

Annual Report 2018

Meiji Yasuda Life Insurance Company, Year ended March 31, 2018

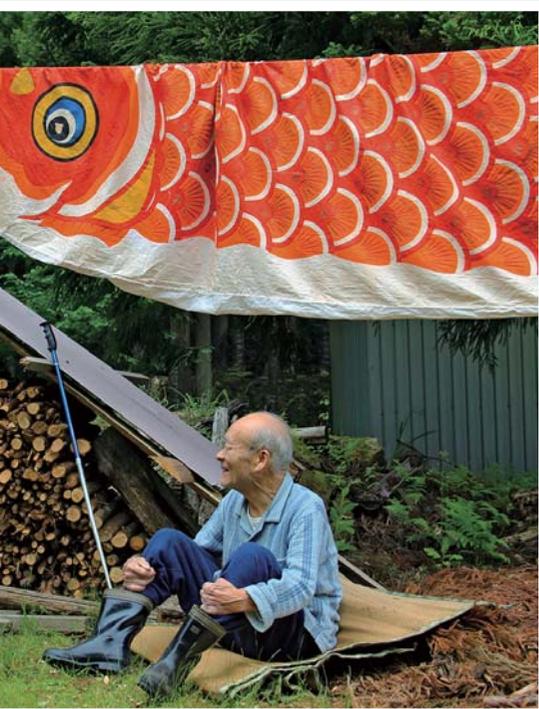
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Akio Negishi
President

Nobuya Suzuki
Chairman of the Board

Company Name:

Meiji Yasuda Life Insurance Company

Established:

July 9, 1881

Location of Headquarters:

1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-0005, Japan

Domestic Network:

94 Regional Offices and Market Development Departments,
1,002 Agency Offices, and 19 Group Marketing Departments
(As of April 1, 2018)

Total Assets:

¥38,564.3 billion

Foundation Funds:

¥880.0 billion
(Including reserve for redemption of foundation funds)

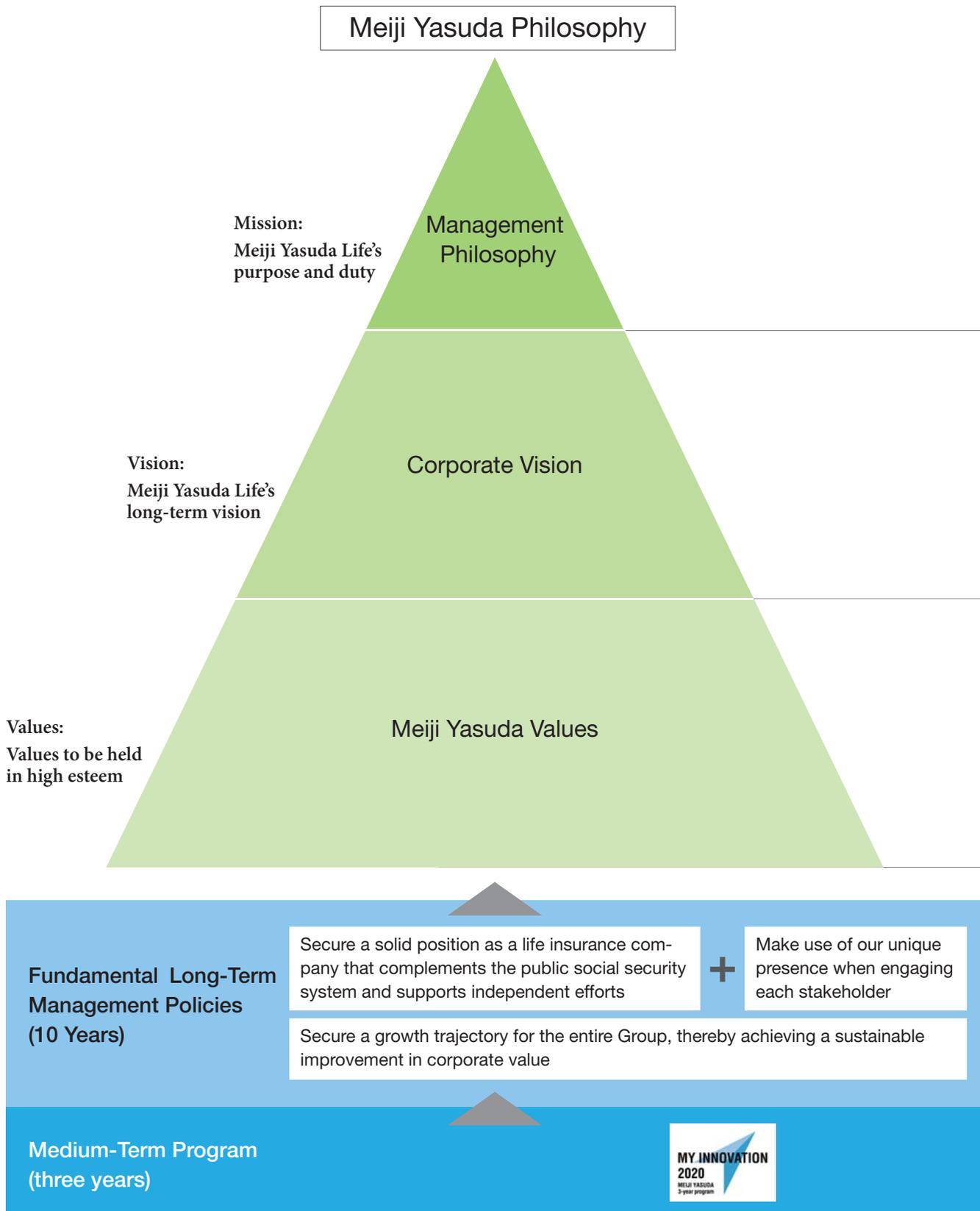
Number of Employees:

42,261
Sales personnel (MY Life plan advisors): 31,776

(As of March 31, 2018)

We are committed to delivering unwavering

To fulfill this mission, we will strive to become a life insurance company that cares about people first, cherishing relationships with customers, local communities and fellow workers.



peace of mind to our customers.

Peace of mind, forever

The Thought behind the Management Philosophy

Since our founding, we have supported customers and local communities as a pioneer of the life insurance business based on a spirit of mutual aid. Our life insurance is imbued with people's hopes; a fact that has remained unchanged throughout the years. Our duty is to respond to the hopes each customer has entrusted with us and continuously support them throughout their lives.

"Peace of mind, forever."

We take these words to heart and truly value our customers, delivering unwavering peace of mind.

A Long-Respected Life Insurance Company that Cares about People First

Relationship with customers

We cater to our customers and seek to impress them with our after-sales service.

Relationship with local communities

We create value to fill real social needs and help nurture local communities.

Relationship with fellow workers

We respect ambition and diversity, and seek to create fulfilling workplaces.

Customer Focus and Ethical Standards

We value customers and act with the highest ethical standards.

Ambition and Creation

We take on challenges and create new value.

Teamwork and Growth

We help our fellow workers and grow together.

A Life Insurance Company that Cares about People First

On behalf of Meiji Yasuda Life, I would like to extend my sincere gratitude for your continued support.

In April 2017, Meiji Yasuda Life launched the three-year program “MY INNOVATION 2020.” Prefaced on customer focus and thoroughgoing compliance, this program aims to achieve stable and steady improvement in corporate value and, to this end, promote our growth strategy, operating base reinforcement strategy and brand strategy in a way that strikes a balance between growth potential, profitability and financial soundness.

Having successfully finished the first year of this program, Meiji Yasuda Life’s consolidated operating results for the fiscal year ended March 31, 2018 included insurance premiums of the Group totaling ¥3,024.3 billion, and insurance premiums and other of the Company amounting to ¥2,719.4 billion, both representing year-on-year growth in revenues. Moreover, base profit of the Group and base profit of the Company stood at ¥585.1 billion and ¥546.7 billion, respectively. We have thus achieved year-on-year growth and a record high profit. Furthermore, our consolidated solvency margin ratio, one of several regulatory indicators displaying the soundness of life insurers, stands at 990.2%, maintaining the industry’s leading level of financial soundness.

We believe all of these achievements are only possible due to your steadfast support and encouragement.

In the fiscal year ending March 31, 2019, the second year of MY INNOVATION 2020, we will place even stronger emphasis on customer-focused business operations. We will also implement the plan’s seven key policies that incorporate innovative initiatives and are designed to promote Meiji Yasuda Life’s growth strategy, operating base reinforcement strategy and brand strategy.

Seven Key Policies

Growth Strategy

1. Customer Base Expansion

We will proactively supply products and provide enhanced after-sales service. We will also expand our advisor channel and increase market access. Furthermore, we will develop a more robust administrative service base through the utilization of information & communication technology (ICT). In these ways, we will dramatically increase our number of customers.

2. New Market Initiatives

In the domestic life insurance market, we will enhance the lineup of medical and nursing care insurance, products for seniors and retirees, women-oriented products and services, and investment-type products. In the overseas insurance market, we will upgrade the Group’s business management structure while endeavoring to expand earnings of existing subsidiaries and affiliates, especially StanCorp Financial Group, Inc. Also, we will continue to assess and research new investment candidates.

3. Better Asset Management

We will strengthen credit investment and financing activities at home and abroad while enhancing our asset management governance and risk management system. We will also promote investment and financing focused on sustainability as part of initiatives to upgrade and diversify our asset management methodologies and to broaden our investment income potential.

4. Advanced Technological Innovation

We will promote the research and development of such advanced technologies as artificial intelligence (AI) and ICT. We will apply the results of these pursuits in our main business as well as in the creation of new businesses in such areas as healthcare.

Operating Base Reinforcement Strategy

5. Better Governance

We will upgrade the Group’s business management structure while increasing opportunities to communicate with stakeholders via enhanced information disclosure. We will also promote and practice a more sophisticated method of business management based on enterprise risk management (ERM).

6. Improved Work Engagement

We seek to realize improved work engagement, a state of mind where each employee feels pride and experiences fulfillment while working with vigor to pursue challenging targets. We will strive to continuously raise the bar of our human resources, promote initiatives to boost mental and physical health, embrace workforce diversity and help employees achieve success. By revising working styles, we strive to create spare capacity that can be allocated to help promote innovation.



Akio Negishi

July 2018

Akio Negishi President

Brand Strategy

7. Promote New Corporate Philosophy

We endeavor to create a corporate brand consistent with our new Meiji Yasuda Philosophy through unified and effective promotions. We will implement the Corporate Vision Realization Project in order to foster a culture where each employee proactively works to realize the corporate vision using their creativity.

In March 2018, we unveiled the outline of our “Health Promotion Project,” a new key initiative aimed at supporting the objectives of MY INNOVATION 2020. More specifically, this project is intended to offer ongoing assistance to health promotion initiatives undertaken by key stakeholders, namely customers, local communities and Meiji Yasuda Life employees. This project places priority on “supporting daily exercise habits” and “promoting regular medical checkups.” We seek to help these stakeholders maintain and improve their health. And to this end, we will employ our products, services and campaigns specifically designed to serve health promotion purposes. This project is also expected to upgrade our core functions as a life insurer via the accumulation and analysis of health and medical-related data. With the project’s official launch scheduled for April 2019, we are determined to create and deliver new value that transcends the scope of conventional products and services.

We are convinced that the aforementioned value creation initiatives will, in turn, help us build stronger ties with stakeholders while equipping us with capabilities to contribute to across-the-board efforts aimed at realizing a sustainable society, such as the United Nations Sustainable Development Goals (SDGs), via the provision of solutions to major issues now confronting society.

Through the implementation of MY INNOVATION 2020, we will strive to realize our corporate vision, “A Long-Respected Life Insurance Company that Cares about People First,” with all officers and employees rallying their full strength to deliver our customers unwavering peace of mind.

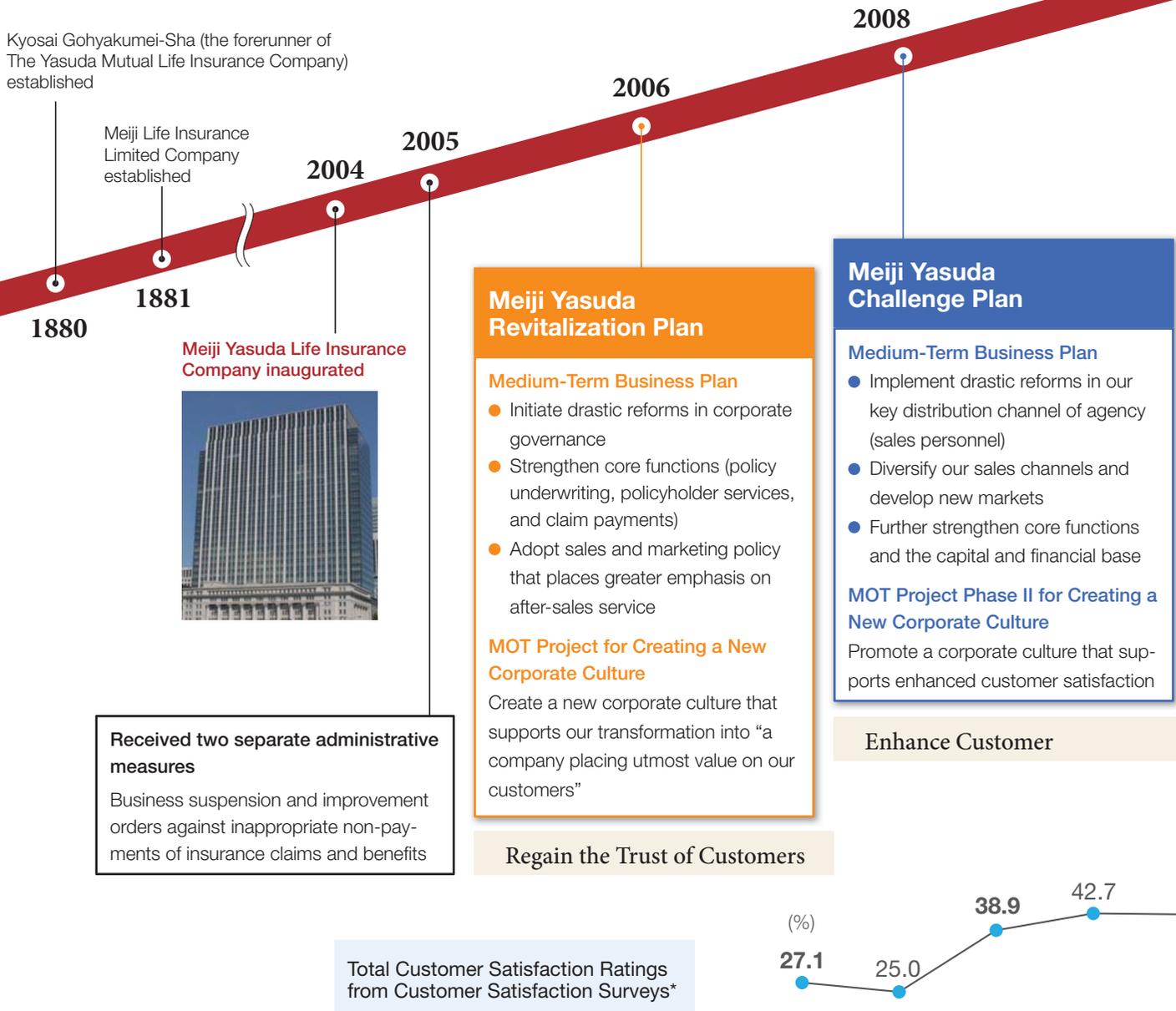
We sincerely ask for your continued support and encouragement.

History of Our Challenges

Born of the 21st century, Meiji Yasuda Life's founders boast the longest history as life insurers in Japan.

In January 2004, Meiji Yasuda Life Insurance Company was inaugurated through the merger of two life insurers in Japan, namely, Meiji Life Insurance Company and The Yasuda Mutual Life Insurance Company, both of which boast a longstanding history extending more than 120 years.

While adapting to radical social changes since the beginning of the Meiji era, both the Meiji Life Insurance Company and The Yasuda Mutual Life Insurance Company strove to ensure customers' peace of mind. Created via the merger of these two predecessors, each unparalleled by any other domestic insurer in terms of their history and tradition, Meiji Yasuda Life arose a young and vibrant life insurance company born of the 21st century.



Having received administrative measures twice in 2005 due to such problems as non-payments of insurance claims and benefits, we took pause to deeply reflect on the seriousness of the mishaps that caused trouble and anxiety to our customers. Drawing important lessons from these incidents, we formulated the Meiji Yasuda Revitalization Plan in January 2006. Under this plan, we pursued a variety of initiatives to reinforce our claim payment administration system and enhance the transparency of governance, with an eye to becoming a company that places utmost value on its customers.

Since then, we have endeavored to regain the trust of our customers. This included the successive implementation of the Meiji Yasuda

2017

2014

2011

Meiji Yasuda New Development Plan

Medium-Term Business Plan

- Secure sustainable growth potential in domestic life insurance business
- Actively invest in growth markets, such as the overseas insurance business and the nursing care service business
- Adopt sophisticated risk management and strengthen the capital and financial base

MOT Project Phase III for Further Enhancing Customer Satisfaction

Raise employees' awareness and facilitate their actions toward creating a company that places utmost value on its customers

Meiji Yasuda NEXT Challenge Program

Medium-Term Business Plan

- Pursue brand strategy centered on face-to-face after-sales service
- Execute growth strategy involving the enrichment of third-sector insurance products, such as medical insurance, and the proactive expansion of the overseas insurance business
- Reinforce operating base by stepping up capital policies and sophisticated risk management

The "Kando" Realization Project

Establish a new corporate culture through the "MoT Campaign" supported by small groups in which coworkers encourage one another in taking on challenges while fostering team strength

Three-Year Program: MY INNOVATION 2020

Medium-Term Business Plan

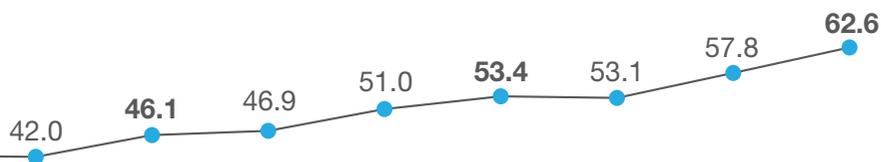
- Growth strategies aimed at expanding our customer base, promoting new market initiatives and realizing better asset management
- Operating base reinforcement strategies aimed at ensuring better governance and improved work engagement
- Brand strategy aimed at promoting our new corporate philosophy, the "Meiji Yasuda Philosophy"

Corporate Vision Realization Project

Foster a culture where each employee proactively works to realize our new corporate philosophy, especially the corporate vision

Reach a New Stage of Growth through Innovation

Satisfaction while Building a Foundation for Stable Growth



* Sum of the number of respondents who chose "satisfied" or "somewhat satisfied." Respondents select from a five-grade rating system: "satisfied," "somewhat satisfied," "normal," "somewhat unsatisfied" and "unsatisfied."

Challenge Plan, Meiji Yasuda New Development Plan and Meiji Yasuda NEXT Challenge Program while upholding the MOT Project aimed at creating a new corporate culture.

In April 2017, we launched the new three-year program "MY INNOVATION 2020." We are all committed to working as one to achieve the Medium-Term Business Plan and the "Corporate Vision Realization Project," which are both designed to facilitate business innovation. In these ways, we will realize our corporate vision, "A Long-Respected Life Insurance Company that Cares about People First," while delivering our customers unwavering peace of mind.

Initiatives under Each Program

Regain the Trust of Customers

2006

Meiji Yasuda Revitalization Plan

Drastic reforms in corporate governance

- Initiate the selection of voluntary candidates for policyholder representatives
- Outside directors form the majority of the Board
- Adopt the “Company-with-Committees” system*
 - Ensure clear institutional separation between management supervision and executive functions, securing a more transparent management structure with solid oversight

* The “Company with Three Committees system” from May 2015

Initiatives to regain the trust of customers

- Overhaul administration systems for the payment of claims and benefits
- Establish the Customer Satisfaction Advisory Council*
- Install a dedicated system for receiving customer complaints with regard to the payment of insurance claims and benefits
- Disclose the number of cases where claims were not eligible for payment and customer complaints

* The Customer Service Advisory Council from April 2015

Initiatives to achieve revitalization and further growth

Enhance Customer Satisfaction while Building a Foundation for

2008

Meiji Yasuda Challenge Plan

Reforms in individual insurance marketing

(phase II: From April 2011 onward; phase III: From April 2014 onward)

- Provide high-quality consulting and after-sales services to enhance customer satisfaction
- Introduce the MY life plan advisor system
- Establish the Company Training Authorization System
- Initiate the “Ease of Mind Service Activities Program”

2011

Meiji Yasuda New Development Plan

Administrative Service Reforms (named the “AAA” project from April 2016)

- Thoroughly pursue swift, convenient and convincing services with the utmost priority on “putting ourselves in the customer’s shoes”
- Promote cashless and paperless operations



Our response to the Great East Japan Earthquake

Confirm the safety of all customers through “Omimai-Houmon (visiting)” activities employing MY life plan advisors (sales personnel), thereby reaching 99.9% of customers and determining whether they had eligible claims as of October 2011



Upgrade our after-sales service structure by drawing lessons from the aforementioned “Omimai-Houmon” activities

Contribution to local society

CSR Management Declaration

- Declare the Company’s determination to engage in long-lasting CSR management based on basic recognition of its corporate social responsibilities, along with the Company’s commitment to the communities where customers live and to cherishing the environment

June 2006

A community initiative to protect the lives and safety of children



Start checking on the safety of elderly

Expansion of the overseas insurance business

November 2010

Formed a business alliance with Talanx AG (Germany)

November 2010

Acquired equity stake in PT Avrist Assurance (Indonesia)

December 2010

Acquired equity stake in Founder Meiji Yasuda Life Insurance Co., Ltd. (China)

June 2012

Acquired equity stake in TU Europa S.A. (Poland)

July 2012

Acquired equity stake in TUIR Warta S.A. (Poland)

November 2013

Acquired equity stake in Thai Life Insurance Public Company Limited (Thailand)

Stable Growth

Reach a New Stage of Growth through Innovation

2014

Meiji Yasuda NEXT Challenge Program

Reforms in various fields

- Underwriting service
- Group insurance administrative service
- Asset management administrative service
- Human resource development
- Work style
- General affairs and infrastructure management

Initiatives to strengthen corporate governance

- Formulate the Corporate Governance Guidelines
- Establish the Outside Directors Council

June 2014

“Best Style,” capable of providing comprehensive protection, released

5年ごとの契約更新による保険料の最適化

進化する保険

ベストスタイル

October 2014

“MY Anshin Family Registration Scheme,” released

April 2015

“MY Longevity Policy Checking Scheme,” released



October 2016

“Simple Insurance Series Light! By Meiji Yasuda Life,” released

2017

Three-Year Program: MY INNOVATION 2020

Establishment of the Meiji Yasuda Philosophy, a new corporate philosophy

Initiatives targeting “Twelve Reforms”

- Individual insurance marketing reforms
- Individual administrative service reforms
- Group insurance marketing reforms
- Group insurance administrative service reforms
- Asset management reforms
- Asset management administrative service reforms
- Overseas insurance business reforms
- Domestic Group company management reforms
- Governance reforms
- HR reforms
- General affairs reforms
- System development structure reforms

April 2017

“Customer-Focused Business Operations Policy,” established

August 2017

“U.S. dollar-denominated endowment insurance with a single lump-sum premium” and “Everybody Plus,” a single premium whole life insurance denominated in foreign currencies, released

December 2017

“Whole life medical insurance for people age 50 or older,” released

April 2018

“MY Assist+ System,” launched

September 2014

“Community Safety Initiative”

January 2015

A title partner contract with J. League



- Comprehensive partnership agreements pertaining to community vitalization, entered into with 16 prefectural governments and three regional financial institutions (as of May 31, 2018)



March 2016

Acquired StanCorp Financial Group, Inc., a U.S. life insurance group, making it a wholly-owned subsidiary



Value Creation Process at Meiji Yasuda Life

Sources of Value Creation

Human Capital

Human resources boasting professional skills for providing customers with lifelong support

The number of employees (consolidated basis)
47,136 (as of March 31, 2018)

The number of Certified Skilled Workers of Financial Planning
24,619 (as of March, 2018)

A robust workforce engaging in face-to-face after-sales service

Approximately **30,000** sales personnel (as of March 31, 2018)

Approximately **1,000** staff in charge of corporate and group customers (as of March 31, 2018)

Social Capital

A solid business foundation

Individual insurance marketing:

Approximately **6,940,000** customers

Group insurance marketing:

Approximately **4,850,000** persons insured by voluntary group life insurance policies

An extensive business network at home and abroad

Domestic bases:

1,115 locations (as of April 1, 2018)

Overseas bases:

Seven subsidiaries and affiliates in **five** countries (as of April 1, 2018)

Intellectual Capital

Highly specialized expertise and know-how accumulated through longstanding operations

Financial Capital

High level of financial soundness capable of delivering unwavering peace of mind to customers

Consolidated solvency margin ratio:
990.2% (as of March 31, 2018)

Value Creation Process

Domestic life insurance business

Overseas insurance business

Domestic affiliate business

Twelve Reforms ④

Group insurance administrative service reforms
Page 37

Twelve Reforms ③

Group insurance marketing reforms
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Twelve Reforms ②

Individual administrative service reforms
Page 36

Twelve Reforms ①

Individual insurance marketing reforms
Page 34

Meiji Yasuda

Management Philosophy

Corporate Vision

Meiji Yasuda Values

The "Kizuna" Campaign

Brand Strategy

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Innovation

Our relationship with society

Strengthen capital by securing sustainable

Value created via collaboration with stakeholders



Realization of the corporate vision

Relationship with customers

We cater to customers and seek to impress them with our after-sales service.

- Proactively engage in after-sales services finely tuned to individual customer needs to deliver unwavering peace of mind
- Provide high-quality products and services
- Utilize cutting-edge technologies to upgrade our main businesses
- Provide our customers with ongoing assistance to health promotion



Relationship with local communities

We create value to fill real social needs and help nurture local communities.

- Contribute to community vitalization through Meiji Yasuda J. League
- Contribute to community vitalization utilizing partnership agreements with local governments
- Contribute to sound social and economic development via sustainable investment and financing
- Provide regional communities with ongoing assistance to health promotion



Relationship with fellow workers

We respect ambition and diversity, and seek to create fulfilling workplaces.

- Help strike an optimal work-life balance
- Realize diversity & inclusion in our workforce
- Encourage women to pursue success
- Provide employees with ongoing assistance to maintain and improve their health



Note: The SDG icons presented above indicate the SDGs relevant to Meiji Yasuda Life's key initiatives.



growth in corporate value (EEV)

Contributing to the SDGs through Business Activities

Meiji Yasuda Life is committed to contributing to the United Nations SDGs through its ongoing business activities.

The Sustainable Development Goals (SDGs), adopted at a United Nations summit in September 2015, are designed to provide targets for international sustainability initiatives over the course of the period leading up to 2030. Building on the Millennium Development Goals formulated in 2001, the SDGs consist of 17 goals and 169 targets aimed at realizing a sustainable society in regions around the world under the credo of “leaving no-one behind.” As the SDGs represent far-reaching goals for the entire globe, national governments, business corporations and civic communities around the world are called upon to cooperate in furtherance of the SDGs.



Relationship between Meiji Yasuda Life’s Business Activities and the SDGs

Guided by our management philosophy, “peace of mind, forever,” all of us at Meiji Yasuda Life have been nurturing relationships with customers, local communities and fellow workers through diverse business activities aimed at realizing our corporate vision, “A Long-Respected Life Insurance Company that Cares about People First.” We believe that our thoughts behind these pursuits coincide with the spirit of the SDGs, which aim to realize a sustainable society.

Looking ahead, we will continue to engage in a variety of initiatives, such as the “Health Promotion Project” aimed at assisting our customers in their health promotion efforts and Meiji Yasuda Life J. League aimed at helping to vitalize regional communities while enhancing work engagement for all employees. In these ways, we will contribute to the realization of the SDGs and a sustainable society, striving to deliver solutions for issues society is now confronting.

Key Initiatives Undertaken by Meiji Yasuda Life to Contribute to 17 SDGs

SDGs	Our Key Initiatives	SDGs	Our Key Initiatives
 <p>1. No Poverty</p>		 <p>10. Reduced Inequalities</p>	<ul style="list-style-type: none"> Promote diversity & inclusion and accept diverse values and ways of thinking
 <p>2. Zero Hunger</p>	<ul style="list-style-type: none"> Promote sustainable investment and financing 	 <p>11. Sustainable Cities and Communities</p>	<ul style="list-style-type: none"> Sign partnership agreements pertaining to community vitalization Contribute to community vitalization by, for example, supporting Meiji Yasuda Life J. League Promote sustainable investment and financing
 <p>3. Good Health and Well-Being</p>	<ul style="list-style-type: none"> Implement the Health Promotion Project Upgrade after-sales service structure Release "Simple Insurance Series Light!" while delivering products to priority markets Promote sustainable investment and financing 	 <p>12. Responsible Consumption and Production</p>	<ul style="list-style-type: none"> Proactively engage in recycling while purchasing environment-friendly office equipment and appliances Promote sustainable investment and financing
 <p>4. Quality Education</p>	<ul style="list-style-type: none"> Provide assistance to the sound upbringing of children and educational assistance Support immersive creative education through music Promote sustainable investment and financing 	 <p>13. Climate Action</p>	<ul style="list-style-type: none"> Push forward with energy-saving measures Promote sustainable investment and financing
 <p>5. Gender Equality</p>	<ul style="list-style-type: none"> Engage in efforts to encourage women's active workforce participation 	 <p>14. Life Below Water</p>	<ul style="list-style-type: none"> Promote sustainable investment and financing
 <p>6. Clean Water and Sanitation</p>		 <p>15. Life on Land</p>	<ul style="list-style-type: none"> Reduce the volume of office paper and printed materials Promote sustainable investment and financing
 <p>7. Affordable and Clean Energy</p>	<ul style="list-style-type: none"> Promote sustainable investment and financing 	 <p>16. Peace, Justice and Strong Institutions</p>	<ul style="list-style-type: none"> Develop a sophisticated compliance structure
 <p>8. Decent Work and Economic Growth</p>	<ul style="list-style-type: none"> Help employees strike an optimal work-life balance Contribute to community vitalization by, for example, supporting Meiji Yasuda Life J. League 	 <p>17. Partnerships for the Goals</p>	<ul style="list-style-type: none"> Create value in collaboration with stakeholders
 <p>9. Industry, Innovation, and Infrastructure</p>	<ul style="list-style-type: none"> Strive to apply cutting-edge technologies in our main business 		

Stepping up After-Sales Service Tailored for the Elderly

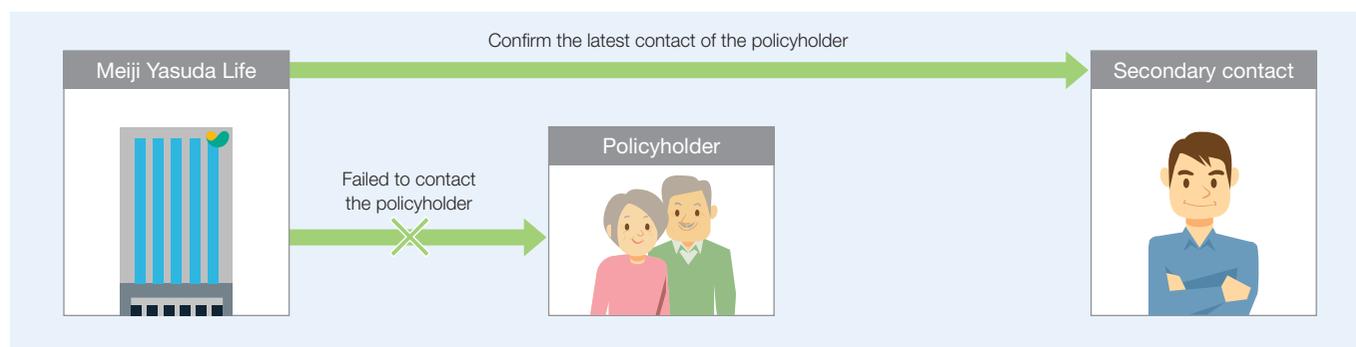
We Are Striving to Enhance the Quality of After-Sales Services for the Elderly, with the Aim of Delivering Unwavering Peace of Mind.

“MY Anshin Family Registration Scheme”

since October 2014

This scheme aims to list secondary contacts of policyholders so that their latest whereabouts can be confirmed via the secondary contacts in the event contact becomes difficult for us to establish. Since the establishment of the scheme, a total of approximately 1,960,000 people registered as secondary contacts.

Flow of the MY Anshin Family Registration Scheme



“MY Longevity Policy Checking Scheme”

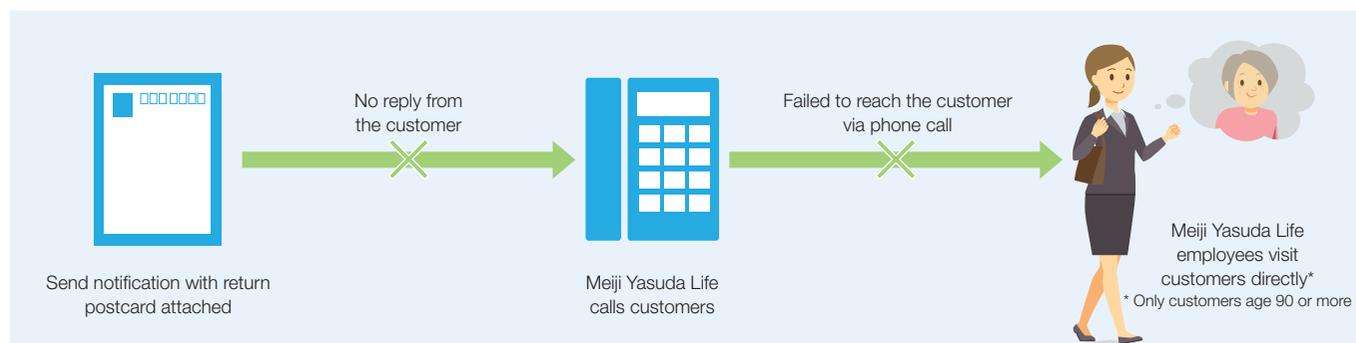
since April 2015

We aim to better address evolving customer needs affected by the rapid aging of Japan’s society that is expected to continue going forward. To this end, we have been providing periodic after-sales services by MY life plan advisors (sales personnel). Building on these efforts, in April 2015 we instituted the “MY Longevity Policy Checking Scheme” to assist customers who reach longevity celebration years. Under this scheme, we reach out to these customers and proactively help them determine whether they have eligible claims that they will want to apply for. Furthermore, we reconfirm their latest contact and designated recipients of

insurance claims and benefits while assisting them in filing necessary applications.

Over the three years since this scheme began, we have been able to check the policies of approximately 275,000 customers, successfully reaching out to around 97.2% of the approximately 283,000 customers encompassed by this scheme. In doing so, we helped complete approximately 5,800 procedures, filing them in line with each customer’s intention that was uncovered through these activities.

Flow of the MY Longevity Policy Checking Scheme



NEW “MY Assist+ System”

since April 2018

In the wake of the rapid aging of society, we established a unique system titled “MY Assist+ System,” with the aim of assisting customers who have physical difficulties in filling out or signing paper documents for application procedures due to such factors as age-related vision deterioration, hearing impairment, the need for long-term home care and/or the lasting damage of disease.

The system allows Meiji Yasuda Life employees to fill in application documents on behalf of the customer in such locations as his/her residence. Furthermore, customers can sign up to acquire an “Assist Card” and register their status as requiring assistance. With a dedicated “Assist Desk” team in place, we will thus provide meticulous assistance by giving due consideration to each customer’s condition.

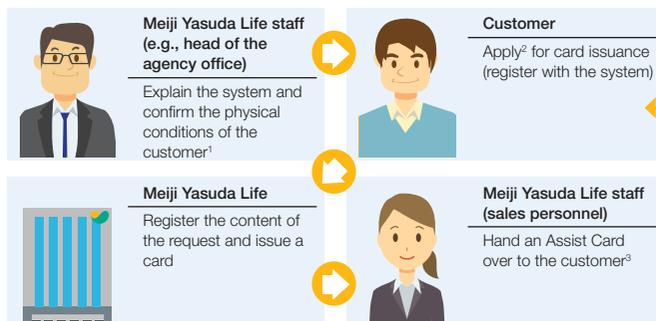
Customers eligible for the system (excludes those lacking the capacity to specify intent)

Vision Incapable of reading text printed on forms or display screens due to vision deterioration	Hearing Incapable of hearing explanations due to hearing impairment	Handwriting Difficult to fill in forms or sign due to limited hand function
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Outline of Service Menu

Menu	Impaired functions	Service content
 Handwriting by Meiji Yasuda Life staff on behalf of the customer	<div style="display: flex; gap: 10px;"> <div style="border: 1px solid purple; padding: 5px;">Vision</div> <div style="border: 1px solid red; padding: 5px;">Handwriting</div> </div>	<ul style="list-style-type: none"> When the customer has difficulties in filling out or signing paper documents, Meiji Yasuda Life staff visit the residence of the customer and fill in forms on his/her behalf to smoothly complete life insurance procedures.
<div style="display: flex; align-items: center; justify-content: center;"> + Services available to the holder of “Assist Card” </div>		
 Assist Desk	<div style="display: flex; gap: 10px;"> <div style="border: 1px solid purple; padding: 5px;">Vision</div> <div style="border: 1px solid green; padding: 5px;">Hearing</div> <div style="border: 1px solid red; padding: 5px;">Handwriting</div> </div>	<ul style="list-style-type: none"> Dedicated staff respond to customer inquiries with regard to the content of enrolled policies and application procedures via phone or a dedicated e-mail system Meiji Yasuda Life notifies the customer of the completion of procedures filed by the customer via phone or e-mail.
 Assist Card	<div style="display: flex; gap: 10px;"> <div style="border: 1px solid purple; padding: 5px;">Vision</div> <div style="border: 1px solid green; padding: 5px;">Hearing</div> <div style="border: 1px solid red; padding: 5px;">Handwriting</div> </div>	<ul style="list-style-type: none"> The Assist Desk is quickly contacted by calling a dedicated toll-free number (also indicated with Braille letters on the card) and by filling the content of inquiries via smartphone screens after scanning a QR code printed on the card. Once contact is made, Assist Desk staff quickly identify the customer based on registration number and confirm the needed assistance (handwriting difficulty, hearing impairment or a need for texting communication), thereby ensuring smooth procedures.

Issuance of “Assist Card”



Assist Card



The front side

Individual registration number and toll-free phone number (also indicated with Braille letters on the card)

The reverse side

Guidance on how to access a website equipped with a dedicated e-mail system by scanning a printed QR code

1. Confirm whether the customer's conditions meet the prescribed criteria for card issuance
2. Meiji Yasuda Life staff fill in card issuance application forms on the customer's behalf if he/she cannot fill in these forms
3. The card may be shipped via postal mail upon the customer's request

Enhancing Our Product Lineup

“Best Style” Provides Comprehensive Protection

“Best Style” boasts three key features: 1) an optimal combination of coverage at the time of enrollment, 2) flexible coverage revision after enrollment, and 3) easy-to-understand claim applications. Thus, the product is capable of delivering peace of mind to customers through one-stop services encompassing customized coverage at the time of enrollment, coverage revision after enrollment and claim applications, with MY life plan advisors (sales personnel) engaging in after-sales services to ensure optimal

coverage that is up-to-date. In essence, “Best Style” always offers optimal coverage attuned to the latest customer needs.

Since its launch in June 2014, “Best Style” has garnered extremely favorable reviews and sold over 1,590,000 policies (as of May 31, 2018). Moreover, in June 2018 we released the “Wage and Household Budget Supporting Rider,” a new rider designed to be attached with “Best Style.”

Employing our after-sales service, we will deliver

Coverage for the latest insurance needs,

Remaining in step with evolving insurance needs over time.



Coverage optimized to individual needs,

Providing coverage best tailored to each customer.

Releasing “Wage and Household Budget Supporting Rider” (June 2018)

This rider provides income protection coverage with monthly payment of benefits should the policyholder no longer be able to work due to disease or injury.

Feature 1	Initiate payment of monthly benefits as soon as the period of hospitalization or home care ¹ reaches 30 consecutive days
Feature 2	Once initiated, payment of monthly benefits continues for one year whether or not the policyholder recovers from the condition
Feature 3	The policyholder is eligible for the aforementioned benefits regardless of the type of disease or injury
Feature 4	Coverage will remain in effect until the policyholder's condition qualifies for the payment of the benefits on a total of two separate occasions

1 Under this status, the policyholder resides in a residential home in Japan or stays at domestic facilities other than hospitals and clinics, undergoes “planned treatment”² based on a doctors’ guidance and diagnosis, and receives visits from doctors, nurses or other healthcare specialists. The policyholder must concentrate on undergoing this treatment.
 2 “Planned treatment” includes medical treatment, therapy management and specialist guidance that are subject to the calculation of “home patient medical care / instruction fees (excluding house call fees as well as ambulance and emergency medical treatment fees)” classified as home healthcare under Japan’s medical treatment remuneration system.

To enrich the lineup of income protection riders, which includes “Long-Term Income Support Rider,” we released “Wage and Household Budget Supporting Rider” to provide coverage for policyholders who are unable to work.



Long-term income support rider
 “Wage and Household Budget Supporting Rider”

A rider that provides policyholders who are unable to work due to serious disease or accident with wide-ranging income protection coverage from the minimum of one year to lifelong income support

“Wage and Household Budget Supporting Rider”

Meets prescribed conditions that restrict the policyholder's ability to work

The period of hospitalization or home care reaches 30 consecutive days

Monthly benefits x 12 months (for two separate occasions)



Suffering from worsening symptoms or becoming chronically ill

“Whole life annuity rider with disability income benefit”

Become disabled by a condition, meeting prescribed standards, that causes difficulty in daily life

Issuance of grade 1 or 2 physical disability certificates	Paralysis of one side of the body	Become unable to leave the bed (prescribed conditions must be met)	Conditions requiring long-term care (class 3 or higher)
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Whole life annuities

Pursuing Customer-Focused Business Operations

Main Initiatives in the Fiscal Year Ended March 31, 2018

In April 2017, we established the Customer-Focused Business Operations Policy aimed at providing guiding principles to our efforts to practice customer-focused business operations in line with the “Meiji Yasuda Philosophy,” our corporate philosophy. Afterward, in December 2017 we revised the Customer-Focused Business Operations Policy. The revision included our declaration of proactively pursuing a customer-focused business approach while incorporating concepts behind and policies set forth in our previous “Consumer-Centric Management Declaration.” At the same time, we have identified KPIs* to assess the status of initiatives aimed at promoting a customer-focused business approach.

With the goal of delivering our customers unwavering peace of mind, we will strive to deliver our best to our customers by proactively practicing customer-focused business operations from enrollment to the payment of insurance claims and benefits. To this end, all officers and employees will engage in concerted efforts on various fronts to practice our policy of pursuing customer-focused business operations.

* Key performance indicators: Indicators for assessing measurable value that demonstrates how effectively a company is achieving key business objectives. Meiji Yasuda Life has identified four KPIs, namely, (1) the number of customers; (2) customer satisfaction ratings; (3) the corporate image indicator; and (4) employee awareness survey results.

The Customer-Focused Business Operations Policy—Our Declaration of Proactively Pursuing a Customer-Focused Business Approach

1 Promote Thorough Customer-Focus

Guided by the management philosophy “Peace of mind, forever,” we aim to become “a life insurance company that cares about people first.” We place the utmost value on customers. In order to best serve our customers’ interests, ensuring that employees act ethically is a basic principle that applies across all of our business operations. We will thoroughly pursue a customer-focused approach.

2 Incorporate Customer Feedback into Management

We keep ourselves open to a broad range of opinions and requests voiced by customers while promoting initiatives to incorporate customer feedback into corporate management. By doing so, we will enhance customer satisfaction. Moreover, we will also maintain proactive information disclosure.

3 Provide Optimum Products and Services that Address Customer Needs

As a life insurance company, we are well aware of our social responsibility to complement the public social security system and support the ability of people to help themselves. With this in mind, we will strive to develop high-quality products and services that accurately meet customer needs while effectively adapting to changes in social circumstances, such as a rapidly aging population.

In addition, we recommend our insurance products only after closely listening to each customer’s intentions. By doing so, we endeavor to provide optimal products and services in light of each customer’s life stage, purpose for enrollment and unique financial situation.

4 Strengthen the Provision of Information to Customers at Insurance Enrollment

To help customers choose optimal products and services, we will explain information that is important to each customer via easy-to-understand and detailed presentations. We will also strive to furnish appropriate and sufficient information based on the characteristics of products and services the customers have chosen.

5 Enrich After-Sales Services Adapted to the Needs of Each Customer

Given the unique characteristics of life insurance policies whose duration may extend to the ultra-long term, we will provide wholehearted after-sales services* finely tuned to the needs of customers while ensuring the payment of insurance claims and benefits, thereby delivering our customers unwavering peace of mind.

* After-sales services refer to ongoing services that are regularly provided for an extended period of time following enrollment.

6 Engage in Asset Management That Lives up to Customer Confidence

To secure our capabilities to maintain the payment of insurance claims and benefits over the future, we will strive to maintain and improve our financial soundness and, to this end, employ an enterprise risk management (ERM) framework and practice the surplus management type of asset liability management (ALM).* We will also maintain appropriate risk management. By doing so, we will boost our profitability.

* ALM provides for the comprehensive management of assets and liabilities with the aim of controlling volatility risk by centering the capital strategy on surplus, which derives from the difference between the economic value of assets and liabilities based on fair value or market-consistent value determined using future cash flows.

7 Managing Conflicts of Interest

With the aim of appropriately controlling conflicts of interest, we have established such principles as “Policies for Managing Conflicts of Interest.” To protect customers’ interests from undue damage, we will strive to accurately assess potential conflicts with the customers’ interests in the course of transactions, seeking to appropriately control and manage such conflicts.

8 Maintain Customer-Focus Initiatives

To support various initiatives aimed at promoting customer-focused business operations, we will ensure that results of such initiatives are reflected in the performance evaluations of organizations and individuals. We will also periodically verify the effectiveness of these initiatives to make improvements by identifying KPIs for assessing progress in such initiatives. Furthermore, we will enhance the content of educational and training programs to equip employees with knowledge and skills necessary to conduct consulting services based on a customer-focused approach.

Our Support of Meiji Yasuda J. League and Other Initiatives to Vitalize Local Communities

Under the slogan “supporters across-the-board,” we are supporting J. League and local football clubs.

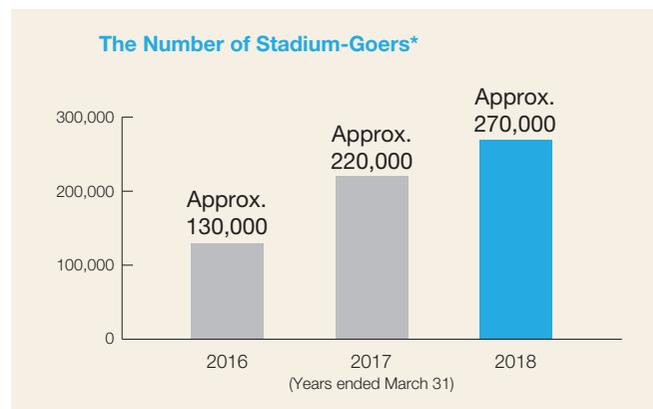


The J. League aims to cultivate Japan’s sporting culture through the operation of sports clubs rooted in community. Fully agreeing with this objective, in January 2015 the Company signed a title partner contract with J. League.

With the 2018 season marking the fourth year of the Meiji Yasuda J. League, we are committed to supporting J. League and other local football clubs under the slogan “supporters across-the-board” along with people from communities in which we operate.



(Left) Yu Kobayashi, who plays for Kawasaki Frontale, was named J. League Most Valuable Player in the 2017 season



* The sum of Meiji Yasuda Life employees, their families and customers who went to stadiums to watch the J. League games

Meiji Yasuda J. League 2018 Season TV Commercials Broadcast Nationwide

“We aim to directly reach out to the general public through TV commercials and let viewers know that Meiji Yasuda Life is supporting all 54 J. League clubs and other local football clubs based on sponsorship deals. Featuring six popular J. League

athletes, these commercials convey the Company’s commitment to contributing to community vitalization and helping energize people around Japan.



©J.LEAGUE

In collaboration with local football clubs, we are hosting football clinics for elementary school students and other community-rooted activities.



For the fiscal year ending March 31, 2019, we succeeded in signing sponsorship deals with all 54 member clubs of the J. League through our business bases nationwide, including 90 regional offices. In addition, some business bases operating in areas where J. League clubs are not active, became sponsors of clubs that belong to such associations as the Japan Football League (JFL). Thanks to partnerships we have with these clubs, we are able to

carry out various initiatives that are deeply rooted in communities. For example, in the 2017 season we held football clinics for elementary school students on 186 occasions in areas throughout Japan. A total of around 16,000 children and their parents participated in the clinics. Other initiatives included sponsoring futsal competitions in tandem with local football clubs and hosting lectures in which ex-J. League athletes take the platform.

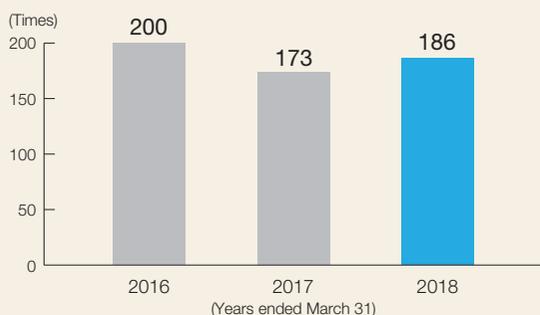


A football clinic for elementary school students (Kobe Regional Office)

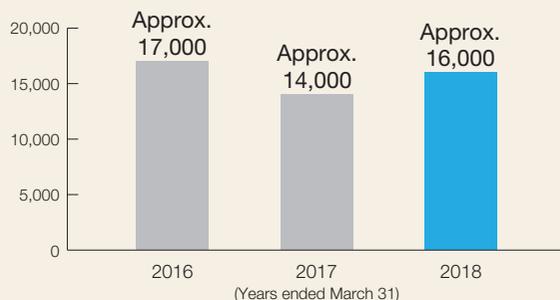


Meiji Yasuda Life Futsal Festa 2017

The Annual Number of Football Clinics



The Number of Football Clinic Participants



Meiji Yasuda Life Engages in Community Contribution Activities on Various Fronts.

Community Safety Initiative and Other Activities

We are contributing to the sound upbringing of children by, for example, presenting “Yellow Patches.” Please also see pages 95 to 97 for more details.

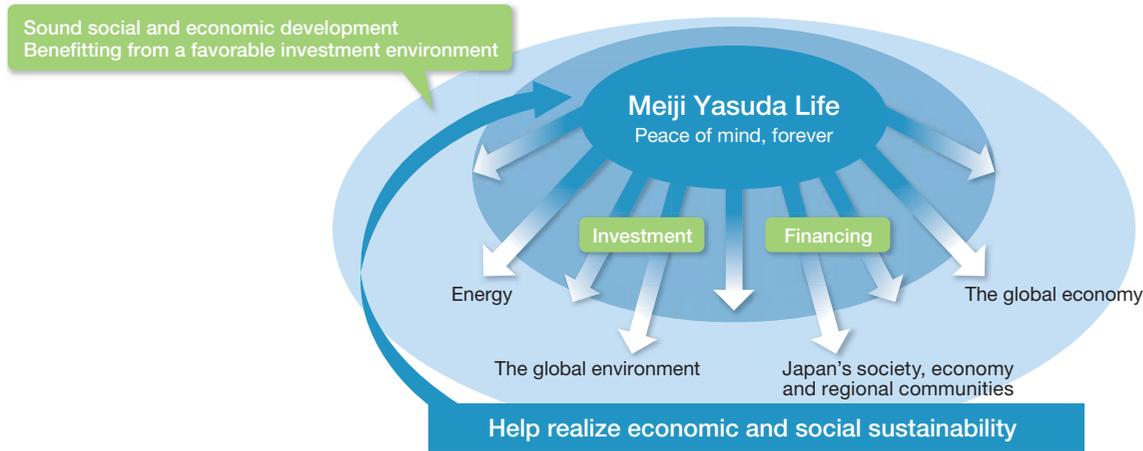
To provide details on its CSR activities, Meiji Yasuda Life has a dedicated website for reporting its latest CSR activities (Japanese only). <https://www.meijiyasuda.co.jp/profile/csr/>

Promoting Sustainable Investment and Financing

About Sustainable Investment and Financing

As part of initiatives aimed at addressing environmental, social and governance (ESG) issues via investment, Meiji Yasuda Life promotes sustainable investment and financing. The Company defines sustainable investment and financing as an investment and financing approach that helps realize social and economic

sustainability. Meiji Yasuda Life focuses on sustainable investment and financing as it also finds similarity between this approach and its management philosophy aimed at delivering customers unwavering peace of mind.

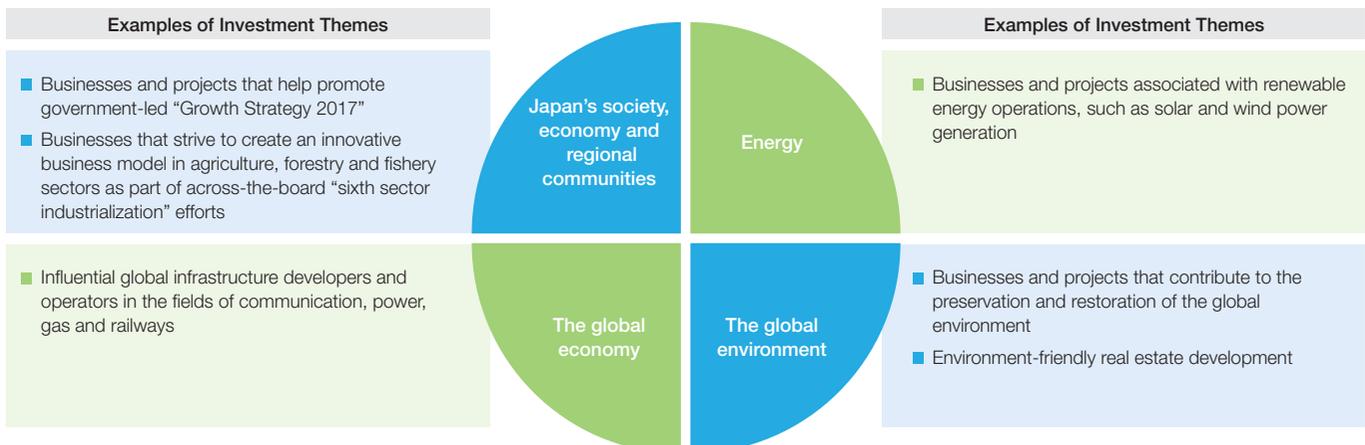


Main Initiatives

Meiji Yasuda Life has positioned “Japan’s society, economy and regional communities,” “the global economy,” “energy” and “the global environment” as primary targets in its sustainable investment and financing, striving to help realize sustainability in these four fields. In line with this positioning, the Company engages in investment in and financing for renewable energy-related projects. The Company also engages in sustainable investment and

financing by, for example, purchasing bonds specifically issued to fund initiatives aimed at resolving social issues.

Over the course of the Medium-Term Business Plan (April 2017 – March 2020), the Company aims to invest a total of ¥500 billion. As of March 31, 2018, the Company invested a total of ¥203.2 billion, making steady progress.



Community Vitalization Initiatives via Partnerships with Local Governments

Signing of Partnership Agreements

As an insurance company operating in regions around Japan, Meiji Yasuda Life values its relationship with local communities.

Moreover, Meiji Yasuda Life aims to help resolve issues these communities are now confronting. To this end, the Company is determined to promote various initiatives based on close collaboration with local governments, regional financial institutions

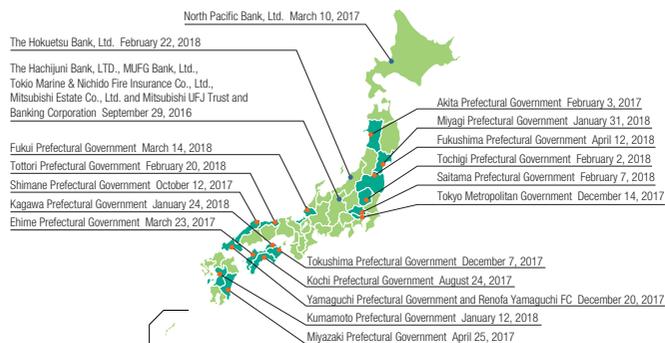
and other external parties while leveraging its business network and know-how acquired through social contribution activities. By doing so, the Company will contribute to community safety and support the health promotion efforts undertaken by other community members.

As of May 31, 2018, Meiji Yasuda Life signed partnership agreements with 16 prefectural governments and three regional banks.

Main Content of Collaborative Initiatives

Supporting the elderly and providing assistance to health promotion	<ul style="list-style-type: none"> Community safety initiative Seminars themed on nursing care, health maintenance and end-of-life plans, and other life planning topics Promotional activities aimed at raising public awareness with regard to cancer screening and the prevention of lifestyle diseases
Supporting marriage, childbirth and child rearing	<ul style="list-style-type: none"> J. League-related events, football clinics and other sports events aimed at supporting the sound upbringing of children Initiatives aimed at supporting marriage, childbirth and child rearing Initiatives aimed at helping create an environment in which women can work vibrantly and develop longstanding careers
Supporting the development of industrial and tourism sectors	<ul style="list-style-type: none"> Promotional activities aimed at letting the general public know about initiatives undertaken by and events hosted by local governments Provision of "communication assistance boards" to help accommodate the needs of foreign tourists Hosting of exchange meetings inviting attendees from multiple business sectors and business matching events aimed at supporting small- and middle-size corporations
Helping realize self-dependent regional economies	<ul style="list-style-type: none"> Investment and financing in growth fields, such as the agricultural sector Promotional activities aimed at drawing public attention to local specialties

List of Partnership Agreement Counterparts and Signing Date



Signing ceremony for the comprehensive partnership agreement with Yamaguchi Prefectural Government and Renofa Yamaguchi FC

Examples of Concrete Initiatives



Co-sponsoring fairs aimed at supporting the reconstruction of the region hit by the Kumamoto Earthquake (including promotional events aimed at drawing public attention to local specialties)



Hosting casual health inspection events aimed at assisting attendees with their health promotion efforts

Initiatives to Realize Improved Work Engagement

Creating a Fulfilling and Inclusive Workplace for All Employees

Meiji Yasuda Life seeks to realize improved work engagement.* More specifically, we are striving to continuously raise the bar of our human resources, promoting initiatives to boost mental and physical health and fostering a culture that embraces workforce diversity. We are also endeavoring to create spare capacity by revising

working styles. Some of our initiatives that have earned external recognition are listed below. Looking ahead, we will continuously engage in diverse initiatives to create an inclusive workplace environment in which all employees can lead fulfilling careers.

* A state of mind where each employee feels pride and experiences fulfillment while working with vigor to pursue challenging targets

External Recognition of Initiatives to Promote Employee Health

- The Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi Health Promotion Association
Selected for a second consecutive year to the “Certified Health and Productivity Management Organization Recognition Program—White 500” (February 2018)

In recognition of its efforts aimed at developing a robust organizational structure for health promotion and providing optimal assistance to employees at risk of disease, the Company was selected for inclusion in the “Certified Health and Productivity Management Organization—White 500.”

- Japan Sports Agency
Certified as a “Sports Yell Company” (December 2017)

The Company was selected to be certified by the Japan Sports Agency as a “Sports Yell Company” thanks to its proactive approach to the promotion of sports activities aimed at improving employee health.

- Tokyo Metropolitan Government
Named a “Tokyo Sports Promotion Company” (November 2017)

Meiji Yasuda Life was selected by the Tokyo Metropolitan Government as a “Tokyo Sports Promotion Company” for its proactive initiatives aimed at promoting employee health via sports activities.

- The Ministry of Health, Labour and Welfare (MHLW)
Recognized in the 5th Smart Life Project Award Program sponsored by the MHLW to promote longer, healthier lives (November 2016)

In collaboration with the health insurance association and labor unions, the Company has been engaged in a variety of initiatives to promote employee health, including hosting health awareness events, implementing mental health support measures and sending out follow-up notifications to employees in need of additional health checkups based on the results of regularly scheduled checkups. Thanks to these efforts, we were selected as a winner of an Award for Excellence (business corporation category), given by the Director General of the Health Service Bureau of the Ministry of Health, Labour and Welfare.



External Recognition for Initiatives to Help Women Achieve Career Success

- The Minister of State for Gender Equality Award under the Commendation for Leading Companies where Women Shine program (December 2016)

Meiji Yasuda Life was chosen to receive a prize presented by the Minister of State for Gender Equality under a commendation program sponsored by the Gender Equality Bureau Cabinet Office. Factors contributing to this recognition included a steadily increasing proportion of female managers in managerial positions, the success of the Company's efforts to reduce total overtime hours and other initiatives undertaken by each business unit to help employees strike an optimal balance between work and private life.



External Recognition for Initiatives to Embrace Flexible Working Styles

- Award of the Minister for Internal Affairs and Communications for excellent trailblazers among the top hundred telework pioneers (November 2016)

In recognition of its efforts to promote flexible and effective working styles through the utilization of telework, Meiji Yasuda Life received an Award of the Minister for Internal Affairs and Communications under a ministry-sponsored program designed to commend businesses engaged in trail-blazing initiatives that provide inspiring precedents for other corporations.



Initiatives to Foster a New Corporate Culture through the “Corporate Vision Realization Project”

The Purpose of the Project

Having established the “Meiji Yasuda Philosophy,” our corporate philosophy, we are striving to ensure that this philosophy is understood by all employees and wins their hearts. To step up this pursuit, we have launched the Corporate Vision Realization Project, a bottom-up project aimed at creating a new corporate culture.

More specifically, we are endeavoring to create a culture where employees proactively work to realize the “Meiji Yasuda Philosophy,” especially our corporate vision, using their creativity, with everyone becoming acutely aware of how their actions affect the successful formation of our corporate brand.

Basic Policy for the Project and Optimal Corporate Culture

In addition to ensuring that our corporate philosophy is understood by all employees and wins their hearts, we aim to raise each employee’s awareness so that they can act on the ideals of the corporate vision. With this in mind, we have defined the optimal

corporate culture while laying out the project’s basic policies, which are designed to support the three fundamental “relationships” that all employees should be committed to nurturing.



Examples of Concrete Initiatives

- All business units held workplace vision meetings, under the direction of business unit leaders, in which participants discussed how to realize the “Meiji Yasuda Philosophy.”



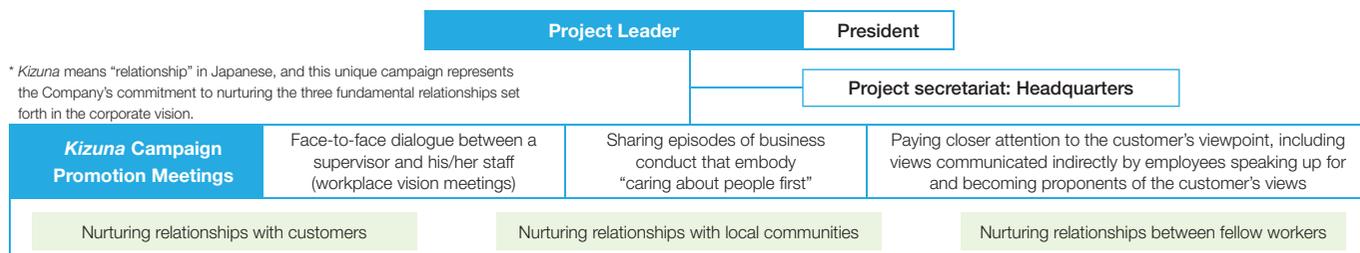
- In June 2018, the Chairman of the Board, President, as well as all the other officers and general managers of Headquarters departments, gathered with employee representatives from business units across the nation, to hold a planning session, with attendees being divided into small working groups.



The “Kizuna” Campaign—Key Initiative Empowered by Small Groups

We also launched the “Kizuna” Campaign,* a key initiative supported by small groups formed at each business unit, with the aim of effectively promoting the Corporate Vision Realization Project. The campaign calls upon all employees across-the-board to fulfill their role and utilize their creativity in realizing our corporate vision.

Through the pursuit of this campaign, we will proactively push forward with a variety of initiatives aimed at raising employee awareness, encouraging them to take action, facilitating inter-organizational communication and fostering a stronger sense of unity.



* Kizuna means “relationship” in Japanese, and this unique campaign represents the Company’s commitment to nurturing the three fundamental relationships set forth in the corporate vision.

MY INNOVATION 2020

About the “Health Promotion Project”

Providing Our Stakeholders with Ongoing Assistance to Support Their Health Promotion Efforts in a Way That Addresses Individual Needs

Background and Objectives of the Project

In the wake of a declining birthrate, the rapid aging of society and ever longer lifespans, there is a growing call for across-the-board initiatives aimed at lengthening people’s healthy life expectancy as the means to maintain social vitality and counter rises in social security costs. To address issues arising from these circumstances, each individual is expected to maintain and improve his/her health by, for example, engaging in daily exercise. Moreover, it is important to detect diseases at an earlier stage and manage them through, for example, periodic health checkups.

With this in mind, Meiji Yasuda Life has decided to launch the “Health Promotion Project.” This project is intended to serve as a new key initiative aimed at supporting the objectives of MY

INNOVATION 2020, a three-year program that was commenced in April 2017. Specifically, through this project we will offer ongoing assistance to health promotion initiatives undertaken by key stakeholders, namely customers, local communities and fellow workers (Meiji Yasuda Life employees) in a way that transcends the scope of conventional products and services.

As this project aims to support people’s efforts to prevent diseases and detect diseases at an earlier stage, Meiji Yasuda Life will strive to create and deliver new value that goes well beyond the traditional insurance operations that provide coverage for those who suffer from disease.

Outline of the Project

Initiatives under the project will include (1) delivering products that provide policyholders with incentives based on the results of their efforts to maintain and improve their health after enrollment; (2) offering policyholder services aimed at assisting disease prevention and earlier detection; and (3) hosting campaigns aimed at raising health awareness of a broader range of community members, including those other than Meiji Yasuda Life policyholders. Furthermore, we will upgrade our core functions as a life insurer via the accumulation and analysis of health and medical-related data.

In line with the project’s priority on “supporting daily exercise habits” and “promoting regular medical checkups,”* we will also utilize cutting-edge IT solutions while focusing on promoting

face-to-face customer interaction by sales personnel and via other channels. By doing so, we will tailor our initiatives in a way that addresses the needs of each individual.

In addition, our plans call for releasing a new product designed to provide ongoing assistance to customers’ health promotion efforts in April 2019 (premised on the approval of the supervisory authorities). This new product adopts revised insurance premium rates based on a recent improvement in the mortality rate. Moreover, the product provides policyholders with incentives based on the results of annual health checks.

* Including periodic health checkups, medical checkups specifically aimed at detecting lifestyle diseases, cancer checkups and other relevant blood tests

Toward the Full-Scale Launch of the Project in April 2019

The full-scale launch of various initiatives listed above is scheduled for April 2019. We will also implement some forerunner programs, including services and campaigns, in the fiscal year ending March 31, 2019. At the same time, the Company will be ever more

focused on pursuing operations that are conscious of employee health and, to this end, step up its initiatives to help employees improve their health conditions.

Project Overview

Corporate vision

A Long-Respected Life Insurance Company That Cares about People First

Relationship with
customers

Relationship with
local communities

Relationship with
fellow workers

Provide ongoing assistance to health promotion efforts undertaken by customers, local communities and fellow workers by supporting daily exercise habits and promoting regular medical checkups

Customers

Local communities

Fellow workers

(Meiji Yasuda Life employees)

1

Health Promotion Products

Providing incentives for policyholders who undergo annual health checkups and achieve an improvement in their condition

2

Health Promotion Services

Information and counseling services

Exercise assistance

Raising awareness of health checkups

Advanced medical checkups

3

Health Promotion Campaigns

Upgrade our underwriting capabilities, develop new products and enhance the content of services and campaigns via the accumulation and analysis of health and medical-related data

Upgrade our core functions as a life insurer

Promote employee health

■ Meiji Yasuda Life J. League Walking Campaign

In regions around Japan, we will host campaigns that invite residents of the communities in which we operate as well as local J club players to take part in walking while having fun.

These campaigns will include walking programs tailored for each region by incorporating some activities held jointly with local J clubs. For participants in these programs, we will develop and distribute a smartphone app to help them track their walking record. We will also host community walking events inviting local residents, J club players and ex-players.

The first round of walking programs was held in July 2018, inviting members of Shonan Bellmare. Looking ahead, we will expand the scope of regions in which we host these campaigns while partnering with a greater number of professional football clubs.



Our Management Strategy

Progress in the MY INNOVATION 2020,

a Three-Year Program Spanning April 2017 – March 2020

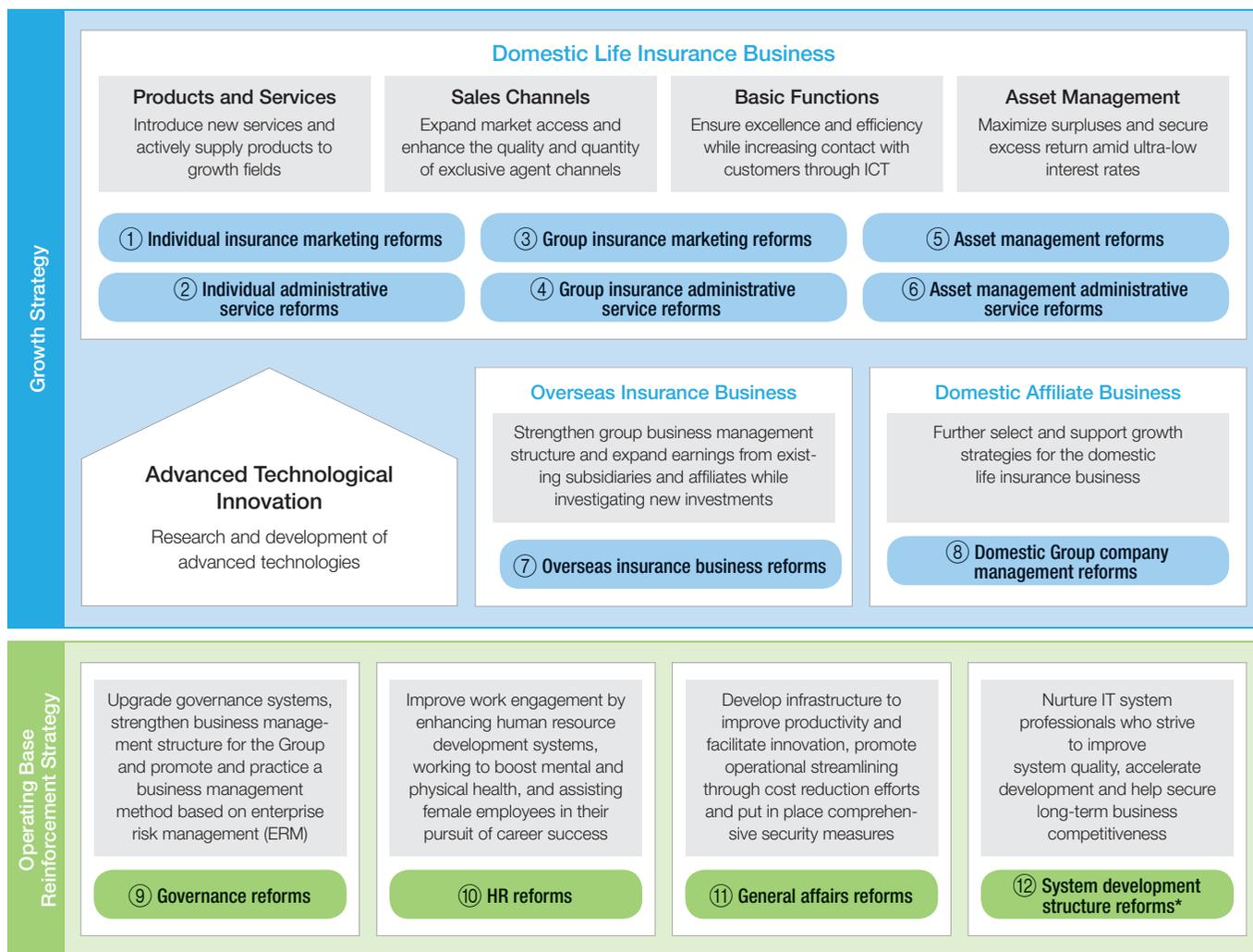
I. Overview of MY INNOVATION 2020

Since April 2017, Meiji Yasuda Life has been implementing the MY INNOVATION 2020, a three-year program. This program encompasses a Medium-Term Business Plan and the Corporate Vision Realization Project. These two components are both designed to facilitate business innovation, driving our transformative and creative initiatives aimed at realizing our corporate philosophy, the “Meiji Yasuda Philosophy.”

Prefaced on customer focus and thoroughgoing compliance, this program aims to achieve stable and steady improvement in corporate value and, to this end, promote our growth strategy, operating base reinforcement strategy and brand strategy in a way that strikes a balance between growth potential, profitability and financial soundness.

We have also identified the Twelve Reforms that will drive our strategies under the MY INNOVATION 2020. More specifically, the Twelve Reforms encompass growth strategy initiatives to facilitate business innovation in the domestic life insurance business and the overseas insurance business as well as the domestic affiliate business, along with our operating base reinforcement strategy aimed at securing a more robust foundation for future growth.

Twelve Reforms under MY INNOVATION 2020



* Launched in April 2018



II. Progress

Operating results for the fiscal year ended March 31, 2018 included year-on-year increases in both insurance premiums and other of the Company and insurance premiums of the Group, attesting to our robust growth potential. Moreover, base profit of the Company and base profit of the Group increased, as well, achieving year-on-year growth in profitability and hitting a record high profit since the inauguration of Meiji Yasuda Life. In addition, we maintained our robust solvency margin ratio and consolidated solvency margin ratio, both of which indicate the industry's leading level of financial soundness.

Customer satisfaction surveys undertaken in the fiscal year ended March 31, 2018 revealed that total customer satisfaction (the proportion of "Satisfied" and "Somewhat satisfied") stood at a record-high 62.6%. Moreover, we have also achieved record-high figures for

customer satisfaction with regard to sales personnel and products. Notably, a majority of questionnaire respondents provided the highest rating for their level of satisfaction with our sales personnel.

Looking at management quality indicators, the rates of surrender, lapse and partial surrender as well as the persistency rate all remain favorable. To live up to customer expectations, we are continuously striving to improve our business structure.

Having thus successfully finished the fiscal year ended March 31, 2018, the first year of the MY INNOVATION 2020, we were able to make a strong start of initiatives under the program while striking a balance between growth potential, profitability and financial soundness.



Our Management Strategy

1. Management Performance Targets

We made steady progress toward each management performance target under the Medium-Term Business Plan.

	As of March 31, 2018	Year-on-year change	Medium-Term Business Plan targets	
Corporate Value (EEV) ¹	¥4,940.5 billion	104.8%	+20%	
Annualized Premiums in Force (Individual insurance marketing)	¥2,205.6 billion	100.0%	¥2,247.0 billion	
Group Life Insurance in Force (Group insurance marketing)	¥113.9 trillion	100.9%	No. 1 Domestic Share	
Annualized New Premiums from Third-Sector Insurance ²	¥48.2 billion	117.3%	¥56.0 billion (+40%)	
Number of Customers	Advisor channel and other channels ³	6,940,000	102.0%	7,000,000 (approx. +200,000)
	Group insurance marketing channel ⁴	4,850,000	101.2%	4,940,000 (approx. +150,000)
Economic Solvency Ratio (ESR) ⁵		129%	—	150-160% or more
	Reference figure ⁶	165%	—	—
On-Balance Sheet Capital ⁷	¥2,651.1 billion	107.6%	¥3 trillion (+20%)	

1. Target is based on the premise that the economic environment remains substantially the same as that at the end of the fiscal year ended March 31, 2017. The figure as of March 31, 2018 was calculated by omitting the impact of fluctuations in surrender rate of saving-type products and other preconditions that are beyond the Company's control. If these preconditions were taken into account, EEV would amount to ¥4,833.3 billion.

2. This figure is achieved by adding together annualized new premiums from third-sector insurance from individual insurance marketing and the third-sector insurance portion from group insurance marketing (Individual insurance products designed for group insurance customers, group medical insurance, group disability income insurance, and group credit life insurance) as well as the equivalent value of annualized new premiums of Meiji Yasuda General Insurance Co., Ltd. (accident insurance, disability income insurance and medical insurance).

3. Life insurance policyholders (including deferments and those currently receiving annuity payments) + Life insurance insured persons + Nonlife insurance insured persons (excluding redundant policyholders)

4. The number of insured persons of voluntary group life insurance (insured persons and insured spouses of group life insurance contracts solely underwritten by the Company)

5. An economic-value based indicator that shows whether the Company has secured sufficient capital in contrast with its total amount of risk. (Adopting a 99.5% confidence level, the figure is based on the Company's internal model.)

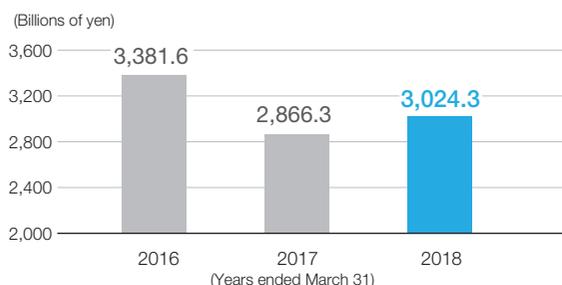
6. A figure calculated using a model based on the Insurance Capital Standard (mandating applying the Ultimate Forward Rate, adding expected investment return of 0.15% and giving consideration to tax effects and other factors) currently discussed by the International Association of Insurance Supervisors (IAIS)

7. The total amount of specified internal reserves and externally financed capital.

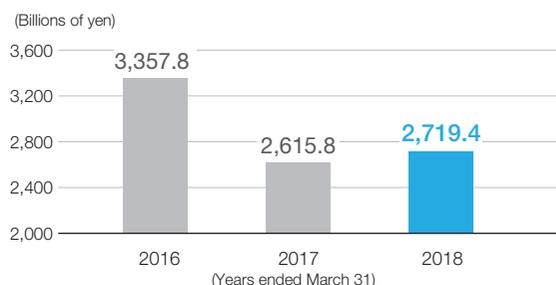
2. Growth in Operating Results

Insurance premiums and other of the Company and insurance premiums of the Group both increased year on year.

Insurance Premiums of the Group



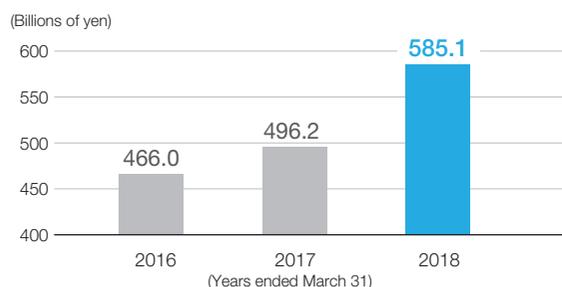
Insurance Premiums and Other of the Company



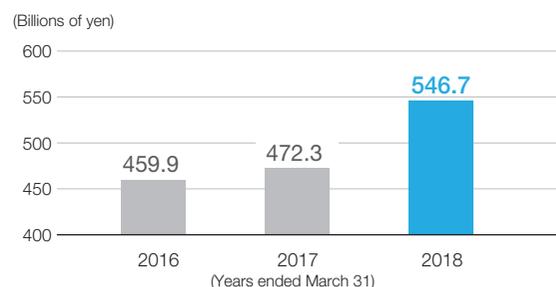
3. Profitability

Despite the ultra-low interest rate environment, base profit of the Group and base profit of the Company grew year on year, hitting a record high since the inauguration of Meiji Yasuda Life.

Base Profit of the Group



Base Profit of the Company



4. Financial Soundness

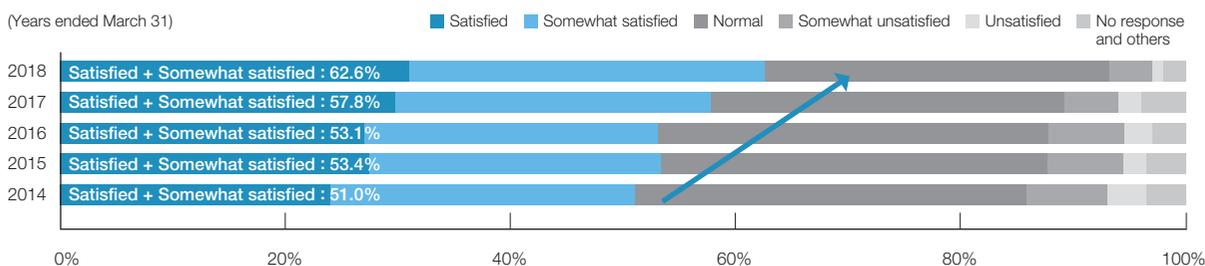
We have maintained our solvency margin ratio, one of several regulatory indicators displaying the soundness of life insurers, at the industry's leading level. We have also maintained other financial soundness indicators at continuously high levels.

