



Annual Report **2019**

Meiji Yasuda Life Insurance Company, Year ended March 31, 2019



Contents

Corporate Profile	2	Growth Strategy	
Corporate Philosophy	4	Domestic Life Insurance Business (Individual Insurance Marketing Reforms/ Group Insurance Marketing Reforms)	36
A Message from the President	6	Individual Administrative Services (Individual Administrative Service Reforms)	38
History of Our Challenges	8	Group Insurance Administrative Services (Group Insurance Administrative Service Reforms)	39
Value Creation Process at Meiji Yasuda Life	12	Asset Management (Asset Management Reforms)	40
Contributing to the SDGs through Business Activities	14	Asset Management Administrative Services (Asset Management Administrative Service Reforms)	41
Topics		Overseas Insurance Business (Overseas Insurance Business Reforms)	42
Full-Scale Launch of the “Wellness for All Project”	18	Domestic Affiliate Business (Domestic Group Company Management Reforms)	43
Relationship with Customers		Operating Base Reinforcement Strategy	
Stepping up After-Sales Service Tailored for the Elderly	22	Adopting a More Sophisticated Management Approach (Governance Reforms)	44
Enhancing Our Product Lineup	24	Human Resource Management (HR Reforms)	45
Pursuing Customer-Focused Business Operations	25	Upgrading Our Profit Management Structure (Profit Management Reforms)	46
Relationship with Local Communities		System Development Structure (System Development Structure Reforms)	47
Our Support of Meiji Yasuda J.League and Other Initiatives to Vitalize Local Communities	26	Brand Strategy	
Promoting Sustainable Investment and Financing	28	Solidifying Public Recognition of the Meiji Yasuda Brand by Disseminating the Corporate Vision	48
Community Vitalization Initiatives via Partnerships with Local Governments	29	Management Structure	
Relationship with Fellow Workers		Governance	
Initiatives to Promote Employee Health under the “Wellness for All Project”	30	Operation of Mutual Company	50
Initiatives to Foster Corporate Culture through the “Corporate Vision Realization Project”	31	Management Structure	52
Our Management Strategy		Our Initiatives to Strengthen Corporate Governance	53
Progress in the MY INNOVATION 2020, a Three-Year Program Spanning April 2017 – March 2020	32	Interview with an Outside Director	55
		Directors, Executive Officers and Operating Officers	57



Internal Control System	59
ERM and Risk Management Structure	61
Compliance	66
IT Governance	70

Relationship with Stakeholders

Relationship with Customers

Initiatives to Ensure the Swift, Accurate Payment of Insurance Claims and Benefits	71
Our Systematic Initiatives to Reflect Customer Feedback in Management	74
Initiatives to Enhance Customer Satisfaction with Regard to Sales Personnel	77
Diversifying Our Sales Channels while Developing New Markets	80
Our Products and Services Aimed at Delivering Unwavering Peace of Mind to Customers and Helping Them Enjoy Affluent Lives	83
Initiatives to Enrich the Lineup of Nursing Care Insurance and Relevant Services	88
Initiatives to Enhance Customer Satisfaction via IT Utilization	89
Our Products and Services for Group Customers	90
Our Overseas Insurance Initiatives	94
Our Initiatives Related to Principles for Responsible Institutional Investors (Japan's Stewardship Code)	96

Relationship with Local Communities

Our Social Contribution Activities	97
Our Initiatives to Address Environmental Concerns	100

Relationship with Fellow Workers

Promoting Diversity & Inclusion	102
---------------------------------	-----

Business Activities	104
----------------------------	------------

Profitability and Growth	108
---------------------------------	------------

Financial Soundness	110
----------------------------	------------

Company Information

Company Organization	113
Sources of Foundation Funds / Status of Employees	114
Domestic Subsidiaries, Affiliates and Others	115
Overseas Subsidiaries, Affiliates and Others	116

Financial Section

Consolidated Basis

Balance Sheets	118
Statements of Income	119
Statements of Comprehensive Income	120
Statements of Changes in Net Assets	121
Statements of Cash Flows	123
Notes to the Financial Statements	124
Independent Auditor's Report	141

Non-consolidated Basis

Balance Sheets	142
Statements of Income	144
Statements of Changes in Net Assets	146
Proposed Appropriation of Surplus	147
Notes to the Financial Statements	148
Independent Auditor's Report	163
Supplementary Financial Information	164

Our History	222
--------------------	------------

International Directory	223
--------------------------------	------------





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:

96 Regional Offices and Market Development Departments,
1,021 Agency Offices, and 21 Group Marketing Departments
(As of April 1, 2019)

Total Assets:

¥39,260.8 billion

Foundation Funds:

