funds	Accumu- lated redeemed funds	Revalua- tion reserves	Reserves for loss compen- sation	Reserves for redemption of founda- tion funds	Accumu- lated fund for price fluctua- tions	Reserves for retirement benefits	Social welfare project promotion reserves	Reserves for advanced deprecia- tion of real estate	Special reserves	Other reserves				
Balance at March 31, 2006.....	¥120,000	¥230,000	¥452	¥5,488	¥69,000	¥15,264	¥1,790	¥448	¥19,320	¥2,000	¥85	¥189,830	¥303,228	¥653,680
Changes during the period														
Foundation funds procurement .....	60,000	—	—	—	—	—	—	—	—	—	—	—	—	60,000
Transfer to reserves for policyholder dividends .....	—	—	—	—	—	—	—	—	—	—	—	(155,339)	(155,339)	(155,339)
Transfer to reserves for loss compensation .....	—	—	—	471	—	—	—	—	—	—	—	(471)	—	—
Transfer to accumulated redeemed foundation funds .....	—	60,000	—	—	—	—	—	—	—	—	—	—	—	60,000
Interest payment on foundation funds .....	—	—	—	—	—	—	—	—	—	—	—	(1,614)	(1,614)	(1,614)
Net surplus .....	—	—	—	—	—	—	—	—	—	—	—	241,417	241,417	241,417
Redemption of foundation funds .....	(60,000)	—	—	—	—	—	—	—	—	—	—	—	—	(60,000)
Transfer to reserves for redemption of foundation funds .....	—	—	—	—	31,000	—	—	—	—	—	—	(31,000)	—	—
Reversal of reserves for redemption of foundation funds .....	—	—	—	—	(60,000)	—	—	—	—	—	—	—	(60,000)	(60,000)
Transfer to reserves for retirement benefits .....	—	—	—	—	—	—	175	—	—	—	—	(175)	—	—
Reversal of reserves for retirement benefits .....	—	—	—	—	—	—	(22)	—	—	—	—	22	—	—
Transfer to social welfare project promotion reserves .....	—	—	—	—	—	—	—	600	—	—	—	(600)	—	—
Reversal of social welfare project promotion reserves .....	—	—	—	—	—	—	—	(570)	—	—	—	570	—	—
Transfer to reserves for advanced depreciation of real estate .....	—	—	—	—	—	—	—	—	629	—	—	(629)	—	—
Reversal of revaluation reserves for land .....	—	—	—	—	—	—	—	—	—	—	—	(27,369)	(27,369)	(27,369)
Net changes in items other than foundation funds and others .....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total changes during the period .....	—	60,000	—	471	(29,000)	—	153	29	629	—	—	24,811	(2,905)	57,094
<b>BALANCE AT MARCH 31, 2007 .....</b>	<b>¥120,000</b>	<b>¥290,000</b>	<b>¥452</b>	<b>¥5,959</b>	<b>¥40,000</b>	<b>¥15,264</b>	<b>¥1,944</b>	<b>¥477</b>	<b>¥19,950</b>	<b>¥2,000</b>	<b>¥85</b>	<b>¥214,642</b>	<b>¥300,322</b>	<b>¥710,775</b>

	Millions of yen				
	Valuation and translation adjustments and others				
	Unrealized gains (losses) on available-for-sale securities	Deferred hedge gains (losses)	Revaluation reserves for land	Total valuation and translation adjustments and others	Total net assets
Balance at March 31, 2006 .....	¥1,833,814	—	¥69,697	¥1,903,512	¥2,557,193
Changes during the period:					
Foundation funds procurement .....	—	—	—	—	60,000
Transfer to reserves for policyholder dividends .....	—	—	—	—	(155,339)
Transfer to reserves for loss compensation .....	—	—	—	—	—
Transfer to accumulated redeemed foundation funds .....	—	—	—	—	60,000
Interest payment on foundation funds .....	—	—	—	—	(1,614)
Net surplus .....	—	—	—	—	241,417
Redemption of foundation funds .....	—	—	—	—	(60,000)
Transfer to reserves for redemption of foundation funds .....	—	—	—	—	—
Reversal of reserves for redemption of foundation funds .....	—	—	—	—	(60,000)
Transfer to reserves for retirement benefits .....	—	—	—	—	—
Reversal of reserves for retirement benefits .....	—	—	—	—	—
Transfer to social welfare project promotion reserves .....	—	—	—	—	—
Reversal of social welfare project promotion reserves .....	—	—	—	—	—
Transfer to reserves for advanced depreciation of real estate .....	—	—	—	—	—
Reversal of revaluation reserves for land .....	—	—	—	—	(27,369)
Net changes in items other than foundation funds and others .....	281,498	1	20,993	302,492	302,492
Total changes during the period .....	281,498	1	20,993	302,492	359,587
<b>BALANCE AT MARCH 31, 2007 .....</b>	<b>¥2,115,313</b>	<b>¥1</b>	<b>¥90,691</b>	<b>¥2,206,005</b>	<b>¥2,916,780</b>

## Notes to Non-Consolidated Financial Statements

Meiji Yasuda Life Insurance Company

### 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 Available-for-sale Securities, valuation differences are computed using the net asset adjustment method.

#### (2) Derivative Transactions

Derivative transactions are stated at fair value.

#### (3) Depreciation of Tangible Fixed Assets

Depreciation of buildings is determined according to the straight-line method, while depreciation of other tangible fixed assets is determined according to the declining balance method.

#### (4) Depreciation of Computer Software

Depreciation of computer software included under intangible fixed 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) Calculation Criteria for Reserves etc.

##### 1) 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 assessed 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 possibility 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 FY2006, these direct deductions amounted to ¥209 million.

##### 2) Accrued Pension and Severance Costs

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.

The projected pension assets exceeded the projected retirement benefit obligations at the end of the current fiscal year. The balance of the accrued pension and severance costs was zero.

##### 3) 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. These reserves are provided in compliance with Article 24-4 of Enforcement Regulations of Insurance Business Law.

##### 4) Reserves for Price Fluctuations

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

#### (7) Lease Transactions

Except for lease transactions in which ownership of leased properties is deemed to be transferred to the lessee, all finance lease transactions are accounted for in accordance with the methods used for normal lease transactions.

### **(8) Method of Hedge Accounting**

Hedging transactions have been accounted for in accordance with the “Accounting Standards for Financial Instruments (the Business Accounting Deliberation Council, August 11, 2006)”. Mainly, interest rate swaps are used as a cash flow hedge related to loans and loans payable, which are treated exceptionally.

### **(9) 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.

### **(10) Policy Reserves**

Policy 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 policy 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. Changes in Accounting Policies**

**(1)** Starting from fiscal 2006, the company has adopted the “Accounting Standard for Presentation of Net Assets in the Balance Sheet (Financial Accounting Standard No. 5, December 9, 2005)” and the “Implementation Guidance for the Accounting Standard for Presentation of Net Assets in the Balance Sheet (Financial Accounting Standard Implementation Guidance No 8, December 9, 2005).”

The equivalent amount under “Total Surplus” prior to these accounting changes was ¥2,916,779 million.

**(2)** As a result of revisions to the exhibit form for the Enforcement of the Insurance Business Law—the following changes have been made in presentation methods.