As of March 31,	2016	2017	2018
Solvency margin ratio	938.5%	945.5%	937.9%
Consolidated solvency margin ratio	983.7%	998.9%	990.2%
Real net assets	¥9,515.6 billion	¥9,563.9 billion	¥9,827.5 billion
Proportion in general account assets	26.6%	26.0%	26.1%
Unrealized gains/losses on general account assets	¥6,170.7 billion	¥6,040.9 billion	¥6,182.6 billion
Unrealized gains/losses on securities with market prices	¥5,820.4 billion	¥5,666.9 billion	¥5,788.6 billion

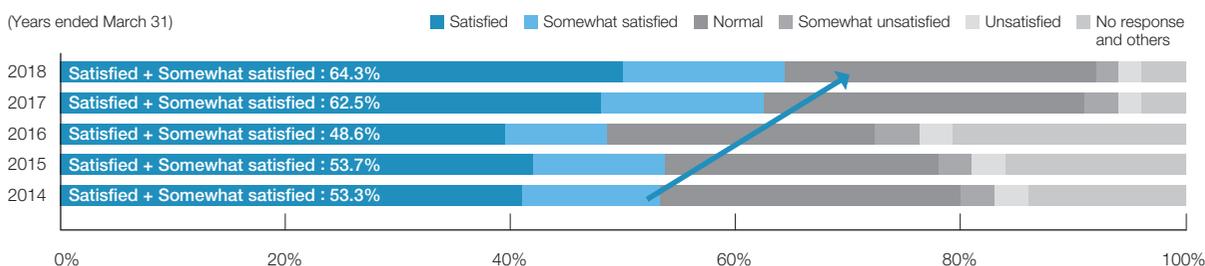
5. Customer Satisfaction

We have positioned total customer satisfaction (the proportion of "Satisfied" and "Somewhat satisfied") as an important indicator to verify the outcomes of our efforts to achieve our corporate vision of becoming a life insurance company that cares about people first. In the fiscal year ended March 31, 2018, our total customer satisfaction rating stood at 62.6%, hitting a record high since we began customer satisfaction surveys in the fiscal year ended March 31, 2007. This was thanks to the success of our initiatives aimed at enhancing face-to-face after-sales service. In addition, we have also recorded our highest figures ever for customer satisfaction with regard to sales personnel and products.

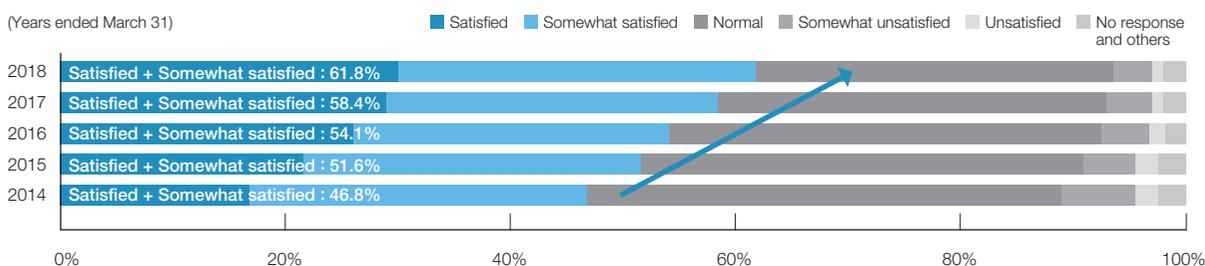
Total Customer Satisfaction Rating



Customer Satisfaction with Regard to Sales Personnel



Customer Satisfaction with Regard to Products

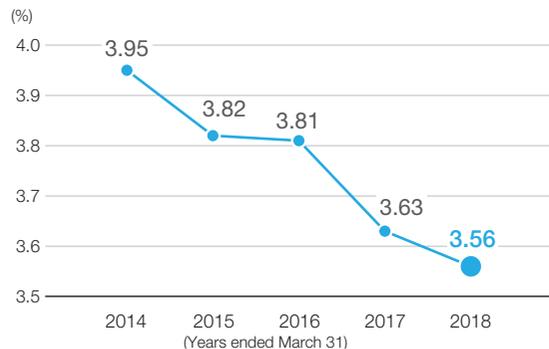


Our Management Strategy

6. Management Quality

Looking at the quality indicators of our policies, we were able to steadily improve the rates of surrender, lapse and partial surrender as well as the persistency rate, attesting to the success of our efforts to provide customers with robust after-sales service.

Rates of Surrender, Lapse and Partial Surrender



Note: Rates of surrender, lapse and partial surrender represent the proportion of surrendered, lapsed and partial surrendered policies to policies in force at the beginning of the fiscal year. The rates are calculated based on annualized premiums in force.

Total Persistency Rate



Note: Total persistency rate is based on the insurance amount of policies in force.

III. Status of the Medium-Term Business Plan

1. Growth Strategy

Domestic Life Insurance Business

In the domestic life insurance market, we have identified four priority fields, namely, “third-sector insurance,” “products for seniors and retirees,” “women-oriented products and services,” and “investment-type products” as we have seen significant growth potential in these product categories. With this in mind, we have striven to expand sales volume for such protection-type products as medical and nursing care insurance while endeavoring to increase the number of our customers.

In our distribution channel of agency, we expanded the lineup of “Simple Insurance Series Light! By Meiji Yasuda Life” (hereinafter “Light! Series”) we launched in October 2016. Moreover, in April 2017 we released two nonlife insurance products, namely, “Meiji Yasuda Life *Otegaru Jitensya*” bicycle insurance and “Meiji Yasuda Life *Omamori Kaza!*” household property insurance. Light! Series continued to garner extremely favorable reviews and sold over 650,000 policies (as of March 31, 2018). This series also brought in a number of customers who choose to additionally enroll in “Best Style” and other comprehensive protection products. Thanks to this, the number of policies sold for “Best Style” reached 1,520,000 (as of March 31, 2018).

With regard to life insurance products, in August 2017 we released “U.S. dollar-denominated endowment insurance with a single lump-sum premium,” which is tailored to meet customer needs for an investment type-product designed to withstand the prolonged low interest rate environment in Japan. We also released “Whole life medical insurance for people age 50 or older” in December 2017, aiming to satisfy specific medical coverage needs of customers who have started to consider how to lead fulfilling lives after retirement.

At the same time, we strove to strengthen our sales and service structures. Specifically, we enhanced education and training systems for sales personnel while reviewing our systems for their evaluation and treatment.

In the Bancassurance channel, we released “Everybody Plus,” a single premium whole life insurance denominated in foreign currencies, in August 2017. This product is specifically developed to exploit gaps between interest rates in Japan and those in the United States and Australia, with the aim of addressing asset management needs among middle-aged or older individuals and affluent customers.

In the group insurance marketing channel, we encouraged group life insurance customers to consider enrollment in “group credit life insurance with rider for protection against cancer” released in April 2017. We also promoted a Business to Employee (B to E) approach, directly making proposals to employees at corporate and group customers to create greater business opportunities in an effort to increase the number of customers. Furthermore, in June 2017 we launched the “MY Health Promotion Assistance Program,” a service aimed at offering comprehensive assistance to health promotion initiatives undertaken by our corporate and group customers.

In our administrative services, we stepped up the utilization of ICT in various procedures while upgrading our structure for after-sales services to ensure its responsiveness to evolving customer needs in a rapidly aging society. We also designed the “MY Assist+ System” aimed at assisting customers who have physical difficulties in completing application procedures, putting it into practice in April 2018.

In asset management, we worked to maintain optimal asset allocation consistent with the present market environment. Simultaneously, we strengthened credit investment and financing at home and abroad in addition to promoting sustainable investment and financing. By doing so, we upgraded and diversified our asset management methodologies, with the aim of broadening our investment income potential.

Overseas Insurance Business and Domestic Affiliate Business

In the overseas insurance business, we continued to strengthen our group business management structure while helping boost the earnings power of StanCorp Financial Group, Inc. and other affiliates and subsidiaries.

In the domestic affiliate business, we pushed forward with efforts to enhance the strength of each domestic affiliate and foundation in the fields of their specialty so that these entities are better positioned to bring benefits to our customers.

2. Operating Base Reinforcement Strategy

We endeavored to upgrade our governance functions while relentlessly working to update our business management structure for the Group, keeping our eyes on the latest trends in international regulatory frameworks. In addition, we began employing external consultants who provide advice and assistance to a self-evaluation process undertaken by the Board of Directors and the Nominating, Audit and Compensation committees to enhance the fairness and objectivity of these self-evaluations. Issues identified via this process and measures formulated to address these issues have been publicly disclosed.

In risk management, we engaged in risk-return management and capital allocation management, both of which are based upon the Company's unique risk appetite, with the aim of optimizing our management strategies. By doing so, we upgraded our enterprise risk management (ERM) structure. At the same time, we continued to engage in key risk management and carried out Own Risk and Solvency Assessment (ORSA).

With regard to capital policy, in the wake of the ultra-low interest rate environment, we endeavored to secure our ability to ensure the payment of insurance claims and benefits into the future and, to this end, engaged in ongoing initiatives to strengthen our capital and financial base by, for example, externally procuring foundation funds and funds from subordinated bonds.

In human resource management, we endeavored to realize improved work engagement. To this end, we strove to enhance the value, across the board, of our human resources and promote employee health. We also pushed forward with work style reforms aimed at enhancing productivity. To promote diversity and inclusion, we also strove to assist female employees in their pursuit of career success. As a result, the proportion of women in overall managerial positions rose to 23.5% (up 2.3 percentage points compared with the previous fiscal year).

3. Brand Strategy

To realize our corporate vision, we focused on enhancing face-to-face after-sales services provided by sales personnel while implementing a periodic policy checking scheme, with the aim of securing greater customer satisfaction with regard to our after-sales services. For example, we distributed the "Anshin Roadmap" booklet to customers who have enrolled in "Best Style," a product capable of providing comprehensive protection. This booklet was intended to provide them with details about our after-sales services following enrollment. We have also promoted the "MY Anshin Family Registration Scheme" aimed at securing pre-registered secondary contacts in preparation for major disasters and other emergencies. For customers who reach celebrated ages, we implemented the "MY Longevity Policy Checking Scheme" in which the Company proactively reconfirms their latest contact information and checks whether they have policies eligible for claims that they need to apply for. In these ways, we endeavored to establish an unrivaled brand image based on excellence in after-sales service.

In addition, we have been supporting Meiji Yasuda Life J. League since the signing of a title partner contract with J. League. With 86 regional offices across Japan having also entered sponsorship deals with all 54 member clubs of the J. League, we have thus endeavored to help vitalize regional communities by supporting these and other local football clubs while at the same time hosting football clinics for elementary school students to contribute to sound upbringing of children. (During the Meiji Yasuda Life J. League 2017 Season, approximately 270,000 Meiji Yasuda Life employees and their family members attended events at stadiums, while approximately 16,000 children and parents participated in the clinics.) To achieve the successful formation of our corporate brand, we have sought to both understand and reflect our customers' values in the course of implementing the aforementioned initiatives, in addition to effectively publicizing these initiatives through various media.

IV. Status of the Corporate Vision Realization Project

Having identified our corporate vision, "A Long-Respected Life Insurance Company That Cares about People First," we aim to create a culture in which everyone proactively works to realize this vision, using their creativity. To this end, we have been implementing the Corporate Vision Realization Project.

To promote this project, each business unit took part in the *Kizuna* Campaign, an initiative supported by small group activities that involves every employee. Taking a bottom-up approach, these activities include those aimed at facilitating communication and a sense of unity throughout our workplaces along with those aimed at nurturing relationships with customers and local communities as well as relationships between fellow workers.

Key Initiatives

Relationship with customers

Undertake the "MY Message" activity in which sales personnel deliver hand-written message cards to their customers on special occasions like birthdays and enrollment anniversaries, drawing on the strength of our distribution channel of agency through which we provide face-to-face after-sales service

Relationship with local communities

Help vitalize local societies by supporting Meiji Yasuda Life J. League under the slogan "supporters across-the-board"

Relationship with fellow workers

Enhance operational efficiency at each business unit while promoting work style reforms

Our Management Strategy



Domestic Life Insurance Business

Individual Insurance Marketing Reforms/
Group Insurance Marketing Reforms

Expanding Our Customer Base While Taking on the Challenge of Value Creation via the Provision of New Products and Services

The Business Environment and Our Strategies

The domestic life insurance market is expected to shrink over the long term due to such factors as Japan's rapidly aging society and a declining birth rate, both of which lead to shrinkage in the working population. However, we must also realize that private life insurers will be called upon to fill an even greater role to complement the public social security system and support the ability of the Japanese people to help themselves. Moreover, we anticipate the future growth of markets for third-sector insurance as well as products for seniors and retirees, women-oriented products and investment-type products. Products in these four fields will become sought-after, given a number of major societal changes now under way, including aging demographics and ever longer lifespans—which together trigger growing demand for medical and nursing care coverage—as well as the ultra-low interest rate environment and the growing proportion of women in the workforce.

Furthermore, due to the rapid aging of the population, rises in social security costs have become a looming issue confronting Japanese society, leading to a growing call for across-the-board initiatives aimed at lengthening people's healthy life expectancy. As a life insurer, Meiji Yasuda Life's mission is to support its customers over the long term. Because of this, we are acutely aware of the need to engage in efforts to help customers maintain and improve their health.

Against this backdrop, we have positioned our distribution channel of agency (MY life plan advisors), which has strength in face-to-face after-sales service, as a key sales channel. We have identified two other basic channels: our Bancassurance channel, which has a customer base that includes the affluent, and our group insurance marketing channel, through which we maintain the No. 1 share in group life insurance. To steadily enhance our corporate value, we will endeavor to maximize our strength in and solidify our foundations for each of these three basic channels by developing a more robust and overarching business structure.

To that end, in individual insurance marketing we focus on the four previously mentioned priority fields with future growth potential, thereby developing and releasing products designed to meet needs in these fields. We also develop new markets and, to this end, utilize our partnership with J. League while increasing contact points with potential customers via our group insurance marketing channel. Simultaneously, we draw on our strengths in group life insurance backed by the No. 1 share in Japan to take on the challenge of perfecting a Business to Employee (B to E) approach in which we directly make proposals to employees at corporate and group customers to create greater business opportunities.

Furthermore, we will implement the "Health Promotion Project" aimed at providing ongoing assistance to efforts undertaken by customers, local communities and our fellow workers to promote health. By doing so, we will take on the challenge of creating new value delivered to individual, corporate and group customers.

Main Initiatives

Individual Insurance Marketing

In our distribution channel of agency, we have reviewed our systems for the evaluation and treatment of sales personnel while strengthening our training structure, with the aim of nurturing and securing excellent human resources. As a result, the number of sales personnel has constantly surpassed 30,000, attesting to progress in our efforts to develop a more robust sales and service structure.

As for products, our "Simple Insurance Series Light! By Meiji Yasuda Life" achieved strong sales. Launched in October 2016 to capture a broader customer base, this product sold over 650,000 policies (as of March 31, 2018). Looking ahead, we will strive to develop new customers by utilizing the Light! Series while stepping up efforts to encourage customers who enrolled in this product to consider additional enrollment in "Best Style" and other products via the provision of after-sales services. In June 2018, we released the "Wage and Household Budget Supporting Rider," a new rider designed to be attached to "Best Style" with the aim of meeting customer needs for disability income protection. We will continue to develop and release new products in a way that proactively addresses market needs.

As for our initiatives to develop new customers in the priority fields, we released "U.S. dollar-denominated endowment insurance with a single lump-sum premium" and "Whole life medical insurance for people age 50 or older." These two products are specifically targeting seniors and retirees. We also stepped up the provision of seminars for employees at our group life insurance customers, utilizing our group insurance marketing channel to increase contact points with potential individual customers. Compared with the previous fiscal year, these initiatives helped us secure a growing number of new enrollments by customers age 50 or older. As such, we made steady progress in our efforts to develop markets for seniors. Going forward, we will tap into an even broader range of markets by, for example, employing our group insurance marketing channel and co-sponsoring promotional events with external corporations.

As for the upcoming launch of the Health Promotion Project, discussions are now under way to develop products designed to provide policyholders with incentives based on the results of annual health checks and services aimed at helping policyholders prevent or detect diseases at earlier stages.

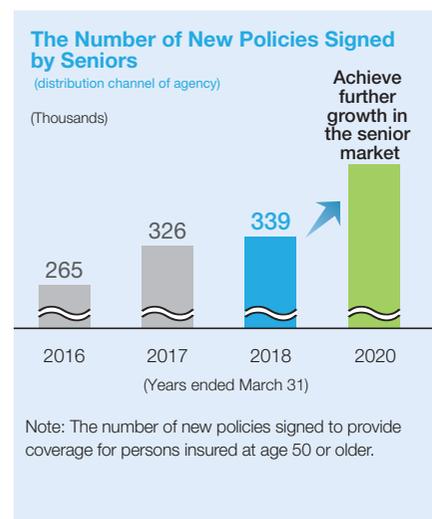
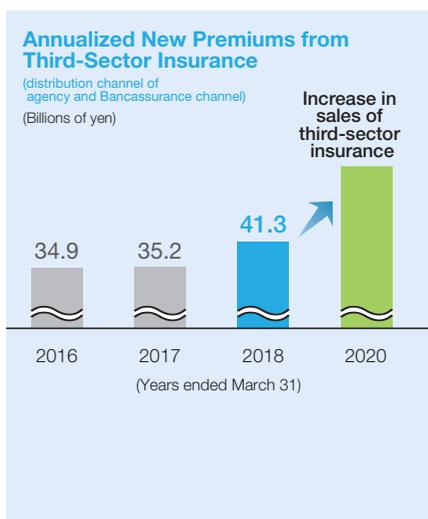
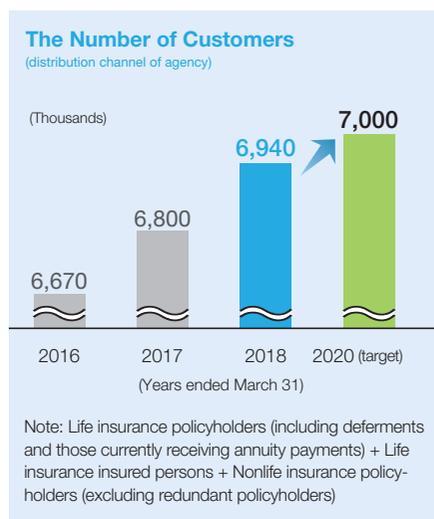


Tadashi Onishi

Senior Managing
Executive Officer

Executive Officer in
Charge of the Marketing
Planning & Research and
the Group Market Planning
& Research Departments

In the Bancassurance channel, we promoted “Everybody Plus,” a single premium whole life insurance denominated in foreign currencies. This product is aimed at addressing asset management and inheritance needs among middle-aged or older affluent customers. Looking ahead, we will enhance this channel in terms of customer convenience while also stepping up sales support for banking institutions handling our products.



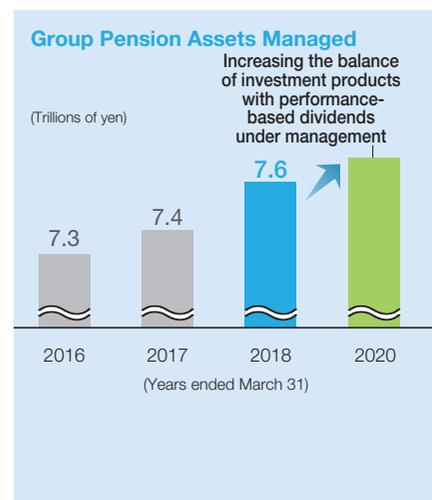
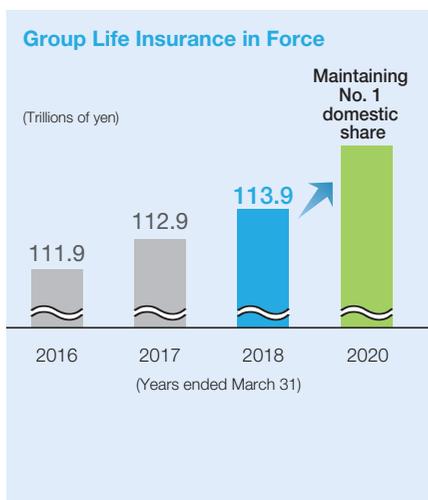
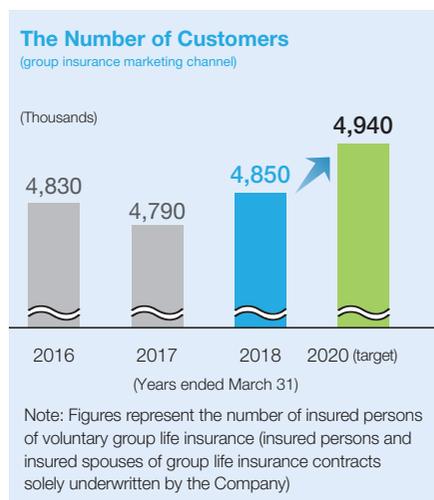
Group Insurance Marketing

In the group insurance marketing channel, we strove to help corporate and group customers enhance benefit programs for their employees by making proposals that utilize our group life insurance products. We also engaged in meticulous help desk services to ensure that persons eligible for these programs are fully informed of the content of benefits available, with the aim of encouraging the utilization of these programs. As a result, approximately 360,000 persons were newly included in the number of persons insured under our group life insurance. We have thus increased the number of persons insured.

As for products, we endeavored to develop and release third-sector insurance products aimed at addressing growing needs for medical and nursing care coverage. In group pensions, we released an investment product with performance-based dividends in October 2017 to meet diversifying asset management needs among our customers amid the prolonged ultra-low interest rate environment. This product has been adopted by a number of corporate and group customers, helping raise the total value of investment products with performance-based dividends under our management by approximately 135% compared with the previous fiscal year.

As for services, we strove to deliver clear customer satisfaction to the individuals who handle employee benefit programs at corporate and group customers, as well as the persons insured at these customers. To this end, we have been offering online administrative services via “MY Hojin Portal” while providing the “MY Health Promotion Assistance Program” aimed at assisting corporate and group customers in the pursuit of health promotion initiatives. We also provided “Bereaved Family Guidance.” This consulting service aims to assist the bereaved families of insured persons. In these ways, we proactively endeavored to increase contact points with customers and enhance the content of after-sales services.

In the fiscal year ending March 31, 2019, we will encourage our corporate and group customers to enrich the content of coverage available to insured persons in the face of decreases in group life insurance premiums following revisions in the standard mortality table. Simultaneously, we will strive to adapt ourselves to recent structural changes in the labor market, including the raising of the retirement age and growth in the proportion of women in the workforce. To this end, we will propose solutions aimed at enhancing employee benefit programs, such as broadening the scope of persons who can be insured under policies held by corporate and group customers.



Our Management Strategy



Individual Administrative Services

Individual Administrative Service Reforms

Initiating New Strategic Efforts to Realize the Industry's Leading Level of Administrative Service Quality

The Business Environment and Our Strategies

The operating environment surrounding life insurers is undergoing major changes at an ever faster pace due to such factors as a rapidly aging society and advances in ICT, AI and other cutting-edge technologies. Moreover, growing numbers of customers are becoming more knowledgeable and discerning in their choice of insurance coverage. Because of this, market competition has been further intensifying. These changes also affect customer requirements for our administrative services ranging from policy underwriting and policy maintenance to claim payment and other procedures deriving from the administration of policies. We are expected to meet ever growing demand for more convenient, sophisticated services. Given these circumstances, since April 2011 Meiji Yasuda Life has been engaged in individual administrative service reforms, aiming to realize the industry's leading level of administrative service quality. Furthermore, in line with the current Medium-Term Business Plan, we have positioned these reforms as central to our growth strategy. Thus, we are striving to achieve significant advances in administrative services, with the aim of realizing a life insurance company that cares about people first.

Main Initiatives

As part of our efforts to enhance customer convenience, we have been promoting paperless enrollment and policy maintenance procedures by using "Meister Mobile" tablet terminals. We have recently expanded the lineup of these paperless procedures, initiating the acceptance of electronic applications to correct incomplete information at the time of additional enrollment in new policies. These procedures now also allow our customers to apply to change a part of the registered name and switch premium payment methods. The introduction of these procedures resulted in a decrease in incomplete entries while shortening time required to fill out the applications. As such, our ongoing efforts to provide more convenient administrative services to our customers have yielded significant results.

We also upgraded the "MY *Hoken* Page," a website dedicated to policyholder services, expanding the scope of procedures that can be performed via this website. Moreover, this website began providing policyholders of foreign currency denominated insurance with access to the balance of surrender benefits associated with their policies and began accepting surrender applications, with the aim of offering more convenient services in light of this product's characteristics.

In addition, we have been proactively encouraging our policyholders to subscribe to the "MY *Anshin* Family Registration Scheme" as part of our efforts to enhance our structure for after-sales services to ensure its responsiveness to evolving customer needs in a rapidly aging society. By registering secondary contacts, this scheme ensures communication with policyholders in the event that contact becomes difficult due to major disasters or policyholders' relocation due to admission to a nursing home. With widespread customer support for this objective, the number of registered family members has steadily increased, currently totaling approximately 1,960,000 (as of March 31, 2018).

We also implement the "MY Longevity Policy Checking Scheme" to help policyholders reconfirm the details of their policies upon reaching prescribed ages, such as 77 (*Kiju*) and 90 (*Sotuju*), which are traditionally celebrated. Under this scheme, we contact such customers and proactively provide policy checks to determine whether they have eligible claims that they will want to apply for while reconfirming their latest contact and designated recipients of insurance claims and benefits.

In addition to initiatives described above, we instituted the "MY Assist+ System" aimed at assisting customers who have physical difficulties in completing application procedures due to such factors as age-related vision deterioration or hearing impairment. In an effort to create an even more robust structure of after-sales services for the elderly, we have put this scheme in place since April 2018.



Teruki Umezaki

Managing Executive Officer

Executive Officer in Charge of the Customer Service Planning & Administration Department

Voices of Customers

Customer's Voice on "MY *Anshin* Family Registration Scheme"

Having signed up with the scheme, I called my son for the first time in a while. My son, in turn, said "Mom, I've been thinking that 'no news is good news,' but from now on I'll call you every once in a while because nobody knows what will happen." As such, the scheme provided us with a good opportunity to begin regularly keeping in touch each other. (Female policyholder, Tochigi Prefecture)

Customer's Voice on "MY Longevity Policy Checking Scheme"

Since I got older, I relocated from my registered address to live with my daughter. Because of this, I couldn't receive postcards or phone calls from Meiji Yasuda Life. However, my daughter noticed a memo left in a mail box by Meiji Yasuda Life staff who paid visits to my previous house as part of this scheme. I was thus able to contact the Company and change my registered address. (Female policyholder, Kagoshima Prefecture)

Customer's Voice on "MY Assist+ System"

I have become incapable of handwriting due to a debilitating disease, so I needed one of my family members to assist whenever I had to perform application procedures. I've been feeling sorry about bothering them to do this. This scheme, however, allows Meiji Yasuda Life staff to fill in applications on my behalf. The scheme is beneficial to elderly people who often regret bothering their family members, especially those who have handwriting problems like me. (Male policyholder, Ehime Prefecture)

The Business Environment and Our Strategies

On the back of the aging of society and longer lifespans, people's working styles and consumer needs have become increasingly diverse. Meanwhile, rapid advances in ICT are leading to the realization of speedy, more efficient information processing and service transactions. Amidst these circumstances, we are aware of the growing expectations of the customers we engage with through the group insurance marketing channel. They expect simpler application procedures and highly convenient administrative services offered via the internet.

With this in mind, since 2014 Meiji Yasuda Life has been implementing group insurance administrative service reforms toward the realization of a "Long-Respected Life Insurance Company That Cares about People First," in line with its corporate vision. Through these exhaustive operational reforms, we are determined to ensure that our services are satisfactory to each individual person insured under our group insurance while also meeting the needs of the individuals in charge of insurance policies at corporate and group customers. By doing so, we will enhance our competitive advantages in group insurance, solidifying Meiji Yasuda Life's leading position in this field.

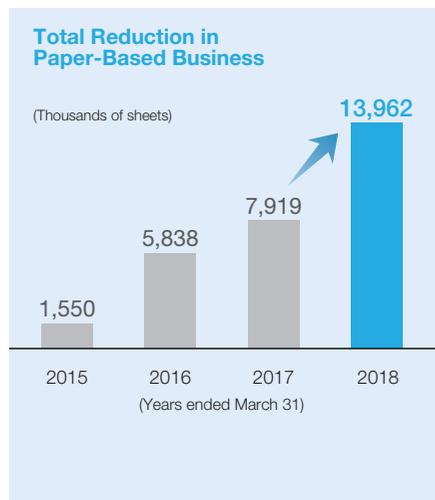
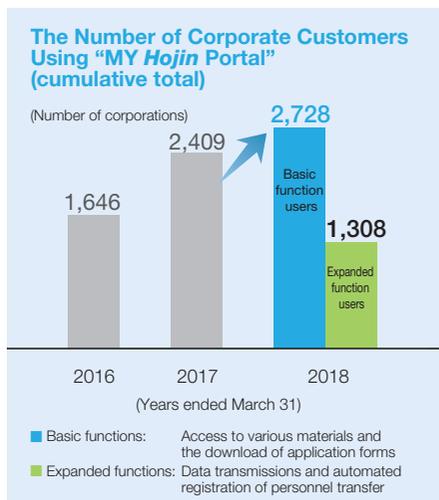
Main Initiatives

Initiatives undertaken in the fiscal year ended March 31, 2018, included the massive expansion of "MY *Hojin* Portal." This web-based administrative service system now boasts a considerable number of users at corporate customers and directly connects them with Meiji Yasuda Life via the internet, thereby facilitating the use of paperless and automated procedures. We are promoting this system with the aim of contributing to significant workload reduction at our corporate customers.

We also implement a group insurance version of the "MY Longevity Policy Checking Scheme" to assist customers who reach longevity celebration years, stepping up our efforts to provide after-sales services for the elderly. Under this scheme, we reach out to these customers via, for example, phone calls and help them determine whether they have eligible claims that they will want to apply for while reconfirming their latest contact and designated recipients of insurance claims and benefits. Moreover, we have eliminated the need for medical certificates in certain types of claim application procedures in the course of ongoing reviews of various in-house rules for handling administrative services.

As part of these reviews, we hold annual customer meetings to engage in face-to-face exchanges with the staff in charge of insurance policies at corporate customers. We also conduct surveys aimed at assessing customer satisfaction for group insurance administrative services while sending out questionnaires with regard to claim application procedures. We reflect this valuable feedback in our services, thereby ensuring the needs of our customers are accurately addressed.

Looking ahead, we will push forward with initiatives centered on the "MY *Hojin* Portal" to promote paperless administrative services, with the ultimate goal of reducing the volume of paper forms and materials by 75% compared with the levels recorded in the fiscal year ended March 31, 2014. Furthermore, our plans call for releasing smartphone-based services that employ the platform of "MY *Hojin* Portal" to allow insured persons to check the content of their enrolled coverage in the fiscal year ending March 31, 2020. Moreover, we will engage in R&D focused on cutting-edge technological themes, such as the utilization of AI and Robotic Process Automation (RPA), with the aim of achieving innovation to realize the industry's leading service quality.



Koichi Nagao

Managing Executive Officer

Executive Officer in Charge of the Group Insurance Administration and the Group Pension Administration Departments

Our Management Strategy



Asset Management

Asset Management Reforms

Promoting Asset Management Reforms to Secure Greater Profitability and Enhance Our Financial Soundness

The Business Environment and Our Strategies

Looking at the current investment environment, a prolonged trend toward ultra-low interest rates continues due to the Bank of Japan's negative interest rate policy. Moreover, market volatility remains at high levels, leading to fluctuations in stock prices and foreign exchange rates exacerbated by a number of unexpected political developments at home and abroad, as well as growing geopolitical risk.

Given these circumstances, we are promoting asset management reforms in line with the Medium-Term Asset Management Plan (April 2017 to March 2020), focusing on such initiatives as adopting more sophisticated and diverse asset management methodologies and upgrading our asset management governance.

Specifically, we are conducting ongoing asset management activities centered on the surplus management type of asset liability management (ALM).* We are also paying attention to the balance between profitability and financial soundness, in terms of both the accounting-based and economic value-based balances of our assets, while giving due consideration to the characteristics of insurance that we underwrite. In this manner, we are developing a robust asset management structure capable of contributing to sustainable growth in corporate value and securing the soundness of our financial base even when market conditions suddenly deteriorate.

* ALM provides for the comprehensive management of assets and liabilities with the aim of controlling volatility risk by centering the capital strategy on surplus, which derives from the difference between the economic value of assets and liabilities based on fair value or market-consistent value determined using future cash flows.

Main Initiatives

In the fiscal year ended March 31, 2018, interest, dividends and other income reached a record high since the inauguration of Meiji Yasuda Life. This helped us secure interest surplus totaling more than ¥200 billion.

In said fiscal year, we engaged in investment activities aimed at effectively countering the prolonged ultra-low interest rate environment in Japan and changes in market conditions. More specifically, we invested mainly in foreign currency denominated bonds. With the aim of expanding profitability, we also stepped up investment in credit assets. In Japan, we invested in such vehicles as equity instruments and securitized products issued by financial institutions and business corporations while carefully giving consideration to issuers' creditworthiness. In these ways, we strove to increase the balance of high-yield assets. Overseas, in June 2017 we began investing in U.S. dollar-denominated corporate bonds placed on public offerings. We also engaged in project finance and investment in securitized products by taking a strictly selective approach to determine excellent investees with high likelihood of robust returns. In total, credit investment executed throughout the fiscal year amounted to approximately ¥330 billion for domestic investees and approximately ¥240 billion for overseas investees. In line with the Medium-Term Asset Management Plan, we will strive to achieve targets of undertaking credit investment totaling ¥1,600 billion, which comprises ¥800 billion for domestic investees and the same amount for overseas investees.

We will continuously focus on investment activities effectively attuned to the latest market conditions. Furthermore, we will endeavor to secure greater profitability and enhance our financial soundness through the pursuit of these and other asset management reform initiatives.

Base Profit (non-consolidated)

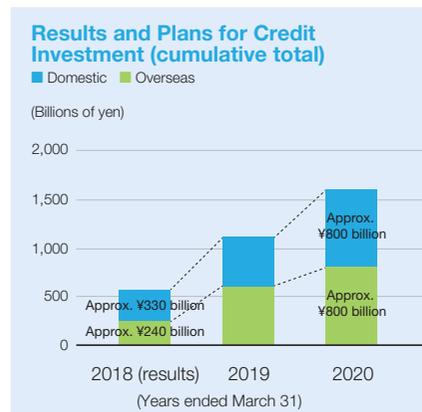
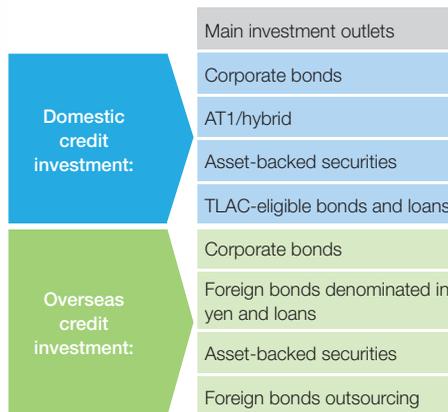
(Billions of yen)

Years ended March 31,	2012	2013	2014	2015	2016	2017	2018
Base profit	370.9	394.5	460.4	506.3	459.9	472.3	546.7
Interest surplus	19.2	42.5	119.3	168.6	181.9	174.8	222.5



Toshihiko Yamashita

Director, Deputy President
Chief Executive,
the Investment Division



Rising to Become the Industry Leader in Terms of Administrative Service Structure to Secure Sustainable Growth for the Company

The Business Environment and Our Strategies

The Medium-Term Business Plan, launched in April 2017, is prefaced on customer focus and thoroughgoing compliance while setting forth initiatives aimed at promoting our growth strategy, operating base reinforcement strategy and brand strategy. As part of our initiatives to promote the Company's growth strategy, the Investment Division is striving to upgrade and diversify its asset management methodologies while developing a robust administrative service structure capable of supporting such methodologies.

With the aim of becoming the industry leader in terms of administrative service structure, we are pursuing asset management administrative service reforms spanning the four-year period from April 2016 to March 2020. These reforms are undertaken in collaboration with "asset management reforms," another key initiative the Investment Division is pursuing. Our asset management administrative service reforms are thus intended to redesign our administrative service structure to support unified and speedy administrative services. This will, in turn, assist the division in pursuing asset management reforms aimed at upgrading and diversifying its asset management methodologies.

Main Initiatives

In asset management administrative service reforms, we aim to establish an asset management platform capable of bolstering the Company's sustainable growth from a long-term perspective and, to this end, engage in system development and operational streamlining. In this way, we will create an administrative service structure that actively contributes to the growth strategy. More specifically, we will take on the following priority issues.

① Contributing to the upgrade of asset management methodologies

In February 2018, we introduced and deployed a new system for administrating foreign currency denominated loans. Looking ahead, we will strive to upgrade asset management methodologies via the development of systems to handle securities-related front-end operations and the introduction of other asset management administration systems.

② Contributing to the Company's profit

We are upgrading our system for administrating separate account assets. The upgraded system will allow us to develop a more diverse product portfolio. We will be able to create new insurance products, such as foreign currency denominated insurance, thereby contributing to the expansion of our customer base. These are the ways we are advancing the development of a new asset management administrative service structure.

③ Ensuring responsiveness to international standards

In May 2018, a shortened settlement cycle for Japanese Government Bonds came into effect. In advance, we had made all the necessary adjustments. Going forward, we will strive to remain responsive to the latest international standards in the securities field and, to this end, promote digitized and automated securities trading. At the same time, we will also automate and standardize our process for administrative services.

④ Reconstructing our administrative service system to make it more versatile

We are promoting the utilization of IT, going paperless and streamlining the workflow of administrative services, thereby achieving drastic improvements in the elimination of inefficient routine work.

⑤ Promoting Work Style Reforms and workforce diversity

We are carrying out programs for developing human resources engaged in administrative services aimed at providing female employees with greater opportunities to achieve career success. We are also striving to create spare capacity to be redirected to tasks aimed at realizing innovation. To this end, we streamline operational processes, step up human resource training to nurture professionals in asset management administrative services and reinforce the organizational structure to promote the utilization of IT. Carrying out these initiatives, we will raise the bar of our human resources while promoting workforce diversity.

We will pursue the aforementioned reform initiatives in a way that embodies the Meiji Yasuda Philosophy. By doing so, we will become the industry leader in terms of asset management administrative service structure and embody "Peace of mind, forever," our management philosophy, in our asset management operations. Furthermore, through the pursuit of these reforms we will help adopt more sophisticated asset management methodologies capable of satisfying customer needs in an environment shaped by ultra-low interest rates and a rapidly aging society.



Takashi Kikugawa

Managing Executive Officer

Executive Officer in
Charge of the Investment
Administration Department

Our Management Strategy



Overseas Insurance Business

Overseas Insurance Business Reforms

Strengthening Our Group Business Management Structure to Seize Ever Growing Opportunities in the Global Market

The Business Environment and Our Strategies

While we see significant growth potential in the overseas life insurance market, the operating environment surrounding the industry is rapidly changing in countries around the globe. Accordingly, we must exercise vigilance against political, economic and regulatory developments in the regions in which we operate while staying fully informed of the diverse gamut of risks that could materialize.

As Japanese corporations are expanding into markets abroad, a growing number of misconduct cases have been revealed involving overseas subsidiaries, often resulting in devastating damage to the reputation of the entire corporate group. Because of this, their corporate risk control and compliance structures are being subjected to growing scrutiny in light of how effectively they ensure oversight at overseas subsidiaries.

In addition to those considerations, at Meiji Yasuda Life the overseas insurance business now makes up a growing proportion of the Group's business portfolio. With this in mind, the Company is advancing overseas insurance business reforms under its current Medium-Term Business Plan and, to further this end, endeavoring to strengthen its business management structure for the Group. Looking ahead, we will strive to maintain stable earnings from operations in developed countries while reaching to emerging markets with medium- to long-term growth potential to secure further profit sources. In these ways, we will achieve stable and sustainable profit growth, which will, in turn, help us expand benefits for our customers.

Main Initiatives

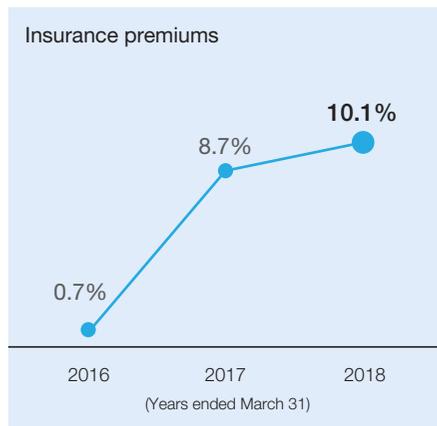
Meiji Yasuda Life's overseas insurance business comprises seven companies in five countries. Since U.S.-based StanCorp Financial Group, Inc. became a wholly-owned subsidiary in March 2016, the overseas insurance business* has been growing significantly as a proportion of the Meiji Yasuda Life Group's entire business portfolio. The consolidated operating results for the fiscal year ended March 31, 2018 show that these operations accounted for 10.1% of insurance premiums and 8.7% of base profit.

During that same period, Meiji Yasuda Life worked with StanCorp to introduce enterprise risk management (ERM) and strengthen the business management structure on a groupwide basis. Simultaneously, the Company promoted the exchange of specialist human resources with StanCorp to share expertise and facilitate mutual understanding.

As for its other subsidiaries and affiliates, Meiji Yasuda Life also dispatched officers and employees to them, sharing its expertise and know-how to assist them in improving administrative services and enhancing sales capabilities.

Looking ahead, we remain fully committed to promoting overseas insurance business reforms, placing strong focus on enhancing the business management structure for the Group and boosting profit from existing subsidiaries and affiliates. Furthermore, we will strive to nurture globally capable human resources while employing our overseas network to assess and research potential new investee candidates. By doing so, we will assiduously expand our overseas insurance business.

Overseas Insurance Business* as a Proportion of Consolidated Operating Results



* Figures include the overseas insurance business and other, which represent all insurance business excluding the Company's domestic life insurance business



Kazunori Yamauchi

Managing Executive Officer
Executive Officer in Charge of the International Business Planning Department

Enhancing the Group's Corporate Value through the Execution of Reform Plans That Are Finely Tuned to the Business of Each Group Company and Designed to Promote Autonomous Management

The Business Environment and Our Strategies

Our domestic affiliate business comprises 18 domestic affiliates (as of June 30, 2018) and several foundations which can be categorized into four segments: 1) Insurance businesses that provide accident insurance products for corporate customers; 2) Asset management businesses that provide investment advisory services, as well as building and real estate management; 3) Outsourcing service businesses that provide policy maintenance and system development; and 4) Health research and wellness promotion businesses including operation of nursing care facilities. Boasting a total of approximately 4,700 employees, these affiliates and foundations (hereinafter, "affiliates") are playing a significant role as part of the Group in the pursuit of customer-focused business operations aimed at creating and delivering new value.

Under MY INNOVATION 2020, "group capabilities" is one of the important refrains. Accordingly, the affiliates are striving to upgrade their governance structure while helping to optimize the entire business portfolio of the Meiji Yasuda Life Group. In these ways, we are pushing forward with domestic Group company management reforms aimed at bringing greater benefits to our policyholders.

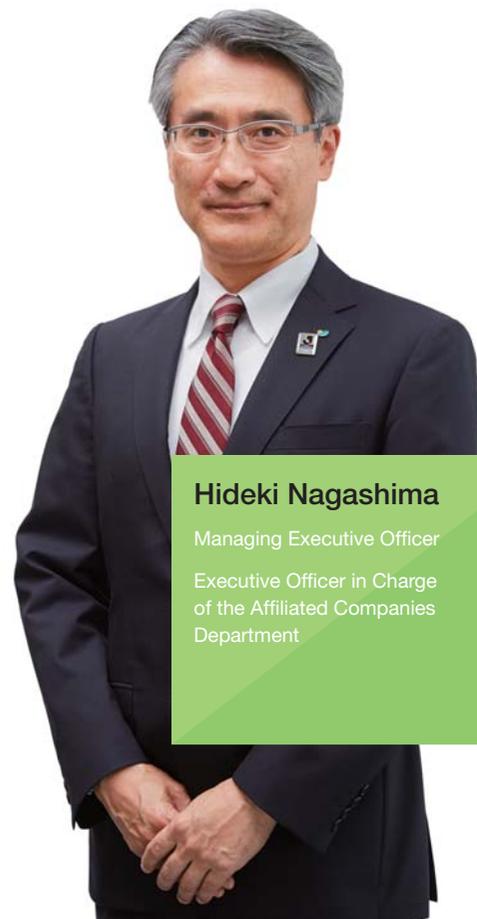
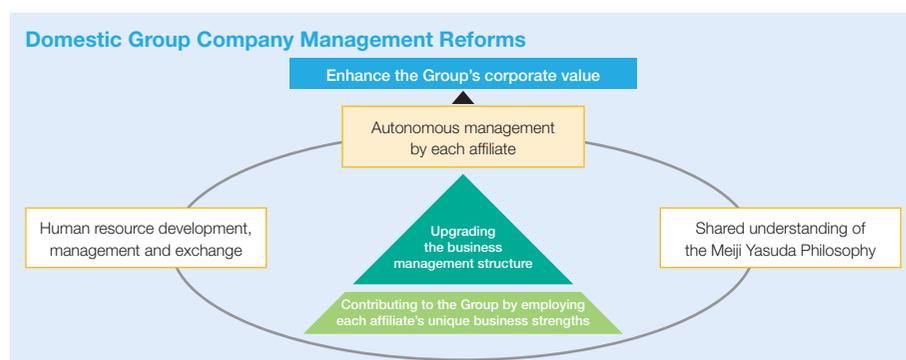
Prefaced on taking an integrated management approach for the Group, we are endeavoring to create a strong "Team Meiji Yasuda." To this end, we are helping each affiliate upgrade its business management structure. Furthermore, we have specified that each affiliate should contribute to the Group by 1) stabilizing and expanding profit from highly profitable operations; 2) enhancing the quality and productivity of operations commissioned within Group companies; or 3) leveraging synergies by supporting businesses within the Group. Paying attention to the unique business strengths of each affiliate, we are thus striving to help them make ongoing contribution to the Group's operating results.

Main Initiatives

We launched "domestic affiliate reforms"—a forerunner to the domestic Group company management reforms—in the previous year. Aiming to ensure that every employee shares a sense of unity as part of "Team Meiji Yasuda," these reforms began with each affiliate formulating corporate philosophies and visions in a way that coincides with the values encapsulated in the Meiji Yasuda Philosophy. By the end of the first year of these reforms, we were able to develop a fundamental business management framework for ensuring the effectiveness of Group governance. At the same time, each affiliate has succeeded in making improvements in profitability and operational quality by identifying and taking on their missions based on the type of businesses they handle. Moreover, we have promoted business reorganization on a groupwide basis by taking a selection and concentration approach.

Having embarked on the second year, the reforms are increasingly focused on enhancing the business management structure at each affiliate. After rebranding these reforms to "domestic Group company management reforms," we are also striving to help them practice autonomous management. More specifically, we have clearly defined the roles and responsibilities of each affiliate vis-à-vis those to be borne by Meiji Yasuda Life while providing optimal assistance to them through the monitoring and assessment of the status of their business management structure. These efforts are expected to help affiliates practice autonomous management via the implementation of a PDCA cycle. In addition, with the aim of stepping up the development of human resources—an essential component supporting our business operations—we are promoting the introduction of a performance-centered employee evaluation system and a human resource pooling scheme aimed at identifying excellent candidates and offering them higher positions.

We believe that the success of the Meiji Yasuda Life brand depends on the actions of each Group employee in the course of day-to-day operations. Sharing this belief across the board, we will pursue best practices throughout the Group's business management and thereby enhance the corporate value of the Group.



Hideki Nagashima

Managing Executive Officer

Executive Officer in Charge
of the Affiliated Companies
Department

Our Management Strategy

Operating
Base
Reinforcement
Strategy

Adopting a More Sophisticated Management Approach

Governance Reforms

Ensuring Sustainable Growth in Corporate Value by Promoting and Practicing ERM while Upgrading Group Governance Systems

The Business Environment and Our Strategies

As it aims to drive its growth and brand strategies, Meiji Yasuda Life is clearly aware of the importance of securing a governance system aimed at ensuring transparency and fairness in its decision making. The Company also recognizes the need to maintain robust information disclosure and develop a more sophisticated business management structure for overseeing Group companies.

Moreover, Meiji Yasuda Life continues to engage in the surplus management type of asset liability management (ALM) and risk mitigation measures to secure sustainable growth in corporate value. At the same time, the Company is striving to adopt a more sophisticated approach to ERM. Prefaced on maintaining financial soundness, we are thus endeavoring to maximize profitability and boost our growth potential while adopting a risk-taking approach where necessary.

In line with the Medium-Term Business Plan, we are pursuing three objectives from our governance reforms. Namely, these reforms are aimed at 1) upgrading the corporate governance structure of Meiji Yasuda Life; 2) strengthening the Group's business management structure; and 3) promoting the adoption of cutting-edge ERM-based business management methodologies.

Main Initiatives

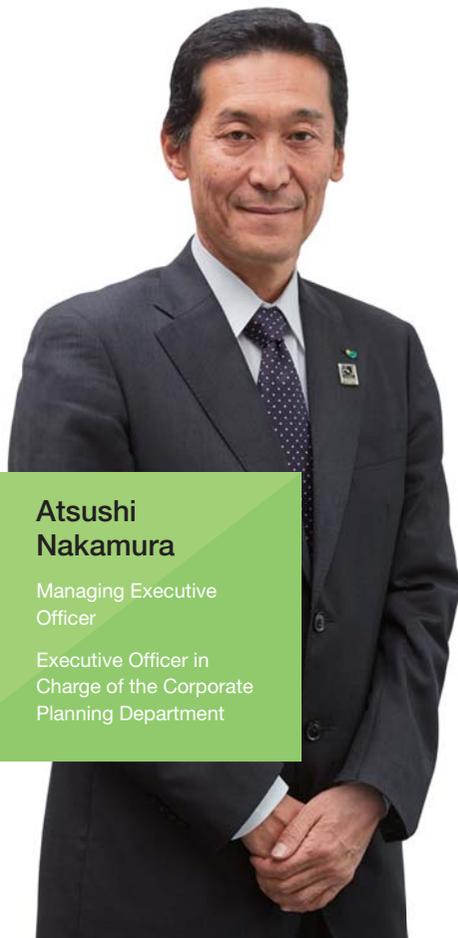
Specific initiatives under governance reforms include updating the Group's business management structure, with an eye on the latest trends in international regulatory frameworks. Also, we conducted Board of Directors self-evaluation incorporating a third-party perspective and reviewed the effectiveness of the Board's operations, including reviewing the selection of agenda items discussed at its meetings. Moreover, we have opened a dedicated website to enhance communication with policyholder representatives. As such, we are upgrading our governance systems in terms of enhancing the effectiveness of our mutual company system.

We have also utilized the ERM framework in the formulation of the Medium-Term Business Plan. In line with this plan, we have identified such management performance targets as European Embedded Value (EEV), which is an indicator of corporate value, and the Economic Solvency Ratio (ESR), thereby striving to secure sustainable growth in corporate value.

In addition, we are promoting the use of ERM in the implementation of a PDCA cycle aimed at achieving our targets under the aforementioned plan. Furthermore, we are striving to cultivate a sound risk culture in which employees are highly literate with various risks in an effort to promote the practice of ERM-based management.

With regard to capital policies, we are striving to increase our on-balance sheet capital, which is the total amount of specified internal reserves and externally financed capital, to ¥3 trillion by the end of the fiscal year ending March 31, 2020. To this end, we have worked to increase internal reserves while also raising foundation funds totaling ¥50 billion in August 2017, in addition to securing externally financed capital via the issuance of domestic subordinated bonds amounting to ¥100 billion in November 2017.

(Please also see page 59 for more detail about ERM-related initiatives.)



**Atsushi
Nakamura**

Managing Executive
Officer

Executive Officer in
Charge of the Corporate
Planning Department

Management Performance Targets under the Medium-Term Business Plan

	As of March 31, 2018	Year-on-year change	As of March 31, 2020 (targets)
Economic Solvency Ratio (ESR) ¹	129%	—	150-160% or more
Reference figure ²	165%	—	—
On-Balance Sheet Capital ³	¥2,651.1 billion	107.6%	¥3 trillion (+20%)

1. An economic-value based indicator that shows whether the Company has secured sufficient capital in contrast with its total amount of risk. (Adopting a 99.5% confidence level, the figure is based on the Company's internal model.)
2. This figure is calculated using a model based on the Insurance Capital Standard (applying the Ultimate Forward Rate, adding expected investment return of 0.15% and giving consideration to tax effects and other factors) currently under discussion by the International Association of Insurance Supervisors (IAIS).
3. The total amount of specified internal reserves and externally financed capital.

The Business Environment and Our Strategies

We believe people are our most powerful management resource. In line with this belief, our management focus is largely placed on human resource development aimed at enhancing the value of our people. We also recognize that the realization of the Meiji Yasuda Philosophy depends on each officer and employee. With this in view, we have identified ideal traits for our team members based on the Meiji Yasuda Values, which we expect them to practice in their day-to-day operations.

1

Those who value customers and act with the highest ethical standards.

2

Those who actively take on challenges and create new value.

3

Those who help their fellow workers and grow together.

As part of the operating base reinforcement strategy under MY INNOVATION 2020, we are promoting HR reforms aimed at better adapting to the aging workforce, securing the competitiveness of our human resources and helping diverse employees achieve career success. In short, we are striving to create a rewarding and inclusive workplace and, to this end, pursuing improved work engagement.*

* A state of mind where each employee feels pride and experiences fulfillment while working with vigor to pursue challenging targets.

Main Initiatives

HR reforms focus on the following four priority issues.

① **Continuously raise the bar of our human resources**

In addition to conducting employee education richly steeped in the Meiji Yasuda Philosophy, we are engaged in across-the-board human resource development initiatives, such as helping managers enhance their skills in tutoring staff and providing training programs tailored to the trainee's area of specialization. Furthermore, we are implementing personnel reshuffling aimed at proactively offering greater career opportunities to ambitious human resources.

② **Boost mental and physical health (health management)**

We are engaged in proactive initiatives to help employees maintain their health, implementing effective countermeasures to prevent the development or aggravation of lifestyle-related diseases, mental health problems and women-specific diseases.

③ **Embrace workforce diversity**

We are developing personnel systems that enable women, seniors and people with disabilities to pursue success while fostering an inclusive corporate culture to make the acceptance of diverse people a norm common to all employees regardless of job rank. Moreover, we are endeavoring to offer greater opportunities to women, with the goal of raising the ratio of female managers to overall managerial positions to approximately 30% by 2020. Currently, this ratio is steadily increasing.

④ **Revise working styles to create spare capacity**

In addition to thoroughly streamlining our operations on a companywide basis, we are reviewing each business unit and individual job function to create spare capacity that can be allocated to help achieve innovation. At the same time, we are developing a working environment that embraces diverse working styles by, for example, introducing telework systems. Also, we are striving to maintain appropriate labor management through the prevention of excessive overtime hours.



Masahiro Ifuku

Director, Deputy President

Executive Officer in Charge of the Human Resources Department

Our Management Strategy

Operating
Base
Reinforcement
Strategy

General Affairs, Infrastructure Management and Working Environment Development

General Affairs Reforms

Creating a More Efficient General Affairs Infrastructure that Supports Innovation and Ensures a Safe, Inclusive Working Environment

The Business Environment and Our Strategies

Today, corporations are being asked to respond to new market trends, advances in information and communication technology (ICT) and novel business models, such as FinTech, that are now being developed. In response, businesses must create unconventional solutions through innovation. At the same time, the economic environment surrounding Meiji Yasuda Life is increasingly harsh, due to the prolonged trend toward ultra-low interest rates and the diversification of sales channels in addition to intensifying competition. Accordingly, we recognize the growing need to enhance operational efficiency for the entire Meiji Yasuda Life Group as we aim to secure an even stronger operating base.

In line with this recognition, the Medium-Term Business Plan aims to realize innovation through various reform initiatives. To this end, we intend to advance the development of our general affairs infrastructure with the aim of helping officers and employees create spare capacity.

This freed up capacity will, in turn, be allocated to efforts aimed at facilitating communication, improving productivity and realizing innovation. Simultaneously, we will promote paperless operations while reviewing in-house logistics, thereby reducing printing costs and other general affairs-related expenses.

In addition, we will strive to create a more inclusive working environment in which all employees, including sales personnel, work with confidence and are allowed to freely pursue success regardless of gender.

Main Initiatives

We launched general affairs & infrastructure management reforms in the year earlier, aiming to curb general affairs expenses and support innovation via infrastructure development. Having embarked on the second year, we rebranded these reforms as general affairs reforms, with their objectives now incorporating the development of a more inclusive working environment. Therefore, we are striving to create a vibrant company in which every employee can work with confidence. Concrete initiatives are listed below.

① Developing the infrastructure in close collaboration with other reform initiatives aimed at promoting innovation

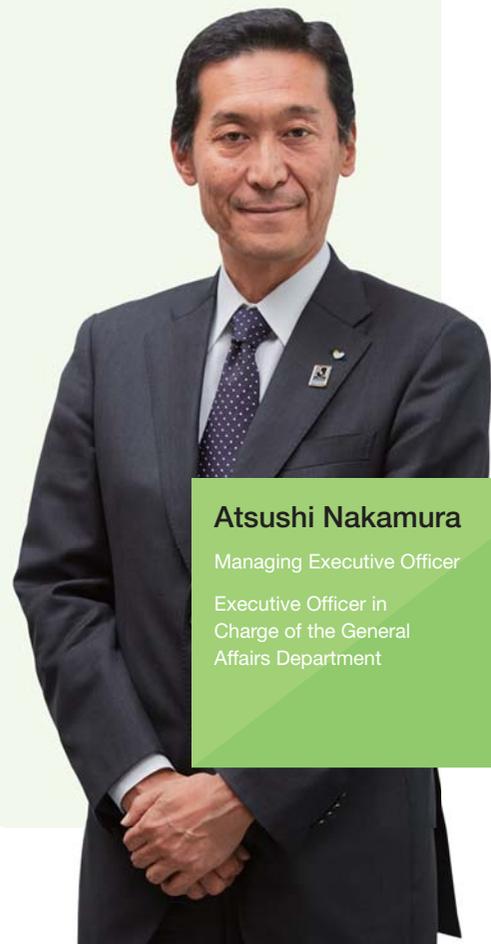
- We will enrich the two-way communication tools available to employees while introducing a new labor-saving scheme for Group operations, including the domestic affiliate business. By doing so, we enhance organizational productivity and help officers and employees create spare capacity.
- We will strive to develop a working environment that supports communication and collaboration transcending organizational boundaries. In this way, we will foster innovation employing multiple insights offered by in-house and external individuals.

② Reducing general affairs expenses through the realization of the Group's comprehensive strength

- In addition to encouraging employees to go paperless, we will utilize outsourcing and ICT solutions to promote a thoroughgoing review of the paper-based operations (printing, distribution, storage and disposal). We will thus reduce costs for the maintenance and management of in-house infrastructure.
- We will leverage scale merits to reduce general affairs expenses by, for example, sharing common infrastructure needs, such as printers and warehouses, among Group companies and introducing joint procurement schemes.

③ Create an inclusive working environment in which every employee can work with confidence

- We will furnish a personal security alarm to sales personnel, who go out the most during working hours, as well as female employees. This move is aimed at helping them avoid becoming a victim of crime. Moreover, we will provide them with training and instructions to instill what they need to know to better avoid becoming a crime victim in the course of their sales activities.
- We will establish a direct hotline run by a headquarters department to provide consultations to employees who have been affected by crimes, strengthening our victim support structure and working to ameliorate the scars inflicted by the crime.



Atsushi Nakamura

Managing Executive Officer

Executive Officer in
Charge of the General
Affairs Department



System Development Structure

System Development Structure Reforms

Creating a High-Quality, Agile Structure for System Development Boasting the Industry's Leading Capability

The Business Environment and Our Strategies

Today, our society is undergoing rapid changes due to such factors as startling advances in information and communication technology (ICT) and new business models emerging through the application of ICT and other technologies. Accordingly, the utilization of ICT has become an essential management strategy component for businesses in every sector, including the life insurance industry. Furthermore, we expect that a succession of novel IT-based services will be created thanks to artificial intelligence (AI) and other technological breakthroughs. These, in turn, will significantly affect conventional business models.

On the other hand, ensuring a secure and stable system operation is absolutely key to maintaining customer confidence in Meiji Yasuda Life and the brand strength of the Company. Because of this, we are also tasked with developing an ever more robust system management structure that is resilient to various risks.

Although Meiji Yasuda Life has put in place a system development structure employing its subsidiaries and system vendors, we are aware of the need to strengthen this structure to support the steady execution of a number of key projects now underway, including the Eleven Reforms that are now ongoing.

Given these external and internal factors, Meiji Yasuda Life launched reforms to its system development structure in April 2018, initiating a twelfth reform initiative. To support the other eleven reforms aimed at driving Meiji Yasuda Life's management strategies, we are thus striving to create a high-quality, agile structure for system development that boasts the industry's leading capability.

Main Initiatives

System development structure reforms focus on the following four priority issues.

- ① **Development structure**
We will nurture human resources equipped with superior professional skills in this field while overhauling prescribed career paths for these individuals. We will also step up collaboration with system development subsidiaries, thereby strengthening our development structure.
- ② **System infrastructure**
To enhance customer satisfaction, we will upgrade our system infrastructure by, for example, introducing cutting-edge ICT solutions. We will also study the possibility of infrastructure supported by external components and services. Furthermore, we will engage in forward-looking research into promising technologies that will help enhance our in-house system infrastructure.
- ③ **Development methodologies**
We will strive to assemble sufficiently diverse development teams, with the aim of enhancing system development efficiency and quality. At the same time, we will engage in cutting-edge technological research. We will thereby incorporate findings from this research into our business operations.

These initiatives are expected to help us secure a robust structure for system development, optimize system infrastructure, enhance development quality and accelerate the pace of development activities. In these ways, we will create a system development structure capable of supporting our efforts to deliver unwavering peace of mind to customers.



Shinya Makino
Senior Managing Executive Officer
Executive Officer in Charge of the Information Systems Department

Our Management Strategy

Brand Strategy

Solidifying Brand Recognition by Disseminating the Corporate Vision

The Business Environment and Our Strategies

Today, a growing number of customers consider multiple inputs before enrolling in insurance products. Against this background, we are acutely aware of the importance of differentiating ourselves from competitors in terms of our brand image. This is, in fact, as important as securing distinctive strength in products and services. Accordingly, Meiji Yasuda Life has positioned a “Long-Respected Life Insurance Company That Cares about People First” as a corporate vision that upholds the ideals of our brand image. Currently, efforts are under way to disseminate this brand image among the general public while conducting surveys to assess the outcomes of these efforts. Utilizing a “corporate image indicator,” these surveys are designed to evaluate the degree of our success.

Having finished the first year of MY INNOVATION 2020, a three-year program, this indicator showed our image was steadily growing overall. When further analyzing the survey results by the respondent’s gender, age and region, however, our corporate image was relatively weak with certain demographic groups and regions. In the fiscal year ending March 31, 2019, we will focus on promotional activities targeting these segments. Moreover, we will utilize comprehensive partnership agreements pertaining to community vitalization and a title partner contract with J. League to promote brand strategy initiatives employing Meiji Yasuda Life’s unique strengths. By doing so, we will enhance our brand value.

Corporate Image Indicator



Note: Survey samples include people ages 20 to 60 (excluding employees at insurance-related businesses and their cohabitating family members). There were 14,100 respondents during the fiscal year ended March 31, 2018.

Main Initiatives

We engage in ongoing promotional activities, including public relations and advertising, aimed at fostering broader public recognition of the initiatives being undertaken by Meiji Yasuda Life, with the ultimate aim of improving our brand image. More specifically, we focus on delivering an easy-to-understand message. We communicate the value of our face-to-face after-sales services—including those specifically offered to the elderly—and Meiji Yasuda Life’s product features, as well as our community contribution initiatives that employ sponsorship deals with J. League clubs. To ensure that our advertisement reaches a broader range of people in the most efficient manner, we will utilize diverse media based on assessing the latest trends in consumer media habits while optimizing the approach for each region. In addition to expanding content available via our own corporate website, we also employ official SNS accounts on LINE and Facebook. These are some of the proactive ways we are continuously communicating our corporate messages.

We also engage in in-house promotional activities. More specifically, we will promote the *Kizuna* Campaign, an initiative supported by small group activities. This campaign is intended to draw on employee creativity in an effort to develop relationship with customers, local communities and fellow workers in line with our corporate vision. Through this campaign, we also aim to ensure that our corporate vision is fully understood by all employees and wins their hearts while fostering a sense of ownership with regard to the Company’s initiatives to realize this vision. We expect that these efforts will encourage each employee to proactively serve as an advocate for our corporate brand.

In addition, we intend to implement the “Health Promotion Project” aimed at helping customers and employees improve their health. This project is expected to prove pivotal to promoting our brand strategy. Although this project has not yet been launched officially, we will implement some forerunner programs during the fiscal year ending March 31, 2019. These will include Meiji Yasuda Life J. League walking campaigns held in tandem with J. League, J. clubs, J. League’s partner companies, and local governments that have signed comprehensive partnership agreements with us. We will encourage residents of the communities in which we operate to participate in this campaign while also inviting J. League athletes. In addition, we will organize unique sports events, such as the Meiji Yasuda Life Futsal Festa for adults, in regions around Japan.



Tadashi Onishi

Senior Managing Executive Officer

Executive Officer in Charge of the Corporate Communications Department (Branding Strategy Development)

Initiatives to Disseminate Our Corporate Image, a “Life Insurance Company That Cares about People First”

Creating dedicated sections on our corporate website to offer extensive online content aimed at communicating our brand

As part of the initiatives to realize our corporate vision, a “Long-Respected Life Insurance Company That Cares about People First,” our corporate website now includes dedicated sections featuring a broad range of relevant topics, such as the value of our after-sales services and community contribution activities through Meiji Yasuda Life J. League.



MY HAPPINESS Photography Competition

Meiji Yasuda Life has organized this annual photography competition since 1999. The latest 2017 showcase received 62,901 submissions. To date, we have received a total of more than 1,110,000 pieces. Our TV commercials aimed at strengthening Meiji Yasuda Life’s corporate image use some of the selected pieces while featuring an original song written by Mr. Kazumasa Oda in the background.



“Kagayaku Natsu No Hikari,” a grand-prix winning piece



“Yume No Naka Demo Isshodayo,” a prize-winning piece in the “Family’s Quality Time” category

Management Structure

Governance

Operation of Mutual Company

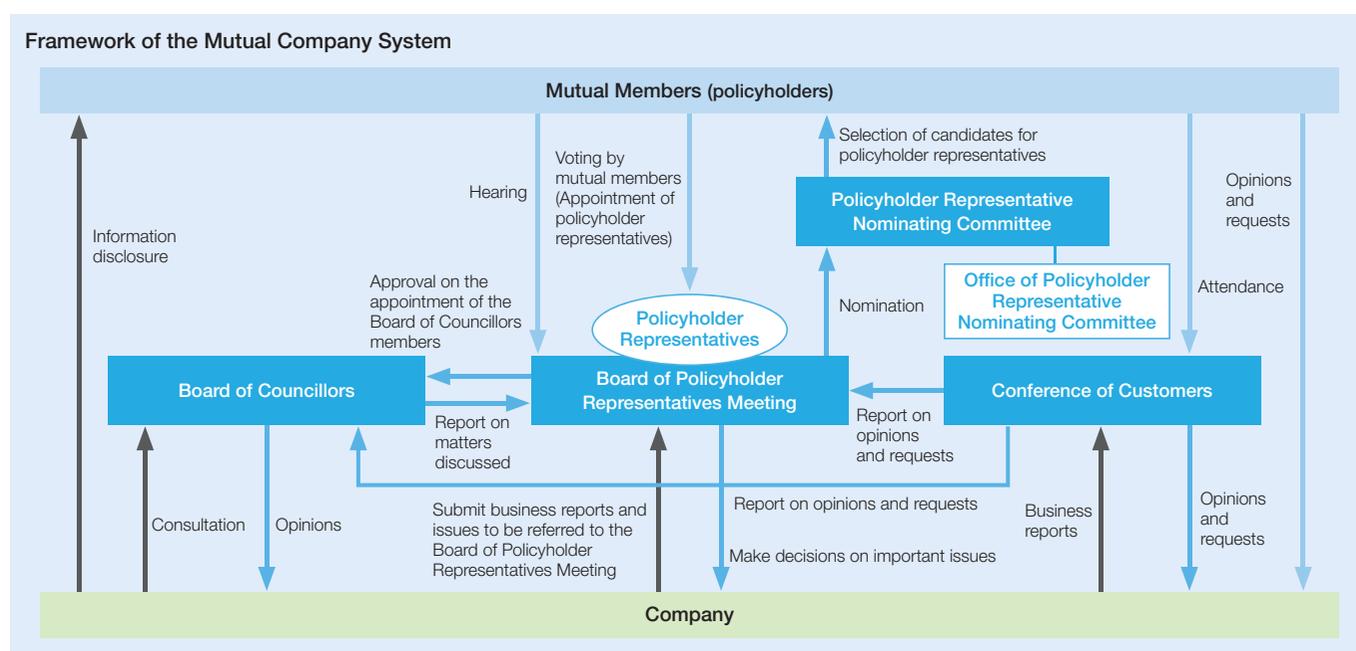
Framework of the Mutual Company System

Although a life insurance company can be established as either a “stock company” or a “mutual company,” Meiji Yasuda Life was founded as a mutual company in accordance with Japan’s Insurance Business Act.

A mutual company is an incorporated body in which those* who enroll in its insurance policies also become “mutual members.” These members own the mutual company, just as shareholders own a stock company. As of March 31, 2018, Meiji Yasuda Life’s mutual members numbered approximately 6.56 million.

Since Meiji Yasuda Life operates in the form of a mutual company, it is committed to placing the utmost emphasis on the interests of its policyholders. In addition to the Board of Policyholder Representatives Meeting, Meiji Yasuda Life maintains the Policyholder Representative Nominating Committee and the Board of Councillors, as well as the Conference of Customers to enhance the operation of its governance system to ensure that policyholders’ opinions and requests are better reflected in the Company’s management.

* Excluding those who enroll only in policies without dividends



Board of Policyholder Representatives Meeting

In order to operate the Company in the way that directly reflects every member’s opinion, it is necessary to hold a “General Meeting of Policyholders.” In reality, however, inviting roughly 6.56 million policyholders nationwide to attend a single meeting is simply impossible.

Meiji Yasuda Life therefore has the Board of Policyholder Representatives Meeting, which consists of representatives selected from policyholders in accordance with the Insurance Business Act. As the highest decision making body of the Company, the Board of Policyholder Representatives Meeting reviews reports on financial results and deliberates on the appropriation of surplus and the appointment of directors, before making decisions on these and other important management issues.

Policyholder Representatives

In line with its Articles of Incorporation, Meiji Yasuda Life has set the number of policyholder representatives at 222. Of these, 120 representatives are selected from all 47 prefectures throughout Japan.

While using a proportional representation system based on the number of policyholders residing in each prefecture, the Company selects a minimum of one representative from every prefecture. An additional 80 representatives are selected irrespective of where they reside. These measures are designed to ensure that representatives reflect the diverse demographic base of our mutual members, including people from every region and age group, as well as various occupations.

Furthermore, the Company appoints 22 representatives from policyholders who voluntarily apply to become candidates. As such, Meiji Yasuda Life maintains diverse and transparent processes for the selection of its policyholder representatives.

In light of the primary role of policyholder representatives, who attend the Board of Policyholder Representatives Meeting and engage in practical discussions involving question and answer sessions, we believe the size of this body is appropriate to reflect the consensus of all policyholders and supervise management from diverse perspectives.

Policyholder Representative Nominating Committee

The Policyholder Representative Nominating Committee consists of members selected from policyholders and appointed by the Board of Policyholder Representatives Meeting. The number of committee members is limited to 10 or less.

In addition, Meiji Yasuda Life maintains a support team to assist the Policyholder Representative Nominating Committee. With the aim of securing a transparent selection process that is independent of management, the Company consigns supervision of this team to an outside individual who is not an employee of the Company.

Board of Councillors

The Board of Councillors serves as an advisory body to management and is in charge of addressing policyholders' opinions and requests that are deemed important management issues, as well as other significant matters of concern. The board meets three times a year, and matters discussed at these meetings are reported to the Board of Policyholder Representatives Meeting.

The members of the Board of Councillors are appointed from policyholders or academic experts upon the approval of the Board of Policyholder Representatives Meeting. The number of such members is limited to 20 or less in accordance with the Company's Articles of Incorporation.

Conference of Customers

Ahead of other insurers in Japan, in 1973 Meiji Yasuda Life began holding an annual Conference of Customers on a nationwide basis. These meetings were held at a total of 100 locations, including regional offices across Japan, from January to March 2018, with a total of 2,261 policyholders attending.

The conference provided briefings on the operating results for the first half of the fiscal year (April 1 to September 30, 2017), the outline of MY INNOVATION 2020, and the Company's social contribution activities. In addition, a total of 8,859 opinions and requests were submitted by attendees. This input is very important for us.

These opinions and requests are reported to the Board of Policyholder Representatives Meeting and the Board of Councillors. In addition, whenever we receive opinions identifying issues in need of improvement, the department in charge of addressing the particular issue considers options and implements improvement measures, while the Customer Satisfaction Verification Committee, an advisory body to the Management Council, follows up to verify the status of implementation.

Policyholder representatives who attend the Conference of Customers are asked to make suggestions at the Board of Policyholder Representatives Meeting to reflect the policyholders' opinions and requests submitted at the conference. Moreover, we select a certain number of policyholder representatives from the attendees of the conference. These are some of the ways the Board of Policyholder Representatives Meeting and the Conference of Customers complement each other.

To notify our members of the application procedures to attend the upcoming Conference of Customers during the fiscal year ending March 31, 2019, we will display posters at regional offices and other business bases, as well as making this information available via our website, prior to holding the conference. Related information is also available to policyholders upon inquiry at the nearest Meiji Yasuda Life regional office or agency office.



Conference of Customers

Management Structure

Governance

Management Structure

Meiji Yasuda Life has adopted the “Company-with-Committees” system (currently known as the Company with Three Committees system) to strengthen its corporate governance and increase transparency. The Board of Directors consists of 11 elected directors, including six outside directors who make up the majority. The Company also maintains Nominating, Audit, and Compensation committees, with the majority of

each committee comprised of outside directors. Moreover, Meiji Yasuda Life has designated executive officers in charge of business execution, thereby ensuring clear institutional separation between management supervision and executive functions. In these ways, the Company secures a transparent management structure capable of ensuring solid oversight.

Board of Directors

The Board of Directors reaches decisions on important management issues while supervising business execution undertaken by directors and executive officers. In addition, the Outside Directors Council is in place, with all the outside directors serving as members to deliberate key management matters.

Nominating Committee

The Nominating Committee determines proposals related to the election and dismissal of directors. These are submitted to the Board of Policyholder Representatives Meeting.

○ Teruo Kise*
Miyako Suda*
Masaki Akita*
Nobuya Suzuki
Akio Negishi

Audit Committee

The Audit Committee audits the business execution of directors and executive officers, and prepares audit reports. It also submits recommendations to the Board of Policyholder Representatives Meeting on the election and dismissal of accounting auditors.

○ Seiichi Ochiai*
Teruo Kise*
Miyako Suda*
Keiko Kitamura*
Seiichiro Utsubo

Compensation Committee

The Compensation Committee formulates the overall policy on remuneration for those in key positions, such as directors and executive officers, and thereby determines the content of remuneration for such individuals.

○ Shigehiko Hattori*
Seiichi Ochiai*
Keiko Kitamura*
Nobuya Suzuki
Akio Negishi

○ Committee Chairperson
* Outside Director

Meiji Yasuda Life operates as a mutual company in which policyholders* act as mutual members and, therefore, is striving to better reflect policyholders' intentions in its operations. Moreover, the Company has worked to strengthen corporate governance and enhance management transparency by, for example, selecting some policyholder representatives from voluntary candidates, shifting to the Company with Three Committees system and developing an internal control system.

Although Japan's Corporate Governance Code, enacted for domestically listed companies, does not legally apply to mutual companies, Meiji Yasuda Life recognizes that the code comprises important principles for realizing effective corporate governance. In line with the spirit of the Corporate Governance Code, Meiji Yasuda Life is voluntarily incorporating steps to ensure responsiveness to principles stipulated in the code.

Meiji Yasuda Life also established and announced its Corporate Governance Guidelines, which set forth its fundamental concepts and basic policies on this matter, with the aim of developing a more sophisticated corporate governance structure through such initiatives as facilitating proactive information disclosure and stepping up dialogue with policyholders.

The Company constantly discloses and updates the status of its corporate governance structure and its initiatives aimed at strengthening this structure through a "Corporate Governance Report" posted on its corporate website.

* Excluding those who enroll only in policies without dividends

Corporate Governance Guidelines

Guided by its management philosophy, Meiji Yasuda Life strives to deliver its customers unwavering peace of mind and, to this end, practices the following fundamental concepts in our effort to strengthen the Company's corporate governance structure.

Our Fundamental Concepts regarding Corporate Governance

- We recognize that providing customers with lifelong protection is a life insurers' essential mission. More specifically, in light of the unique characteristics of life insurance policies whose duration may extend to the ultra-long term, we believe that establishing a sophisticated corporate governance structure, capable of better supporting our mutual company system, is of primary importance to ensure the payment of insurance claims and benefits, as well as to help our customers enjoy peace of mind and affluent lives.
- We recognize that our relationships with various stakeholders (including customers, employees and communities) are indispensable to achieving sustainable corporate growth. We therefore strive to build appropriate and robust relationships with each stakeholder.
- We regularly review these guidelines to promote our initiatives to strengthen corporate governance. By doing so, we improve our corporate governance structure, maintain the soundness of our operations and secure the ability to make prompt decisions aimed at realizing sustainable growth in business operations as well as corporate value.

Management Structure

I. General Provision

1. A Company Placing Utmost Value on Customers

Giving due consideration to the characteristics of the mutual company system, we will strive to enhance customer satisfaction by appropriately reflecting customer feedback in the Company's operations. Specifically, we collect and analyze customer requests and opinions, including those communicated as secondhand information. In these ways, we commit ourselves to being a company that places utmost value on its customers.

2. Information Disclosure and Transparency

We appropriately disclose our corporate information as required by the law, and further, proactively disclose other management information that can be deemed beneficial to our customers and other stakeholders from the perspective of securing the transparency and fairness of management decisions, or that otherwise upholds the effectiveness of corporate governance.

3. Internal Controls

We recognize that a sophisticated internal control system constitutes a key factor to winning the trust of our customers and other stakeholders. In line with this recognition, we established and announced the Basic Policies for the Internal Control System. Putting these policies into practice, we continuously strengthen our internal auditing systems and enhance our compliance and risk management structures.

II. Management Structure

4. Board of Policyholder Representatives Meeting

We strive to ensure that the intentions of our mutual members are better reflected in management through the operation of the Board of Policyholder Representatives Meeting, which consists of policyholder representatives selected from among mutual members and serves as the highest decision-making body of the Company.

5. Selection of Voluntary Candidates for Policyholder Representatives

We continuously work to diversify the selection process for policyholder representatives by, for example, choosing some representatives from the voluntary candidates.

6. Provision of Information to Policyholder Representatives

We promptly provide policyholder representatives with information that may help them reach appropriate decisions at the Board of Policyholder Representatives Meeting.

7. Company with Three Committees

We have adopted a Company with Three Committees system based on recognition that this system is best suited for our goal of accelerating decision making and enhancing management efficiency. Under this system, we secure a clear separation between functions for the supervision and execution of business operations, with the Nominating, Audit and Compensation committees being put in place. In principle, we delegate the execution of business operations to executive officers, except for matters to be referred to the Board of Directors in accordance with the law.