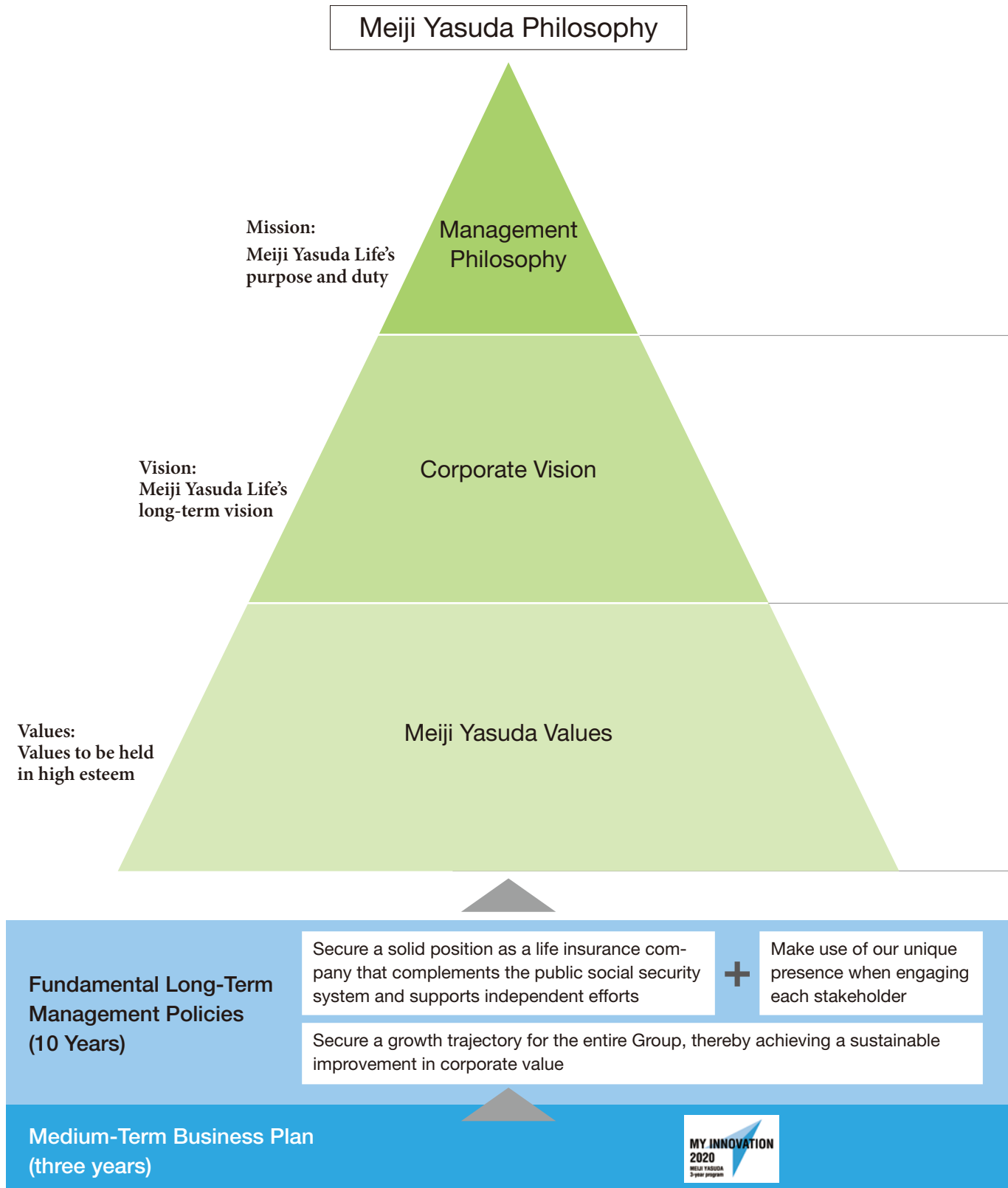
¥930.0 billion
(Including reserve for redemption of foundation funds)

Number of Employees:

42,950
Sales personnel (MY Life plan advisors): 32,444

(As of March 31, 2019)

We are committed to delivering unwavering peace of mind to our customers.



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.

Our corporate philosophy, the Meiji Yasuda Philosophy, consists of the Management Philosophy, Corporate Vision and Meiji Yasuda Values.

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 to ensure their health and peace of mind.

"Peace of mind, forever."

We take these words to heart and truly value our customers, delivering unwavering peace of mind, while supporting each customer's health improvement.

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 Cares about

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

Since April 2017, Meiji Yasuda Life has been implementing 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.

In the fiscal year ended March 31, 2019, Meiji Yasuda Life’s consolidated operating results included insurance premiums of the Group totaling ¥3,081.3 billion. This marks a second consecutive year of growth in revenues.

Moreover, base profit of the Group stood at ¥633.8 billion. Thus, we have also achieved record high profit for the second consecutive year. Furthermore, our consolidated solvency margin ratio, one of several regulatory indicators displaying the soundness of life insurers, stands at 1,040.1%, 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, 2020, the final year of the MY INNOVATION 2020, we will gear up our efforts to accomplish the goals of this three-year program. To this end, 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 agency distribution 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 fine tune our products and services by continuing with the “Wellness for All” strategy. Specifically, 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 StarCorp 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.

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.

Company that People First

Akio Negishi

July 2019

Akio Negishi President



In April 2019, we released “Best Style Health Cash Back” in conjunction with the full-scale launch of the “Wellness for All Project,” the core project of MY INNOVATION 2020. This project focuses on empowering customers to cultivate health literacy, proactively improve their health and embrace the practice of continuous health maintenance. In line with this project, Meiji Yasuda Life will deliver a comprehensive set of products, services and campaigns through its face-to-face channels. By doing so, we will help customers benefit from this new value our life insurance is providing.

We are convinced that the aforementioned value creation initiatives will, in turn, help us build stronger ties with our stakeholders by connecting our customers, local communities and fellow workers in an effort to realize a sustainable society. In this context, we also expect these initiatives will help us contribute to solutions for major issues now confronting society, including those identified by the United Nations Sustainable Development Goals (SDGs).

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.