- a. The item “Real estate and movables” shown until last fiscal year is presented as “Tangible fixed assets” from this fiscal year.
- b. The item “Intangible fixed assets” was included in “Other assets” until last fiscal year, but is presented separately as “Intangible fixed assets” from this fiscal year.  
The “Intangible fixed assets” included in “Other assets” last fiscal year amounted to ¥66,008 million.
- c. The item “Net unrealized gains on investments” shown until last fiscal year is presented as “Unrealized gains (losses) on other securities” from this fiscal year.
- d. The items “Gains on disposals of real estate and movables” and “Losses on disposals of real estate and movables” shown until last fiscal year are presented as “Gains on disposals of fixed

assets” and “Losses on disposals of fixed assets” from this fiscal year.

- e. From this year, the final item in the Statement of Operations and Surplus is “Net surplus for the period.”

## **4. Balance Sheets**

### **(1) Depreciation on Tangible Fixed Assets**

Accumulated depreciation on tangible fixed assets totaled ¥431,057 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 ¥844,789 million.

### **(3) Resource of Surplus Distribution**

The resource of surplus distribution as provided for in Article 30-2 of the Enforcement Regulations of the Insurance Business Law was ¥2,206,458 million.

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

Total monetary claims receivable from the Company’s subsidiaries amounted to ¥3,541 million, while total monetary liabilities owed to subsidiaries amounted to ¥3,348 million.

### **(5) Leased Movables**

The Company holds leased movables, including computers and peripherals, in addition to the other tangible fixed assets reported on the Balance Sheets.

### **(6) Reserves for Policyholder Dividends**

Changes in the reserves for policyholder dividends for FY2006 are shown below:

a. Amount at the end of FY2005 .....	¥423,426 million
b. Provision from surplus for FY2005 .....	¥155,339 million
c. Dividends to policyholders in FY2006 .....	¥189,613 million
d. Interest on reserves .....	¥ 382 million
e. Balance at the end of FY2006 .....	¥389,535 million

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

Assets denominated in foreign currencies totaled ¥2,409,192 million. (The main foreign currencies are US\$11,723 million and EUR 4,773 million.) Liabilities denominated in foreign currencies totaled ¥2,248 million. (The main foreign currencies are US\$14 million and Won 1,572 million.)

### **(8) Foundation Funds Procurement**

The company procured ¥60,000 million of foundation funds under the provisions of Article 60 of the Insurance Business Law.

### **(9) Reserves for Redemption of Foundation Funds**

Since ¥60,000 million of the foundation funds was amortized, the same amount of reserves for redemption of foundation funds was transferred to the accumulated redeemed foundation funds under the provisions of Article 56 of the Insurance Business Law.

#### (10) Assets Pledged as Collateral

Assets pledged as collateral amounted to ¥31,875 million in securities.

#### (11) 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 ¥45,658 million. Loans to borrowers under bankruptcy proceedings amounted to ¥1,463 million and past due loans totaled ¥16,159 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 ¥147 million for loans to bankrupt borrowers and ¥61 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 ¥28,035 million. Restructured loans are those subject to certain favorable concessions, including reduced interest rates or moratorium on interest payments, moratorium on repayments, or debt forgiveness, which are made to support the reconstruction efforts of borrowers.

#### (12) Securities Lent

The balance sheet amount of the securities lent under consumption loan agreements, including sales and repurchase transactions ("repo") was ¥365,166 million.

#### (13) 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 ¥15,160 million.

#### (14) Loans Payable

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

#### (15) 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 ¥1,583 million. The contribution is recorded as an operating expense at the time of payment.

#### (16) 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 ¥62,301 million. The contribution is recorded as an operating expense at the time of payment.

#### (17) Liability for Retirement Benefits

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

a. Benefit obligation .....	¥391,484 million
b. Plan assets .....	¥587,581 million
Including retirement benefit trust .....	¥377,544 million
c. Non-accumulated liability for retirement benefits (a+b) .....	¥196,096 million
d. Unrecognized actuarial loss .....	¥145,617 million
e. Unrecognized prior service cost .....	¥ 15,527 million
f. Pre-paid plan cost .....	¥ 34,951 million
g. Accrued pension and severance costs (c+d+e-f) .....	¥ — 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 actuarial loss .....	10 years
e. Years for amortization of prior service cost .....	10 years

#### (18) Deferred Tax Assets and Liabilities

- a. Deferred tax assets, which amount to ¥566,098 million, consist mainly of ¥357,623 million on policy reserves, ¥56,633 million on losses on securities appraised, ¥73,131 million on reserves for price fluctuations, and ¥48,297 million on accrued pension and severance costs. The amount of deferred tax assets deducted as allowance account was ¥4,445 million.
- b. Deferred tax liabilities, which amount to ¥1,179,213 million, consist mainly of ¥1,150,469 million on unrealized gains on available-for-sale securities.
- c. The statutory effective tax rate for FY2006 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 22.47% in reserves for policyholder dividends.

#### (19) 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 for land within net assets, and the relevant deferred tax was included in liabilities as deferred tax liabilities on revaluation of land.

c. Date of revaluation: March 31, 2000

Method of revaluation as provided in Article 3-3 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.

d. 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 3-3 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 2-5.

#### (20) Subsidiaries' Shares

The shares of subsidiaries were valued at ¥182,938 million.

#### (21) 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 ¥13 million, and the underwriting reserves provided for under Article 71-1 of the Enforcement Regulations of Insurance Business Law amounted to ¥693 million.

### 5. Operations and Surplus

#### (1) Transactions with Subsidiaries

Total profits from transactions with the Company's subsidiaries amounted to ¥10,655 million, while total expenses amounted to ¥37,046 million.

#### (2) Gains and Losses on Securities

- Gains on securities sold are ¥218 million from domestic bonds, ¥49,132 million from domestic stocks, and ¥11,737 million from foreign securities.
- Losses on securities sold are ¥14,901 million from domestic bonds and ¥359 million from domestic stocks, and ¥14,007 million from foreign securities.
- Losses on securities appraised are ¥5,852 million from domestic stocks, and ¥901 million from foreign securities.

#### (3) Reversal of Outstanding Claims and Policy Reserves

When calculating the reversal of outstanding claims, the deduction amount of the reversal of outstanding claims for ceded reinsurance was ¥584 million. When calculating the provision for policy reserves, the additional amount of the reversal of policy reserves for ceded reinsurance was ¥71 million.

#### (4) Gains on Trading Securities

Gains on trading securities primarily include ¥3,013 million in interest and dividend income, ¥1,104 million in valuation losses, and ¥206 million in losses on securities sold.

#### (5) Losses on Money-Held-in-Trust

Losses on money-held-in-trust include valuation losses of ¥37 million.

#### (6) Cost of Retirement Benefits

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

a. Service cost .....	¥11,515 million
b. Interest cost.....	¥ 8,007 million
c. Expected return on plan assets .....	-¥ 6,324 million
d. Amortization of actuarial loss .....	-¥19,912 million
e. Amortization of prior service cost .....	-¥ 2,562 million
f. Others .....	¥ 19 million

Net Benefit Cost amounted to -¥9,258 million (a+b+c+d+e+f).