8. Composition of Outside Directors

We appoint a sufficient number of outside directors to ensure they comprise the majority of directors (currently, six out of 11 directors) and ensure these directors represent diverse backgrounds. With an eye to securing the effectiveness and consistency of management supervision by outside directors, we limit their term of service to eight years in principle. In these ways, we reinforce the overall function of the Board of Directors to ensure more robust supervision of management.

9. Board of Directors

To realize our management philosophy, our Board of Directors supervises management and makes decisions on basic policies for business operations while engaging in constructive discussions on concrete strategies and plans aimed at supporting appropriate business execution.

10. Role of Directors

Fully aware of their obligation to loyally perform their fiduciary duties with due care and prudence, our directors strive to secure the effectiveness of the Board of Directors' function for management supervision, in addition to maintaining appropriate and robust relationships with stakeholders. To this end, they engage in thoroughgoing discussions at Board meetings and require the Company to provide necessary information, thereby fulfilling their roles and duties in an effective manner.

11. Role of Outside Directors

Our outside directors bring an objective perspective and employ their diverse standpoints to supervise management in terms of the appropriateness of business execution. At the same time, they contribute their expertise and provide advice aimed at helping the Company achieve sustainable growth in business operations and in corporate value. As they have independent positions from the Company, they also work to ensure that opinions voiced by policyholders and other stakeholders are better reflected in decisions made at the Board meetings.

12. Outside Directors Council

Having established the Nominating, Audit and Compensation committees in accordance with the law, we also put the Outside Directors Council in place to secure robust communication among outside directors and to facilitate the exchange of opinions between outside directors and the Chairman of the Board, President, relevant directors and executive officers with regard to important management issues.

13. Roles of Executive Officers

Our executive officers work to maintain the Company's financial soundness and secure sustainable growth in business operations and corporate value within the scope of their authorities delegated by the Board of Directors with regard to business execution. They also strive to nurture human resources to lead the Company's future operations.

14. Medium-Term Business Plan

As we aim to accomplish the Medium-Term Business Plan, we make sure that the progress under this plan is appropriately evaluated and reported to the Board of Directors. In cases where a target set forth in the plan has been missed, we thoroughly analyze the causes, reflect these in formulating future plans, and provide sufficient explanation to our mutual members (policyholders).

15. Training of Directors and Executive Officers

Our directors and executive officers strive to realize their maximum potential, and the Company provides them with necessary opportunities to develop their competencies.

III. Relationships with Policyholders and Other Stakeholders

16. Structure to Maintain Dialogue with Mutual Members (Policyholders)

We work to maintain favorable relationships and smooth communications with our mutual members (policyholders) through the Board of Policyholder Representatives Meeting, Reporting Meetings for Policyholder Representatives, the Conference of Customers and other opportunities aimed at facilitating dialogue.

17. CSR

We recognize that to grow sustainably in tandem with society, it is essential to win the trust and understanding of our customers and other stakeholders. With this in mind, we established and announced our Code of Corporate Conduct (CSR Action Policies), which guides and empowers our social contribution and environmental protection activities aimed at better accommodating the needs of local society.

Meiji Yasuda Life recognizes that providing customers with life-long protection is a life insurer's essential mission. More specifically, in light of the unique characteristics of life insurance policies whose duration may extend to the ultra-long term, we believe that establishing a sophisticated corporate governance structure as a mutual company is the most important management issue.

In line with this belief, the Company has announced its Corporate Governance Guidelines, which set forth fundamental concepts and basic policies on corporate governance consistent with the spirit of Japan's Corporate Governance Code that was enacted in June 2015 for listed companies.

Under these guidelines, the Company has been endeavoring to upgrade its corporate governance systems. Meiji Yasuda Life also utilized such venues as Outside Directors Council meetings to

promote constructive discussions on its medium-term management approach and the adoption of ERM and other methodologies while helping outside directors enhance their understanding of the Company's business activities. Moreover, Meiji Yasuda Life incorporates insights offered by external consultants in the course of Board of Directors' self-evaluation aimed at identifying issues the Board needs to address and countermeasures to improve its operations. At the same time, the Company proactively discloses these matters to the general public.

Here, we invited Mr. Teruo Kise, who has been serving as an outside director since 2014 and has served as the Chairperson of the Company's Nominating Committee since 2017, to ask about his views on Meiji Yasuda Life's initiative to enhance its corporate governance.



Teruo Kise Director

- 1970 Jointed TOTO Kiki Ltd. (now TOTO LTD.)
- 1996 Appointed as a Director
- 2000 Appointed as a Director and Managing Executive Officer
- 2002 Appointed as a Director and Senior Managing Executive Officer
- 2003 Appointed as a President and Representative Director
- 2009 Appointed as a Representative Director and Chairman of the Board
- 2014 Appointed as a Director and Senior Advisor
Stepped aside from the office of Director, appointed as a Senior Advisor
Outside director of Meiji Yasuda Life Insurance Company
- 2017 Appointed as an Advisor for TOTO LTD. (continuing)



Management Structure

Q. How do you evaluate initiatives undertaken hitherto by Meiji Yasuda Life to strengthen corporate governance?

A. Meiji Yasuda Life has been engaged in a variety of initiatives aimed at upgrading its corporate governance systems. I believe that thanks to these initiatives, the Company's Board of Directors is capable of exerting robust supervision of management and comparable to boards of directors in place at other major companies, such as stock corporations in Japan. Moreover, the Company is quite open to incorporate opinions voiced by outside directors, including myself, into management.

Let me introduce one example. Previously, discussions at the Board of Directors included the screening of countless business projects that needed to be approved by the Board, with each project accompanying detailed explanatory materials. Although we had to read through these materials at each meeting, I urged fellow board members to allocate more time to discuss crucial management issues that must

be deliberated by the Board of Directors. Since then, over the past few years, the content of the briefing materials for Board of Directors meetings has been drastically improved, becoming easier to understand.

In addition, the Outside Directors Council helps facilitate robust exchange of opinions between individual outside directors and between outside directors and top management executives. Furthermore, to make improvements, these executives are sincerely addressing issues identified via the self-evaluation of the Board of Directors and each committee.

In sum, I believe these initiatives will help Meiji Yasuda Life make significant progress in its efforts to become a company that is open to society.

Q. Please share your thoughts on what initiatives Meiji Yasuda Life should adopt to sustainably improve its corporate value going forward.

A. I believe that Meiji Yasuda Life must continue striving to ensure that its corporate philosophy is fully understood by every officer and employee. This is essential to becoming a top-tier corporation.

In April 2017, Meiji Yasuda Life established the "Meiji Yasuda Philosophy." To determine this corporate philosophy, the outside directors were involved in intensive discussions over the course a year and half at the Outside Directors Council meetings and elsewhere. However, it is not enough to ensure that the corporate philosophy is known to everyone. All officers and employees must engage in ongoing discussion to determine the connection between their duties and this philosophy. Then they also need to perform an in-depth analysis on the purpose of each task they perform. These activities will help participants more fully comprehend the significance of every duty they undertake in terms of helping to realize the Meiji Yasuda Philosophy and help them acquire a clear perception of the roles they must fulfill in the pursuit of this philosophy. I expect that if Meiji Yasuda Life takes these steps to discuss its corporate philosophy, the Company can become an even better organization.

Meiji Yasuda Life is entrusted with a significant amount of insurance premiums paid by customers. These premiums are, in other words, the precious assets of our customers. Therefore, Meiji Yasuda Life must live up to customer confidence in terms of handling the premiums it receives. With this in mind, all officers and employees should understand that every task they take on in the course of their day-to-day operations must serve the purpose of realizing the Meiji Yasuda Philosophy, namely, becoming a life insurance company that cares about people first. Once this corporate philosophy is firmly embraced, not a single officer or employee will overlook unnecessary costs as they will be fully committed to improving the efficiency of the Company's monetary resources for the customers' sake.

To foster a sense of ownership among officers and employees with regard to the promotion of Meiji Yasuda Life's brand, the Company should also facilitate dialogue, communication and a corporate culture that values openness. As an outside director, I will continue to bring my opinions to the Board of Directors to help realize such a corporate culture.

Directors

(As of July 3, 2018)



Chairman of the Board
Nobuya Suzuki*



Director, President
Akio Negishi*



Director, Deputy President
Toshihiko Yamashita



Director, Deputy President
Masahiro Ifuku



Director
Seiichiro Utsubo



Director
Shigehiko Hattori**
Senior Advisor,
Shimadzu Corporation



Director
Seiichi Ochiai**
Professor Emeritus,
the University of Tokyo



Director
Teruo Kise**
Advisor, TOTO LTD.



Director
Miyako Suda**
Special Advisor,
The Canon Institute for Global Studies



Director
Keiko Kitamura**
Professor Emeritus,
Chuo University



Director
Masaki Akita**
Representative Director, President and
Executive Operating Officer, Matsuya Co., Ltd.

* Representative Executive Officer
** Outside Director

Management Structure

Executive Officers

Senior Managing Executive Officers	Tadashi Onishi	
	Masao Aratani	
	Shinya Makino	
Managing Executive Officers	Masahiko Sagara	Chief Executive, General Agent Marketing
	Takashi Kikugawa	
	Yasuyuki Ayai	Chief Executive, Individual Insurance Marketing
	Teruki Umezaki	
	Kazunori Yamauchi	
	Hideki Nagashima	
	Shinji Nakatani	Chief Executive, Public Marketing
	Koichi Nagao	
Executive Officers	Atsushi Nakamura	
	Masanao Kawamura	Chief Executive, Corporate Marketing
	Yasushi Ueda	

Operating Officers

Managing Operating Officers	Takashi Tsunematsu	Chief General Manager, Central Tokyo Marketing Headquarters
	Michihiko Hayashi	Chief General Manager, Osaka Marketing Headquarters
	Yoshiro Shimizu	Chief General Manager, Fukuoka Marketing Headquarters
	Hideki Yamaguchi	Chief General Manager, Nagoya Marketing Headquarters
Operating Officers	Shiro Kishimoto	Chief General Manager, East Metropolitan Marketing Headquarters
	Masahiro Koyama	General Manager, Agency Department
	Toshiyuki Sumiyoshi	General Manager, Human Resources Department
	Masanori Takano	General Manager, 1st Public Sector Marketing Department
	Norio Shimizugashira	Chief General Manager, West Metropolitan Marketing Headquarters
	Minoru Wakabayashi	Responsible for the matters relevant to StanCorp
	Motohiko Sato	General Manager, Investment Planning & Research Department
	Kenji Fukui	General Manger, Risk Management Control Department

Development and Enhancement of the Internal Control System

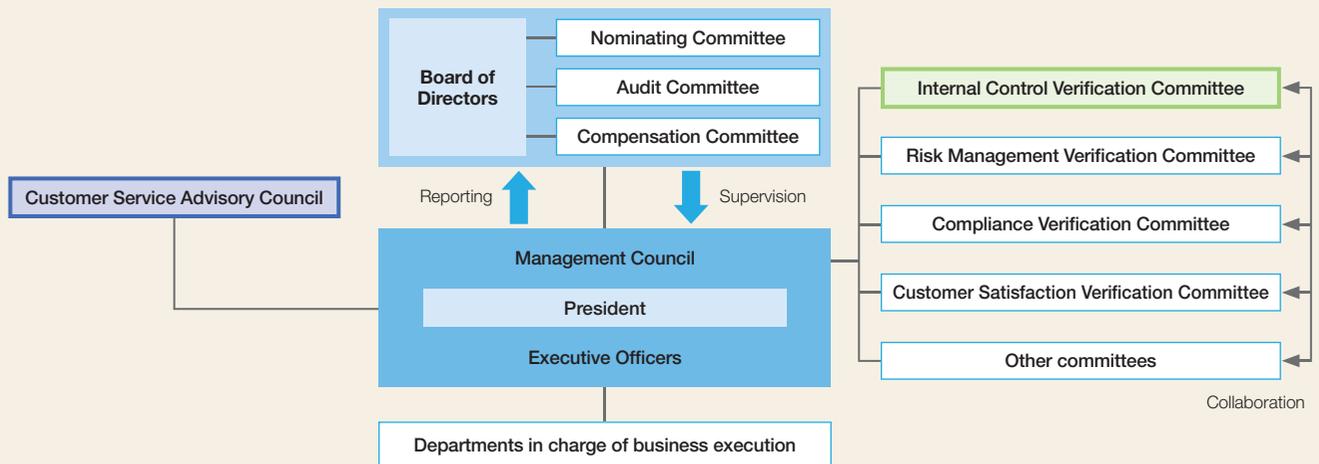
Meiji Yasuda Life established the Basic Policies for the Internal Control System that guides its initiatives to develop and maintain sophisticated internal controls. Moreover, the Company set up the Internal Control Verification Committee, an advisory body to the Management Council with the aim of deliberating various matters related to internal controls from across-the-board perspectives.

Although it operates as a mutual company, Meiji Yasuda Life voluntarily adopts internal control and financial reporting systems as well as related in-house rules that are mandatory for all domestically listed companies, thereby enhancing the reliability of its financial reporting. At the close of its full-year financial results, the Company evaluates the status of its internal controls to confirm whether or not significant problems requiring disclosure were identified. Based on this evaluation, the Company prepares internal control reports. These

reports are audited by our external auditors, who then issue an internal control auditing report.

To develop a robust internal control structure, designated personnel, such as internal control managers, have been assigned throughout the organization. These personnel spearhead the internal control self-assessments performed by each business unit and, by checking operations for the appropriateness of internal controls, they confirm whether legal requirements are met and business risk is managed. We are also developing an internal control structure that includes system platforms that enable us to quickly verify internal controls and rapidly correct any shortcomings. Within this structure, the Company also pursues other internal control activities, such as executing rigorous follow-up self-assessments, thereby ensuring the appropriateness of its business operations.

The Internal Control Verification Committee's Relationships with Other Important Bodies



Our Basic Policies for the Internal Control System

In concert with the enforcement of the Company Act in May 2006, Japan's Insurance Business Act was revised, making it mandatory for insurers to resolve related policies at their board of directors meetings. Accordingly, Meiji Yasuda Life established basic policies governing such matters as its Audit Committee support structure, as well as systems to ensure the appropriateness of operations through legal compliance and risk management.

Management Structure

Internal Audit Structure

Basic Approach

Meiji Yasuda Life has positioned internal auditing as an important process in which it obtains advice and recommendation from auditors who evaluate the status of its business operations from a fair and objective standpoint with the aim of helping the Company achieve its management targets. To secure the effectiveness of internal audits, the Company established its Policy on Internal Audit. In line with this policy, the Internal Audit Department has been put in place, operating under the dedicated supervision of the executive officer serving as Chairman of the Board. With the aim of ensuring that its audit function is strictly independent from business execution functions, the Company requires the approval of the Audit Committee for any change in its Policy on Internal Audit or the formulation of internal audit plans while consolidating all internal audit results to be reported to the committee.

Moreover, the head of the Internal Audit Department attends every Audit Committee meeting while regularly exchanging opinions with a full-time Audit Committee member. As such, the department maintains close collaboration with the Audit Committee.

Initiatives to Reinforce Our Internal Audit Structure

To ensure that internal audits are carried out in an efficient and effective manner, internal audit plans are formulated based on risk assessments, with the scope of audits encompassing all business units and activities of Meiji Yasuda Life, its subsidiaries and affiliates. Specific audit themes include the status of countermeasures aimed at addressing key risks and the progress of the Medium-Term Business Plan. These themes are applied across-the-board in audits covering subsidiaries and affiliates. Meanwhile, headquarters and other business bases, including regional offices as well as group marketing departments, are subject to unit-specific audits aimed at determining the status of business activities at each business unit.

In addition, these audits involve off-site monitoring in which meeting materials and other documents are examined as necessary, with

monitoring results being reflected in the risk assessment process. The results of internal audits and the status of recommended improvement measures are swiftly reported to the Management Council, Audit Committee and Board of Directors.

Meiji Yasuda Life's main domestic subsidiaries and affiliates also have their own Internal Audit departments operating under the instruction of and receiving advice from their counterparts at the Company. Meiji Yasuda Life is cooperating with its overseas insurance subsidiaries and affiliates as necessary, with the aim of strengthening the internal auditing systems of the entire Group.

Initiatives to Maintain and Enhance the Quality of Internal Audits

To maintain and enhance specialist knowledge and skills possessed by internal auditors, we established in-house educational programs and are regularly providing training sessions. In doing so, we are striving to nurture expert human resources who can be accredited under the Certified Internal Auditor (CIA) scheme sponsored by The Institute of Internal Auditors (IIA), an international association of internal auditing professionals. Moreover, we utilize external auditors and other outside experts to conduct audits in certain fields that require highly specialized expertise.

Also, we have formulated audit quality management programs to constantly enhance the quality of internal auditing, thereby carrying out the periodic evaluation of audit quality. Our internal audits for the fiscal year ended March 31, 2015 were assessed by a third party audit firm, which evaluated the quality of our audit results based on the International Standards for the Professional Practice of Internal Auditing set forth by the IIA. These assessments concluded that our audits deserve a "Generally Conforms" rating, which represents the highest degree of conformity to the standards.

In the fiscal year ending March 31, 2019, we appointed dedicated staff in charge of assessing the quality of the audit results from the viewpoints of fairness, persuasiveness and appropriateness.

Basic Recognition, ERM, and Risk Management Policies and Rules

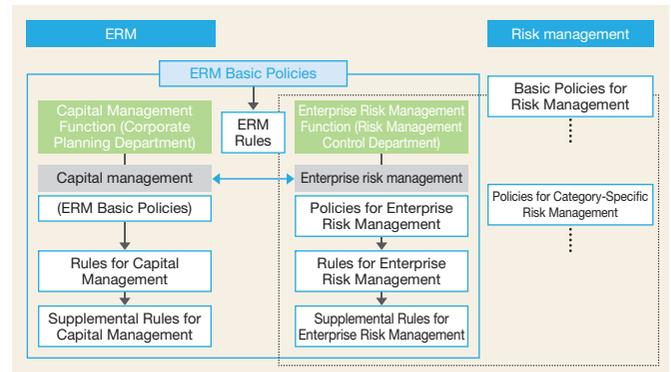
Meiji Yasuda Life recognizes the importance of ensuring sound management and faithfully fulfilling contractual obligations over the long term to achieve its goal of delivering customers unwavering peace of mind. In line with this recognition, the Company views risk management as one of the most crucial elements of business management, with

ERM, which aims to control all operational risk in a way consistent with management strategies, positioned as a key methodology. Accordingly, the Board of Directors, Management Council and other bodies set ERM and risk management policies and rules.

ERM Structure

Meiji Yasuda Life has determined that its ERM structure must serve two functions: capital management and enterprise risk management. In line with this determination, the Company has charged its Corporate Planning Department with the former function while assigning the latter function to the Risk Management Control Department, which is in charge of overall risk management. These two bodies are expected to realize synergies in the practice of ERM while mutually providing checks and balances.

Note: Enterprise risk management (ERM) is a business management method aimed at quantitatively controlling risk, return, and capital for the entire corporation on an economic value basis via the formulation of basic policies for risk aversion. ERM also defines the types of risks a corporation is willing to take. Through these activities, ERM aims to maximize corporate value.

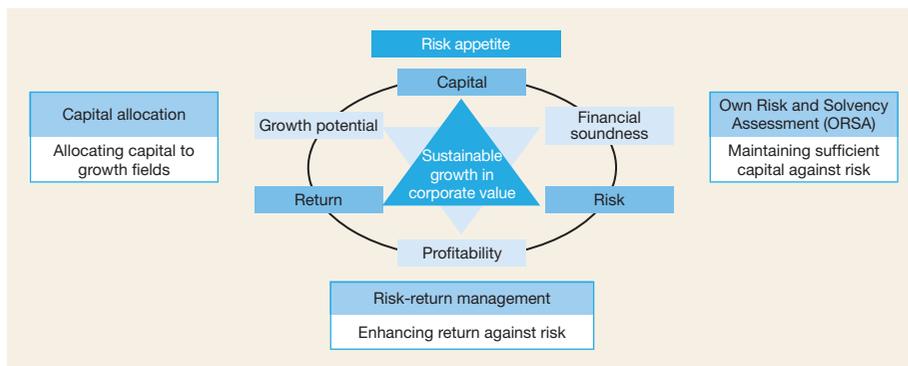


The ERM Framework in Operation

With the aim of enhancing corporate value while striking a balance between growth potential, profitability and financial soundness, Meiji Yasuda Life has utilized an ERM framework in the formulation of MY INNOVATION 2020, a three-year program beginning in April 2017.

More specifically, to ensure sustainable growth in corporate value and based upon its unique risk appetite, which clarifies the types and levels

of acceptable risk, the Company engages in capital allocation, risk-return management and Own Risk and Solvency Assessment (ORSA) in an integrated manner. The Company also utilizes ESR as the primary indicator of our financial soundness.



Economic Solvency Ratio (ESR)

An economic-value based indicator that shows whether Meiji Yasuda Life has secured sufficient capital in contrast with its total amount of risk. (Adopting a 99.5% confidence level, the figure assumes an investment environment based on the Company's internal model.)

$$ESR = \text{capital} / \text{total amount of risk}$$

Risk Appetite

At Meiji Yasuda Life, risk appetite designates the types and levels of risk the Company is willing to take. It clarifies the Company's targets for risk and returns, which, in turn, are utilized to direct its decision making and manage its business activities. The Company's risk appetite is set forth in its ERM Basic Policies and serves as a key element supporting business plan formulation and operations management. In addition, the

Company has defined Group risk appetite, which is uniformly applied to the Company and its important subsidiaries.

The Company has specified its risk tolerance in written rules. These rules include established criteria that must be met upon assuming risk. They are also used to determine quantitative limits on the risk that can be taken, helping us maintain appropriate control over risk-taking.

Management Structure

Outline of Meiji Yasuda Life's Risk Appetite

- Based on its management philosophy, the Company aims to deliver its customers unwavering peace of mind and, to this end, engages in risk-taking in the pursuit of its domestic life insurance business, asset management, affiliate businesses and other operations as long as its financial soundness is maintained at high levels.
- To maintain financial soundness that can earn an "AA" rating, the Company modifies its risk-taking practices based on the level of its ESR, striking a balance between growth potential, profitability and financial soundness. By doing so, the Company will secure stable profit while enhancing its corporate value.
- In the domestic life insurance business, the Company aims to diversify insurance underwriting risk. At the same time, the Company proactively underwrites certain types including medical and nursing care insurance.
- In asset management, the Company focuses on controlling interest rate risk, with due consideration given to the impact of interest rates on its liabilities. The Company also disperses its asset management risk while diversifying its asset management methodologies. In these ways, the Company engages in risk-taking, with the aim of securing the greatest profitability possible within its risk tolerance.
- In the affiliate business, the Company engages in risk-taking aimed at securing potential for sustainable future growth while avoiding the concentration of risk in the domestic life insurance business.

Capital Allocation

Since its risk-taking approach is designed to secure both financial soundness and growth potential, Meiji Yasuda Life has set the maximum amount of risk that can be taken, with economic capital being allocated to each business category and risk type based on the maximum amount of risk specified by the Company. In general, organizations in each business category and important subsidiaries engage in risk-taking within the scope of allocated capital.

Risk-Return Management

In line with its aim of securing profitability corresponding to risk, Meiji Yasuda Life employs a risk-adjusted return index, a profitability indicator that takes risk into account. The Company utilizes this indicator in the course of business planning, product development and asset management.

Own Risk and Solvency Assessment (ORSA)

ORSA provides a comprehensive verification of an insurer's risk-taking strategies by evaluating the sufficiency of its capital through comparisons of present and future risk and capital. To analyze internal and external conditions, Meiji Yasuda Life undertakes an ORSA whenever formulating or revising business plans, with the sufficiency of its capital being evaluated via such methods as stress tests based on foreseeable medium-term risk scenarios over three to five years.

Utilizing ERM in Group Management

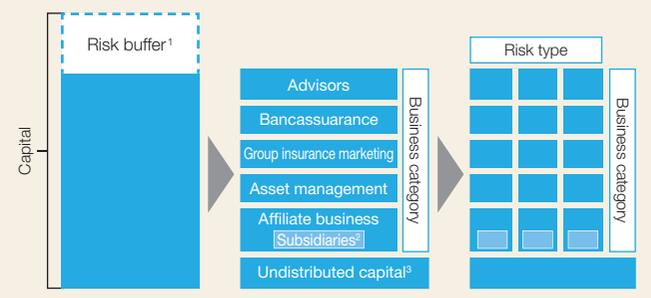
From a perspective of managing Group operations, Meiji Yasuda Life has established a structure that controls important subsidiaries via the enforcement of Group risk appetite and capital allocation. By doing so, the Company maintains robust governance of Group operations in both qualitative and quantitative aspects.

The ERM Basis of the Medium-Term Business Plan

Meiji Yasuda Life aims to maintain financial soundness that can earn an "AA" rating and, to this end, is controlling its risk-taking approach based on the level of its ESR which is a key financial soundness indicator. More specifically, the Medium-Term Business Plan has established an ESR target of 150 to 160% or more for the fiscal year ending March 31, 2020, taking into account international trends in capital regulations.

Moreover, the Company has formulated the Medium-Term Business Plan in alignment with its risk appetite. To maintain financial soundness, the Company is striving to meet its ESR target while engaging in risk-taking based on the capital allocated to each operation. In these ways, the Company endeavors to achieve management performance targets for profitability and growth, with the aim of securing sustainable growth in corporate value. (Please see page 30 for the management performance targets set forth in the Medium-Term Business Plan.)

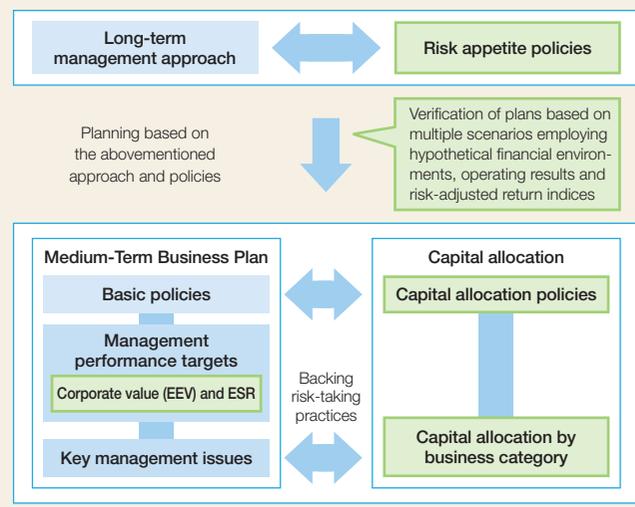
Capital allocation



- 1 Retaining adequate capital to ensure financial soundness capable of withstanding changes in external factors
- 2 Directly allocate capital to important subsidiaries
- 3 Capital retained by management in order to ensure financial soundness and in preparation for risk-taking through new investment, M&A and other future undertakings

The Utilization of ERM in the Medium-Term Business Plan

ERM-based elements (rectangles with green borders) incorporated in the Medium-Term Business Plan



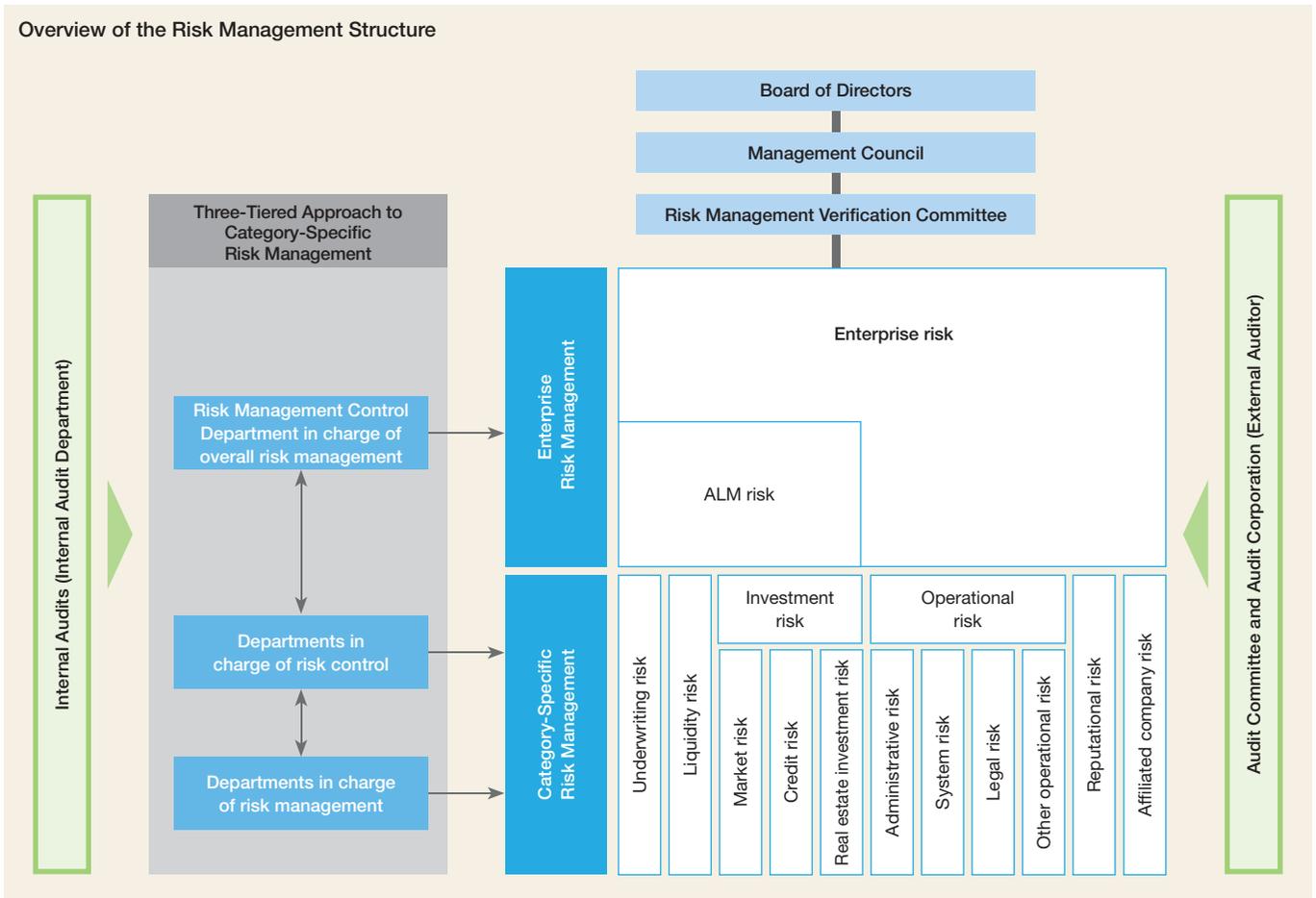
Risk Management Structure

The department in charge of overall risk management (Risk Management Control Department) develops and promotes the overall risk management system, integrating our risk management structure. It monitors and supervises the overall status of risk management while also providing expert advice to departments in charge of risk control and departments in charge of risk management, both of which are established to handle category-specific risk. Moreover, the Risk Management Verification Committee serves as an advisory body for the

Management Council, with the aim of ensuring regular monitoring and appropriate control of all manner of risks.

To enhance the effectiveness of our risk management, the Internal Audit Department undertakes internal audits, while the Audit Committee carries out inspections and the External Auditor undertakes external audits. These audits examine the appropriateness and efficacy of risk management functions, as well as the risk management system.

Overview of the Risk Management Structure



Management Structure

Enterprise Risk Management

In addition to maintaining an integrated risk management framework to handle all category-specific risks, Meiji Yasuda Life pays close attention to the enterprise risk associated with its entire operations. More specifically, the Company performs risk management employing a PDCA cycle, in which it undertakes the quantitative and qualitative evaluation of enterprise risk, including potential risks that may significantly impact its business operations, while monitoring and controlling for such risk. The Company also employs ORSA, a process for verifying the appropriateness of its risk-taking strategies, as a core methodology to promote enterprise risk management.

Furthermore, the Company has developed an overarching framework for assessing and managing risks associated with the entire Group in step with the expansion of the scope of its overall operations. Under this framework, the Company takes a groupwide, integrated approach in key risk management, as well as the quantitative measurement of risks related to Group operations.

The status of these risk management activities is periodically reported to the Risk Management Verification Committee, the Management Council and the Board of Directors.

■ ALM Risk Management

Risk management employing an Asset Liability Management (ALM) approach has two basic roles. It helps Meiji Yasuda Life perform asset management attuned to the probable cash flows of liabilities, based on the characteristic of insurance claims and benefits under insurance policies. Moreover, ALM can be utilized to better reflect the current asset management environment in the Company's product development and sales strategies.

Accordingly, the Company has positioned ALM as an important management method and is endeavoring to appropriately control asset-liability mismatches.

■ Key Risk Management

Meiji Yasuda Life identifies key risks (such as a drastic plunge in stock prices, the occurrence of a major earthquake or a contagious pandemic), which can cause significant loss to the Company, taking into account the impact of these events on its business operations based on their magnitude and probabilities. To identify such risks, the Company utilizes heat maps to assess changes in the external environment. The Company also takes a comprehensive approach to identify key risks by combining both top-down and bottom-up methodologies. For example, the Company conducts top management interviews to assess their understanding of key risks while also acquiring insights offered by staff at the department in charge of risk control to employ a frontline perspective on how to manage category-specific risk.

Having thus identified key risks, the Company is closely monitoring indicators suggesting the occurrence of the aforementioned events and periodically reports the findings to management. Moreover, the Company is implementing preemptive countermeasures as necessary and working to maintain a robust risk management process aimed at ensuring flexible response in the event a key risk materializes.

■ Stress Tests

Meiji Yasuda Life conducts stress tests to simulate conditions that exceed normal forecasts and cannot be assessed with VaR* (a method based on maximum foreseeable loss), such as drastic economic deterioration and major disasters including earthquakes. Through stress tests, the Company performs multivariate analysis on such factors as the assumed impact on assets and liabilities, as well as the level of increase in insurance payments.

Test results are utilized to verify the appropriateness of the Company's risk-taking strategies and discuss measures for strengthening the financial foundation.

* A method for measuring specific portfolio risk based on the maximum foreseeable loss that can be incurred in a certain period of time with a certain probability. Utilizing statistical analysis, VaR boasts advantages in accurately and uniformly assessing the value of risk associated with each asset type.

Category-Specific Risk Management

Meiji Yasuda Life categorizes and manages risks based on their causative factors and characteristics. The Company is striving to ensure that newly emerging risk is rapidly identified by giving due consideration to the uniqueness of risk in each category. Moreover, as risks are identified, the incidents are quantitatively and qualitatively evaluated so that appropriate risk control measures can be implemented as necessary.

Developing a Solid IT Governance Structure

Striving to become a life insurance company that cares about people first, Meiji Yasuda Life proactively works to develop various business processes, including those supported by Information Technology (IT).

To this end, efforts are now underway to create an even more solid IT governance structure, with the Board of Directors, the Management Council and other important bodies engaging in the formulation of relevant policies and rules.

To constantly provide high-quality products and services tailored to customer needs, we prioritize development projects for our IT systems based on their consistency with management strategies and the assessments of their efficiency in terms of return on investment (ROI).

At the same time, we manage such development projects with an eye to realizing the optimal combination of system resources while implementing thoroughgoing measures to mitigate system risks, thereby building a business process of superior quality.

In the fiscal year ended March 31, 2018, we invested around ¥25 billion in IT system development projects, especially those aimed at helping enhance our competitive advantages and facilitate business expansion in growth fields.

Specifically, we developed IT systems associated with the release of the “U.S. dollar-denominated endowment insurance with a single lump-sum premium” and “Whole life medical insurance for people age 50 or older” as well as the introduction of paperless enrollment procedures. As such, we directed our IT-related resources to develop new products and enhance customer convenience.

In addition, the Company aims to optimize the management of overall system assets, to this end striving to divest underutilized and inefficient system assets. By doing so, the Company seeks to counter rising system operation costs.

IT investments by purpose		Proportion
Business-related investment	Investment aimed at supporting management strategies and expanding existing system functions	62%
	Of this, investment aimed at acquiring competitive advantages in and promoting expansion into growth fields	35%
System-related investment	Investment aimed at developing a functional system infrastructure from a perspective of ensuring business continuity	38%

Initiatives to Protect Customer Information

As we are entrusted with the handling of customer information, we continuously reinforce our measures to prevent information leakage, ensuring that tablet terminals used by sales personnel retain no customer information, restricting the use of electronic recording media and executing the encryption of data transmitted to external entities via networks. Moreover, our Information Systems Department acquired ISMS* certification, striving to realize an even higher security level in its information management activities.

To counter the external threat of cyberattacks, the Computer Security Incident Response Team (CSIRT) is in place, serving as a dedicated body charged with handling such incidents. Furthermore, we are remaining apprised of the latest developments by leveraging external

sources that share this information. We are also updating our incident response procedures to minimize damage caused by cyberattacks while implementing periodic drills.

We also developed Business Continuity Plans (BCPs) aimed at preventing the disruption of our core operations, such as the payment of insurance claims and benefits, during wide-ranging disasters and other emergencies. If our main computer centers were hit by such disaster or similar event, we would launch backup systems in accordance with our BCPs and thereby continue core operations.

* A certification under the ISMS conformity assessment employing a third-party evaluation scheme based on the ISO 27001 standard

Management Structure

Compliance

Promoting Compliance

Meiji Yasuda Life defines compliance as “acting with fairness and integrity, not only by complying with laws and in-house rules, but also through the exercise of common sense.”

We recognize that every officer and employee of the Group must practice compliance to realize a “Long-Respected Life Insurance

Company That Cares about People First” in line with our corporate vision. With this in mind, we are implementing the following initiatives to promote compliance.

Thoroughly Disseminating Our Philosophy on Compliance

Meiji Yasuda Life has established its Basic Policies for Compliance to provide guiding principles and standards for initiatives to promote compliance. These policies declare that compliance must be an integral part of the Company’s business management and take priority in every aspect of its business operations. Furthermore, these policies mandate that every officer and employee practice compliance in a way that lives up the trust of our customers. By doing so, we are striving not to forget lessons from past incidents in which we lost the confidence of our customers due to inappropriate operations.

Also, the “Meiji Yasuda Sales and Service Policy” lays out our motto of enhancing after-sales service and meticulously accommodating the needs of the elderly as well as the rule of providing detailed product explanations, and other matters such as severing relationships with antisocial forces and promoting appropriate countermeasures against

money laundering and other financial crimes. By doing so, it aims to ensure compliance throughout our business operations, including the solicitation of insurance, with the aim of maintaining the trust of customers.

Moreover, every Meiji Yasuda Life employee carries a card bearing the Basic Policies for Compliance and other important precepts regarding compliance. In these ways, we are striving to instill deep-seated awareness toward compliance.

In addition, the “Compliance Manuals” are a set of comprehensive manuals aimed at ensuring that every employee is well-versed in the procedures and instructions necessary to maintain compliance. The manuals cover a range of laws, regulations and in-house rules that must be observed by employees in their day-to-day business conduct.

Compliance Promotion Structure

Meiji Yasuda Life has put the Compliance Control Department in place to carry out integrated management of compliance issues throughout the Meiji Yasuda Life Group, including subsidiaries and affiliates. In this way, we have developed a sophisticated compliance promotion structure capable of supporting the Company’s efforts to sever ties with antisocial forces, combat financial crimes and protect confidential information.

In cooperation with compliance managers and persons in charge of compliance at each business section, the Compliance Control Department also implements preemptive measures such as compliance education while dealing with compliance issues when improprieties are identified. Furthermore, we have in place a “Corporate Ethics Hotline” that provides those uncovering impropriety with a direct whistleblowing channel to external specialists. We also maintain in-house reporting

channels that include a “Compliance Hotline” and “Human Rights Hotline.” In addition, to handle work environment issues, we maintain dedicated in-house counseling desks for MY life plan advisors, Meiji Yasuda Relationship Associates (MYRA) and back office employees.

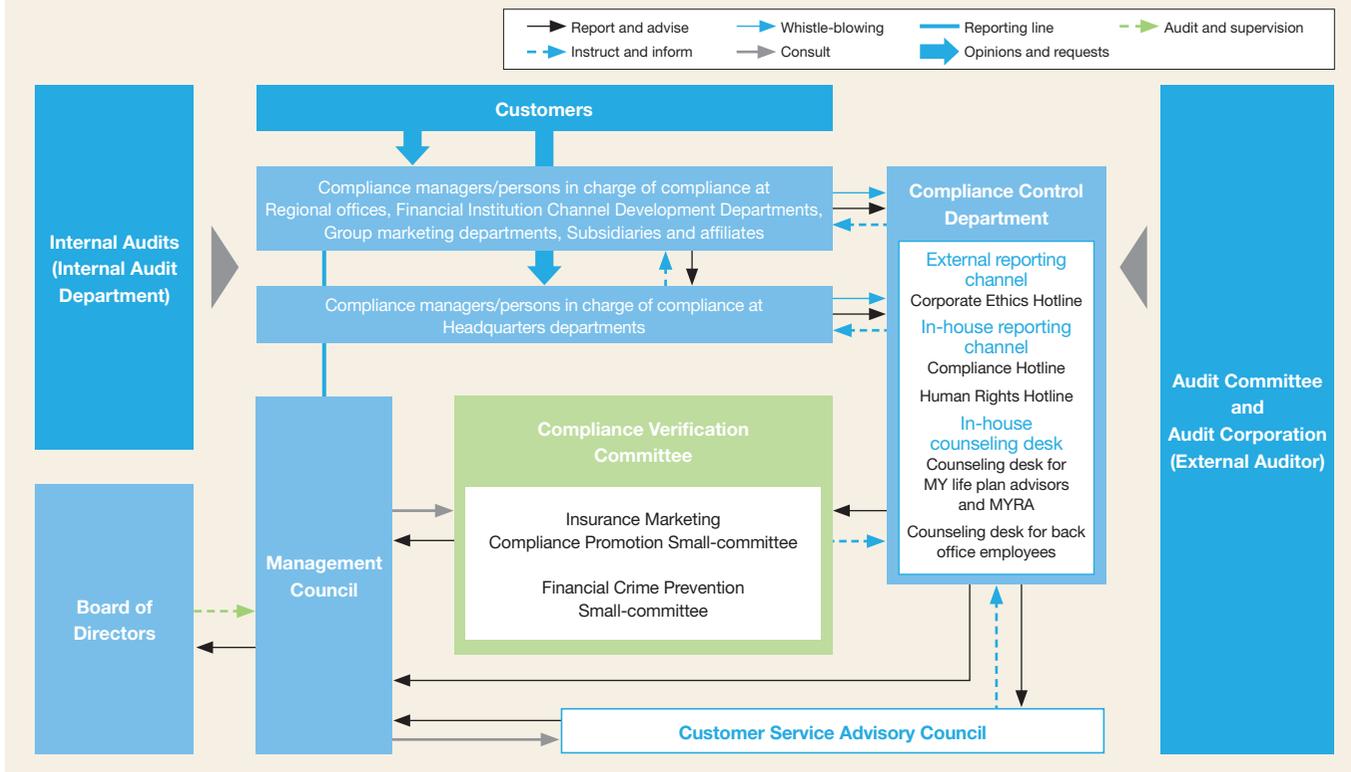
The “Compliance Verification Committee” plans and develops compliance systems throughout the Meiji Yasuda Life Group while providing guidance to departments charged with business execution. Moreover, the Customer Service Advisory Council is in place, with external specialists serving as some of the council members. This council deliberates such important matters as the development and improvement of compliance systems aimed at supporting customer-focused business operations, thereby serving as an advisory body on these matters.

Initiatives to Promote Robust Compliance

Every fiscal year, Meiji Yasuda Life draws up a “Compliance Practice Plan” setting forth concrete action plans aimed at promoting compliance. In line with the companywide action plan, headquarters, regional offices and the Financial Institution Channel Development Departments as well as group marketing departments, each formulate

their own specific action plans to address individual issues confronting them and thereby work to ensure compliance in a proactive manner. The Compliance Verification Committee and other bodies report the status of the “Compliance Practice Plan” to the Board of Directors.

Overview of Compliance Promotion Structure



Basic Policies for Compliance

In line with its management philosophy aimed at delivering customers unwavering peace of mind, Meiji Yasuda Life is striving to realize its corporate vision—"Long-Respected Life Insurance Company That Cares about People First." To that end, the Company hereby establishes its Basic Policies for Compliance, making it clear that compliance must be an integral part of its business management and take priority in every aspect of its business operations.

These policies mandate that every officer and employee practice compliance in a way that lives up to the trust of our customers. By doing so, the Company is striving not to forget lessons from past incidents in which it lost the confidence of its customers due to inappropriate operations.

Definitions

- The Company defines compliance as acting with fairness and integrity, not only by complying with laws and in-house rules, but also through the exercise of common sense. The Company also mandates that every officer and employee must maintain compliance throughout the course of their duties in an effort to realize its management philosophy.
- The Company's officers and employees must comply with laws and regulations enforced in each county and region in which they operate while respecting international norms.

Compliance Structure

- To upgrade its compliance structure, the Company put in place a department charged with the integrated management of compliance issues.
- The Company develops reporting systems to detect and address any improprieties in terms of compliance.
- The Company maintains a structure aimed at ensuring that important compliance issues are reported to management in a timely and appropriate manner.

Compliance Promotion

- The Company formulates and promotes annual Compliance Practice Plans designed to specify practical measures to realize strict compliance.
- The Company implements compliance education aimed at fostering a strong moral compass among its officers and employees and facilitating a compliance-oriented corporate culture throughout its organization.
- The Company strives to deliver optimal products and high-quality services to its customers.

- To protect the interests of its customers from undue damage, the Company put in place a structure aimed at managing conflicts of interest that may arise in the course of transactions undertaken by Group members with financial institutions. By doing so, the Company maintains a robust grip on transactions that could lead to conflicts of interest.
- The Company ensures the appropriate handling of customers' personal information, including their "individual number" and "specific personal information," while doing its utmost for the protection and proper management of this information and other customer information.
- In addition to severing ties with antisocial forces in a thoroughgoing manner, the Company endeavors to prevent its business transactions from being exploited as a vehicle for money laundering or other financial crimes. The Company also strives to prevent insider trading and other types of unfair transactions.
- The Company accommodates the direct reporting of incidents and protects whistleblowers. To this end, the Company has put in place an in-house whistleblowing channel especially designed to serve individuals who might find it difficult to report potential impropriety via regular reporting lines.
- The Company is committed to swiftly acting on tips uncovered through whistleblowing and rapidly investigating business units alleged to be in violation of compliance. In accordance with in-house rules, the Company takes stringent disciplinary action against those who engage in certain types of violations.
- Whenever a compliance violation is uncovered, the Company undertakes swift improvement measures while also analyzing the causes of the incident to prevent the recurrence of similar violations.
- The Company provides assistance and guidance to help its subsidiaries and affiliates promote compliance while maintaining proper management and supervision over these entities in terms of compliance.

Management Structure

The “Meiji Yasuda Sales and Service Policy”

In line with our management philosophy aimed at delivering our customers unwavering peace of mind, we are striving to constantly provide optimal products and high-quality services to our customers.

We are also determined to maintain strict compliance with laws and regulations and a strong moral compass in every aspect of our business conduct. In these ways, we will ensure the appropriateness of our operations, such as the solicitation of insurance, thereby living up to the trust of our customers.

1. Provision of Optimal Products and Appropriate Explanations

As we engage in consulting services, we will suggest optimal products to meet the needs of customers based on their life stages, purposes of enrollment and the status of their assets. With this in mind, we will strive to provide customers with sufficient information to ensure that they fully understand the content of suitable products before making an insurance selection. To this end, personnel conducting sales are mandated to provide clear explanations using such documents as the “policy design document (policy outline)” and “important notice (disclaimer information)” while making proposals tailored to customer intention.

Moreover, to confirm that the product content is consistent with each customer's intentions, we utilize a benchmark sheet to facilitate coverage comparisons and other tools. Also, we provide even more detailed explanations to customers who want to enroll in certain types of products (variable annuities and other products with market risk). In doing so, we ensure that the content of these products and their inherent risks are fully understood by customers. We will also give due consideration to such factors as the customer's investment experience, investment objectives, income and asset status in the course of providing explanations.

As for the elderly, we will take an even more careful approach to explain our products to these customers and confirm their intentions, with the aim of preventing any misunderstanding about the content of the products.

Moreover, we are committed to maintaining appropriateness in the solicitation of life insurance policies designating minors, especially those age 15 or younger, as persons insured. We will therefore strive to place appropriate limits on claims for these insurance policies.

2. Customer-Focused Sales Activities

In addition to fully comply with laws and regulations in the course of our sales activities, we will employ the customer's perspective, giving due consideration to how, where and when we engage with customers to solicit insurance.

3. Enhancing Customer Services after Enrollment

After enrollment, we will continue to provide robust explanations of policy content in a timely and appropriate manner. Whenever customers apply for revisions of policy content and other procedures, we will swiftly process their applications after confirming their intention where necessary.

Furthermore, whenever we receive applications for the payment of insurance claims and benefits, we will double-check the other policies the applicants have enrolled in to determine whether they have other eligible claims that they can apply for and, if any, notify them of their eligibility for such claims. We will also work to process these applications in an accurate and swift manner.

In addition, we will respond to customer inquiries, consultation, requests and complaints in a way that satisfies customers and wins their trust by always striving to provide fair, swift, appropriate and sufficient responses.

4. Training and Education Aimed at Enhancing Customer Relations Skills

We will steadily enhance our employee education and training systems while implementing training sessions for all officers and employees based on a robust educational curriculum. By doing so, we will instill product knowledge and basic rules on and proper procedures for handling customer relations.

5. Stringent Management of Customer Information

To protect personal information, policy information and other customer information gleaned in the course of sales activities, we appoint individuals in charge of managing customer information and maintain the stringent management of such information in accordance with in-house rules on customer information management.

6. Compliance with Laws and Regulations

In accordance with the Basic Policies for Compliance, Compliance Manuals and other relevant guiding documents, we will ensure strict compliance with laws and regulations while implementing compliance training for all officers and employees. In this way, we will maintain the appropriateness of our sales activities.

7. Response to Antisocial Forces and Financial Crimes

Severing any ties with antisocial forces, we will flatly reject any undue requests from these forces. Moreover, we will endeavor to prevent our business transactions from being exploited as a vehicle for such financial crimes as money laundering. In addition, we will strive to ensure that all Meiji Yasuda Life employees abstain from conducting any unfair transactions such as insider trading.

Promoting Countermeasures against Antisocial Forces and Financial Crimes

Meiji Yasuda Life aims to become a company that is trusted by every customer as well as society as a whole. Therefore, Meiji Yasuda Life recognizes that for the Company to fulfill its responsibility as a corporate citizen, severing ties with antisocial forces and implementing robust countermeasures against such financial crimes as money laundering and insider trading is an essential management task.

In line with this recognition, our “Basic Policies for Compliance” include the edict to sever any relationship with antisocial forces. These policies also represent our commitment to prevent our business transactions from being exploited as a vehicle for money laundering or other financial crimes, as well as implementing robust preemptive measures to ensure that no employee engages in such unfair transactions as insider trading.

In addition, we have consolidated functions associated with countermeasures against antisocial forces and financial crimes into the Compliance Control Department. At the same time, representatives from all relevant departments attend the Compliance Verification Committee and the Financial Crime Prevention Small-committee to periodically confirm the status of these countermeasures.

■ Our Response to Antisocial Forces

We have appointed managers and staff in charge of responding to antisocial forces at each business unit, thereby maintaining a robust organizational structure to prevent these forces from exploiting the Company. As part of measures aimed at severing relationships with antisocial forces, in April 2012 we incorporated new articles regarding the exclusion of organized crime syndicates into our general terms and conditions for insurance. We also engage in ongoing efforts to sign contracts incorporating similar articles with all business counterparties, aiming to prevent any involvement of antisocial forces in our transactions.

In addition, we have been developing a centralized database to manage antisocial force information while encouraging employees to undergo training sessions hosted by prefectural police departments to enhance employee skills to prevent undue requests. Moreover, we are striving to facilitate collaboration with police, lawyers and other external specialists in addition to holding in-house study sessions and conducting online education to provide necessary training and guidance.

■ Promoting Financial Crime Countermeasures

Having established in-house rules governing countermeasures against and responses to money laundering and the financing of terrorism, we have mandated that the identity of business counterparties be confirmed and that, in the event of dubious transactions, proper notifications be made. We have also developed an efficient structure to identify the types of transactions subject to asset freezing and other international sanctions, with the aim of upgrading our countermeasures against money laundering and other financial crimes. Furthermore, we have in-house rules in place to prevent insider trading and strictly prohibit the release of undisclosed corporate information about business counterparties. As such, we also spare no effort to prevent insider trading and other types of unfair transactions.

In addition, we have established “Policies for Managing Conflicts of Interest.” These policies are intended to ensure the appropriate management of transactions that may give rise to a conflict of interest between the Company and its customers, between customers, or between customers and third parties. In these ways, we are engaged in systematic efforts to protect customer interests from being unjustly harmed.

Protection of Personal Information

Meiji Yasuda Life established its “Basic Policies for the Protection of Personal Information” and has disclosed these policies through such media as its corporate website.

In line with the aforementioned policies, the Company strives to develop a robust information management system, ensuring that information is protected on every stage of its lifecycle, from acquisition to disposal of information, while strictly controlling the handling of its information by subcontractors.

Management Structure

Our Basic Policies for the Protection of Personal Information

Under its management philosophy, Meiji Yasuda Life Insurance Company aims to deliver its customers unwavering peace of mind. The Company is, therefore, highly aware of its social responsibility to ensure the appropriate handling of each customer's personal information, a term which collectively extends to all identifying information, including

"individual numbers" and "specific personal information," both defined in the Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures (hereinafter, the "Numbers Act"). Accordingly, the Company will rally its utmost strengths to protect the personal information of its customers.

1. Policies for Concrete Initiatives	<ul style="list-style-type: none"> • In the course of handling personal information, the Company will strive to ensure the appropriate use and protection of information that is entrusted to the Company by customers. • In light of the characteristics of its business operations, the Company will engage in ongoing efforts to upgrade its structure for managing personal information while maintaining an acute awareness of the importance of the proper handling of such information. • The Company will strive to provide appropriate and swift responses to customer inquiries and requests with regard to the handling of personal information. • The Company will maintain strict compliance with the Act on the Protection of Personal Information and other relevant laws and regulations.
2. Definition of Personal Information	<p>The Company defines personal information as a type of information that pertains to individuals and falls under either of the two categories listed below.</p> <p>(1) Information that can identify the specific individual by name, date of birth or other description.</p> <p>(2) Information that contains an individual identification code (e.g., a series of characters, letters, numbers and symbols or other codes that can identify the specific individual as defined by relevant laws and regulations)</p>
3. Types of Personal Information	<p>For the Company to complete enrollment procedures, it needs to collect the customer's name, address, date of birth, sex, health condition, occupation and other information. In the course of the provision of various services, the Company may also ask its customers to submit necessary information. Moreover, certain types of procedures require the customer's "individual number." As for the handling of "individual numbers" and "specific personal information," we have in place stringent information management measures in accordance with the Numbers Act.</p>
4. Methods for Acquiring Personal Information	<p>The Company primarily acquires customer information via application forms, policy signing forms and questionnaires. In addition, the Company may acquire customer information via post cards in the course of promotional campaigns and other activities. As for the acquisition of customer information, the Company will maintain the appropriateness of its acquisition methods in light of the Act on the Protection of Personal Information, the Insurance Business Act and other relevant laws and regulations.</p> <p>In addition, the Company acquires "specific personal information" from customers by only using prescribed application forms.</p>
5. Purposes of the Use of Personal Information	<p>The Company use customer information for the following purposes on a necessary basis.</p> <ul style="list-style-type: none"> • Underwriting various insurance policies, policy renewal and the maintenance and the payment of insurance claims and benefits • Promotional activities for and the provision of products and services marketed by the Company, its affiliates and partner companies, as well as the renewal and maintenance of policies associated with these products and services • Provision of information with regard to the Company's operations and the enhancement of its business management, products and services • Other operations associated with insurance <p>Notwithstanding the foregoing, "individual numbers" are used solely for purposes of conducting administrative tasks listed below and will not be used for other purpose.</p> <ul style="list-style-type: none"> • Preparation and submission of payment records with regard to insurance transactions • Preparation and submission of statutory reports with regard to corporate pensions • Preparation and submission of statutory reports with regard to compensation, fees and commissions • Other tasks related to "individual numbers" as stipulated in relevant laws and regulations <p>On its corporate website, disclosure materials and on other media, the Company discloses its reasons for the use of personal information. Whenever the Company collects personal information from customers via written forms, it explicitly notifies them of its purpose for the collection of such information.</p>
6. Transfer of Personal Information	<p>In cases where one of the following clauses applies, the Company may transfer customer information under its management to external parties when necessary.</p> <ul style="list-style-type: none"> • The Company obtained the customer's prior consent • Under the law, the Company was required or allowed to transfer such information • The Company finds the transfer of said information to be essential to protecting human life and health or preventing damage to property. • The Company was asked to transfer said information for the sake of public interest • The Company outsources the handling of such information after implementing appropriate information security measures • To the extent permitted by law, the Company engages in the shared use of such information in tandem with eligible counterparties <p>Notwithstanding the foregoing, the Company will not transfer "specific personal information" to external parties except for purposes of submitting such information to administrative bodies and other entities handling operations that require "individual numbers," outsourcing a part of or all of the handling of specific personal information and other purposes permitted under the Numbers Act.</p>
7. Disclosure and Correction	<p>The Company will appropriately handle requests from the customer with regard to the disclosure, correction or deletion of information pertaining to said customer or the suspension of the use of such information. After confirming the individual filing such a request is indeed that customer, the Company will act accordingly to accommodate such requests unless otherwise impeded by specific legal reasons.</p>
8. Proper Management	<p>The Company implements appropriate measures aimed at updating the content of customer information and maintaining its accuracy. The Company also strives to implement robust countermeasures against threats of unauthorized access to customer information as well as its loss, leakage or tampering. Furthermore, the Company exercises appropriate supervision over its employees and employees at each Meiji Yasuda Life Group entity as well as its subcontractors, thereby ensuring the proper management of customer information.</p> <p>In addition, the Company has put in place a dedicated department in charge of information management, with the aim of promoting across-the-board efforts to upgrade its measures to protect and manage customer information.</p>
9. Response to Customer Requests	<p>The Company will ensure appropriate and swift responses to customer inquiries and requests with regard to the handling of personal information by determining contacts for accepting such inquiries and requests.</p>
10. Review of the Basic Policies	<p>The Company will constantly review these basic policies in step with changes in the operating environment and other factors, thereby maintaining the appropriate protection of personal information.</p>

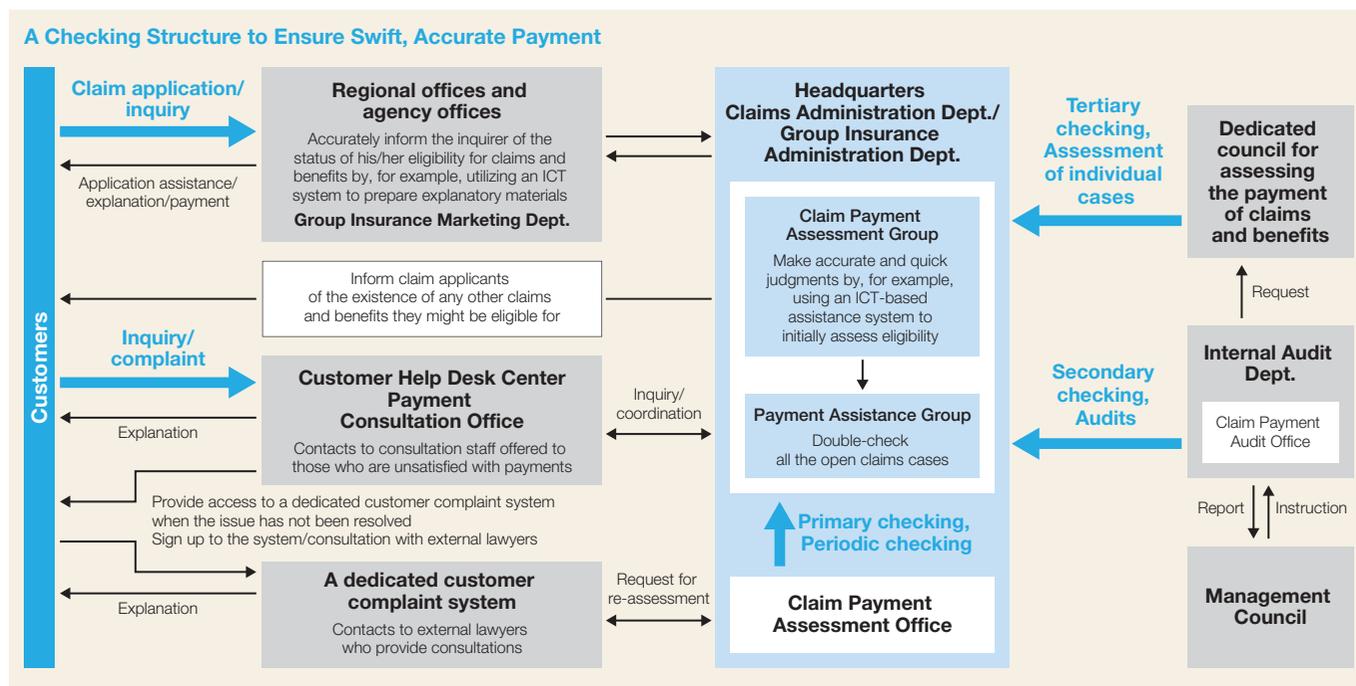
Relationship with Stakeholders

Relationship with Customers

Initiatives to Ensure the Swift, Accurate Payment of Insurance Claims and Benefits

Our basic policy for the payment of insurance claims and benefits is to ensure that claims and benefits are accurately and swiftly paid for every eligible application. We also focus on ensuring that every eligible

policyholder is informed of claims and benefits they can apply for. We are thus rallying across-the-board efforts to practice this basic policy.



Main Initiatives to Develop a Robust Structure for Ensuring Accurate Payment of Insurance Claims and Benefits

Strengthening Checking Functions in Place at the Stages of Accepting and Assessing Claim Applications

In the fiscal year ended March 31, 2007, we established the Payment Assistance Group and other bodies to double-check whether claim applicants have other claims and benefits they might be eligible for. If any, we swiftly inform applicants of such claims and benefits, and assist them in filing the applications.

In the fiscal year ended March 31, 2011, we incorporated a new benchmarking checklist into our claim application forms to systematically encourage applicants to check whether they have other eligible claims and benefits so that no such claims and benefits are left unpaid.

In addition, the Payment Assistance Group utilizes an ICT-based automated keyword inspection system for assessing submitted medical certificates. The group thus accurately determines whether eligibility for claims can be established by these and other certificates, with the aim of preventing any error or omission in payment.

Moreover, in December 2012 we strengthened checking functions to ensure that no eligible claims are missed in the course of the claim payment assessment process. This move is intended to conduct robust checking at an even earlier stage.

Building a Multilayered Verification Structure to Ensure Accurate Payment of Claims and Benefits

We have in place a dedicated council for assessing the payment of claims and benefits. This council includes external members who contribute their specialist insight, with the aim of maintaining appropriateness and fairness in our payment operations. In general, the council is convened on a quarterly basis.

Furthermore, the Claim Payment Assessment Office operates under the Claim Administration Department and is independent from other business units in charge of the assessment of payment. In this way, the office inspects the appropriateness of payment operations. In addition, we have steadily increased staffing at the Internal Audit Department to enhance its auditing functions. This effort resulted in the creation of the Claim Payment Audit Office in the fiscal year ended March 31, 2009. This has secured a dedicated body for auditing the business units in charge of payment administration, helping the Company enhance its internal audit structure. Also, the Audit Committee receives reports on the administration status of the payment of insurance claims and benefits on a timely basis. If necessary, the committee provides the Internal Audit Department with direct instructions to take action to correct any flaws that were discovered.

Relationship with Stakeholders

Employing ICT to Upgrade Administrative Operations Associated with the Payment of Insurance Claims and Benefits

Aiming to upgrade our administrative operations associated with the payment of insurance claims and benefits, we are developing an ICT-driven administration system. This system enables more accurate and even quicker payment services, and helps us inform our customers of any eligible claims and benefits that they can apply for.

Initiated the Direct Payment of Benefits for Advanced Medical Treatment Assistance to Hospitals

In March 2018, we initiated a new benefit payment service scheme that relieves policyholders undergoing advanced medical treatment from the burden of initially paying costly treatment fees themselves. This scheme provides direct coverage for proton beam therapy and heavy-particle radiation therapy by designating the medical institutions providing these therapies as direct recipients of benefits paid by the Company. Eligible policyholders are thus allowed to concentrate on receiving proper treatment without anxiety about how to cover, albeit temporarily, considerable expenses for advanced medical treatment before receiving their benefit payment.

Meiji Yasuda Life Reimburses Medical Certificate Issuance Fees

We aim to help remove any barriers that may impede customers from filing applications for insurance claims and benefits. To this end, we reimburse expenses incurred by customers for requesting the issuance of medical certificates from medical institutions in certain cases. More specifically, the Company reimburses the cost of one original copy of a required medical certificate, provided that the filed claim applications were not eligible for any payments and meet other conditions.

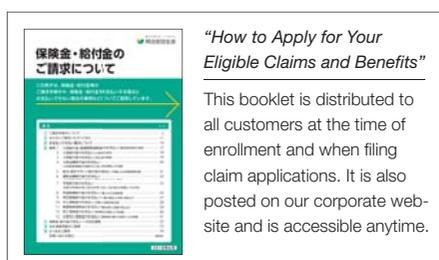
Note: The amount reimbursed by the Company is determined by certificate type as detailed below.

- Medical examination certificate and comprehensive disability certificate: ¥7,500
- Diagnosis certificate associated with hospitalization, surgery, hospital visit and home care: ¥ 5,800
- Certificate of hospital visit and treatment of specific physical damage: ¥3,300

Main Initiatives to Provide Customers with Clear Explanations

“How to Apply for Your Eligible Claims and Benefits,” a Booklet Aimed at Providing Guidance on Application Procedures

In an effort to provide customers with clear explanations, we issue a booklet that elaborates on application procedures for the payment of insurance claims and benefits while highlighting both cases where claims are paid and cases where claims are ineligible for payment. In addition, this booklet is certified under the Color Universal Design (CUD) system and has carried the CUD symbol since 2014.



Explanation of Documents Necessary for Claim Applications

Along with application forms, we provide customers seeking to apply for insurance claims and benefits with an easy-to-understand pamphlet listing the necessary documents for claim applications. In some cases, we have also simplified application procedures by eliminating the need to submit some documentation.

Offering Contacts to Consultation Staff while Establishing a Dedicated Customer Complaint System

We have in place the Payment Consultation Office which provides phone-based consultations with dedicated staff who are independent of the business units in charge of payment administration. The Company thereby responds to customer inquiries with regard to the content of their insurance claims and benefits they have received and addresses other customer requests. For customers who are not satisfied with the explanation provided by staff at the Payment Consultation Office, we also have a dedicated customer complaint system, with external lawyers providing consultation from a third-party perspective.

Enhancing the Descriptions on our Payment Statements

Following the payment of insurance claims and benefits, we issue a payment statement that features easy-to-understand explanations about the basis for calculating the amount of the claims and benefits, as well as other detailed information on each itemized amount.

Statistics on the Payment of Insurance Claims and Benefits

We have been periodically disclosing statistics on the payment of insurance claims and benefits. This includes the number of cases where claims and benefits were paid, the number of cases where claims and benefits were ineligible for payment and the breakdown of both, as well as the status of the usage of a dedicated customer complaint system with regard to the payment of insurance claims and benefits.

Payments and Non-Payments of Insurance Claims and Benefits (from April 1, 2017 to March 31, 2018)

(Cases)

Classification	Insurance claims					Benefits						Total
	Death insurance claims	Insurance claims for accidents	Insurance claims for disabilities	Other	Sub total	Death benefits	Hospitalization benefits	Surgery benefits	Disability benefits	Other	Sub total	
Cancelled or nullified due to fraudulent application	0	0	0	0	0	0	0	0	0	0	0	0
Nullified due to an attempt to obtain undue gains	0	0	0	0	0	0	0	0	0	0	0	0
Cancelled due to flaws in the declaration of health conditions	164	0	4	38	206	6	524	86	0	159	775	981
Cancelled due to serious violation of policies	0	0	0	0	0	0	0	0	0	0	0	0
Indemnification clauses applied	224	23	7	4	258	131	175	34	0	60	400	658
Not eligible for payment	1	57	1,184	3,165	4,407	6	673	20,413	142	1,071	22,305	26,712
Other	0	0	0	0	0	0	0	0	0	0	0	0
Total number of non-payment cases	389	80	1,195	3,207	4,871	143	1,372	20,533	142	1,290	23,480	28,351
Number of payments	61,907	697	2,272	18,999	83,875	14,708	339,313	165,701	678	256,595	776,995	860,870

- Notes: 1. Figures presented above are pertaining to individual life insurance, individual annuities and group life insurance in terms of the number of cases where claims and benefits were paid and the number of cases where claims and benefits were not eligible for payment.
2. Total number of non-payment cases excludes claim applications for cases that were deemed obviously ineligible for payment after the assessment of submitted documents (e.g., medical certificates); for example, claim applications for hospitalization that falls short of prescribed periods.
3. The number of payments excludes insurance claims upon maturity, living benefits, lump-sum benefits, benefits paid under the Happy L.A. bonus payback program and other benefits that do not require prescribed assessments.

Status of the Usage of the Dedicated Customer Complaint System with regard to the Payment of Insurance Claims and Benefits (from April 1, 2017 to March 31, 2018)

This system accepted two cases in total. Of these, one case underwent re-assessment and thus ended in a change to the Company's initial decision. Details follow.

Product type	Detail	Number of cases
Hospitalization benefits	Complaint challenging Meiji Yasuda Life's decision not to pay benefits as the Company deemed the application not eligible for hospitalization benefits for cancer treatment on the basis that no hospitalization for the treatment of malignant neoplasm or intraepithelial neoplasm was confirmed.	1
Surgery benefits	Complaint with regard to the amount of surgery benefits paid based on policy standards defining coverage for each type of operation	1
Total		2

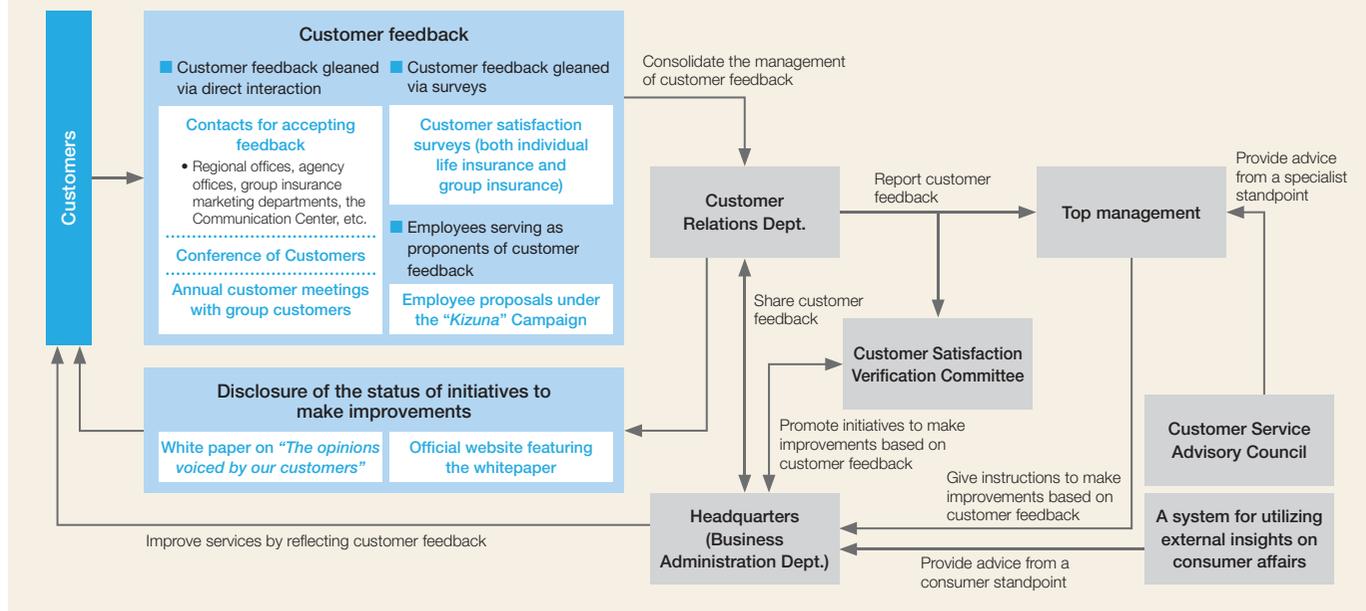
Note: Since the system's installation on March 28, 2006, it has accepted a cumulative total of 156 complaints. Of these cases, 42 resulted in changes to the Company's initial decision.

Relationship with Stakeholders

Relationship with Customers

Incorporating Customer Feedback into Management

Our Systematic Initiatives to Reflect Customer Feedback in Management



Consolidated and Integrated Customer Feedback Management

To enhance customer satisfaction, we keep ourselves open to a broad range of customer feedback and reflect it in our business operations.

Any customer opinions and requests accepted via the Company's contacts, including regional offices, agency offices, group insurance marketing departments and the Communication Center, are consolidated into a customer feedback management system that is connected throughout the entire Meiji Yasuda Life business network in Japan. In particular, any feedback indicating customer dissatisfaction is recognized as a complaint, which will, in turn, be swiftly addressed in an effort to resolve the cause of dissatisfaction.

Conference of Customers

The Conference of Customers is periodically held to report on our business activities and help customers enhance their understanding of Meiji Yasuda Life. The conference also provides valuable opportunities to directly receive customer opinions and requests. These opinions and requests are reflected in business management determined to make improvements. From the fiscal year ended March 31, 2007 onward, we have invited representatives from such external organizations as consumer affairs centers in regions across the nation to attend this conference.

Customer Satisfaction Surveys

In addition to directly accepting customer feedback, we have undertaken annual customer satisfaction surveys since the fiscal year ended March 31, 2007, proactively assessing what customers say about our services.

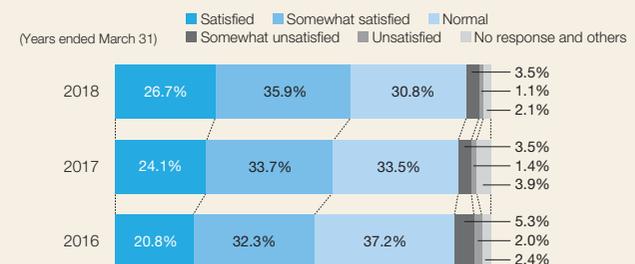
"Kizuna" Proposals

Employees who regularly keep in touch with customers bring their insights to make proposals to improve day-to-day operations from a customer perspective.

Results of Customer Satisfaction Surveys

We undertake customer satisfaction surveys aimed at assessing the degree of customer satisfaction regarding Meiji Yasuda Life's products and services among individual life insurance policyholders.

Results of Customer Satisfaction Surveys (total customer satisfaction)



Note: The figures for each fiscal year do not necessarily total 100% as they are rounded up to the first decimal point.

In addition, we engage in Group Customer Satisfaction Surveys. By doing so, we remain apprised of customer satisfaction with regard to Meiji Yasuda Life's group insurance as well as customer requests for services to be provided going forward.

Initiatives to Improve Operations based on Customer Feedback

At Meiji Yasuda Life, a broad range of customer feedback is collectively managed under a robust customer feedback management system and periodically reported to top management. We also analyze the content of such feedback to improve our business operations.

More specifically, the Management Council, along with the Customer Satisfaction Verification Committee that comprehensively spearheads responses to customer feedback, discusses steps to be taken to make improvements. In this way, we are striving to enhance the quality of our services.

Initiatives to Make Improvements by Employing a Customer Perspective

Customer Service Advisory Council

In the fiscal year ended March 31, 2016, Meiji Yasuda Life merged its Customer Satisfaction Advisory Council, which was established in the fiscal year ended March 31, 2006 to discuss initiatives to protect the interests of policyholders and enhance customer services, and the Compliance Promotion Advisory Council, which was charged with deliberating important matters associated with compliance promotion. This reorganization resulted in the Customer Service Advisory Council.

The council now employs external specialists who contribute their insights on measures to improve customer satisfaction, which, in turn, are reflected in the Company's business management.

System for Utilizing External Insights on Consumer Affairs

We have in place the Consumer Affairs Specialist Committee, an advisory body to management that contributes external opinions and advice to improve the Company's operations based on a consumer standpoint. Committee members are selected from individuals who are qualified to engage in consumer consultation at government-run consumer affairs centers, those who have experience as customer relations specialists and those who take key positions in consumer affairs-related organizations.

White paper on “The opinions voiced by our customers”

This whitepaper features a broad range of customer complaints, opinions and requests, taking a close look at what customers say about Meiji Yasuda Life. Furthermore, it also summarizes the status of the Company's initiatives to improve its operations by employing such customer feedback. This publication has been issued annually since the fiscal year ended March 31, 2007.

Moreover, the latest edition of the whitepaper, issued in the fiscal year ending March 31, 2019, features a section dedicated to the overall status of our efforts to realize customer-focused business operations. This section was added to the publication in conjunction with revisions in the Customer-Focused Business Operations Policy, which aims to

include our declaration of proactively pursuing a customer-focused business approach.

The whitepaper is publicly disclosed via our corporate website. In addition, our regional offices and agency offices around the nation maintain printed copies so that our customers can peruse this publication.



Whitepaper on
“The opinions voiced by
our customers”

Two-Year Trend in Customer Complaints by Type of Issue

(Cases)

Years ended March 31,		2018 (% of total complaints)		2017 (% of total complaints)	
New policies		5,061	(12.7%)	6,725	(14.6%)
Premium collection		3,026	(7.6%)	3,481	(7.6%)
Policy maintenance		13,080	(32.8%)	14,328	(31.2%)
Insurance claims and benefits		7,725	(19.4%)	9,827	(21.4%)
Other		11,008	(27.6%)	11,556	(25.2%)
Total		39,900	(100.0%)	45,917	(100.0%)
Total including non-complaint feedback		304,923		339,294	

Relationship with Stakeholders

Examples of Customer Complaints and Improvement Measures (fiscal year ended March 31, 2018)

A case where a customer complaint helped optimize our products and services to meet customer needs	Example of a customer complaint	My income has been decreasing as I get older. Despite that, the premiums rise every time I renew my policies, causing a sense of unease. However, I don't want to give up whole life insurance with medical coverage.
	Improvement measures	<p>We have closely assessed healthcare situations specific to and medical coverage needs among people who have started to consider how to lead fulfilling lives after retirement. Drawing on the results of this assessment, we released "Whole life medical insurance for people age 50 or older" in December 2017. Designed to be "simple" and "easy to understand," this product boasts the following features.</p> <ul style="list-style-type: none"> ① Allow policyholders to obtain lifelong medical coverage with reasonably priced, fixed premiums ② Easy to understand in terms of the amount of benefits to be paid as it sets simple, far-reaching coverage standards and provides fixed lump-sum benefits ③ Policyholders with no specific health issues are eligible for health promotion assistance benefits ④ Serves as a vehicle for wealth utilization via the advance payment of premiums
A case where a customer complaint helped optimize our products and services to meet customer needs	Example of a customer complaint	Advanced medical treatment requires considerable expense. I am worried about whether I would be able secure the necessary cash when I require this kind of treatment. I want Meiji Yasuda Life to create a scheme that pays insurance claims to cover these expenses before the hospital charges me treatment fees.
	Improvement measures	In response to customer requests, on March 26, 2018 we launched a new benefit payment service scheme that designates medical institutions as a direct recipient of benefits paid by the Company. This service scheme applies to policyholders who signed an advanced medical care rider. After they receive proton beam therapy or heavy-particle radiation therapy at affiliated medical institutions, benefits for advanced medical treatment are paid directly to such medical institutions, thus providing robust expense coverage for these two particularly costly medical technologies in the advanced medical treatment category. Eligible policyholders are thus relieved from the heavy burden of medical expenses so they can concentrate on undergoing proper treatment.
A case where a customer complaint resulted in further improvement of customer convenience	Example of a customer complaint	Isn't Meiji Yasuda Life going to put in place hassle-free alternatives for conventional group insurance administrative procedures? These procedures often involve paperwork, even just for applying for surrender or changing surname due to marriage.
	Improvement measures	This group customer signed up for the "MY <i>Hojin</i> Portal" web-based service system. This system facilitates paperless application procedures. Using an easy-to-use pull-down menu, the individuals in charge of insurance policies at this group customer are now allowed to quickly set parameters for the individual persons insured by the policies. Moreover, "MY <i>Hojin</i> Portal" accepts the revision of multiple name data via a secure connection. Thus, this system helped enhance the operational efficiency of policy maintenance while significantly shortening the time spent to process and complete applications.
A case where a customer complaint resulted in further improvement of customer convenience	Example of a customer complaint	It is hard to understand how to fill in a form for the declaration of health conditions. I don't want to be repeatedly bothered by a need for additional corrections. Could you improve this form?
	Improvement measures	In January 2016, we digitized forms for enrollment application and the declaration of health conditions. This made it possible to provide applicants with web-based interactive application procedures. Whenever applicants click "yes" on a check box about whether they have health related issues, the subsequent questions are quickly optimized to highlight the items relevant to the applicant so that the necessary information for making underwriting judgments is obtained in the shortest time. Thanks to the introduction of digitalized procedures, the time span between filing an enrollment application and completion of procedures has decreased, thereby mitigating burdens placed on customers.