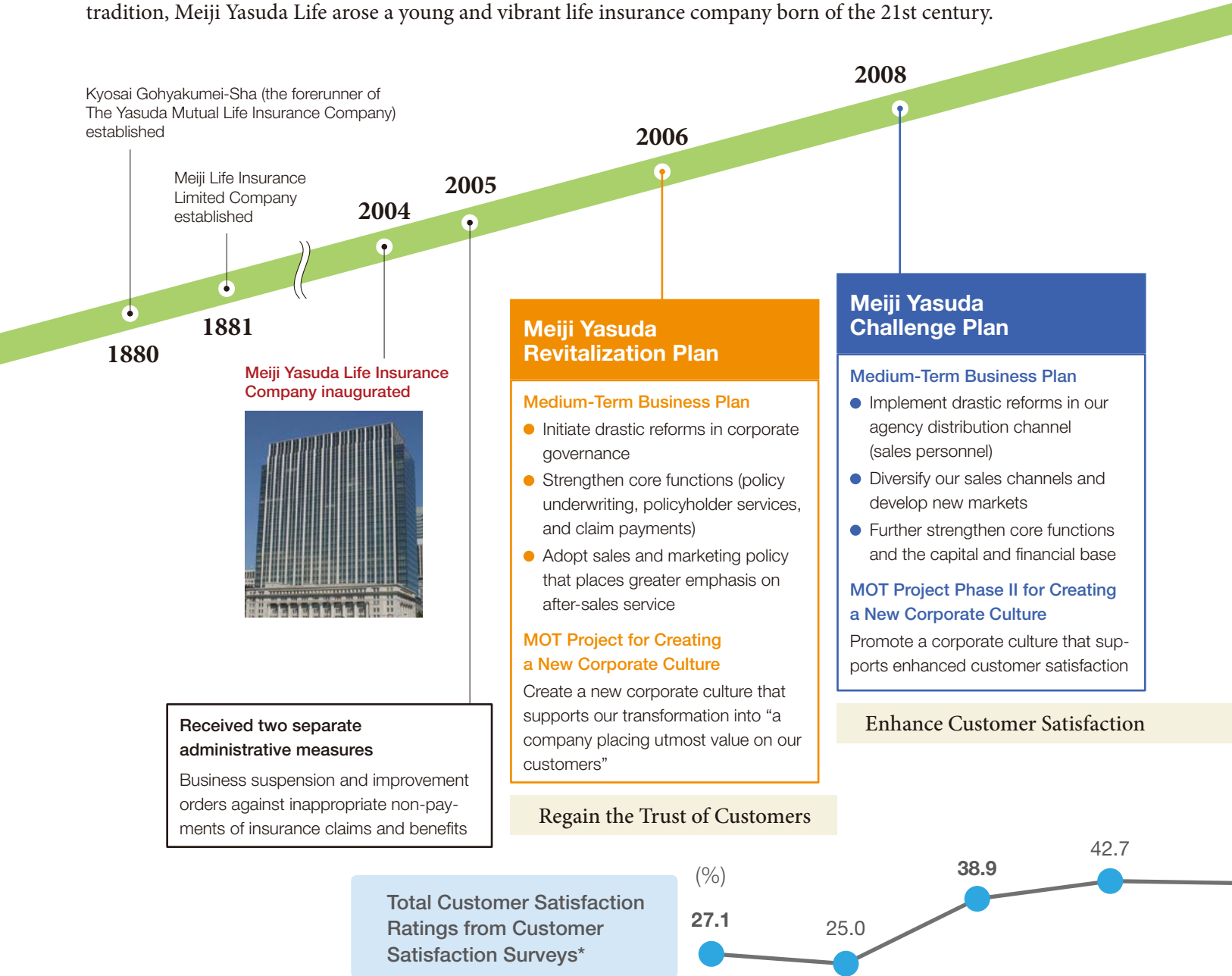
We sincerely ask for your continued support and encouragement.

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 the 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

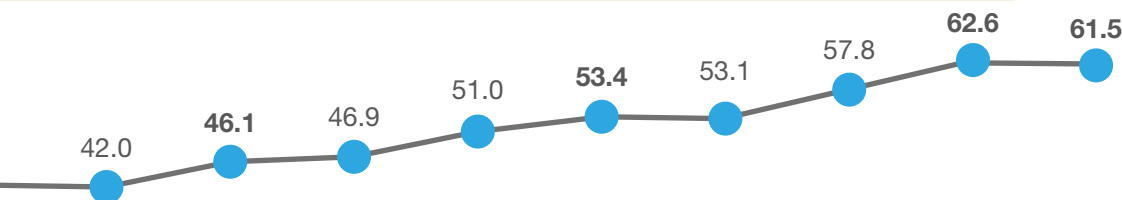
- Growth strategies aimed at expanding our customer base, promoting new market initiatives and realizing better asset management
- Operating base reinforcement strategies aimed at ensuring better governance and improved work engagement
- Brand strategy aimed at promoting our new corporate philosophy,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

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 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

Enhance Customer Satisfaction while Building a Foundation for

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

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 taking a customer-focused business approach
- Promote cashless and paperless operations

* Named after three project keywords: “Access,” “After-Follow” and “Arch”



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

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

Contribution to local society

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年ごとの配当付増設型保険保障
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
- Profit management 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

November 2018

Received an Award from the Consumer Affairs Agency Commissioner for excellence in the practice of consumer-oriented management

December 2018

“Australian dollar-denominated endowment insurance with a single lump-sum premium,” released

February 2019

“U.S. dollar-denominated wealth accumulation whole life insurance,” released

March 2019

“Simple Insurance Series Light! By Meiji Yasuda Life,” sold more than 1 million policies

April 2019

The “Wellness for All Project,” launched
“Best Style Health Cash Back,” released

September 2014

“Community Safety Initiative”

January 2015

A title partner contract with J.League



- Comprehensive partnership agreements pertaining to community vitalization, entered into with 28 local governments, four banks and one university (as of March 31, 2019)



January 2019

Title partner contract with J.League, renewed

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)
47,816 (as of March 31, 2019)

The number of Certified Skilled Workers of Financial Planning
24,476 (as of March, 2019)

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

Approximately **30,000** sales personnel (as of March 31, 2019)

Approximately **1,000** staff in charge of corporate and group customers (as of March 31, 2019)

Social Capital

A solid business foundation

Individual insurance marketing:

Approximately **7,030,000** customers

Group insurance marketing:

Approximately **4,970,000** persons insured by voluntary group life insurance policies

An extensive business network at home and abroad

Domestic bases:

1,138 locations (as of April 1, 2019)

Overseas bases:

Seven subsidiaries and affiliates in **five** countries (as of April 1, 2019)

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:

1,040.1 % (as of March 31, 2019)