#### (7) 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 extraordinary 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.	1	32	167	200
Idle real estate, etc.	2	3,129	11,918	15,047
Total	3	3,162	12,085	15,248

##### 4) Calculations of collectible amounts

The collectible amounts applied are the value in use or net sales value in the case of rental real estate, etc., and the net sales value in the case of idle real estate. Value in use has been calculated as the future cash flow after reflecting estimated divergence risk, discounted by 2.94%. 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)	
	FY2006	FY2005
Individual life insurance .....	¥124,662,648	¥134,438,056
Individual annuities .....	11,134,807	11,013,419
Group life insurance .....	108,324,717	115,463,795
Group pensions* .....	6,708,063	6,774,491

\*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)	
	FY2006	FY2005
Individual life insurance .....	¥4,980,255	¥6,252,371
Individual annuities .....	550,816	209,774
Group life insurance .....	1,391,195	2,913,862
Group pensions* .....	604	275

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

#### 1-4. Insurance Benefits Paid

	(Millions of Yen)					FY2005
	FY2006					FY2005
	Individual life	Individual annuities	Group life	Group pensions	Total*	Total*
Claims paid:						
Death benefits .....	¥283,154	¥ 1,471	¥175,785	—	¥465,874	¥506,267
Accidental death benefits .....	4,538	3	478	—	5,178	6,906
Disability benefits .....	31,662	59	9,944	—	41,665	41,560
Maturity benefits .....	287,850	12	9	8,008	297,185	356,142
Others .....	272	—	24	—	305	151
Annuities paid .....	27,857	133,269	21,238	148,111	334,891	309,787
Benefits on policies paid:						
Death benefits .....	1,352	11,672	4	4,421	17,681	17,655
Hospitalization benefits .....	43,778	1,470	536	—	47,498	49,866
Operation benefits .....	19,188	757	—	—	19,946	19,435
Injury benefits .....	973	2	80	—	1,099	1,105
Survivor benefits .....	101,589	3,314	—	—	107,361	108,966
Lump sum benefits .....	—	—	129	313,227	313,356	327,750
Others .....	29,354	87	—	3,464	32,913	34,897
Surrender benefits paid .....	266,061	107,518	10	143,927	546,687	676,142

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

#### 1-3. Premium Income

	(Millions of Yen)	
	FY2006	FY2005
Individual life insurance .....	¥1,299,369	¥1,323,990
Individual annuities .....	245,008	263,724
Group life insurance .....	352,309	366,412
Group pensions .....	619,292	661,912
TOTAL* .....	¥2,568,551	¥2,671,047

\*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)	
	FY2006	FY2005
Cash, deposits and call loans .....	¥ 796,633	¥ 614,942
Monetary claims bought .....	248,985	103,028
Money-held-in-trust .....	9,875	9,894
Securities:		
Domestic bonds .....	9,110,231	8,826,790
Domestic stocks .....	5,303,790	5,066,274
Foreign securities:		
Foreign bonds .....	1,594,870	1,610,021
Foreign stocks .....	1,008,802	947,539
Others .....	80,804	85,735
Loans:		
Policy loans .....	398,197	417,352
Financial loans .....	6,045,928	6,465,376
Real estate .....	1,093,724	1,190,184
Others .....	282,417	281,298
Reserves for possible loan losses .....	(11,018)	(7,306)
<b>TOTAL .....</b>	<b>¥25,963,243</b>	<b>¥25,611,130</b>
(Assets denominated in foreign currencies) .....	¥ 2,127,798	¥ 2,057,105

### 2-2. Average Balances of Assets

	(Millions of Yen)	
	FY2006	FY2005
Cash, deposits and call loans .....	¥ 542,051	¥ 400,733
Monetary claims bought .....	194,607	105,200
Money-held-in-trust .....	9,892	9,916
Domestic bonds .....	8,983,319	8,812,501
Domestic stocks .....	2,523,280	2,494,404
Foreign securities:		
Foreign bonds .....	1,541,661	1,697,062
Foreign stocks .....	668,857	727,272
Loans .....	6,675,966	7,038,542
(Financial loans) .....	6,267,802	6,615,107
Real estate .....	1,182,607	1,294,455
<b>TOTAL .....</b>	<b>¥23,168,620</b>	<b>¥23,434,278</b>
(Overseas investments) .....	¥ 2,682,631	¥ 2,913,590

### 2-3. Investment Income and Gain

	(Millions of Yen)	
	FY2006	FY2005
Interest and dividends .....	¥506,283	¥496,986
Gains on money-held-in-trust .....	24	—
Gains on trading securities .....	1,637	3,539
Gains on securities sold .....	61,091	17,646
Gains on securities redeemed .....	16,690	16,757
Income for derivative financial instruments .....	376	18,600
Gains on foreign exchange .....	421	—
Others .....	1,976	487
<b>TOTAL .....</b>	<b>¥588,502</b>	<b>¥554,018</b>

### 2-4. Investment Expenses and Losses

	(Millions of Yen)	
	FY2006	FY2005
Interest paid .....	¥ 5,111	¥ 5,442
Losses on money-held-in-trust .....	—	118
Losses on securities sold .....	30,317	37,952
Losses on securities appraised .....	6,754	6,478
Losses on securities redeemed .....	88	483
Losses on foreign exchange .....	—	24
Write-off of loans .....	4,031	—
Depreciation of real estate for rent .....	10,712	11,958
Others .....	12,051	13,478
<b>TOTAL .....</b>	<b>¥69,067</b>	<b>¥75,935</b>

### 2-5. Net Investment Returns

	(%)	
	FY2006	FY2005
Cash, deposits and call loans .....	0.17	0.01
Monetary claims bought .....	1.40	2.83
Money-held-in-trust .....	0.24	(1.19)
Domestic bonds .....	1.39	1.60
Domestic stocks .....	4.22	2.30
Foreign securities:		
Foreign bonds .....	4.79	4.38
Foreign stocks .....	7.28	3.91
Loans .....	1.96	2.07
(Financial loans) .....	1.77	1.89
Real estate .....	2.17	1.96
<b>TOTAL .....</b>	<b>2.24</b>	<b>2.04</b>
(Overseas investments) .....	5.00	3.94

## 2-6. Breakdown of Securities Investment

	(Millions of Yen)	
	FY2006	FY2005
Domestic bonds:		
Government bonds .....	¥ 7,141,073	¥ 7,031,711
Municipal bonds .....	365,963	184,854
Corporate bonds .....	1,603,194	1,610,223
(Public corporation bonds) .....	719,458	649,140
Domestic stocks .....	5,303,790	5,066,274
Foreign securities:		
Foreign bonds .....	1,594,870	1,610,021
Foreign stocks .....	1,008,802	947,539
Others .....	80,804	85,735
<b>TOTAL .....</b>	<b>¥17,098,498</b>	<b>¥16,536,360</b>

## 2-7. Breakdown of Loans

	(Millions of Yen)	
	FY2006	FY2005
Policy loans .....	¥ 398,197	¥ 417,352
Financial loans:		
(Overseas loans) .....	381,155	441,740
Corporate loans .....	5,187,664	5,477,821
(to domestic corporations) .....	5,063,100	5,336,953
Loans to governments and supranationals .....	209,716	242,227
Loans to public organizations .....	199,276	211,814
Housing loans .....	212,969	287,307
Consumer loans .....	232,313	241,359
Others .....	3,987	4,846
<b>TOTAL .....</b>	<b>¥6,444,126</b>	<b>¥6,882,729</b>

## Securities and Others with Market Value\*

	(Millions of Yen)				
	FY2006				
	Book value	Market value	Equivalent of net unrealized gains	Equivalent of gross unrealized gains	Equivalent of gross unrealized losses
Domestic bonds .....	¥ 9,084,752	¥ 9,133,450	¥ 48,698	¥ 85,441	¥36,743
Domestic stocks .....	2,222,452	5,039,988	2,817,535	2,828,533	10,997
Foreign securities:					
Foreign bonds .....	1,469,264	1,592,686	123,421	128,144	4,722
Foreign stocks .....	432,286	762,346	330,059	331,530	1,471
Other securities .....	41,472	55,660	14,188	14,269	80
Others** .....	262,251	262,515	265	1,123	857
<b>TOTAL .....</b>	<b>¥13,512,479</b>	<b>¥16,846,647</b>	<b>¥3,334,168</b>	<b>¥3,389,042</b>	<b>¥54,873</b>