Striving to Enhance the Quality of Consulting Activities

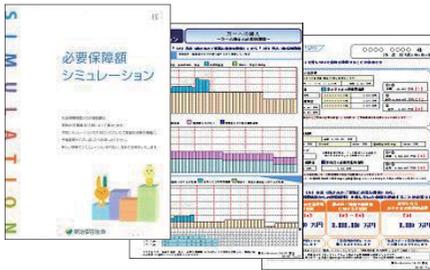
Meiji Yasuda Life's recent market surveys revealed that a number of customers considering enrollment in life insurance prefer to simultaneously receive comprehensive consulting services encompassing available social security benefits as well as proposals that are meticulously tailored to their individual life planning needs.

Based on these results, we introduced the "Diagnostic Coverage Planner," an ICT tool designed to help uncover customer intentions with regard to coverage by optimizing the question content. This tool also assists sales personnel with the provision of information on which social security systems apply to customers, including public pensions and

medical insurance, while automatically calculating the necessary coverage amounts by type of disease.

We also explain "Best Style" with the aid of the "Best Style Concept Pamphlet." In addition to explaining product features designed to provide comprehensive protection, the pamphlet elaborates on the concepts behind "Best Style," helping customers understand the advantages of flexible coverage revision at the time of renewal, as well as the robust after-sales services available to policyholders. In these ways, we are striving to ensure that customers are fully convinced and satisfied in their choice of life insurance policies.

Tools used to make proposals based on the amount of necessary coverage



A simulation tool for calculating the necessary coverage amount



An ICT tool designed to help determine customer intentions with regard to coverage

Tools used to help customers understand our products, their features and the concepts behind them



Best Style Concept Pamphlet



A booklet for explaining social security systems

Other activities include providing customers with useful healthcare and medical information, as well as thanking and congratulating them with messages on key days, such as birthdays, wedding anniversaries and enrollment anniversaries. These activities help us develop our relationships with customers.

Tools used to develop customer relationships



"Yume Link," a letter congratulating customers on their birthday



"MY ORIGINAL MAGAZINE"



A guidebook of Meiji Yasuda Life services available only to policyholders

Relationship with Stakeholders

Enhancing After-Sales Services via the “Ease of Mind Service Activities Program”

The “Ease of Mind Service Activities Program” Centers on Periodic Policy Checking

We are engaged in periodic policy checking activities that employ such customer communication materials as policy summaries in an effort to ensure that customers are well-informed of the content of their policies. In July 2018, we began using a “Periodic Policy Checking Pamphlet” in these activities, stepping up our efforts to help customers determine whether they have policies eligible for claims or benefits that they can apply for and provide optimal advice on insurance based on the customer’s intention. As such, we are endeavoring to ensure that customers understand the value and importance of after-sales services.

In addition, we distribute the “Anshin Roadmap” booklet to customers who have enrolled in “Best Style,” a product released in June 2014 to provide comprehensive protection. This booklet is designed to provide them with details about our after-sales services following enrollment. Furthermore, we utilize a benchmarking sheet aimed at determining customer intentions with regard to the coverage choices available under the product. We are thus working relentlessly to deliver peace of mind to our customers for the entirety of their insurance term. Accordingly, we will continue to provide face-to-face after-sales services to address the needs of each customer.

Tools used to help customers understand the content of their policies and other important information



A Periodic Policy Checking Pamphlet



Policy summaries



The “Anshin Roadmap” booklet



A benchmarking sheet aimed at determining customer intentions with regard to their choice of coverage available under “Best Style”

Providing Customers with Key Corporate Information

We issue such publications as the Meiji Yasuda Information booklet, providing customers with an easy-to-read summary of Meiji Yasuda Life’s business management, financial soundness and operating results, as well as quick access to financial and other key corporate information. The booklet is designed to ensure that policyholders feel confident in the Company’s financial standing and its capability to pay insurance claims and benefits.



The Meiji Yasuda Information

Our Education and Training Structure for Nurturing Sales Personnel

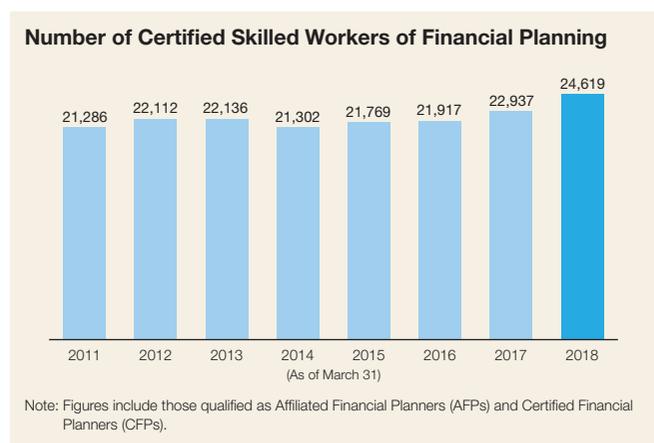
We are promoting human resource development aimed at nurturing sales personnel who engage in face-to-face after-sales service that addresses the needs of each customer. These personnel are expected to be proficient in such tasks as providing customers with useful information, making optimal proposals and assisting customers in application procedures. To deliver unwavering peace of mind to customers, sales personnel are asked to give due consideration to their customer's life stage and carefully assess their intentions throughout the course of these duties.

With this in mind, we implement essential training programs. We use a unified curriculum for new sales personnel and are also stepping up our training structure to nurture excellent human resources capable of winning the customer's hearts and minds. We have also put in place an extensive lineup of educational programs that utilize video on-demand and interactive telecommunication systems that directly connect instructors at headquarters departments with sales personnel.

We also have in place in-house qualification systems for all sales personnel to assess and grade their knowledge and skills. Among those, the Customer Relations Quality Enhancement Curriculum is aimed at instilling basic knowledge and skills for handling customer relations. And the degree of their accomplishments is assessed via the annual Customer Relations Quality Test. This curriculum is designed to ensure a uniformly high level of expertise and skills throughout the Company's sales personnel and, to this end, is centered on providing sessions and lectures using the Customer Relations Quality Test: Study Aid Book. In addition, we have clarified a set of requirements with regard to knowledge and skills sales personnel at each grade are expected to acquire. By doing so, we have optimized the educational content based on the grading requirements for the qualification systems.

Other initiatives include encouraging sales personnel to qualify as Certified Skilled Workers of Financial Planning under a government-sponsored certification system. These efforts are expected to help enhance the quality of after-sales services while equipping sales personnel with expertise to provide customers with even more sophisticated consulting services. In short, we are striving to secure sales personnel who boast not only extensive knowledge of life insurance but also expertise in other financial products and public social security systems as well as tax literacy.

As of March 31, 2018, the number of sales personnel who qualified under the Certified Skilled Workers of Financial Planning and other financial planning (FP) skill certification systems totaled 24,619.



Education and Training Structure

Grades	Associate advisor	Advisor B	Advisor A	Advisor S	Expert advisor Master advisor	Branch manager Chief trainer
In-house certification		Customer Relations Quality Enhancement Curriculum				Curriculum for boosting trainer capabilities
		Customer Relations Quality Test				Trainer test
Test for assessing readiness for promotion or appointment to specific positions	Startup curriculum	Training curriculum				
	Advisor B promotion test	Advisor A promotion test	Advisor S promotion test	Master advisor promotion test		Test for assessing readiness to be appointed as chief trainer

Note: Certified Skilled Workers of Financial Planning are qualified through a government-sponsored certification system aimed at assessing whether candidates have the requisite level of financial planning expertise and skills. The certifications furnished under this system include Class 1 to 3. To acquire these certifications, applicants must pass tests conducted by Kinzai Institute for Financial Affairs, Inc. and the Japan Association for Financial Planners.

Relationship with Stakeholders

Relationship
with
Customers

Diversifying Our Sales Channels while Developing New Markets

Initiatives to Strengthen Our Bancassurance Channel

Marketing Our Life Insurance Products via Financial Institutions around Japan

We market our whole life insurance, individual annuities and other products through the Bancassurance channel, which extends to regions around Japan and is supported by such outlets as city banks, regional banks, trust banks, long-term credit banks, securities companies, labour banks and credit unions that have signed agency contracts with us. In August 2017, this channel began handling single premium whole life insurance denominated in foreign currencies. Moreover, this channel markets other single premium products (whole life insurance and insurance combined with whole life annuity for those who require long-term care) in addition to level premium products (individual annuities, increasing whole life insurance and nursing care whole life insurance) in an effort to meet diverse customer needs.

- Notes: 1. The name of products may differ by financial institution.
2. The lineup of products handled by these institutions may change due to such factors as trends in market interest rates.



"Everybody Plus,"
a single premium whole life insurance
denominated in foreign currencies



"Everybody,"
a single premium whole life insurance

Initiatives to Strengthen Our General Agent Marketing (excluding the Bancassurance channel)

Boasting a Nationwide Marketing Network Supported by Corporate Agencies, Tax Accounting Firms and Other Agencies

Meiji Yasuda Life boasts a robust marketing channel supported by corporate agencies, such as those operating under financial institutions and those specializing in insurance agencies, and tax accounting firms as well as individuals who act as our agents. Having signed agency contracts with them, we are striving to develop an even more extensive network for marketing our products.

In addition, we provide business owners with consulting services through corporate agencies and tax accounting firms to meet their needs for measures to secure funds for ensuring business continuity at

the time of emergencies, as well as solutions for smooth business succession and wealth inheritance. In doing so, we make proposals that effectively leverage coverage under our life insurance products.

Moreover, we deliver a variety of products through individual agencies in an effort to satisfy increasingly diverse customer needs for death and medical coverage, asset building solutions and robust security for life after retirement. Along with recommending products that are best suited for customer intentions, we also provide meticulous after-sales services.

Number of Agencies

We maintain the high quality of services delivered by these agencies by applying stringent standards with regard to the renewal of agent contracts.

(As of March 31)

2016	2017	2018
1,517	1,515	1,721

Our Structure for Providing Agencies with Business Support and Training

To provide direct and timely business support to agencies, we assign staff in charge of general agent marketing to regions around Japan. We make our “MYLINC Agent Direct,” an online business support system, available to corporate agencies in an effort to assist them with their sales activities.

We also develop a range of training programs to better support the strengths of each agency and meet their needs. Furthermore, we

provide them with educational materials on such matters as legal compliance while dispatching lecturers.

Going forward, we will strive to upgrade our structure for providing agencies with business support and training, with the aim of accurately meeting increasingly diverse customer needs.

“MYLINC Agent Direct”

This web-based business support system is equipped with a number of functions, such as automated policy design, while giving users quick access to information on commission fees. Drawing on these features, the system serves as a powerful tool to assist insurance marketing.

Initiatives to Create a New Channel

Developing Our Shop Network

Today, our customers’ lifestyles and purchasing needs are increasingly diverse. With this in mind, we maintain a network of shops designed to provide customers with a familiar place that welcomes casual visits whether or not they have policies in force. This network consists of two types of shops, namely, “*Hoken ga Wakaru Desk*” shops and a “*Hoken Port*” shop.

“*Hoken ga Wakaru Desk*” shops exclusively handle our products.

These shops are open until 19:00 p.m. on weekdays and 17:00 p.m. on Saturdays, extending their services hours to welcome customers who cannot make it during usual weekday business hours. Moreover, these shops accept online booking for consulting session appointments.

The staff at these shops all boast specialist expertise so they can engage in consulting services and makes proposals about how to prepare for inheritance issues and secure coverage for medical and nursing care. They also suggest solutions for effective asset utilization by, for example, recommending foreign currency denominated products and annuity products. In these ways, “*Hoken ga Wakaru Desk*” shops are striving to meet diverse customer needs. In addition, these shops host seminars and events for seniors and families to provide a variety of useful information on real-life topics associated with asset building,

pensions and inheritance that have become increasingly relevant to a broad range of the general public.

As of April 2018, we operate 15 “*Hoken ga Wakaru Desk*” shops while striving to enhance customer convenience.

Meanwhile, the “*Hoken Port*” shop sells both Meiji Yasuda Life products and those of other insurers. This shop handles an extensive lineup of insurance products to accommodate needs of customers willing to spare no effort to closely examine the features of each candidate product by themselves. To assist such customers in selecting insurance, dedicated staff provide consulting services employing the customer perspective.

As of April 2018, one “*Hoken Port*” shop is operating in Shinjuku, Tokyo. This shop also helps us acquire the latest insights on such matters as customers’ insurance needs, their purposes for enrollment and the inputs they consider before enrollment. These insights are utilized to improve our products and enhance the content of our services.

Looking ahead, we will strive to meet diverse customer needs through these shops while enriching customer services offered via these outlets.

Note: The “*Hoken Port*” shop is operated by MYJ Company, Limited, an affiliate of Meiji Yasuda Life.

“MY Café” (part of the “*Hoken ga Wakaru Desk*” shop in Marunouchi, Tokyo)



“*Hoken ga Wakaru Desk*” shop in Musashikosugi, Kanagawa Prefecture



“*Hoken ga Wakaru Desk*” shop in Toyota, Aichi Prefecture



“*Hoken Port*” shop in Shinjuku, Tokyo



Relationship with Stakeholders

Initiatives to Develop Online Channels

Today, a growing number of customers consider information they acquired via the internet before enrolling in life insurance. With this in mind, in April 2009 we added dedicated sections to Meiji Yasuda Life's official corporate website for customers considering insurance enrollment. In addition to an online insurance premium simulator and other advanced functions, these sections also accept requests for printed explanatory materials and bookings for face-to-face consulting sessions. Of course, these sections also feature a variety of easy-to-understand articles on life insurance and other products offered by Meiji Yasuda Life.

Aware of the rapid growth in the number of those who view online materials via mobile devices, such as smartphones and tablets, we

opened a separate corporate website optimized for smartphones in March 2014 to accommodate these viewers.

Moreover, we are striving to expand the lineup of web-based content aimed at helping customers better understand the features of our products, including "Simple Insurance Series Light! By Meiji Yasuda Life" released in October 2016.

Looking ahead, we will engage in ongoing efforts to better utilize online channels by, for example, conducting surveys on and research into digital technologies. By doing so, we will enhance customer convenience.



Our website for smartphones



A web-based article featuring "Simple Insurance Series Light! By Meiji Yasuda Life"

Life Insurance

Releasing “U.S. dollar-denominated endowment insurance with a single lump-sum premium” (August 2017)

An endowment insurance designed to help increase the value of customers’ assets via U.S. dollar-denominated asset management spanning a 10-year period commencing with the payment of yen denominated single lump-sum premiums.

Product Features

- ① The amount of insurance claims upon maturity, denominated in U.S. dollars, is set on the date of enrollment.
- ② Maturity yield (denominated in U.S. dollars) is attractive to policyholders.
- ③ Waiting periods from the date of maturity to the payment of insurance claims can be lengthened to the maximum of 10 years.
- ④ Insurance claims can be paid in U.S. dollars or yen.



Note: These products may be affected by foreign exchange risks.

Releasing “Whole life medical insurance for people age 50 or older” (December 2017)

Designed to be “simple” and “easy to understand,” this product is intended to satisfy the specific medical coverage needs of customers who have started to consider how to lead fulfilling lives after retirement.

Product Features

- ① Allow policyholders to obtain lifelong medical coverage with reasonably priced, fixed premiums
- ② Easy to understand in terms of the amount of benefits to be paid as it sets simple and far-reaching coverage standards and fixed-amount lump-sum benefits
- ③ Policyholders with no specific health issues are eligible for health promotion assistance benefits
- ④ Serves as a vehicle for wealth utilization via the advance payment of premiums



Releasing “Term life insurance with disability coverage and income protection” for group customers (February 2018)

This product aims to satisfy a broad range of coverage needs among business owners. It provides disability coverage for those who become disabled by a condition meeting prescribed standards that causes difficulty in daily life, helps business owners secure funds to ensure business continuity during emergencies, and provides living and retirement benefits after exiting the business.

Product Features

- ① Throughout the course of the first insurance period, it helps policyholders prepare for a loss of income should they become disabled by a condition meeting the prescribed standards. Furthermore, upon entering the second insurance period, policyholders are eligible to receive death coverage in the same amount.
- ② Robust surrender benefits can be appropriated for living and retirement benefits for policyholders who exit their businesses. In addition, when policyholders chose not to surrender, they can utilize a policyholder loan scheme in place to accommodate their funding needs during emergencies while maintaining their eligibility for disability and death coverage.
- ③ At the time of enrollment, policyholders are allowed to choose the length of the overall insurance period and the first insurance period from multiple options within a prescribed range. Insurance claims can also be received in the form of annuities. In addition, the product allows policyholders to transition to a paid-up policy. This product is thus designed to flexibly accommodate a variety of coverage needs that differ by each policyholder in light of their business planning.
- ④ A physicians’ examination is not required at the time of enrollment as long as the requested coverage amount for insurance claims falls below a prescribed level and policyholders have no health issues in five designated medical categories.

Proactively Providing Disclaimer Information

We strive to ensure that all customers are well-versed in the features of the life insurance products they enroll in, as well as the relevant schemes available to them, in the hope that no policyholder is ever placed at a disadvantage due to a lack of knowledge about these matters. Accordingly, we maintain a thoroughgoing approach in providing disclaimer information to customers and carefully explaining what they need to know about our products.

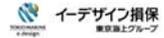
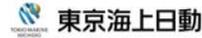
Specifically, the personnel conducting sales are mandated to provide clear explanations using the “summary of policy terms and conditions,”* the “policy design document (policy outline)” and an “important notice (disclaimer information).” These documents are handed over to customers along with a plastic folder labeled “important documents with regard to life insurance policies.” Moreover, our corporate website features content aimed at drawing customer attention to the matters they should especially note at the time of enrollment.



* The “summary of policy terms and conditions” and “important notice (disclaimer information)” are both included in a single booklet.

Relationship with Stakeholders

Nonlife Insurance



Underwriters: Tokio Marine & Nichido
Fire Insurance Co., Ltd.

E.design Insurance Co., Ltd.
(Tokio Marine Group)

Products for Individual Customers

In addition to life insurance, we provide our customers with nonlife insurance products and services which are suitable to prepare for various risks in daily life. We do this by acting as an agency for Tokio Marine & Nichido Fire Insurance Co., Ltd. and E.design Insurance Co., Ltd.

Automobile Insurance

“Total Assist” Automobile Insurance

Automobile insurance which delivers peace of mind to private customers by three basic types of coverages and three basic riders.



“E.design” Automobile Insurance

An automobile insurance for private customers is available for purchase online. Application can be completed online.

E.design Insurance Co., Ltd. is an affiliate of Tokio Marine directly offering Automobile insurance.

Homeowners Insurance

“Total Assist” Homeowners Insurance

In addition to offering coverage for damages attributable to fire, storm and other disasters, this fire insurance provides customers with coverage for theft and accidents, including unintended property damage that can happen in the course of day-to-day life.



Accident Insurance

“Total Assist” Karada Insurance (Syougai Teigaku)

Accident insurance provides coverage for injuries due to sudden, unexpected accidents attributable to external causes.

“Simple Insurance Series Light! By Meiji Yasuda Life”

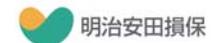
“Meiji Yasuda Life Otegaru Jitensya” Bicycle Insurance

Bicycle insurance that provides customers with coverage for medical treatment of accident-related injuries and for liability that arises from accidents.

“Meiji Yasuda Life Omamori Kazai”

A household property insurance that covers damage caused by fire as well as a variety of natural disasters, including earthquakes.

Main Products for Group Customers



Underwriter: Meiji Yasuda General Insurance Co., Ltd.

Acting as an agency for Meiji Yasuda General Insurance, a wholly-owned subsidiary of Meiji Yasuda Life, we deliver products aimed at helping corporate and group customers address management risk and enhance benefit plans for their employees.

Insurance products designed for employee benefit plans

- Occupational accident insurance with comprehensive coverage
- Group accident insurance
- Group insurance with long-term disability income protection



Group accident insurance

Corporate property insurance

- General fire insurance
- Storekeeper insurance with comprehensive coverage
- Construction insurance

Liability and credit risk insurance

- Transactional credit insurance
- Directors and officers liability insurance
- Facility owner liability insurance



Transactional credit insurance

Note: Meiji Yasuda Life also handles other products offered by Tokio Marine & Nichido Fire Insurance.

Our Customer Services

Addressing Customer Inquiries at the Communication Center

To address concerns customers may have with regard to the content of their policies, we accept phone inquiries and consultation through contacts in place at the Communication Center.

The Communication Center is supported by dual sites in Tokyo and Osaka, ensuring that it will continue functioning in the event that a major disaster were to strike either location.

Online Booking System Accepts Callback Requests

Our corporate website is equipped with an online booking system that accepts customer requests for return phone calls from Communication Center operators.

Via this booking system, policyholders can designate the time they want to receive the callback.

Services Available to “Meiji Yasuda Life Card” Holders

Upon customer request, we issue a “Meiji Yasuda Life Card” for free.

The holder of this card is given access to Meiji Yasuda Life ATMs and affiliated bank ATMs while being eligible to apply for policyholder loans and other services through “MY Hoken Page,” a web-based platform in place as part of Meiji Yasuda Life’s corporate website.

Procedures That Can Be Performed Using Affiliated Bank ATMs

- Withdrawal of benefits under the Happy L.A. bonus and payback program and confirmation of balances
- Application for policyholder loans, repayment and confirmation of loan limits
- Withdrawal of dividends and confirmation of balances
- Withdrawal of insurance claims deposited after policy maturity, withdrawal of living benefits and confirmation of balances

Note: Procedures that can be performed may differ by affiliated bank ATM.

Distributing the “Notification from Meiji Yasuda Life”

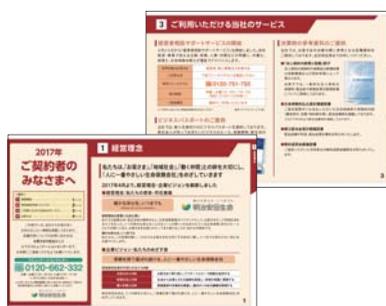
We distribute an annual “Notification from Meiji Yasuda Life” to all policyholders. This material provides each recipient with the content of their enrolled policies, as well as other important matters, we want them to confirm.

In the fiscal year ended March 31, 2018, we began issuing a corporate policyholder version of a booklet entitled, “To Our Policyholders.” This booklet features such topics as exclusive optional services available to group policyholders, as well as guidance on how

to access financial results and other reference material issued by Meiji Yasuda Life at the time of its fiscal closing. For individual policyholders, we have maintained the periodic issuance of “To Our Policyholders” in multiple editions based on the recipient’s age band. Moreover, we started to supplement this booklet by attaching additional printed material entitled, “Guide for Confirming the Content of Your Policies.” The new material presents a model policy and useful tips for confirming policy content.



A booklet entitled, “Notification on the Content of Policies”



Corporate policyholder version of “To Our Policyholders” booklet



“Guide for Confirming the Content of Your Policies”

Relationship with Stakeholders

“MY Hoken Page,” a Website Dedicated to Policyholder Services, Renewed in April 2018

Meiji Yasuda Life maintains “MY Hoken Page,” a website dedicated to policyholder services, with the aim of increasing contact points with customers and delivering even more convenient services. This website offers a number of functions available to all customers enrolled in our individual life insurance and individual annuities.

More specifically, “MY Hoken Page” allows signed-up users to quickly check the content of their enrolled policies. It also accepts applications for certain procedures, as well as requests for the shipping of printed explanatory materials.* Having undergone a massive renovation in April 2018, the website now boasts expanded functions supporting inquiries about the content of policies in addition to handling an even broader range of application procedures, such as those associated with the registration and amendment of secondary contacts. We have also equipped the website with a “communication box” for each user account. When a user is logged in, this new function provides ready

access to notifications from Meiji Yasuda Life, a personal history of transactions and procedures, and other information.

Furthermore, users are given access to an extensive lineup of medical, healthcare and nursing care-related services. This service lineup encompasses second opinions, diabetes counseling, specialist doctor referrals, around-the-clock health counseling, around-the-clock nursing care counseling and disability counseling. These services are available only to policyholders.

The website also provides a variety of useful information ranging from tips on using public social security systems to the tax implications of life insurance.

In addition, we have optimized the website so that smartphone users can use all of its functions. Looking ahead, we will engage in ongoing efforts to develop an even more convenient policyholder service website.

* Issuance of a user account requires ID registration, a log-in password and an authorization passcode. Minors and persons insured under policies held by corporate customers are not eligible to use the website's functions.



Outline of “MY Hoken Page”

Service category	Examples of services available (underlined service items are available from April 2018 onward)	
Checking the content of policies and filing applications for various procedures	Checking the content of policies and notifications from Meiji Yasuda Life	<ul style="list-style-type: none"> Quick access to the content of policies (coverage, <u>the amount of surrender benefits</u> and others) Notifications from Meiji Yasuda Life and history of personal transactions and procedures (“communication box”) Self-check functions that help users periodically reconfirm their enrolled policies.
	Applications for various procedures	<ul style="list-style-type: none"> Registration and amendment of address and phone number Registration and amendment of secondary contacts Applications for policyholder loans and withdrawal of dividends Requests for hard copy application forms, such as those for switching the bank account used for the payment of premiums
Services available only to policyholders	Phone-based counseling services	<ul style="list-style-type: none"> Second opinions (only for persons insured under “Best Style”) Diabetes counseling and specialist doctor referrals (only for persons insured under “Best Style”) Comprehensive health counseling and the booking of comprehensive health checkups, including those aimed at addressing women-specific health issues Around-the-clock health counseling Around-the-clock pregnancy and child-rearing counseling Around-the-clock nursing care counseling Disability counseling Legal and tax affairs counseling “MY Shukatsu Support” (end-of-life planning) Counseling for business owners
	Privileges	<ul style="list-style-type: none"> Sports gym membership with privileges Postal mail-based health checkup services with privileges
	Web-based information services	<ul style="list-style-type: none"> Advanced medical treatment information Hospital search and other web-based information services Nursing care staff agency search service (link to “MY Kaigo-no-Hiroba”)
Explanatory materials on life insurance	<ul style="list-style-type: none"> Online distribution of booklets on public social security systems and tax implications of life insurance Online distribution of guidebook for filing applications for insurance claims and benefits 	

Meiji Yasuda Life Second Opinion Service

In June 2014, we launched a second opinion service for persons insured under “Best Style.”

These “second opinions” are offered by medical specialists rather than primary physicians. Second opinions are often sought by patients when they need a third-party assessment of their diagnosis and current treatment plan.

Our second opinion service is intended to help customers consider better treatment methods and undergo treatment with confidence. To this end, the service includes the booking of appointments for consultations with doctors who specialize in the relevant medical fields. These physicians engage in face-to-face counseling and furnish second opinions free of charge.

Outline of Meiji Yasuda Life Second Opinion Service

Persons insured under “Best Style” are eligible to receive the following services for free.

- Booking of appointments for consultations with skilled doctors boasting comprehensive expertise in their respective fields of specialty. These include a number of respected professors and professor emeritus at medical universities
- Face-to-face consultations with these physicians who, in turn, furnish second opinions free of charge
- If the second opinions concluded that the patient needs to consult with highly specialized physicians, the patient will be referred to other doctors who boast outstanding track records in clinical practices

Note: This service is run by T-PEC CORPORATION, a subcontractor of Meiji Yasuda Life. Policyholders and persons insured must meet certain conditions to use this service.

Diabetes Counseling and Specialist Doctor Referral Service

In May 2017, we introduced diabetes counseling and specialist doctor referral service for persons insured under “Best Style.”

This service provides eligible customers seeking professional opinions

on the prevention and treatment of diabetes with counseling provided by health nurses, nurses and other specialists. We also make necessary referrals to medical institutions and specialist doctors for free.

Outline of Diabetes Counseling and Specialist Doctor Referral Service

Persons insured under “Best Style” are eligible to receive the following services for free.

- Phone-based counseling undertaken by specialist counselors who offer insights about the prevention and treatment of diabetes
- Upon request, we make referrals to physicians specializing in diabetes who boast outstanding track records in clinical practice or at medical institutions

Note: This service is run by T-PEC CORPORATION, a subcontractor of Meiji Yasuda Life. Policyholders and persons insured must meet certain conditions to use this service.

Relationship with Stakeholders

Relationship
with
Customers

Initiatives to Enrich the Lineup of Nursing Care Insurance and Relevant Services

Our Lineup of Nursing Care Insurance Products

Our lineup of insurance products includes “*Kaigo no Sasae*,” a nursing care insurance developed to meet the needs of customers seeking to minimize the burden on family members when they themselves require long-term care. Also, our “Best Style” is available with a whole life annuity rider with nursing care support.

Moreover, we market “*Kizuna Support*” and “*Kantan Care Wide*” through affiliated financial institutions. Both of these Meiji Yasuda Life products are recognized brand names for our level premium non-participating whole life nursing care insurance.

“*Kaigo no Sasae*”

This product provides a lump-sum benefit and initiates payment of a whole-life annuity when policyholders meet the criteria for requiring long-term nursing

* “*Kizuna Support*” is the brand name for a Meiji Yasuda Life product handled by Mizuho Bank, Ltd. and its affiliated financial institutions. “*Kantan Care Wide*” is the brand name for a Meiji Yasuda Life product handled by MUFG Bank, Ltd.

care set forth in Japan’s long-term care insurance system. The product also ensures survivors’ benefits. Thus, “*Kaigo no Sasae*” is designed to provide lifelong protection.

A whole life annuity rider with nursing care support

This rider provides lifelong nursing care coverage with unchanging premiums over the customer’s lifetime.

“*Kizuna Support*” and “*Kantan Care Wide*”*

This product provides lifelong coverage to policyholders to help them be better prepared for the status of requiring long-term nursing care while furnishing survivors’ benefits.

Nursing Care-Related Services

Two affiliates of Meiji Yasuda Life—Meiji Yasuda System Technology Co., Ltd. and Meiji Yasuda Institute of Life and Wellness, Inc.—provide nursing care- and healthcare-related services. At these two affiliates, specialist staff boasting extensive experience strive to deliver high-quality services to meet diverse needs among individual and corporate customers.

Services for individual customers	Around-the-clock nursing care counseling	Certified care managers and social workers provide phone-based counseling to address nursing care issues.
	Disability counseling	Certified care managers and social workers provide phone-based counseling to address issues associated with physical disabilities.
Services for corporate customers	Around-the-clock health and nursing care counseling	As part of their employee benefit programs, we provide this service to corporate customers for employees and their family members.
	Disability counseling	As part of their employee benefit programs, we provide this service to corporate customers for employees and their family members.
	Nursing care seminars	We organize seminars for employees at corporate customers while dispatching specialists who serve as lecturers at these seminars.

Note: Meiji Yasuda System Technology is involved in all of the services listed above. Meiji Yasuda Institute of Life and Wellness handles services associated with nursing care seminars.

“MY *Kaigo-no-Hiroba*,” a general nursing care information website

[https://www.my-kaigo.com/pub/\(Japanese only\)](https://www.my-kaigo.com/pub/(Japanese only))

Note: “MY *Kaigo-no-Hiroba*” is run by Meiji Yasuda System Technology.

In Japan, issues associated with nursing care have become increasingly relevant to a growing number of people. With this in mind, the Meiji Yasuda Life Group maintains “MY *Kaigo-no-Hiroba*,” a general nursing care information website, to provide useful information and services aimed at helping customers address these issues.

In addition to providing nursing care information, we are striving to expand the content of information delivered to address disease and healthcare

issues as well as customer concerns about post-retirement security.

Furthermore, tablet terminals carried by MY life plan advisors (sales personnel) are set up to enable them to quickly access this website, with the aim of facilitating information services for the customers they engage with.

We will upgrade this website not only to serve Meiji Yasuda Life’s customers but also to deliver useful information to a broader range of the general public.

■ Main Content

Nursing care expense simulation	This web-based simulator helps assess nursing care expenses.
Useful medical information	These monthly articles provide useful information and touch on a variety of healthcare and medical topics.
Advanced medical treatment information*	In addition to providing basic knowledge on advanced medical treatment and the explanation of medical technologies, the website facilitates searches of medical institutions offering advanced medical treatment.
Hospital search by treatment track record*	The website’s hospital search function helps analyze the number of surgeries, the average period of hospitalization and other benchmarks associated with each hospital’s treatment track record.
Explaining elderly vision and hearing	To improve understanding of how the elderly see and hear things, the website features easy-to-understand articles on such topics as the mechanisms behind age-related vision and hearing impairment, as well as ideas on how to help seniors who are struggling to see or hear those around them.

Note: These services are provided via a separate website run by Wellness Co., Ltd.

Nursing Care Facility Operations (Sunvenus Tachikawa Company Limited)

In March 2012, we made Sunvenus Tachikawa Company Limited (a private nursing home operator) a wholly-owned subsidiary. Since then, we opened a new nursing care facility building in March 2013. Furthermore, an on-premises clinic was opened in May 2014 at Sunvenus Tachikawa’s nursing home. As such, we are striving to provide residents with high-quality services.

As part of our initiatives to enhance customer satisfaction via the utilization of IT, efforts are now under way to develop assistance systems to help sales personnel enhance the quality of face-to-face

services to customers. Moreover, we are striving to develop a cutting-edge IT infrastructure by, for example, upgrading our administrative service system to improve customer convenience.

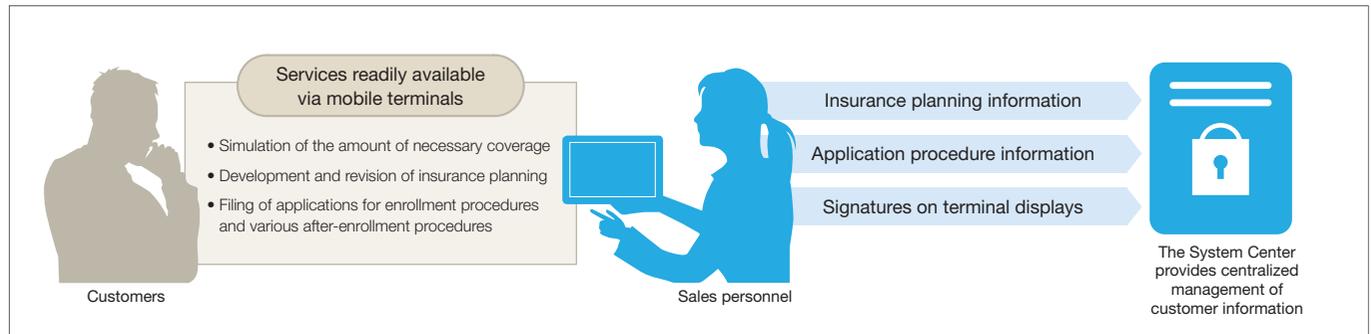
Developing Assistance Systems to Help Enhance the Quality of Face-to-Face Services

Utilizing “Meister Mobile” tablet terminals

Through the utilization of “Meister Mobile” tablet terminals equipped with advanced mobile communication functions, we have succeeded in introducing paperless applications for a variety of after-enrollment procedures as well as paperless enrollment procedures. With a total of approximately 30,000 sales personnel who operate in regions nationwide carrying these terminals, our customers are now allowed to

file applications for some procedures by just signing the tablet display. We have thus made these procedures simpler and smoother.

Also, these terminals help sales personnel quickly check policy content, review enrolled coverage and suggest optimal revisions based on customer needs. In short, our assistance systems contribute to customer satisfaction with face-to-face after-sales services offered by sales personnel while boosting the quality of their consulting activities.



Utilizing “After-Sales Service Gateway”

We have developed a centralized customer data management system. In addition to the integrated management of policy information, this system encompasses customer information gleaned by sales personnel, headquarters departments, regional offices, shops, the

Communication Center and other business units via their communication channels with customers. By doing so, we ensure that our after-sales services meet the needs of individual customers and maintain uniformly high quality regardless of the channel through which we engage with our customers.

Upgrading our Administrative Service System

We utilize “MYLINC net3.0,”* an administrative service network system encompassing business bases around the country, with the aim of delivering cutting-edge services and uniform quality to our customers.

Moreover, we have automated administrative procedures for the payment of insurance claims and benefits while updating our administrative services to better satisfy evolving customer needs in the

wake of the rapid aging of society. In addition, we have introduced an automated screening system to process application procedures submitted electronically. Thanks to this system, we were able to accelerate the processing of applications for enrollment, with some enrollment procedures now being completed as quickly as the day after the filing of the application.

* MYLINC was named after the abbreviation of Meiji Yasuda Life Insurance Company.

Relationship with Stakeholders

Relationship
with
Customers

Our Products and Services for Group Customers

Meiji Yasuda Life boasts a variety of products and services designed to support the employee benefit programs in place at group customers.

Coverage for Employees

The following products exemplify how Meiji Yasuda Life provides coverage for employees at corporate and group customers, both during the employment period and following retirement.

Category	Corporate and group protection type (with premiums contributed by corporate and group customers)	Self-help type (with premiums contributed by persons insured)
Income protection during employment period	<ul style="list-style-type: none"> Comprehensive group term life insurance for employees Group disability income insurance 	<ul style="list-style-type: none"> Group term life insurance New group term life insurance Non-dividend term life insurance (type II) Non-dividend term life insurance with coverage for specified diseases (type II) Non-dividend medical insurance
	Medical life insurance (group type): non-dividend group medical insurance	
Income protection after retirement	<ul style="list-style-type: none"> Defined benefit corporate pension plans Defined contribution pension plans with floating assumed rates 	<ul style="list-style-type: none"> Corporate pensions with individual contribution Asset formation wealth accumulation annuities
Asset formation during employment period	<ul style="list-style-type: none"> Asset formation benefit saving insurance 	<ul style="list-style-type: none"> Asset formation for home acquisition insurance Asset formation saving insurance
Stabilizing income	<ul style="list-style-type: none"> Group credit life insurance Group credit disability income insurance 	

Services Aimed At Supporting Bereaved Families

Mental and Emotional Assistance ①

Providing guidance for claim applications while offering advice to help stabilize livelihoods

Acting in collaboration with corporate and group customers, we provide face-to-face guidance to support the livelihoods of bereaved families. We also have a dedicated assistance tool in place to offer optimal advice with regard to how to stabilize livelihood.

“Life Guide” and “Household Budget Analysis Book”

“Life Guide”

This booklet is aimed at easing the common anxieties of bereaved families by summarizing useful information on pressing issues affecting daily life, such as how to utilize public social security systems and file necessary applications.

“Household Budget Analysis Book”

Through long-term household budget analysis, this book helps resolve concerns about the future.

“Life Guide” Content

- Public social security system payments for long-term leave, disabilities and unemployment
- Tax filing and applications for income tax returns
- Tax breaks and subsidies for medical expenses
- Childhood educational issues including educational loans
- Contacts at governmental agencies for those seeking counseling



Content of “Household Budget Analysis Book”

- A 30 year-household budget simulation

Note: Meiji Yasuda Life specially prepares this book for each bereaved family based on such factors as public pension eligibility and the makeup of the remaining family unit.

Mental and Emotional Assistance ②

Toll-free phone number to provide persons insured and their families with counseling

“MY Life Assistance Net”

We aim to provide ongoing assistance to persons insured and their families, addressing their concerns over various issues. To this end, we provide phone-based consulting and counseling services offered

by financial planners (FPs) and other specialists. These services are available to persons insured and their families for three years free of charge.

In addition, paid face-to-face FP consulting and mental health counseling sessions are also available (fees are borne by persons insured).

FP consulting	Financial planners employ their specialist knowledge to address questions and issues associated with life planning, tax, asset management, insurance and other matters.
Around-the-clock healthcare and medical counseling	Health nurses, nurses and other specialists provide advice to address anxieties over health issues.
Mental health counseling	Professional counselors conduct counseling to address mental health issues.

In addition to those listed above, the persons insured are eligible for the following services at the time of the receipt of insurance claims for disabilities.

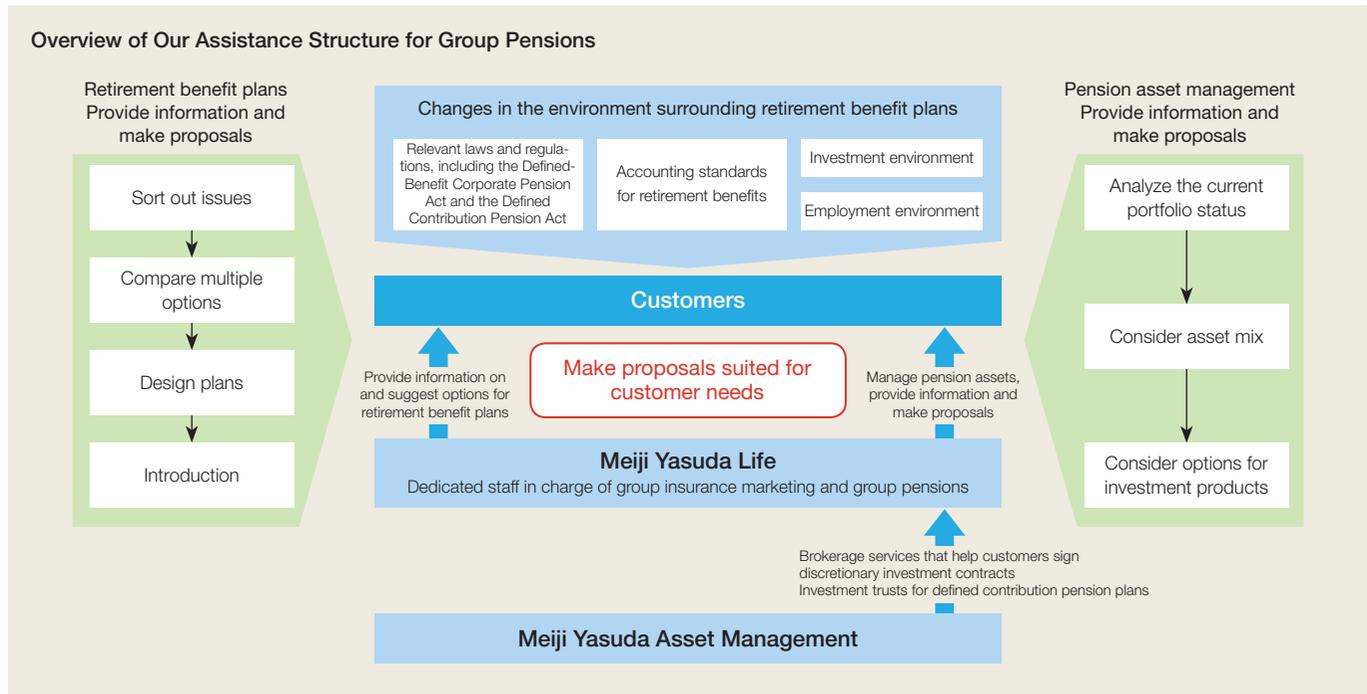
Disability counseling	Social workers employ their specialist knowledge to provide counseling on physical disabilities.
Examples of issues addressed via counseling	<ul style="list-style-type: none"> • I became incapable of working due to disabilities. I'm worried about how to make a living going forward. • I have received a considerable amount of insurance claims. Now I'm starting to consider asset management. What is my best option? • I don't have confidence in the diagnosis of my primary physician, so I would like to have second opinions. • I am mentally exhausted by the burden of day-to-day nursing care. I need someone to share my issues with.

Group Pensions

We have reinforced our structure for providing assistance to our group customers to better address their needs for solutions that will upgrade their retirement benefit plans. In this way, we deliver high-quality products and services designed to support both defined benefit corporate pension plans and defined contribution pension plans.

Plan category	Products and services
Defined benefit corporate pension plans	<ul style="list-style-type: none"> • Defined benefit corporate pension plans are managed in accordance with Japan's Defined-Benefit Corporate Pension Act. Employees are eligible for predetermined pension benefits. <p>→ We provide general account products with guaranteed yield and separate account assets with performance-based dividends. Moreover, we provide investment products by engaging in brokerage services that help customers sign discretionary investment contracts with Meiji Yasuda Life's asset management subsidiary.</p>
Defined contribution pension plans	<ul style="list-style-type: none"> • Defined contribution pension plans are managed in accordance with Japan's Defined Contribution Pension Act. Corporations or their employees are asked to contribute fixed amounts. <p>→ We provide defined contribution pension plans with floating assumed interest rates (principal guaranteed). Also, our asset management subsidiary provides investment trusts for defined contribution pension plans.</p>

Relationship with Stakeholders



Drawing on our extensive investment product lineup, we swiftly suggest optimal proposals to address customer needs.

Products and investment outlets	Provider
General account First treaty separate account Asset management via 14 accounts and five plans with performance-based dividends	Meiji Yasuda Life
Discretionary investment contracts 36 standard products with performance-based dividends Domestic and foreign stock Domestic and foreign bonds Balanced-management Alternative vehicles, etc.	Meiji Yasuda Asset Management Meiji Yasuda Life engages in brokerage services that help customers sign discretionary investment contracts with Meiji Yasuda Asset Management

Note: The number of products is as of April 1, 2018. Brokerage services for signing discretionary investment contracts with Meiji Yasuda Asset Management are premised on the customer's consent. Enrollment in products offered by Meiji Yasuda Asset Management requires certain conditions, including an amount of assets under management in excess of the standard minimum.

Providing Assistance to Employees at Group Customers via the Utilization of Various Seminars

Nursing Care Seminars (provider: Meiji Yasuda Institute of Life and Wellness)

We aim to raise public awareness regarding nursing care and assist in people's independent efforts to take on nursing care issues. To this end, we provide seminars centered on such topics as the reality of a rapidly aging society, the detail of Japan's long-term care insurance system, typical expense issues facing those who require nursing care, and tips on striking a balance between work and nursing care. These seminars also incorporate easy-to-understand presentations on a variety of real-life case studies.

<p>Example themes for nursing care seminars</p>	<p>I. The reality of a declining birth rate, an aging society and nursing care issues</p> <ol style="list-style-type: none"> 1. Facts about Japan's birth rate and the aging of society 2. Typical concerns about nursing care 3. Case studies: People who suddenly found themselves facing nursing care issues 	<p>II. To support long-term nursing care</p> <ol style="list-style-type: none"> 1. Japan's long-term care insurance system 2. Tips on striking a balance between work and nursing care
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Easy-to-understand materials and lectures



Life Planning Seminars (provider: Meiji Yasuda Life Planning Center)

Key seminar themes associated with home economics

For 30-somethings

- Importance of raising savings via automatic salary deductions
- Knowledge of expenses for marriage, child rearing and education and how to secure funds for these expenses
- Basics of housing loans and how to secure funds for down payment
- How to utilize life insurance wisely

For 40-somethings

- Measures to address needs for educational expenses
- How to mitigate the burden of housing loan payments
- Understanding the amount of life insurance coverage you need
- What you need to know about pensions, medical care and nursing care

For 50-somethings

- Compare household income prior to and after retirement
- What you need to know about pensions, medical care and nursing care
- Review your life insurance
- Asset building in preparation for retirement and its tax implications

We hold more than 400 Life Planning Seminars annually for employees at corporate and group customers enrolled in our group life insurance. These seminars are themed on such topics as “health maintenance,” “tips on leading a fulfilling life” and “household budgets.” The content of each seminar is tailored to fit the demographic profile of the audience and their concerns. Content is geared to audiences who have started

to consider how to lead fulfilling lives after retirement, those who seek to better manage home economics and establish long-term life planning, and those who strive to strike an optimal balance between work and family duties. In addition, we also provide seminars aimed specifically at discussing such matters as pensions, insurance, asset formation and asset management.

Mental Health Seminars (provider: Meiji Yasuda Life Planning Center)

To help our customers comply with the Guidelines for Maintaining and Improving Workers' Mental Health by the Ministry of Health, Labour and Welfare (MHLW), we provide seminars aimed at assisting their efforts to maintain and improve their employees' physical and mental health.

<p>Seminars for managers</p>	<ol style="list-style-type: none"> ① Facilitate understanding of the current status of mental health issues in Japan's workforce to raise awareness of the need for countermeasures to mental health problems ② Provide knowledge on matters, such as MHLW guidelines and the Industrial Safety and Health Act, that are essential to supervisors ③ Brief them on how to engage with staff members to prevent and detect mental health issues at an earlier stage ④ Help them better interact with staff members by acquiring skills, including hands-on training in active listening, that can be utilized in day-to-day operations
<p>Seminars for staff members</p>	<ol style="list-style-type: none"> ① Facilitate the proper understanding of mental diseases while helping audience members gain awareness of the stress points they face themselves, in addition to acquiring knowledge about depression and other mental health issues, thereby empowering them to maintain their own mental healthcare ② Provide methods for preventing mental health problems via relaxation and stress release ③ Conduct personality analysis as well as hands-on training on assertive communication and other methods aimed at preventing stress from accumulating

Note: The content of these services is as of April 2018.

Relationship with Stakeholders

Relationship
with
Customers

Our Overseas Insurance Initiatives

In addition to the domestic insurance business, we are developing our overseas insurance business to secure a more robust profit base and ensure risk dispersion.

Currently, Meiji Yasuda Life's overseas insurance business encompasses seven subsidiaries and affiliates spanning five countries. With

the aim of seizing growth opportunities in promising markets abroad, we are promoting initiatives to expand profit from existing subsidiaries and affiliates. At the same time, we are assessing and researching new investment candidates through overseas bases in New York, London and Hong Kong, in preparation for future business development.

Overview of the Overseas Insurance Business

- Overseas bases in New York, London and Hong Kong



Meiji Yasuda Europe Limited

warta.



EUROPA
UBEZPIECZENIA

Meiji Yasuda Asia Limited

北大方正人寿
FOUNDER MEIJI YASUDA LIFE



TU Europa S.A. and TUiR Warta S.A. (Poland)

In 2012, we invested in two major Polish insurers TU Europa S.A. and TUiR Warta S.A. jointly with our alliance partner Talanx AG, a well known German insurer, thereby making these two companies our affiliates. By doing so, we became the first Japanese insurer to enter the Polish insurance market. We are striving to reinforce the business foundation of these two companies, helping them expand their operations.



Founder Meiji Yasuda Life Insurance Co., Ltd. (China)

In 2010, we invested in a Chinese life insurance company, the precursor of Founder Meiji Yasuda Life Insurance Co., Ltd., making it an affiliate. Efforts are now underway to expand business at this joint venture with the other two shareholders, namely, Peking University Founder Group Co., Ltd. (created by Peking University) and Haier Group (a leading Chinese manufacturer of consumer electronics and home appliances).



Thai Life Insurance Public Company Limited (Thailand)

In 2013, we invested in major life insurer Thai Life Insurance Public Company Limited and thus made it our affiliate. Along with a track record that extends more than 70 years since its founding, Thai Life boasts significant brand recognition as an insurer run by Thai people for Thai people. Meiji Yasuda Life is assisting Thai Life with its efforts to strengthen the distribution channel of agency, thereby helping it achieve sustainable growth.





StanCorp Financial Group, Inc. (Portland, the United States)

In March 2016, we acquired a 100% equity stake in StanCorp Financial Group, Inc., a corporate group handling life insurance business, making it a wholly-owned subsidiary. Headquartered in Portland, Oregon, StanCorp boasts a solid track record extending more than 100 years, as well as a leading position in the field of group life insurance in the United States, the world's largest life insurance market. StanCorp maintains a management philosophy to lead the insurance industry by "helping people achieve financial well-being and peace of mind," with its business network extending to regions throughout the United States. Having positioned this subsidiary as a strategic base in the United States for securing future growth for Group operations, Meiji Yasuda Life is supporting StanCorp's customer-oriented business approach. We are providing this subsidiary with management oversight and monitoring by, for example, dispatching our personnel to serve as a director at StanCorp, with the aim of helping it achieve business expansion and greater profitability.



Pacific Guardian Life Insurance Company, Limited (Honolulu, the United States)

In 1976, we acquired a majority equity stake in Pacific Guardian Life Insurance Company, Limited (PGL), thereby becoming the first Japanese life insurer to enter the U.S. life insurance market. In 1985, we went on to increase our equity stake in PGL to 100%, making it our wholly-owned subsidiary. Currently, PGL provides life insurance tailored for the needs of customers in local communities, mainly in Hawaii and the west coast. Meiji Yasuda Life is helping PGL strengthen its operating base through arrangements including dispatching personnel to serve as a director.



PT Avryst Assurance (Indonesia)

In 2010, we invested in Indonesian life insurer PT Avryst Assurance. Since then, we gradually stepped up investment, increasing our shareholdings in Avryst, making it our affiliate in 2012. A life insurer boasting a solid track record spanning more than 40 years, PT Avryst Assurance engages in operations in regions across Indonesia via diverse channels. Meiji Yasuda Life is dispatching officers and employees to help this affiliate raise its corporate value through such measures as improving administrative services and strengthening sales capabilities.



Relationship with Stakeholders

Relationship
with
Customers

Our Initiatives Related to Principles for Responsible Institutional Investors (Japan's Stewardship Code)

In line with its "Policies for Fulfilling Our Stewardship Responsibilities," Meiji Yasuda Life is maintaining ongoing and constructive dialogue with its investees from a long-term perspective, engaging in discussions with regard to their initiatives to secure sustainable growth and corporate governance systems. Maintaining such dialogue also helps us exercise our voting rights appropriately. In addition, the Audit Committee, with a majority of membership comprised of outside directors, is regularly verifying the appropriateness of these activities.

Furthermore, we began publicly disclosing the results of votes we cast from June 2018 on individual ballot proposals at investees held in our general account assets.

Although our fundamental concept for stock investment has been to

yield stable returns over the long term in step with growth in each investee's corporate value, we will step up our efforts to fulfill our responsibilities as an institutional investor by practicing the abovementioned policies and by encouraging our investees to maximize their corporate value through dialogue and other activities.

In addition, we regularly announce the latest status of such activities on our corporate website.

<https://www.meijiyasuda.co.jp/profile/csr/governance/>
(Japanese only)

Policies for Fulfilling Our Stewardship Responsibilities

1. Purpose

These policies aim to stipulate basic matters concerning Meiji Yasuda Life's efforts to fulfill its stewardship responsibilities while clarifying the Company's commitment to act appropriately as a responsible institutional investor.

2. Fundamental Concept

From the stance of a long-term perspective, the Company recognizes that securing investment profits while controlling risk is essential to fulfill its obligation to its customers. Therefore, the Company's fundamental concept for stock investment is to yield stable returns over the long term in step with growth in each investee's corporate value.

In doing so, Meiji Yasuda Life engages in dialogue with investees to encourage them to maximize their corporate value, thereby fulfilling its responsibilities as an institutional investor.

3. Concrete Initiatives

(1) Assessing the latest status of investees

We will continuously monitor developments at our investees and accurately assess the quantitative and qualitative aspects of their operating status, thereby maintaining ongoing dialogue and appropriately exercising our voting rights.

(2) Dialogue

We recognize that maintaining dialogue with investees and helping them maximize their corporate value is key to fulfilling our responsibilities as an institutional investor over the long term. Moreover, improved corporate value will lead to greater shareholder value, which will, in turn, be attributable to Meiji Yasuda Life as a shareholder. Therefore, from the stance of a long-term perspective, we will engage in dialogue with the Company's investees with regard to their initiatives to achieve sustainable growth and corporate governance. By doing so, we will ensure that they can share our perspective. In this process, we ask investees to make improvements when problems have been identified.

In addition, we will document dialogue with investees and preserve a record of the dialogue, thereby ensuring that discussions will remain constructive and be held on an ongoing basis.

Meiji Yasuda Life never intends to receive undisclosed important information from investees in the course of dialogue. In cases where the Company happens to receive such information from an investee, we will immediately suspend the transaction of its shares and take other necessary steps in accordance with laws, regulations and in-house rules.

(3) Exercise of voting rights

We will undertake the appropriate exercise of voting rights in accordance with the Company's in-house rules and the following concepts. In addition, the Audit Committee is in charge of verifying any changes in these rules and determining whether such changes are appropriate.

- Our basic stance on the exercise of voting rights is to respect the uniqueness of each investee's management approach and corporate governance system. However, with regard to companies that have problems in their structures and ineffective functions in relation to initiatives to enhance the interests of shareholders or in relation to their corporate governance, we

encourage the investee to enhance corporate value and the interests of shareholders from a long-term perspective by proactively engaging in dialogue and by undertaking the appropriate exercise of voting rights.

- With regard to proposals submitted to the shareholders meetings, we will carefully examine each proposal. If we determine a proposal may be problematic from the perspective of securing the investee's corporate governance functions or it may pose a negative impact on the interests of shareholders, we will make a suggestion or take action as a shareholder.
- We provide details of our stance on the exercise of voting rights in "Our Initiatives Related to the Exercise of Voting Rights for General Account Assets" (https://www.meijiyasuda.co.jp/profile/csr/governance/pdf/vote_approach.pdf) and "Our Initiatives Related to the Exercise of Voting Rights for Separate Account Assets" (https://www.meijiyasuda.co.jp/profile/csr/governance/pdf/separate_account.pdf).

(4) Periodic reporting

We will periodically update the implementation status of these policies on our corporate website. To see the latest information, please visit the following URL. (https://www.meijiyasuda.co.jp/profile/csr/governance/pdf/stewardship_activity.pdf)

(5) Initiatives aimed at better fulfilling our stewardship responsibilities

The "Responsible Investment Promotion Small-committee" monitors the status of dialogue with investees and the exercise of voting rights, thereby verifying the appropriateness of these activities periodically. Based on the results of this verification, we will review our "Policies for Fulfilling Our Stewardship Responsibilities," "Our Initiatives Related to the Exercise of Voting Rights for General Account Assets" and "Our Initiatives Related to the Exercise of Voting Rights for Separate Account Assets" as necessary. Through these initiatives, we will develop and enhance our structure to better fulfill our stewardship responsibilities into the future.

(6) Management of conflicts of interest

In cases where a conflict of interest emerges in the course of the implementation of our stewardship initiatives, we put the utmost value on the interest of our customers. To prevent the interest of our customers from being unjustly damaged, we appropriately manage our stewardship initiatives in line with the "Policies for Managing Conflicts of Interest," (<https://www.meijiyasuda.co.jp/reciprocity/index.html>) which are intended to prevent a conflict of interest in all aspects of the Company's business operations.

In the course of our stewardship initiatives, we assume a conflict of interest is most likely to emerge under two scenarios: 1) a case where Meiji Yasuda Life staff lure the investee into purchasing insurance products in exchange for favorable voting; and 2) a case where the investee suggests the purchase of insurance products on the condition that Meiji Yasuda Life vote favorably. To ensure that none of these cases arise, our process for making decisions to vote in favor of or against ballot items is handled exclusively by the Investment Division.

Moreover, we are striving to properly control and prevent conflicts of interest, with the Audit Committee verifying the appropriateness of voting results.

*Japanese only

Remaining true to the spirit of mutual assistance, which led to our founding as a mutual company, we are implementing social contribution activities aimed at better accommodating the needs of society on a local level.

In particular, we have been active in supporting the sound upbringing of children. Having named such activities the “*Kodomo-no Ashita Ouen* (Support the Future of Children) Project,” we are assisting the development of future generations in a comprehensive manner.

Our Ongoing Support of Meiji Yasuda J. League

We have been supporting J. League since the signing of a title partner contract, and the 2018 season marks the fourth year of the Meiji Yasuda J. League. Our regional offices across Japan have also entered sponsorship deals with J. League and other football clubs in areas where they operate. Employing partnerships with these clubs, we are

engaged in nationwide initiatives to support the sound upbringing of children and the vitalization of communities by, for example, hosting football clinics for elementary school students and organizing tours for supporters to cheer live at the stadium for their favorite J. League club. Please see pages 20 and 21 for more details on these initiatives.

Initiatives Aimed at Contributing to Communities and the Sound Upbringing of Children

Community Safety Initiative

In September 2014, we launched community-based initiatives in which sales personnel check on children and elderly people living in the neighborhood in the course of their customer visit activities. Whenever they recognize something unusual, they report it to police stations or local municipal authorities, thereby preventing unexpected incidents from occurring. In this way, we are contributing to the safety of local communities.



Donations to NPOs

In the fiscal year ended March 31, 2018, the Company made donations to NPOs engaged in initiatives to address social issues, selecting eleven recipients from around the country in collaboration with the Japan Philanthropic Association. The beneficiaries included organizations supporting the elderly, people with disabilities and sexual minorities.



Facilitating Mutual Assistance in Communities

In 2001, the Company began providing financial assistance to food service initiatives undertaken by citizen volunteer groups and other initiatives aimed at creating places for and looking after the elderly people. Acting in partnership with MEALS ON WHEELS JAPAN (former Zenkoku Rojin Kyushoku Kyoryoku Kai; a nationwide association supporting food service for the elderly), we are thus facilitating the sound development of local communities.

In 2017, we donated to 10 citizen groups, expanding the total number of beneficiaries to 173 over the course of the past 17 years.



Presenting Yellow Patches

Our longstanding traffic safety campaign of presenting Yellow Patches to new elementary school children has now been in service for more than half a century. Each Yellow Patch confers insurance protection against traffic-related injuries while helping drivers better spot the children, thereby protecting them from accidents. Since 1965, we have presented approximately 65,500,000 children with these patches.

Note: This activity is conducted in tandem with Mizuho Financial Group, Inc., Sompo Japan Nipponkoa Insurance Inc. and The Dai-ichi Life Insurance Company, Limited.



Relationship with Stakeholders

In-House Volunteer Commendation System

Since 2009, each business base in Japan has engaged in social contribution activities uniquely suited to their region. These activities are centered on serving the communities in which Meiji Yasuda Life operate and include paying visits to facilities for the elderly, children's foster homes and other local welfare facilities; making donations to help operate these facilities; participating in cleanup initiatives covering nearby areas; and preserving the local natural environment.

To commend outstanding performers in terms of social contribution, we have also put in place an in-house volunteer recognition system. By doing so, we undertake annual screening aimed at selecting and presenting awards to business units that exemplify excellent initiative and have helped solidify society's trust in Meiji Yasuda Life. We are thus endeavoring to raise employee awareness with regard to community and social contribution.



Creative Education through Music

Fureai Concerts

Since 1984, we have been sponsoring the *Fureai* Concerts featuring Shigeki Torizuka of the famous pop group "The Wild Ones," to give children with disabilities a chance to interact with live music. Over the past 34 years, the concerts have been held at 151 special-needs schools around Japan. These concerts are also supported by employee contributions.



Love & Peace Charity Concert and Classes in Playing Music of the "Future"

Aiming to nurture a rich aesthetic sense by providing children with opportunities to become more familiar with music, we have since 2009 been sponsoring the "Love & Peace Charity Concert," performed by the famous composer Shigeaki Saegusa across Japan, as well as "Classes in Playing Music of the 'Future'" at elementary schools and junior high schools. In 2017, we held these events in five locations namely, Chiba, Kyoto, Shizuoka, Hokkaido and Tochigi prefectures.



Supporting Orphans with Their Pursuit of Education

Ashinaga Charity & Philanthropy Walk

In Japanese, *Ashinaga* means "Daddy-Long-Legs," a fitting name for this activity in which Meiji Yasuda Life employees take part. This walking event and the related charitable fund raising campaign raise money to support orphans with their schooling and mental healthcare. In 2017, this event was held in 73 locations across Japan and the number of employees and their families who participated in this activity totaled approximately 41,000.



Community Contributions Undertaken Overseas

The Standard's Employee Giving Campaign

StanCorp Financial Group, Inc., a wholly-owned U.S. subsidiary, provides support in the areas of health disabilities, education and cultural development through the annual Employee Giving Campaign. This campaign encourages employees to get actively involved in contributing to their communities by offering a dollar-for-dollar match of

their donations by the company. Meiji Yasuda Life is supporting this campaign and last year's campaign benefited more than 1,700 schools and nonprofit organizations across the United States.

StanCorp Financial Group is also engaged in other community contribution through employees' volunteering and The Standard Charitable Foundation.



Initiatives Undertaken by Our Foundations

Meiji Yasuda Life Foundation of Health and Welfare

Established in June 1962 and certified as a public interest incorporated foundation in 2012, this foundation engages in a range of surveys and research on health promotion as well as the development and provision of services aimed at improving health conditions while working to disseminate its know-how on raising the general public's health awareness. Moreover, the foundation provides subsidies to young researchers, with the aim of contributing to society as a whole.

Note: In April 2017, the Meiji Yasuda Health Development Foundation took over the health research operations (including the Shinjuku Health Checkup Center) previously handled by Meiji Yasuda Life Foundation of Health and Welfare, thereby continuing these operations.

Meiji Yasuda Mental Health Foundation

Established in March 1965 and certified as a public interest incorporated foundation in 2012, this foundation's calling remains centered on supporting the sound upbringing of children. To assist parents raising children with autism and other developmental disorders, the foundation provides expert counseling and other services. It also provides similar counseling services directly to the children facing the challenges. Moreover, the foundation sponsors training programs to nurture specialists in mental healthcare and child psychology while also providing researchers in this field with subsidies. In addition, with the initial aim of overcoming barriers attributable to language disorders, the foundation has promoted the use of communication assistance boards, which have, in turn, become a popular support tool for a broadening range of people, including those with disabilities, foreigners and the elderly.

The Meiji Yasuda Cultural Foundation

Established in June 1991 and certified as a public interest incorporated foundation in 2012, this foundation aims to preserve regional cultural heritage, especially performing arts conveying folklore and handcrafting techniques. To this end, it focuses on providing subsidy systems to foster young artisan apprentices who will take over and preserve this rich heritage. The foundation also provides subsidies to young classical musicians who have ambitions to study abroad to become world-renowned performers. In these ways, the foundation contributes to the betterment of people's quality of life and Japan's cultural development.

Meiji Yasuda Institute of Life and Wellness, Inc.

Founded in July 1991, the institute is engaged in survey, research, training and consulting services aimed at promoting wellness in an aging society. Specifically, it addresses problems confronting the elderly, including nursing care, as well as such matters as healthcare, medical treatment and social welfare issues, in addition to life planning, pension plans, consumer awareness and employee benefit plans.

Business Activities

Main Initiatives in the Fiscal Year Ended March 31, 2018

Individual Insurance Marketing

In individual insurance marketing, we have identified four priority fields, namely, “third-sector insurance,” “products for seniors and retirees,” “women-oriented products and services,” and “investment-type products” as we have seen significant growth potential in these product categories. With this in mind, we have striven to expand sales volume for third-sector insurance, such as medical and nursing care insurance, and protection-type products while endeavoring to increase the number of our customers.

As for products, in April 2017 we released two nonlife insurance products to expand the lineup of “Simple Insurance Series Light! By Meiji Yasuda Life” (hereinafter “Light! Series”) that was introduced in October 2016 to attract younger customers. These new products are “Meiji Yasuda Life *Otegaru Jitensya*” bicycle insurance and “Meiji Yasuda Life *Omamori Kazai*” household property insurance. Light! Series continued to garner extremely favorable reviews and sold over 650,000 policies (as of March 31, 2018).

In August 2017, we released “U.S. dollar-denominated endowment insurance with a single lump-sum premium,” a new investment-type product designed to withstand the prolonged low interest rate environment in Japan. Furthermore, we released “Whole life medical insurance for people age 50 or older” in December 2017, aiming to satisfy specific medical coverage needs

of customers who have started to consider how to lead fulfilling lives after retirement.

To enhance our sales and service structure, we have endeavored to reinforce our pool of sales personnel in terms of quality and quantity. For example, in August 2017 we reviewed our systems for the treatment and evaluation of sales personnel. We have made it a rule to offer more stable compensation to sales personnel who steadily carry out after-sales service. In addition, compensation was upwardly revised for highly efficient sales personnel who successfully win customers with long duration policies. Moreover, we enhanced the content of our introductory educational programs for new hires and also added more trainers. We have thus reinforced our education and training structure for sales personnel.

To secure new contact points with customers, we stepped up market development efforts by, for example, effectively employing digital marketing methods in web-based promotional campaigns and co-hosting events with J. League’s partner companies and other external corporations.

As a result, the number of customers as of March 31, 2018 (distribution channel of agency) rose 139,000 year on year to 6,940,000, representing a second consecutive annual increase.

Annualized New Premiums

(individual life insurance and individual annuities)

(Billions of Yen)



■ Medical insurance, living benefits and others

Annualized Premiums in Force

(individual life insurance and individual annuities)

(Billions of Yen)



■ Medical insurance, living benefits and others

Group Insurance Marketing

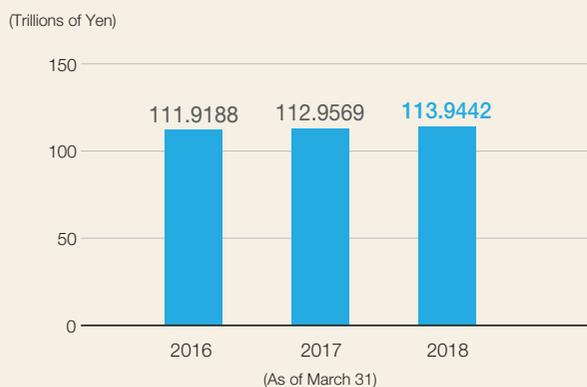
In group life insurance, we focused on making proposals to improve employee benefit programs while also endeavoring to increase transactions with corporate and group customers. To this end, we encouraged group life insurance customers to consider enrollment in “group credit life insurance with rider for protection against cancer” released in April 2017. Consequently, group life insurance in force totaled ¥113.9 trillion, achieving the eighth consecutive annual growth. In October 2017, we launched the “MY Health Promotion Assistance Program,” a service aimed at offering comprehensive assistance to health promotion initiatives undertaken by our corporate and group customers.

As for group pensions, we have succeeded in raising the value of assets under management thanks to highly favorable customer

reviews on separate account products that have been released in April 2017 and are backed by a new asset management plan equipped with robust risk control. We also strove to accurately meet customers’ asset management needs via consulting activities, thereby promoting products of our subsidiary that engages in investment advisory and consulting through our brokerage service.

In addition, efforts are now under way to increase contact with customers by leveraging the customer base we have gained through group insurance marketing. For example, our sales personnel ask existing corporate customers for approval of office visits to their subsidiaries and affiliates while holding promotional events at their worksites to increase sales opportunities.

Life Insurance in Force (group life insurance)



Group Pension Assets held by the Meiji Yasuda Life Group*



* Group pension assets held by Meiji Yasuda Asset Management include net assets of investment trust managed for defined contribution pension plans and are presented based on their fair values.

General Agent Marketing

In the Bancassurance channel at banks and other financial institutions, we marketed such products as single premium whole life insurance to meet asset management needs among middle-aged or older individuals and affluent customers.

Moreover, in August 2017 we released “Everybody Plus,” a single premium whole life insurance denominated in foreign currencies. This product is specifically developed to exploit gaps between

interest rates in Japan and those in the United States and Australia to counter the prolonged low interest rate environment in Japan.

In February 2018, we also released “Term life insurance with disability coverage and income protection” for group customers, with the aim of satisfying a broad range of coverage needs among business owners.

Business Activities

Asset Management

We have implemented asset management activities centered on the surplus management type of asset liability management (ALM) while adopting an investment approach effectively tailored to the ultra-low interest rate environment and other market factors.

In the fiscal year ended March 31, 2018, we invested in Japanese government bonds (JGBs) whenever domestic interest rates rose. In the fourth quarter of said fiscal year, we also engaged in investment activities centered on foreign bonds to seize opportunities arising from rises in overseas interest rates while giving due consideration to trends in foreign exchange rates, as well as the gap between domestic and overseas interest rates. As such, we strove to maintain optimal asset allocation consistent with the present market environment.

With the aim of broadening our investment income potential, we stepped up credit investment and financing as part of our initiatives to upgrade and diversify our asset management methodologies and enhance our governance and risk management structure for

asset management.

From the viewpoint of contributing to social and economic sustainability, we also promoted sustainable investment and financing.

In addition, we identified a “basic portfolio” for Meiji Yasuda Life to estimate future changes in assets and liabilities on a fair-value basis and assess the risk-return profile of the entire Company. This was one example of our efforts to promote the adoption of cutting-edge business management methodologies employing enterprise risk management (ERM).

Based on its “Policies for Fulfilling Our Stewardship Responsibilities,” Meiji Yasuda Life is engaging in such stewardship initiatives as dialogue with investees and the exercise of its voting rights. By doing so, we are helping our investees secure greater corporate value, which will, in turn, allow us to steadily enjoy long-term returns as a shareholder.

Overview of Asset Management Results

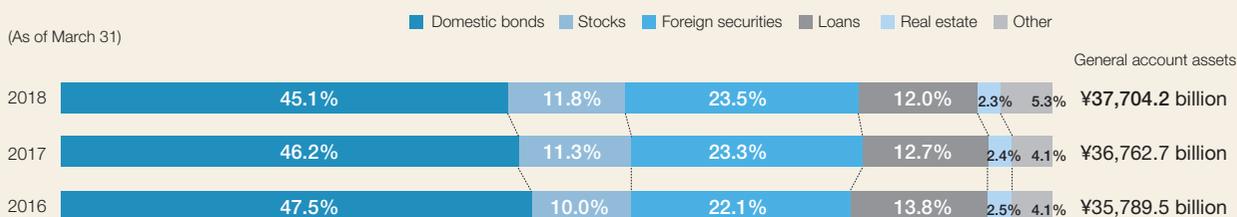
With constant focus being placed on asset management centered on ALM, we worked to maintain optimal asset allocation consistent with the present market environment, giving due consideration to the gap between domestic and overseas interest rates, as well as trends in foreign exchange rates. By doing so, we strove to maintain a higher level of profitability despite the ongoing ultra-low interest rate environment in Japan. Specifically, we engaged in investment activities centered on foreign bonds. With the aim of expanding profitability, we also stepped up investment in credit assets, such as corporate bonds issued by domestic and overseas businesses.

General account assets as of March 31, 2018 stood at ¥37,704.2 billion, up ¥941.5 billion compared with March 31, 2017. Detailed year-on-year comparisons by asset type follow.

Domestic bonds grew ¥47.6 billion, reflecting our policy of purchasing JGBs whenever domestic interest rates rise and investing in corporate bonds issued by domestic businesses. The value of stocks held increased ¥322.1 billion due to such factors as rising stock prices. Foreign securities rose ¥263.7 billion due mainly to the purchase of foreign bonds. Loans decreased ¥174.6 billion. This was attributable to decreases from repayments during the fiscal year, which exceeded the increase due to lending. Real estate holdings declined ¥9.5 billion due mainly to depreciation.

The Status of Allocation of Assets

(As of March 31)



Proceeds from Investment

Investment income increased to ¥852.7 billion, up 6.6% compared with the previous fiscal year, due mainly to increases in interest, dividends and other income. On the other hand, investment expenses grew to ¥207.2 billion, up 20.5% compared with the previous fiscal year, due mainly to an increase in losses on

derivative financial instruments. As a result, proceeds from investment rose to ¥645.4 billion, up 2.7% compared with last year's figure. Investment return on base profit and overall investment return grew year on year to 2.65% and 1.91%, respectively, compared with the previous fiscal year.

Rate of Return

Years ended March 31,	2016	2017	2018
Investment Return on Base Profit = (proceeds from investment in base profit – provision for interest on dividend reserves)/policy reserves in general account	2.60%	2.52%	2.65%
Investment Return = net investment income/average daily balance of general account assets	1.99%	1.89%	1.91%

Pursuing High-Quality Administrative Service

In the individual insurance field, we promoted paperless procedures for enrollment in new policies and policy maintenance by utilizing the "Meister Mobile" tablet terminals. The use of these terminals also helped decrease time spent for completing various procedures. Through these and other efforts, we strove to enhance customer convenience in our procedures and the quality of face-to-face after-sales services. As a result, the customer satisfaction rating (the proportion of "Satisfied" in customer satisfaction surveys) in the fiscal year ended March 31, 2018 with regard to our procedures stood at 57.1%, up 6.5 percentage points year on year.

In addition, efforts are now under way to upgrade our structure for after-sales services to ensure its responsiveness to evolving customer needs in a rapidly aging society. For example, we promoted our "MY Anshin Family Registration Scheme" that registers secondary contacts other than policyholders. We also carried out the "MY Longevity Policy Checking Scheme," engaging in proactive policy checking activities. In doing so, we swiftly processed applications filed by policyholders for claim payment and other procedures.

Moreover, we instituted "MY Assist+ System" aimed at assisting customers who have physical difficulties in completing application procedures due to such factors as age-related vision deterioration or hearing impairment. We have put this scheme in place since April 2018.

In the field of group insurance, we expanded functions of "MY Hojin Portal," a web-based administrative service platform for the individuals in charge of insurance policies at group customers, to reduce workload placed on these individuals. We also revised application forms for the payment of insurance claims and benefits to make them easier to understand in a way that incorporates customer feedback. Furthermore, we implemented a group insurance version of the "MY Longevity Policy Checking Scheme." We have thus spared no effort to help customers identify and apply for eligible claims and assist them in filing applications for other procedures.

Profitability

Base Profit of the Group and Base Profit of the Company Both Hit a Record High for the Fiscal Year Ended March 31, 2018

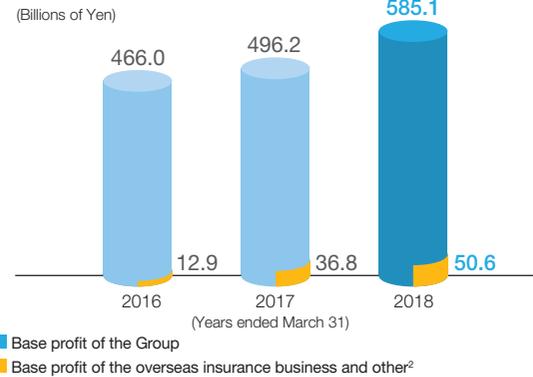
Consolidated Operating Results

Base Profit of the Group¹

¥585.1 billion

Base profit of the Group grew 17.9% year on year to ¥585.1 billion, reaching a record high since the inauguration of Meiji Yasuda Life. This was mainly due to increases in interest, dividends and other income.

Base Profit of the Group

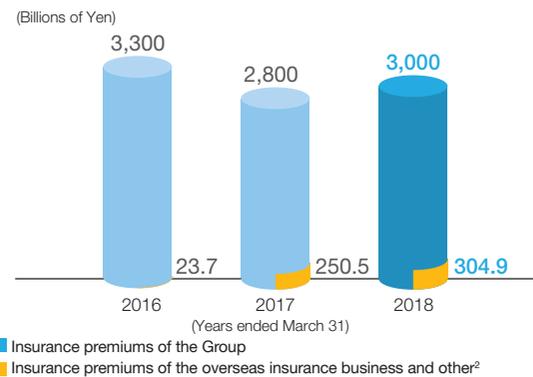


Insurance Premiums of the Group³

¥3,024.3 billion

Insurance premiums of the Group increased 5.5% year on year to ¥3,024.3 billion. This was mainly attributable to an increase in insurance premiums and other of the Company and growing contributions from StanCorp Financial Group, Inc.

Insurance Premiums of the Group



Insurance Claims, Annuities and Benefits on Policies Paid

¥1,705.6 billion

During the fiscal year ended March 31, 2018, the total of insurance claims, annuities and benefits on policies paid stood at ¥1,705.6 billion, approximately ¥4.6 billion per day. Going forward, Meiji Yasuda Life will continue to make sure that these payments are promptly and accurately carried out. By doing this, we will continue to provide reliable insurance service that brings our customers peace of mind.