Value Creation Process

Domestic life insurance business

Overseas insurance business

Domestic affiliate business

Brand Strategy
Page 48

Page 48

The "Kizuna" Campaign

Twelve Reforms ③
Group insurance marketing reforms
Page 36

Twelve Reforms ②
Individual administrative service reforms
Page 38

Twelve Reforms ①
Individual insurance marketing reforms
Page 36

Twelve Reforms ④
Group insurance administrative service reforms
Page 39

Meiji Yasuda

Management Philosophy

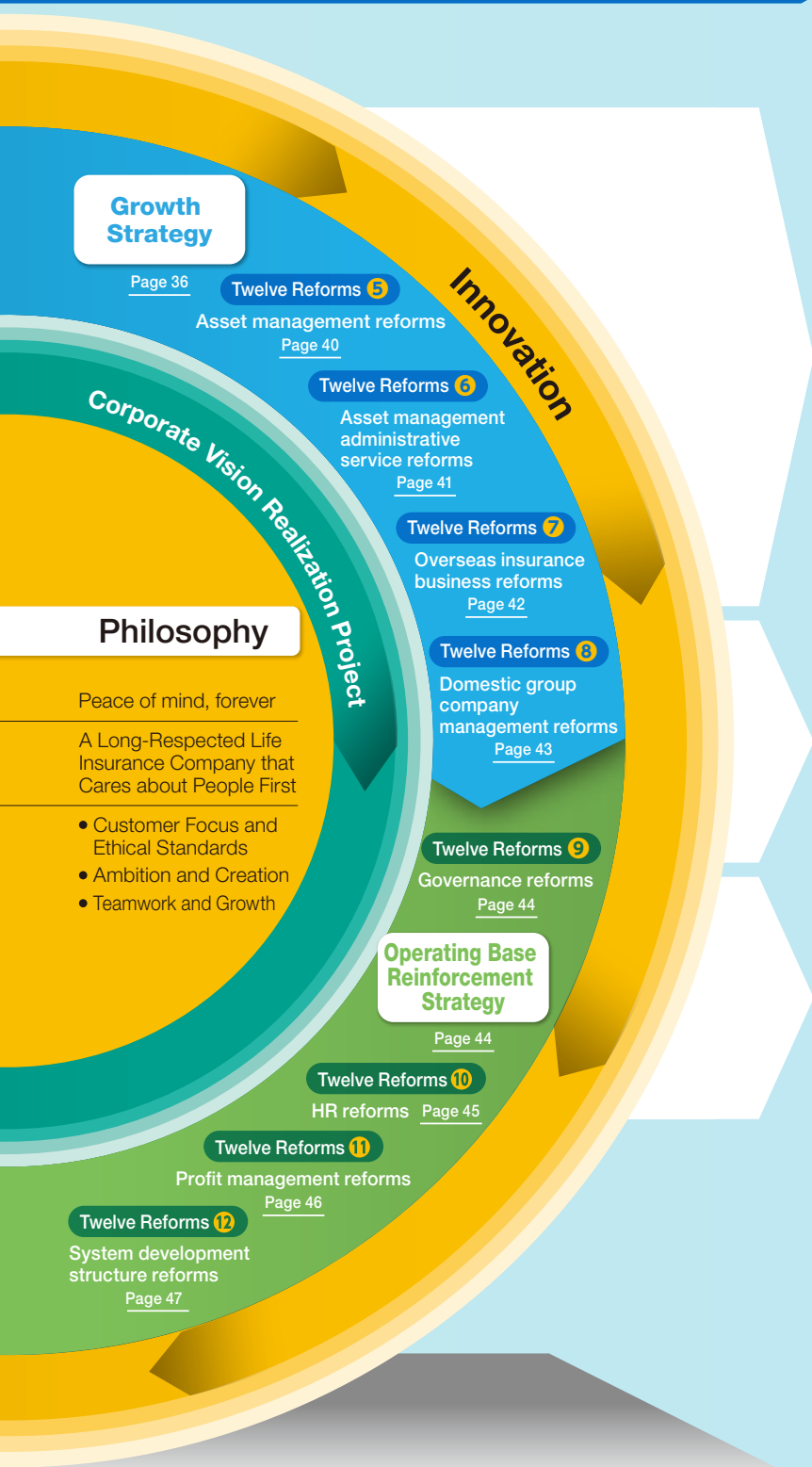
Corporate Vision

Meiji Yasuda Values

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.

- Provide our customers with ongoing assistance to health promotion
- 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



Relationship with local communities

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

- Provide regional communities with ongoing assistance to health promotion
- 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



Relationship with fellow workers

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

- Provide employees with ongoing assistance to maintain and improve their health
- Improve work engagement for employees
- Realize diversity & inclusion in our workforce



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



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.

Relationship between Our 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 United Nations SDGs, which aim to realize a sustainable society.

Looking ahead, we will continue to engage in a variety of initiatives, such as the “Wellness for All Project” aimed at assisting our customers in their health improvement 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.

Identification of Priority Issues

- Organized our priority issues using the 169 targets and 17 goals of the SDGs
- Based on SDG Compass, the guide for business action on the SDGs, specified 13 priority issues with relatively greater importance by considering the impact on stakeholders and relevance to business activities



13 Priority Issues	Relevant SDGs
Prolong healthy life expectancy	
Help raise the general public's health and financial literacy	
Provide a variety of insurance products and services	 
Vitalize regional communities	 
Pursue innovation through surveys, research and development	 
Create employment opportunities	 
Promote diversity	 
Advance work style reforms	
Advocate for human rights	
Strengthen governance and secure management transparency	
Maintain strict compliance	
Develop crime and disaster countermeasures	
Protect the environment and combat climate change	

What Are SDGs?

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.



Initiatives Undertaken by Meiji Yasuda Life to Address the Priority Issues

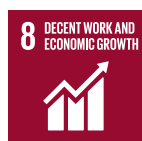
To address the aforementioned priority issues, we have classified our initiatives in terms of their relevance to our relationship with customers, local communities and fellow workers.