	(Millions of Yen)				
	FY2005				
	Book value	Market value	Equivalent of net unrealized gains	Equivalent of gross unrealized gains	Equivalent of gross unrealized losses
Domestic bonds .....	¥ 8,850,017	¥ 8,821,854	¥ (28,162)	¥ 65,327	¥ 93,490
Domestic stocks .....	2,260,205	4,791,669	2,531,464	2,537,557	6,093
Foreign securities:					
Foreign bonds .....	1,532,682	1,605,769	73,087	87,586	14,499
Foreign stocks .....	485,632	759,106	273,474	286,016	12,542
Other securities .....	50,864	63,600	12,736	12,782	46
Others** .....	75,918	75,208	(709)	421	1,130
<b>TOTAL .....</b>	<b>¥13,255,321</b>	<b>¥16,117,209</b>	<b>¥2,861,888</b>	<b>¥2,989,691</b>	<b>¥127,803</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)

	FY2006				FY2005			
	Foreign securities			Overseas loans	Foreign securities			Overseas loans
	Total	Bonds	Stocks		Total	Bonds	Stocks	
North America .....	¥ 812,565	¥ 734,559	¥ 78,006	¥ 92,882	¥ 801,413	¥ 726,689	¥ 74,723	¥ 88,282
Europe .....	1,061,053	656,041	405,012	146,500	1,048,394	661,436	386,957	186,888
Oceania .....	40,840	40,840	—	—	32,789	32,789	—	—
Asia .....	12,681	6,000	6,681	7,374	17,024	8,000	9,024	27,706
Latin America .....	621,536	102,433	519,102	6,610	608,751	131,917	476,834	8,821
Middle East .....	—	—	—	—	—	—	—	—
Africa .....	1,003	1,003	—	3,925	1,014	1,014	—	4,317
Supranationals .....	53,992	53,992	—	123,864	48,173	48,173	—	125,723
<b>TOTAL .....</b>	<b>¥2,603,672</b>	<b>¥1,594,870</b>	<b>¥1,008,802</b>	<b>¥381,155</b>	<b>¥2,557,560</b>	<b>¥1,610,021</b>	<b>¥947,539</b>	<b>¥441,740</b>

## 3. Non-performing Loans

(Millions of Yen)

	FY2006	FY2005
Loans to bankrupt borrowers .....	¥ 1,463	¥ 746
Past due loans .....	16,159	7,373
Loans past due three months or more .....	—	—
Restructured loans .....	28,035	29,203
<b>TOTAL .....</b>	<b>¥45,658</b>	<b>¥37,322</b>
Non-performing loans/total loans .....	<b>0.71%</b>	<b>0.54%</b>

## 4. Outline of Reserves

### 4-1. Policy Reserves

(Millions of Yen)

	FY2006	FY2005
Policy reserves:		
Individual life insurance .....	¥ 8,691,229	¥ 8,931,101
Individual annuities .....	5,013,298	4,868,991
Group life insurance .....	170,358	168,674
Group pensions .....	6,708,063	6,774,491
Others .....	260,451	265,205
Reserves for contingencies .....	909,530	741,494
<b>TOTAL .....</b>	<b>¥21,752,931</b>	<b>¥21,749,959</b>

### 4-2. Other Reserves

(Millions of Yen)

	FY2006	FY2005
Reserves for possible loan losses:		
General reserves for possible loan losses .....	¥ 1,816	¥ 3,247
Specific reserves for possible loan losses .....	9,201	4,059
Specific reserves for country risk .....	—	—
Accrued pension and severance costs .....	—	16,322
Reserves for losses on sales of claims .....	—	—
Reserves for contingent liabilities .....	5,133	6,293
Reserves for price fluctuations .....	202,300	195,653

## Consolidated Balance Sheet

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

As of March 31, 2007 and 2006

	Millions of Yen		Millions of U.S. Dollars*
	FY2006	FY2005	FY2006
<b>ASSETS</b>			
Cash and deposits .....	¥ 290,989	¥ 329,245	\$ 2,464.9
Call loans .....	550,000	350,000	4,659.0
Monetary claims bought .....	248,985	103,028	2,109.1
Money-held-in-trust .....	9,875	9,894	83.6
Securities .....	17,844,360	17,252,863	151,159.3
Loans .....	6,462,531	6,900,386	54,744.0
Real estate and movables .....	—	1,229,531	—
Tangible fixed assets .....	1,135,520	—	9,618.9
Intangible fixed assets .....	61,580	—	521.6
Agency account receivable .....	1,657	1,651	14.0
Reinsurance account receivable .....	3,615	2,180	30.6
Other assets .....	247,086	285,263	2,093.0
Deferred tax assets .....	3,138	840	26.5
Customers' liabilities for acceptances and guarantees .....	9,512	6,669	80.5
Reserves for possible loan losses .....	(11,073)	(7,360)	(93.7)
<b>TOTAL ASSETS</b> .....	<b>¥26,857,780</b>	<b>¥26,464,194</b>	<b>\$227,511.9</b>
<b>LIABILITIES AND SURPLUS</b>			
(Liabilities)			
Policy reserves and others:			
Reserves for outstanding claims .....	¥ 160,687	¥ 168,993	\$ 1,361.1
Policy reserves .....	21,814,727	21,813,687	184,792.2
Reserves for policyholder dividends .....	389,535	423,426	3,299.7
Agency account payable .....	9	2	0.0
Reinsurance account payable .....	3,383	1,978	28.6
Other liabilities .....	624,459	679,675	5,289.7
Accrued pension and severance costs .....	564	16,809	4.7
Reserves for contingent liabilities .....	5,133	6,293	43.4
Reserves for price fluctuations .....	202,806	196,137	1,717.9
Deferred tax liabilities .....	617,559	513,412	5,231.3
Deferred tax liabilities on revaluation of land .....	126,569	104,992	1,072.1
Acceptances and guarantees .....	9,512	6,669	80.5
<b>TOTAL LIABILITIES</b> .....	<b>23,954,948</b>	<b>23,932,081</b>	<b>202,922.0</b>
<b>MINORITY INTERESTS</b> .....	<b>—</b>	<b>2,367</b>	<b>—</b>
(Surplus)			
Foundation funds .....	—	120,000	—
Accumulated redeemed foundation funds .....	—	230,000	—
Revaluation reserves .....	—	452	—
Consolidated surplus .....	—	281,460	—
Revaluation reserves for land .....	—	69,697	—
Net unrealized gains on investments .....	—	1,833,899	—
Currency translation adjustment .....	—	(5,765)	—
<b>TOTAL SURPLUS</b> .....	<b>—</b>	<b>2,529,746</b>	<b>—</b>
<b>TOTAL LIABILITIES, MINORITY INTERESTS AND SURPLUS</b> .....	<b>—</b>	<b>¥26,464,194</b>	<b>—</b>
(Net Assets)			
Foundation funds .....	120,000	—	1,016.5
Accumulated redeemed foundation funds .....	290,000	—	2,456.5
Revaluation reserves .....	452	—	3.8
Consolidated surplus .....	285,994	—	2,422.6
Total foundation funds and others .....	696,447	—	5,899.5
Unrealized gains (losses) on available-for-sale securities .....	2,115,487	—	17,920.2
Deferred hedge gains (losses) .....	1	—	0.0
Revaluation reserves for land .....	90,691	—	768.2
Currency translation adjustment .....	(1,973)	—	(16.7)
Total valuation and translation adjustments and others .....	2,204,205	—	18,671.7
Minority interests .....	2,179	—	18.4
<b>TOTAL NET ASSETS</b> .....	<b>2,902,831</b>	<b>—</b>	<b>24,589.8</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b> .....	<b>¥26,857,780</b>	<b>—</b>	<b>\$227,511.9</b>

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥118.05 to US\$1.00 prevailing on March 30, 2007.