Benefits

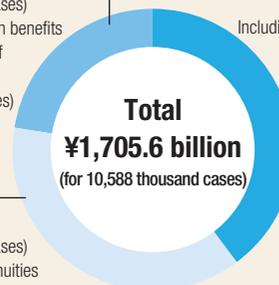
¥380.4 billion
(for 3,666 thousand cases)
Including hospitalization benefits and surgical benefits of ¥49.3 billion
(for 578 thousand cases)

Annuities

¥645.3 billion
(for 6,672 thousand cases)
Including individual annuities of ¥383.3 billion
(for 713 thousand cases)

Insurance Claims

¥679.8 billion
(for 249 thousand cases)
Including death insurance claims of ¥382.0 billion
(for 101 thousand cases)



(Year ended March 31, 2018)

Non-Consolidated Operating Results

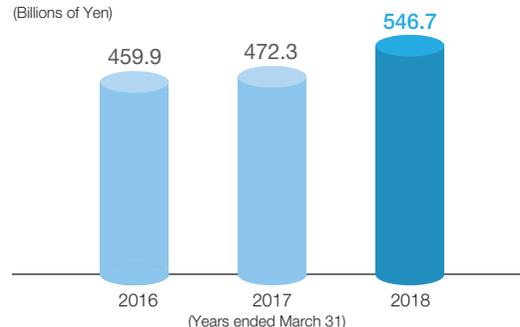
Base Profit⁴

¥546.7 billion

Base profit of the Company rose 15.7% year on year to ¥546.7 billion, hitting a record high since the inauguration of Meiji Yasuda Life.

Base Profit

(Billions of Yen)



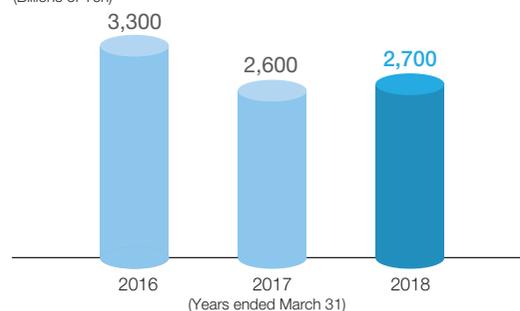
Insurance Premiums and Other⁵

¥2,719.4 billion

Insurance premiums and other of the Company increased 4.0% year on year to ¥2,719.4 billion.

Insurance Premiums and Other

(Billions of Yen)



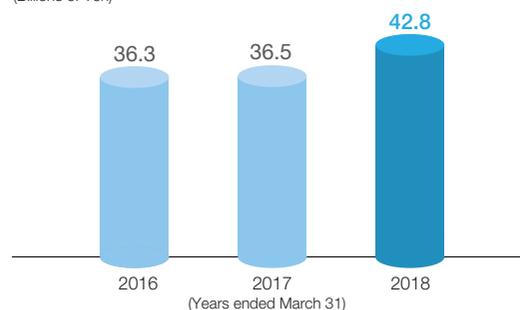
Annualized New Premiums⁶ (third-sector insurance)

¥42.8 billion

Annualized new premiums of the Company (third-sector insurance) climbed 17.2% year on year to ¥42.8 billion.

Annualized New Premiums (third-sector insurance)

(Billions of Yen)



1. Base profit of the Group represents the total of base profit recorded by Meiji Yasuda Life ("base profit of the Company"; see 4. below) and income before income taxes posted by consolidated subsidiaries as well as equity-method affiliates (capital gains and losses are deducted from income before income taxes; as for equity-method affiliates, income before income taxes is commensurate with the proportion of equity held by the Company; intra-group transactions are eliminated from the base profit figure). Base profit of StanCorp is calculated without taking into account the amortization of expenses in relation to acquiring the policies in force.

2. Base profit of the Group's insurance business excluding the Company's domestic life insurance business.

3. Insurance premiums and other recorded on the consolidated statement of income.

4. Base profit of the Company is identified as an indicator of annualized earnings from Meiji Yasuda Life's mainstay insurance operations. This consists of gains and losses from life insurance business, such as insurance premiums and other, insurance claims and business expenses, as well as gains and losses attributable to asset management activities, including interest, dividends and other income.

5. Insurance premiums and other represent gains from insurance premiums paid by policyholders and proceeds from reinsurance refunds.

6. A performance indicator that represents the annualized total of insurance premiums paid for new policies to obtain coverage under such insurance products as medical insurance and living benefits as well as benefits subject to premium payment waiver.

Financial Soundness

Maintaining Superior Soundness through Coordinated Efforts to Strengthen the Financial Base

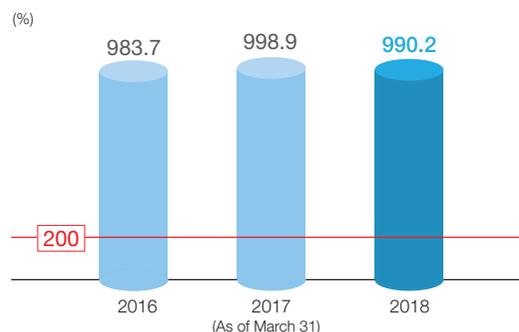
Consolidated Solvency Margin Ratio

990.2 %

One of several regulatory indicators displaying the soundness of insurers, the solvency margin ratio is presented to determine whether or not the insurer has sufficient claims-paying ability capable of withstanding the occurrence of such events as a collapse of stock prices that goes beyond usually predictable risk. When an insurer fails to maintain its solvency margin ratio at 200% or greater, such insurer is subject to a business improvement order and other administrative orders issued by a supervisory authority.

Our consolidated solvency margin ratio stood at 990.2%, maintaining the indicator at a high level.

Consolidated Solvency Margin Ratio

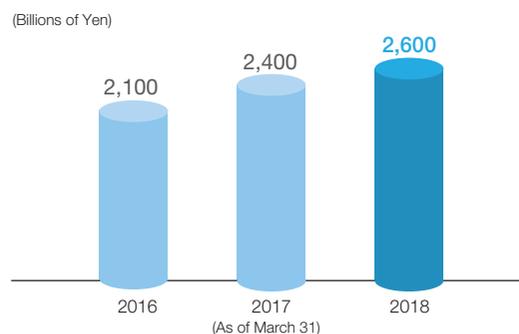


On-Balance Sheet Capital (Non-consolidated basis)

¥2,651.1 billion

Meiji Yasuda Life has defined on-balance sheet capital as the total amount of specified internal reserves and externally financed capital. The Company is steadily strengthening its capital, thereby securing preparedness to various risks.

On-Balance Sheet Capital

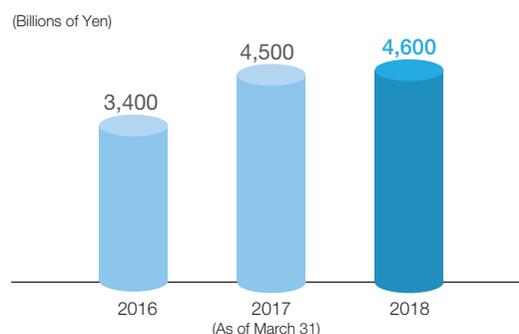


European Embedded Value (EEV)

¥4,647.1 billion

EEV is an indicator that shows the corporate value of insurance companies. On a consolidated basis, our EEV amounted to ¥4,647.1 billion.

European Embedded Value (EEV)



Ratings(Non-consolidated basis)

Ratings represent a ranking of businesses or other entities on the basis of such factors as their profitability and financial standing. After making comprehensive assessment of these factors from various perspectives, rating agencies provide ratings, using easily understandable letter-code designations. Meiji Yasuda Life consistently earns high ratings from these agencies. (As of May 1, 2018)

Notes:

1. Insurance claims-paying ability and insurance claims-paying ability rating represent an agency's evaluation of the likelihood that a particular insurer will be able to fulfill its outstanding insurance obligations based on existing policies. An insurance financial strength rating represents an agency's evaluation of a particular insurer's ability to pay preferred liabilities stipulated in insurance policies without delay. An insurer financial strength rating represents an agency's evaluation of a particular insurer's financial position, which secures its ability to pay claims and benefits in accordance with conditions set forth in policies.
2. The ratings presented at the right were provided upon the request of Meiji Yasuda Life.
3. The abovementioned agencies are registered as credit rating agencies certified by Japan's Financial Services Agency.
4. The ratings are presented with no intention of encouraging the enrollment, surrender or extension of individual insurance policies.
5. These ratings simply represent the agencies' evaluation as of the date stated above. Therefore, they could be changed, suspended or withdrawn in the future.

Rating and Investment Information (R&I)

Insurance claims-paying ability

AA-

Japan Credit Rating Agency (JCR)

Insurance claims-paying ability rating

AA-

Moody's

Insurance financial strength rating

A1

Standard & Poor's (S&P)

Insurer financial strength rating

A

Significantly Boosting the Return of Surplus to Our Policyholders Compared with the Previous Fiscal Year

As a mutual company, Meiji Yasuda Life is striving to maintain the stream of policyholder dividends over the medium to long term, with the aim of mitigating burdens placed on policyholders who pay insurance premiums.

In light of financial results for the fiscal year ended March 31, 2018, Meiji Yasuda Life reviewed the rate of dividends on certain individual life insurance and individual annuities, thereby deciding to raise the rate of dividends linked to mortality profit for policies with death coverage. This decision was made by taking into account such factors as an improvement in the mortality rate.

Raising the rate of dividends for a second consecutive year, the Company will significantly boost the return of surplus to policyholders compared with the previous fiscal year.

Provision for Policyholders' Dividend Reserves

(Billions of Yen)



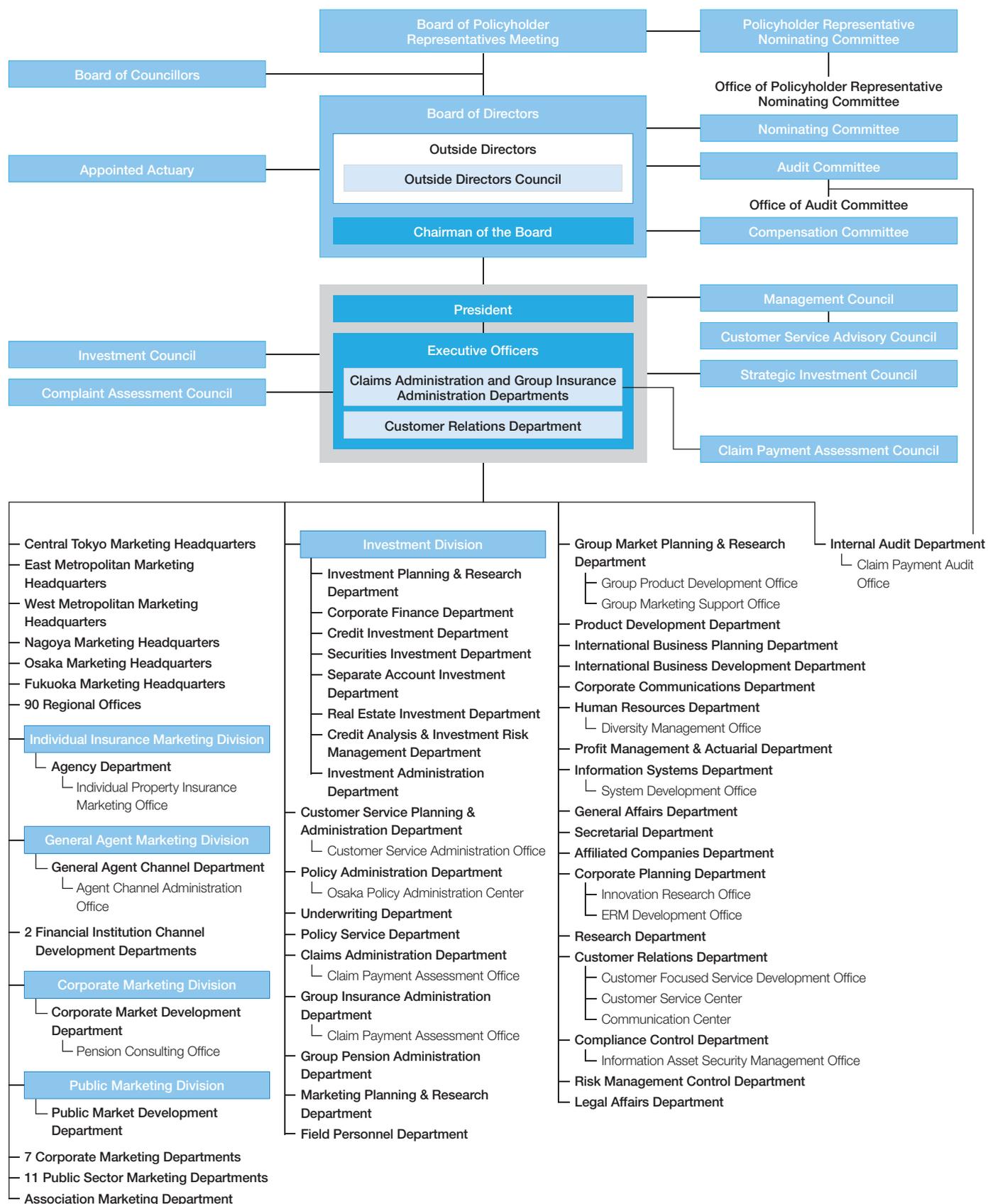
Company Information

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Company Organization

(As of July 3, 2018)



Sources of Foundation Funds / Status of Employees

Contributors

(As of March 31, 2018)

Contributors	Size of Contribution	
	Amounts Contributed (millions of yen)	Proportion (%)
Meiji Yasuda Life 2016 Fund Special Purpose Company, Ltd.	100,000	38.46
Meiji Yasuda Life 2014 Fund Special Purpose Company, Ltd.	60,000	23.08
Meiji Yasuda Life 2013 Fund Special Purpose Company, Ltd.	50,000	19.23
Meiji Yasuda Life 2017 Fund Special Purpose Company, Ltd.	50,000	19.23

Note: Meiji Yasuda Life 2013 Fund Special Purpose Company, Ltd., Meiji Yasuda Life 2014 Fund Special Purpose Company, Ltd., Meiji Yasuda Life 2016 Fund Special Purpose Company, Ltd. and Meiji Yasuda Life 2017 Fund Special Purpose Company, Ltd. have issued special corporate bonds, backed by claims on the funds. Proceeds from bond issuance are used to purchase claims on the funds. The Company has not made investments in any of these special purpose companies.

Status of Employees

As of and years ended March 31,	Total Employees		New Recruits		2018	
	2017	2018	2017	2018	Average age	Average length of service
Permanent staff	10,451	10,485	290	275	44 years, 0 month	16 years, 1 month
Male	4,439	4,442	131	139	44 years, 1 month	20 years, 6 months
Female	6,012	6,043	159	136	43 years, 11 months	12 years, 10 months
Sales personnel	31,421	31,776	5,327	5,660	47 years, 4 months	10 years, 7 months
Male	7	7	0	0	74 years, 1 month	43 years, 5 months
Female	31,414	31,769	5,327	5,660	47 years, 4 months	10 years, 7 months

Notes: 1. The scope of the total employees (permanent staff) excludes those seconded to external companies, those taking long-term leave and those dedicated to service for labor unions.

2. New recruits (permanent staff) indicates the number of new employees who joined the Company immediately after graduation.

Reference: Status of Employees (Consolidated Basis)

As of March 31,	Total Employees	
	2017	2018
Permanent staff	15,220	15,360
Sales personnel	31,421	31,776

Domestic Subsidiaries, Affiliates and Others

(As of March 31, 2018)

Consolidated Subsidiaries

Company name	Main business site	Capital (millions of yen)	Establishment	Principal business	Proportion of voting rights held by Meiji Yasuda Life (%)	Proportion of voting rights held by Meiji Yasuda Life's subsidiaries (%)	Relationships with Meiji Yasuda Life
Meiji Yasuda General Insurance Co., Ltd.	Chiyoda-ku, Tokyo	52,000	August 8, 1996	Nonlife insurance (property and casualty)	100.0	0.0	<ul style="list-style-type: none"> Three of whose directors/officers concurrently serve as the Company's officers The Company serves as a nonlife insurance agency for this subsidiary A tenant of a building owned by the Company
Meiji Yasuda Asset Management Company Ltd.	Minato-ku, Tokyo	1,000	November 15, 1986	Investment advisory and agency business, investment management business and "Type II Financial Instruments Business"	92.9	0.0	<ul style="list-style-type: none"> Two of whose directors/officers concurrently serve as the Company's officers Commissioned by the Company to provide investment advisory services
Meiji Yasuda System Technology Company Limited	Koto-ku, Tokyo	100	April 1, 1982	Development, operation and management of systems; consulting service; payment collection; services related to nursing care and disease prevention	31.1	41.3	<ul style="list-style-type: none"> One of whose directors/officers concurrently serves as the Company's officer Commissioned by the Company to provide such services as system development A tenant of a building owned by the Company

Others

Company name	Main business site	Capital or Investment (millions of yen)	Establishment	Principal business	Proportion of voting rights held by Meiji Yasuda Life (%)	Proportion of voting rights held by Meiji Yasuda Life's subsidiaries (%)
Meiji Yasuda Insurance Service Company, Limited	Shinjuku-ku, Tokyo	30	April 5, 1984	Insurance agency	100.0	0.0
Meiji Capital 9th Investment Partnership	Chiyoda-ku, Tokyo	191 (Investment)	May 22, 2008	Investment in unlisted companies and management of invested capital	—	—
RP Alpha Tokutei Mokuteki Kaisha	Chuo-ku, Tokyo	15,210	August 7, 2001	Real estate and related investment	—	—
Meiji Yasuda Real Estate Management Company Limited	Shinagawa-ku, Tokyo	10	May 1, 1963	Building management	100.0	0.0
Meiji Yasuda Life Planning Center Company, Limited	Toshima-ku, Tokyo	10	November 10, 1978	Insurance-related clerical work; insurance agency; survey and research regarding life planning; consulting service	100.0	0.0
MYJ Co., Ltd.	Koto-ku, Tokyo	100	April 1, 1987	Accounting and record keeping related to policyholder services; life insurance contract confirmation; printing, book binding, packaging and distribution; insurance agency; clerical work related to employee benefit programs	100.0	0.0
Diamond Athletics, Ltd.	Minato-ku, Tokyo	50	July 1, 1983	Operation of athletic clubs	35.0	0.0
Meiji Yasuda Institute of Life and Wellness, Inc.	Chiyoda-ku, Tokyo	25	July 1, 1991	Survey, research and consulting regarding pension plans, healthcare, medical care, nursing care and life planning aimed at promoting wellness in an aging society	50.0	41.0
Sunvenus Tachikawa Company Limited	Tachikawa City, Tokyo	490	December 1, 1987	Operation of private nursing home	100.0	0.0
Meiji yasuda Business Plus Co., Ltd.	Koto-ku, Tokyo	80	June 1, 2017	Preparation, printing, binding and distribution of documents, business forms and other printed materials as well as administrative operations associated with employee benefit programs	100.0	0.0
Meiji Yasuda Trading Company, Limited	Taito-ku, Tokyo	10	April 1, 1975	Brokerage of goods, sale of goods and administrative operations associated with employee benefit programs	100.0	0.0
MST Insurance Service Co., Ltd.	Shinjuku-ku, Tokyo	1,010	October 1, 2003	Insurance agency	16.1	0.0
Yasuda Enterprise Development Co., Ltd.	Chiyoda-ku, Tokyo	100	December 17, 1996	Venture capital	50.0	0.0
The Mitsubishi Asset Brains Company, Limited	Minato-ku, Tokyo	480	December 25, 1998	Research and evaluation of investment trusts; investment advisory and agency business	25.0	0.0
KSP COMMUNITY, Inc.	Kawasaki City, Kanagawa	20	October 25, 1988	Management of Kanagawa Science Park Building	10.0	8.5
Japan Pension Service Co., Ltd.	Osaka City, Osaka	2,000	April 1, 1988	Clerical work and system development related to corporate pensions	39.7	0.0

Notes: 1. In addition to those listed above, Meiji Yasuda Life's subsidiaries include THE YASUDA ENTERPRISE DEVELOPMENT IV, LIMITED PARTNERSHIP, which is under liquidation procedures as of March 31, 2018.

2. The investment amount in Meiji Capital 9th Investment Partnership represents the figure as of December 31, 2017.

Reference: Foundations

Foundation name	Main business site	Capital endowment (millions of yen)	Establishment	Principal function
Meiji Yasuda Life Foundation of Health and Welfare	Shinjuku-ku, Tokyo	250	June 6, 1962	Surveys and research aimed at contributing to health promotion, development and provision of services aimed at supporting health maintenance, and assistance to younger researchers
Meiji Yasuda Mental Health Foundation	Toshima-ku, Tokyo	460	March 26, 1965	Assistance with research in the child psychiatry and psychology fields, expert counseling addressing the upbringing of children with development issues or disabilities, psychological counseling and the provision of training sessions
The Meiji Yasuda Cultural Foundation	Shinjuku-ku, Tokyo	1,520	June 10, 1991	Fostering artists and other human resources in the field of music; the maintenance of cultural traditions, including nurturing successors, to ensure the preservation of these traditions
Meiji Yasuda Health Development Foundation	Shinjuku-ku, Tokyo	3	December 1, 2016	Provision of health checkups, surveys and research aimed at improving public hygiene, circulation of expertise to raise the public's health awareness, and assistance to organizations engaging in health promotion surveys and research

Overseas Subsidiaries, Affiliates and Others

(As of March 31, 2018)

Consolidated Subsidiaries

Company name	Main business site	Capital	Establishment	Principal business	Proportion of voting rights held by Meiji Yasuda Life (%)	Proportion of voting rights held by Meiji Yasuda Life's subsidiaries (%)	Relationships with Meiji Yasuda Life
Pacific Guardian Life Insurance Company, Limited	Honolulu, Hawaii, U.S.A.	USD 6.35 million	August 3, 1961	Life and health insurance	100.0	0.0	One of whose directors/officers concurrently serves as the Company's officer
StanCorp Financial Group, Inc.	Portland, Oregon, U.S.A.	USD 4,950 million	September 23, 1998	Life insurance and insurance related-businesses	100.0	0.0	One of whose directors/officers concurrently serves as the Company's officer
Meiji Yasuda America Incorporated	New York, New York, U.S.A.	USD 42.66 million	August 3, 1998	Real estate investment in the United States and financial and economic research	100.0	0.0	—

Equity-Method Affiliates

Company name	Main business site	Capital	Establishment	Principal business	Proportion of voting rights held by Meiji Yasuda Life (%)	Proportion of voting rights held by Meiji Yasuda Life's subsidiaries (%)	Relationships with Meiji Yasuda Life
Founder Meiji Yasuda Life Insurance Co., Ltd.	Shanghai, China	CNY 1,930 million	November 28, 2002	Life insurance	29.2	0.0	Two of whose directors/officers concurrently serve as the Company's officers
PT AVRIST Assurance	Jakarta, Indonesia	IDR 4.5 billion	May 19, 1975	Life insurance	29.9	0.0	—
Towarzystwo Ubezpieczeń EUROPA Spółka Akcyjna (TU Europa S.A.)	Wroclaw, Poland	PLN 37.8 million	November 28, 1994	Nonlife insurance	33.5	0.0	—
Towarzystwo Ubezpieczeń i Reasekuracji WARTA Spółka Akcyjna (TUIR Warta S.A.)	Warsaw, Poland	PLN 187.938 million	September 3, 1920	Nonlife insurance	24.3	0.0	—
Thai Life Insurance Public Company Limited	Bangkok, Thailand	THB 10.6 billion	January 22, 1942	Life insurance	15.0	0.0	One of whose directors/officers concurrently serves as the Company's officer

Others

Company name	Main business site	Capital	Establishment	Principal business	Proportion of voting rights held by Meiji Yasuda Life (%)	Proportion of voting rights held by Meiji Yasuda Life's subsidiaries (%)
Meiji Yasuda Europe Limited	London, UK	GBP 4 million	August 10, 1987	Financial and economic research, and customer development assistance in financing business	100.0	0.0
Meiji Yasuda Asia Limited	Hong Kong, China	USD 3 million	December 17, 2001	Brokerage of insurance products, investment advisory, investment management, financial and economic research, customer development assistance in financing business	100.0	0.0

Notes: 1. Equity stakes were acquired in Pacific Guardian Life Insurance Company, Limited (March 1976), StanCorp Financial Group, Inc. (March 2016), Founder Meiji Yasuda Life Insurance Co., Ltd. (December 2010), PT AVRIST Assurance (November 2010), Towarzystwo Ubezpieczeń EUROPA Spółka Akcyjna (June 2012), Towarzystwo Ubezpieczeń i Reasekuracji WARTA Spółka Akcyjna (July 2012) and Thai Life Insurance Public Company Limited (November 2013).

2. The status of the subsidiaries of Meiji Yasuda Life's overseas subsidiaries and affiliates follows:

- StanCorp Financial Group, Inc.: Ten subsidiaries (nine of which are Meiji Yasuda Life's subsidiaries, with another being Meiji Yasuda Life's affiliate)
- Meiji Yasuda America Incorporated: Two subsidiaries (Meiji Yasuda Life's subsidiaries)
- PT AVRIST Assurance: Two subsidiaries (Meiji Yasuda Life's affiliates)
- Towarzystwo Ubezpieczeń EUROPA Spółka Akcyjna: Three subsidiaries (Meiji Yasuda Life's affiliates)
- Towarzystwo Ubezpieczeń i Reasekuracji WARTA Spółka Akcyjna: One subsidiary (Meiji Yasuda Life's affiliate)

Financial Section

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Consolidated Balance Sheets

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
ASSETS:			
Cash and deposits (Notes 3, 4, and 7)	¥ 646,020	¥ 505,583	\$ 6,080
Call loans (Note 3)	90,000	90,000	847
Monetary claims bought (Note 4)	214,730	220,118	2,021
Money held in trust (Note 4)	13,076	200	123
Securities (Notes 4, 5, 6, 7, and 8)	33,128,510	32,046,079	311,827
Loans (Notes 4, 7, 9, and 10)	5,276,491	5,422,653	49,665
Tangible fixed assets (Notes 11, 12, and 13)			
Land	614,975	617,501	5,788
Buildings	287,061	295,568	2,702
Leased assets	787	612	7
Construction in progress	5,273	3,239	49
Other tangible fixed assets	7,710	6,253	72
Subtotal	915,808	923,175	8,620
Intangible fixed assets			
Software	60,733	59,942	571
Goodwill	143,246	155,799	1,348
Other intangible fixed assets	281,087	301,615	2,645
Subtotal	485,067	517,358	4,565
Due from agents	1,569	1,592	14
Reinsurance receivables	121,167	120,163	1,140
Other assets	518,444	455,560	4,879
Net defined benefit assets (Note 14)	113,534	92,747	1,068
Deferred tax assets (Note 15)	2,375	2,498	22
Customers' liabilities under acceptances and guarantees	21,727	20,888	204
Allowance for possible loan losses	(5,100)	(5,848)	(48)
Total assets	¥41,543,423	¥40,412,770	\$391,033
LIABILITIES:			
Policy reserves and other reserves			
Reserve for outstanding claims	¥ 735,955	¥ 732,370	\$ 6,927
Policy reserves	33,901,297	33,332,707	319,101
Policyholders' dividend reserves (Note 16)	233,768	236,959	2,200
Subtotal	34,871,021	34,302,037	328,228
Due to agents	2,931	2,990	27
Reinsurance payables	1,199	815	11
Bonds payable (Notes 4 and 17)	482,356	409,753	4,540
Other liabilities	891,457	531,235	8,390
Net defined benefit liabilities (Note 14)	6,328	8,769	59
Reserve for contingent liabilities (Note 18)	1	1	0
Reserve for price fluctuation	685,414	578,227	6,451
Deferred tax liabilities (Note 15)	377,710	433,794	3,555
Deferred tax liabilities for land revaluation	79,522	79,910	748
Acceptances and guarantees	21,727	20,888	204
Total liabilities	37,419,670	36,368,425	352,218
NET ASSETS:			
Foundation funds (Note 19)	260,000	310,000	2,447
Reserve for redemption of foundation funds (Note 19)	620,000	520,000	5,835
Reserve for revaluation	452	452	4
Surplus	504,951	514,726	4,752
Total funds, reserve and surplus	1,385,404	1,345,179	13,040
Net unrealized gains on available-for-sale securities	2,583,926	2,542,572	24,321
Deferred unrealized gains on derivatives under hedge accounting	35,881	39,643	337
Land revaluation differences	118,189	117,025	1,112
Foreign currency translation adjustments	(27,485)	(19,750)	(258)
Remeasurements of defined benefit plans	23,861	15,701	224
Total accumulated other comprehensive income	2,734,374	2,695,192	25,737
Non-controlling interests	3,974	3,974	37
Total net assets	4,123,752	4,044,345	38,815
Total liabilities and net assets	¥41,543,423	¥40,412,770	\$391,033

Consolidated Statements of Income

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
ORDINARY INCOME:			
Insurance premiums and other	¥3,024,398	¥2,866,387	\$28,467
Investment income			
Interest, dividends and other income	832,383	772,142	7,834
Gains on money held in trust	23	—	0
Gains on sales of securities	27,554	23,968	259
Gains on redemption of securities	59,184	57,323	557
Reversal of allowance for possible loan losses	270	—	2
Other investment income	2,010	2,175	18
Investment gains on separate accounts	37,356	15,807	351
Subtotal	958,785	871,417	9,024
Other ordinary income	133,890	137,663	1,260
Total ordinary income	4,117,073	3,875,469	38,752
ORDINARY EXPENSES:			
Benefits and other payments			
Claims paid	765,271	635,367	7,203
Annuity payments	647,404	697,062	6,093
Benefit payments	508,026	501,942	4,781
Surrender benefits	421,909	454,118	3,971
Other refunds	86,188	94,717	811
Subtotal	2,428,801	2,383,208	22,861
Provision for policy reserves and other reserves			
Provision for reserve for outstanding claims	19,170	7,151	180
Provision for policy reserves	417,353	324,535	3,928
Provision for interest on policyholders' dividend reserves (Note 16)	106	135	0
Subtotal	436,630	331,822	4,109
Investment expenses			
Interest expenses	32,897	29,114	309
Losses on sales of securities	38,219	32,216	359
Losses on valuation of securities	8,816	12,137	82
Losses on redemption of securities	4,307	4,433	40
Losses on derivative financial instruments	110,895	88,918	1,043
Foreign exchange losses	8,679	399	81
Provision for allowance for possible loan losses	—	1,801	—
Depreciation of real estate for non-insurance business	10,300	9,513	96
Other investment expenses	24,660	18,534	232
Subtotal	238,776	197,070	2,247
Operating expenses (Note 21)	461,670	439,743	4,345
Other ordinary expenses	181,004	208,741	1,703
Total ordinary expenses	3,746,883	3,560,586	35,268
Ordinary profit	370,190	314,883	3,484
Extraordinary gains			
Gains on disposals of fixed assets	1,678	2,045	15
Reversal of reserve for contingent liabilities	0	0	0
Subtotal	1,678	2,045	15
Extraordinary losses			
Losses on disposals of fixed assets	1,827	4,317	17
Impairment losses (Note 13)	896	3,152	8
Provision for reserve for price fluctuation	107,196	56,121	1,009
Losses on reduction entry of real estate	—	333	—
Contributions for promotion of social welfare project	553	582	5
Other extraordinary losses	40	1	0
Subtotal	110,515	64,510	1,040
Surplus before income taxes and non-controlling interests	261,353	252,418	2,460
Income taxes (Note 15)			
Current	58,604	38,003	551
Deferred	(63,225)	(10,193)	(595)
Total income taxes	(4,621)	27,809	(43)
Net surplus	265,974	224,608	2,503
Net surplus attributable to non-controlling interests	935	878	8
Net surplus attributable to the Parent Company	¥ 265,038	¥ 223,730	\$ 2,494

Consolidated Statements of Comprehensive Income

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Net surplus	¥265,974	¥224,608	\$2,503
Other comprehensive income (loss) (Note 24)	35,923	306,994	338
Net unrealized gains (losses) on available-for-sale securities	36,425	250,844	342
Deferred unrealized gains (losses) on derivatives under hedge accounting	(3,761)	983	(35)
Foreign currency translation adjustments	(19,061)	11,887	(179)
Remeasurements of defined benefit plans	8,339	47,977	78
Share of other comprehensive income (loss) of associates accounted for under the equity method	13,980	(4,699)	131
Comprehensive income (loss)	¥301,898	¥531,602	\$2,841
Comprehensive income (loss) attributable to the Parent Company	300,965	530,605	2,832
Comprehensive income (loss) attributable to non-controlling interests	932	997	8

Consolidated Statements of Changes in Net Assets

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

Year ended March 31, 2017

(Millions of Yen)

	Funds, reserves and surplus					Accumulated other comprehensive income (loss)							Total net assets
	Foundation funds (Note 19)	Reserve for redemption of foundation funds (Note 19)	Reserve for revaluation	Surplus	Total funds, reserves and surplus	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Beginning balance	¥260,000	¥470,000	¥452	¥506,083	¥1,236,536	¥2,291,022	¥38,659	¥119,894	¥(26,190)	¥(32,200)	¥2,391,186	¥3,947	¥3,631,671
Changes in the fiscal year													
Issuance of foundation funds	100,000				100,000								100,000
Additions to policyholders' dividend reserves (Note 16)				(165,707)	(165,707)								(165,707)
Additions to reserve for redemption of foundation funds		50,000			50,000								50,000
Payment of interest on foundation funds				(2,101)	(2,101)								(2,101)
Net surplus attributable to the Parent Company				223,730	223,730								223,730
Redemption of foundation funds	(50,000)				(50,000)								(50,000)
Reversal of reserve for fund redemption				(50,000)	(50,000)								(50,000)
Reversal of land revaluation differences				2,868	2,868								2,868
Changes in equity attributable to the Parent Company arising from transactions with non-controlling interests				(147)	(147)								(147)
Net changes, excluding funds, reserves and surplus						251,549	983	(2,868)	6,439	47,901	304,005	26	304,032
Net changes in the fiscal year	50,000	50,000	—	8,642	108,642	251,549	983	(2,868)	6,439	47,901	304,005	26	412,674
Ending balance	¥310,000	¥520,000	¥452	¥514,726	¥1,345,179	¥2,542,572	¥39,643	¥117,025	¥(19,750)	¥15,701	¥2,695,192	¥3,974	¥4,044,345

Year ended March 31, 2018

(Millions of Yen)

	Funds, reserves and surplus					Accumulated other comprehensive income (loss)							Total net assets
	Foundation funds (Note 19)	Reserve for redemption of foundation funds (Note 19)	Reserve for revaluation	Surplus	Total funds, reserves and surplus	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Beginning balance	¥310,000	¥520,000	¥452	¥514,726	¥1,345,179	¥2,542,572	¥39,643	¥117,025	¥(19,750)	¥15,701	¥2,695,192	¥3,974	¥4,044,345
Changes in the fiscal year													
Issuance of foundation funds	50,000				50,000								50,000
Additions to policyholders' dividend reserves (Note 16)				(169,815)	(169,815)								(169,815)
Additions to reserve for redemption of foundation funds		100,000			100,000								100,000
Payment of interest on foundation funds				(1,846)	(1,846)								(1,846)
Net surplus attributable to the Parent Company				265,038	265,038								265,038
Redemption of foundation funds	(100,000)				(100,000)								(100,000)
Reversal of reserve for fund redemption				(100,000)	(100,000)								(100,000)
Reversal of land revaluation differences				(1,163)	(1,163)								(1,163)
Changes in equity attributable to the Parent Company arising from transactions with non-controlling interests				(133)	(133)								(133)
Increase due to merger				235	235								235
Increase (decrease) in accumulated other comprehensive income due to change in US tax rate				(2,091)	(2,091)								(2,091)
Net changes, excluding funds, reserves and surplus						41,354	(3,761)	1,163	(7,734)	8,159	39,181	0	39,181
Net changes in the fiscal year	(50,000)	100,000	—	(9,774)	40,225	41,354	(3,761)	1,163	(7,734)	8,159	39,181	0	79,406
Ending balance	¥260,000	¥620,000	¥452	¥504,951	¥1,385,404	¥2,583,926	¥35,881	¥118,189	¥(27,485)	¥23,861	¥2,734,374	¥3,974	¥4,123,752

Consolidated Statements of Changes in Net Assets (continued)

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

Year ended March 31, 2018

(Millions of U.S. Dollars)

	Funds, reserves and surplus				Accumulated other comprehensive income (loss)								Total net assets
	Foundation funds (Note 19)	Reserve for redemption of foundation funds (Note 19)	Reserve for revaluation	Surplus	Total funds, reserves and surplus	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Beginning balance	\$2,917	\$4,894	\$4	\$4,844	\$12,661	\$23,932	\$373	\$1,101	\$(185)	\$147	\$25,368	\$37	\$38,068
Changes in the fiscal year													
Issuance of foundation funds	470				470								470
Additions to policyholders' dividend reserves (Note 16)				(1,598)	(1,598)								(1,598)
Additions to reserve for redemption of foundation funds		941			941								941
Payment of interest on foundation funds				(17)	(17)								(17)
Net surplus attributable to the Parent Company				2,494	2,494								2,494
Redemption of foundation funds	(941)				(941)								(941)
Reversal of reserve for fund redemption				(941)	(941)								(941)
Reversal of land revaluation differences				(10)	(10)								(10)
Changes in equity attributable to the Parent Company arising from transactions with non-controlling interests				(1)	(1)								(1)
Increase due to merger				2	2								2
Increase (decrease) in accumulated other comprehensive income due to change in US tax rate				(19)	(19)								(19)
Net changes, excluding funds, reserves and surplus						389	(35)	10	(72)	76	368	0	368
Net changes in the fiscal year	(470)	941	—	(92)	378	389	(35)	10	(72)	76	368	0	747
Ending balance	\$2,447	\$5,835	\$4	\$4,752	\$13,040	\$24,321	\$337	\$1,112	\$(258)	\$224	\$25,737	\$37	\$38,815

Consolidated Statements of Cash Flows

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
I Cash flows from operating activities			
Surplus before income taxes and non-controlling interests	¥ 261,353	¥ 252,418	\$ 2,460
Depreciation of real estate for non-insurance business	10,300	9,513	96
Depreciation	47,087	44,440	443
Impairment losses	896	3,152	8
Amortization of goodwill	7,885	6,773	74
Increase (Decrease) in reserve for outstanding claims	22,034	10,563	207
Increase (Decrease) in policy reserves	510,493	420,352	4,805
Provision for interest on policyholders' dividend reserves	106	135	0
Increase (Decrease) in allowance for possible loan losses	(748)	391	(7)
Increase (Decrease) in net defined benefit liabilities	(5,142)	(2,248)	(48)
Increase (Decrease) in accrued retirement benefits for directors and executive officers	—	(82)	—
Increase (Decrease) in reserve for contingent liabilities	(0)	(0)	(0)
Increase (Decrease) in reserve for price fluctuation	107,196	56,121	1,009
Interest, dividends, and other income	(832,383)	(772,142)	(7,834)
Losses (Gains) on securities	154,833	1,739	1,457
Interest expenses	32,897	29,114	309
Foreign exchange losses (gains)	2,409	314	22
Losses (Gains) on tangible fixed assets	247	2,407	2
Investment losses (gains) on equity method	(3,285)	(664)	(30)
Decrease (Increase) in due from agents	22	244	0
Decrease (Increase) in reinsurance receivables	(4,581)	(1,464)	(43)
Decrease (Increase) in other assets (excluding those related to investing and financing activities)	(87,514)	53,346	(823)
Increase (Decrease) in due to agents	30	86	0
Increase (Decrease) in reinsurance payables	383	(16)	3
Increase (Decrease) in other liabilities (excluding those related to investing and financing activities)	(22,442)	41,165	(211)
Others, net	(2,955)	10,822	(27)
Subtotal	199,122	166,484	1,874
Interest, dividends, and other income received	882,268	830,960	8,304
Interest paid	(31,836)	(28,393)	(299)
Policyholders' dividends paid	(173,157)	(169,832)	(1,629)
Income taxes paid	(31,051)	(23,230)	(292)
Net cash provided by operating activities	845,345	775,989	7,956
II Cash flows from investing activities			
Net decrease (increase) in deposits	(1,087)	21,082	(10)
Purchase of monetary claims bought	(18,200)	(36,100)	(171)
Proceeds from sales and redemption of monetary claims bought	23,376	38,734	220
Purchase of money held in trust	(9,800)	—	(92)
Purchase of securities	(4,432,833)	(3,346,498)	(41,724)
Proceeds from sales and redemption of securities	3,311,315	2,256,783	31,168
Loans extended	(1,150,256)	(1,021,210)	(10,826)
Proceeds from collection of loans	1,267,871	1,243,234	11,934
Net increase (decrease) in cash collateral under securities borrowing / lending transactions	337,468	95,952	3,176
Total investment activities (IIa)	(672,146)	(748,021)	(6,326)
[I + IIa]	173,199	27,968	1,630
Purchase of tangible fixed assets	(16,909)	(28,115)	(159)
Proceeds from sales of tangible fixed assets	3,669	13,549	34
Purchase of intangible fixed assets	(26,115)	(23,836)	(245)
Others, net	(1,172)	(452)	(11)
Net cash used in investing activities	(712,674)	(786,877)	(6,708)
III Cash flows from financing activities			
Proceeds from debt	316	—	2
Repayments of debt	(316)	(100,000)	(2)
Proceeds from issuance of bonds payable	99,331	114,204	934
Redemption of bonds payable	(28,577)	—	(268)
Proceeds from issuance of foundation funds	50,000	100,000	470
Redemption of foundation funds	(100,000)	(50,000)	(941)
Payment of interest on foundation funds	(1,846)	(2,101)	(17)
Acquisition of stock of subsidiaries without change in scope of consolidation	(831)	(841)	(7)
Others, net	(6,080)	(5,822)	(57)
Net cash provided by financing activities	11,995	55,439	112
IV Effect of foreign exchange rate changes on cash and cash equivalents	(3,187)	734	(30)
V Net increase (decrease) in cash and cash equivalents	141,479	45,286	1,331
VI Cash and cash equivalents at the beginning of the year	577,833	532,547	5,438
VII Increase in cash and cash equivalents due to merger with unconsolidated subsidiaries	867	—	8
VIII Cash and cash equivalents at the end of the year (Note 3)	¥ 720,180	¥ 577,833	\$ 6,778

1. Basis of Presentation

MEIJI YASUDA LIFE INSURANCE COMPANY (hereafter, “the Company”) has prepared the accompanying consolidated financial statements in accordance with the provisions set forth in the Japanese “Insurance Business Act” and its related accounting regulations in Japan, and in conformity with accounting principles generally accepted in Japan, which may differ in certain respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan. The accounts of overseas subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles in the respective countries of domicile. In preparing the accompanying consolidated financial statements, certain reclassifications have been made to the consolidated financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts are rounded down to the nearest million yen. As a result, the totals do not add up. The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the exchange rate prevailing at March 31, 2018, which was ¥106.24 to U.S. \$1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. Summary of Significant Accounting Policies

(1) Principles of consolidation

a. Consolidated subsidiaries

The numbers of consolidated subsidiaries were 17 and 17 as of March 31, 2017 and 2018, respectively. The consolidated subsidiaries as of March 31, 2018 include as follows:

Meiji Yasuda General Insurance Co., Ltd. (Japan)
Meiji Yasuda Asset Management Company Ltd. (Japan)
Meiji Yasuda System Technology Company Limited (Japan)
Pacific Guardian Life Insurance Company, Limited (U.S.A.)
StanCorp Financial Group, Inc. (U.S.A.)
Meiji Yasuda America Incorporated (U.S.A.)

The aforementioned Meiji Yasuda America Incorporated is a company formed by way of the merger of Meiji Yasuda Realty USA Incorporated, consolidated subsidiary and Meiji Yasuda America Incorporated, unconsolidated subsidiary on December 31, 2017.

The subsidiaries excluded from consolidation include subsidiaries such as Meiji Yasuda Life Planning Center Company, Limited.

The respective and aggregate effects of the companies which are excluded from consolidation, based on total assets, revenues, net income and surplus for the years ended March 31, 2017 and 2018 are immaterial. This exclusion from consolidation would not prevent a reasonable understanding of the consolidated financial position of the Company and its subsidiaries and the results of their operations.

b. Affiliates

The numbers of affiliates accounted for by the equity method were 10 and 10 as of March 31, 2017 and 2018, respectively. The affiliates accounted for by the equity method as of March 31, 2018 include as follows:

Founder Meiji Yasuda Life Insurance Co., Ltd. (China)
PT Avrist Assurance (Indonesia)
TU Europa S.A. (Poland)
TUIR Warta S.A. (Poland)
Thai Life Insurance Public Company Limited (Thailand)

One affiliate of Thai Life Insurance Public Company Limited has been excluded from the scope of the equity method as of March 31, 2017, due to its decreased materiality.

One affiliate of TU Europa S.A. has been excluded from the scope of the equity method as of March 31, 2017, due to the sale of its shares.

The subsidiaries not consolidated, e.g., Meiji Yasuda Life Planning Center Company, Limited and others, and certain affiliates are excluded from the scope of the equity method due to their immaterial effect, individually and in aggregate, on the consolidated net income and consolidated surplus.

c. Fiscal year-end of consolidated subsidiaries

The fiscal year-ends of consolidated overseas subsidiaries are December 31. The consolidated financial statements include the accounts of such subsidiaries as of their fiscal year-ends, with appropriate adjustments made for material transactions occurring between their respective fiscal year-ends and the date of the consolidated financial statements.

d. Valuation of assets and liabilities of consolidated subsidiaries and affiliates

The Company applies the fair value method.

e. Goodwill on consolidation

Goodwill (including goodwill relating to affiliates) is amortized on the straight-line basis over 20 years. However, immaterial amounts of goodwill are fully recognized as expenses as incurred.

f. All the significant intercompany balances and transactions are eliminated in consolidation. In addition, all the material unrealized gains/losses included in assets/liabilities resulting from intercompany transactions are also eliminated.

(2) Cash and cash equivalents

For the purpose of presenting the consolidated statements of cash flows, cash and cash equivalents are comprised of cash on hand, demand deposits and all highly liquid short-term investments with a maturity of three months or less when purchased, which are readily convertible into cash and present insignificant risk of change in value.

(3) Securities

Securities held by the Company are classified and accounted for as follows:

- Trading securities are stated at market value at the balance sheet date. The cost of sales is determined by the moving average method.
- Held-to-maturity debt securities are stated at amortized cost using the moving average method and the amortization is calculated using the straight-line method.

c. Policy-reserve-matching bonds are stated at amortized cost in accordance with the “Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry,” (Japanese Institute of Certified Public Accountants (JICPA), issued on November 16, 2000). The cost of sales is determined by the moving average method and the amortization of discount/premium is calculated using the straight-line method.

d. Equity securities issued by subsidiaries and affiliates are stated at cost using the moving average method. The subsidiaries are prescribed under Article 2, Paragraph 12 of the “Insurance Business Act” and Article 13-5-2, Paragraph 3 of the “Order for Enforcement of the Insurance Business Act.” The affiliates are under Paragraph 4 of the order.

e. Available-for-sale securities

i) Securities of which market value is readily available

Stocks are stated at the average of the market value during the final month of the fiscal year.

Others are stated at market value at the balance sheet date. The cost of sales is determined by the moving average method.

ii) Securities of which market value is extremely difficult to determine
Bonds (including foreign bonds) of which premium or discount are regarded as interest rate adjustment are stated at amortized cost using the moving average method. The amortization is calculated using the straight-line method. Other securities are stated at cost using the moving average method.

iii) Unrealized gains and losses on available-for-sale securities are reported as a component of net assets in the consolidated balance sheets.

(4) Policy-reserve-matching bonds

The Company classifies bonds held with the aim of matching the duration to outstanding insurance liabilities within the sub-groups (categorized by insurance type, investment policy and other factors) of individual life insurance, individual annuities and group pensions as policy-reserve-matching bonds in accordance with the “Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry” (JICPA, issued on November 16, 2000).

(5) Money held in trust

Money held in trust is stated at fair value.

(6) Derivative transactions

Derivative transactions are stated at fair value.

(7) Method of hedge accounting

Methods of hedge accounting of the Company are in accordance with the “Accounting Standard for Financial Instruments” (ASBJ, issued on March 10, 2008). These methods consist primarily of:

- the special hedge accounting using interest rate swaps to hedge against cash flow volatility related to loans receivable;
- the fair value hedge accounting using forward exchange contracts to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;

-the deferred hedge accounting using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;

-the allocation method using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated loans and bonds payable; and

-the deferred hedge accounting using interest rate swaps to hedge against interest rate fluctuation risk related to insurance liabilities.

Hedge effectiveness for the deferred hedge accounting to hedge against interest rate fluctuation risk related to insurance liabilities is assessed by verifying the correlation between interest rates that would be used in calculating theoretical prices of hedged items and hedging instruments.

(8) Tangible fixed assets

Tangible fixed assets (excluding leased assets) owned by the Company are depreciated as follows:

a. Buildings

Calculated using the straight-line method.

b. Other tangible fixed assets

Calculated using the declining-balance method.

Tangible fixed assets are presented at cost, net of accumulated depreciation and impairment losses.

The estimated useful lives of major items are as follows:

Buildings	2 to 50 years
Other tangible fixed assets	2 to 20 years

Tangible fixed assets owned by the Company's overseas consolidated subsidiaries are depreciated by mainly using the straight-line method.

Leased assets related to finance leases that do not transfer ownership to the lessees are depreciated by using the straight-line method, with the lease period being considered as useful lives of assets and residual value being set at zero.

Revaluation of land

The Company revalued certain parcels of land owned for operational use as of March 31, 2000, as permitted by the “Act on Revaluation of Land”.

The difference in value before and after revaluation is directly included in net assets in the consolidated balance sheets and presented as land revaluation differences, after net of income taxes which is presented as deferred tax liabilities for land revaluation in the consolidated balance sheets. As a revaluation method stipulated in Article 3, Paragraph 3 of the act, the Company used the publicly announced appraisal value with certain adjustments (detailed in Article 2, Item 1 of the “Order for Enforcement of the Act on Revaluation of Land”) for the revaluation.

The Company also revalued certain parcels of land acquired from former Yasuda Mutual Life Insurance Company upon the merger on January 1, 2004 as of March 31, 2001, as permitted by the act. As a revaluation method stipulated in Article 3, Paragraph 3 of the act, the former company used the publicly announced appraisal value with certain adjustments (detailed in Article 2, Item 1 of the order) and appraisal value (detailed in Article 2, Item 5 of the order) for the revaluation.

(9) Software

Capitalized software for internal use owned by the Company and subsidiaries (included in intangible fixed assets in the consolidated balance sheets) is amortized using the straight-line method over the estimated useful lives (3 to 5 years). Intangible fixed assets owned by certain overseas consolidated subsidiaries are amortized based on the each country's accounting standard, such as U.S. GAAP.

(10) Allowance for possible loan losses

Allowance for possible loan losses of the Company is provided pursuant to its standards for self assessment of asset quality and internal rules for write-offs of loans and allowance for possible loan losses.

For loans to borrowers that are legally bankrupt (hereafter, "bankrupt borrowers") and for loans to borrowers that are not yet legally bankrupt but substantially bankrupt (hereafter, "substantially bankrupt borrowers"), an allowance is provided based on the total amounts of the loans after deduction of charge-offs and any amounts expected to be collected through the disposal of collaterals and the execution of guarantees.

For loans to borrowers that have high possibility of bankruptcy (hereafter, "borrowers with high possibility of bankruptcy"), an allowance is provided at the amount deemed necessary based on an overall solvency assessment, net of the expected collection by disposal of collaterals and by executing guarantees.

For other loans, an allowance is provided by multiplying the claim amount by an anticipated default rate calculated based on the Company's actual default experience for a certain period in the past.

All loans are assessed by the department concerned based on the Company's standards for the self-assessment of asset quality and an independent department is responsible for audit of its self-assessment. The allowance for possible loan losses is provided based on the result of the assessment.

For loans with collaterals to bankrupt borrowers and substantially bankrupt borrowers, the amount of loans exceeding the value of estimated recovery through disposal of collaterals or execution of guarantees is deemed uncollectible and written off. The amount of loans written off for the years ended March 31, 2017 and 2018 amounted to ¥46 million and ¥370 million (U.S. \$3 million), respectively.

(11) Policy reserves

Policy reserves of the Company are provided pursuant to Article 116 of the "Insurance Business Act".

Premium reserves, a main component of policy reserves, are calculated according to the following method:

- a. For contracts that are subject to the standard policy reserve requirements, the premium reserves are calculated pursuant to the method stipulated by the Prime Minister (Ministry of Finance Notification No. 48 in 1996).
- b. For contracts that are not subject to the standard policy reserve requirements, the premium reserves are calculated using the net level premium method.

The policy reserves of the Company include an amount to be additionally set aside as the difference arising from calculations of premium reserves using the expected rate of interest of 2.75% for individual annuity contracts concluded on or before April 1, 1996 pursuant to Article 69, Paragraph 5 of the "Ordinance for Enforcement of the Insurance Business Act". The accumulation of the amount was completed on schedule over a period of three years starting in the year ended March 31, 2008. Besides, an additional reserve corresponding to the period after the beginning of annuity payment shall be accumulated at the beginning of the payment of the above annuity contracts.

The policy reserves also include reserves which are additionally set aside for variable life insurance contracts, and single premium endowment contracts concluded on or after September 2, 1995 pursuant to Article 69, Paragraph 5 of the ordinance.

For the year ended March 31, 2018, the Company additionally set aside the policy reserves for single premium individual annuity contracts concluded on or after April 2, 1998 pursuant to Article 69, Paragraph 5 of the ordinance. As a result, policy reserves increased by ¥2,471 million (U.S. \$23 million) as of March 31, 2018 and ordinary profit and surplus before income taxes decreased by ¥2,471 million (U.S. \$23 million) for the year ended March 31, 2018 compared to the cases where the Company would not have accumulated the additional reserves.

Policy reserves of certain overseas consolidated subsidiaries are calculated based on each country's accounting standard, such as U.S. GAAP.

(12) Net defined benefit liabilities and assets

Net defined benefit liabilities and assets are provided based on the estimate of retirement benefit obligations and plan assets at the balance sheet date.

(13) Reserve for price fluctuation

Reserve for price fluctuation of the Company and the domestic consolidated insurance subsidiary is calculated pursuant to Article 115 of the "Insurance Business Act".

(14) Revenue recognition

Insurance premiums of the Company are recognized when premiums are received, and insurance premiums due but not collected are not recognized as revenue. Unearned insurance premiums are recognized as policy reserves.

Insurance premiums of certain overseas consolidated subsidiaries are recognized based on each country's accounting standard, such as U.S. GAAP.

(15) Policy acquisition costs

Policy acquisition costs of the Company are expensed when incurred.

Policy acquisition costs of certain overseas consolidated subsidiaries are calculated based on each country's accounting standard, such as U.S. GAAP.

(16) Accounting for consumption taxes

National and local consumption taxes of the Company are accounted for using the tax-excluded method. Non-deductible consumption taxes are recognized as expenses for the period, except for those relating to purchases of depreciable fixed assets which are not charged to expense but deferred as prepaid expenses and amortized over a five-year period on the straight-line basis pursuant to the "Corporation Tax Act".

(17) Foreign currency translation

Assets and liabilities denominated in foreign currencies, except for equity securities issued by unconsolidated subsidiaries and affiliates, are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Equity securities issued by unconsolidated subsidiaries and affiliates are translated into Japanese yen at the exchange rates on the dates of acquisition. Assets, liabilities, revenues and expenses of the Company's overseas consolidated subsidiaries are translated into Japanese yen at the exchange rate at the end of their fiscal year, and translation adjustments are included in "foreign currency translation adjustments" in the net assets section of the consolidated balance sheets.

3. Cash and Cash Equivalents

The components of cash and cash equivalents in the consolidated statements of cash flows as of March 31, 2017 and 2018 were as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Cash and deposits	¥626,937	¥487,587	\$5,901
Call loans	90,000	90,000	847
Money held in trust	3,000	200	28
Securities	242	45	2
Cash and cash equivalents	¥720,180	¥577,833	\$6,778

4. Financial Instruments

(1) Qualitative information on financial instruments

The Company develops the asset and liability management based on surplus, and it monitors a surplus derived from the difference between the economic values of assets and liabilities as a measure of financial soundness, in order to manage its investment assets (excluding the assets of the separate account prescribed in Article 118, Paragraph 1 of the "Insurance Business Act").

Based on this risk management, the Company mainly invests in securities and loans. Securities held primarily consist of bonds, stocks and investment trusts. Loans primarily consist of loans to domestic corporate borrowers. Securities held by certain overseas consolidated subsidiaries primarily consist of bonds, and loans primarily consist of loans to overseas borrowers.

The use of derivatives is, in principle, limited to hedging activities as a primary method of hedging against invested asset risk, insurance liability risk and bonds payable risk.

Methods of hedge accounting are in accordance with the "Accounting Standard for Financial Instruments" (ASBJ, issued on March 10, 2008). These methods consist primarily of:

- the special hedge accounting using interest rate swaps to hedge against cash flow volatility related to loans;
- the fair value hedge accounting using forward exchange contracts to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the deferred hedge accounting using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the allocation method using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated loans and bonds payable; and
- the deferred hedge accounting using interest rate swaps to hedge against interest rate fluctuation risk related to insurance liabilities.

Securities held by the Company and certain overseas consolidated subsidiaries are exposed to market risk (interest rate fluctuation risk, exchange rate fluctuation risk and price fluctuation risk) and credit risk. Loans are exposed to credit risk and interest rate fluctuation risk. Derivative transactions are exposed to market risk and credit risk.

Some of the loans payable and bonds payable of the Company and certain overseas consolidated subsidiaries which are denominated in foreign currencies are exposed to exchange rate fluctuation risk.

With regard to the interest rate fluctuation risk management, the Company manages the fluctuation risk on the basis of economic values from a surplus management perspective, by purchasing super long-term bonds to keep asset duration stable and using interest rate swaps for the interest rate risk hedge against insurance liabilities.

To manage the exchange rate fluctuation risk, the Company hedges against exchange rate fluctuation using forward exchange contracts where necessary for appropriate controls of exchange rate fluctuation risk.

To manage the price fluctuation risk, the Company performs integrated management for outstanding balances and the profit and loss situation of securities and derivative transactions and also monitors loss limits to minimize unexpected losses.

In addition to the Value at Risk (VaR) method to measure the maximum expected loss, the Company performs stress tests periodically to simulate conditions that might arise in the event of sharp market fluctuations that exceed normal forecasts.

The profit and loss status and compliance with these procedures are monitored by the investment risk management department, reported regularly (or immediately in urgent cases) to the small-committee of investment risk management and, on important matters, reported directly to the Board of Directors and Committees.

To manage credit risk, the Company carefully identifies risks in each transaction and limits investments to those that are assessed to be of high quality.

Where credit risk assessment is particularly important regarding corporate loans, the credit risk management department ensures that a rigorous screening system is in place, and monitors borrowers and internal credit rating using corporate screening methods. The Company follows careful discussions by the Investment Council to make decisions on highly important deals.

Further, the Company sets exposure limits based on counterparties' creditworthiness to ensure that risk is not concentrated among certain companies or groups, and diversifies investments.

With regard to derivative transactions, the Company limits risk by setting up policies and establishing limits by the type of transaction and by each counterparty. At the same time, a system of internal checks is in place by segregating the departments executing the

transactions from the administrative departments to ensure risk management is on an appropriate footing.

The fair value of financial instruments is based on the market price or, in cases where market price is not available, based on prices calculated using reasonable methods in the Company and subsidiaries.

Since certain assumptions are adopted for the price calculations, the prices calculated may differ when different assumptions are used.

(2) Fair values of financial instruments

The amounts of the principal financial assets and liabilities reported in the consolidated balance sheets at the end of the fiscal year, and fair values and the differences between them, were as follows:

As of March 31,	Millions of Yen						Millions of U.S. Dollars			
	2018			2017			2018			
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	
Cash and deposits	¥ 646,020	¥ 646,020	¥ —	¥ 505,583	¥ 505,583	¥ —	\$6,080	\$6,080	\$ —	
Available-for-sale securities (CDs)	35,999	35,999	—	49,996	49,996	—	338	338	—	
Monetary claims bought	214,730	225,501	10,770	220,118	230,634	10,516	2,021	2,122	101	
Held-to-maturity debt securities	197,914	208,685	10,770	197,150	207,666	10,516	1,862	1,964	101	
Available-for-sale securities	16,816	16,816	—	22,968	22,968	—	158	158	—	
Money held in trust	13,076	13,076	—	200	200	—	123	123	—	
Available-for-sale securities	13,076	13,076	—	200	200	—	123	123	—	
Securities	32,532,324	34,753,657	2,221,333	31,413,526	33,554,677	2,141,150	306,215	327,124	20,908	
Trading securities	1,704,869	1,704,869	—	1,570,297	1,570,297	—	16,047	16,047	—	
Held-to-maturity debt securities	4,365,326	5,164,696	799,370	4,540,468	5,354,192	813,723	41,089	48,613	7,524	
Policy-reserve-matching bonds	7,549,821	8,971,785	1,421,963	7,250,615	8,578,042	1,327,426	71,063	84,448	13,384	
Available-for-sale securities	18,912,306	18,912,306	—	18,052,144	18,052,144	—	178,014	178,014	—	
Loans	5,276,491	5,558,870	282,378	5,422,653	5,727,460	304,807	49,665	52,323	2,657	
Policy loans	252,884	252,884	—	264,389	264,389	—	2,380	2,380	—	
Industrial and consumer loans	5,023,607	5,305,985	282,378	5,158,264	5,463,071	304,807	47,285	49,943	2,657	
Allowance for possible loan losses ^(*)	(3,739)	—	—	(4,422)	—	—	(35)	—	—	
	5,272,751	5,558,870	286,118	5,418,230	5,727,460	309,229	49,630	52,323	2,693	
Bonds payable	482,356	513,801	31,445	409,753	439,662	29,908	4,540	4,836	295	
Payables under repurchase agreements	5,358	5,358	—	—	—	—	50	50	—	
Payables under securities borrowing transactions	382,564	382,564	—	130,034	130,034	—	3,600	3,600	—	
Derivative financial instruments ^(*)	128,845	128,845	—	22,324	22,324	—	1,212	1,212	—	
Hedge accounting is not applied	(748)	(748)	—	(366)	(366)	—	(7)	(7)	—	
Hedge accounting is applied	129,593	129,593	—	22,691	22,691	—	1,219	1,219	—	

(*1) The amounts are general allowance for possible losses on loans and specific allowance for possible loan losses related to the loans.

(*2) The amounts of receivables and payables arising from derivative transactions are shown as net amounts.

Notes:

a. Method used to determine the fair value of financial instruments

i) Assets

Cash and deposits

The Company and subsidiaries regard book value as fair value with the assumption that fair value approximates book value due to short-term nature of these contracts. Fair value of deposits deemed as securities transactions based on "Accounting Standard for Financial Instruments" (ASBJ, issued on March 10, 2008) is calculated in the same method shown in "Securities."

Monetary claims bought

Fair value of monetary claims bought deemed as securities transactions based on "Accounting Standard for Financial Instruments" (ASBJ, issued on March 10, 2008) is calculated using the same method shown in "Securities" and the fair value of these monetary claims bought is stated at theoretical prices calculated by discounting the future cash flows to the present value or at the fair value obtained from counterparties at the balance sheet date.

Money held in trust

Securities managed as assets in trust of which market value is readily available are stated at market value at the balance sheet date.

The Company and subsidiaries regard book value as fair value with the assumption that fair value approximates book value due to short-term nature of the jointly invested money held in trust with the same characteristics as deposits.

Securities

As for available-for-sale securities, domestic stocks of which market value is readily available are stated at the average of the market value during the final month of the fiscal year. Other securities are stated at market value at the balance sheet date.

Unlisted stocks and others of which market value is not readily available are not subject to fair value disclosure and are therefore not included in the table above because these are regarded as extremely difficult to determine fair value. The amounts of the unlisted stocks and others reported in the consolidated balance sheets were ¥632,552 million and ¥596,185 million (U.S. \$5,611 million) as of March 31, 2017 and 2018, respectively. Impairment losses on the unlisted stocks and others were ¥34 million and ¥211 million (U.S. \$1 million) for the years ended March 31, 2017 and 2018, respectively.

Loans

As credit exposure for policy loans without specific repayment periods is limited to the amount of the cash surrender value, the Company and subsidiaries regard book value as fair value with the assumption that fair value approximates book value in light of factors such as projected repayment period and interest condition.

As for industrial and consumer loans, their fair value of these loans is primarily stated at theoretical prices calculated by discounting the future cash flows to the present value. The fair value of loans of the Company to bankrupt borrowers, substantially bankrupt borrowers and borrowers with high possibility of bankruptcy is stated at the amounts arrived at by deducting estimated losses from the book value before direct write-off.

ii) Liabilities

Bonds payable

The fair value of bonds payable is stated at the market price at the balance sheet date, or based on data provided by pricing vendors.

Payables under repurchase agreements

The Company and subsidiaries regard book value as fair value with the assumption that fair value approximates book value due to short-term nature of these contracts.

Payables under securities borrowing transactions

The Company and subsidiaries regard book value as fair value with the assumption that fair value approximates book value due to short-term nature of these contracts.

iii) Derivative financial instruments

Listed transactions

The fair value of listed transactions, such as stock index futures and bond futures, is stated at the closing or settlement prices at the balance sheet date.

OTC transactions

The fair value of Over-the-Counter (OTC) transactions, such as foreign exchange contracts, is stated at theoretical prices based on the TTM, WM Reuters rate or discount rate at the balance sheet date, or a price based on data provided by pricing vendors.

Since OTC transactions of currency swaps contracts subject to the allocation method are treated as an integral part of the hedged foreign currency denominated loans and bonds payable, their fair value is included in the fair value of hedged loans and bonds payable in the table above.

Interest rate swap transactions

The fair value of interest rate swap transactions is stated at theoretical prices calculated by discounting the net future cash flows to the present value.

Since interest rate swaps subject to the special hedge accounting are treated as an integral part of the hedged loan, their fair value is included in the fair value of hedged loans in the table above.

b. Securities by holding purpose

Trading securities

The unrealized valuation gains (losses) on trading securities included in profits (losses) amounted to ¥3,419 million and ¥(4,583) million (U.S. \$(43) million) for the years ended March 31, 2017 and 2018, respectively.

Held-to-maturity debt securities

No held-to-maturity debt securities were sold during the year ended March 31, 2017 and 2018, respectively. The amounts reported in the consolidated balance sheets and fair values of the held-to-maturity debt securities by security type at the end of the fiscal year, and the differences between them, were shown in the following table.

As of March 31,	Millions of Yen						Millions of U.S. Dollars		
	2018			2017			2018		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount									
1) National & local government bonds	¥3,719,653	¥4,436,465	¥716,811	¥3,837,880	¥4,568,480	¥730,600	\$35,011	\$41,758	\$6,747
2) Corporate bonds	518,348	594,193	75,845	575,168	651,759	76,590	4,879	5,592	713
3) Others	262,797	280,945	18,147	269,112	287,460	18,348	2,473	2,644	170
Total	4,500,799	5,311,604	810,804	4,682,161	5,507,700	825,539	42,364	49,996	7,631
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	921	916	(5)	934	917	(17)	8	8	(0)
2) Corporate bonds	2,800	2,786	(13)	2,800	2,780	(19)	26	26	(0)
3) Others	58,719	58,074	(645)	51,723	50,461	(1,262)	552	546	(6)
Total	62,441	61,777	(663)	55,457	54,158	(1,298)	587	581	(6)

Note: This table includes financial instruments that are deemed appropriate to be treated as securities under the "Financial Instruments and Exchange Act".

Policy-reserve-matching bonds

No policy-reserve-matching bonds were sold during the year ended March 31, 2017, and disposition of policy-reserve-matching bonds amounted to ¥889 million (U.S. \$8 million) resulting in total gains on sales of ¥0 million and total losses of ¥27 million (U.S. \$0 million) for the year ended March 31, 2018.

The carrying amounts in the consolidated balance sheets of policy-reserve-matching bonds by security type were shown in the following table, along with their fair values and the differences between these amounts.

As of March 31,	Millions of Yen						Millions of U.S. Dollars		
	2018			2017			2018		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount									
1) National & local government bonds	¥7,356,786	¥8,778,393	¥1,421,607	¥7,212,028	¥8,536,231	¥1,324,203	\$69,246	\$82,627	\$13,381
2) Corporate bonds	37,665	41,118	3,452	37,687	40,912	3,225	354	387	32
3) Others	33,070	33,376	305	—	—	—	311	314	2
Total	7,427,523	8,852,888	1,425,365	7,249,715	8,577,144	1,327,428	69,912	83,329	13,416
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	—	—	—	—	—	—	—	—	—
2) Corporate bonds	—	—	—	900	898	(1)	—	—	—
3) Others	122,298	118,896	(3,401)	—	—	—	1,151	1,119	(32)
Total	122,298	118,896	(3,401)	900	898	(1)	1,151	1,119	(32)

Available-for-sale securities

Disposition of available-for-sale securities amounted to ¥766,436 million and ¥1,049,828 million (U.S. \$9,881 million) resulting in total gains on sales of ¥23,968 million and ¥27,553 million (U.S. \$259 million) and total losses of ¥32,216 million and ¥38,191 million (U.S. \$359 million) for the

years ended March 31, 2017 and 2018, respectively. With regard to available-for-sale securities, acquisition costs, amortized costs, the amounts reported in the consolidated balance sheets and the respective differences by each type of securities were shown in the following table.

As of March 31,	Millions of Yen						Millions of U.S. Dollars		
	2018			2017			2018		
	Acquisition or amortized costs	Balance sheet amount	Difference	Acquisition or amortized costs	Balance sheet amount	Difference	Acquisition or amortized costs	Balance sheet amount	Difference
Securities whose balance sheet amount exceeds the acquisition or amortized costs									
(1) Domestic stocks	¥ 1,548,799	¥ 4,227,216	¥2,678,417	¥ 1,573,734	¥ 3,927,201	¥2,353,466	\$ 14,578	\$ 39,789	\$25,211
(2) Bonds	4,797,080	5,230,324	433,244	4,708,985	5,166,736	457,750	45,153	49,231	4,077
1) National & local government bonds	3,378,801	3,729,334	350,532	3,432,103	3,812,161	380,057	31,803	35,102	3,299
2) Corporate bonds	1,418,278	1,500,990	82,711	1,276,882	1,354,574	77,692	13,349	14,128	778
(3) Others	4,402,984	5,046,385	643,400	4,890,844	5,702,478	811,633	41,443	47,499	6,056
Total	10,748,864	14,503,927	3,755,062	11,173,565	14,796,416	3,622,851	101,175	136,520	35,345
Securities whose balance sheet amount does not exceed the acquisition or amortized costs									
(1) Domestic stocks	123,241	112,743	(10,498)	96,754	91,605	(5,149)	1,160	1,061	(98)
(2) Bonds	218,475	212,102	(6,373)	218,187	216,324	(1,862)	2,056	1,996	(59)
1) National & local government bonds	3,972	3,965	(6)	249	238	(10)	37	37	0
2) Corporate bonds	214,503	208,136	(6,366)	217,938	216,085	(1,852)	2,019	1,959	(59)
(3) Others	4,308,316	4,149,426	(158,889)	3,107,669	3,020,963	(86,706)	40,552	39,057	(1,495)
Total	4,650,033	4,474,271	(175,761)	3,422,611	3,328,892	(93,718)	43,769	42,114	(1,654)

Note: This table includes financial instruments that are deemed appropriate to be treated as securities under the "Financial Instruments and Exchange Act".

With regards to bonds among available-for-sale securities denominated in foreign currencies, translation adjustments caused by significant yen appreciation are recorded in losses on valuation of securities. Previously, the existence of "significant yen appreciation" had been determined based on the exchange rate at the end of fiscal year. The Company changed the method to make such determination based on the average exchange rate during the final month of the period from

the year ended March 31, 2017. This change had no impact on gains and losses for the year ended March 31, 2017.

"Acquisition or amortized costs" in the table above refers to book values after deduction of impairment losses. Impairment losses on available-for-sale securities of which market value is readily available amounted to ¥462 million and ¥1,467 million (U.S. \$13 million) for the years ended March 31, 2017 and 2018, respectively.

c. Maturity analysis of monetary claims and securities with maturities

As of March 31,	Millions of Yen					
	2017					
	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years
Deposits	¥ 505,382	¥ —	¥ —	¥ —	¥ —	¥ —
Monetary claims bought	—	—	—	—	—	220,118
Money held in trust	200	—	—	—	—	—
Loans*	484,298	845,903	617,522	547,955	837,026	1,824,231
Securities						
Held-to-maturity debt securities	124,610	334,382	373,054	398,961	820,370	2,486,290
Policy-reserve-matching bonds	—	10,238	109,978	190,714	94,984	6,844,699
Available-for-sale securities with maturities	522,733	1,407,361	2,702,077	2,080,042	917,115	5,440,417
Total	1,637,225	2,597,886	3,802,632	3,217,673	2,669,497	16,815,756

As of March 31,	Millions of Yen						Millions of U.S. Dollars					
	2018						2018					
	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years
Deposits	¥ 645,824	¥ —	¥ —	¥ —	¥ —	¥ —	\$ 6,078	\$ —	\$ —	\$ —	\$ —	\$ —
Monetary claims bought	—	—	—	—	—	214,730	—	—	—	—	—	2,021
Money held in trust	3,000	—	—	—	—	—	28	—	—	—	—	—
Loans*	595,199	656,353	684,120	532,415	802,941	1,752,316	5,602	6,178	6,439	5,011	7,557	16,493
Securities												
Held-to-maturity debt securities	165,898	351,442	370,613	411,853	812,693	2,250,024	1,561	3,308	3,488	3,876	7,649	21,178
Policy-reserve-matching bonds	—	45,771	225,172	56,556	297,165	6,925,156	—	430	2,119	532	2,797	65,184
Available-for-sale securities with maturities	711,362	1,374,381	2,396,841	1,206,293	1,730,068	5,790,650	6,695	12,936	22,560	11,354	16,284	54,505
Total	2,121,285	2,427,949	3,676,748	2,207,118	3,642,869	16,932,878	19,966	22,853	34,607	20,774	34,289	159,383

* Bankruptcy and reorganization claims, which are expected to be unrecoverable, are not included in this table, and they were ¥1,305 million and ¥259 million (U.S. \$2 million) as of March 31, 2017 and 2018, respectively.

* Policy loans are not included because they have no defined maturity dates.

d. Maturity analysis of payable under securities borrowing transactions, bonds and loans payable and payables under repurchase agreements

As of March 31,	Millions of Yen					
	2017					
	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years
Bonds payable	¥ —	¥—	¥—	¥30,120	¥—	¥379,632
Payable under securities borrowing transactions	130,034	—	—	—	—	—
Total	130,034	—	—	30,120	—	379,632

As of March 31,	Millions of Yen						Millions of U.S. Dollars					
	2018						2018					
	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years
Bonds payable	¥ —	¥—	¥29,046	¥—	¥—	¥453,310	\$ —	\$—	\$273	\$—	\$—	\$4,266
Payables under repurchase agreements	5,358	—	—	—	—	—	50	—	—	—	—	—
Payable under securities borrowing transactions	382,564	—	—	—	—	—	3,600	—	—	—	—	—
Total	387,922	—	29,046	—	—	453,310	3,651	—	273	—	—	4,266

e. Fair values of derivative transactions

Hedge accounting not applied

i) Interest-rate related

As of March 31,	Millions of Yen			
	2017			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Interest rate swaps				
Receipts fixed, payments floating	¥ 200	¥200	¥(5)	¥(5)
Receipts floating, payments fixed	1,555	—	0	0
Total				(4)

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2018				2018			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Interest rate swaps								
Receipts fixed, payments floating	¥1,200	¥1,200	¥ 4	¥ 4	\$11	\$11	\$ 0	\$ 0
Receipts floating, payments fixed	—	—	—	—	—	—	—	—
Total				4				0

Note: Net gains (losses) represent the fair values.

ii) Currency-related

As of March 31,	Millions of Yen			
	2017			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Foreign currency forward contracts				
Sold	¥ 118,008	¥—	¥ 592	¥ 592
(U.S. dollar)	106,347	—	575	575
(Euro)	224	—	1	1
(Australian dollar)	4,363	—	38	38
(British pound)	6,979	—	(23)	(23)
(Others)	92	—	0	0
Bought	11,993	—	38	38
(U.S. dollar)	11,742	—	40	40
(Euro)	146	—	(1)	(1)
(Australian dollar)	93	—	0	0
(Others)	9	—	0	0
Currency options				
Sold				
Call	105,400	—		
[499]			—	499
(U.S. dollar)	105,400	—		
[499]			—	499
Bought				
Put	89,250	—		
[499]			0	(499)
(U.S. dollar)	89,250	—		
[499]			0	(499)
Total				632

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2018				2018			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Foreign currency forward contracts								
Sold	¥88,295	¥ —	¥1,768	¥1,768	\$ 831	\$ —	\$ 16	\$ 16
(U.S. dollar)	62,385	—	1,661	1,661	587	—	15	15
(Euro)	13,904	—	37	37	130	—	0	0
(Australian dollar)	11,454	—	68	68	107	—	0	0
(British pound)	127	—	0	0	1	—	0	0
(Others)	422	—	0	0	3	—	0	0
Bought	19,226	—	61	61	180	—	0	0
(U.S. dollar)	9,566	—	64	64	90	—	0	0
(Euro)	6,914	—	(0)	(0)	65	—	(0)	(0)
(Australian dollar)	2,302	—	(0)	(0)	21	—	(0)	(0)
(Others)	442	—	(1)	(1)	4	—	(0)	(0)
Currency options								
Sold								
Call	—	—	—	—	—	—	—	—
(U.S. dollar)	—	—	—	—	—	—	—	—
Bought								
Put	—	—	—	—	—	—	—	—
(U.S. dollar)	—	—	—	—	—	—	—	—
Cross currency swaps	88,870	88,870	(4,389)	(4,389)	836	836	(41)	(41)
Total				(2,558)				(24)

Notes: 1. Net gains (losses) on foreign currency forward contracts represent the fair values, and net gains (losses) on currency options represent the difference between the option fees and the fair values for option transactions.
2. Option fees are shown in [].

iii) Stock-related

As of March 31,	Millions of Yen			
	2017			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions				
Yen Stock index futures				
Sold	¥ —	¥—	¥ —	¥ —
Bought	2,192	—	(29)	(29)
Foreign currency-denominated stock index futures				
Sold	—	—	—	—
Bought	1,098	—	3	3
Exchange-traded transactions				
Stock index options				
Bought				
Call	54,480	—		
	[1,090]		1,439	349
Total				323

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2018				2018			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions								
Yen Stock index futures								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$—	\$—	\$—
Bought	2,706	—	39	39	25	—	0	0
Foreign currency-denominated stock index futures								
Sold	—	—	—	—	—	—	—	—
Bought	2,820	—	(93)	(93)	26	—	(0)	(0)
Exchange-traded transactions								
Stock index options								
Bought								
Call	63,552	292			598	2		
	[1,399]	[16]	2,011	612	[13]	[0]	18	5
Total				558				5

Notes: 1. Net gains (losses) represent the fair values for futures trading, and the difference between the option fees and the fair values for option transactions.
2. Option fees are shown in [].

iv) Bond-related

No ending balance as of March 31, 2017 and 2018.

Hedge accounting applied

i) Interest-rate related

As of March 31,	Millions of Yen			
		2017		
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Deferred hedge accounting				
Interest rate swaps				
Receipts fixed, payments floating	Insurance liabilities	¥232,600	¥232,600	¥51,026
Receipts floating, payments fixed	Bonds payable	29,460	29,460	384
Fair value hedge accounting				
Interest rate swaps				
Receipts floating, payments fixed	Securities (Bonds)	48,654	45,462	(483)
Special hedge accounting				
Interest rate swaps				
Receipts fixed, payments floating	Loans	16,755	8,755	395
Total				51,322

As of March 31,	Millions of Yen				Millions of U.S. Dollars		
		2018			2018		
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Deferred hedge accounting							
Interest rate swaps							
Receipts fixed, payments floating	Insurance liabilities	¥231,400	¥231,400	¥51,256	\$2,178	\$2,178	\$482
Receipts floating, payments fixed	Bonds payable						
Fair value hedge accounting							
Interest rate swaps							
Receipts floating, payments fixed	Securities (Bonds)	48,816	46,363	—	459	436	—
Special hedge accounting							
Interest rate swaps							
Receipts fixed, payments floating	Loans	8,562	3,562	197	80	33	1
Total				51,453			484

ii) Currency-related

As of March 31,	Millions of Yen			
		2017		
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Fair value hedge accounting				
Foreign currency forward contracts				
Sold	Foreign-currency- denominated bonds	¥2,852,379	¥ —	¥(29,786)
(U.S. dollar)		2,560,560	—	(23,153)
(Euro)		168,759	—	(173)
(Australian dollar)		123,059	—	(6,459)
Deferred hedge accounting				
Cross currency swaps				
(Euro)	Foreign-currency- denominated bonds	35,575	35,575	1,472
(Australian dollar)		4,305	4,305	78
Total				(28,235)

As of March 31,	Millions of Yen				Millions of U.S. Dollars		
		2018			2018		
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Fair value hedge accounting							
Foreign currency forward contracts							
Sold	Foreign-currency-denominated bonds	¥3,376,632	¥ —	¥79,785	\$31,783	\$ —	\$750
(U.S. dollar)		3,058,604	—	76,837	28,789	—	723
(Euro)		183,159	—	319	1,724	—	3
(Australian dollar)		134,867	—	2,628	1,269	—	24
Deferred hedge accounting							
Cross currency swaps							
(Euro)	Foreign-currency-denominated bonds	35,575	35,575	(1,641)	334	334	(15)
(Australian dollar)		4,305	4,305	192	40	40	1
Total				78,337			737

Note: The table does not include foreign currency derivative transactions regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen.

iii) Stock-related

No ending balance as of March 31, 2017 and 2018.

iv) Bond-related

No ending balance as of March 31, 2017 and 2018.