Relationship with customers

<p>Relevant SDGs</p>		
<p>Priority issues</p>	<ul style="list-style-type: none"> • Prolong healthy life expectancy • Help raise the general public's health and financial literacy • Provide a variety of insurance products and services • Pursue innovation through surveys, research and development • Strengthen governance and secure management transparency • Maintain strict compliance 	
<p>Key initiatives undertaken by Meiji Yasuda Life</p>	<ul style="list-style-type: none"> • Launch the “Wellness for All Project” ▶ Page 18 <ul style="list-style-type: none"> • Provide the web-based “MY Wellness Activity Report” service • Provide corporate and group customers with products and services employing health-related information  <p>Explaining “MY Wellness Activity Report” on a tablet</p> • Released “Best Style Health Cash Back” ▶ Pages 24 and 83 <p>万を支える、健康を応援する</p>  <p>Comprehensive protection insurance with combined policies and periodic dividends every five years</p> • Initiatives to enhance customer satisfaction with sales personnel ▶ Page 77 <ul style="list-style-type: none"> • Enhance the quality of consulting activities • Enhance the content of after-sales services via Ease of Mind Service Activities Program  <p>A simulation tool for calculating the necessary coverage amount</p>  <p>“Anshin Roadmap” booklet</p> 	<ul style="list-style-type: none"> • Step up after-sales service tailored for the elderly <ul style="list-style-type: none"> • “MY Anshin Family Registration Scheme” ▶ Page 22 • “MY Longevity Policy Checking Scheme” • “MY Assist+ System” • Enhance our product lineup ▶ Pages 24 and 83  <p>Wealth accumulation whole life insurance with floating interest with periodic (every five years) dividends (Low-surrender benefits: denominated in designated currencies)</p> • Initiatives to enhance customer satisfaction via IT utilization ▶ Page 89 • Launch Meiji Yasuda Research Institute, Inc. to initiate basic research aimed at creating new products and services ▶ Page 87 • Adopt a more sophisticated management approach ▶ Pages 44 and 50 • Maintain strict compliance ▶ Page 66

Relationship with local communities

Relevant SDGs



Priority issues

- Prolong healthy life expectancy
- Help raise the general public's health and financial literacy
- Vitalize regional communities
- Create employment opportunities
- Protect the environment and combat climate change
- Develop crime and disaster countermeasures
- Maintain strict compliance

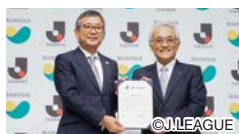
Key initiatives undertaken by Meiji Yasuda Life

- Launch the "Wellness for All Project" [▶ Page 18](#)
- Sponsor the "Meiji Yasuda Life J.League Walking Campaign"
- Sponsor the "Meiji Yasuda Life Futsal Festa"



Meiji Yasuda Life J.League Walking Campaign in Saitama

- Our support of Meiji Yasuda J.League and other initiatives to vitalize local communities [▶ Page 26](#)
- Support J.League and J clubs under the slogan "supporters across-the-board"
- Host football clinics for elementary school students



Signing ceremony for the title partner contract with J.League



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

- Community vitalization initiatives via partnerships with local governments [▶ Page 29](#)



Co-sponsor 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)

- Contribute to Communities and the Sound Upbringing of Children [▶ Page 97](#)

- Community Safety Initiative
- Donations to NPOs
- Presenting Yellow Patches



Traffic safety class for children

- Address environmental problems [▶ Page 100](#)

- Promote sustainable investment and financing [▶ Page 28](#)



Meiji Yasuda Life and Meiji Yasuda Asset Management are signatories to United Nations Principles for Responsible Investment (PRI)



formulated jointly by the UNEP Finance Initiative and the UN Global Compact. The PRI presents a set of principles advocating for the incorporation of environmental, social and governance perspectives into the investment and financing judgments of institutional investors, with the aim of facilitating social sustainability. Practicing these principles, Meiji Yasuda Life and Meiji Yasuda Asset Management are striving to help resolve major issues confronting society and create a more sustainable society.



The TCFD (Task Force on Climate-Related Financial Disclosures) is a privately-led task force established by the Financial Stability Board (FSB). The TCFD requires businesses to expand the content of climate change-related information disclosure. Having declared its support of the TCFD, Meiji Yasuda Life is determined to expand its own information disclosures based on the task force's recommendations. Simultaneously, as an institutional investor, Meiji Yasuda Life will encourage investees to follow its lead and act upon these recommendations.

- Maintain strict compliance [▶ Page 66](#)

Relationship with fellow workers

<p>Relevant SDGs</p>	    				
<p>Priority issues</p>	<ul style="list-style-type: none"> • Prolong healthy life expectancy • Help raise the general public's health and financial literacy • Promote diversity • Advance work style reforms • Advocate for human rights • Develop crime and disaster countermeasures • Maintain strict compliance 				
<p>Key initiatives undertaken by Meiji Yasuda Life</p>	<ul style="list-style-type: none"> • Launch the "Wellness for All Project" <ul style="list-style-type: none"> • Introduce an in-house Wellness Activity Supporter certification program ▶ Pages 18 and 30 • Host health improvement campaigns for employees • Create a sound workplace environment ▶ Page 30 <ul style="list-style-type: none"> • Help employees address lifestyle-related diseases, mental health issues and women-specific health issues <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 20px;"> <div data-bbox="391 1400 883 1613" style="width: 45%;">  <p>An exercise class as part of in-house health improvement campaigns (Gifu Regional Office)</p> </div> <div data-bbox="967 1161 1312 1374" style="width: 45%;">  <p>A job level-based training session for female employees</p> </div> </div> <ul style="list-style-type: none"> • Promote diversity & inclusion ▶ Page 102 <ul style="list-style-type: none"> • Assist employees' pursuit of career success regardless of gender, disability or age • Foster a corporate culture accepting diversity • Advocate for human rights • Maintain strict compliance ▶ Page 66 <ul style="list-style-type: none"> • Enhance work engagement for all employees ▶ Pages 45 and 102 <div style="display: flex; align-items: center; margin-top: 10px;">  <div style="margin-left: 10px;"> <p>President Akio Negishi holding a statement declaring support for employees striving to achieve work-life balance</p> </div> </div> 				

Nurturing Healthy Lifestyles

Full-Scale Launch of the “Wellness for All Project”



Wellness for All Project

1 Background and Objectives of the Project

Due to the rapidly aging population in Japan, society must confront the looming issue of rising social security costs. This is leading to growing calls for across-the-board initiatives aimed at lengthening healthy life expectancy. To address the issues these circumstances present, individuals will be expected to maintain and improve their personal health by, for example, engaging in daily exercise. Moreover, early disease detection and management through measures such as periodic health checkups are essential. With this

in mind, Meiji Yasuda Life launched the “Wellness for All Project” aimed at assisting customers, local communities and fellow workers (Meiji Yasuda Life employees) in their ongoing health improvement efforts. Through this project, we will support disease prevention and early detection, thereby creating new value that transcends the traditional function of life insurance that was originally designed to provide coverage only after policyholders developed diseases.