## Consolidated Statement of Operations and Surplus

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

As of March 31, 2007 and 2006

	Millions of Yen		Millions of U.S. Dollars*
	FY2006	FY2005	FY2006
<b>ORDINARY REVENUE</b>			
Premium income and reinsurance refunds .....	<b>¥2,592,762</b>	¥2,695,187	<b>\$21,963.2</b>
Investment income and gain:			
Interest and dividends .....	<b>513,598</b>	504,000	<b>4,350.6</b>
Gains on money-held-in-trust .....	<b>24</b>	—	<b>0.2</b>
Gains on trading securities .....	<b>1,637</b>	3,539	<b>13.8</b>
Gains on securities sold .....	<b>61,091</b>	17,826	<b>517.5</b>
Gains on securities redeemed .....	<b>16,690</b>	16,761	<b>141.3</b>
Income for derivative financial instruments .....	<b>376</b>	18,600	<b>3.1</b>
Gains on foreign exchange .....	<b>420</b>	—	<b>3.5</b>
Other investment income .....	<b>2,383</b>	759	<b>20.1</b>
Gains on separate account assets investment .....	<b>44,234</b>	150,945	<b>374.7</b>
Other ordinary revenue .....	<b>273,301</b>	400,248	<b>2,315.1</b>
<b>TOTAL ORDINARY REVENUE .....</b>	<b>3,506,523</b>	3,807,869	<b>29,703.7</b>
<b>ORDINARY EXPENSES</b>			
Insurance benefits paid and others:			
Claims paid .....	<b>819,115</b>	918,983	<b>6,938.7</b>
Annuities paid .....	<b>335,312</b>	310,106	<b>2,840.4</b>
Benefits on policies paid .....	<b>542,108</b>	561,736	<b>4,592.1</b>
Surrender benefits paid .....	<b>550,477</b>	678,413	<b>4,663.0</b>
Other refunds paid and expenses .....	<b>170,505</b>	323,595	<b>1,444.3</b>
Provision for policy reserves and others:			
Provision for policy reserves .....	<b>2,972</b>	—	<b>25.1</b>
Interest on dividend reserves .....	<b>332</b>	350	<b>2.8</b>
Investment expenses and losses:			
Interest paid .....	<b>5,170</b>	5,630	<b>43.7</b>
Losses on money-held-in-trust .....	<b>—</b>	118	<b>—</b>
Losses on securities sold .....	<b>30,375</b>	38,100	<b>257.3</b>
Losses on securities appraised .....	<b>6,754</b>	6,392	<b>57.2</b>
Losses on securities redeemed .....	<b>88</b>	483	<b>0.7</b>
Losses on foreign exchange .....	<b>—</b>	22	<b>—</b>
Provision for reserves for possible loan losses .....	<b>4,036</b>	—	<b>34.1</b>
Depreciation on real estate for rent .....	<b>10,945</b>	12,192	<b>92.7</b>
Other investment expenses .....	<b>13,189</b>	14,736	<b>111.7</b>
Operating expenses .....	<b>345,789</b>	357,138	<b>2,929.1</b>
Other ordinary expenses .....	<b>356,305</b>	285,573	<b>3,018.2</b>
<b>TOTAL ORDINARY EXPENSES .....</b>	<b>3,193,481</b>	3,513,575	<b>27,051.9</b>
<b>ORDINARY INCOME .....</b>	<b>313,041</b>	294,293	<b>2,651.7</b>
Extraordinary profits:			
Gains on disposals of fixed assets .....	<b>19,807</b>	12,445	<b>167.7</b>
Reversal of reserves for contingent liabilities .....	<b>—</b>	2,910	<b>—</b>
Reversal of reserves for possible loan losses .....	<b>—</b>	4,367	<b>—</b>
Other extraordinary profits .....	<b>76</b>	3	<b>0.6</b>
Extraordinary losses:			
Losses on disposals of fixed assets .....	<b>29,689</b>	25,782	<b>251.4</b>
Impairment losses .....	<b>15,248</b>	11,096	<b>129.1</b>
Provision for reserves for contingent liabilities .....	<b>292</b>	—	<b>2.4</b>
Provision for reserves for price fluctuations .....	<b>6,664</b>	1,112	<b>56.4</b>
Losses on advanced depreciation of real estate .....	<b>24</b>	73	<b>0.2</b>
Donations for social welfare project promotion .....	<b>570</b>	594	<b>4.8</b>
Other extraordinary losses .....	<b>55</b>	2,379	<b>0.4</b>
<b>NET SURPLUS BEFORE TAXES .....</b>	<b>280,381</b>	272,981	<b>2,375.1</b>
Provision for corporate income taxes .....	<b>73,892</b>	45,063	<b>625.9</b>
Corporate income tax equivalent adjustment .....	<b>(42,278)</b>	(2,789)	<b>(358.1)</b>
Minority interests .....	<b>(89)</b>	124	<b>(0.7)</b>
<b>NET SURPLUS FOR THE PERIOD .....</b>	<b>¥248,856</b>	¥ 230,581	<b>\$ 2,108.0</b>

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥118.05 to US\$1.00 prevailing on March 30, 2007.

**Consolidated Statement of Changes in Net Assets**  
Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

From April 1, 2006 to March 31, 2007

	Millions of yen				
	Foundation funds and others				
	Foundation funds	Accumulated redeemed foundation funds	Revaluation reserves	Consolidated surplus	Total foundation funds and others
Consolidated balance at March 31, 2006 .....	¥120,000	¥230,000	¥452	¥281,460	¥631,913
Consolidated changes during the period:					
Foundation funds procurement .....	60,000	—	—	—	60,000
Transfer to reserves for policyholder dividends .....	—	—	—	(155,339)	(155,339)
Transfer to accumulated redeemed foundation funds .....	—	60,000	—	—	60,000
Interest payment on foundation funds .....	—	—	—	(1,614)	(1,614)
Net surplus .....	—	—	—	248,856	248,856
Redemption of foundation funds .....	(60,000)	—	—	—	(60,000)
Reversal of reserves for redemption of foundation funds .....	—	—	—	(60,000)	(60,000)
Reversal of revaluation reserves for land .....	—	—	—	(27,369)	(27,369)
Net changes in items other than foundation funds and others .....	—	—	—	—	—
Consolidated changes during the period .....	—	60,000	—	4,533	64,533
<b>CONSOLIDATED BALANCE AT MARCH 31, 2007 .....</b>	<b>¥120,000</b>	<b>¥290,000</b>	<b>¥452</b>	<b>¥285,994</b>	<b>¥696,447</b>