5. Securities Lending

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥1,516,369 million and ¥2,169,636 million (U.S. \$20,422 million) as of March 31, 2017 and 2018, respectively.

6. Securities sold under Repurchase Agreements

There were no securities sold under repurchase agreements as of March 31, 2017 and securities sold under repurchase agreements amounted to ¥5,441 million (U.S. \$51 million) as of March 31, 2018.

7. Pledged Assets

Assets pledged as collateral were cash and deposits in the amount of ¥1,144 million as of March 31, 2017, securities in the amount of ¥6,944 million and ¥5,507 million (U.S. \$51 million), and loans in the amount of ¥73,656 million and ¥105,781 million (U.S. \$995 million) as of March 31, 2017 and 2018, respectively.

8. Equity Securities issued by Unconsolidated Subsidiaries and Affiliates

The total amounts of equity securities issued by unconsolidated subsidiaries and affiliates were ¥166,644 million and ¥180,079 million (U.S. \$1,695 million) as of March 31, 2017 and 2018, respectively.

9. Loans

The aggregate amounts of risk-monitored loans, which comprised of (1) loans to bankrupt borrowers, (2) loans in arrears, (3) loans in arrears for three months or longer, and (4) restructured loans, were ¥31,398 million and ¥28,445 million (U.S. \$267 million) as of March 31, 2017 and 2018, respectively.

There were no loans to bankrupt borrowers as of March 31, 2017 and 2018, respectively. The aggregate amounts of loans in arrears were ¥4,362 million and ¥3,633 million (U.S. \$34 million) as of March 31, 2017 and 2018, respectively.

The amounts of loans deemed uncollectible and directly deducted from the loans in the consolidated balance sheets as of March 31, 2017 and 2018 were ¥44 million and ¥368 million (U.S. \$3 million), respectively, for loans to bankrupt borrowers, and ¥1 million and ¥2 million (U.S. \$0 million), respectively, for loans in arrears.

Loans to bankrupt borrowers represent the loans on which interest is not accrued due to unlikelihood of repayment of principal or interest resulting from delinquent principal or interest for a certain period or for other reasons (hereafter, "non-accrual loans") and also meet the conditions stipulated in Article 96, Paragraph 1, Items 3 and 4 of the "Order for Enforcement of the Corporation Tax Act" (Cabinet Order No. 97 in 1965). Loans in arrears represent non-accrual loans excluding the loans to bankrupt borrowers (defined in the above) and loans of which interest payments are postponed in order to support these borrowers recovering from financial difficulties.

There were no loans in arrears for three months or longer as of March 31, 2017 and 2018, respectively.

Loans in arrears for three months or longer represent the loans on which payments of principal or interest are past due over three months from the day following the contractual due date.

Loans in arrears for three months or longer do not include loans classified as loans to bankrupt borrowers or loans in arrears.

The amounts of restructured loans were ¥27,036 million and ¥24,812 million (U.S. \$233 million) as of March 31, 2017 and 2018, respectively.

Restructured loans represent the loans which have been restructured to provide relief to the borrowers by reducing or waiving interest payments, by rescheduling repayments of principal or payments of interest, or by waiving claims for borrowers in order to support their recovery from financial difficulties. Restructured loans do not include loans classified as loans in arrears for three months or longer, loans in arrears or loans to bankrupt borrowers.

The certain overseas consolidated subsidiaries directly deducted allowance for possible loan losses from the assets in the consolidated balance sheets as of March 31, 2017 and 2018, respectively. The amount is as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Loans	¥621	¥775	\$5

10. Loan Commitments

The amounts of loan commitments outstanding were ¥57,464 million and ¥67,062 million (U.S. \$631 million) as of March 31, 2017 and 2018, respectively.

11. Fair Values of Investment and Rental Property

The carrying amounts of investment and rental properties were ¥577,890 million and ¥585,700 million (U.S. \$5,512 million), and their fair values were ¥690,327 million and ¥736,616 million (U.S. \$6,933 million) as of March 31, 2017 and 2018, respectively. The Company and certain subsidiaries own office buildings and land in Tokyo and other areas, the fair value of which is mainly based on appraisals by qualified external appraisers.

12. Accumulated Depreciation

Accumulated depreciation of tangible fixed assets amounted to ¥417,467 million and ¥429,347 million (U.S. \$4,041 million) as of March 31, 2017 and 2018, respectively.

13. Impairment of Fixed Assets

The details of the impairment losses on fixed assets are as follows:

(1) Method for grouping the assets

The Company and certain consolidated subsidiaries group all the fixed assets held and utilized mainly for the insurance business as one asset group for the impairment test.

For real estate for non-insurance business and idle assets, each asset is treated as an independent unit for the impairment test.

(2) Description of impairment losses recognized

For the years ended March 31, 2017 and 2018, the Company recognized impairment losses on real estate for non-insurance business that experienced a significant deterioration of profitability and on the idle assets that experienced a significant decline in fair value. For these assets, the Company reduced the carrying amount to a recoverable amount which is either fair value less costs to dispose or value-in-use, and recognized impairment losses as extraordinary losses in the consolidated statements of income.

(3) Details of fixed assets resulting in impairment losses

For the year ended March 31, 2017

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	0	¥ —	¥ —	¥ —
Idle assets	22	714	2,438	3,152
Total	22	¥714	¥2,438	¥3,152

For the year ended March 31, 2018

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	0	¥ —	¥ —	¥ —
Idle assets	8	324	572	896
Total	8	¥324	¥572	¥896

For the year ended March 31, 2018

Asset group	Millions of U.S. Dollars		
	Land	Buildings	Total
Real estate for non-insurance business	\$—	\$—	\$—
Idle assets	3	5	8
Total	\$ 3	\$ 5	\$ 8

(4) Calculation method of recoverable amounts

The recoverable amounts of real estate for non-insurance business are determined at net realizable value or value in use. The recoverable amounts for idle assets are net realizable value. Value in use is mainly determined as the estimated net future cash flows, reflecting the volatility risk, discounted at 1.97% and 1.92% for the years ended March 31, 2017 and 2018, respectively. Net realizable value is calculated based on the appraisal value with reference to “Real Estate Appraisal Standards” or the publicly announced appraisal value.

14. Retirement Benefit Plans

The following items provide detailed information for the retirement benefit plans.

(1) Summary of the retirement benefit plans

The Company has defined benefit corporate pension plans and retirement allowance plans, which distribute a lump sum payment on retirement, as defined benefit plans. The Company also has defined contribution pension plans as defined contribution plans.

Certain overseas consolidated subsidiaries have defined benefit plans and defined contribution plans.

As for accrued retirement benefits of certain consolidated subsidiaries, the simplified method is applied.

(2) Defined benefit plans

a. Assumptions of the Company used in accounting for the defined benefit plans for the years ended March 31, 2017 and 2018 were as follows:

Years ended March 31,	2018	2017
Method of attributing benefit to period of service	Benefit formula basis	Benefit formula basis
Amortization period for actuarial differences	10 years	10 years
Amortization period for past service cost	10 years	10 years

b. Changes in the retirement benefit obligations for the years ended March 31, 2017 and 2018 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Balance at the beginning of the fiscal year	¥361,873	¥373,704	\$3,406
Service costs	12,026	11,920	113
Interest cost on retirement benefit obligations	5,311	4,984	49
Actuarial losses (gains) recognized	6,746	(147)	63
Benefits paid	(25,961)	(30,372)	(244)
Partial suspension in defined benefit plans of the U.S. consolidated subsidiaries	(5,241)	—	(49)
Others	(1,949)	1,785	(18)
Balance at the end of the fiscal year	¥352,805	¥361,874	\$3,320

c. Changes in the plan assets for the years ended March 31, 2017 and 2018 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Balance at the beginning of the fiscal year	¥445,853	¥398,554	\$4,196
Expected return on plan assets	7,414	6,920	69
Actuarial gains (losses) recognized	9,767	42,103	91
Contributions by employer	9,714	12,102	91
Benefits paid	(11,013)	(15,195)	(103)
Others	(1,725)	1,368	(16)
Balance at the end of the fiscal year	¥460,011	¥445,853	\$4,329

d. The amount of the retirement benefit obligations and the plan assets, and the amount of the defined benefit liabilities and the defined benefit assets recognized in the consolidated balance sheets as of March 31, 2017 and 2018 were determined as follows:

	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
As of March 31,			
Present value of funded retirement benefit obligations	¥344,547	¥353,057	\$3,243
Plan assets at fair value	(460,011)	(445,853)	(4,329)
Net present value of funded retirement benefit obligations	(115,463)	(92,795)	(1,086)
Present value of non-funded retirement benefit obligations	8,258	8,816	77
Net balance on the consolidated balance sheet	(107,205)	(83,978)	(1,009)
Consists of:			
Defined benefit liabilities	6,328	8,769	59
Defined benefit assets	(113,534)	(92,747)	(1,068)

e. The amounts recognized in retirement benefit expenses in the consolidated statements of income for the years ended March 31, 2017 and 2018 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Service costs	¥12,026	¥11,920	\$113
Interest cost on retirement benefit obligations	5,311	4,984	49
Expected return on plan assets	(7,414)	(6,920)	(69)
Amortization of net actuarial losses (gains)	8,872	25,293	83
Amortization of net past service costs	(860)	(860)	(8)
Gains from partial suspension in defined benefit plans of the U.S. consolidated subsidiaries	(4,977)	—	(46)
Others	49	272	0
Retirement benefit expenses	¥13,007	¥34,690	\$122

f. Major components of other comprehensive income and total accumulated other comprehensive income

Major components of other comprehensive income (before income tax effect adjustments) for the years ended March 31, 2017 and 2018 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Actuarial gains (losses)	¥12,099	¥67,578	\$113
Past service costs	(859)	(858)	(8)
Total	¥11,239	¥66,719	\$105

Major components of total accumulated other comprehensive income (before income tax effect adjustments) for the years ended March 31, 2017 and 2018 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Unrecognized actuarial gains (losses)	¥29,921	¥17,826	\$281
Unrecognized past service costs	3,411	4,270	32
Total	¥33,332	¥22,097	\$313

g. Plan assets

Plan assets as of March 31, 2017 and 2018 were comprised as follows:

As of March 31,	% of total fair value of plan assets	
	2018	2017
Debt securities	6.8%	6.4%
Stocks	36.9%	38.0%
General account of life insurance companies	29.0%	29.0%
Jointly invested assets	21.8%	21.0%
Investment trusts	3.3%	—
Cash and deposits	0.7%	1.4%
Others	1.4%	4.3%
Total	100.0%	100.0%

Plan assets include the retirement benefit trusts. The amounts of the retirement benefit trusts were 48.3% and 47.8% of total plan assets as of March 31, 2017 and 2018, respectively.

h. The expected long-term rate of return on plan assets

The expected long-term rate of return on plan assets is calculated by aggregating the weighted rate of return derived from each asset category. The expected long-term rate of return for each asset category is based primarily on various aspects of long-term prospects for the economy that include historical performance and the market environment.

i. Assumptions used in calculation

Assumptions of the Company and certain overseas consolidated subsidiaries used in accounting for the defined benefit plans for the years ended March 31, 2017 and 2018 were as follows:

Years ended March 31,	2018	2017
Discount rate		
Domestic	0.9%	0.9%
Overseas	3.5 to 3.7%	4.3 to 4.4%
Expected long-term rate of return on plan assets		
Domestic		
Defined benefit corporate pension plans	2.0%	2.0%
Retirement benefit trusts	0.0%	0.0%
Overseas	3.9 to 7.3%	4.2 to 7.7%

(3) Defined contribution plans

The amounts recognized as expenses for the defined contribution pension plans were ¥2,382 million and ¥2,843 million (U.S. \$26 million) for the years ended March 31, 2017 and 2018, respectively.

15. Deferred Taxes

(1) Deferred tax assets/liabilities were recognized as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Deferred tax assets	¥ 708,838	¥ 686,498	\$ 6,672
Valuation allowance for deferred tax assets	(7,963)	(7,108)	(74)
Subtotal	700,875	679,389	6,597
Deferred tax liabilities	(1,076,209)	(1,110,685)	(10,129)
Net deferred tax assets (liabilities)	(375,334)	(431,295)	(3,532)

Major components of deferred tax assets/liabilities were as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Deferred tax assets			
Policy reserves and other reserves	¥432,814	¥433,054	\$4,073
Reserve for price fluctuation	191,543	161,585	1,802
Deferred tax liabilities:			
Net unrealized gains on available-for-sale securities	958,930	952,346	9,026

(2) The statutory tax rates were 28.20% and 28.20% for the years ended March 31, 2017 and 2018, respectively. Main factors in the differences between the statutory tax rates and the actual effective tax rates after considering deferred taxes were as follows:

Years ended March 31,	2018	2017
Policyholders' dividend reserves	(18.66)%	(18.32)%
Enactment of the Tax Cuts and Jobs Act	(12.13)%	—

(3) The Tax Cuts and Jobs Act was enacted in the U.S. on December 22, 2017. Due to the Act, the federal corporate income tax rate was reduced from 35% to 21%, effective January 1, 2018, and measurement of deferred tax assets and liabilities recorded by the U.S. based consolidated subsidiaries was changed.

Due to this change, as of March 31, 2018, deferred tax liabilities of the Company in the consolidated balance sheet decreased by ¥31,696 million (U.S. \$298 million), and deferred portion of income taxes of the Company in the consolidated statement of income decreased by ¥31,696 million (U.S. \$298 million).

16. Policyholders' Dividend Reserves

Changes in policyholders' dividend reserves for the years ended March 31, 2017 and 2018 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Balance at the beginning of the fiscal year	¥236,959	¥240,902	\$2,230
Transfer from surplus in the previous fiscal year	169,815	165,707	1,598
Dividend payments to policyholders during the fiscal year	(173,157)	(169,832)	(1,629)
Interest accrued during the fiscal year	151	182	1
Balance at the end of the fiscal year	¥233,768	¥236,959	\$2,200

17. Subordinated Bonds

As of March 31, 2017 and 2018, bonds payable in liabilities included foreign currency-denominated subordinated bonds of ¥379,632 million, and subordinated bonds and foreign currency-denominated subordinated bonds of ¥453,310 million (U.S. \$4,266 million), respectively, and the repayments of which are subordinated to other obligations.

18. Reserve for Contingent Liabilities

Reserve for contingent liabilities of the Company is provided for the amount of estimated possible losses in the future with respect to the loan commitments outstanding pursuant to Article 24-4 of the “Ordinance for Enforcement of the Insurance Business Act”.

19. Foundation Funds

Foundation funds serve as the primary source of capital for Japanese mutual life insurance companies. These funds are similar to loans, as interest payments, maturity dates and other items must be established at the time of the offering. In the event of a bankruptcy or similar development, repayment of the principal and interest of foundation funds is subordinated to the repayment of amounts owed to ordinary creditors and insurance claims and benefit payments owed to policyholders. Upon redemption of foundation funds, mutual companies are required to make an addition to the reserve for redemption of foundation funds, which serves as retained earnings, equal to the amount redeemed. As a result, the full amount of foundation funds remains in net assets even after redemption.

The Company offered foundation funds in the amount of ¥100,000 million and ¥50,000 million (U.S. \$470 million) pursuant to Article 60 of the “Insurance Business Act” in the years ended March 31, 2017 and 2018, respectively.

The Company redeemed foundation funds and also established for reserve for redemption of foundation funds pursuant to Article 56 of the “Insurance Business Act” in the amount of ¥50,000 million and ¥100,000 (U.S. \$941 million) as of March 31, 2017 and 2018, respectively.

20. Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118, Paragraph 1 of the “Insurance Business Act” were ¥809,841 million and ¥876,492 million (U.S. \$8,250 million) as of March 31, 2017 and 2018, respectively. The amounts of separate account liabilities were the same as these figures.

21. Contributions to the Life Insurance Policyholders Protection Corporation

The Company estimated future contributions to the Life Insurance Policyholders Protection Corporation in the amount of ¥49,705 million and ¥48,499 million (U.S. \$456 million) as of March 31, 2017 and 2018, respectively, pursuant to Article 259 of the “Insurance Business Act”.

These contributions are recognized as operating expenses when contributed.

22. Issuance of Subordinated Notes

On April 26, 2018, the Company issued corporate bonds as follows:

(1) Type

US dollar-denominated subordinated notes due 2048 with interest deferral options

(2) Offering price

100% of principal amount

(3) Principal amount

USD 1.0 billion

(4) Interest rate

A fixed rate of 5.10% per annum before April 2028 and a fixed rate reset with step-up thereafter (reset every 5 years)

(5) Maturity

April 2048

The Notes are callable on April 26, 2028 and every date which falls five, or multiple of five, years thereafter until the Notes are fully redeemed at the discretion of Meiji Yasuda, subject to prior consent by the regulatory authority, etc.

(6) Collateral and guarantees

The Notes are not secured or guaranteed, and there are no particular assets reserved for them.

(7) Use of funds

For general business

23. Income Taxes

The provision for income taxes is calculated based on the pretax surplus included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying the effective income tax rates that are based on the enacted statutory rates to the temporary differences.

24. Other Comprehensive Income

The components of other comprehensive income (reclassification adjustments and income tax effects relating to other comprehensive income) for the years ended March 31, 2017 and 2018 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Net unrealized gains on available-for-sale securities:			
Amount arising during the fiscal year	¥21,517	¥325,627	\$202
Reclassification adjustments	29,988	22,889	282
Before income tax effect adjustments	51,505	348,517	484
Income tax effects	(15,079)	(97,672)	(141)
Net unrealized gains on available-for-sale securities	36,425	250,844	342
Deferred unrealized gains (losses) on derivatives under hedge accounting:			
Amount arising during the fiscal year	¥1,448	¥1,616	\$13
Reclassification adjustments	(6,935)	(1,155)	(65)
Before income tax effect adjustments	(5,487)	460	(51)
Income tax effects	1,725	523	16
Deferred unrealized gains (losses) on derivatives under hedge accounting	(3,761)	983	(35)
Foreign currency translation adjustments:			
Amount arising during the fiscal year	¥(19,061)	¥11,887	\$(179)
Reclassification adjustments	—	—	—
Before income tax effect adjustments	(19,061)	11,887	(179)
Income tax effects	—	—	—
Foreign currency translation adjustments	(19,061)	11,887	(179)
Remeasurements of defined benefit plans:			
Amount arising during the fiscal year	¥ 2,594	¥ 38,233	\$ 24
Reclassification adjustments	8,644	28,482	81
Before income tax effect adjustments	11,239	66,715	105
Income tax effects	(2,899)	(18,737)	(27)
Remeasurements of defined benefit plans	8,339	47,977	78
Share of other comprehensive income of affiliates accounted for by the equity method:			
Amount arising during the year	¥13,288	¥ (4,729)	\$125
Reclassification adjustments	752	29	7
Share of other comprehensive income of affiliates accounted for by the equity method	13,980	(4,699)	131
Total other comprehensive income	¥35,923	¥306,994	\$338

25. Subsequent Events

Appropriation of surplus

The proposed appropriation of surplus of the Company for the year ended March 31, 2018 was approved as planned at the annual meeting of the representatives of policyholders held on July 3, 2018.

Offering of foundation funds

During the annual meeting of representatives of policyholders held on July 3, 2018, a resolution was passed to partially amend the Articles of Incorporation in connection with an issuance of foundation funds of ¥50,000 million during the year ending March 31, 2019.



Independent Auditor's Report

To the Board of Directors of Meiji Yasuda Life Insurance Company:

We have audited the accompanying consolidated financial statements of Meiji Yasuda Life Insurance Company and its consolidated subsidiaries, which comprise the consolidated balance sheets as at March 31, 2017 and 2018, and the consolidated statements of income, the consolidated statements of comprehensive income, the consolidated statements of changes in net assets and the consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the provisions of the Insurance Business Act and its related regulations thereunder and in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Meiji Yasuda Life Insurance Company and its consolidated subsidiaries as at March 31, 2017 and 2018, and their financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2018 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA LLC

KPMG AZSA LLC

August 7, 2018

Tokyo, Japan

KPMG AZSA LLC, a limited liability audit corporation incorporated under the Japanese Certified Public Accountants Law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Non-consolidated Balance Sheets

Meiji Yasuda Life Insurance Company

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
ASSETS:			
Cash and deposits (Note 3)			
Cash	¥ 192	¥ 196	\$ 1
Deposits	507,276	323,312	4,774
Subtotal	507,469	323,509	4,776
Call loans	90,000	90,000	847
Monetary claims bought (Note 3)	214,730	220,118	2,021
Money held in trust (Note 3)	10,076	—	94
Securities (Notes 3, 4, 5, 6, and 7)			
National government bonds	14,412,932	14,309,347	135,663
Local government bonds	503,877	612,257	4,742
Corporate bonds	2,292,833	2,200,671	21,581
Domestic stocks	4,593,785	4,279,285	43,239
Foreign securities	8,990,244	8,703,539	84,622
Other securities	988,287	758,308	9,302
Subtotal	31,781,961	30,863,410	299,152
Loans (Notes 3, 8, and 9)			
Policy loans	249,260	260,726	2,346
Industrial and consumer loans	4,258,109	4,421,255	40,080
Subtotal	4,507,370	4,681,981	42,426
Tangible fixed assets (Notes 10, 11, 12, and 13)			
Land	600,808	602,976	5,655
Buildings	264,156	273,269	2,486
Construction in progress	3,934	2,252	37
Other tangible fixed assets	4,125	3,916	38
Subtotal	873,024	882,414	8,217
Intangible fixed assets			
Software	52,269	51,577	491
Other intangible fixed assets	28,465	25,400	267
Subtotal	80,734	76,978	759
Due from agents	0	—	0
Reinsurance receivables	663	612	6
Other assets			
Accounts receivable	99,319	118,710	934
Prepaid expenses	6,032	6,166	56
Accrued income	100,063	98,883	941
Money on deposit	9,668	9,287	91
Deposits for futures transactions	2,559	2,293	24
Margins on futures transactions	—	10	—
Derivative financial instruments (Note 3)	138,466	69,765	1,303
Cash collaterals pledged for financial instruments	33,327	19,198	313
Suspense	5,212	2,550	49
Other assets	9,576	9,699	90
Subtotal	404,228	336,566	3,804
Prepaid pension cost (Note 14)	77,447	70,844	728
Customers' liabilities under acceptances and guarantees	21,727	20,888	204
Allowance for possible loan losses	(5,100)	(5,848)	(48)
Total assets	¥38,564,334	¥37,561,475	\$362,992

Non-consolidated Balance Sheets (continued)

Meiji Yasuda Life Insurance Company

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
LIABILITIES:			
Policy reserves and other reserves			
Reserve for outstanding claims (Note 15)	¥ 115,109	¥ 111,491	\$ 1,083
Policy reserves (Note 15)	31,798,563	31,383,201	299,308
Policyholders' dividend reserves (Note 16)	233,768	236,959	2,200
Subtotal	32,147,442	31,731,653	302,592
Reinsurance payables	1,067	688	10
Bonds payable (Notes 3 and 17)	453,310	353,310	4,266
Other liabilities			
Payables under repurchase agreements (Note 3)	5,358	—	50
Payables under securities borrowing transactions (Note 3)	382,564	130,034	3,600
Income taxes payable	23,530	—	221
Accounts payable	67,250	52,973	633
Accrued expenses	31,965	28,891	300
Deferred income	2,519	2,408	23
Deposits received	25,833	27,584	243
Guarantee deposits received	34,390	33,399	323
Margins on futures transactions	24	—	0
Derivative financial instruments (Note 3)	11,633	48,780	109
Cash collaterals received for financial instruments	161,876	68,166	1,523
Asset retirement obligations	3,223	3,159	30
Suspense receipts	4,760	5,731	44
Subtotal	754,930	401,130	7,105
Reserve for contingent liabilities (Note 18)	1	1	0
Reserve for price fluctuation	684,594	577,545	6,443
Deferred tax liabilities (Note 19)	317,386	338,745	2,987
Deferred tax liabilities for land revaluation	79,522	79,910	748
Acceptances and guarantees	21,727	20,888	204
Total liabilities	34,459,982	33,503,874	324,359
NET ASSETS:			
Foundation funds (Note 20)	260,000	310,000	2,447
Reserve for redemption of foundation funds (Note 20)	620,000	520,000	5,835
Reserve for revaluation	452	452	4
Surplus	505,757	538,395	4,760
Reserve for future losses	10,902	10,387	102
Other surplus	494,855	528,007	4,657
Reserve for fund redemption	96,000	134,000	903
Fund for price fluctuation allowance	29,764	29,764	280
Reserve for promotion of social welfare project	47	18	0
Reserve for business infrastructure	100,000	100,000	941
Reserve for reduction entry of real estate	27,380	24,882	257
Special reserves	2,000	2,000	18
Other reserves	85	85	0
Unappropriated surplus	239,577	237,256	2,255
Total funds, reserve and surplus	1,386,210	1,368,848	13,047
Net unrealized gains on available-for-sale securities	2,564,070	2,533,850	24,134
Deferred unrealized gains on derivatives under hedge accounting	35,881	37,876	337
Land revaluation differences	118,189	117,025	1,112
Total unrealized gains, revaluation reserves and adjustments	2,718,141	2,688,753	25,584
Total net assets	4,104,352	4,057,601	38,632
Total liabilities and net assets	¥38,564,334	¥37,561,475	\$362,992

Non-consolidated Statements of Income

Meiji Yasuda Life Insurance Company

Years ended March 31,	Millions of Yen		Millions of
	2018	2017	U.S. Dollars
ORDINARY INCOME:			
Insurance premiums and other			
Insurance premiums	¥2,718,837	¥2,614,768	\$25,591
Reinsurance revenue	632	1,104	5
Subtotal	2,719,469	2,615,872	25,597
Investment income (Note 24)			
Interest, dividends and other income	768,959	721,464	7,237
Interest on deposits	21	16	0
Interest and dividends on securities	641,470	591,340	6,037
Interest on loans	79,112	84,525	744
Rent revenue from real estate	36,175	35,023	340
Other interest and dividends	12,179	10,557	114
Gains on money held in trust	22	—	0
Gains on sales of securities	25,175	21,635	236
Gains on redemption of securities	58,119	56,692	547
Reversal of allowance for possible loan losses	399	—	3
Other investment income	85	468	0
Investment gains on separate accounts	37,356	15,807	351
Subtotal	890,118	816,067	8,378
Other ordinary income			
Income from annuity riders	15,082	15,339	141
Income from deferred benefits	71,258	87,184	670
Reversal of accrued retirement benefits	6,603	—	62
Other ordinary income	7,637	7,738	71
Subtotal	100,582	110,262	946
Total ordinary income	3,710,171	3,542,202	34,922
ORDINARY EXPENSES:			
Benefits and other payments			
Claims paid	679,816	564,719	6,398
Annuity payments	645,353	695,207	6,074
Benefit payments	380,435	396,440	3,580
Surrender benefits	420,757	452,951	3,960
Other refunds	80,543	89,190	758
Reinsurance premiums	5,645	5,527	53
Subtotal	2,212,551	2,204,036	20,825
Provision for policy reserves and other reserves			
Provision for reserve for outstanding claims (Note 25)	3,618	1,348	34
Provision for policy reserves (Note 25)	415,361	322,205	3,909
Provision for interest on policyholders' dividend reserves (Note 16)	106	135	0
Subtotal	419,086	323,690	3,944
Investment expenses (Note 24)			
Interest expenses	10,085	11,307	94
Losses on sales of securities	38,046	32,078	358
Losses on valuation of securities	8,530	12,009	80
Losses on redemption of securities	4,302	4,423	40
Losses on derivative financial instruments	113,851	90,154	1,071
Foreign exchange losses	8,679	399	81
Provision for allowance for possible loan losses	—	459	—
Depreciation of real estate for non-insurance business	9,687	9,353	91
Other investment expenses	14,110	11,852	132
Subtotal	207,294	172,037	1,951

Non-consolidated Statements of Income (continued)

Meiji Yasuda Life Insurance Company

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Operating expenses (Note 26)	356,467	350,389	3,355
Other ordinary expenses			
Deferred benefit payments	87,413	108,264	822
Taxes	26,653	26,264	250
Depreciation	27,616	24,389	259
Provision for accrued retirement benefits	—	9,522	—
Other ordinary expenses	4,728	5,153	44
Subtotal	146,411	173,594	1,378
Total ordinary expenses	3,341,811	3,223,747	31,455
Ordinary profit	368,360	318,455	3,467
Extraordinary gains			
Gains on disposals of fixed assets	1,529	1,766	14
Reversal of reserve for contingent liabilities	0	0	0
Subtotal	1,529	1,766	14
Extraordinary losses			
Losses on disposals of fixed assets	1,791	4,261	16
Impairment losses (Note 13)	755	3,033	7
Provision for reserve for price fluctuation	107,048	55,868	1,007
Losses on reduction entry of real estate	—	333	—
Contributions for promotion of social welfare project	553	582	5
Subtotal	110,148	64,079	1,036
Surplus before income taxes	259,741	256,141	2,444
Income taxes (Note 19)			
Current	52,255	36,653	491
Deferred	(32,701)	(14,317)	(307)
Total income taxes	19,553	22,336	184
Net surplus	¥ 240,187	¥ 233,805	\$ 2,260

Non-consolidated Statements of Changes in Net Assets

Meiji Yasuda Life Insurance Company

Year ended March 31, 2017

(Millions of Yen)

	Funds, reserves and surplus											Unrealized gains (losses), revaluation reserve and adjustments					Total net assets		
	Surplus											Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Total unrealized gains (losses), revaluation reserve and adjustments				
	Foundation funds (Note 20)	Reserve for redemption of foundation funds (Note 20)	Reserve for revaluation	Reserve for future losses	Reserve for fund redemption	Fund for price fluctuation allowance	Reserve for promotion of social welfare project	Reserve for business infrastructure	Reserve for reduction entry of real estate	Special reserves	Other reserves					Unappropriated surplus		Total surplus	Total funds, reserves and surplus
Beginning balance	¥260,000	¥470,000	¥452	¥ 9,883	¥132,000	¥29,764	¥ 48	¥100,000	¥25,123	¥2,000	¥85	¥220,625	¥519,529	¥1,249,982	¥2,288,005	¥38,659	¥119,894	¥2,446,559	¥3,696,542
Changes in the fiscal year																			
Issuance of foundation funds	100,000													100,000					100,000
Additions to policyholders' dividend reserves (Note 16)												(165,707)	(165,707)	(165,707)					(165,707)
Additions to reserve for future losses				504								(504)							
Additions to reserve for redemption of foundation funds		50,000												50,000					50,000
Payment of interest on foundation funds												(2,101)	(2,101)	(2,101)					(2,101)
Net surplus												233,805	233,805	233,805					233,805
Redemption of foundation funds	(50,000)													(50,000)					(50,000)
Additions to reserve for fund redemption					52,000							(52,000)							
Reversal of reserve for fund redemption					(50,000)								(50,000)	(50,000)					(50,000)
Additions to reserve for promotion of social welfare project							553					(553)							
Reversal of reserve for promotion of social welfare project							(582)					582							
Additions to reserve for reduction entry of real estate									391			(391)							
Reversal of reserve for reduction entry of real estate									(631)			631							
Reversal of land revaluation differences												2,868	2,868	2,868					2,868
Net changes, excluding funds, reserves and surplus															245,845	(783)	(2,868)	242,193	242,193
Net changes in the fiscal year	50,000	50,000	—	504	2,000	—	(29)	—	(240)	—	—	16,631	18,865	118,865	245,845	(783)	(2,868)	242,193	361,058
Ending balance	¥310,000	¥520,000	¥452	¥10,387	¥134,000	¥29,764	¥ 18	¥100,000	¥24,882	¥2,000	¥85	¥237,256	¥538,395	¥1,368,848	¥2,533,850	¥37,876	¥117,025	¥2,688,753	¥4,057,601

Year ended March 31, 2018

(Millions of Yen)

	Funds, reserves and surplus											Unrealized gains (losses), revaluation reserve and adjustments					Total net assets		
	Surplus											Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Total unrealized gains (losses), revaluation reserve and adjustments				
	Foundation funds (Note 20)	Reserve for redemption of foundation funds (Note 20)	Reserve for revaluation	Reserve for future losses	Reserve for fund redemption	Fund for price fluctuation allowance	Reserve for promotion of social welfare project	Reserve for business infrastructure	Reserve for reduction entry of real estate	Special reserves	Other reserves					Unappropriated surplus		Total surplus	Total funds, reserves and surplus
Beginning balance	¥310,000	¥520,000	¥452	¥10,387	¥134,000	¥29,764	¥ 18	¥100,000	¥24,882	¥2,000	¥85	¥237,256	¥538,395	¥1,368,848	¥2,533,850	¥37,876	¥117,025	¥2,688,753	¥4,057,601
Changes in the fiscal year																			
Issuance of foundation funds	50,000													50,000					50,000
Additions to policyholders' dividend reserves (Note 16)												(169,815)	(169,815)	(169,815)					(169,815)
Additions to reserve for future losses				515								(515)							
Additions to reserve for redemption of foundation funds		100,000												100,000					100,000
Payment of interest on foundation funds												(1,846)	(1,846)	(1,846)					(1,846)
Net surplus												240,187	240,187	240,187					240,187
Redemption of foundation funds	(100,000)													(100,000)					(100,000)
Additions to reserve for fund redemption					62,000							(62,000)							
Reversal of reserve for fund redemption					(100,000)								(100,000)	(100,000)					(100,000)
Additions to reserve for promotion of social welfare project							582					(582)							
Reversal of reserve for promotion of social welfare project							(553)					553							
Additions to reserve for reduction entry of real estate									4,743			(4,743)							
Reversal of reserve for reduction entry of real estate									(2,245)			2,245							
Reversal of land revaluation differences												(1,163)	(1,163)	(1,163)					(1,163)
Net changes, excluding funds, reserves and surplus															30,220	(1,994)	1,163	29,388	29,388
Net changes in the fiscal year	(50,000)	100,000	—	515	(38,000)	—	29	—	2,497	—	—	2,320	(32,637)	17,362	30,220	(1,994)	1,163	29,388	46,751
Ending balance	¥260,000	¥620,000	¥452	¥10,902	¥ 96,000	¥29,764	¥ 47	¥100,000	¥27,380	¥2,000	¥85	¥239,577	¥505,757	¥1,386,210	¥2,564,070	¥35,881	¥118,189	¥2,718,141	¥4,104,352

Non-consolidated Statements of Changes in Net Assets (continued)

Meiji Yasuda Life Insurance Company

Year ended March 31, 2018

(Millions of U.S. Dollars)

	Funds, reserves and surplus												Unrealized gains (losses), revaluation reserve and adjustments					Total net assets	
	Surplus											Total funds, reserves and surplus	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Total unrealized gains (losses), revaluation reserve and adjustments			
	Other surplus																		
	Foundation funds (Note 20)	Reserve for redemption of foundation funds (Note 20)	Reserve for revaluation	Reserve for future losses	Reserve for fund redemption	Fund for price fluctuation allowance	Reserve for promotion of social welfare project	Reserve for business infrastructure	Reserve for reduction entry of real estate	Special reserves	Other reserves						Unappropriated surplus		Total surplus
Beginning balance	\$2,917	\$4,894	\$4	\$ 97	\$1,261	\$280	\$0	\$941	\$234	\$18	\$0	\$2,233	\$5,067	\$12,884	\$23,850	\$356	\$1,101	\$25,308	\$38,192
Changes in the fiscal year																			
Issuance of foundation funds	470													470					470
Additions to policyholders' dividend reserves (Note 16)												(1,598)	(1,598)	(1,598)					(1,598)
Additions to reserve for future losses				4									(4)						
Additions to reserve for redemption of foundation funds		941												941					941
Payment of interest on foundation funds												(17)	(17)	(17)					(17)
Net surplus												2,260	2,260	2,260					2,260
Redemption of foundation funds	(941)													(941)					(941)
Additions to reserve for fund redemption					583									(583)					
Reversal of reserve for fund redemption					(941)									(941)					(941)
Additions to reserve for promotion of social welfare project							5							(5)					
Reversal of reserve for promotion of social welfare project							(5)							5					
Additions to reserve for reduction entry of real estate									44					(44)					
Reversal of reserve for reduction entry of real estate									(21)					21					
Reversal of land revaluation differences												(10)	(10)	(10)					(10)
Net changes, excluding funds, reserves and surplus															284	(18)	10	276	276
Net changes in the fiscal year	(470)	941	—	4	(357)	—	0	—	23	—	—	21	(307)	163	284	(18)	10	276	440
Ending balance	\$2,447	\$5,835	\$4	\$102	\$ 903	\$280	\$0	\$941	\$257	\$18	\$0	\$2,255	\$4,760	\$13,047	\$24,134	\$337	\$1,112	\$25,584	\$38,632

Non-consolidated Proposed Appropriation of Surplus

Meiji Yasuda Life Insurance Company

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Unappropriated surplus	¥239,577	¥237,256	\$2,255
Reversal of voluntary surplus reserves:	544	2,245	5
Reversal of reserve for reduction entry of real estate	544	2,245	5
Total	240,122	239,502	2,260
Appropriation of surplus	240,122	239,502	2,260
Provision for policyholders' dividend reserves	185,731	169,815	1,748
Net surplus	54,390	69,687	511
Reserve for future losses	561	515	5
Interest on foundation funds	1,171	1,846	11
Voluntary surplus reserves:	52,658	67,326	495
Reserve for fund redemption	52,000	62,000	489
Reserve for promotion of social welfare project	553	582	5
Reserve for reduction entry of real estate	105	4,743	0

1. Basis of Presentation

MEIJI YASUDA LIFE INSURANCE COMPANY (hereafter, "the Company") has prepared the accompanying non-consolidated financial statements in accordance with the provisions set forth in the Japanese "Insurance Business Act" and its related accounting regulations in Japan, and in conformity with accounting principles generally accepted in Japan, which may differ in certain respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan. In preparing the accompanying non-consolidated financial statements, certain reclassifications have been made to the non-consolidated financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, the notes to the non-consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts are rounded down to the nearest million yen. As a result, the totals do not add up. The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the exchange rate prevailing at March 31, 2018, which was ¥106.24 to U.S. \$1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. Summary of Significant Accounting Policies

(1) Securities

Securities held by the Company are classified and accounted for as follows:

- a. Trading securities are stated at market value at the balance sheet date. The cost of sales is determined by the moving average method.
 - b. Held-to-maturity debt securities are stated at amortized cost using the moving average method and the amortization is calculated using the straight-line method.
 - c. Policy-reserve-matching bonds are stated at amortized cost in accordance with the "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry," (Japanese Institute of Certified Public Accountants (JICPA), issued on November 16, 2000). The cost of sales is determined by the moving average method and the amortization of discount/premium is calculated using the straight-line method.
 - d. Equity securities issued by subsidiaries and affiliates are stated at cost using the moving average method. The subsidiaries are prescribed under Article 2, Paragraph 12 of the "Insurance Business Act" and Article 13-5-2, Paragraph 3 of the "Order for Enforcement of the Insurance Business Act." The affiliates are under Paragraph 4 of the order.
 - e. Available-for-sale securities
 - ii) Securities of which market value is extremely difficult to determine Bonds (including foreign bonds) of which premium or discount are regarded as interest rate adjustment are stated at amortized cost using the moving average method. The amortization is calculated using the straight-line method. Other securities are stated at cost using the moving average method.
 - iii) Unrealized gains and losses on available-for-sale securities are reported as a component of net assets in the non-consolidated balance sheets.
- Stocks are stated at the average of the market value during the final month of the fiscal year. Others are stated at market value at the balance sheet date. The cost of sales is determined by the moving average method.

(2) Policy-reserve-matching bonds

The Company classifies bonds held with the aim of matching the duration to outstanding insurance liabilities within the sub-groups (categorized by insurance type, investment policy and other factors) of individual life insurance, individual annuities and group pensions as policy-reserve-matching bonds in accordance with the "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry" (JICPA, issued on November 16, 2000).

(3) Derivative transactions

Derivative transactions are stated at fair value.

(4) Method of hedge accounting

Methods of hedge accounting are in accordance with the "Accounting Standard for Financial Instruments" (ASBJ, issued on March 10, 2008). These methods consist primarily of:

- the special hedge accounting using interest rate swaps to hedge against cash flow volatility related to loans receivable;
 - the fair value hedge accounting using forward exchange contracts to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
 - the deferred hedge accounting using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
 - the allocation method using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated loans and bonds payable; and
 - the deferred hedge accounting using interest rate swaps to hedge against interest rate fluctuation risk related to insurance liabilities.
- Hedge effectiveness for the deferred hedge accounting to hedge against interest rate fluctuation risk related to insurance liabilities is assessed by verifying the correlation between interest rates that would be used in calculating theoretical prices of hedged items and hedging instruments.

(5) Tangible fixed assets

Tangible fixed assets owned by the Company are depreciated as follows:

- a. Buildings
Calculated using the straight-line method.
- b. Other tangible fixed assets
Calculated using the declining-balance method.

Tangible fixed assets are presented at cost, net of accumulated depreciation and impairment losses.

The estimated useful lives of major items are as follows:

Buildings	2 to 50 years
Other tangible fixed assets	2 to 20 years

Revaluation of land

The Company revalued certain parcels of land owned for operational use as of March 31, 2000, as permitted by the “Act on Revaluation of Land”.

The difference in value before and after revaluation is directly included in net assets in the non-consolidated balance sheets and presented as land revaluation differences, after net of income taxes which is presented as deferred tax liabilities for land revaluation in the non-consolidated balance sheets. As a revaluation method stipulated in Article 3, Paragraph 3 of the act, the Company used the publicly announced appraisal value with certain adjustments (detailed in Article 2, Item 1 of the “Order for Enforcement of the Act on Revaluation of Land”) for the revaluation.

The Company also revalued certain parcels of land acquired from former Yasuda Mutual Life Insurance Company upon the merger on January 1, 2004 as of March 31, 2001, as permitted by the act. As a revaluation method stipulated in Article 3, Paragraph 3 of the act, the former company used the publicly announced appraisal value with certain adjustments (detailed in Article 2, Item 1 of the order) and appraisal value (detailed in Article 2, Item 5 of the order) for the revaluation.

(6) Software

Capitalized software for internal use owned by the Company (included in intangible fixed assets in the non-consolidated balance sheets) is amortized using the straight-line method over the estimated useful lives (3 to 5 years).

(7) Allowance for possible loan losses

Allowance for possible loan losses of the Company is provided pursuant to its standards for self assessment of asset quality and internal rules for write-offs of loans and allowance for possible loan losses.

For loans to borrowers that are legally bankrupt (hereafter, “bankrupt borrowers”) and for loans to borrowers that are not yet legally bankrupt but substantially bankrupt (hereafter, “substantially bankrupt borrowers”), an allowance is provided based on the total amounts of the loans after deduction of charge-offs and any amounts expected to be collected through the disposal of collaterals and the execution of guarantees.

For loans to borrowers that have high possibility of bankruptcy (hereafter, “borrowers with high possibility of bankruptcy”), an allowance is provided at the amount deemed necessary based on an overall solvency assessment, net of the expected collection by disposal of collaterals and by executing guarantees.

For other loans, an allowance is provided by multiplying the claim amount by an anticipated default rate calculated based on the Company’s actual default experience for a certain period in the past.

All loans are assessed by the department concerned based on the Company’s standards for the self-assessment of asset quality and an independent department is responsible for audit of its self-assessment. The allowance for possible loan losses is provided based on the result of the assessment.

For loans with collaterals to bankrupt borrowers and substantially bankrupt borrowers, the amount of loans exceeding the value of estimated recovery through disposal of collaterals or execution of guarantees is deemed uncollectible and written off. The amount of loans written off for the years ended March 31, 2017 and 2018 amounted to ¥46 million and ¥370 million (U.S. \$3 million), respectively.

(8) Policy reserves

Policy reserves of the Company are provided pursuant to Article 116 of the “Insurance Business Act”.

Premium reserves, a main component of policy reserves, are calculated according to the following method:

- For contracts that are subject to the standard policy reserve requirements, the premium reserves are calculated pursuant to the method stipulated by the Prime Minister (Ministry of Finance Notification No. 48 in 1996).
- For contracts that are not subject to the standard policy reserve requirements, the premium reserves are calculated using the net level premium method.

The policy reserves include an amount to be additionally set aside as the difference arising from calculations of premium reserves using the expected rate of interest of 2.75% for individual annuity contracts concluded on or before April 1, 1996 pursuant to Article 69, Paragraph 5 of the “Ordinance for Enforcement of the Insurance Business Act”. The accumulation of the amount was completed on schedule over a period of three years starting in the year ended March 31, 2008. Besides, an additional reserve corresponding to the period after the beginning of annuity payment shall be accumulated at the beginning of the payment of the above annuity contracts.

The policy reserves also include reserves which are additionally set aside for variable life insurance contracts, and single premium endowment contracts concluded on or after September 2, 1995 pursuant to Article 69, Paragraph 5 of the ordinance.

For the year ended March 31, 2018, the Company additionally set aside the policy reserves for single premium individual annuity contracts concluded on or after April 2, 1998 pursuant to Article 69, Paragraph 5 of the ordinance. As a result, policy reserves increased by ¥2,471 million (U.S. \$23 million) as of March 31, 2018 and ordinary profit and surplus before income taxes decreased by ¥2,471 million (U.S. \$23 million) for the year ended March 31, 2018 compared to the cases where the Company would not have accumulated the additional reserves.

(9) Accrued retirement benefits

Accrued retirement benefits of the Company are provided based on the estimate of retirement benefit obligations and plan assets at the balance sheet date.

No accrued retirement benefits were recognized on the liabilities due to the plan assets in excess of the retirement benefit obligations as of March 31, 2017 and 2018, respectively.

(10) Reserve for price fluctuation

Reserve for price fluctuation of the Company is calculated pursuant to Article 115 of the “Insurance Business Act”.

(11) Revenue recognition

Insurance premiums are recognized when premiums are received, and insurance premiums due but not collected are not recognized as revenue. Unearned insurance premiums are recognized as policy reserves.

(12) Policy acquisition costs

Policy acquisition costs are expensed when incurred.

(13) Accounting for consumption taxes

National and local consumption taxes of the Company are accounted for using the tax-excluded method. Non-deductible consumption taxes are recognized as expenses for the period, except for those relating to purchases of depreciable fixed assets which are not charged to expense but deferred as prepaid expenses and amortized over a five-year period on the straight-line basis pursuant to the "Corporation Tax Act".

(14) Foreign currency translation

Assets and liabilities denominated in foreign currencies, except for equity securities issued by subsidiaries and affiliates, are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Equity securities issued by subsidiaries and affiliates are translated into Japanese yen at the exchange rates on the dates of acquisition.

3. Financial Instruments

(1) Qualitative information on financial instruments

The Company develops the asset and liability management based on surplus, and it monitors a surplus derived from the difference between the economic values of assets and liabilities as a measure of financial soundness, in order to manage its investment assets (excluding the assets of the separate account prescribed in Article 118, Paragraph 1 of the "Insurance Business Act").

Based on this risk management, the Company mainly invests in securities and loans. Securities held primarily consist of bonds, stocks and investment trusts. Loans primarily consist of loans to domestic corporate borrowers.

The use of derivatives is, in principle, limited to hedging activities as a primary method of hedging against invested asset risk, insurance liability risk and bonds payable risk.

Methods of hedge accounting are in accordance with the "Accounting Standard for Financial Instruments" (ASBJ, issued on March 10, 2008). These methods consist primarily of:

- the special hedge accounting using interest rate swaps to hedge against cash flow volatility related to loans;
- the fair value hedge accounting using forward exchange contracts to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the deferred hedge accounting using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the allocation method using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated loans and bonds payable; and
- the deferred hedge accounting using interest rate swaps to hedge against interest rate fluctuation risk related to insurance liabilities.

Securities are exposed to market risk (interest rate fluctuation risk, exchange rate fluctuation risk and price fluctuation risk) and credit risk. Loans are exposed to credit risk and interest rate fluctuation risk. Derivative transactions are exposed to market risk and credit risk.

Loans payable are exposed to interest rate fluctuation risk arising from floating interest rate borrowings. Foreign currency denominated bonds payable are exposed to exchange rate fluctuation risk.

With regard to the interest rate fluctuation risk management, the Company manages the fluctuation risk on the basis of economic values from a surplus management perspective, by purchasing super long-term bonds to keep asset duration stable and using interest rate swaps for the interest rate risk hedge against insurance liabilities.

To manage the exchange rate fluctuation risk, the Company hedges against exchange rate fluctuation using forward exchange contracts where necessary for appropriate controls of exchange rate fluctuation risk.

To manage the price fluctuation risk, the Company performs integrated management for outstanding balances and the profit and loss situation of securities and derivative transactions and also monitors loss limits to minimize unexpected losses.

In addition to the Value at Risk (VaR) method to measure the maximum expected loss, the Company performs stress tests periodically to simulate conditions that might arise in the event of sharp market fluctuations that exceed normal forecasts.

The profit and loss status and compliance with these procedures are monitored by the investment risk management department, reported regularly (or immediately in urgent cases) to the small-committee of investment risk management and, on important matters reported directly to the Board of Directors and Committees.

To manage credit risk, the Company carefully identifies risks in each transaction and limits investments to those that are assessed to be of high quality.

Where credit risk assessment is particularly important regarding corporate loans, the credit risk management department ensures that a rigorous screening system is in place, and monitors borrowers and internal credit rating using corporate screening methods. The Company follows careful discussions by the Investment Council to make decisions on highly important deals.

Further, the Company sets exposure limits based on counterparties' creditworthiness to ensure that risk is not concentrated among certain companies or groups, and diversifies investments.

With regard to derivative transactions, the Company limits risk by setting up policies and establishing limits by the type of transaction and by each counterparty. At the same time, a system of internal checks is in place by segregating the departments executing the transactions from the administrative departments to ensure risk management is on an appropriate footing.

The fair value of financial instruments is based on the market price or, in cases where market price is not available, based on prices calculated using reasonable methods.

Since certain assumptions are adopted for the price calculations, the prices calculated may differ when different assumptions are used.

(2) Fair values of financial instruments

The amounts of the principal financial assets and liabilities reported in the non-consolidated balance sheets at the end of the fiscal year, and

fair values and the differences between them, were as follows:

As of March 31,	Millions of Yen						Millions of U.S. Dollars		
	2018			2017			2018		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Cash and deposits	¥ 507,469	¥ 507,469	¥ —	¥ 323,509	¥ 323,509	¥ —	\$ 4,776	\$ 4,776	\$ —
Available-for-sale securities (CDs)	35,999	35,999	—	49,996	49,996	—	338	338	—
Monetary claims bought	214,730	225,501	10,770	220,118	230,634	10,516	2,021	2,122	101
Held-to-maturity debt securities	197,914	208,685	10,770	197,150	207,666	10,516	1,862	1,964	101
Available-for-sale securities	16,816	16,816	—	22,968	22,968	—	158	158	—
Money held in trust	10,076	10,076	—	—	—	—	94	94	—
Available-for-sale securities	10,076	10,076	—	—	—	—	94	94	—
Securities	30,490,448	32,710,178	2,219,729	29,505,359	31,644,800	2,139,441	286,995	307,889	20,893
Trading securities	785,232	785,232	—	741,879	741,879	—	7,391	7,391	—
Held-to-maturity debt securities	4,342,387	5,140,154	797,766	4,518,170	5,330,185	812,014	40,873	48,382	7,509
Policy-reserve-matching bonds	7,549,821	8,971,785	1,421,963	7,250,615	8,578,042	1,327,426	71,063	84,448	13,384
Available-for-sale securities	17,813,006	17,813,006	—	16,994,693	16,994,693	—	167,667	167,667	—
Loans	4,507,370	4,785,620	278,250	4,681,981	4,976,601	294,619	42,426	45,045	2,619
Policy loans	249,260	249,260	—	260,726	260,726	—	2,346	2,346	—
Industrial and consumer loans	4,258,109	4,536,360	278,250	4,421,255	4,715,875	294,619	40,080	42,699	2,619
Allowance for possible loan losses ^(*)	(3,739)	—	—	(4,422)	—	—	(35)	—	—
	4,503,630	4,785,620	281,990	4,677,559	4,976,601	299,042	42,391	45,045	2,654
Bonds payable	453,310	483,415	30,105	353,310	383,459	30,149	4,266	4,550	283
Payables under repurchase agreements	5,358	5,358	—	—	—	—	50	50	—
Payables under securities borrowing transactions	382,564	382,564	—	130,034	130,034	—	3,600	3,600	—
Derivative financial instruments ^(*)	126,833	126,833	—	20,984	20,984	—	1,193	1,193	—
Hedge accounting is not applied	(2,760)	(2,760)	—	(1,806)	(1,806)	—	(25)	(25)	—
Hedge accounting is applied	129,593	129,593	—	22,790	22,790	—	1,219	1,219	—

(*) The amounts are general allowance for possible losses on loans and specific allowance for possible loan losses related to the loans.

(*) The amounts of receivables and payables arising from derivative transactions are shown as net amounts.

Notes:

a. Method used to determine the fair value of financial instruments

i) Assets

Cash and deposits

The Company regards book value as fair value with the assumption that fair value approximates book value due to short-term nature of these contracts. Fair value of deposits deemed as securities transactions based on "Accounting Standard for Financial Instruments" (ASBJ, issued on March 10, 2008) is calculated in the same method shown in "Securities."

Monetary claims bought

Fair value of monetary claims bought deemed as securities transactions based on "Accounting Standard for Financial Instruments" (ASBJ, issued on March 10, 2008) is calculated using the same method shown in "Securities" and the fair value of these monetary claims bought is stated at theoretical prices calculated by discounting the future cash flows to the present value or at the fair value obtained from counterparties at the balance sheet date.

Money held in trust

Securities managed as assets in trust of which market value is readily available are stated at market value at the balance sheet date.

Securities

As for available-for-sale securities, domestic stocks of which market value is readily available are stated at the average of the market value during the final month of the fiscal year. Other securities are stated at market value at the balance sheet date.

Unlisted stocks and others of which market value is not readily available are not subject to fair value disclosure and are therefore not included in the table above because these are regarded as extremely difficult to determine fair value. The amounts of the unlisted stocks and others reported in the non-consolidated balance sheets as of March 31, 2017 and 2018 were as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Unlisted stocks and others	¥1,291,512	¥1,358,051	\$12,156
Equity securities issued by subsidiaries and affiliates	875,118	891,559	8,237

Impairment losses on the unlisted stocks and others except for equity securities issued by subsidiaries and affiliates were ¥34 million and ¥211 million (U.S. \$1 million) for the years ended March 31, 2017 and 2018, respectively.

Loans

As credit exposure for policy loans without specific repayment periods is limited to the amount of the cash surrender value, the Company regards book value as fair value with the assumption that fair value approximates book value in light of factors such as projected repayment period and interest condition.

As for industrial and consumer loans, their fair value of these loans is primarily stated at theoretical prices calculated by discounting the future cash flows to the present value. The fair value of loans to bankrupt borrowers, substantially bankrupt borrowers and borrowers with high possibility of bankruptcy is stated at the amounts arrived at by deducting estimated losses from the book value before direct write-off.

ii) Liabilities

Bonds payable

The fair value of bonds payable is based on data provided by pricing vendors at the balance sheet date.

Payables under repurchase agreements

The Company regards book value as fair value with the assumption that fair value approximates book value due to short-term nature of these contracts.

Payables under securities borrowing transactions

The Company regards book value as fair value with the assumption that fair value approximates book value due to short-term nature of these contracts.

iii) Derivative financial instruments

Listed transactions

The fair value of listed transactions, such as stock index futures and bond futures, is stated at the closing or settlement prices at the balance sheet date.

OTC transactions

The fair value of Over-the-Counter (OTC) transactions, such as foreign exchange contracts, is stated at theoretical prices based on the TTM, WM Reuters rate or discount rate at the balance sheet date, or a price based on data provided by pricing vendors.

Since OTC transactions of currency swaps contracts subject to the allocation method are treated as an integral part of the hedged foreign currency denominated loans and bonds payable, their fair value is included in the fair value of hedged loans and bonds payable in the table above.

Interest rate swap transactions

The fair value of interest rate swap transactions is stated at theoretical prices calculated by discounting the net future cash flows to the present value.

Since interest rate swaps subject to the special hedge accounting are treated as an integral part of the hedged loan, their fair value is included in the fair value of hedged loans in the table above.

b. Securities by holding purpose

Trading securities

The unrealized valuation gains (losses) on trading securities included in profits (losses) amounted to ¥3,419 million and ¥(4,583) million (U.S. \$(43) million) for the years ended March 31, 2017 and 2018, respectively.

Held-to-maturity debt securities

No held-to-maturity debt securities were sold during the year ended March 31, 2017 and 2018, respectively. The amounts reported in the non-consolidated balance sheets and fair values of the held-to-maturity debt securities by security type at the end of the fiscal year, and the differences between them, were shown in the following table.

As of March 31,	Millions of Yen						Millions of U.S. Dollars		
	2018			2017			2018		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount									
1) National & local government bonds	¥3,701,807	¥4,417,009	¥715,202	¥3,819,916	¥4,548,790	¥728,873	\$34,843	\$41,575	\$6,731
2) Corporate bonds	518,348	594,193	75,845	575,168	651,759	76,590	4,879	5,592	713
3) Others	262,797	280,945	18,147	269,112	287,460	18,348	2,473	2,644	170
Total	4,482,952	5,292,148	809,196	4,664,197	5,488,010	823,812	42,196	49,813	7,616
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	—	—	—	—	—	—	—	—	—
2) Corporate bonds	2,800	2,786	(13)	2,800	2,780	(19)	26	26	(0)
3) Others	54,549	53,903	(645)	48,323	47,061	(1,262)	513	507	(6)
Total	57,349	56,690	(658)	51,123	49,841	(1,281)	539	533	(6)

Note: This table includes financial instruments that are deemed appropriate to be treated as securities under the "Financial Instruments and Exchange Act".

Policy-reserve-matching bonds

No policy-reserve-matching bonds were sold during the year ended March 31, 2017, and disposition of policy-reserve-matching bonds amounted to ¥889 million (U.S. \$8 million) resulting in total gains on sales of ¥0 million (U.S. \$0 million) and total losses of ¥27 million (U.S. \$0 million) for the year ended March 31, 2018.

The carrying amounts in the non-consolidated balance sheets of policy-reserve-matching bonds by security type were shown in the following table, along with their fair values and the differences between these amounts.

As of March 31,	Millions of Yen						Millions of U.S. Dollars		
	2018			2017			2018		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount									
1) National & local government bonds	¥7,356,786	¥8,778,393	¥1,421,607	¥7,212,028	¥8,536,231	¥1,324,203	\$69,246	\$82,627	\$13,381
2) Corporate bonds	37,665	41,118	3,452	37,687	40,912	3,225	354	387	32
3) Others	33,070	33,376	305	—	—	—	311	314	2
Total	7,427,523	8,852,888	1,425,365	7,249,715	8,577,144	1,327,428	69,912	83,329	13,416
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	—	—	—	—	—	—	—	—	—
2) Corporate bonds	—	—	—	900	898	(1)	—	—	—
3) Others	122,298	118,896	(3,401)	—	—	—	1,151	1,119	(32)
Total	122,298	118,896	(3,401)	900	898	(1)	1,151	1,119	(32)

Available-for-sale securities

Disposition of available-for-sale securities amounted to ¥709,394 million and ¥872,181 million (U.S. \$8,209 million) resulting in total gains on sales of ¥21,635 million and ¥25,175 million (U.S. \$236 million) and total losses of ¥32,078 million and ¥38,018 million (U.S. \$357 million) for the years ended March 31, 2017 and 2018, respectively. With

regard to available-for-sale securities, acquisition costs, amortized costs, the amounts reported in the non-consolidated balance sheets and the respective differences by each type of securities were shown in the following table.

As of March 31,	Millions of Yen						Millions of U.S. Dollars		
	2018			2017			2018		
	Acquisition or amortized costs	Balance sheet amount	Difference	Acquisition or amortized costs	Balance sheet amount	Difference	Acquisition or amortized costs	Balance sheet amount	Difference
Securities whose balance sheet amount exceeds the acquisition or amortized costs									
(1) Domestic stocks	¥ 1,548,692	¥ 4,227,017	¥2,678,324	¥ 1,573,628	¥ 3,927,005	¥2,353,377	\$14,577	\$39,787	\$25,210
(2) Bonds	4,762,611	5,195,056	432,444	4,662,842	5,119,499	456,657	44,828	48,899	4,070
1) National & local government bonds	3,349,267	3,699,049	349,781	3,394,352	3,773,363	379,011	31,525	34,817	3,292
2) Corporate bonds	1,413,343	1,496,006	82,662	1,268,490	1,346,136	77,646	13,303	14,081	778
(3) Others	3,776,433	4,395,059	618,626	4,385,774	5,177,901	792,127	35,546	41,369	5,822
Total	10,087,737	13,817,132	3,729,394	10,622,245	14,224,406	3,602,161	94,952	130,055	35,103
Securities whose balance sheet amount does not exceed the acquisition or amortized costs									
(1) Domestic stocks	123,241	112,743	(10,498)	96,754	91,605	(5,149)	1,160	1,061	(98)
(2) Bonds	212,170	205,822	(6,347)	204,402	202,649	(1,753)	1,997	1,937	(59)
1) National & local government bonds	3,972	3,965	(6)	249	238	(10)	37	37	0
2) Corporate bonds	208,198	201,857	(6,341)	204,153	202,410	(1,743)	1,959	1,900	(59)
(3) Others	3,894,555	3,740,200	(154,354)	2,627,296	2,548,997	(78,299)	36,658	35,205	(1,452)
Total	4,229,967	4,058,766	(171,200)	2,928,453	2,843,251	(85,202)	39,815	38,203	(1,611)

Note: This table includes financial instruments that are deemed appropriate to be treated as securities under the "Financial Instruments and Exchange Act".

With regards to bonds among available-for-sale securities denominated in foreign currencies, translation adjustments caused by significant yen appreciation are recorded in losses on valuation of securities. Previously, the existence of "significant yen appreciation" had been determined based on the exchange rate at the end of fiscal year. The Company changed the method to make such determination based on the average exchange rate during the final month of the period from

the year ended March 31, 2017. This change had no impact on gains and losses for the year ended March 31, 2017.

"Acquisition or amortized costs" in the table above refers to book values after deduction of impairment losses. Impairment losses on available-for-sale securities of which market value is readily available amounted to ¥334 million and ¥1,181 million (U.S. \$11 million) for the years ended March 31, 2017 and 2018, respectively.

c. Maturity analysis of monetary claims and securities with maturities

As of March 31,	Millions of Yen					
	2017					
	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years
Deposits	¥ 323,312	¥ —	¥ —	¥ —	¥ —	¥ —
Monetary claims bought	—	—	—	—	—	220,118
Loans*	470,932	807,642	586,427	528,367	796,471	1,230,089
Securities	524,238	1,601,076	2,990,926	2,469,878	1,626,311	14,579,064
Held-to-maturity debt securities	124,610	334,382	371,346	395,496	814,796	2,474,738
Policy-reserve-matching bonds	—	10,238	109,978	190,714	94,984	6,844,699
Available-for-sale securities with maturities	399,628	1,256,455	2,509,601	1,883,667	716,530	5,259,626
Total	1,318,483	2,408,718	3,577,353	2,998,245	2,422,782	16,029,271

As of March 31,	Millions of Yen						Millions of U.S. Dollars					
	2018						2018					
	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years
Deposits	¥ 507,276	¥ —	¥ —	¥ —	¥ —	¥ —	\$ 4,774	\$ —	\$ —	\$ —	\$ —	\$ —
Monetary claims bought	—	—	—	—	—	214,730	—	—	—	—	—	2,021
Loans*	576,053	603,987	658,298	510,759	760,783	1,147,968	5,422	5,685	6,196	4,807	7,160	10,805
Securities	811,026	1,629,985	2,748,904	1,520,306	2,582,464	14,722,987	7,633	15,342	25,874	14,310	24,307	138,582
Held-to-maturity debt securities	165,898	351,442	367,191	408,363	807,085	2,239,605	1,561	3,308	3,456	3,843	7,596	21,080
Policy-reserve-matching bonds	—	45,771	225,172	56,556	297,165	6,925,156	—	430	2,119	532	2,797	65,184
Available-for-sale securities with maturities	645,128	1,232,771	2,156,541	1,055,386	1,478,212	5,558,225	6,072	11,603	20,298	9,933	13,913	52,317
Total	1,894,357	2,233,973	3,407,202	2,031,066	3,343,247	16,085,687	17,830	21,027	32,070	19,117	31,468	151,408

* Bankruptcy and reorganization claims, which are expected to be unrecoverable, are not included in this table, and they were ¥1,305 million and ¥259 million (U.S. \$2 million) as of March 31, 2017 and 2018, respectively.

* Policy loans are not included because they have no defined maturity dates.

d. Maturity analysis of payable under securities borrowing transactions, bonds and loans payable and payables under repurchase agreements

As of March 31,	Millions of Yen					
	2017					
	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years
Bonds payable	¥ —	¥ —	¥ —	¥ —	¥ —	¥353,310
Payable under securities borrowing transactions	130,034	—	—	—	—	—
Total	130,034	—	—	—	—	353,310

As of March 31,	Millions of Yen						Millions of U.S. Dollars					
	2018						2018					
	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years
Bonds payable	¥ —	¥ —	¥ —	¥ —	¥ —	¥453,310	\$ —	\$ —	\$ —	\$ —	\$ —	\$4,266
Payables under repurchase agreements	5,358	—	—	—	—	—	50	—	—	—	—	—
Payable under securities borrowing transactions	382,564	—	—	—	—	—	3,600	—	—	—	—	—
Total	387,922	—	—	—	—	453,310	3,651	—	—	—	—	4,266

e. Fair values of derivative transactions

Hedge accounting not applied

i) Interest-rate related

As of March 31,	Millions of Yen			
	2017			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Interest rate swaps				
Receipts fixed, payments floating	¥200	¥200	¥(5)	¥(5)
Total				(5)

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2018				2018			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Interest rate swaps								
Receipts fixed, payments floating	¥1,200	¥1,200	¥4	¥4	\$11	\$11	\$0	\$0
Total				4				0

Note: Net gains (losses) represent the fair values.

ii) Currency-related

As of March 31,	Millions of Yen			
	2017			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Foreign currency forward contracts				
Sold	¥118,008	¥—	¥592	¥592
(U.S. dollar)	106,347	—	575	575
(Euro)	224	—	1	1
(Australian dollar)	4,363	—	38	38
(British pound)	6,979	—	(23)	(23)
(Others)	92	—	0	0
Bought	11,993	—	38	38
(U.S. dollar)	11,742	—	40	40
(Euro)	146	—	(1)	(1)
(Australian dollar)	93	—	0	0
(Others)	9	—	0	0
Currency options				
Sold				
Call	105,400	—		
(U.S. dollar)	[499]		—	499
(U.S. dollar)	105,400	—		
(U.S. dollar)	[499]		—	499
Bought				
Put	89,250	—		
(U.S. dollar)	[499]		0	(499)
(U.S. dollar)	89,250	—		
(U.S. dollar)	[499]		0	(499)
Total				632

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2018				2018			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Foreign currency forward contracts								
Sold	¥88,295	¥ —	¥1,768	¥1,768	\$831	\$ —	\$16	\$16
(U.S. dollar)	62,385	—	1,661	1,661	587	—	15	15
(Euro)	13,904	—	37	37	130	—	0	0
(Australian dollar)	11,454	—	68	68	107	—	0	0
(British pound)	127	—	0	0	1	—	0	0
(Others)	422	—	0	0	3	—	0	0
Bought	19,226	—	61	61	180	—	0	0
(U.S. dollar)	9,566	—	64	64	90	—	0	0
(Euro)	6,914	—	(0)	(0)	65	—	(0)	(0)
(Australian dollar)	2,302	—	(0)	(0)	21	—	(0)	(0)
(Others)	442	—	(1)	(1)	4	—	(0)	(0)
Currency options								
Sold								
Call	—	—	—	—	—	—	—	—
(U.S. dollar)	—	—	—	—	—	—	—	—
Bought								
Put	—	—	—	—	—	—	—	—
(U.S. dollar)	—	—	—	—	—	—	—	—
Cross currency swaps	88,870	88,870	(4,389)	(4,389)	836	836	(41)	(41)
Total				(2,558)				(24)

Notes: 1. Net gains (losses) on foreign currency forward contracts represent the fair values, and net gains (losses) on currency options represent the difference between the option fees and the fair values for option transactions.
2. Option fees are shown in [].

iii) Stock-related

As of March 31,	Millions of Yen			
	2017			
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions				
Yen Stock index futures				
Sold	¥ —	¥—	¥—	¥—
Bought	2,192	—	(29)	(29)
Foreign currency-denominated stock index futures				
Sold	—	—	—	—
Bought	1,098	—	3	3
Total				(25)

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2018		2018		2018		2018	
	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions								
Yen Stock index futures								
Sold	¥ —	¥—	¥—	¥—	\$—	\$—	\$—	\$—
Bought	2,706	—	39	39	25	—	0	0
Foreign currency-denominated stock index futures								
Sold	—	—	—	—	—	—	—	—
Bought	2,820	—	(93)	(93)	26	—	(0)	(0)
Total				(53)				(0)

Note: Net gains (losses) represent the fair values.

iv) Bond-related

No ending balance as of March 31, 2017 and 2018.

Hedge accounting applied

i) Interest-rate related

As of March 31,	Millions of Yen			
	2017		2017	
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Deferred hedge accounting				
Interest rate swaps				
Receipts fixed, payments floating	Insurance liabilities	¥232,600	¥232,600	¥51,026
Special hedge accounting				
Interest rate swaps				
Receipts fixed, payments floating	Loans	16,755	8,755	395
Total				51,422

As of March 31,	Millions of Yen				Millions of U.S. Dollars		
	2018		2018		2018		
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Deferred hedge accounting							
Interest rate swaps							
Receipts fixed, payments floating	Insurance liabilities	¥231,400	¥231,400	¥51,256	\$2,178	\$2,178	\$482
Special hedge accounting							
Interest rate swaps							
Receipts fixed, payments floating	Loans	8,562	3,562	197	80	33	1
Total				51,453			484

ii) Currency-related

As of March 31,	Millions of Yen			
	2017		2017	
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Fair value hedge accounting				
Foreign currency forward contracts				
Sold	Foreign-currency-denominated bonds	¥2,852,379	¥ —	¥(29,786)
(U.S. dollar)		2,560,560	—	(23,153)
(Euro)		168,759	—	(173)
(Australian dollar)		123,059	—	(6,459)
Deferred hedge accounting				
Cross currency swaps				
(Euro)	Foreign-currency-denominated bonds	35,575	35,575	1,472
(Australian dollar)		4,305	4,305	78
Total				(28,235)

As of March 31,	Millions of Yen				Millions of U.S. Dollars		
		2018			2018		
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Fair value hedge accounting							
Foreign currency forward contracts							
Sold	Foreign-currency- denominated bonds	¥3,376,632	¥ —	¥79,785	\$31,783	\$ —	\$750
(U.S. dollar)		3,058,604	—	76,837	28,789	—	723
(Euro)		183,159	—	319	1,724	—	3
(Australian dollar)		134,867	—	2,628	1,269	—	24
Deferred hedge accounting							
Cross currency swaps							
(Euro)	Foreign-currency- denominated bonds	35,575	35,575	(1,641)	334	334	(15)
(Australian dollar)		4,305	4,305	192	40	40	1
Total				78,337			737

Note: The table does not include foreign currency derivative transactions regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen.

iii) Stock-related

No ending balance as of March 31, 2017 and 2018.

iv) Bond-related

No ending balance as of March 31, 2017 and 2018.

4. Securities Lending

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥1,516,369 million and ¥2,169,636 million (U.S. \$20,422 million) as of March 31, 2017 and 2018, respectively.

5. Securities sold under Repurchase Agreements

There were no securities sold under repurchase agreements as of March 31, 2017 and securities sold under repurchase agreements amounted to ¥5,441 million (U.S. \$51 million) as of March 31, 2018.

6. Pledged Assets

Assets pledged as collateral were securities in the amount of ¥3,331 million and ¥3,922 million (U.S. \$36 million) as of March 31, 2017 and 2018, respectively.

7. Equity Securities issued by Subsidiaries and Affiliates

The total amounts of equity securities issued by subsidiaries and affiliates were ¥892,181 million and ¥875,409 million (U.S. \$8,239 million) as of March 31, 2017 and 2018, respectively.

8. Loans

The aggregate amounts of risk-monitored loans, which comprised of (1) loans to bankrupt borrowers, (2) loans in arrears, (3) loans in arrears for three months or longer, and (4) restructured loans, were ¥20,066 million and ¥18,780 million (U.S. \$176 million) as of March 31, 2017 and 2018, respectively.

There were no loans to bankrupt borrowers as of March 31, 2017 and 2018, respectively. The aggregate amounts of loans in arrears were ¥4,284 million and ¥3,533 million (U.S. \$33 million) as of March 31, 2017 and 2018, respectively.

The amounts of loans deemed uncollectible and directly deducted from the loans in the non-consolidated balance sheets as of March 31, 2017 and 2018 were ¥44 million and ¥368 million (U.S. \$3 million), respectively, for loans to bankrupt borrowers, and ¥1 million and ¥2 million (U.S. \$0 million), respectively, for loans in arrears.

Loans to bankrupt borrowers represent the loans on which interest is not accrued due to unlikelihood of repayment of principal or interest resulting from delinquent principal or interest for a certain period or for other reasons (hereafter, "non-accrual loans") and also meet the conditions stipulated in Article 96, Paragraph 1, Items 3 and 4 of the "Order for Enforcement of the Corporation Tax Act" (Cabinet Order No. 97 in 1965). Loans in arrears represent non-accrual loans excluding the loans to bankrupt borrowers (defined in the above) and loans of which interest payments are postponed in order to support these borrowers recovering from financial difficulties.

There were no loans in arrears for three months or longer as of March 31, 2017 and 2018, respectively.

Loans in arrears for three months or longer represent the loans on which payments of principal or interest are past due over three months from the day following the contractual due date. Loans in arrears for three months or longer do not include loans classified as loans to bankrupt borrowers or loans in arrears.

The amounts of restructured loans were ¥15,781 million and ¥15,246 million (U.S. \$143 million) as of March 31, 2017 and 2018, respectively.

Restructured loans represent the loans which have been restructured to provide relief to the borrowers by reducing or waiving interest payments, by rescheduling repayments of principal or payments of interest, or by waiving claims for borrowers in order to support their recovery from financial difficulties. Restructured loans do not include loans classified as loans in arrears for three months or longer, loans in arrears or loans to bankrupt borrowers.

9. Loan Commitments

The amounts of loan commitments outstanding were ¥29,320 million and ¥52,315 million (U.S. \$492 million) as of March 31, 2017 and 2018, respectively.

10. Fair Values of Investment and Rental Property

The carrying amounts of investment and rental properties were ¥562,987 million and ¥571,662 million (U.S. \$5,380 million), and their fair values were ¥665,227 million and ¥712,503 million (U.S. \$6,706 million) as of March 31, 2017 and 2018, respectively. The Company owns office buildings and land in Tokyo and other areas, the fair value of which is mainly based on appraisals by qualified external appraisers.

11. Accumulated Depreciation

Accumulated depreciation of tangible fixed assets amounted to ¥409,454 million and ¥419,972 million (U.S. \$3,953 million) as of March 31, 2017 and 2018, respectively.

12. Leased Assets

The Company holds some leased assets, such as computers and other equipment, in addition to the tangible and intangible fixed assets in the non-consolidated balance sheets.

13. Impairment of Fixed Assets

The details of the impairment losses on fixed assets are as follows:

(1) Method for grouping the assets

The Company groups all the fixed assets held and utilized for the Company's insurance business as one asset group for the impairment test.

For real estate for non-insurance business and idle assets, each asset is treated as an independent unit for the impairment test.

(2) Description of impairment losses recognized

For the years ended March 31, 2017 and 2018, the Company recognized impairment losses on real estate for non-insurance business that experienced a significant deterioration of profitability and on the idle assets that experienced a significant decline in fair value. For these assets, the Company reduced the carrying amount to a recoverable amount which is either fair value less costs to dispose or value-in-use, and recognized impairment losses as extraordinary losses in the non-consolidated statements of income.

(3) Details of fixed assets resulting in impairment losses

For the year ended March 31, 2017

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	0	¥ —	¥ —	¥ —
Idle assets	17	714	2,319	3,033
Total	17	¥714	¥2,319	¥3,033

For the year ended March 31, 2018

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	0	¥ —	¥ —	¥ —
Idle assets	5	324	430	755
Total	5	¥324	¥430	¥755

For the year ended March 31, 2018

Asset group	Millions of U.S. Dollars		
	Land	Buildings	Total
Real estate for non-insurance business	\$—	\$—	\$—
Idle assets	3	4	7
Total	\$ 3	\$ 4	\$ 7

(4) Calculation method of recoverable amounts

The recoverable amounts of real estate for non-insurance business are determined at net realizable value or value in use. The recoverable amounts for idle assets are net realizable value. Value in use is determined as the estimated net future cash flows, reflecting the volatility risk, discounted at 1.97% and 1.92% for the years ended March 31, 2017 and 2018, respectively. Net realizable value is calculated based on the appraisal value with reference to "Real Estate Appraisal Standards" or the publicly announced appraisal value.

14. Retirement Benefit Plans

The following items provide detailed information for the retirement benefit plans.

(1) Summary of the retirement benefit plans

The Company has defined benefit corporate pension plans and retirement allowance plans, which distribute a lump sum payment on retirement, as defined benefit plans. The Company also has defined contribution pension plans as defined contribution plans.

(2) Defined benefit plans

a. Assumptions of the Company used in accounting for the defined benefit plans for the years ended March 31, 2017 and 2018 were as follows:

Years ended March 31,	2018	2017
Method of attributing benefit to period of service	Benefit formula basis	Benefit formula basis
Amortization period for actuarial differences	10 years	10 years
Amortization period for past service cost	10 years	10 years

b. Changes in the retirement benefit obligations for the years ended March 31, 2017 and 2018 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Balance at the beginning of the fiscal year	¥291,451	¥301,611	\$2,743
Service costs	10,524	10,658	99
Interest cost on retirement benefit obligations	2,623	2,714	24
Actuarial losses (gains) recognized	436	767	4
Benefits paid	(23,901)	(24,300)	(224)
Balance at the end of the fiscal year	¥281,135	¥291,451	\$2,646

c. Changes in the plan assets for the years ended March 31, 2017 and 2018 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Balance at the beginning of the fiscal year	¥383,905	¥338,755	\$3,613
Expected return on plan assets	3,368	3,265	31
Actuarial gains (losses) recognized	6,515	41,261	61
Contributions by employer	9,550	9,730	89
Benefits paid	(9,106)	(9,108)	(85)
Balance at the end of the fiscal year	¥394,232	¥383,905	\$3,710

d. The amount of the retirement benefit obligations and the plan assets, and the amount of the accrued retirement benefits and the pre-paid pension cost recognized in the non-consolidated balance sheets as of March 31, 2017 and 2018 were determined as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Present value of funded retirement benefit obligations	¥280,144	¥290,385	\$2,636
Plan assets at fair value	(394,232)	(383,905)	(3,710)
Net present value of funded retirement benefit obligations	(114,088)	(93,519)	(1,073)
Present value of non-funded retirement benefit obligations	991	1,066	9
Unrecognized actuarial losses (gains)	32,194	17,286	303
Unrecognized past service costs	3,455	4,322	32
Accrued retirement benefits (Prepaid pension cost)	¥ (77,447)	¥ (70,844)	\$ (728)

e. The amounts recognized in retirement benefit expenses in the non-consolidated statements of income for the years ended March 31, 2017 and 2018 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Service costs	¥10,524	¥10,658	\$ 99
Interest cost on retirement benefit obligations	2,623	2,714	24
Expected return on plan assets	(3,368)	(3,265)	(31)
Amortization of net actuarial losses (gains)	8,828	25,204	83
Amortization of net past service costs	(866)	(866)	(8)
Retirement benefit expenses	¥17,741	¥34,445	\$166

f. Plan assets

Plan assets as of March 31, 2017 and 2018 were comprised as follows:

As of March 31,	% of total fair value of plan assets	
	2018	2017
Debt securities	7.2%	6.6%
Stocks	43.0%	44.1%
General account of life insurance companies	26.0%	26.3%
Jointly invested assets	18.2%	17.5%
Investment trusts	3.4%	—
Cash and deposits	0.7%	1.1%
Others	1.5%	4.4%
Total	100.0%	100.0%

Plan assets include the retirement benefit trusts. The amounts of the retirement benefit trusts were 56.1% and 55.8% of total plan assets as of March 31, 2017 and 2018, respectively.

g. The expected long-term rate of return on plan assets

The expected long-term rate of return on plan assets is calculated by aggregating the weighted rate of return derived from each asset category. The expected long-term rate of return for each asset category is based primarily on various aspects of long-term prospects for the economy that include historical performance and the market environment.

h. Assumptions used in calculation

Assumptions used in accounting for the defined benefit plans for the years ended March 31, 2017 and 2018 were as follows:

Years ended March 31,	2018	2017
Discount rate	0.9%	0.9%
Expected long-term rate of return on plan assets		
Defined benefit corporate pension plans	2.0%	2.0%
Retirement benefit trusts	0.0%	0.0%

(3) Defined contribution plans

The amounts recognized as expenses for the defined contribution pension plans were ¥1,065 million and ¥1,051 million (U.S. \$9 million) for the years ended March 31, 2017 and 2018, respectively.