2 Concepts Driving the Project

Although many people are convinced about the importance of health, starting a new habit and carrying it through is often difficult without external assistance. Furthermore, optimal methods for health improvement vary from person to person. Meiji Yasuda Life will help empower customers to nurture health literacy, proactively

improve their health and embrace the practice of continuous health maintenance. In the course of face-to-face after-sales services, MY life plan advisors will provide assistance to support customers in their personal forward-looking health improvement activities (Wellness Activities).

MY life plan advisors regularly provide customers with optimal assistance tailored to their status



Meiji Yasuda Life's Policy on Wellness Activities

Best way for health improvement differs by individual.

Because of this, we will offer a broad range of assistance to customers who engage in wellness activities. When these customers achieve notable improvement in their health checkup results, we will refund up to one month's premium.

Starting healthy living is often difficult without external help.

Because of this, we will focus on providing face-to-face assistance while encouraging Meiji Yasuda Life employees to engage in health improvement efforts themselves to facilitate across-the-board initiatives.

Solitary efforts to improve health are often hard to continue.

Because of this, we will encourage customers to continue with their health improvement efforts, constantly assisting them through a virtuous cycle of nurturing health literacy, embracing daily exercise habits and undergoing annual medical checkups.

3 Helping Customers Nurture Health Literacy with Our Services



We provide customers with health information and advice customized to meet individual health conditions.

Individual Insurance Marketing

Customers who enrolled in “Best Style Health Cash Back” can receive various health information and personalized advice based on their health checkup results via the “MY Wellness Activity Report” website. We also provide them with opportunities to

participate in “Personal Health Check” events to accurately assess their health conditions and understand the importance of regularly undergoing checkups at medical institutions.

ベストスタイル 健康キャッシュバック “MY Wellness Activity Report”

a dedicated health information website for customers enrolled in “Best Style Health Cash Back”

The release of the website scheduled for November 2019

We will annually update the content based on the results of each customer’s health checkups.

Point 1

Offer information and helpful insight via an easy-to-navigate interface

- Multi-year summary of recent health checkups
- Personalized health improvement advice and service information



Confirm health checkup results Health improvement advice

Point 2

A wealth of content available only through Meiji Yasuda Life, such as disease risk prediction using big data

- Hospitalization risk prediction using medical big data encompassing approximately 1 million people
- A big data-driven health assessment service (developed by JMDC Inc.) that comprehensively analyzes each customer’s health and suggests a comparable reference point, e.g. “your health is that of a 31-year old.”



Disease risk prediction ① Disease risk prediction ②

Part of the “MY Wellness Activity Report” trial version content is now available

Note: The “MY Wellness Activity Report” service is based on statistical analysis of medical checkup data and other medical big data possessed by JMDC Inc. Accordingly, this service does not provide pathological diagnosis based on a physician’s medical judgment of a customer’s individual health conditions.

“Personal Health Check” events (fees required)

In collaboration with Carepro, Inc., we encourage customers to undergo medical checkups and, to this end, offer our regional offices and other facilities as venues for simplified checkups, such as blood tests. At these events, we also help attendees understand the importance of undergoing checkups at medical institutions. Plans call for hosting these events on approximately 200 occasions annually.



Collaborating medical practitioner and a participant in a “Personal Health Check” event

Group Insurance Marketing

We offer comprehensive assistance to corporate and group customers, helping them assess employee health issues and formulate improvement plans.

Encouraging employees to undergo health checkups

We help increase the ratio of employees who undergo health checkups and reduce burdens placed on departments in charge of organizing health checkups by:

- ① Developing tools that encourage employees to undergo health checkups
- ② Acting on behalf of customers to organize health checkups



Data compilation and analysis

We compile statistical data from checkup results while conducting sophisticated analysis to help assess employee health issues and identify countermeasures.

- ③ Health checkup data compilation services
- ④ Receipt analysis and consulting services
- ⑤ Wellness activity analysis and reporting services for corporate and group customers



4

Helping Customers Proactively Improve Their Health with Our Campaigns

We provide customers with the latest information on events, web-based content and seminars that will help them improve their health.

Health improvement



Individual Insurance Marketing

Meiji Yasuda Life J.League Walking Campaign

We host walking events in which residents of local communities enjoy walking with local J club players with the aim of supporting their health improvement efforts. In the fiscal year ended March 31, 2019, we hosted events of this kind on five locations, with the number of participants totaling approximately 7,000.

In the fiscal year ending March 31, 2020, we will host these events in even more regions across the nation.



Meiji Yasuda Life J.League Walking Campaign in Saitama

Meiji Yasuda Life Futsal Festa

Acting in collaboration with other J.League partner companies, we host futsal tournaments for non-professional adult players. In the fiscal year ended March 31, 2019, we held preliminary rounds at 57 locations leading up to 10 regional tournaments, with approximately 5,800 participants in total. The final was held in November 2018.

In the fiscal year ending March 31, 2020, preliminary rounds in regions across the nation are currently under way at 66 locations, with the final being scheduled for November 2019.



Players competing at a Futsal Festa final game

Meiji Yasuda Life Golf Tournament

We sponsor a golf tournament for residents of local communities, with Ms. Minami Katsu, a professional golfer employed by Meiji Yasuda Life, collaborating with the event.