	Millions of yen						
	Valuation and translation adjustments and others						
	Unrealized gains (losses) on available - for - sale securities	Deferred hedge gains (losses)	Revaluation reserves for land	Foreign currency translation adjustment account	Total valuation and translation adjustments and others	Minority interests	Total net assets
Consolidated balance at March 31, 2006 .....	¥1,833,899	—	¥69,697	¥(5,765)	¥1,897,832	¥2,367	¥2,532,113
Consolidated changes during the period:							
Foundation funds procurement .....	—	—	—	—	—	—	60,000
Transfer to reserves for policyholder dividends .....	—	—	—	—	—	—	(155,339)
Transfer to accumulated redeemed foundation funds .....	—	—	—	—	—	—	60,000
Interest payment on foundation funds .....	—	—	—	—	—	—	(1,614)
Net surplus .....	—	—	—	—	—	—	248,856
Redemption of foundation funds .....	—	—	—	—	—	—	(60,000)
Reversal of reserves for redemption of foundation funds .....	—	—	—	—	—	—	(60,000)
Reversal of revaluation reserves for land .....	—	—	—	—	—	—	(27,369)
Net changes in items other than foundation funds and others .....	281,587	1	20,993	3,791	306,373	(187)	306,185
Consolidated changes during the period .....	281,587	1	20,993	3,791	306,373	(187)	370,718
<b>CONSOLIDATED BALANCE AT MARCH 31, 2007 .....</b>	<b>¥2,115,487</b>	<b>¥ 1</b>	<b>¥90,691</b>	<b>¥(1,973)</b>	<b>¥2,204,205</b>	<b>¥2,179</b>	<b>¥2,902,831</b>

# Five-Year Summary (Non-Consolidated Basis)

## Legal Requirement Basis

Meiji Yasuda Life Insurance Company

Figures before the merger represents results from Meiji Life Insurance Company.

Years ended March 31

	Millions of Yen				
	FY2006	FY2005	FY2004	FY2003	FY2002
Total ordinary revenue .....	¥ 3,458,848	¥ 3,766,051	¥ 4,123,550	¥ 3,626,834	¥ 3,131,564
Ordinary income .....	307,869	289,913	324,966	305,992	129,998
Surplus for the period .....	241,417	226,074	182,763	171,549	42,754
Total amount of foundation funds (Note 1) .....	410,000	350,000	350,000	350,000	220,000
Total assets .....	26,797,211	26,412,256	25,193,379	25,329,873	16,243,139
Assets in separate accounts .....	844,789	812,781	721,025	765,250	652,905
Policy reserves .....	21,752,931	21,749,959	21,877,961	22,101,172	14,334,222
Loans .....	6,444,126	6,882,729	7,161,122	7,965,483	4,929,011
Securities .....	17,880,232	17,297,350	15,664,429	14,433,699	9,098,869
Solvency-margin ratio .....	1,354.9%	1,179.9%	890.5%	747.9%	532.0%
Life insurance in force (Note 2) .....	244,122,173	260,915,270	277,218,454	288,682,961	167,299,103
Group pensions in force (Note 3) .....	6,708,063	6,774,491	6,920,182	7,413,737	4,547,557

## Combined Total of Two Companies

Meiji Yasuda Life Insurance Company

Figures before the merger are the combined total of Meiji Life Insurance Company and The Yasuda Mutual Life Insurance Company.

Years ended March 31

	Millions of Yen				
	FY2006	FY2005	FY2004	FY2003	FY2002
Total ordinary revenue .....	¥ 3,458,848	¥ 3,766,051	¥ 4,123,550	¥ 4,909,271	¥ 5,070,274
Ordinary income .....	307,869	289,913	324,966	350,924	185,877
Surplus for the period .....	241,417	226,074	182,763	198,005	113,307
Total amount of foundation funds (Note 1) .....	410,000	350,000	350,000	350,000	350,000
Total assets .....	26,797,211	26,412,256	25,193,379	25,329,873	25,727,233
Assets in separate accounts .....	844,789	812,781	721,025	765,250	869,150
Policy reserves .....	21,752,931	21,749,959	21,877,961	22,101,172	22,625,939
Loans .....	6,444,126	6,882,729	7,161,122	7,965,483	8,464,158
Securities .....	17,880,232	17,297,350	15,664,429	14,433,699	13,298,425
Solvency-margin ratio.....	1,354.9%	1,179.9%	890.5%	747.9%	—
(Ref.) Meiji Life Insurance .....	—	—	—	—	532.0%
(Ref.) The Yasuda Mutual Life Insurance.....	—	—	—	—	617.6%
Life insurance in force (Note 2) .....	244,122,173	260,915,270	277,218,454	288,682,961	302,575,595
Group pensions in force (Note 3) .....	6,708,063	6,774,491	6,920,182	7,413,737	7,829,634

Notes: 1. Total amount of foundation funds includes accumulated redeemed foundation funds.

2. Life Insurance in force is the sum total of individual life insurance, individual annuities and group life insurance in force.

3. Group pensions in force are the sum total of policy reserves for group pensions.



# Directors and Executive Officers

## Directors

As of July 3, 2007

<b>Chairman of the Board</b>	Ken-ichi Sekiguchi	
<b>Director</b>	Kenji Matsuo Kyoichi Fukuda Yasuharu Takamatsu Osamu Kobayashi Yuzaburo Mogi* Tetsuro Kitao* Akio Matsuzaki* Keiji Aritomi* Saburo Horiuchi* Yuko Tashima*	Chairman and CEO, Kikkoman Corporation Attorney at Law Senior Advisor, Morinaga & Co., Ltd. Chairman, Yamato Holdings Co., Ltd. Certified Public Accountant Attorney at Law