15. Reinsurance

As of March 31, 2017 and 2018, the amounts of reinsurance recoverable on reserve for outstanding claims, which is applied mutatis mutandis to Article 71, Paragraph 1 of the "Ordinance for Enforcement of the Insurance Business Act" pursuant to Article 73, Paragraph 3 of the ordinance (hereafter, "reinsurance recoverable on reserve for outstanding claims"), were ¥9 million and ¥55 million (U.S. \$0 million), respectively.

As of March 31, 2017 and 2018, the amounts of reinsurance recoverable on policy reserves pursuant to Article 71, Paragraph 1 of the "Ordinance for Enforcement of the Insurance Business Act" (hereafter, "reinsurance recoverable on policy reserves") were ¥21,315 million and ¥23,236 million (U.S. \$218 million), respectively.

16. Policyholders' Dividend Reserves

Changes in policyholders' dividend reserves for the years ended March 31, 2017 and 2018 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Balance at the beginning of the fiscal year	¥236,959	¥240,902	\$2,230
Transfer from surplus in the previous fiscal year	169,815	165,707	1,598
Dividend payments to policyholders during the fiscal year	(173,157)	(169,832)	(1,629)
Interest accrued during the fiscal year	151	182	1
Balance at the end of the fiscal year	¥233,768	¥236,959	\$2,200

17. Subordinated Bonds

As of March 31, 2017 and 2018, bonds payable in liabilities are subordinated bonds and foreign currency-denominated subordinated bonds, respectively, and the repayments of which are subordinated to other obligations.

18. Reserve for Contingent Liabilities

Reserve for contingent liabilities of the Company is provided for the amount of estimated possible losses in the future with respect to loan commitments outstanding pursuant to Article 24-4 of the "Ordinance for Enforcement of the Insurance Business Act."

19. Deferred Taxes

(1) Deferred tax assets/liabilities were recognized as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Deferred tax assets	¥686,215	¥653,540	\$6,459
Valuation allowance for deferred tax assets	(3,823)	(3,135)	35
Subtotal	682,392	650,404	6,423
Deferred tax liabilities	(999,778)	(989,150)	(9,410)
Net deferred tax assets (liabilities)	(317,386)	(338,745)	(2,987)

Major components of deferred tax assets/liabilities were as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Deferred tax assets			
Policy reserves and other reserves	¥410,353	¥409,795	\$3,862
Reserve for price fluctuation	191,412	161,481	1,801
Deferred tax liabilities			
Net unrealized gains on available-for-sale securities	954,762	942,376	8,986

(2) The statutory tax rates were 28.20% and 28.20% for the years ended March 31, 2017 and 2018, respectively. Main factors in the differences between the statutory tax rates and the actual effective tax rates after considering deferred taxes were as follows:

Years ended March 31,	2018	2017
Policyholders' dividend reserves	(18.78)%	(18.05)%

20. Foundation Funds

Foundation funds serve as the primary source of capital for Japanese mutual life insurance companies. These funds are similar to loans, as interest payments, maturity dates and other items must be established at the time of the offering. In the event of a bankruptcy or similar development, repayment of the principal and interest of foundation funds is subordinated to the repayment of amounts owed to ordinary creditors and insurance claims and benefit payments owed to policyholders.

Upon redemption of foundation funds, mutual companies are required to make an addition to the reserve for redemption of foundation funds, which serves as retained earnings, equal to the amount redeemed. As a result, the full amount of foundation funds remains in net assets even after redemption.

The Company offered foundation funds in the amount of ¥100,000 million and ¥50,000 million (U.S. \$470 million) pursuant to Article 60 of the "Insurance Business Act" in the year ended March 31, 2017 and 2018, respectively.

The Company redeemed foundation funds and also established for reserve for redemption of foundation funds pursuant to Article 56 of the "Insurance Business Act" in the amount of ¥50,000 million and ¥100,000 (U.S. \$941 million) as of March 31, 2017 and 2018, respectively.

21. Net Assets stipulated by the "Ordinance for Enforcement of the Insurance Business Act"

The amounts of net assets pursuant to Article 30, Paragraph 2 of the "Ordinance for Enforcement of the Insurance Business Act" were ¥2,689,205 million and ¥2,718,594 million (U.S. \$25,589 million) as of March 31, 2017 and 2018, respectively.

22. Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118, Paragraph 1 of the "Insurance Business Act" were ¥809,841 million and ¥876,492 million (U.S. \$8,250 million) as of March 31, 2017 and 2018, respectively. The amounts of separate account liabilities were the same as these figures.

23. Monetary Receivable from and Payable to Subsidiaries and Affiliates

The total amounts of monetary receivable from and payable to subsidiaries and affiliates as of March 31, 2017 and 2018 were as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Monetary receivable	¥2,695	¥3,930	\$25
Monetary payable	3,679	3,701	34

24. Investment Income and Expenses

Major components of gains on sales of securities were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
2018	2017	2018	
Domestic bonds including national government bonds	¥ 495	¥ 523	\$ 4
Domestic stocks	2,427	3,976	22
Foreign securities	22,253	17,135	209

Major components of losses on sales of securities were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
2018	2017	2018	
Domestic bonds including national government bonds	¥ 220	¥ 362	\$ 2
Domestic stocks	15	605	0
Foreign securities	37,809	31,110	355

Major components of losses on valuation of securities were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Domestic stocks	¥1,393	¥ 366	\$13
Foreign securities	6,931	11,168	65

Loss on derivative financial instruments included net valuation losses of ¥161,312 million and ¥99,914 million (U.S. \$940 million) for the years ended March 31, 2017 and 2018, respectively.

25. Policy Reserves for Ceded Reinsurance

The amounts of provision for (reversal of) reinsurance recoverable on reserve for outstanding claims and reinsurance recoverable on policy reserves, which are deducted (added) in calculating provision for (reversal of) reserve for outstanding claims and policy reserves, for the years ended March 31, 2017 and 2018 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Provision for (reversal of) reinsurance recoverable on outstanding claims	¥ 45	¥ (42)	\$ 0
Provision for (reversal of) reinsurance recoverable on policy reserves	1,920	7,946	18

26. Contributions to the Life Insurance Policyholders Protection Corporation

The Company estimated future contributions to the Life Insurance Policyholders Protection Corporation in the amount of ¥49,705 million and ¥48,499 million (U.S. \$456 million) as of March 31, 2017 and 2018, respectively, pursuant to Article 259 of the "Insurance Business Act".

These contributions are recognized as operating expenses when contributed.

27. Transactions with Subsidiaries and Affiliates

The total amounts of income and expenses resulting from transactions with subsidiaries and affiliates for the years ended March 31, 2017 and 2018 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Total income	¥17,314	¥17,732	\$162
Total expenses	35,174	34,668	331

28. Issuance of Subordinated Notes

On April 26, 2018, the Company issued corporate bonds as follows:

(1) Type

US dollar-denominated subordinated notes due 2048 with interest deferral options

(2) Offering price

100% of principal amount

(3) Principal amount

USD 1.0 billion

(4) Interest rate

A fixed rate of 5.10% per annum before April 2028 and a fixed rate reset with step-up thereafter (reset every 5 years)

(5) Maturity

April 2048

The Notes are callable on April 26, 2028 and every date which falls five, or multiple of five, years thereafter until the Notes are fully redeemed at the discretion of Meiji Yasuda, subject to prior consent by the regulatory authority, etc.

(6) Collateral and guarantees

The Notes are not secured or guaranteed, and there are no particular assets reserved for them.

(7) Use of funds

For general business

29. Income Taxes

The provision for income taxes is calculated based on the pretax surplus included in the non-consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying the effective income tax rates that are based on the enacted statutory rates to the temporary differences.

30. Subsequent Events

Appropriation of surplus

The proposed appropriation of surplus of the Company for the year ended March 31, 2018 was approved as planned at the annual meeting of the representatives of policyholders held on July 3, 2018.

Offering of foundation funds

During the annual meeting of representatives of policyholders held on July 3, 2018, a resolution was passed to partially amend the Articles of Incorporation in connection with an issuance of foundation funds of ¥50,000 million during the year ending March 31, 2019.



Independent Auditor's Report

To the Board of Directors of Meiji Yasuda Life Insurance Company:

We have audited the accompanying non-consolidated financial statements of Meiji Yasuda Life Insurance Company, which comprise the non-consolidated balance sheets as at March 31, 2017 and 2018, and the non-consolidated statements of income, the non-consolidated statements of changes in net assets and the non-consolidated proposed appropriation of surplus for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with the provisions of the Insurance Business Act and its related regulations thereunder and in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the non-consolidated financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the non-consolidated financial statements present fairly, in all material respects, the financial position of Meiji Yasuda Life Insurance Company as at March 31, 2017 and 2018, and its financial performance for the years then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2018 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the non-consolidated financial statements.

KPMG AZSA LLC

KPMG AZSA LLC

August 7, 2018

Tokyo, Japan

KPMG AZSA LLC, a limited liability audit corporation incorporated under the Japanese Certified Public Accountants Law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Non-consolidated Information

Assets

Loans Categorized by Internal Classification of Borrowers

(Millions of Yen)

As of March 31,	2018	2017
Loans to legally bankrupt and substantially bankrupt borrowers	559	629
Loans to borrowers with high possibility of bankruptcy	2,974	3,655
Loans with collection risk	15,479	16,018
Subtotal	19,013	20,303
Proportion of total loans (%)	0.28	0.33
Normal loans	6,702,846	6,217,629
Total	6,721,859	6,237,932

- Notes: 1. Loans to legally bankrupt and substantially bankrupt borrowers are loans to borrowers that have been found or are likely to be found legally bankrupt through filings for the commencement of bankruptcy, corporate reorganization or civil rehabilitation proceedings, and loans to borrowers of similar status.
2. Loans to borrowers with high possibility of bankruptcy are loans with a high probability of failure in the payment of principal or interest under terms of the loan agreement due to the borrower's deteriorated financial status and/or business performance. These loans exclude loans to legally bankrupt and substantially bankrupt borrowers.
3. Loans with collection risk consist of loans in arrears three months or more and restructured loans. Loans in arrears three months or more are loans with principal or interest in arrears for three or more months from the day following the payment date established by the loan agreement (excluding the loans described above in Notes 1. and 2.). Restructured loans are loans with favorable concessions given to the borrower (including interest reduction or exemption, relaxed interest payments, relaxed principal repayments and loan forgiveness) in order to support the rebuilding of operations at the borrower. Restructured loans exclude the loans described above in Notes 1. and 2. as well as loans in arrears three months or more.
4. Normal loans are loans to borrowers whose financial status and business performance exhibit no particular problems. These loans exclude the loans described above in Notes 1. to 3.

Non-performing Loans

(Millions of Yen)

As of March 31,	2018	2017
Loans to bankrupt borrowers	—	—
Loans in arrears	3,533	4,284
Loans in arrears for three months or longer	—	—
Restructured loans	15,246	15,781
Total	18,780	20,066
Non-performing loans/total loans (%)	0.42	0.43

- Notes: 1. Loans to bankrupt borrowers and substantially bankrupt borrowers including collateralized and guaranteed loans are directly deducted from total loans based on estimated uncollectible amounts. This is calculated as the remainder after deducting any amounts expected to be collected through the disposal of collateral or the execution of guarantees. The amounts recognized in the financial statements were ¥44 million for loans to bankrupt borrowers and ¥1 million for loans in arrears as of March 31, 2017; and ¥368 million for loans to bankrupt borrowers and ¥2 million for loans in arrears as of March 31, 2018.
2. Loans to bankrupt borrowers are loans to borrowers that are legally bankrupt through filings for proceedings under the Corporate Reorganization Act, Civil Rehabilitation Act, Bankruptcy Act or Company Act; loans to borrowers with notes suspended from trading on exchanges; and loans to borrowers that have filed for similar legal proceedings based on overseas laws. Interest is not accrued as income on these loans, which remain in arrears on principal and interest payments with little likelihood for the recovery of principal or interest.
3. Loans in arrears are loans that do not accrue interest. These loans exclude loans to bankrupt borrowers and loans with modified interest payment terms and conditions extended in order to support the borrowers or business restructuring.
4. Loans in arrears for three months or longer are loans with principal or interest in arrears for three or more months from the day following the payment date established by the loan agreement. These loans exclude loans to bankrupt borrowers and loans in arrears.
5. Restructured loans are loans with favorable concessions given to the borrower (including interest reduction or exemption, relaxed interest payments, relaxed principal repayments and loan forgiveness) in order to support the rebuilding of operations at the borrower. These loans exclude loans to bankrupt borrowers, loans in arrears, and loans in arrears for three months or longer.

Self Assessment of Loans and Other Assets

Under relevant regulations, insurance companies are obliged to assess the quality of their assets. Prior to determining write-offs or allowance, each asset is classified according to collectability and impairment risk.

To ensure stringent implementation, the Company has established detailed rules governing the procedures for self assessment. In addition,

a separate department performs internal audits on these rules and the results of self assessment. External accounting auditors provide a further check to ensure the reliability of the self assessment.

As of March 31,	(Millions of Yen)			
	2018		2017	
	Amount	% of total value of loans	Amount	% of total value of loans
Not Classified	6,684,117	99.4	6,196,663	99.3
Class II	37,625	0.6	41,155	0.7
Class III	115	0.0	113	0.0
Class IV	—	—	—	—
Subtotal of II-IV	37,741	0.6	41,269	0.7
Total	6,721,859	100.0	6,237,932	100.0

- Notes: 1. Loans and other assets comprise loans, loaned securities, customers' liabilities under acceptances and guarantees, accrued income (asset related) and suspense payments (loan style).
 2. The above chart presents figures after posting write-offs and allowances.
 3. "Not classified" loans are deemed as non-problematic based on collectability or impairment risk.
 4. "Class II" loans and other assets are deemed to present higher than normal collectability risks due to such reasons as the borrower's failure to meet conditions for maintaining such loans and other issues of creditworthiness.
 5. "Class III" loans and other assets present serious doubts regarding their ultimate collectability or value. These assets are very likely to result in an impairment loss, but the amount of impairment cannot reasonably be estimated.
 6. "Class IV" assets are deemed to be uncollectible or worthless.

Loans Involving Guaranteed Investment Trusts

Not applicable.

Enhancement of Ability for Insurance Claim and Benefit Payout (Solvency margin ratio)

As of March 31,	(Millions of Yen)	
	2018	2017
(A) Total solvency margin	7,614,123	7,328,416
① Foundation funds	1,195,875	1,194,040
② Reserve for price fluctuation	684,594	577,545
③ Contingency reserves	691,787	681,534
④ General allowance for possible loan losses	1,310	1,388
⑤ Net unrealized gains (losses) on available-for-sale securities (before tax effect deduction) and deferred unrealized gains (losses) on derivatives under hedge accounting (before tax effect deduction) × 90% (100% in case of losses)	3,202,005	3,166,950
⑥ Unrealized gains on land × 85% (100% in case of losses)	348,812	310,754
⑦ Excess of continued Zillmerized reserve	936,352	953,588
⑧ Qualifying subordinated debt	453,310	353,310
⑨ Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—	—
⑩ Deductions	—	—
⑪ Other (tax effect adjustment)	100,074	89,303
(B) Total amount of risk $\sqrt{(12+13)^2+(14+15+16)^2+17}$	1,623,634	1,550,146
⑫ Insurance risk	119,760	119,135
⑬ Third-sector insurance risk	61,586	57,838
⑭ Assumed interest rate risk	145,077	146,781
⑮ Minimum guarantee risk	8,829	12,011
⑯ Investment risk	1,424,153	1,347,329
⑰ Business management risk	35,188	33,661
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	937.9	945.5

- Notes: 1. The figures presented above are calculated based on provisions in Article 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and the Ministry of Finance Notification No. 50 in 1996.
 2. Minimum guarantee risk is calculated based on standard methods stipulated in Article 2, Paragraph 4 of said notification.

Real Net Assets

(Millions of Yen)

As of March 31,	2018	2017
Real net assets	9,827,543	9,563,981
Ratio of real net assets to general account assets (%)	26.1	26.0

Note: Calculated based on provisions of Article 3, Paragraph 2 of the Order Providing for the Categories, etc. prescribed in Article 132, Paragraph 2 of the Insurance Business Act.

Reference

(Millions of Yen)

As of March 31,	2018	2017
Real net assets after deducting unrealized gains and losses on held-to-maturity debt securities and policy-reserve-matching bonds	7,597,042	7,414,023

Note: Calculated based on provisions of Article 3, Paragraph 2 of the Order Providing for the Categories, etc. prescribed in Article 132, Paragraph 2 of the Insurance Business Act and Section II-2-2-6 of Comprehensive Guidelines for Supervision of Insurance Companies issued by the Financial Services Agency.

Gains and Losses on Valuation of Trading Securities

(Millions of Yen)

As of March 31,	2018		2017	
	Balance sheet amount	Valuation gains/losses included in the statement of income	Balance sheet amount	Valuation gains/losses included in the statement of income
Trading securities	785,232	(4,583)	741,879	3,419
General account	—	—	—	—
Separate account	785,232	(4,583)	741,879	3,419

Fair Value of Securities

• Securities with Fair Value (excluding trading securities)

(Millions of Yen)

As of March 31,	2018					2017				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity debt securities	4,540,301	5,348,839	808,537	809,196	(658)	4,715,320	5,537,852	822,531	823,812	(1,281)
Policy-reserve-matching bonds	7,549,821	8,971,785	1,421,963	1,425,365	(3,401)	7,250,615	8,578,042	1,327,426	1,327,428	(1)
Stocks of subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	14,317,705	17,875,899	3,558,193	3,729,394	(171,200)	13,550,699	17,067,658	3,516,959	3,602,161	(85,202)
Domestic bonds	4,974,782	5,400,878	426,096	432,444	(6,347)	4,867,245	5,322,149	454,903	456,657	(1,753)
Domestic stocks	1,671,934	4,339,760	2,667,825	2,678,324	(10,498)	1,670,383	4,018,610	2,348,227	2,353,377	(5,149)
Foreign securities	7,018,010	7,425,040	407,029	556,602	(149,572)	6,580,194	7,247,738	667,544	745,092	(77,548)
Foreign bonds	6,282,089	6,553,962	271,872	407,224	(135,351)	5,934,260	6,461,472	527,211	597,262	(70,050)
Foreign stocks and others	735,920	871,077	135,157	149,378	(14,221)	645,934	786,266	140,332	147,830	(7,497)
Other securities	591,537	647,327	55,790	60,570	(4,780)	361,309	406,195	44,885	45,633	(748)
Monetary claims bought	15,626	16,816	1,190	1,190	—	21,567	22,968	1,400	1,400	—
Negotiable deposits	36,000	35,999	(0)	0	(0)	50,000	49,996	(3)	0	(3)
Money held in trust	9,814	10,076	262	262	—	—	—	—	—	—
Total	26,407,828	32,196,523	5,788,694	5,963,956	(175,261)	25,516,636	31,183,553	5,666,917	5,753,402	(86,485)
Domestic bonds	16,592,190	19,234,381	2,642,191	2,648,552	(6,361)	16,515,746	19,103,521	2,587,775	2,589,550	(1,774)
Domestic stocks	1,671,934	4,339,760	2,667,825	2,678,324	(10,498)	1,670,383	4,018,610	2,348,227	2,353,377	(5,149)
Foreign securities	7,292,812	7,703,477	410,664	563,639	(152,974)	6,700,479	7,374,594	674,114	751,679	(77,565)
Foreign bonds	6,556,891	6,832,399	275,507	414,261	(138,753)	6,054,545	6,588,327	533,781	603,849	(70,067)
Foreign stocks and others	735,920	871,077	135,157	149,378	(14,221)	645,934	786,266	140,332	147,830	(7,497)
Other securities	591,537	647,327	55,790	60,570	(4,780)	361,309	406,195	44,885	45,633	(748)
Monetary claims bought	213,540	225,501	11,960	12,606	(645)	218,717	230,634	11,917	13,162	(1,245)
Negotiable deposits	36,000	35,999	(0)	0	(0)	50,000	49,996	(3)	0	(3)
Money held in trust	9,814	10,076	262	262	—	—	—	—	—	—

Note: Includes securities that are deemed appropriate to handle under the Financial Instruments and Exchange Act.

• Held-to-Maturity Debt Securities

(Millions of Yen)

As of March 31,	2018			2017		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	4,482,952	5,292,148	809,196	4,664,197	5,488,010	823,812
Domestic bonds	4,220,155	5,011,203	791,048	4,395,085	5,200,549	805,464
Foreign bonds	119,183	125,914	6,731	108,062	114,649	6,587
Monetary claims bought	143,614	155,030	11,416	161,050	172,811	11,761
Securities whose fair value does not exceed the balance sheet amount	57,349	56,690	(658)	51,123	49,841	(1,281)
Domestic bonds	2,800	2,786	(13)	2,800	2,780	(19)
Foreign bonds	249	248	(0)	12,223	12,206	(17)
Monetary claims bought	54,300	53,654	(645)	36,100	34,854	(1,245)

• Policy-Reserve-Matching Bonds

(Millions of Yen)

As of March 31,	2018			2017		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	7,427,523	8,852,888	1,425,365	7,249,715	8,577,144	1,327,428
Domestic bonds	7,394,452	8,819,512	1,425,060	7,249,715	8,577,144	1,327,428
Foreign bonds	33,070	33,376	305	—	—	—
Securities whose fair value does not exceed the balance sheet amount	122,298	118,896	(3,401)	900	898	(1)
Domestic bonds	—	—	—	900	898	(1)
Foreign bonds	122,298	118,896	(3,401)	—	—	—

• Available-for-Sale Securities

(Millions of Yen)

As of March 31,	2018			2017		
	Acquisition or amortized costs	Balance sheet amount	Difference	Acquisition or amortized costs	Balance sheet amount	Difference
Securities whose balance sheet amount exceeds the acquisition or amortized costs	10,087,737	13,817,132	3,729,394	10,622,245	14,224,406	3,602,161
Domestic bonds	4,762,611	5,195,056	432,444	4,662,842	5,119,499	456,657
Domestic stocks	1,548,692	4,227,017	2,678,324	1,573,628	3,927,005	2,353,377
Foreign securities	3,346,851	3,903,453	556,602	4,023,370	4,768,463	745,092
Other securities	399,140	459,711	60,570	334,836	380,470	45,633
Monetary claims bought	15,626	16,816	1,190	21,567	22,968	1,400
Negotiable deposits	5,000	5,000	0	6,000	6,000	0
Money held in trust	9,814	10,076	262	—	—	—
Securities whose balance sheet amount does not exceed the acquisition or amortized costs	4,229,967	4,058,766	(171,200)	2,928,453	2,843,251	(85,202)
Domestic bonds	212,170	205,822	(6,347)	204,402	202,649	(1,753)
Domestic stocks	123,241	112,743	(10,498)	96,754	91,605	(5,149)
Foreign securities	3,671,159	3,521,586	(149,572)	2,556,823	2,479,275	(77,548)
Other securities	192,396	187,615	(4,780)	26,473	25,724	(748)
Monetary claims bought	—	—	—	—	—	—
Negotiable deposits	31,000	30,999	(0)	44,000	43,996	(3)
Money held in trust	—	—	—	—	—	—

• Book Value of Securities of Which Market Value is Extremely Difficult to Determine

(Millions of Yen)

As of March 31,	2018	2017
Held-to-maturity debt securities	—	—
Policy-reserve-matching bonds	—	—
Stocks of subsidiaries and affiliates	875,118	891,559
Available-for-sale securities	415,356	466,167
Unlisted domestic stocks	27,776	28,456
Unlisted foreign stocks	377,126	427,126
Other foreign securities	458	1,168
Others	9,994	9,416
Total	1,290,474	1,357,727

Fair Value of Money Held in Trust (Consolidated)

(Millions of Yen)

As of March 31,	2018					2017				
	Balance sheet		Net gains/losses			Balance sheet		Net gains/losses		
	amount	Fair value	Gains	Losses	amount	Fair value	Gains	Losses		
Money held in trust	10,076	10,076	—	—	—	—	—	—		

Money Held in Trust for Investment

Not applicable.

Money Held in Trust for Maturity, for Policy Reserve Matching and for Other Purposes

(Millions of Yen)

As of March 31,	2018					2017				
	Book value		Net gains/losses			Book value		Net gains/losses		
	amount	Fair value	Gains	Losses	amount	Fair value	Gains	Losses		
Held-to-maturity	—	—	—	—	—	—	—	—		
Policy reserve matching	—	—	—	—	—	—	—	—		
Other purposes	9,814	10,076	262	262	—	—	—	—		

Policy-Reserve-Matching Bonds

The Company classifies bonds held with the aim of matching the duration to outstanding insurance liabilities within the sub-groups (categorized by insurance type, investment policy and other factors) of individual life insurance, individual annuities and group pensions as policy-reserve-matching bonds in accordance with the "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry" (JICPA, issued on November 16, 2000).

The effectiveness of the duration matching of these policy-reserve-matching bonds is periodically reevaluated.

Fair Value of Derivative Transactions

1. Qualitative Information

(1) Content of Transactions

The main types of derivative transactions executed by the Company are those related to:

- Interest rates: interest rate futures, interest rate options, interest rate swaps and swaptions

- Currencies: foreign exchange contracts, currency options and currency swaps

- Stocks: stock index futures and stock options

- Bonds: bond futures and bond options

None of the Over-the-Counter (OTC) transactions involves excessive risk that may emerge from the complexity of the transaction structure.

(2) Transaction Policy

The Company positions derivative transactions as a key hedging method against risks associated with invested assets, insurance liabilities and bonds payable. In principle, such transactions are executed only for hedging purposes.

(3) Purpose of Transactions

Derivative transactions are mainly used as follows:

- Interest rate-related transactions are intended to fix the interest rate of loans and debts with floating rates and to hedge against interest rate risk of insurance liabilities.
- Currency-related transactions are intended to fix currency exchange rates applied to the purchase or sale of foreign currency denominated assets and liabilities, to minimize unexpected losses caused by

exchange rate fluctuations, and avoid other risks associated with foreign currency exchange.

- Stock-related transactions are intended to avoid price fluctuation risk that may emerge from the planned purchase or sale of stocks due to a time lag between the decision on and execution of such deal as well as risks resulting from the fluctuation in the value of the Company's stock portfolio.
- Bond-related transactions are intended to avoid price fluctuation risk that may emerge from the planned purchase or sale of bonds due to a time lag between the decision on and execution of such deal.

Of the transactions described above, some interest-rate transactions are subject to exceptional accounting treatment and deferred hedge accounting. Also, some transactions aimed at avoiding foreign currency exchange risk are subject to fair value hedge accounting, deferred hedge accounting and the allocation method for currency swaps.

(4) Risk Content

In principle, these derivative transactions are aimed at hedging against invested asset risk, insurance liability risk and bonds payable risk. Accordingly, the market-related risk accompanying these transactions is mitigated and limited.

In addition, transactions are executed through market exchange or OTC transactions. The latter give due consideration to assessing the soundness of counterparties. Therefore, the Company believes these transactions pose limited risk that might emerge from counterparty default due to such reasons as insolvency.

(5) Risk Management Structure

With regard to handling derivative transactions, the Company limits risk by setting up policies and establishing credit balance limits for each type of transaction and each counterparty. By using the Current Exposure Method, the Company calculates counterparty credit risk based on replacement cost, thereby limiting exposure risk. Counterparties are selected based on their soundness, giving due consideration to their ratings and other factors.

The overall status of these transactions is managed comprehensively. For example, the Risk Management Verification Committee monitors the total value and balance of transactions and other invested assets subject to hedge accounting. Moreover, a system of internal checks is in place by segregating the departments executing the transactions from the administrative departments to ensure risk management is on an appropriate footing.

(6) Supplementary Explanation on Quantitative Information

(i) Calculation of Fair Value

The fair value of interest rate swap transactions is stated at theoretical prices calculated by discounting the net future cash flows to the present value.

The fair value of OTC transactions, such as foreign exchange contracts, is stated at theoretical prices based on the TTM, WM Reuters rate or discount rate at the balance sheet date, or fair value based on data provided by pricing vendors.

The fair value of stock index futures and bond futures is calculated based on closing or settlement prices as of March 31.

(ii) Net Gains and Losses on Transactions

In principle, the Company utilizes derivative transactions as a hedging method against risk associated with invested assets, insurance liabilities and bonds payable, and, therefore, does not engage in derivative transactions for speculative purpose.

For example, interest rate swap transactions related to invested assets are executed mainly for the purpose of fixing interest rates on assets with floating rates. Likewise, interest rate swap transactions related to insurance liabilities are intended to control the impact of interest rate fluctuations on such liabilities.

In short, the Company undertakes derivative transactions in combination with invested assets, insurance liabilities and bonds payable subject to hedge accounting, rather than on an individual transaction basis.

2. Quantitative Information

(1) Breakdown of Net Gains (Losses) on Derivative Transactions (by Application and Non-Application of Hedge Accounting)

(Millions of Yen)

As of March 31,	2018						2017					
	Interest rate-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest rate-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	51,453	78,337	—	—	—	129,790	51,422	(28,235)	—	—	—	23,186
Hedge accounting not applied	4	(2,558)	(53)	—	—	(2,608)	(5)	632	(25)	—	—	601
Total	51,457	75,778	(53)	—	—	127,182	51,416	(27,603)	(25)	—	—	23,788

Note: Gains and losses on derivative transactions where fair value hedge accounting is applied included loss attributable to currency-related transactions totaling ¥29,786 million as of March 31, 2017 and gain attributable to currency-related transactions totaling ¥79,785 million as of March 31, 2018. These figures are presented on the statements of income, together with gains and losses on derivative transactions where hedge accounting is not applied.

(2) Transactions Where Hedge Accounting is Not Applied

◆ Interest-Rate Related

(Millions of Yen)

As of March 31,	2018			2017		
	Notional amount/ contract value	Fair value	Net gains (losses)	Notional amount/ contract value	Fair value	Net gains (losses)
OTC						
Interest rate swaps						
Receipts fixed, payments floating	1,200	1,200	4	200	200	(5)
Total			4			(5)

Note: Net gains (losses) represent the fair values.

Reference: Amount and Proportion of Interest Rate Swaps by Remaining Contract Duration

(Millions of Yen)

As of March 31,	2018							2017						
	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Receipts fixed, payments floating swap														
Notional amount	—	—	—	—	—	1,200	1,200	—	—	—	—	—	200	200
Average interest rate in receipt (%)	—	—	—	—	—	0.68	0.68	—	—	—	—	—	0.46	0.46
Average interest rate in payment (%)	—	—	—	—	—	0.01	0.01	—	—	—	—	—	0.02	0.02

◆ Currency-Related

(Millions of Yen)

As of March 31,	2018				2017			
	Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Fair value	Net gains (losses)
	Over 1 year				Over 1 year			
OTC								
Foreign currency forward contracts								
Sold	88,295	—	1,768	1,768	118,008	—	592	592
(U.S. dollar)	62,385	—	1,661	1,661	106,347	—	575	575
(Euro)	13,904	—	37	37	224	—	1	1
(Australian dollar)	11,454	—	68	68	4,363	—	38	38
(British pound)	127	—	0	0	6,979	—	(23)	(23)
(Others)	422	—	0	0	92	—	0	0
Bought	19,226	—	61	61	11,993	—	38	38
(U.S. dollar)	9,566	—	64	64	11,742	—	40	40
(Euro)	6,914	—	(0)	(0)	146	—	(1)	(1)
(Australian dollar)	2,302	—	(0)	(0)	93	—	0	0
(Others)	442	—	(1)	(1)	9	—	0	0
Currency options								
Sold								
Call	—	—	—	—	105,400	—	—	—
(U.S. dollar)	[—]	—	—	—	[499]	—	—	499
Put	—	—	—	—	89,250	—	—	—
(U.S. dollar)	[—]	—	—	—	[499]	—	0	(499)
Bought								
Call	—	—	—	—	89,250	—	—	—
(U.S. dollar)	[—]	—	—	—	[499]	—	0	(499)
Currency swaps								
Yen payments/Australian dollar receipts	88,870	88,870	(4,389)	(4,389)	—	—	—	—
Total				(2,558)				632

Notes: 1. Net gains (losses) on foreign exchange contracts and swap transactions represent the fair values, and net gains (losses) on currency options represent the difference between the option fees and the fair values for option transactions.

2. Option fees are shown in [].

◆ Stock-Related

(Millions of Yen)

As of March 31,	2018			2017				
	Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value		
	Over 1 year	Net gains (losses)		Over 1 year	Net gains (losses)			
Exchange-traded transactions								
Yen Stock index futures								
Bought	2,706	—	39	39	2,192	—	(29)	(29)
Foreign currency-denominated stock index futures								
Bought	2,820	—	(93)	(93)	1,098	—	3	3
Total				(53)				(25)

Note: Net gains (losses) represent the fair values.

◆ Bond-Related

Not applicable.

(3) Transactions Where Hedge Accounting is Applied

◆ Interest-Rate Related

(Millions of Yen)

As of March 31,				2018		2017		
	Hedge accounting method	Type	Main hedged items	Notional amount/ contract value		Notional amount/ contract value		
				Over 1 year	Fair value	Over 1 year	Fair value	
Deferred hedge accounting	Interest rate swaps Receipts fixed, payments floating	Insurance liabilities	231,400	231,400	51,256	232,600	232,600	51,026
Special hedge accounting	Interest rate swaps Receipts fixed, payments floating	Loans	8,562	3,562	197	16,755	8,755	395
Total					51,453			51,422

Reference: Amount and Proportion of Interest Rate Swaps by Remaining Contract Duration

(Millions of Yen)

As of March 31,	2018							2017						
	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Receipts fixed, payments floating swap														
Notional amount	5,000	3,636	7,100	8,926	14,500	200,800	239,962	8,000	5,227	7,500	7,500	16,028	205,100	249,355
Average interest rate in receipt (%)	2.15	1.51	1.69	1.73	1.90	1.88	1.87	1.90	2.12	1.56	1.75	1.79	1.89	1.87
Average interest rate in payment (%)	0.21	0.01	(0.00)	0.11	0.06	0.01	0.02	0.21	0.20	0.02	0.03	0.12	0.02	0.04

◆ Currency-Related

(Millions of Yen)

As of March 31,			2018			2017			
Hedge accounting method	Type	Main hedged items	Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value	
			Over 1 year			Over 1 year			
Fair value hedge accounting	Foreign currency forward contracts	Foreign-currency- denominated bonds							
			Sold	3,376,632	—	79,785	2,852,379	—	(29,786)
			(U.S. dollar)	3,058,604	—	76,837	2,560,560	—	(23,153)
			(Euro)	183,159	—	319	168,759	—	(173)
	(Australian dollar)	134,867	—	2,628	123,059	—	(6,459)		
Deferred hedge accounting	Cross currency swaps	Foreign-currency- denominated bonds							
			(Euro)	35,575	35,575	(1,641)	35,575	35,575	1,472
			(Australian dollar)	4,305	4,305	192	4,305	4,305	78
Total									
					78,337			(28,235)	

Note: Excluding transactions related to foreign currency denominated monetary claims and liabilities whose value is fixed in yen at the time of settlement through such means as forward exchange contracts and can thus be included in yen on the balance sheet.

◆ Stock-Related

Not applicable.

◆ Bond-Related

Not applicable.

Status of Stocks Held

1. Investment Securities Held Excluding Those Held Solely for the Purpose of Investment

Number of stocks held: 11

Total amount reported in the balance sheet: 64,048 million yen

2. Of Which, Details of Investment Securities Excluding Unlisted Stocks

As of March 31, 2018

(Thousand Shares, Millions of Yen)

Stock	Number of shares	Balance sheet amount	Purpose
Talanx AG	12,493	57,626	Ongoing stockholding to maintain a strategic partnership aimed at promoting international collaboration in the insurance business in growing markets

As of March 31, 2017

(Thousand Shares, Millions of Yen)

Stock	Number of shares	Balance sheet amount	Purpose
Talanx AG	12,493	49,469	To reinforce a strategic partnership aimed at promoting international collaboration in the insurance business in growing markets, with the aim of facilitating the expansion of the Company's overseas insurance business

3. Investment Securities Held Solely for Investment

(Millions of Yen)

As of and years ended March 31,	2018					2017				
	Balance sheet amount	Dividends received	Gains/Losses on sales	Valuation gains/losses		Balance sheet amount	Dividends received	Gains/Losses on sales	Valuation gains/losses	
Unrealized gains/losses				Impairment losses	Unrealized gains/losses				Impairment losses	
Unlisted stocks	27,505	1,102	710	1,069	(211)	27,079	1,974	716	917	(34)
Others	4,385,729	92,939	1,700	2,691,152	(1,181)	4,066,262	79,852	12,108	2,372,282	(332)

Components of Ordinary Profit (Base Profit)

(Millions of Yen)

Years ended March 31,		2018	2017
Base income ①		3,685,492	3,520,567
Insurance premiums and other		2,719,469	2,615,872
Insurance premiums		2,718,837	2,614,768
Investment income (Note 1)		864,599	794,431
Interest, dividends and other income		768,959	721,464
Other ordinary income (Note 1)		100,582	110,262
Other base income		840	—
Base expenses ②		3,138,790	3,048,224
Benefits and other payments		2,212,551	2,204,036
Claims paid		679,816	564,719
Annuity payments		645,353	695,207
Benefit payments		380,435	396,440
Surrender benefits		420,757	452,951
Other refunds		80,543	89,190
Provision for policy reserves and other reserves (Note 1)		374,099	283,189
Investment expenses (Note 1)		38,186	37,014
Operating expenses		356,467	350,389
Other ordinary expenses		146,411	173,594
Other base expenses		11,074	—
Base profit (Note 2)	A (①-②)	546,701	472,343
Capital income ③		36,249	21,635
Gains on money held in trust		—	—
Gains on trading securities		—	—
Gains on sales of securities		25,175	21,635
Gains on derivative financial instruments		—	—
Foreign exchange gains		—	—
Other capital income		11,074	—
Capital expenses ④		169,925	134,641
Losses on money held in trust		—	—
Losses on trading securities		—	—
Losses on sales of securities		38,046	32,078
Losses on valuation of securities		8,530	12,009
Losses on derivative financial instruments		113,851	90,154
Foreign exchange losses		8,679	399
Other capital expenses		817	—
Capital gains/losses (Note 2)	B (③-④)	(133,675)	(113,006)
Total of base profit and capital gains/losses	A+B	413,025	359,337
Temporary income ⑤		320	—
Reversal of contingency reserves		—	—
Reversal of specific allowance for possible loan losses		320	—
Other temporary income		—	—
Temporary expenses ⑥		44,986	40,882
Provision for contingency reserves		10,253	5,960
Provision for specific allowance for possible loan losses		—	381
Provision for specific allowance for possible overseas loan losses		—	—
Write-off of doubtful accounts		—	—
Other temporary expenses (Note 3)		34,732	34,540
Temporary gains/losses	C (⑤-⑥)	(44,665)	(40,882)
Ordinary profit	A+B+C	368,360	318,455

- Notes: 1. Excludes items presented on the statements of income as investment income and expenses, other ordinary income and provision for policy reserves and other reserves, which are all deemed to be capital income/expenses and temporary gains/losses.
2. In the fiscal year ended March 31, 2018, the Company changed its methods for disclosing some components of ordinary income that are affected by fluctuations in surrender benefits associated with market value adjustments and those affected by foreign exchange rate fluctuations associated with insurance policies denominated in foreign currencies. If the aforementioned change had been applied to operating results for the fiscal year ended March 31, 2017, base profit would increase by ¥284 million, while capital gains would decrease by the same amount.
3. Other temporary expenses presented above are provision for policy reserves posted in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act.

Components of Base Profit (Three Surplus Factors)

(Billions of Yen)

Years ended March 31,		2018	2017
Base profit	A	546.7	472.3
Interest surplus		222.5	174.8
Mortality profit		288.9	281.6
Expense profit		35.2	15.8
Capital gains/losses	B	(133.6)	(113.0)
Temporary gains/losses	C	(44.6)	(40.8)
Ordinary profit	D (=A+B+C)	368.3	318.4
Extraordinary gains/losses, income taxes	E	(128.7)	(81.1)
Unappropriated surplus	F (=D+E)	239.5	237.2

Performance Indicators

Performance Indicators for Main Business Annualized Premiums and Number of Policies

(1) Policies in Force

• Annualized Premiums

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	1,581,825	101.3	1,561,156	102.2
Individual annuities	669,319	97.2	688,870	102.9
Total	2,251,145	100.0	2,250,027	102.4
Medical insurance, living benefits and others	402,047	105.2	382,233	103.9

• Number of Policies

As of March 31,	2018		2017	
	Number of policies	YOY change (%)	Number of policies	YOY change (%)
Individual life insurance	9,482,859	103.6	9,152,556	102.5
Individual annuities	2,613,215	97.2	2,687,165	105.2
Total	12,096,074	102.2	11,839,721	103.1

(2) New Policies

• Annualized Premiums

(Millions of Yen)

Years ended March 31,	2018		2017	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	122,254	95.7	127,695	87.7
Individual annuities	5,739	11.0	52,228	132.7
Total	127,994	71.1	179,924	97.3
Medical insurance, living benefits and others	42,825	117.2	36,545	100.6

• Number of Policies

Years ended March 31,	2018		2017	
	Number of policies	YOY change (%)	Number of policies	YOY change (%)
Individual life insurance	1,112,145	101.4	1,096,308	109.2
Individual annuities	31,590	12.7	248,088	133.3
Total	1,143,735	85.1	1,344,396	112.9

Notes: 1. Annualized premiums are calculated by multiplying the amount of premium payments for twelve months by a coefficient determined by payment frequency. (For policies with a single lump-sum payment, the amount is calculated by dividing total premiums by years contracted).
 2. Figures for medical insurance, living benefits and others represent annualized premiums paid for coverage under medical insurance (hospitalization benefits and surgery benefits), living benefits (benefits under coverage for specified diseases and nursing care) and benefits subject to premium payment waiver (including premium payment waiver for those who suffer from specified diseases or require nursing care; excluding waivers for those who become disabled).
 3. In (2) new policies, annualized premiums include net increase in premiums resulting from conversion of policies, coverage revision and rider changes. The number of policies includes the number of policies subject to such conversion, revision or changes.

Insurance Amount of Policies in Force and New Policies

(1) Policies in Force

As of March 31,	2018		2017	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	64,557,636	94.9	68,042,279	95.6
Individual annuities	13,969,694	96.3	14,503,891	103.6
Subtotal	78,527,330	95.1	82,546,170	96.9
Group life insurance	113,944,264	100.9	112,956,900	100.9
Total	192,471,595	98.4	195,503,071	99.2
Group pensions	7,607,226	102.2	7,441,786	101.3

Notes: 1. Figures for individual annuities represent the expected future value of accumulated capital of policies written prior to payout at pension eligibility and policy reserves of policies written after pension payout.
 2. Figures for group pensions represent the amount of policy reserves.

(2) New Policies

Years ended March 31,	2018				2017			
	New policies	Net increase from conversion	New policies + net increase from conversion	YOY change (%)	New policies	Net increase from conversion	New policies + net increase from conversion	YOY change (%)
Individual life insurance	2,365,162	(928,235)	1,436,927	78.6	2,866,864	(1,038,459)	1,828,405	81.5
Individual annuities	163,452	(357)	163,094	12.9	1,268,440	(857)	1,267,583	139.6
Subtotal	2,528,615	(928,593)	1,600,021	51.7	4,135,305	(1,039,317)	3,095,988	98.3
Group life insurance	2,275,567	—	2,275,567	451.3	504,243	—	504,243	80.1
Total	4,804,183	(928,593)	3,875,589	107.6	4,639,549	(1,039,317)	3,600,232	95.2
Group pensions	16	—	16	19.5	83	—	83	1.6

Notes: 1. Net increase from conversion includes net increase due to coverage revision and rider changes.
 2. Figures for new policies and net increase from conversion in individual annuities represent planned annuity value at the start of annuity payments.
 3. The figures for new policies in group pensions represent insurance premiums from the first payment.

Insurance Amount of Policies in Force and New Policies by Product Type

Individual Life Insurance

	Policies in force (as of March 31, 2018)				New policies (year ended March 31, 2018)			
	Number of policies	% of policies	Amount (Millions of Yen)	% of policies	Number of policies	% of policies	Amount (Millions of Yen)	% of policies
Mortality insurance	8,192,067	86.4	61,781,416	95.7	[726,296]	[65.3]	[5,318,729]	[93.0]
Whole life insurance	1,092,571	11.5	6,427,842	10.0	477,840	43.0	1,964,571	34.3
Whole life insurance with living benefits	92,106	1.0	130,567	0.2	[3,472]	[0.3]	[29,610]	[0.5]
Whole life insurance whose period of premium payments has finished	34,257	0.4	105,881	0.2	3,466	0.3	29,506	0.5
Single premium special whole life insurance	856,167	9.0	5,475,650	8.5	[5,139]	[0.5]	[652]	[0.0]
Whole life insurance (denominated by designated currencies)	32,844	0.3	147,924	0.2	5,139	0.5	652	0.0
Lump-sum whole-life insurance with periodic benefits	4,891	0.1	36,823	0.1	—	—	—	—
Increasing whole life insurance	317,102	3.3	2,215,954	3.4	—	—	—	—
Whole life insurance with term rider	540,568	5.7	4,839,651	7.5	[1,990]	[0.2]	[13,956]	[0.2]
Wealth accumulation whole life insurance with floating interest	985,319	10.4	15,109,598	23.4	1,990	0.2	13,956	0.2
Comprehensive protection insurance with combined policies	1,586,329	16.7	19,313,739	29.9	—	—	—	—
Term life insurance	541,404	5.7	2,694,896	4.2	[432,544]	[38.9]	[4,500,892]	[78.7]
Increasing term life insurance	23,619	0.2	504,746	0.8	186,183	16.7	1,180,682	20.6
Term life insurance with coverage for specified diseases	1,497,578	15.8	2,249,990	3.5	[35,057]	[3.2]	[199,950]	[3.5]
Variable insurance (whole-life type)	51,878	0.5	481,863	0.7	35,057	3.2	199,950	3.5
Whole life insurance for surviving spouses with term rider	32,118	0.3	353,936	0.5	[3,733]	[0.3]	[61,234]	[1.1]
Whole life hospitalization insurance	126,875	1.3	944,875	1.5	3,733	0.3	61,234	1.1
Medical and nursing care insurance	376,441	4.0	193,743	0.3	[151,241]	[13.6]	[210,479]	[3.7]
Term rider	[125,396]	—	546,126	0.8	151,241	13.6	210,479	3.7
Others	[3,615]	—	7,600	0.0	—	—	—	—
					—	—	—	—

Group Life Insurance

(Millions of Yen)

	Policies in force (as of March 31, 2018)		New policies (year ended March 31, 2018)	
	Number of policies	Amount	Number of policies	Amount
Group term life insurance	12,551,049	53,971,295	303,305	1,958,774
Comprehensive group term life insurance for employees	4,851,189	14,099,482	29,591	44,937
Group credit life insurance	11,964,148	45,724,566	20,817	271,856
Consumer group credit life insurance	5,105	2,848	—	—
Group whole life insurance	1,355	4,595	—	—
Life insurance for disability support	(43,641)	26,467	—	—
Annuity type payment rider attached to group term life insurance	19,800	115,008	—	—
Total	29,392,646	113,944,264	353,713	2,275,567

Notes: 1. The number of policies represents the number of insured persons.

2. The amount of annuity type payment rider represents the expected future value of accumulated capital of policies written prior to payout at pension eligibility and policy reserves of policies written after pension payout.

3. The total number of policies does not include the number of life insurance policies for disability support.

Group Pensions

(Millions of Yen)

	Policies in force (as of March 31, 2018)		New policies (year ended March 31, 2018)	
	Number of policies	Amount	Number of policies	Amount
Corporate pensions	742	482	—	—
New corporate pensions	8,073,570	436,466	—	—
Corporate pensions with individual contribution	3,228,821	3,545,456	—	5
National pension fund insurance	—	12	—	—
Employees' pension fund insurance	244,608	137,013	—	—
Group pure endowment insurance	—	129,180	—	—
Defined contribution pension plans (corporate)	—	107,109	—	5
Defined contribution pension plans (individual)	—	7,701	—	—
Defined benefit corporate pension plans (contract-type)	—	1,784,023	—	4
Defined benefit corporate pension plans (fund-type)	—	1,459,779	—	—
Total	11,547,741	7,607,226	—	16

Notes: 1. The number of policies represents the number of insured persons.

2. The amount of policies in force represents policy reserves.

3. The amount of new policies represents insurance premiums from the first payment of premiums.

Other Insurance

(Millions of Yen)

	Policies in force (as of March 31, 2018)		New policies (year ended March 31, 2018)	
	Number of policies	Amount	Number of policies	Amount
Asset formation insurance and asset formation annuities				
Asset formation saving insurance	48,602	138,241	700	22
Asset formation for home acquisition insurance	4,413	14,003	89	5
Asset formation benefit saving insurance	7,448	1,129	954	42
Asset formation annuities	806	1,775	—	—
Asset formation wealth accumulation annuities	28,717	60,839	422	16
Subtotal	89,986	215,989	2,165	87
Medical life insurance	958,803	3,104	46,367	23
Disability income insurance	62,639	3,887	1	0
Reinsurance underwritten	278,888	95,041	1,300	399

Notes: 1. The number of policies represents the number of insured persons.

2. Insurance amount of policies in force in categories under asset formation insurance and asset formation annuities (excluding figures for "asset formation annuities") represents policy reserves. The amount of new policies represents insurance premiums from the first payment of premiums.

3. The amount of asset formation annuities represents the expected future value of accumulated capital of policies written prior to payout at pension eligibility and policy reserves of policies written after pension payout.

4. The amount of medical life insurance represents the amount of daily hospitalization benefits.

5. The amount of disability income insurance represents the amount of monthly disability income benefits.

Insurance Amount of Policies in Force by Coverage Type

(Millions of Yen)

As of March 31,	2018	2017
Death coverage		
Death protection due to illness/accidents		
Individual life insurance	63,631,933	67,259,471
Individual annuities	4,200	4,538
Group life insurance	113,829,256	112,838,473
Group pensions	—	—
Total (including others)	177,560,431	180,203,047
Death protection due to accidents		
Individual life insurance	[11,360,154]	[11,943,504]
Individual annuities	[131,278]	[140,722]
Group life insurance	[6,120,470]	[6,151,337]
Group pensions	[—]	[—]
Total (including others)	[17,641,513]	[18,266,184]
Death protection due to other causes		
Individual life insurance	—	—
Individual annuities	[—]	[—]
Group life insurance	[41,456]	[45,382]
Group pensions	[—]	[—]
Total (including others)	—	—
Pure endowment		
Maturity and living benefits		
Individual life insurance	925,702	782,808
Individual annuities	12,081,182	12,638,458
Group life insurance	5,408	5,522
Group pensions	—	—
Total (including others)	13,052,433	13,468,336
Annuities		
Individual life insurance	[50,427]	[47,452]
Individual annuities	[1,597,448]	[1,642,591]
Group life insurance	[16,295]	[16,794]
Group pensions	[—]	[—]
Total (including others)	[1,668,204]	[1,711,090]
Others		
Individual life insurance	—	—
Individual annuities	1,884,311	1,860,894
Group life insurance	109,600	112,904
Group pensions	7,607,226	7,441,786
Total (including others)	9,776,988	9,591,406
Hospitalization coverage		
Hospitalization due to accidents		
Individual life insurance	[30,012]	[29,990]
Individual annuities	[633]	[689]
Group life insurance	[4,028]	[4,041]
Group pensions	[—]	[—]
Total (including others)	[37,779]	[37,844]
Hospitalization due to illness		
Individual life insurance	[29,677]	[29,591]
Individual annuities	[627]	[683]
Group life insurance	[—]	[—]
Group pensions	[—]	[—]
Total (including others)	[33,409]	[33,398]

(Millions of Yen)

As of March 31,	2018	2017
Hospitalization due to other causes		
Individual life insurance	[34,013]	[40,390]
Individual annuities	[1,149]	[1,234]
Group life insurance	[29]	[34]
Group pensions	[—]	[—]
Total (including others)	[35,192]	[41,660]

Notes: 1. Figures in brackets are additional coverage and rider coverage attached to coverage under primary policies. However, death coverage due to illness/accidents under term rider is included in figures for coverage under primary policies.
2. In the pure endowment category, the figures for maturity and living benefits of individual annuities and group life insurance represent the expected future value of accumulated capital of policies written prior to payout at pension eligibility.
3. In the pure endowment category, the figures in annuities represent the annual amount of annuity payments.
4. In the pure endowment category, the figures in others represent policy reserves.
5. The figures for hospitalization coverage represent daily hospitalization benefits.
6. The total (including others) of hospitalization due to illness includes coverage under primary policies and additional coverage.

(Number of Policies)

As of March 31,	2018	2017
Disability coverage		
Individual life insurance	[3,976,172]	[4,305,195]
Individual annuities	[23,069]	[24,720]
Group life insurance	[3,187,498]	[3,169,717]
Group pensions	[—]	[—]
Total (including others)	[7,186,739]	[7,499,632]
Surgery coverage		
Individual life insurance	[7,897,829]	[7,625,815]
Individual annuities	[118,382]	[127,871]
Group life insurance	[—]	[—]
Group pensions	[—]	[—]
Total (including others)	[8,016,211]	[7,753,686]

Note: Figures in brackets represent the number of policies and riders attached to coverage under primary policies.

Insurance Amount of Individual Life Insurance and Individual Annuities in Force by Type of Policy

(Millions of Yen)

As of March 31,	2018	2017
Mortality insurance		
Whole life insurance	14,548,309	14,680,260
Whole life insurance with term rider	4,839,651	5,674,805
Wealth accumulation whole life insurance with floating interest	15,109,598	19,563,550
Comprehensive protection insurance with combined policies	19,313,739	16,930,630
Whole life hospitalization insurance	944,875	1,184,509
Term insurance	5,449,633	5,452,599
Total (including others)	61,781,416	65,209,350
Hybrid insurance		
Endowment insurance	868,063	851,887
Endowment insurance with term rider	664,790	786,106
Term life insurance with living benefits	98,199	130,948
Total (including others)	1,850,517	2,050,121
Pure endowment insurance		
Wealth accumulation insurance with death/accident benefits for women	266,688	136,791
Child insurance	612,319	581,893
Total (including others)	925,702	782,808
Annuities		
Individual annuities	13,969,694	14,503,891

(Millions of Yen)

As of March 31,	2018	2017
Rider coverage for accidents and illness		
Accidental death benefit rider	1,448,559	1,719,567
Rider for injuries	7,856,427	8,267,211
Hospitalization rider due to accidents	1,854	2,106
Hospitalization rider due to illness	27,920	27,845
Hospitalization rider due to lifestyle-related diseases	1,574	1,942
Hospitalization rider due to cancer	1,087	1,377
Hospitalization rider for female-specific critical illness	5,716	6,474
Home care rider (post-hospitalization)	17,356	21,066
Rider for specific injuries	72,794	70,702
		(Number of Policies)
Surgery rider	2,562,274	2,471,703
Rider for protection against cancer	3,196,861	2,649,222
Advanced medical care rider	2,245,029	2,105,012
Serious disease rider with ongoing coverage	1,774,731	1,423,416
New nursing care rider	720,829	658,777

- Notes: 1. Amount of individual annuities in force represents the expected future value of accumulated capital of policies written prior to payout at pension eligibility and policy reserves of policies written after pension payout.
2. Figures for hospitalization rider due to accidents, illness, lifestyle-related diseases, and cancer as well as hospitalization rider for female-specific critical illness represent daily hospitalization benefits. However, hospitalization rider due to accidents includes standard daily benefits under rider for leisure coverage and comprehensive injury rider.
3. The home care rider (post-hospitalization) represents standard benefits paid to the insured person after hospital release for home treatment.
4. Rider for specific injuries represents injury benefits paid for such injuries.
5. The figures for surgery rider, rider for protection against cancer, advanced medical care rider, serious disease rider with ongoing coverage and new nursing care rider represent the number of policies with such riders.
6. Rider for protection against cancer includes the number of policies with rider for cancer treatment and rider for intraepithelial neoplasia and other types of cancer.
7. Serious disease rider with ongoing coverage includes the number of policies with riders for six specified diseases and riders for seven specified diseases.
8. New nursing care rider includes the number of riders (excluding riders with a set period for premium payments) with lump-sum benefits for policyholders requiring long-term nursing care and those requiring lighter nursing assistance.

Trend of Policy Transitions

Individual Life Insurance

(Millions of Yen)

Years ended March 31,	2018		2017	
	Number of policies	Amount	Number of policies	Amount
At the beginning of the fiscal year	9,152,556	68,042,279	8,925,048	71,193,761
New policies	863,603	2,365,162	783,453	2,866,864
Renewal	1,490,693	2,458,598	1,404,415	2,393,108
Reinstatement	24,376	213,779	23,337	237,611
Increase of insurance amount	—	8	—	48
Increase from conversion	248,542	3,355,357	312,855	4,517,142
Death	57,265	324,812	53,936	312,365
Maturity	1,605,753	3,585,370	1,554,227	3,424,198
Decrease of insurance amount	—	575,940	—	608,702
Decrease from conversion	250,264	4,283,592	316,130	5,555,602
Surrender	322,940	2,518,972	317,206	2,738,062
Lapse	56,232	473,714	52,122	496,914
Decrease due to other changes	4,457	115,146	2,931	30,413
At the end of the fiscal year	9,482,859	64,557,636	9,152,556	68,042,279
Rate of increase (%)	3.6	(5.1)	2.5	(4.4)
Net increase	330,303	(3,484,643)	227,508	(3,151,481)
Year-on-year change in net increase (%)	45.2	—	78.8	—

- Notes: 1. Amount represents coverage under primary policies (mortality insurance, hybrid insurance, and pure endowment insurance).
2. The figures for increase/decrease from conversion include, respectively, increase/decrease due to coverage revision and rider changes.

Individual Annuities

(Millions of Yen)

Years ended March 31,	2018		2017	
	Number of policies	Amount	Number of policies	Amount
At the beginning of the fiscal year	2,687,165	14,503,891	2,553,514	14,003,510
<Annual amount of annuity payments>		<1,642,591>		<1,564,694>
New policies	31,590	163,452	248,088	1,268,440
Reinstatement	3,350	17,210	2,895	14,925
Increase of annuity amount	—	11	—	60
Increase due to conversion	—	—	—	—
Death	5,099	25,734	5,160	26,564
Completion of payments	27,337	38	24,394	59
Decrease of annuity amount	—	25,685	—	27,365
Decrease due to conversion	69	357	156	857
Surrender	57,473	317,308	59,289	334,560
Lapse	6,943	33,704	6,684	32,708
Decrease due to other changes	11,969	312,043	21,649	360,930
At the end of the fiscal year	2,613,215	13,969,694	2,687,165	14,503,891
Rate of increase (%)	(2.8)	(3.7)	5.2	3.6
<Annual amount of annuity payments>		<1,597,448>		<1,642,591>
Net increase	(73,950)	(534,196)	133,651	500,380
Year-on-year change in net increase (%)	—	—	98.7	264.5

Note: The amounts represent the expected future value of accumulated capital of policies written prior to payout at pension eligibility and policy reserves of policies written after pension payout.

Group Life Insurance

(Millions of Yen)

Years ended March 31,	2018		2017	
	Number of policies	Amount	Number of policies	Amount
At the beginning of the fiscal year	28,438,964	112,956,900	28,510,739	111,918,819
New policies	353,713	2,275,567	187,347	504,243
Renewal	17,338,725	66,532,197	16,280,517	67,888,228
Reinstatement	—	—	—	—
Midterm enrollment	1,539,801	6,167,697	1,716,456	6,677,746
Increase of insurance amount	—	787,595	—	1,076,155
Death	46,656	135,246	48,385	139,348
Maturity	16,483,882	67,357,731	16,222,237	67,123,008
Withdrawal	1,713,566	4,597,377	1,960,441	5,162,893
Decrease of insurance amount	—	2,443,554	—	2,639,793
Surrender	35,905	238,606	26,549	40,327
Lapse	—	—	—	—
Decrease due to other changes	(1,452)	3,177	(1,517)	2,922
At the end of the fiscal year	29,392,646	113,944,264	28,438,964	112,956,900
Rate of increase (%)	3.4	0.9	(0.3)	0.9
Net increase	953,682	987,364	(71,775)	1,038,081
Year-on-year change in net increase (%)	—	(4.9)	—	267.2

Notes: 1. Amounts represent coverage under primary policies (mortality insurance, hybrid insurance, and policies with annuity rider attached to death coverage).

2. The number of policies represents the number of insured persons.

3. In decrease due to other changes, the number of policies includes changes in policies where the cause had yet to be determined.

Group Pensions

(Millions of Yen)

Years ended March 31,	2018		2017	
	Number of policies	Amount	Number of policies	Amount
At the beginning of the fiscal year	11,690,287	7,441,786	11,814,280	7,345,422
New policies	—	16	302	83
Annuity payments	2,763,597	232,733	2,561,296	247,638
Lump-sum payments	573,492	224,874	592,886	237,324
Surrender	54,147	15,376	206,694	59,355
At the end of the fiscal year	11,547,741	7,607,226	11,690,287	7,441,786
Rate of increase (%)	(1.2)	2.2	(1.0)	1.3
Net increase	(142,546)	165,440	(123,993)	96,363
Year-on-year change in net increase (%)	—	71.7	—	(54.5)

Notes: 1. Amount at the beginning and the end of the fiscal year represents policy reserves.

2. The figures for new policies represents insurance premiums from the first payment.

3. The figures for annuity payments, lump-sum payments and surrender represents the amount of benefits paid in each instance.

4. The number of policies represents the number of insured persons.

Performance Indicators for Insurance Policies

Rate of Change of Policies in Force

(%)

Years ended March 31,	2018	2017
Individual life insurance	(5.1)	(4.4)
Individual annuities	(3.7)	3.6
Group life insurance	0.9	0.9
Group pensions	2.2	1.3

Average Insured Amount per New Policy and Policy in Force (individual life insurance)

(Thousands of Yen)

Years ended March 31,	2018	2017
New policy	2,738	3,659
Policy in force	6,807	7,434

Note: New policy does not include policies subject to conversion, revision of coverage and changes in rider.

New Policy Rate (comparison between the beginning and end of the year)

(%)

Years ended March 31,	2018	2017
Individual life insurance	3.5	4.0
Individual annuities	1.1	9.1
Group life insurance	2.0	0.5

Note: Figures represent the proportion of new policies (excluding those resulting from conversion, revision of coverage and changes in rider) to policies in force at the beginning of the fiscal year. The rates are calculated based on the insurance amount of new policies.

Surrender and Lapse Rates (comparison between the beginning and end of the year)

(%)

Years ended March 31,	2018	2017
Individual life insurance	4.4	4.5
Individual annuities	2.4	2.6
Group life insurance	0.2	0.0

Note: Surrender and lapse rates represent the proportion of surrendered or lapsed policies to policies in force at the beginning of the fiscal year. The rates are calculated based on the insurance amount of surrendered and lapsed policies.

Average Premiums for New Policies (individual life insurance policies with monthly payments)

(Yen)

Year ended March 31, 2018	Year ended March 31, 2017
91,127	90,853

Notes: 1. Excludes converted policies.
2. The premiums have been annualized

Mortality Rate (individual life insurance)

(‰)

Rate by number of policies		Rate by insurance amount	
Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
6.13	5.95	4.89	4.48

Notes: 1. The rate is calculated on the basis of figures for policies with mortality claims (numerator) divided by total policies (denominator).
2. Calculations for total policies are based on one-half of policies in force at the beginning of the fiscal year, one-half of policies in force at the end of the fiscal year, and one-half of policies with mortality claims.
3. Mortality includes severe incapacitation.
4. Figures are presented on a per thousand (‰) basis.

Rate of Incidence of Events Covered by Riders (individual life insurance)

(‰)

Years ended March 31,	2018		2017	
	By the number of policies with paid rider	By amount of claims paid	By the number of policies with paid rider	By amount of claims paid
Accidental death	0.14	0.13	0.15	0.13
Disability	0.30	0.10	0.29	0.10
Hospitalization due to accidents	4.89	161.32	4.76	157.53
Hospitalization due to illness	50.72	1,423.61	49.56	1,356.34
Hospitalization due to lifestyle-related diseases	50.29	1,496.18	47.42	1,426.26
Surgery for illness and injuries	88.83		82.94	
Surgery for lifestyle-related diseases	38.35		37.44	

Notes: 1. Rates are calculated by dividing the number of policies with paid rider or the amount of claims paid based on such rider (numerator) by the number of total policies or amount of maximum possible claims under such policies (denominator).
2. Calculations for total policies for accidental death are based on one-half of policies in force at the beginning of the fiscal year, one-half of policies in force at the end of the fiscal year, and one-half of policies with accidental death claims. However, calculations for total policies for other claims are based on the average of policies in force at the beginning and the end of the fiscal year.
3. Accidental deaths include severe incapacitation.
4. Figures are presented on a per thousand (‰) basis.

Ratio of Operating Expenses to Insurance Premiums

(%)

Year ended March 31, 2018	Year ended March 31, 2017
13.1	13.4

The Number of Major Insurance Companies that Accepted Reinsurance Agreements

Year ended March 31, 2018	Year ended March 31, 2017
9	9

Note: There were no reinsured third-sector insurance policies exempted from the accumulation of premium reserves by the Company in accordance with Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

Ratio of Reinsurance Premiums Paid to the Top Five Counterparties

(%)

Year ended March 31, 2018	Year ended March 31, 2017
96.0	96.3

Note: There were no reinsured third-sector insurance policies exempted from the accumulation of premium reserves by the Company in accordance with Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

Ratio of Reinsurance Premiums by Counterparty Rating

Years ended March 31,	2018	2017
A or higher	99.0	99.1
BBB or higher	1.0	0.9
Others	—	—

Notes: 1. Ratings are based on assessments by Standard & Poor's.

2. A or higher includes A-. BBB or higher includes BBB-.

3. An unrated insurance subsidiary has been included in the data under the rating of its parent company.

4. There were no reinsured third-sector insurance policies exempted from the accumulation of premium reserves by the Company in accordance with Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

Unreceived Reinsurance Claims

	(Millions of Yen)	
Year ended March 31, 2018	Year ended March 31, 2017	
	179	136

Note: There were no reinsured third-sector insurance policies exempted from the accumulation of premium reserves by the Company in accordance with Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

Ratio of Premiums Paid as Benefit Payments under Third-Sector Insurance, with Coverage Breakdown

Years ended March 31,	2018	2017
Ratio of benefits paid under third-sector insurance	31.7	32.0
Medical coverage (for illness)	39.5	39.8
Cancer coverage	44.8	43.1
Nursing care coverage	15.9	17.3
Others	16.9	17.2

Notes: 1. Benefits include operating expenses associated with the payment of claims and benefits for third-sector insurance policies.

2. Premiums paid are calculated by averaging annualized premiums in force at the beginning of and at the end of the fiscal year.

Performance Indicators for Accounting Reserve for Outstanding Claims

	(Millions of Yen)	
As of March 31,	2018	2017
Insurance claims	78,002	76,075
Death insurance claims	63,533	61,325
Insurance claims for accidents	755	666
Insurance claims for disabilities	13,331	13,555
Insurance claims upon maturity	352	505
Others	29	22
Annuity payments	2,599	2,710
Benefit payments	22,868	22,366
Surrender benefits	10,751	9,609
Other refunds	388	308
Deferred benefit payments	499	422
Total	115,109	111,491

Policy Reserves

(Millions of Yen)

As of March 31,	2018	2017
Policy reserves (excluding contingency reserves)		
Individual life insurance	15,618,563	15,466,625
General account	15,556,849	15,403,062
Separate account	61,714	63,562
Individual annuities	7,525,677	7,433,070
General account	7,212,700	7,107,088
Separate account	312,976	325,982
Group life insurance	137,956	141,479
General account	137,956	141,479
Separate account	—	—
Group pensions	7,607,226	7,441,786
General account	7,138,960	7,037,215
Separate account	468,266	404,571
Others	217,351	218,705
General account	217,351	218,705
Separate account	—	—
Subtotal	31,106,775	30,701,667
General account	30,263,818	29,907,551
Separate account	842,957	794,116
Contingency reserves	691,787	681,534
Total	31,798,563	31,383,201
General account	30,955,606	30,589,085
Separate account	842,957	794,116

Breakdown of Policy Reserves

(Millions of Yen)

	Premium reserves	Unearned premiums	Refund reserves	Contingency reserves	Total
As of March 31, 2018	30,305,338	801,437	—	691,787	31,798,563
As of March 31, 2017	29,912,086	789,581	—	681,534	31,383,201

Policy Reserves for Individual Life Insurance and Individual Annuities

Policy Reserve Accumulation Method and Ratio

As of March 31,		2018	2017
Accumulation method	Policies subject to standard policy reserves	The method stipulated by Prime Minister (Ministry of Finance Notification No. 48 in 1996)	The method stipulated by Prime Minister (Ministry of Finance Notification No. 48 in 1996)
	Policies not subject to standard policy reserves	Net level premium method	Net level premium method
Accumulation ratio (excluding contingency reserves)		100%	100%

Notes: 1. The aforementioned accumulation method and ratio apply to policy reserves for individual life insurance and individual annuities.

2. The above table excludes policy reserves for group life insurance and group pensions because these policies are not subject to the accumulation method under the notification described below.

3. The accumulation ratio of policies subject to standard policy reserves is calculated using a method stipulated by Ministry of Finance Notification No. 48 in 1996. The accumulation ratio of other policies represents the ratio of policy reserves to the total of insurance premium reserves calculated using the net level premiums method and unearned premiums.

Policy Reserves (Categorized by Fiscal Year in Which Policies were Signed)

	Policy reserves (Millions of Yen)	Assumed interest rates (%)
Up to year ended March 31, 1981	265,924	2.75 – 5.00
Years ended March 31, 1982 to 1986	763,051	2.75 – 6.00
Years ended March 31, 1987 to 1991	2,867,924	2.75 – 6.00
Years ended March 31, 1992 to 1996	3,867,120	1.00 – 5.50
Years ended March 31, 1997 to 2001	1,248,915	1.00 – 3.75
Years ended March 31, 2002 to 2006	722,707	0.55 – 2.35
Years ended March 31, 2007 to 2011	3,256,372	0.55 – 1.85
Year ended March 31, 2012	2,819,303	0.71 – 1.50
Year ended March 31, 2013	1,486,761	0.45 – 1.50
Year ended March 31, 2014	1,404,079	0.45 – 1.50
Year ended March 31, 2015	1,326,575	0.35 – 1.09
Year ended March 31, 2016	1,354,933	0.44 – 1.05
Year ended March 31, 2017	765,190	0.25 – 1.00
Year ended March 31, 2018	620,688	0.25 – 3.46

Notes: 1. The policy reserves balances presented above include reserves for individual life insurance and individual annuity policies, but exclude policy reserves held in separate accounts and contingency reserves.
2. The above table displays the principal assumed interest rates of policy reserves that were signed into effect during each period and subject to reserves.
3. The allocation of policy reserves is determined based on reasonable actuarial methods.

Balance of, calculation method for, and coefficient used as the basis for the calculation of policy reserves in general account in relation to insurance policies with separate account and minimum insurance benefit guarantee

• Policy Reserves (General Account)

	(Millions of Yen)	
As of March 31,	2018	2017
Policy reserves (general account)	22,549	20,189

Notes: 1. Policy reserves (general account) are accumulated for insurance policies stipulated by Article 68 of the Ordinance for Enforcement of the Insurance Business Act as being subject to standard policy reserves.
2. Policy reserves (general account) represent insurance premium reserves necessary to ensure minimum insurance benefit guarantee.

• Calculation Method and Coefficient Used for the Calculation

(1) Calculation method

The “scenario testing method” stipulated as an alternative method by Article 9, Paragraph 1, Item 1 of Ministry of Finance Notification No. 48 in 1996 is used for:

- Single premium variable individual annuities with periodic (every five years) and surplus dividends;
- Single premium variable individual annuities (type II) with periodic (every five years) and surplus dividends;
- Single premium variable individual annuities (series 2012—future annuity value guaranteed) with periodic (every five years) and surplus dividends.

The standard method stipulated by Article 9, Paragraph 1, Item 1 of said notification is used for variable annuities other than those stated above.

(2) Coefficient used for the calculation

i) Assumed mortality rate

The rate stipulated by Article 9, Paragraph 1, Item 2 of said notification.

ii) Discount rate

The rate stipulated by Article 9, Paragraph 1, Item 3 of said notification.

iii) Expected return and volatility

The rate stipulated by Article 9, Paragraph 1, Item 4 of said notification. However, the following rates are set in line with rates stipulated by the statement of calculation procedures for insurance premiums and

policy reserves.

- Volatility of short-term funds: 0.3% annually
- Volatility of assets in separate accounts for single premium variable individual annuities (type II) with periodic (every five years) and surplus dividends: 5.3% annually
- Volatility of assets in separate accounts for single premium variable individual annuities (series 2012—future annuity value guaranteed) with periodic (every five years) dividends: 4.3% annually for standard-type policies; 3.5% annually for surplus-type policies

Confirming the Soundness and Validity of Actuarial Assumptions in Accordance with Article 121, Paragraph 1, Item 1 of the Insurance Business Act (Relating to Third-Sector Insurance Only)

(1) Securing appropriate funding of policy reserves for third-sector insurance policies

The Company secures a sufficient level of policy reserves by performing liability adequacy tests and stress tests in accordance with provisions stipulated by Financial Supervisory Agency and Ministry of Finance Notification No. 22 in 2000 and Ministry of Finance Notification No. 231 in 1998.

(2) Soundness and validity of risk frequency and other assumptions set for liability adequacy tests and stress tests

In principle, the Company classifies its policies by the occurrence rate of insurance claims based on historical data for insurance claims and

thereby determines risk frequency for each classification of policies. The Company also allows for some additional stress factors in this calculation. As a result, possible increases in insurance claims due to changes in occurrence rates are covered with a 97.7% and a 99% degree of certainty.

(3) Results of liability adequacy tests and stress tests

In the year ended March 31, 2018, the Company set aside provision for contingency reserves totaling ¥19 million (based on the results of

stress tests). On the other hand, the Company did not identify a need for additional policy reserves (based on the results of liability adequacy tests). In line with in-house rules, the soundness and validity of methods for establishing risk frequency ratios and test results are double-checked by departments in charge of underwriting risk management, which are independent from departments performing said calculation.

Policyholders' Dividend Reserves

(Millions of Yen)

	Individual life insurance	Individual annuities	Group life insurance	Group pensions	Asset formation insurance, Asset formation annuities	Other insurance	Total
Year ended March 31, 2018							
Balance at the beginning of the fiscal year	196,726	10,935	25,562	2,443	404	887	236,959
Transfer from surplus in the previous fiscal year	11,111	3,404	129,206	20,732	26	5,334	169,815
Interest accrued during the fiscal year	103	0	1	0	0	0	106
Other increases	45	—	—	—	—	—	45
Dividend payments to policyholders during the fiscal year	15,699	1,146	130,383	20,644	47	5,235	173,157
Balance at the end of the fiscal year	192,286	13,193	24,386	2,531	382	986	233,768
	[177,095]	[8,980]	[15,724]	[—]	[366]	[1]	[202,168]
Year ended March 31, 2017							
Balance at the beginning of the fiscal year	203,952	9,751	22,387	3,452	449	908	240,902
Transfer from surplus in the previous fiscal year	10,357	2,560	128,392	19,067	9	5,319	165,707
Interest accrued during the fiscal year	130	1	3	0	0	0	135
Other increases	46	—	—	—	—	—	46
Dividend payments to policyholders during the fiscal year	17,760	1,378	125,220	20,076	55	5,340	169,832
Balance at the end of the fiscal year	196,726	10,935	25,562	2,443	404	887	236,959
	[185,426]	[7,968]	[16,571]	[—]	[400]	[2]	[210,368]

Note: Balance at the end of the fiscal year figures in brackets represent amounts appropriated to dividends.

Allowance for Possible Loan Losses and Other Reserves

(Millions of Yen)

	Beginning balance	Ending balance	YOY increase (decrease)
Year ended March 31, 2018			
Allowance for possible loan losses			
General allowance for possible loan losses	1,388	1,310	(78)
Specific allowance for possible loan losses	4,459	3,789	(669)
Specific allowance for possible overseas loan losses	—	—	—
Accrued retirement benefits for directors and executive officers	—	—	—
Reserve for contingent liabilities	1	1	(0)
Reserve for price fluctuation	577,545	684,594	107,048
Year ended March 31, 2017			
Allowance for possible loan losses			
General allowance for possible loan losses	1,310	1,388	78
Specific allowance for possible loan losses	4,147	4,459	312
Specific allowance for possible overseas loan losses	—	—	—
Accrued retirement benefits for directors and executive officers	82	—	(82)
Reserve for contingent liabilities	1	1	(0)
Reserve for price fluctuation	521,677	577,545	55,868

Specific Allowance for Possible Overseas Loan Losses

• Specific Allowance for Possible Overseas Loan Losses

Not applicable.

• Balance of Specific Allowance for Possible Overseas Loan Losses by Country

Not applicable.

Insurance Premiums

		(Millions of Yen)	
Years ended March 31,		2018	2017
Individual life insurance		1,362,839	1,277,484
Lump-sum payment		383,899	296,592
Annual payment		227,394	246,693
Biannual payment		4,772	4,835
Monthly payment		746,772	729,362
Individual annuities		372,725	385,666
Lump-sum payment		1,150	5,709
Annual payment		56,722	57,902
Biannual payment		617	679
Monthly payment		314,236	321,374
Group life insurance		312,153	313,015
Group pensions		635,714	602,866
Total (including others)*		2,718,837	2,614,768

* Includes premiums from asset formation insurance and annuities, medical life insurance, disability income insurance, and reinsurance underwritten.

Insurance Premiums Categorized by Policy Year

		(Millions of Yen)	
Years ended March 31,		2018	2017
Individual life insurance	First-year premiums	560,067	516,067
Individual annuities	Premiums for the second year and beyond	1,175,498	1,147,083
	Subtotal	1,735,565	1,663,151
Group life insurance	First-year premiums	1,898	933
	Premiums for the second year and beyond	310,254	312,081
	Subtotal	312,153	313,015
Group pensions	First-year premiums	146	1,975
	Premiums for the second year and beyond	635,568	600,890
	Subtotal	635,714	602,866
Total (including others)*	First-year premiums	562,992	519,723
	Premiums for the second year and beyond	2,155,844	2,095,045
	Total	2,718,837	2,614,768
	Growth rate (%)	4.0	(22.1)

* Includes premiums from asset formation insurance and annuities, medical life insurance, disability income insurance, and reinsurance underwritten.