In the fiscal year ending March 31, 2020, preliminary rounds are currently under way in all 47 prefectures to select players who will participate in the final scheduled for January 2020.



Minami Katsu, a professional golfer employed by Meiji Yasuda Life

Yoga Sessions for All

We host yoga events to facilitate across-the-board health improvement efforts. In February 2019, Ms. Alice Hirose, an actress who serves as Meiji Yasuda Life's wellness ambassador, took part in one of these yoga events.

In the fiscal year ending March 31, 2020, we will roll out these events mainly in the Tokyo metropolitan area.



Yoga session participants practicing with Alice Hirose



Group Insurance Marketing

Providing Self-Help Health Content to Support Health-Oriented Corporate Management*



Health Improvement Support Programs

We offer "Karada Kawaru Navi," an AI-based smartphone app that enables users to easily take and check records of their diet and exercise. By doing so, we help employees at corporate and group customers improve their lifestyles and raise their health awareness.



Health Improvement Seminars

We provide health-themed seminars with optimal content tailored to meet the individual needs of employees at corporate and group customers as well as the needs of those charged with handling employee benefit programs.



Assistance to Health-Themed Events

We provide assistance to various events, such as sports events, aimed at activating communication and encouraging people to begin wellness activities.

* "Health-Oriented Corporate Management" is a provisional translation of 健康経営®, a registered trademark of the Kenkokeiei NPO.

5 Helping Customers Embrace the Practice of Continuous Health Maintenance with Our Products



We support customers' health improvement efforts via the provision of insurance designed to motivate self-help health maintenance.

Individual Insurance Marketing

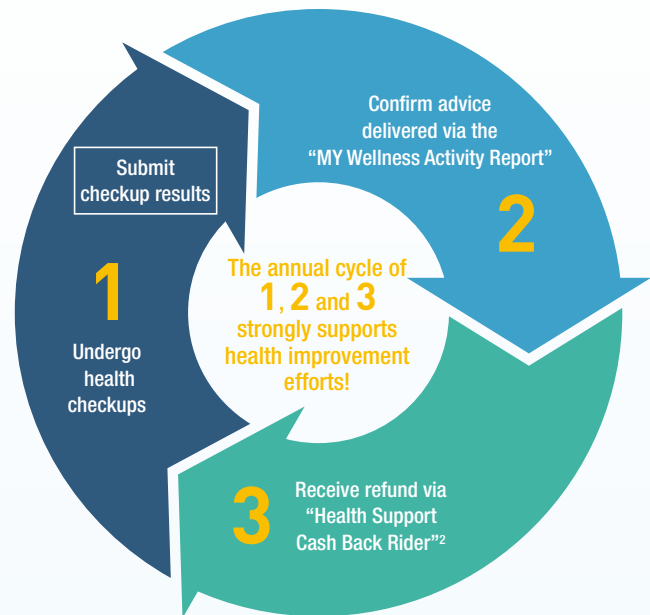
Releasing "Best Style Health Cash Back"¹ to Deliver New Value from Life Insurance

In addition to conventional insurance coverage for diseases and death, "Best Style Health Cash Back" boasts functions to assist policyholders with their health improvement efforts, with the aim of delivering new value from life insurance.

These functions include a premium refunding program in which customers, who submit the results of their health checkups, are eligible to receive a refund of up to one month's premium.³ We also provide them with informational content to support their health improvement efforts via the web-based "MY Wellness Activity Report" service.

1. "Best Style Health Cash Back" is a product name for "Best Style" attached with "Health Support Cash Back Rider."
2. When policyholders with this rider submit the results of their health checkups by the end of the policy year and the results satisfy the criteria specified by Meiji Yasuda Life, a portion of premiums are refunded (automatic deposit) upon the renewal of their policy.
3. The refunded amount is calculated at the end of the policy year based on total premiums paid for eligible policies and may differ according to the results submitted from the health checkups.

Note: Details of policies eligible for the refunding program are presented in the policy design document (policy outline).



A virtuous cycle of health improvement supported by "Best Style Health Cash Back"

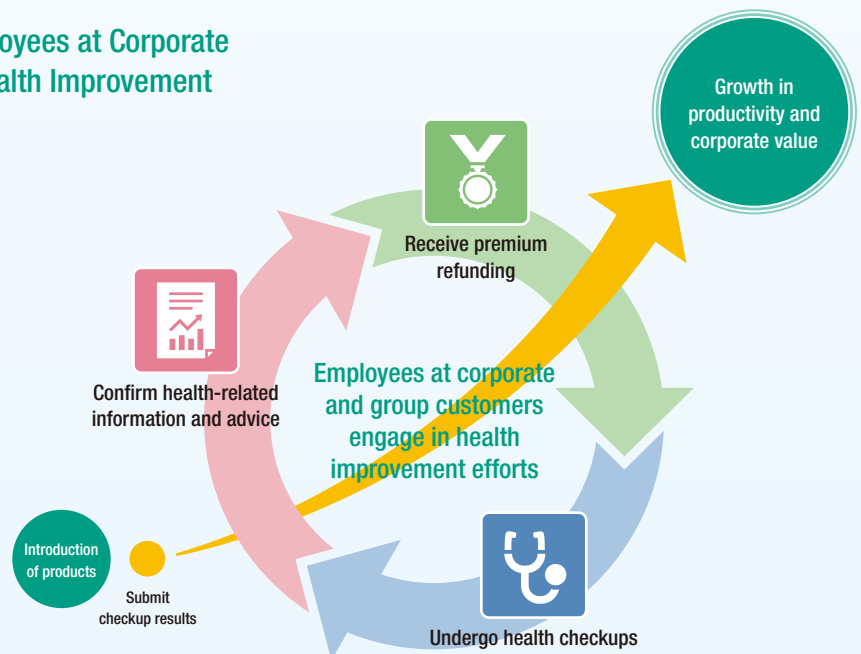
Group Insurance Marketing

Products Designed to Encourage Employees at Corporate and Group Customers to Engage in Health Improvement

Although our life insurance products are adopted by a number of corporate and group customers as part of their employee benefit programs, we will upgrade these products by incorporating functions aimed at assisting their health improvement efforts.