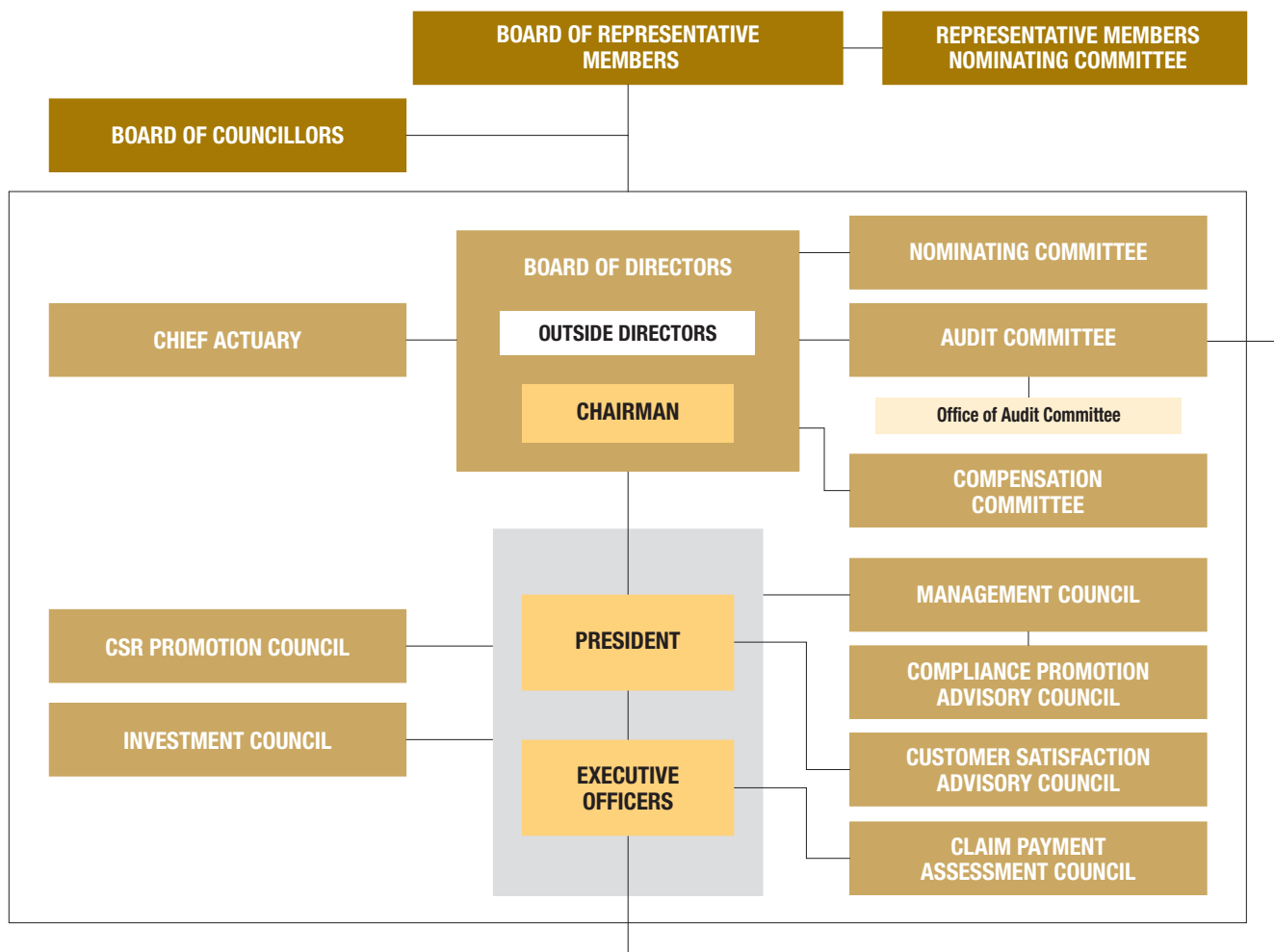
## Executive Officers

	Ken-ichi Sekiguchi**	
<b>President</b>	Kenji Matsuo**	
<b>Deputy President</b>	Kyoichi Fukuda Yasuharu Takamatsu	Chief Executive, Investment
<b>Senior Managing Executive Officer</b>	Michio Kondo Toshio Abe Tamio Kurosaki	Chief Executive, Individual Insurance Marketing Chief Executive, Group Marketing
<b>Managing Executive Officer</b>	Shin'ichi Ikemoto Kimitoshi Sato Yutaka Shigemori Masahiro Nakagawa Hideaki Hattori Hiroaki Tonooka	Chief General Manager, Tokyo Marketing Headquarters Chief Executive, General Agent Marketing
<b>Executive Officer</b>	Kiyotaka Fuke Hajime Inomata Shigehiro Maeda Yoshinori Ozaki Ichiro Wakasa Kazuo Yamamoto Katsumi Yoneda Hiroto Endo Koichiro Takahashi Yutaka Inada Yasushi Wada Masahide Ishikawa Takashi Ito	Chief General Manager, Osaka Marketing Headquarters Chief General Manager, Nagoya Marketing Headquarters General Manager, Agency Department General Manager, Human Resources Department General Manager, Marunouchi Regional Office General Manager, Claims Administration Department General Manager, Credit Analysis & Investment Risk Management Department General Manager, Mito Regional Office

\* Outside Director

\*\* Representative Executive Officer

# Company Organization



## Adoption of the "Company with Committees" System

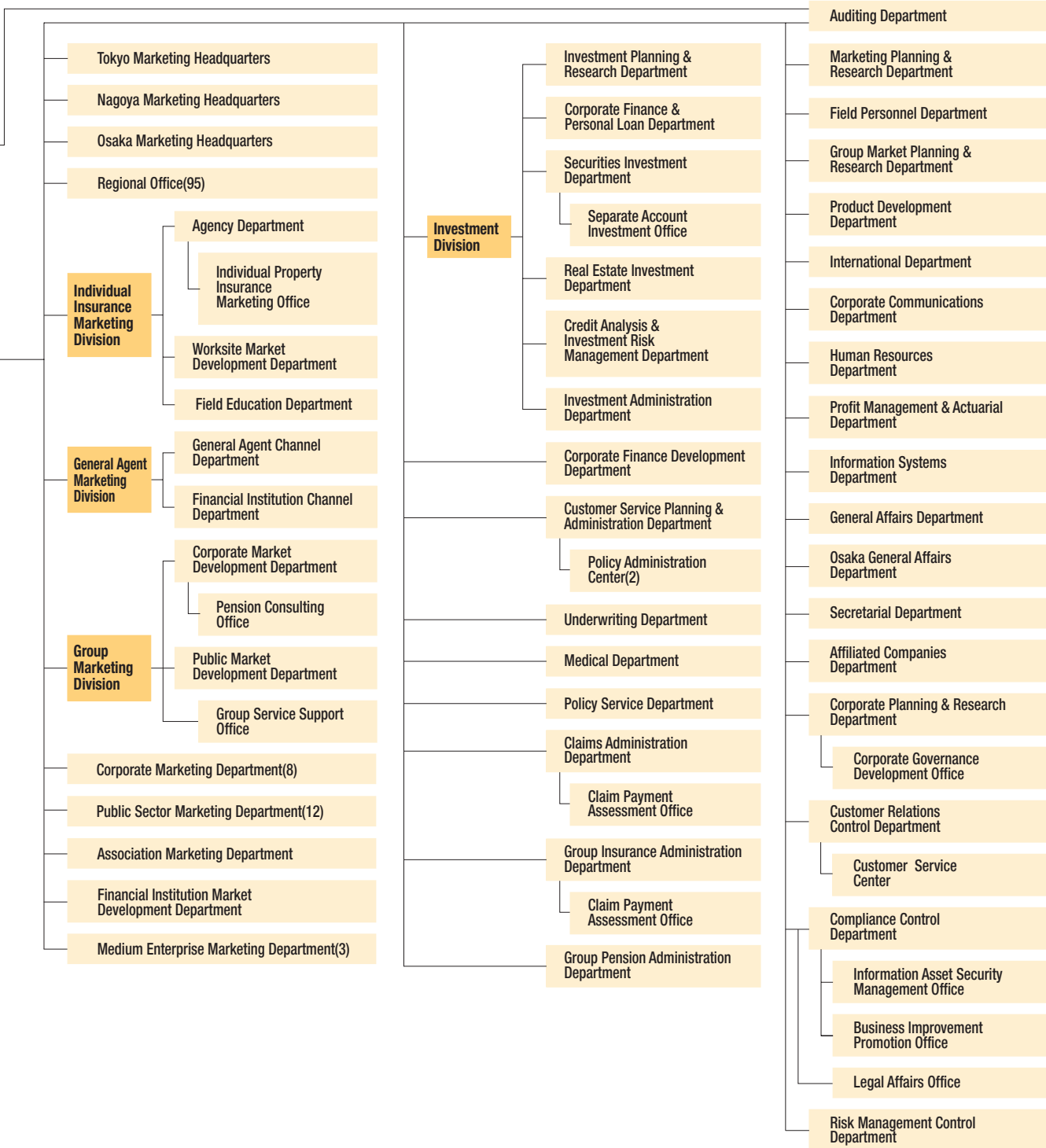
In July 2006, Meiji Yasuda Life adopted the "Company with Committees" system to strengthen its management supervision functions and increase transparency.

The transition further enhanced corporate governance by making a clear institutional separation between management supervision functions and executive functions. It also promoted greater transparency in management by increasing the number of outside directors and putting them in the majority.

The Nominating, Audit and Compensation Committees comprise three or more directors – a majority of them outside – selected by decision of the Board of Directors.