Insurance Claims, Annuities and Benefits Paid

(Millions of Yen)

	Year ended March 31, 2018							Year ended
	Individual life insurance	Individual annuities	Group life insurance	Group pensions	Asset formation insurance Asset formation annuities	Other insurance	Total	March 31, 2017
Claims paid:	493,876	622	135,521	48,262	861	672	679,816	564,719
Death insurance claims	257,189	593	123,560	—	—	663	382,005	374,508
Insurance claims for accidents	2,337	2	475	—	43	—	2,858	2,782
Insurance claims for disabilities	33,609	7	11,418	—	—	8	45,043	44,106
Insurance claims upon maturity	200,739	20	—	48,262	817	—	249,840	143,269
Others	—	—	67	—	—	1	68	52
Annuity payments	7,188	383,349	17,464	232,733	4,617	—	645,353	695,207
Benefit payments:	136,266	15,867	448	224,874	814	2,163	380,435	396,440
Death benefits	36,367	13,174	6	2,663	193	15	52,421	50,115
Hospitalization benefits	31,138	981	282	—	—	1,743	34,145	35,112
Surgery benefits	14,169	783	—	—	—	276	15,229	16,132
Disability benefits	810	11	82	—	—	—	904	966
Survivor benefits	19,821	854	—	—	621	—	21,296	26,908
Lump-sum benefits	—	—	53	220,346	—	—	220,400	232,262
Others	33,959	62	24	1,863	—	127	36,037	34,943
Surrender benefits	314,960	74,482	—	15,376	15,937	0	420,757	452,951

The Number of Cases Where Claims, Annuities and Benefits were Paid

	Year ended March 31, 2018							Year ended
	Individual life insurance	Individual annuities	Group life insurance	Group pensions	Asset formation insurance Asset formation annuities	Other insurance	Total	March 31, 2017
Claims paid:	185,845	91	48,999	2	1,552	12,976	249,465	209,623
Death insurance claims	43,160	85	45,355	—	—	12,967	101,567	101,527
Insurance claims for accidents	580	1	199	—	6	—	786	810
Insurance claims for disabilities	19,040	5	3,437	—	—	5	22,487	20,606
Insurance claims upon maturity	123,065	—	—	2	1,546	—	124,613	86,671
Others	—	—	8	—	—	4	12	9
Annuity payments	5,092	713,918	56,520	5,882,048	14,914	—	6,672,492	6,819,156
Benefit payments:	2,901,267	64,263	4,686	660,029	332	36,055	3,666,632	2,909,412
Death benefits	11,079	3,526	459	3,679	72	31	18,846	18,321
Hospitalization benefits	354,812	10,219	3,784	—	—	29,224	398,039	399,977
Surgery benefits	167,832	8,719	—	—	—	3,691	180,242	184,531
Disability benefits	580	16	156	—	—	—	752	773
Survivor benefits	274,319	40,699	—	—	260	—	315,278	100,896
Lump-sum benefits	—	—	274	656,346	—	—	656,620	674,909
Others	2,092,645	1,084	13	4	—	3,109	2,096,855	1,530,005

Depreciation

(Millions of Yen)

	Acquisition cost	Current-year depreciation	Accumulated depreciation	Ending balance	Accumulated depreciation ratio (%)
Year ended March 31, 2018					
Tangible fixed assets	290,615	8,572	177,270	113,344	61.0
Buildings	273,030	7,121	163,496	109,534	59.9
Others	17,584	1,450	13,774	3,810	78.3
Intangible fixed assets	100,673	18,995	48,557	52,116	48.2
Others	270	48	126	144	46.7
Total	391,559	27,616	225,954	165,604	57.7
Year ended March 31, 2017					
Tangible fixed assets	303,882	8,328	184,753	119,129	60.8
Buildings	286,571	7,179	170,987	115,584	59.7
Others	17,310	1,149	13,765	3,544	79.5
Intangible fixed assets	89,073	16,014	37,644	51,428	42.3
Others	263	46	117	145	44.7
Total	393,219	24,389	222,515	170,703	56.6

Operating Expenses

(Millions of Yen)

Years ended March 31,	2018	2017
Marketing promotion expenses	132,246	131,822
Marketing administration expenses	52,176	51,540
General and administration expenses	172,044	167,026
Total	356,467	350,389

Note: General and administration expenses include funding contributions that the Company paid for Insurance Policyholders Protection Corporation of Japan in accordance with Article 259 of the Insurance Business Act, which totaled ¥3,562 million and ¥3,475 million in the years ended March 31, 2017 and March 31, 2018, respectively.

Taxes

(Millions of Yen)

Years ended March 31,	2018	2017
National tax	15,441	15,183
Consumption tax	13,211	12,988
Special local corporate tax	1,967	1,885
Revenue stamp tax	256	297
Registration and license tax	2	4
Other national taxes	3	7
Local tax	11,211	11,080
Local consumption tax	3,558	3,492
Corporate enterprise tax	4,716	4,515
Fixed asset tax	2,456	2,597
Real estate acquisition tax	3	5
Business office tax	476	468
Other local taxes	—	0
Total	26,653	26,264

Lease Transactions

Acquisition cost, accumulated depreciation and ending balance of leased assets

Not applicable.

Ending balance of future lease payments

Not applicable.

Cumulative lease fees paid, depreciation and interest expenses

Not applicable.

Balance of Loans Payable by Remaining Loan Period

(Millions of Yen)

	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
As of March 31, 2018							
Bonds payable	—	—	—	—	—	453,310	453,310
Payables under repurchase agreements	5,358	—	—	—	—	—	5,358
Payables under securities borrowing transactions	382,564	—	—	—	—	—	382,564
Total	387,922	—	—	—	—	453,310	841,232
As of March 31, 2017							
Bonds payable	—	—	—	—	—	353,310	353,310
Payables under repurchase agreements	—	—	—	—	—	—	—
Payables under securities borrowing transactions	130,034	—	—	—	—	—	130,034
Total	130,034	—	—	—	—	353,310	483,344

Reference: Average Interest Rates of Bonds

(%)

As of March 31,	2018	2017
Bonds payable (denominated in yen)	1.11	1.11
Bonds payable (denominated in foreign currencies)	5.20	5.20

Notes: 1. Average interest rates presented above are weighted average interest rates applied to balances at the end of each fiscal year.

2. Bonds payable (denominated in yen) consist of subordinated bonds denominated in yen with the date of maturity set at December 2046, November 2047 or December 2051. Bonds payable (denominated in foreign currencies) consist of subordinated bonds denominated in U.S. dollars with the date of maturity set at October 2045.

Quarterly Information

(Millions of Yen)

	As of June 30, 2017	As of September 30, 2017	As of December 31, 2017	As of March 31, 2018
Insurance premiums and other	641,138	1,332,662	1,998,412	2,719,469
Base profit	101,700	257,136	361,946	546,701

Note: Base profits from operations for the nine month period spanning July 1, 2017 to March 31, 2018 are calculated without taking into account fluctuations in surrender benefits associated with market value adjustments and foreign exchange rate fluctuations associated with insurance policies denominated in foreign currencies.

Investment Performance Indicators

Breakdown of Invested Assets (General Account)

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	553,381	1.5	380,822	1.0
Receivables under resale agreements	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—
Monetary claims bought	214,730	0.6	220,118	0.6
Trading account securities	—	—	—	—
Money held in trust	10,076	0.0	—	—
Securities	30,996,728	82.2	30,121,531	81.9
Domestic bonds	17,018,286	45.1	16,970,650	46.2
Domestic stocks	4,464,095	11.8	4,141,988	11.3
Foreign securities	8,841,746	23.5	8,578,000	23.3
Foreign bonds	6,828,764	18.1	6,581,757	17.9
Foreign stocks and others	2,012,982	5.3	1,996,242	5.4
Other securities	672,600	1.8	430,891	1.2
Loans	4,507,370	12.0	4,681,981	12.7
Policy loans	249,260	0.7	260,726	0.7
Industrial and consumer loans	4,258,109	11.3	4,421,255	12.0
Real estate	868,899	2.3	878,498	2.4
Deferred tax assets	—	—	—	—
Others	558,203	1.5	485,612	1.3
Allowance for possible loan losses	(5,100)	(0.0)	(5,848)	(0.0)
Total	37,704,290	100.0	36,762,716	100.0
Assets denominated in foreign currencies	8,524,354	22.6	8,041,467	21.9

Note: Real estate reflects the total value of land, buildings and construction in progress.

Increase (Decrease) by Asset Type (General Account)

	(Millions of Yen)	
Years ended March 31,	2018	2017
Cash, deposits and call loans	172,558	(13,903)
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary claims bought	(5,387)	(3,541)
Trading account securities	—	—
Money held in trust	10,076	—
Securities	875,197	1,332,147
Domestic bonds	47,636	(27,849)
Domestic stocks	322,106	560,207
Foreign securities	263,745	667,742
Foreign bonds	247,006	715,002
Foreign stocks and others	16,739	(47,259)
Other securities	241,708	132,046
Loans	(174,611)	(267,885)
Policy loans	(11,465)	(14,359)
Industrial and consumer loans	(163,145)	(253,526)
Real estate	(9,599)	(10,917)
Deferred tax assets	—	—
Others	72,590	(62,315)
Allowance for possible loan losses	748	(391)
Total	941,573	973,193
Assets denominated in foreign currencies	482,886	929,716

Note: Real estate reflects the total value of land, buildings and construction in progress.

Investment Returns (General Account)

	(%)	
Years ended March 31,	2018	2017
Cash, deposits and call loans	(0.05)	0.00
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary claims bought	1.70	1.90
Trading account securities	—	—
Money held in trust	0.67	—
Securities	2.08	2.06
Domestic bonds	1.62	1.63
Domestic stocks	5.31	4.65
Foreign securities	2.16	2.19
Foreign bonds	1.73	1.57
Foreign stocks and others	3.52	3.91
Loans	1.75	1.72
Industrial and consumer loans	1.60	1.57
Real estate	1.98	1.95
Total	1.91	1.89
Overseas investments	2.10	2.16

Notes: 1. The rate of return is calculated by deducting investment expenses from investment income (numerator: presented as ordinary profit), and by dividing the result by the average daily balance (denominator: based on the book value).

2. Overseas investments include assets denominated in yen.

Average Balances of Assets (General Account)

(Millions of Yen)

Years ended March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	401,199	1.2	491,121	1.5
Receivables under resale agreements	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—
Monetary claims bought	218,878	0.6	216,158	0.6
Trading account securities	—	—	—	—
Money held in trust	3,123	0.0	—	—
Securities	26,609,876	78.7	25,800,376	77.5
Domestic bonds	16,631,582	49.2	16,518,828	49.6
Domestic stocks	1,793,381	5.3	1,799,003	5.4
Foreign securities	7,695,684	22.8	7,068,938	21.2
Foreign bonds	5,821,885	17.2	5,208,069	15.6
Foreign stocks and others	1,873,798	5.5	1,860,868	5.6
Loans	4,599,402	13.6	4,833,951	14.5
Industrial and consumer loans	4,344,699	12.9	4,566,071	13.7
Real estate	881,563	2.6	892,889	2.7
Total	33,795,996	100.0	33,295,711	100.0
Overseas investments	8,234,933	24.4	7,321,359	22.0

Notes: 1. Average balances are calculated based on book value.
2. Overseas investments include assets denominated in yen.

Investment Income (General Account)

(Millions of Yen)

Years ended March 31,	2018	2017
Interest, dividends and other income	768,959	721,464
Gains on securities products	—	—
Gains on money held in trust	22	—
Gains on trading securities	—	—
Gains on sales of securities	25,175	21,635
Gains on redemption of securities	58,119	56,692
Gains on derivative financial instruments	—	—
Foreign exchange gains	—	—
Reversal of allowance for possible loan losses	399	—
Other investment income	85	468
Total	852,761	800,260

Investment Expenses (General Account)

(Millions of Yen)

Years ended March 31,	2018	2017
Interest expenses	10,085	11,307
Losses on securities products	—	—
Losses on money held in trust	—	—
Losses on trading securities	—	—
Losses on sales of securities	38,046	32,078
Losses on valuation of securities	8,530	12,009
Losses on redemption of securities	4,302	4,423
Losses on derivative financial instruments	113,851	90,154
Foreign exchange losses	8,679	399
Provision for allowance for possible loan losses	—	459
Redemption of loans	—	—
Depreciation of real estate for non-insurance business	9,687	9,353
Other investment expenses	14,110	11,852
Total	207,294	172,037

Interest, Dividends and Other Income (General Account)

		(Millions of Yen)	
Years ended March 31,		2018	2017
Interest on deposits		21	16
Interest and dividends on securities		641,470	591,340
Interest on domestic bonds		270,624	269,484
Dividends on domestic stocks		94,072	80,568
Interest and dividends on foreign securities		253,278	217,351
Interest on loans		79,112	84,525
Rent on real estate		36,175	35,023
Total (including others)		768,959	721,464

Attribution Analysis of Interest, Dividends and Other Income (General Account)

		(Millions of Yen)				
Years ended March 31,	2018			2017		
	Net increase (decrease)	Change in balance	Change due to interest rate and others	Net increase (decrease)	Change in balance	Change due to interest rate and others
Interest, dividends and other income	47,495	10,840	36,654	30,614	26,806	3,808
Securities	50,129	18,553	31,576	36,737	31,246	5,490
Loans	(5,413)	(4,101)	(1,311)	(5,948)	(3,177)	(2,771)
Real estate	1,151	(444)	1,596	162	(1,008)	1,171

Gains on Sales of Securities (General Account)

		(Millions of Yen)	
Years ended March 31,		2018	2017
Domestic bonds and others		495	523
Domestic stocks and others		2,427	3,976
Foreign securities		22,253	17,135
Total (including others)		25,175	21,635

Losses on Sales of Securities (General Account)

		(Millions of Yen)	
Years ended March 31,		2018	2017
Domestic bonds and others		220	362
Domestic stocks and others		15	605
Foreign securities		37,809	31,110
Total (including others)		38,046	32,078

Losses on Valuation of Securities (General Account)

		(Millions of Yen)	
Years ended March 31,		2018	2017
Domestic bonds and others		—	—
Domestic stocks and others		1,393	366
Foreign securities		6,931	11,168
Total (including others)		8,530	12,009

Balance of Securities (General Account)

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Government bonds	14,263,267	46.0	14,199,391	47.1
Municipal bonds	498,341	1.6	606,156	2.0
Corporate bonds	2,256,677	7.3	2,165,103	7.2
Public entity bonds	419,959	1.4	466,266	1.5
Domestic stocks	4,464,095	14.4	4,141,988	13.8
Foreign securities	8,841,746	28.5	8,578,000	28.5
Foreign bonds	6,828,764	22.0	6,581,757	21.9
Foreign stocks and others	2,012,982	6.5	1,996,242	6.6
Other securities	672,600	2.2	430,891	1.4
Total	30,996,728	100.0	30,121,531	100.0

Breakdown of Municipal Bonds by Region

(Millions of Yen)

As of March 31,	2018	2017
Hokkaido	11,495	23,075
Tohoku	300	300
Kanto	159,534	188,183
Chubu	75,632	83,664
Kinki	116,732	157,626
Chugoku	25,570	30,224
Shikoku	—	—
Kyushu	44,131	47,494
Others	64,945	75,586
Total	498,341	606,156

Note: Others represents municipal bonds issued through public offering under the Joint Local Government Bonds scheme.

Breakdown of Securities by Remaining Period for Maturity (General Account)

(Millions of Yen)

	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
As of March 31, 2018							
Securities	811,026	1,629,985	2,748,904	1,520,306	2,582,464	21,704,041	30,996,728
Government bonds	277,532	416,466	1,508,889	988,742	1,413,823	9,657,813	14,263,267
Municipal bonds	164,238	72,481	100	5,287	86,651	169,581	498,341
Corporate bonds	133,463	146,945	177,640	98,516	234,139	1,465,972	2,256,677
Domestic stocks	—	—	—	—	—	4,464,095	4,464,095
Foreign securities	223,328	988,617	1,059,275	427,464	839,547	5,303,512	8,841,746
Foreign bonds	223,085	988,617	1,059,275	427,464	839,547	3,290,772	6,828,764
Foreign stocks and others	242	—	—	—	—	2,012,739	2,012,982
Other securities	12,463	5,474	2,998	295	8,302	643,066	672,600
Monetary claims bought	—	—	—	—	—	214,730	214,730
Negotiable deposits	35,999	—	—	—	—	—	35,999
Money held in trust	—	—	—	—	—	10,076	10,076
Total	847,025	1,629,985	2,748,904	1,520,306	2,582,464	21,928,848	31,257,535
As of March 31, 2017							
Securities	524,238	1,601,076	2,990,926	2,469,878	1,626,311	20,909,099	30,121,531
Government bonds	189,390	507,274	1,187,234	1,178,740	1,133,414	10,003,337	14,199,391
Municipal bonds	104,945	229,797	9,196	5,084	35,960	221,172	606,156
Corporate bonds	97,014	204,881	181,584	150,091	131,421	1,400,110	2,165,103
Domestic stocks	—	—	—	—	—	4,141,988	4,141,988
Foreign securities	131,502	658,934	1,607,462	1,134,875	324,392	4,720,833	8,578,000
Foreign bonds	131,149	658,934	1,607,462	1,134,875	324,392	2,724,942	6,581,757
Foreign stocks and others	352	—	—	—	—	1,995,890	1,996,242
Other securities	1,386	188	5,448	1,086	1,124	421,657	430,891
Monetary claims bought	—	—	—	—	—	220,118	220,118
Negotiable deposits	49,996	—	—	—	—	—	49,996
Money held in trust	—	—	—	—	—	—	—
Total	574,235	1,601,076	2,990,926	2,469,878	1,626,311	21,129,217	30,391,646

Notes: 1. Figures for over 10 years include financial instruments with no specified maturity period.

2. Includes securities that are deemed appropriate to handle under the Financial Instruments and Exchange Act.

Rate of Return on Bonds at Fiscal Year End (General Account)

(%)

As of March 31,	2018	2017
Domestic bonds	1.73	1.74
Foreign bonds	3.28	3.11

Breakdown of Stocks Held by Industry (General Account)

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Fishery, agriculture & forestry	1,634	0.0	1,503	0.0
Mining	—	—	—	—
Construction	100,992	2.3	83,669	2.0
Manufacturing				
Foods	221,540	5.0	201,907	4.9
Textiles & apparels	27,168	0.6	23,759	0.6
Pulp & paper	4,338	0.1	4,366	0.1
Chemicals	427,426	9.6	366,381	8.8
Pharmaceuticals	134,506	3.0	109,656	2.6
Oil & coal products	7,495	0.2	6,410	0.2
Rubber products	13,654	0.3	13,548	0.3
Glass & ceramics products	190,541	4.3	187,391	4.5
Iron & steel	64,712	1.4	69,821	1.7
Nonferrous metals	16,593	0.4	17,795	0.4
Metal products	21,346	0.5	21,476	0.5
Machinery	274,280	6.1	271,557	6.6
Electric appliances	584,842	13.1	494,918	11.9
Transportation equipment	493,514	11.1	463,829	11.2
Precision instruments	189,286	4.2	139,401	3.4
Other products	45,377	1.0	42,052	1.0
Electric power & gas	136,985	3.1	140,203	3.4
Transportation, information & communication				
Land transportation	211,321	4.7	202,816	4.9
Marine transportation	7,705	0.2	8,866	0.2
Air transportation	4,132	0.1	3,445	0.1
Warehouse & harbor transportation services	22,722	0.5	26,081	0.6
Information & communication	31,242	0.7	26,643	0.6
Trade				
Wholesale trade	297,482	6.7	258,171	6.2
Retail trade	42,868	1.0	40,209	1.0
Finance & insurance				
Banks	410,582	9.2	439,201	10.6
Securities & commodity futures	17,155	0.4	16,837	0.4
Insurance	174,751	3.9	176,512	4.3
Other financing business	82,420	1.8	70,656	1.7
Real estate	151,892	3.4	164,997	4.0
Services	53,580	1.2	47,897	1.2
Total	4,464,095	100.0	4,141,988	100.0

Note: Classification is based on industrial sector classification specified by the Securities Identification Code Committee.

Loans (General Account)

		(Millions of Yen)	
As of March 31,		2018	2017
Policy loans		249,260	260,726
Policyholder loans		235,112	245,684
Premium loans		14,148	15,042
Industrial and consumer loans		4,258,109	4,421,255
(Loans for non-residents)		173,032	67,560
Corporate loans		4,081,518	4,229,354
(To domestic corporations)		3,939,485	4,197,814
Loans to governments and supranationals		22,016	27,315
Loans to public organizations		134,768	143,792
Housing loans		798	1,201
Consumer loans		18,647	19,005
Others		361	585
Total		4,507,370	4,681,981

Breakdown of Loans by Duration (General Account)

		(Millions of Yen)						
		Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
As of March 31, 2018								
Floating interest rate		111,114	5,233	26,180	24,290	3,550	49,479	219,848
Fixed interest rate		341,485	518,158	620,019	598,506	769,500	1,190,590	4,038,260
Total		452,600	523,391	646,199	622,797	773,050	1,240,070	4,258,109
As of March 31, 2017								
Floating interest rate		37,971	6,729	20,459	25,712	9,994	36,974	137,842
Fixed interest rate		370,268	643,707	554,976	590,821	853,841	1,269,797	4,283,413
Total		408,240	650,437	575,435	616,534	863,835	1,306,772	4,421,255

Note: Figures for over 10 years include loans with no specified maturity period.

Breakdown of Domestic Corporate Loans by Size of Borrower (General Account)

		(Millions of Yen)			
As of March 31,		2018		2017	
		(%)		(%)	
Large size corporations	Number of borrowers	658	58.4	683	61.1
	Loan amount	3,508,030	89.0	3,779,101	90.0
Medium size corporations	Number of borrowers	103	9.1	91	8.1
	Loan amount	19,556	0.5	20,236	0.5
Small size corporations	Number of borrowers	366	32.5	344	30.8
	Loan amount	411,897	10.5	398,476	9.5
Total	Number of borrowers	1,127	100.0	1,118	100.0
	Loan amount	3,939,485	100.0	4,197,814	100.0

Notes: 1. Please refer to the following chart for the classification of borrowers by size and industry.

2. The number of borrowers does not represent the number of loans, as a single borrower may have multiple loans under the same name.

Size	Conditions	1. All industries excluding 2. to 4.	2. Retail trade, food and beverage service	3. Service industry	4. Wholesale trade
Large	Capital	¥1 billion or greater	¥1 billion or greater	¥1 billion or greater	¥1 billion or greater
	Number of regular employees	More than 300	More than 50	More than 100	More than 100
Medium	Capital	More than ¥300 million and less than ¥1 billion	More than ¥50 million and less than ¥1 billion	More than ¥50 million and less than ¥1 billion	More than ¥100 million and less than ¥1 billion
	Number of regular employees	More than 300	More than 50	More than 100	More than 100
Small	Capital*	¥300 million or smaller	¥50 million or smaller	¥50 million or smaller	¥100 million or smaller
	Number of regular employees*	300 or less	50 or less	100 or less	100 or less

* Entities that meet either of two conditions stipulated for this classification shall be defined as small-size corporations.

Breakdown of Loans by Industry (General Account)

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Domestic				
Manufacturing	726,417	17.1	769,199	17.4
Foodstuffs and beverages	34,383	0.8	55,118	1.2
Textile products	8,622	0.2	11,766	0.3
Lumber and wood products	—	—	—	—
Pulp, paper, and paper products	42,103	1.0	43,142	1.0
Printing	5,608	0.1	5,326	0.1
Chemical and allied products	116,592	2.7	110,949	2.5
Petroleum refining	84,420	2.0	84,650	1.9
Ceramic, stone, and clay products	68,167	1.6	68,688	1.6
Iron and steel	120,897	2.8	127,318	2.9
Nonferrous metals and products	12,400	0.3	13,944	0.3
Fabricated metal products	2,241	0.1	2,474	0.1
General-purpose, production, and business-oriented machinery	54,280	1.3	56,403	1.3
Electrical machinery equipment and supplies	92,743	2.2	95,125	2.2
Transportation equipment	79,913	1.9	88,974	2.0
Miscellaneous manufacturing industries	4,043	0.1	5,318	0.1
Agriculture and forestry	360	0.0	120	0.0
Fishery	—	—	—	—
Mining and quarrying of stone and gravel	26	0.0	78	0.0
Construction	16,376	0.4	16,745	0.4
Electricity, gas, heat supply, and water	742,800	17.4	658,588	14.9
Information and communications	92,604	2.2	92,505	2.1
Transport and postal activities	298,485	7.0	307,776	7.0
Wholesale trade	797,540	18.7	891,822	20.2
Retail trade	21,488	0.5	16,625	0.4
Finance and insurance	872,466	20.5	1,092,417	24.7
Real estate	355,890	8.4	338,629	7.7
Goods rental and leasing	111,362	2.6	118,666	2.7
Scientific research, and professional and technical services	20,790	0.5	20,700	0.5
Hotels	2,025	0.0	2,198	0.0
Eating and drinking services	735	0.0	612	0.0
Living-related and personal services, and amusement services	3,249	0.1	3,256	0.1
Education and learning support	461	0.0	722	0.0
Medical, health care, and welfare services	131	0.0	191	0.0
Other services	1,849	0.0	1,865	0.0
Local governments	569	0.0	764	0.0
Loans for housing funds and consumer credit (with installment repayments)	19,445	0.5	20,207	0.5
Others	—	—	—	—
Subtotal	4,085,077	95.9	4,353,695	98.5
Overseas				
Governments and others	31,000	0.7	36,020	0.8
Financial institutions	15,200	0.4	15,540	0.4
Commerce, industry and others	126,832	3.0	16,000	0.4
Subtotal	173,032	4.1	67,560	1.5
Total of industrial and consumer loans	4,258,109	100.0	4,421,255	100.0

Note: For domestic borrowers, industrial sectors are classified based on Loans and Bills Discounted and New Loans for Fixed Investment by Sector (by Type of Industries) issued by the Bank of Japan.

Breakdown of Loans by Usage (General Account)

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Capital expenditures	851,655	20.0	889,577	20.1
Operating capital	3,406,454	80.0	3,531,678	79.9

Breakdown of Loans by Region (General Account)

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Hokkaido	40,807	1.0	39,955	0.9
Tohoku	57,188	1.4	56,615	1.3
Kanto	3,106,226	76.4	3,352,191	77.4
Chubu	364,063	9.0	359,795	8.3
Kinki	249,169	6.1	275,572	6.4
Chugoku	53,785	1.3	52,769	1.2
Shikoku	48,372	1.2	52,864	1.2
Kyushu	146,017	3.6	143,724	3.3
Total	4,065,631	100.0	4,333,488	100.0

Notes: 1. Excludes individual loans, loans for non-residents and policy loans.
2. Regions are based on the locations of the borrowers' headquarters.

Breakdown of Loans by Collateral (General Account)

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Collateral loans	15,046	0.4	16,051	0.4
Loans secured by securities	4,607	0.1	4,629	0.1
Loans secured by real estate, movable assets or aggregated foundation collateral	9,221	0.2	10,231	0.2
Loans secured by nominative claims	1,217	0.0	1,190	0.0
Guaranteed loans	68,559	1.6	81,070	1.8
Fiduciary loans	4,155,057	97.6	4,303,925	97.3
Others	19,445	0.5	20,207	0.5
Total of industrial and consumer loans	4,258,109	100.0	4,421,255	100.0
Subordinated loans	388,450	9.1	503,800	11.4

Tangible and Intangible Fixed Assets (General Account)

(Millions of Yen)

	Beginning balance	Increase	Decrease		Ending balance	Accumulated depreciation	Accumulated depreciation ratio (%)
			Impairment losses	Depreciation			
Year ended March 31, 2018							
Land	602,976	1	2,170	324	600,808	—	—
Buildings	273,269	8,652	1,139	430	264,156	404,475	60.5
Construction in progress	2,252	8,248	6,565	—	3,934	—	—
Other tangible fixed assets	3,916	1,828	33	—	4,125	15,496	79.0
Total of tangible fixed assets	882,414	18,731	9,908	755	873,024	419,972	—
Real estate for rent	551,571	29,038	10,736	755	560,368	241,448	—
Software	51,577	19,769	—	—	52,269	48,653	48.2
Other intangible fixed assets	25,400	27,808	24,727	—	28,465	176	—
Total of intangible fixed assets	76,978	47,578	24,727	—	80,734	48,830	—
Year ended March 31, 2017							
Land	602,923	9,724	9,671	714	602,976	—	—
Buildings	284,975	11,470	6,835	2,319	273,269	394,212	59.1
Construction in progress	1,516	20,049	19,313	—	2,252	—	—
Other tangible fixed assets	3,330	1,930	59	—	3,916	15,241	79.6
Total of tangible fixed assets	892,746	43,175	35,879	3,033	882,414	409,454	—
Real estate for rent	555,366	45,284	39,915	3,033	551,571	229,012	—
Software	41,631	26,140	—	—	51,577	37,770	42.3
Other intangible fixed assets	31,169	26,565	32,317	—	25,400	175	—
Total of intangible fixed assets	72,801	52,706	32,317	—	76,978	37,945	—

Note: Figures for increase and decrease of "Real estate for rent" include increases and decreases due to changes in usage, such as from operational to rental usage.

Real Estate Balance and the Number of Buildings Owned

(Millions of Yen)

As of March 31,	2018	2017
Real estate	868,899	878,498
For operational use	308,914	331,252
For rent	559,985	547,245
The number of buildings for rent	154 buildings	154 buildings

Gains on Disposals of Fixed Assets (General Account)

(Millions of Yen)

Years ended March 31,	2018	2017
Tangible fixed assets	1,529	1,766
Land	1,444	1,468
Buildings	85	297
Others	—	—
Intangible fixed assets	—	—
Others	—	—
Total	1,529	1,766
Real estate for rent	1,529	1,608

Losses on Disposals of Fixed Assets (General Account)

(Millions of Yen)

Years ended March 31,	2018	2017
Tangible fixed assets	1,676	3,571
Land	—	753
Buildings	1,646	2,758
Others	30	59
Intangible fixed assets	0	485
Others	113	204
Total	1,791	4,261
Real estate for rent	1,761	3,285

Depreciation of Real Estate for Non-Insurance Business (General Account)

(Millions of Yen)

	Acquisition cost	Depreciation	Accumulated depreciation	Ending balance	Accumulated depreciation ratio (%)
Year ended March 31, 2018					
Tangible fixed assets	397,631	9,640	242,694	154,936	61.0
Buildings	395,600	9,504	240,978	154,622	60.9
Others	2,030	136	1,716	314	84.5
Intangible fixed assets	90	4	61	28	68.0
Others	513	42	442	70	86.2
Total	398,234	9,687	243,198	155,035	61.1
Year ended March 31, 2017					
Tangible fixed assets	382,750	9,299	224,694	158,055	58.7
Buildings	380,910	9,162	223,224	157,685	58.6
Others	1,840	136	1,469	370	79.9
Intangible fixed assets	85	4	54	31	63.2
Others	560	49	447	112	79.9
Total	383,396	9,353	225,196	158,199	58.7

Foreign Securities Investment and Overseas Loans (General Account) Breakdown by Asset Type

(1) Assets denominated in foreign currencies

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Bonds	6,793,498	72.0	6,420,171	72.3
Stocks and others	1,615,405	17.1	1,548,076	17.4
Cash, deposits and others	115,449	1.2	39,563	0.4
Subtotal	8,524,354	90.4	8,007,810	90.1

(2) Assets with value fixed in yen

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Loans	131,049	1.4	119,856	1.3
Others	103	0.0	89	0.0
Subtotal	131,152	1.4	119,945	1.4

Note: The above figures represent the value of assets whose value is fixed in yen at the time of settlement through such means as forward exchange contracts. These values are included in yen on the balance sheet.

(3) Assets denominated in yen

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Loans for non-residents	167,200	1.8	67,560	0.8
Domestic bonds (foreign bonds issued in yen)	212,602	2.3	240,001	2.7
Others	397,576	4.2	448,166	5.0
Subtotal	777,378	8.2	755,728	8.5

(4) Total of (1)+(2)+(3)

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Foreign securities investment and overseas loans	9,432,885	100.0	8,883,484	100.0
Overseas real estate	—	—	24,843	0.3

Breakdown of Foreign Securities Investment and Overseas Loans by Region

(Millions of Yen)

	Foreign securities							
			Bonds		Stocks and others		Loans for non-residents	
	Amount	(%)	Amount	(%)	Amount	(%)	Amount	(%)
As of March 31, 2018								
North America	6,231,095	70.5	5,593,665	81.9	637,429	31.7	19,913	11.5
Europe	862,074	9.8	709,035	10.4	153,039	7.6	29,500	17.0
Oceania	270,377	3.1	270,377	4.0	—	—	1,919	1.1
Asia	156,385	1.8	42,685	0.6	113,699	5.6	1,700	1.0
Latin America	1,180,624	13.4	71,811	1.1	1,108,813	55.1	110,000	63.6
Middle East	—	—	—	—	—	—	—	—
Africa	—	—	—	—	—	—	—	—
Supranationals	141,188	1.6	141,188	2.1	—	—	10,000	5.8
Total	8,841,746	100.0	6,828,764	100.0	2,012,982	100.0	173,032	100.0
As of March 31, 2017								
North America	5,949,950	69.4	5,294,087	80.4	655,863	32.9	21,000	31.1
Europe	901,215	10.5	758,030	11.5	143,184	7.2	29,500	43.7
Oceania	249,842	2.9	249,842	3.8	—	—	—	—
Asia	162,777	1.9	49,723	0.8	113,054	5.7	2,040	3.0
Latin America	1,152,224	13.4	68,083	1.0	1,084,140	54.3	—	—
Middle East	—	—	—	—	—	—	—	—
Africa	—	—	—	—	—	—	—	—
Supranationals	161,989	1.9	161,989	2.5	—	—	15,020	22.2
Total	8,578,000	100.0	6,581,757	100.0	1,996,242	100.0	67,560	100.0

Breakdown of Foreign Currency-Denominated Assets by Currency

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
(U.S. dollar)	7,457,063	87.5	6,944,640	86.4
(Euro)	509,478	6.0	472,323	5.9
(Others)	557,812	6.5	624,504	7.8
Total	8,524,354	100.0	8,041,467	100.0

Investments and Loans for Public Entities (General Account)

(Millions of Yen)

Years ended March 31,	2018	2017
Bonds		
Government bonds	—	—
Municipal bonds	—	—
Other public entity bonds	1,343	797
Subtotal	1,343	797
Loans		
Loans for government-related agencies	1,016	1,295
Loans for other public entities	4,000	—
Subtotal	5,016	1,295
Total	6,359	2,092

Note: Figures for bonds represent the value of bonds underwritten during the fiscal year. Figures for loans represent loans made during each fiscal year to domestic borrowers.

Interest Rates of Loans

Not applicable.

Other Assets (General Account)

(Millions of Yen)

	Acquisition cost	Increase	Decrease	Accumulated depreciation	Ending balance
Year ended March 31, 2018					
Deferred assets	4,415	739	110	1,396	3,647
Others	—	625	989	—	5,929
Total	4,415	1,364	1,100	1,396	9,576
Year ended March 31, 2017					
Deferred assets	3,880	862	328	1,009	3,405
Others	—	685	1,358	—	6,294
Total	3,880	1,548	1,687	1,009	9,699

Note: Acquisition cost and accumulated depreciation represent amount for deferred assets only.

Fair Values of Financial Instruments (General Account) Gains and Losses on Valuation of Trading Securities (General Account)

Not applicable.

Fair Values of Securities (General Account)

• Securities with Fair Value (excluding trading securities)

(Millions of Yen)

As of March 31,	2018					2017				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity debt securities	4,540,301	5,348,839	808,537	809,196	(658)	4,715,320	5,537,852	822,531	823,812	(1,281)
Policy-reserve-matching bonds	7,549,821	8,971,785	1,421,963	1,425,365	(3,401)	7,250,615	8,578,042	1,327,426	1,327,428	(1)
Stocks of subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	14,317,705	17,875,899	3,558,193	3,729,394	(171,200)	13,550,699	17,067,658	3,516,959	3,602,161	(85,202)
Domestic bonds	4,974,782	5,400,878	426,096	432,444	(6,347)	4,867,245	5,322,149	454,903	456,657	(1,753)
Domestic stocks	1,671,934	4,339,760	2,667,825	2,678,324	(10,498)	1,670,383	4,018,610	2,348,227	2,353,377	(5,149)
Foreign securities	7,018,010	7,425,040	407,029	556,602	(149,572)	6,580,194	7,247,738	667,544	745,092	(77,548)
Foreign bonds	6,282,089	6,553,962	271,872	407,224	(135,351)	5,934,260	6,461,472	527,211	597,262	(70,050)
Foreign stocks and others	735,920	871,077	135,157	149,378	(14,221)	645,934	786,266	140,332	147,830	(7,497)
Other securities	591,537	647,327	55,790	60,570	(4,780)	361,309	406,195	44,885	45,633	(748)
Monetary claims bought	15,626	16,816	1,190	1,190	—	21,567	22,968	1,400	1,400	—
Negotiable deposits	36,000	35,999	(0)	0	(0)	50,000	49,996	(3)	0	(3)
Money held in trust	9,814	10,076	262	262	—	—	—	—	—	—
Total	26,407,828	32,196,523	5,788,694	5,963,956	(175,261)	25,516,636	31,183,553	5,666,917	5,753,402	(86,485)
Domestic bonds	16,592,190	19,234,381	2,642,191	2,648,552	(6,361)	16,515,746	19,103,521	2,587,775	2,589,550	(1,774)
Domestic stocks	1,671,934	4,339,760	2,667,825	2,678,324	(10,498)	1,670,383	4,018,610	2,348,227	2,353,377	(5,149)
Foreign securities	7,292,812	7,703,477	410,664	563,639	(152,974)	6,700,479	7,374,594	674,114	751,679	(77,565)
Foreign bonds	6,556,891	6,832,399	275,507	414,261	(138,753)	6,054,545	6,588,327	533,781	603,849	(70,067)
Foreign stocks and others	735,920	871,077	135,157	149,378	(14,221)	645,934	786,266	140,332	147,830	(7,497)
Other securities	591,537	647,327	55,790	60,570	(4,780)	361,309	406,195	44,885	45,633	(748)
Monetary claims bought	213,540	225,501	11,960	12,606	(645)	218,717	230,634	11,917	13,162	(1,245)
Negotiable deposits	36,000	35,999	(0)	0	(0)	50,000	49,996	(3)	0	(3)
Money held in trust	9,814	10,076	262	262	—	—	—	—	—	—

Note: Includes securities that are deemed appropriate to handle under the Financial Instruments and Exchange Act.

(1) Held-to-Maturity Debt Securities

(Millions of Yen)

As of March 31,	2018			2017		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	4,482,952	5,292,148	809,196	4,664,197	5,488,010	823,812
Domestic bonds	4,220,155	5,011,203	791,048	4,395,085	5,200,549	805,464
Foreign bonds	119,183	125,914	6,731	108,062	114,649	6,587
Monetary claims bought	143,614	155,030	11,416	161,050	172,811	11,761
Securities whose fair value does not exceed the balance sheet amount	57,349	56,690	(658)	51,123	49,841	(1,281)
Domestic bonds	2,800	2,786	(13)	2,800	2,780	(19)
Foreign bonds	249	248	(0)	12,223	12,206	(17)
Monetary claims bought	54,300	53,654	(645)	36,100	34,854	(1,245)

(2) Policy-Reserve-Matching Bonds

(Millions of Yen)

As of March 31,	2018			2017		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	7,427,523	8,852,888	1,425,365	7,249,715	8,577,144	1,327,428
Domestic bonds	7,394,452	8,819,512	1,425,060	7,249,715	8,577,144	1,327,428
Foreign bonds	33,070	33,376	305	—	—	—
Securities whose fair value does not exceed the balance sheet amount	122,298	118,896	(3,401)	900	898	(1)
Domestic bonds	—	—	—	900	898	(1)
Foreign bonds	122,298	118,896	(3,401)	—	—	—

(3) Available-for-Sale Securities

(Millions of Yen)

As of March 31,	2018			2017		
	Acquisition or amortized costs	Balance sheet amount	Difference	Acquisition or amortized costs	Balance sheet amount	Difference
Securities whose balance sheet amount exceeds the acquisition or amortized costs	10,087,737	13,817,132	3,729,394	10,622,245	14,224,406	3,602,161
Domestic bonds	4,762,611	5,195,056	432,444	4,662,842	5,119,499	456,657
Domestic stocks	1,548,692	4,227,017	2,678,324	1,573,628	3,927,005	2,353,377
Foreign securities	3,346,851	3,903,453	556,602	4,023,370	4,768,463	745,092
Other securities	399,140	459,711	60,570	334,836	380,470	45,633
Monetary claims bought	15,626	16,816	1,190	21,567	22,968	1,400
Negotiable deposits	5,000	5,000	0	6,000	6,000	0
Money held in trust	9,814	10,076	262	—	—	—
Securities whose balance sheet amount does not exceed the acquisition or amortized costs	4,229,967	4,058,766	(171,200)	2,928,453	2,843,251	(85,202)
Domestic bonds	212,170	205,822	(6,347)	204,402	202,649	(1,753)
Domestic stocks	123,241	112,743	(10,498)	96,754	91,605	(5,149)
Foreign securities	3,671,159	3,521,586	(149,572)	2,556,823	2,479,275	(77,548)
Other securities	192,396	187,615	(4,780)	26,473	25,724	(748)
Monetary claims bought	—	—	—	—	—	—
Negotiable deposits	31,000	30,999	(0)	44,000	43,996	(3)
Money held in trust	—	—	—	—	—	—

• Book Value of Securities of Which Market Value is Extremely Difficult to Determine

(Millions of Yen)

As of March 31,	2018	2017
Held-to-maturity debt securities	—	—
Policy-reserve-matching bonds	—	—
Stocks of subsidiaries and affiliates	875,118	891,559
Available-for-sale securities	415,356	466,167
Unlisted domestic stocks	27,776	28,456
Unlisted foreign stocks	377,126	427,126
Other foreign securities	458	1,168
Others	9,994	9,416
Total	1,290,474	1,357,727

Reference: Foreign currency denominated stocks and others of subsidiaries and affiliates (as presented in the above chart) with additional information on fair value of securities calculated with adjustments for foreign exchange valuation and other factors

(Millions of Yen)

As of March 31,	2018					2017				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Domestic bonds	16,592,190	19,234,381	2,642,191	2,648,552	(6,361)	16,515,746	19,103,521	2,587,775	2,589,550	(1,774)
Domestic stocks	1,671,934	4,339,760	2,667,825	2,678,324	(10,498)	1,670,383	4,018,610	2,348,227	2,353,377	(5,149)
Foreign securities	8,060,746	8,405,155	344,408	585,960	(241,551)	7,487,203	8,116,945	629,741	765,590	(135,848)
Foreign bonds	6,556,891	6,832,399	275,507	414,261	(138,753)	6,054,545	6,588,327	533,781	603,849	(70,067)
Foreign stocks and others	1,503,855	1,572,755	68,900	171,698	(102,798)	1,432,657	1,528,617	95,960	161,740	(65,780)
Other securities	593,351	649,209	55,858	60,639	(4,780)	362,367	407,324	44,956	45,726	(770)
Others	259,355	271,577	12,222	12,868	(646)	268,717	280,631	11,914	13,162	(1,248)
Total	27,177,577	32,900,083	5,722,506	5,986,344	(263,838)	26,304,417	31,927,033	5,622,615	5,767,406	(144,790)

Notes: 1. Figures presented above exclude ¥569,946 million comprising unlisted domestic securities totaling ¥146,945 million and unlisted foreign securities totaling ¥423,000 million, both of which were posted at book value as of March 31, 2017.
2. Figures presented above exclude ¥520,726 million comprising unlisted domestic securities totaling ¥147,726 million and unlisted foreign securities totaling ¥373,000 million, both of which were posted at book value as of March 31, 2018.
3. After these exclusions, the above figures account for 97.8% and 98.1% of total securities, respectively, as of March 31, 2017 and March 31, 2018.
4. This table includes securities that are deemed appropriate to handle under the Financial Instruments and Exchange Act.

Fair Value of Money Held in Trust (General Account)

(Millions of Yen)

As of March 31,	2018					2017				
	Balance sheet amount	Fair value	Net gains/losses			Balance sheet amount	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Money held in trust	10,076	10,076	—	—	—	—	—	—	—	—

Money Held in Trust for Investment

Not applicable.

Money Held in Trust for Maturity, for Policy Reserve Matching and for Other Purposes

(Millions of Yen)

As of March 31,	2018					2017				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity	—	—	—	—	—	—	—	—	—	—
Policy reserve matching	—	—	—	—	—	—	—	—	—	—
Other purposes	9,814	10,076	262	262	—	—	—	—	—	—

Fair Value of Derivative Transactions (General Account)

(1) Breakdown of Net Gains (Losses) on Derivative Transactions (by Application and Non-Application of Hedge Accounting)

(Millions of Yen)

As of March 31,	2018						2017					
	Interest rate-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest rate-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	51,453	78,337	—	—	—	129,790	51,422	(28,235)	—	—	—	23,186
Hedge accounting not applied	4	(2,701)	—	—	—	(2,697)	(5)	638	—	—	—	633
Total	51,457	75,636	—	—	—	127,093	51,416	(27,597)	—	—	—	23,819

Note: Gains and losses on derivative transactions where fair value hedge accounting is applied included loss attributable to currency-related transactions totaling ¥29,786 million as of March 31, 2017 and gain attributable to currency-related transactions totaling ¥79,785 million as of March 31, 2018. These figures are presented on the statements of income, together with gains and losses on derivative transactions where hedge accounting is not applied.

(2) Transactions Where Hedge Accounting is Not Applied

◆ Interest-Rate Related

(Millions of Yen)

As of March 31,	2018				2017			
	Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Fair value	Net gains (losses)
	Over 1 year	Over 1 year			Over 1 year	Over 1 year		
OTC								
Interest rate swaps								
Receipts fixed, payments floating	1,200	1,200	4	4	200	200	(5)	(5)
Total				4				(5)

Note: Net gains (losses) represent the fair values.

Reference: Amount and Proportion of Interest Rate Swaps by Remaining Contract Duration

(Millions of Yen)

As of March 31,	2018							2017							
	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total	
Receipts fixed, payments floating swap															
Notional amount	—	—	—	—	—	1,200	1,200	—	—	—	—	—	—	200	200
Average interest rate in receipt (%)	—	—	—	—	—	0.68	0.68	—	—	—	—	—	—	0.46	0.46
Average interest rate in payment (%)	—	—	—	—	—	0.01	0.01	—	—	—	—	—	—	0.02	0.02

◆ Currency-Related

(Millions of Yen)

As of March 31,	2018				2017			
	Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Fair value	Net gains (losses)
	Over 1 year	Over 1 year			Over 1 year	Over 1 year		
OTC								
Foreign currency forward contracts								
Sold	47,797	—	1,688	1,688	117,654	—	591	591
(U.S. dollar)	45,857	—	1,697	1,697	106,317	—	575	575
(British pound)	—	—	—	—	6,973	—	(23)	(23)
(Australian dollar)	1,939	—	(9)	(9)	4,363	—	38	38
Bought	—	—	—	—	11,171	—	46	46
(U.S. dollar)	—	—	—	—	11,171	—	46	46
Currency options								
Sold								
Call	—	—	—	—	105,400	—	—	—
(U.S. dollar)	[—]	—	—	—	[499]	—	—	499
Bought								
Put	—	—	—	—	89,250	—	0	(499)
(U.S. dollar)	[—]	—	—	—	[499]	—	0	(499)
Currency swaps								
Yen payments/Australian dollar receipts	88,870	88,870	(4,389)	(4,389)	—	—	—	—
Total				(2,701)				638

Notes: 1. Net gains (losses) on foreign exchange contracts and swap transactions represent the fair values, and net gains (losses) on currency options represent the difference between the option fees and the fair values for option transactions.

2. Option fees are shown in [].

◆ Stock-Related

Not applicable.

◆ Bond-Related

Not applicable.

(3) Transactions Where Hedge Accounting is Applied

◆ Interest-Rate Related

(Millions of Yen)

As of March 31,			2018			2017		
Hedge accounting method	Type	Main hedged items	Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value
			Over 1 year			Over 1 year		
Deferred hedge accounting	Interest rate swaps Receipts fixed, payments floating	Insurance liabilities	231,400	231,400	51,256	232,600	232,600	51,026
Special hedge accounting	Interest rate swaps Receipts fixed, payments floating	Loans	8,562	3,562	197	16,755	8,755	395
Total					51,453	51,422		

Reference: Amount and Proportion of Interest Rate Swaps by Remaining Contract Duration

(Millions of Yen)

As of March 31,		2018							2017						
		Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
		Receipts fixed, payments floating swap													
	Notional amount	5,000	3,636	7,100	8,926	14,500	200,800	239,962	8,000	5,227	7,500	7,500	16,028	205,100	249,355
	Average interest rate in receipt (%)	2.15	1.51	1.69	1.73	1.90	1.88	1.87	1.90	2.12	1.56	1.75	1.79	1.89	1.87
	Average interest rate in payment (%)	0.21	0.01	(0.00)	0.11	0.06	0.01	0.02	0.21	0.20	0.02	0.03	0.12	0.02	0.04

◆ Currency-Related

(Millions of Yen)

As of March 31,			2018			2017		
Hedge accounting method	Type	Main hedged items	Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value
			Over 1 year			Over 1 year		
Fair value hedge accounting	Foreign currency forward contracts	Foreign-currency-denominated bonds	Sold		79,785	2,852,379		(29,786)
			(U.S. dollar)	3,058,604	76,837	2,560,560		(23,153)
			(Euro)	183,159	319	168,759		(173)
			(Australian dollar)	134,867	2,628	123,059		(6,459)
Deferred hedge accounting	Cross currency swaps	Foreign-currency-denominated bonds	(Euro)	35,575	(1,641)	35,575		1,472
			(Australian dollar)	4,305	192	4,305		78
			Total	78,337			(28,235)	

Note: Excluding transactions related to foreign currency denominated monetary claims and liabilities whose value is fixed in yen at the time of settlement through such means as forward exchange contracts and can thus be included in yen on the balance sheet.

◆ Stock-Related

Not applicable.

◆ Bond-Related

Not applicable.

Fair Value of Land (General Account)

(Millions of Yen)

	Net unrealized gains			
	Revaluation differences	Unrealized gains in off-balance-sheet transactions		
		Book value	Fair value	
As of March 31, 2018	410,367	197,711	212,655	825,599
As of March 31, 2017	365,593	196,936	168,657	783,927

Notes: 1. Includes land used under leasehold rights.

2. Revaluation differences are based on the results of fair value accounting performed by former Meiji Life Insurance Company and The Yasuda Mutual Life Insurance Company on March 31, 2000 and 2001, respectively, in accordance with the Act on Revaluation of Land.

3. Unrealized gains in off-balance-sheet transactions result from fluctuations in market value before and after revaluation.

Unrealized Gains and Losses on Overall Assets (General Account)

(Millions of Yen)

As of March 31,	2018	2017
Securities	5,722,506	5,622,615
Valuation differences	3,559,231	3,517,282
Unrealized gains in off-balance-sheet transactions	2,163,274	2,105,332
Land	410,367	365,593
Revaluation differences	197,711	196,936
Unrealized gains in off-balance-sheet transactions	212,655	168,657
Others	49,791	52,724
Total	6,182,665	6,040,933

Notes: 1. Figures for securities represent unrealized gains attributable to such factors as foreign currency translation adjustments of securities with market prices as well as those whose market value is extremely difficult to determine (e.g., foreign currency denominated stocks of subsidiaries and affiliates).
2. Securities include financial instruments that are deemed appropriate to handle as securities under the Financial Instruments and Exchange Act.
3. Revaluation differences of land are based on the results of fair value accounting performed by former Meiji Life Insurance Company and The Yasuda Mutual Life Insurance Company on March 31, 2000 and 2001, respectively, in accordance with the Act on Revaluation of Land. In addition, land includes land used under leasehold rights.
4. Others include unrealized gains and losses on derivative transactions. In addition, the Company applied hedge accounting to some of these transactions. The above table presents unrealized gains and losses on derivative transaction where hedge accounting (deferred hedge accounting or special hedge accounting treatment) is applied. Of those transactions, derivative transactions where fair value hedge accounting is applied posted loss attributable to currency-related transactions totaling ¥29,786 million as of March 31, 2017 and gain attributable to currency-related transactions totaling ¥79,785 million as of March 31, 2018. These figures are presented on the statements of income on the basis of valuation gains and losses, together with gains and losses on transactions where hedge accounting is not applied. None of these transactions included unrealized gains and losses.

Performance Indicators for Separate Account Balance of Separate Account Assets

(Millions of Yen)

As of March 31,	2018	2017
Variable individual life insurance	65,206	63,967
Variable individual annuities	315,556	327,786
Group pensions	495,730	418,087
Total	876,492	809,841

Investment Status of Separate Account Assets for Variable Individual Life Insurance and Variable Individual Annuities

In the domestic bond market, long-term yields rose in June 2017 with news coverage speculating on the Bank of Japan's (BOJ) intended strategies for exiting its accommodative monetary policies, as well as rising European interest rates on the back of growing anticipation that the European Central Bank (ECB) would reduce its easing measures. In early September, however, long-term yields fell to negative levels due to U.S. political discord, triggered by incidents of racial discrimination, as well as North Korea's hydrogen bomb test. Anxiety over the Korean peninsula tensions subsequently eased, while interest rates rose in Europe and the United States. These favorable developments supported a partial recovery in long-term yields. Consequently, the yield on ten-year JGBs fell to 0.045% as of March 31, 2018, down 0.020 of a percentage point compared with the end of the previous fiscal year.

In the domestic stock market, prices rose in early May 2017 thanks to the depreciation of the yen. Furthermore, the result of the French presidential election also provided a boost as the victory of Mr. Macron, a pro-European Union candidate, had been anticipated by the market. Although stock prices remained virtually flat afterward, in November prices hit a record high since the collapse of the bubble economy. This was mainly thanks to growing expectations for robust corporate performance backed by worldwide economic growth and the landslide victory of Japan's ruling Liberal Democratic Party in the most recent House of Representative election, which, in turn, helped create a prevailing sense of confidence in the long-term stability of the current administration. Due mainly to growing anxiety over the rising U.S. inflation rate, prices declined sporadically from February 2018 onward. Still, the Nikkei average as of March 31, 2018 was ¥21,454, up ¥2,545 from March 31, 2017.

In the U.S. bond market, long-term interest rates declined in August 2017 on the back of rising tensions in the Korean peninsula as well as anxiety about possible delays in U.S. tax reform due to domestic political disorder. However, long-term interest rates recovered as public concerns over these factors faded and, until the end of December 2017, remained largely stable. From January 2018 onward, long-term interest rates grew thanks to expectations of a global wind down in monetary easing policies undertaken by central banks and the early February announcement of U.S. employment statistics which, in turn, fueled a sense of anxiety about rising inflation rates. As a result, the yield on ten-year U.S. Treasuries was 2.740% as of March 31, 2018, up 0.352 of a percentage point from a year earlier.

In the U.S. stock market, prices stabilized, hovering at a record high until January 2018, thanks to such factors as robust corporate performance. Although stock prices fell in February due to U.S. long-term interest rate hikes and growing market volatility, prices somewhat rebounded afterward as volatility decreased. Although prices fell again in March on the back of growing risk avoidance due mainly to anxiety over U.S.—China trade tension, the Dow Jones Industrial Average stood at US\$24,103 on March 31, 2018, up US\$3,440 year on year.

As for foreign currency exchange rates, the yen appreciated due mainly to growing expectations for a reduction in the BOJ's monetary easing policies, triggered by the January 2018 remarks of Governor Haruhiko Kuroda at the World Economic Forum in Davos, as well as growing risk avoidance in the wake of February's worldwide stock price plunge. As of March 31, 2018, the exchange rate stood at ¥106.24 to the U.S. dollar, up ¥5.95 year on year. Against the euro, the exchange rate stood at ¥130.52, down ¥10.73 year on year due to expectations for reduction in the ECB's monetary easing policies.

Given this environment, the Company strove to secure stable returns from variable individual life insurance through diversified investment in both domestic and overseas assets. Specifically, during the fiscal year ended March 31, 2018, the Company flexibly adjusted its asset portfolio on the back of ongoing volatility in the stock market by, for example, increasing stock allocations when corporate performance was likely to be robust due to a global trend toward economic recovery and by reducing them when geopolitical risk was growing.

As for variable individual annuities, the Company invested in investment trusts formulated for each product. Generally, the ratio of such assets in investment trusts remained high during the fiscal year under review.

Variable Individual Life Insurance (Separate Account) Insurance Amount of Policies in Force

As of March 31,	(Millions of Yen)			
	2018		2017	
	Number of policies	Amount	Number of policies	Amount
Variable life insurance (term type)	—	—	—	—
Variable life insurance (whole-life type)	51,878	481,863	53,023	498,163
Total	51,878	481,863	53,023	498,163

Note: Insurance amount of policies in force includes coverage under term rider.

Breakdown of Assets

As of March 31,	(Millions of Yen)			
	2018		2017	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	925	1.4	1,888	3.0
Securities	57,986	88.9	57,871	90.5
Domestic bonds	14,689	22.5	13,438	21.0
Domestic stocks	21,913	33.6	23,877	37.3
Foreign securities	21,383	32.8	20,554	32.1
Foreign bonds	6,013	9.2	4,634	7.2
Foreign stocks and others	15,369	23.6	15,920	24.9
Other securities	—	—	—	—
Loans	—	—	—	—
Others	6,293	9.7	4,206	6.6
Allowance for possible loan losses	—	—	—	—
Total	65,206	100.0	63,967	100.0

Investment Returns

(Millions of Yen)

Years ended March 31,	2018	2017
Interest, dividends and other income	1,272	1,266
Gains on sales of securities	5,671	3,809
Gains on redemption of securities	—	—
Gains on valuation of securities	7,034	9,552
Foreign exchange gains	28	39
Gains on derivative financial instruments	329	480
Other income	3	3
Losses on sales of securities	1,145	3,249
Losses on redemption of securities	1	—
Losses on valuation of securities	7,903	6,556
Foreign exchange losses	29	57
Losses on derivative financial instruments	269	638
Other expenses	1	1
Net gains (losses)	4,989	4,649

Fair Value of Securities

Gains and Losses on Valuation of Trading Securities

(Millions of Yen)

As of March 31,	2018		2017	
	Balance sheet amount	Valuation gains/losses included in the statement of income	Balance sheet amount	Valuation gains/losses included in the statement of income
Trading securities	57,986	(869)	57,871	2,995

Fair Value of Money Held in Trust

Not applicable.

Fair Value of Derivative Transactions

(1) Breakdown of Net Gains (Losses) on Derivative Transactions (by Application and Non-Application of Hedge Accounting)

(Millions of Yen)

As of March 31,	2018						2017					
	Interest rate-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest rate-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	—	—	—	—	—	—	—	—	—	—	—	—
Hedge accounting not applied	—	1	—	—	—	1	—	0	—	—	—	0
Total	—	1	—	—	—	1	—	0	—	—	—	0

Note: Gains and losses on derivative transactions where hedge accounting is not applied are presented on the statements of income.

(2) Transactions Where Hedge Accounting is Not Applied

◆ Interest-Rate Related

Not applicable.

◆ Currency-Related

(Millions of Yen)

As of March 31,	2018			2017				
	Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value		
	Over 1 year	Net gains (losses)		Over 1 year	Net gains (losses)			
OTC								
Foreign currency forward contracts								
Sold	1,216	—	(0)	(0)	34	—	(0)	(0)
(U.S. dollar)	813	—	(1)	(1)	—	—	—	—
(Euro)	336	—	1	1	25	—	(0)	(0)
(Polish zloty)	—	—	—	—	9	—	(0)	(0)
(Others)	66	—	0	0	—	—	—	—
Bought	1,656	—	1	1	35	—	0	0
(U.S. dollar)	1,027	—	4	4	25	—	0	0
(Euro)	550	—	(2)	(2)	—	—	—	—
(Australian dollar)	11	—	0	0	9	—	0	0
(Others)	67	—	(0)	(0)	—	—	—	—
Total				1				0

Note: Net gains (losses) represent the fair values.

◆ Stock-Related

Not applicable.

◆ Bond-Related

Not applicable.

(3) Transactions Where Hedge Accounting is Applied

Not applicable.

**Variable Individual Annuities (Separate Account)
Policies in Force**

(Millions of Yen)

As of March 31,	2018		2017	
	Number of policies	Amount	Number of policies	Amount
Variable individual annuities	94,021	316,510	96,035	330,072

Note: Insurance amount of policies in force includes the amount of general account policies written after pension payout.

Breakdown of Assets

(Millions of Yen)

As of March 31,	2018		2017	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	323	0.1	307	0.1
Securities	312,669	99.1	324,825	99.1
Domestic bonds	—	—	—	—
Domestic stocks	—	—	—	—
Foreign securities	—	—	—	—
Foreign bonds	—	—	—	—
Foreign stocks and others	—	—	—	—
Other securities	312,669	99.1	324,825	99.1
Loans	—	—	—	—
Others	2,563	0.8	2,653	0.8
Allowance for possible loan losses	—	—	—	—
Total	315,556	100.0	327,786	100.0

Investment Returns

(Millions of Yen)

Years ended March 31,	2018	2017
Interest, dividends and other income	3,045	1,719
Gains on sales of securities	0	0
Gains on redemption of securities	—	—
Gains on valuation of securities	47,220	38,759
Foreign exchange gains	—	—
Gains on derivative financial instruments	—	—
Other income	—	—
Losses on sales of securities	444	202
Losses on redemption of securities	—	—
Losses on valuation of securities	44,740	48,266
Foreign exchange losses	—	—
Losses on derivative financial instruments	—	—
Other expenses	—	—
Net gains (losses)	5,081	(7,990)

Fair Value of Securities

Gains and Losses on Valuation of Trading Securities

(Millions of Yen)

As of March 31,	2018		2017	
	Balance sheet amount	Valuation gains/losses included in the statement of income	Balance sheet amount	Valuation gains/losses included in the statement of income
Trading securities	312,669	2,479	324,825	(9,507)

Fair Value of Money Held in Trust

Not applicable.

Fair Value of Derivative Transactions

Not applicable.

Group Pensions (Separate Account) Separate Account Assets Managed for Group Pension Policyholders

(Millions of Yen)

As of March 31,	2018		2017	
	Number of groups	Fair value	Number of groups	Fair value
First treaty separate account	817	468,265	769	404,571
Comprehensive account	459	190,317	517	204,612
Accounts established for each investee	289	210,309	296	199,958
Dedicated accounts for each investee	134	67,638	—	—
Total	817	468,265	769	404,571

Note: First treaty separate account jointly manages the assets of multiple group pension policyholders.

Investment Performance of First Treaty Separate Account (Comprehensive Account)

(1) Investment Status in the Year Ended March 31, 2018

In line with its annual investment plan, the Company generally maintained a greater allocation of stocks, both domestic and overseas, and of foreign bonds in its portfolio and a smaller allocation of domestic bonds. As necessary, the Company rebalanced its asset allocations to maintain this policy and adapt to changes in the market environment. The average time-weighted return rate for comprehensive account assets during the fiscal year ended March 31, 2018 was 8.32%. This was attributable to positive returns recorded in all asset categories.

(%)

	Planned figures for year ended March 31, 2018	Asset Allocations				As of March 31, 2018
		As of March 31, 2017	As of June 30, 2017	As of September 30, 2017	As of December 31, 2017	
Domestic bonds	29.0	20.9	21.0	19.4	20.2	24.3
Domestic stocks	36.0	37.6	37.7	36.4	40.5	36.6
Foreign bonds	8.0	10.1	10.1	8.9	8.5	9.8
Foreign stocks	24.0	26.2	27.4	27.5	29.7	26.2
Short-term funds and others	3.0	5.2	3.7	7.8	1.1	3.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

Note: Asset allocations are based on fair value.

(2) Balance in Fair Value by Asset Type

(Millions of Yen)

As of March 31,	2018		2017	
	Fair value	(%)	Fair value	(%)
Domestic bonds	46,301	24.3	42,758	20.9
Domestic stocks	69,742	36.6	76,925	37.6
Foreign bonds	18,701	9.8	20,658	10.1
Foreign stocks	49,846	26.2	53,689	26.2
Short-term funds and others	5,725	3.0	10,581	5.2
Total	190,317	100.0	204,612	100.0

(3) Investment Performance

(%)

Years ended March 31,	2018	2017
Time-weighted return rate	8.32	7.25

First Treaty Separate Account (Accounts Established for Each Investee)

(1) Investment Status in the Year Ended March 31, 2018

Fund	Status
Yen currency denominated bond account	Based on fundamental analysis, the Company determined its duration, yield curve and sector allocation strategies, thus executing active investment. Having expected the low interest rate environment to remain in place, the Company adjusted its duration strategy while monitoring trends in interest rates and investor sentiment. Looking at the allocation by bond category, the Company maintained a greater proportion of industrial bonds.
Yen currency denominated bond account—A	The Company engaged in active investment while taking a cautious stance in executing its duration, yield curve and sector allocation strategies. The Company adjusted the allocation by duration in line with changes in yield curves. Looking at the allocation by bond category, the Company maintained a greater proportion of industrial bonds.
Yen currency denominated stock account	Drawing on the combined results of bottom-up analyses, both qualitative and quantitative, the Company engaged in active investment while controlling exposure to risks specific to certain business sectors. The Company also reshuffled its stock portfolio by focusing on investment efficiency, growth potential and other factors. The Company also gave due consideration to such market factors as economic trends in Japan, the United States and other countries, as well as changes in monetary policies.
Yen currency denominated stock account—B	The Company strove to adjust weights allocated to each stock by striking an optimal balance between emphasis placed on various factors. In this way, the Company executed enhanced index investing. The Company maintains a neutral sector allocation policy while focusing on value indices and stability.
Foreign currency denominated bond account	Based on fundamental analysis, the Company determined its currency, duration and yield curve strategies, thereby executing active investment. Allocation by currency has been adjusted based on monetary policies undertaken by and political developments taking place in the United States and the European Union. The Company was also flexible in adjusting bond duration, with due consideration given to the prevailing interest rates, expected inflation and demand/supply outlooks for JGBs.
Foreign currency denominated bond account—A	The Company maintained a cautious stance in executing its currency, duration, yield curve and sector allocation strategies, thereby executing active investment. On the other hand, the Company has flexibly adjusted allocation by currency and bond duration. The Company also adjusted allocation by duration based on changes in yield curves while including non-government bonds.
Foreign currency denominated stock account	Drawing on the combined results of bottom-up analyses, both qualitative and quantitative, the Company engaged in active investment. In developed countries, the Company controlled its exposure to risks specific to certain business sectors while maintaining regionally neutral allocation. In selecting stocks, the Company also focused on the issuer's unique growth drivers and upturns in profitability. In addition, the Company continuously invested in stocks issued by companies in emerging Asian nations.
Foreign currency denominated stock account—B	The Company strove to adjust weights allocated to each stock by striking an optimal balance between emphasis placed on various factors. In this way, the Company executed enhanced index investing. While remaining neutral on region- and sector-based allocation, the Company selected U.S. stocks by establishing a fixed set of individual sector criteria to define the weighting allocated to each factor. At the same time, the Company focused on value indices for European stocks.
Short-term fund account	The Company engaged in investment focusing on maintaining liquidity and stability.

- Notes: 1. The Company stopped administrating yen currency denominated bond account—A and foreign currency denominated bond account—A at the end of the fiscal year ended March 31, 2018
2. The Company's "factor model" used to select U.S. stocks in the course of administration of foreign currency denominated stock account—B, was improved in September 2017.

(2) Fair Value and Investment Performance

(Millions of Yen)

As of and years ended March 31,	2018		2017	
	Fair value	Time-weighted return rate (%)	Fair value	Time-weighted return rate (%)
Yen currency denominated bond account	107,097	1.13	77,942	(1.24)
Yen currency denominated bond account—A	20,313	1.42	20,354	(0.98)
Yen currency denominated stock account	15,152	12.73	15,536	15.03
Yen currency denominated stock account—B	23,349	13.68	25,312	15.68
Foreign currency denominated bond account	9,372	4.52	9,029	(5.60)
Foreign currency denominated bond account—A	6,514	2.96	6,679	(5.57)
Foreign currency denominated stock account	10,454	11.01	10,235	14.11
Foreign currency denominated stock account—B	9,785	9.11	9,383	14.25
Short-term fund account	8,270	0.00	25,484	0.00
Total	210,309		199,958	

Consolidated Information

Non-performing Loans

	(Millions of Yen)	
As of March 31,	2018	2017
Loans to bankrupt borrowers	—	—
Loans in arrears	3,633	4,362
Loans in arrears for three months or longer	—	—
Restructured loans	24,812	27,036
Total	28,445	31,398
Non-performing loans/total loans (%)	0.54	0.58

- Notes: 1. Loans to bankrupt borrowers and substantially bankrupt borrowers including collateralized and guaranteed loans are directly deducted from total loans based on estimated uncollectible amounts. This is calculated as the remainder after deducting any amounts expected to be collected through the disposal of collateral or the execution of guarantees. The amounts recognized in the financial statements were ¥44 million for loans to bankrupt borrowers and ¥1 million for loans in arrears as of March 31, 2017; and ¥368 million for loans to bankrupt borrowers and ¥2 million for loans in arrears as of March 31, 2018.
2. Loans to bankrupt borrowers are loans to borrowers that are legally bankrupt through filings for proceedings under the Corporate Reorganization Act, Civil Rehabilitation Act, Bankruptcy Act or Company Act; loans to borrowers with notes suspended from trading on exchanges; and loans to borrowers that have filed for similar legal proceedings based on overseas laws. Interest is not accrued as income on these loans, which remain in arrears on principal and interest payments with little likelihood for the recovery of principal or interest.
3. Loans in arrears are loans that do not accrue interest. These loans exclude loans to bankrupt borrowers and restructured loans with modified interest payment terms and conditions extended in order to support the borrowers or business restructuring.
4. Loans in arrears for three months or longer are loans with principal or interest in arrears for three or more months from the day following the payment date established by the loan agreement. These loans exclude loans to bankrupt borrowers and loans in arrears.
5. Restructured loans are loans with favorable concessions given to the borrower (including interest reduction or exemption, relaxed interest payments, relaxed principal repayments and loan forgiveness) in order to support the rebuilding of operations at the borrower. These loans exclude loans to bankrupt borrowers, loans in arrears, and loans in arrears for three months or longer.

The Enhancement of Ability for Insurance Claim and Benefit Payout Possessed by the Insurance Company and Its Subsidiaries (Consolidated Solvency Margin Ratio)

	(Millions of Yen)	
As of March 31,	2018	2017
(A) Total solvency margin	7,135,780	6,801,090
① Foundation funds	807,879	739,676
② Reserve for price fluctuation	685,414	578,227
③ Contingency reserves	691,814	681,563
④ Catastrophe reserves	10,137	9,586
⑤ General allowance for possible loan losses	1,311	1,389
⑥ Net unrealized gains (losses) on available-for-sale securities (before tax effect deduction) and deferred unrealized gains (losses) on derivatives under hedge accounting (before tax effect deduction) × 90% (100% in case of losses)	3,222,738	3,177,007
⑦ Unrealized gains on land × 85% (100% in case of losses)	354,394	316,220
⑧ Total of unrecognized actuarial differences and unrecognized past service costs	33,199	21,998
⑨ Excess of continued Zillmerized reserve	936,352	953,588
⑩ Qualifying subordinated debt	453,310	379,632
⑪ Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—	—
⑫ Deductions	(161,429)	(147,646)
⑬ Other (tax effect adjustment)	100,655	89,844
(B) Total amount of risk $\sqrt{(\sqrt{14^2+15^2}+17+18)^2+(19+20+21)^2+16+22}$	1,441,247	1,361,632
⑭ Insurance risk	161,955	158,532
⑮ General underwriting risk	1,788	1,785
⑯ Major disaster risk	473	471
⑰ Third-sector insurance risk	61,986	58,241
⑱ Insurance risk of small-amount short-term insurer	—	—
⑲ Assumed interest rate risk	145,083	146,789
⑳ Minimum guarantee risk	8,829	12,011
㉑ Investment risk	1,236,606	1,153,945
㉒ Business management risk	32,334	30,635
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	990.2	998.9

- Notes: 1. The figures presented above are calculated based on provisions in Article 86-2 and 88 of the Ordinance for Enforcement of the Insurance Business Act and the Financial Services Agency Notification No. 23 in 2011.
2. Minimum guarantee risk is calculated based on standard methods stipulated in Article 4, Paragraph 5 of said notification.

The Enhancement of Ability for Insurance Claim and Benefit Payout Possessed by the Insurance Company's Subsidiary (Solvency Margin Ratio)

Meiji Yasuda General Insurance Co., Ltd.

(Millions of Yen)

As of March 31,	2018	2017
(A) Total solvency margin	70,981	70,276
① Capital and others	57,979	57,700
② Reserve for price fluctuation	465	370
③ Contingency reserves	26	29
④ Catastrophe reserves	10,137	9,586
⑤ General allowance for possible loan losses	—	—
⑥ Net unrealized gains (losses) on available-for-sale securities (before tax effect deduction) and deferred unrealized gains (losses) on derivatives under hedge accounting (before tax effect deduction) × 90% (100% in case of losses)	813	1,165
⑦ Unrealized gains on land × 85% (100% in case of losses)	977	883
⑧ Excess of refund reserves	—	—
⑨ Qualifying subordinated debt	—	—
⑩ Excess of refund reserves and qualifying subordinated debt not included in margin calculation	—	—
⑪ Deductions	—	—
⑫ Others	580	540
(B) Total amount of risk $\sqrt{((13+14)^2+(15+16)^2)+(17)+18}$	2,813	2,731
⑬ General underwriting risk	1,788	1,785
⑭ Third-sector insurance risk	—	—
⑮ Assumed interest rate risk	6	7
⑯ Investment risk	1,385	1,259
⑰ Business management risk	73	70
⑱ Major disaster risk	473	471
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	5,045.9	5,146.2

Note: The figures presented above are calculated based on provisions in Article 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and the Ministry of Finance Notification No. 50 in 1996.

Segment Information

Business operations undertaken by the Company, its consolidated subsidiaries and subsidiary entities during the years ended March 31, 2017 and March 31, 2018, included the nonlife insurance business in addition to the life insurance business. However, the nonlife insurance business has been omitted from segment information since it represents such a minor proportion of total operations and the Company's operations can be regarded as consisting of a single business segment.

Meiji Yasuda Life Insurance Company was inaugurated through the merger of the two oldest life insurers in Japan, namely, Meiji Life Insurance Company and The Yasuda Mutual Life Insurance Company.

History of Meiji Life Insurance Company

In 1881, Taizo Abe, a former student of Yukichi Fukuzawa, established Meiji Life Insurance Limited Company in tandem with Heigoro Shoda and other early pioneers of the Mitsubishi conglomerate. Meiji Life was the first company in Japan to provide a modern-day life insurance service, in which premiums were determined based on expected mortality rates and other actuarial factors.

History of The Yasuda Mutual Life Insurance Company

In 1880, Zenjiro Yasuda founded “Kyosai Gohyakumei-Sha,” a mutual aid company supported by 500 contributors. In the beginning, this organization adopted “assessment insurance,” a system that obliges a limited number of contributors to equally bear the cost of insurance claims paid, with the aim of providing an easy-to-understand insurance system.

To improve its service, in 1894 Kyosai Gohyakumei-Sha reorganized into “Kyosai Seimei Hoken Goshi Gaisya,” a modern-day life insurance mutual aid company, thus laying the foundation for the development of The Yasuda Mutual Life Insurance Company.

History of Meiji Yasuda Life Insurance Company

2004

January 1

- Meiji Yasuda Life Insurance Company was inaugurated through the merger of Meiji Life Insurance Company and The Yasuda Mutual Life Insurance Company

January

- Launched “Life Account L.A. Double” to commemorate the Company’s inauguration

August

- Meiji Yasuda Life Building was completed in Marunouchi, Tokyo

2005

April

- Meiji Yasuda General Insurance Co., Ltd. was inaugurated through the merger of Meiji General Insurance Co., Ltd. and The Yasuda General Insurance Company Ltd.

2006

July

- Meiji Yasuda Life began utilizing self-nominees, who voluntarily apply, in the selection of its policyholder representatives while adopting the “Company-with-Committees” system

September

- Launched “Everybody,” a single premium special whole life insurance

2009

June

- Launched “Ashita no Mikata” hospitalization insurance

2010

June

- Launched “Iryohi Link Series,” a lineup of riders providing coverage for medical expenses

November

- Formed a business alliance with Talanx AG (Germany)
- Formed a business alliance with PT Avrist Assurance (Indonesia)

December

- Formed a business alliance with Haier Group (China)

2012

March

- Acquired the majority of shares in private nursing home operator Sunvenus Tachikawa Company Limited, thereby initiating the operation of nursing care facilities

June

- Acquired 27% of shares in TU Europa S.A. (Poland)

July

- Acquired 30% of shares in TUiR Warta S.A. (Poland)

2013

July

- Formed a strategic partnership with Thai Life Insurance Public Company Limited (Thailand)

September

- Introduced “Meister Mobile” tablet terminals

2014

June

- Launched “Best Style”

2015

January

- Signed a title partner contract with the J. League

2016

March

- Acquired StanCorp Financial Group, Inc. (the United States) and made it a wholly-owned subsidiary

2017

April

- Established a new corporate philosophy, the “Meiji Yasuda Philosophy”

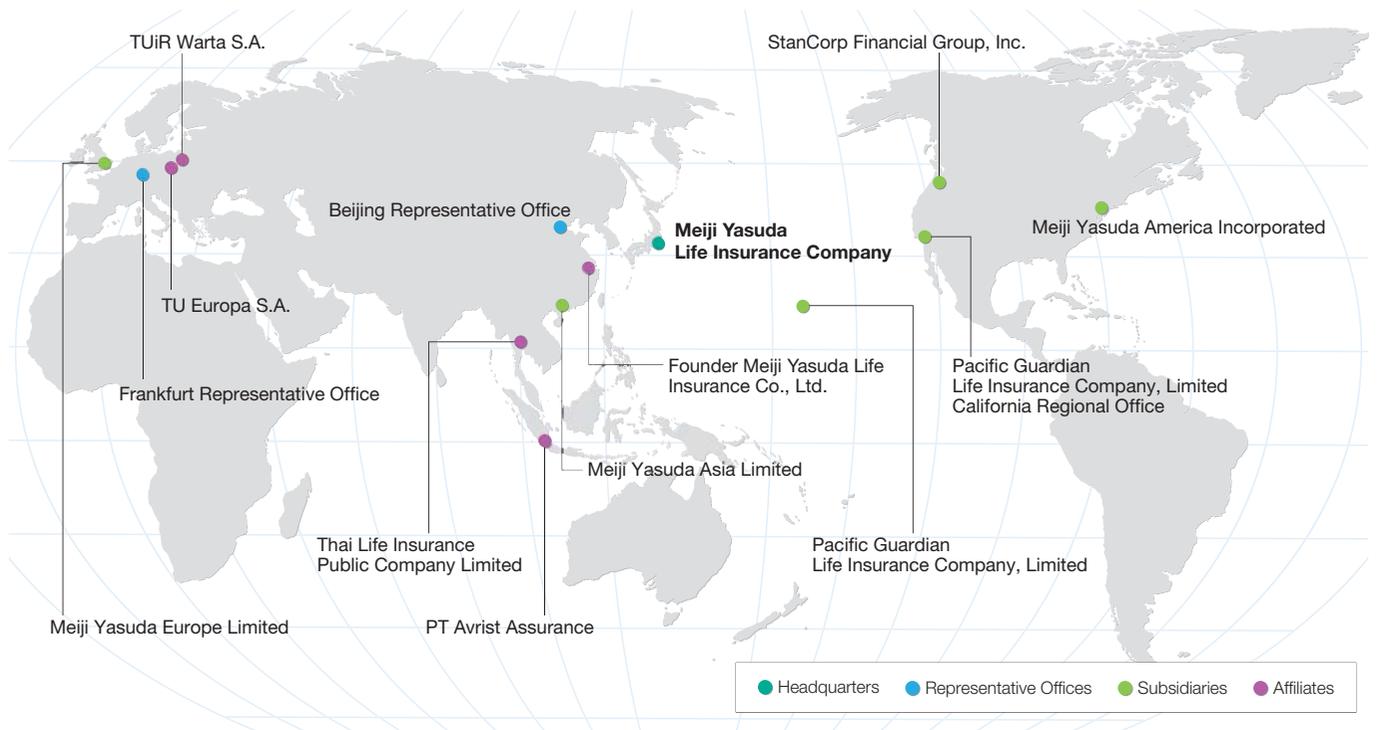
2018

April

- “MY Assist” System,” launched

International Directory

(As of March 31, 2018)



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- **StanCorp Financial Group, Inc.**
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- **PT Avrist Assurance**
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- **Thai Life Insurance Public Company Limited**
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- **TU Europa S.A.**
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