Nominating Committee	Audit Committee	Compensation Committee
◎Yuzaburo Mogi ※ Tetsuro Kitao ※ Yuko Tashima ※ Ken-ichi Sekiguchi Kenji Matsuo	◎Akio Matsuzaki ※ Tetsuro Kitao ※ Saburo Horiuchi ※ Osamu Kobayashi	◎Keiji Aritomi ※ Saburo Horiuchi ※ Yuko Tashima ※ Ken-ichi Sekiguchi Kenji Matsuo

◎ Chairman of the Committee  
 ※ Outside Director



# International Directory

## HEAD OFFICE : Tokyo

Hideaki Hattori  
Managing Executive Officer  
In charge of international operations

Tsukasa Namiki  
General Manager, International Department

1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-0005, Japan  
Phone:+81-3-3283-8293 Fax:+81-3-3215-8123



## EUROPE

### ● London

**Meiji Yasuda Europe Ltd.**  
Managing Director: Hideaki Kodama  
(Head of London Operations)

**Meiji Yasuda Properties UK Ltd.**  
Managing Director: Hiroki Shimizu  
River Plate House, 7-11 Finsbury Circus,  
London EC2M 7YA, U.K.  
Phone:+44-20-7448-8800  
Fax:+44-20-7638-4185

### ● Frankfurt

**Meiji Yasuda Life Insurance Company  
Frankfurt Office**  
Chief Representative: Seiichiro Saito  
MesseTurm, Friedrich-Ebert-Anlage 49,  
60327 Frankfurt am Main, Germany  
Phone:+49-69-748000 Fax:+49-69-748021

## ASIA

### ● Hong Kong

**Meiji Yasuda Asia Ltd.**  
Managing Director: Kazunari Takahashi  
Unit 2, 16/F., Admiralty Centre, Tower 1,  
No.18 Harcourt Road, Hong Kong, China  
Phone:+852-2524-7021 Fax:+852-2868-4419

### ● Seoul

**Meiji Yasuda Life Insurance Company  
Seoul Office**  
Chief Representative: Yoshihito Baba  
The Seoul Shinmun Daily (Korea Press Center)  
Bldg., 9th Floor, 25 Taepyongno 1-ga, Chung-gu,  
Seoul 100-745, Korea  
Phone:+82-2-723-9111 Fax:+82-2-723-6489

### ● Beijing

**Meiji Yasuda Life Insurance Company  
Beijing Office**  
Chief Representative: Banri Hashimoto  
Room 6003, 6th Floor, Changfugong Office Building,  
26 Jianguomen Wai Avenue, Beijing 100022, China  
Phone:+86-10-6513-9815 Fax:+86-10-6513-9818



## THE AMERICAS

### ● Honolulu

**Pacific Guardian Life Insurance Co., Ltd.**

President & CEO: Yoji Nakamura  
 1440 Kapiolani Boulevard, Suite 1700,  
 Honolulu, Hawaii 96814, U.S.A.  
 Phone:+1-808-955-2236 Fax:+1-808-942-1290

### ● New York

**Meiji Yasuda America Inc.**

President: Nobuaki Matsui  
 (Head of New York Operations)

**Meiji Yasuda Realty USA Inc.**

President: Hikari Takasugi  
 780 Third Avenue, 42nd Floor,  
 New York, NY 10017, U.S.A.  
 Phone:+1-212-332-4900 Fax:+1-212-332-4960

### ● Los Angeles

**Meiji Yasuda America Inc.**

**Los Angeles Branch**

Senior Vice President & General Manager:Junichiro Date  
 865 South Figueroa Street, Suite 2311,  
 Los Angeles, California 90017, U.S.A.  
 Phone:+1-213-624-9200 Fax:+1-213-624-0080

**Pacific Guardian Life Insurance Co., Ltd.**

**Los Angeles Career Agency**

Assistant Vice President: Shinobu Mori  
 865 South Figueroa Street, Suite 2310,  
 Los Angeles, California 90017, U.S.A.  
 Phone:+1-213-236-0660 Fax:+1-213-236-0990

**Southern California Office**

Assistant Vice President, Brokerage Sales: Toshiyuki Ishihara  
 (Head of Los Angeles Operations)  
 TriCentre, 333 South Anita Drive, Suite 900  
 Orange, California 92868, U.S.A.  
 Phone:+1-888-777-6630 Fax:+1-714-939-7901

Yasuda Enterprise Development America, Inc.  
 (A wholly-owned subsidiary of Yasuda Enterprise Development Co., Ltd.)  
 435 Tasso Street, Suite 205,  
 Palo Alto, California 94301, U.S.A.  
 Phone:+1-650-289-9733 Fax:+1-650-289-9145

# Domestic Subsidiaries and Affiliates

As of March 31, 2007

<p><b>General Insurance Business</b></p>	<ul style="list-style-type: none"> <li>● Meiji Yasuda General Insurance Co., Ltd.</li> </ul>
<p><b>Insurance-Related Services</b></p>	<ul style="list-style-type: none"> <li>● Meiji Yasuda Insurance Service Co., Ltd.</li> <li>● Japan Confirm Co., Ltd.</li> <li>● MST Insurance Service Co., Ltd.</li> </ul>
<p><b>Investment- and Finance-Related Business</b></p>	<ul style="list-style-type: none"> <li>● MEIJI Dresdner Asset Management Co., Ltd.</li> <li>● Yasuda Asset Management Co., Ltd.</li> <li>● Meiji Capital Co., Ltd.</li> <li>● Yasuda Enterprise Development Co., Ltd.</li> <li>● The Mitsubishi Asset Brains Co., Ltd.</li> <li>● Defined Contribution Plan Consulting of Japan Co., Ltd.</li> <li>● Meiji Capital 5th Investment Partnership</li> <li>● Meiji Capital 6th Investment Partnership</li> <li>● Meiji Capital 7th Investment Partnership</li> <li>● Meiji Capital 8th Investment Partnership</li> <li>● The Investment Enterprise Partnership YNED</li> <li>● THE YASUDA ENTERPRISE DEVELOPMENT I, LIMITED PARTNERSHIP</li> <li>● THE YASUDA ENTERPRISE DEVELOPMENT II, LIMITED PARTNERSHIP</li> <li>● THE YASUDA ENTERPRISE DEVELOPMENT III, LIMITED PARTNERSHIP</li> <li>● Tokyo Realty Investment Management, Inc.</li> </ul>
<p><b>Building Maintenance Services</b></p>	<ul style="list-style-type: none"> <li>● Meiji Yasuda Real Estate Management Co., Ltd.</li> <li>● ASBP COMMUNITY, INC.</li> <li>● Shinjuku Center Building Management Co., Ltd.</li> <li>● KSP COMMUNITY, Inc.</li> </ul>
<p><b>Research, Development, Medical and Wellness Services</b></p>	<ul style="list-style-type: none"> <li>● Diamond Athletics, Ltd.</li> <li>● Meiji Yasuda Institute of Life and Wellness, Inc.</li> <li>● Wellness Care Network Co., Ltd.</li> <li>● Healthcare Total Support Company, Limited</li> </ul>
<p><b>Foundations</b></p>	<ul style="list-style-type: none"> <li>● Meiji Yasuda Life Foundation of Health and Welfare</li> <li>● Meiji Yasuda Mental Health Foundation</li> <li>● The Meiji Yasuda Cultural Foundation</li> </ul>
<p><b>Others</b></p>	<ul style="list-style-type: none"> <li>● Meiji Yasuda Delivery and Printing Co., Ltd.</li> <li>● Meiji Yasuda Life Planning Center Co., Ltd.</li> <li>● Meiji Yasuda System Technology Co., Ltd.</li> <li>● Meiji Yasuda Business Service Co., Ltd.</li> <li>● Meiji Yasuda Staffing Service Co., Ltd.</li> <li>● Meiji Yasuda Policy Administration Service Co., Ltd.</li> <li>● Meiji Yasuda Welfare Service Co., Ltd.</li> <li>● BTS Company, Limited</li> <li>● Japan Pension Service Co., Ltd.</li> </ul>