By doing so, we will assist corporate and group customers in the pursuit of health-oriented corporate management* while encouraging their employees to engage in ongoing health improvement efforts via premium refunding based on health checkup results and the provision of health-related information and advice. Moreover, we will also help these customers contribute to the Data Health Plan, a government-led disease prevention initiative.

* "Health-oriented corporate management" is a provisional translation of 健康経営®, a registered trademark of the KenkoKeiei NPO.



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.

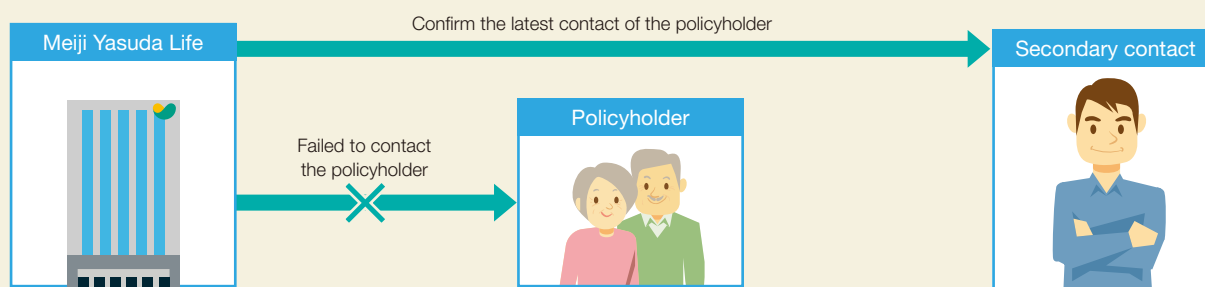
“MY Anshin Family Registration Scheme”

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.

As of March 31, 2019, the number of people who registered as secondary contacts of policyholders age 65 or older amounted to approximately 1,263,000.

Flow of the MY Anshin Family Registration Scheme



“MY Longevity Policy Checking Scheme”

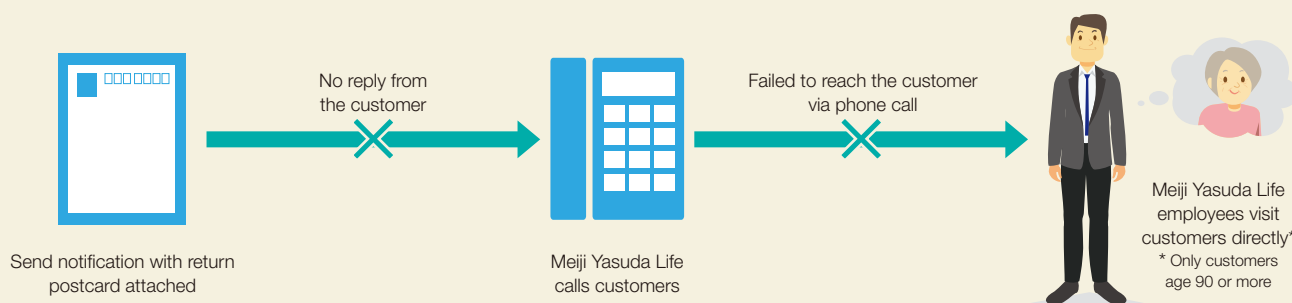
since April 2015

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 such longevity celebration years as *Kiju* (77) or *Sotsuju* (90). 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 four years since this scheme began, we have been able to check the policies of approximately 386,000 customers, successfully reaching out to around 97.4% of the approximately 396,000 customers encompassed by this scheme. In doing so, we helped complete approximately 7,900 procedures, filing them in line with each customer's intention that was uncovered through these activities.

Flow of the MY Longevity Policy Checking Scheme



“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.

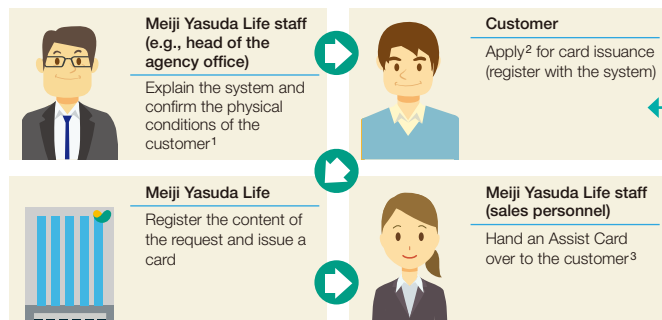
Customers eligible for the system (excludes those lacking the capacity to specify intent)

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
---------------	---	----------------	---	--------------------	---

Outline of Service Menu

Menu	Impaired functions	Service content
<p>Handwriting by Meiji Yasuda Life staff on behalf of the customer</p>	<div style="display: flex; gap: 10px;"> <div style="border: 1px solid purple; padding: 5px;">Vision</div> <div style="border: 1px solid orange; 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>		
<p>Assist Desk</p>	<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 orange; 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 Upon request, Meiji Yasuda Life will notify customers of the completion of procedures via phone or e-mail.
<p>Assist Card</p>	<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 orange; 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



Releasing “Best Style Health Cash Back” Designed to Assist Health Improvement

Since the release of “Best Style” in June 2014, this comprehensive protection product garnered extremely favorable customer reviews, with more than 1,790,000 policies being sold by March 31, 2019.

Building on the success of this product, in April 2019 we released “Best Style Health Cash Back,”* an insurance product equipped with functions designed to assist policyholders’ health improvement efforts and serve as a strategic offering supporting the “Wellness for All Project.”

Life insurance was originally designed to provide coverage after policyholders developed diseases. In addition to fulfilling this traditional role, we will help customers benefit from the new value our life insurance is providing via the release of “Best Style Health Cash Back.”

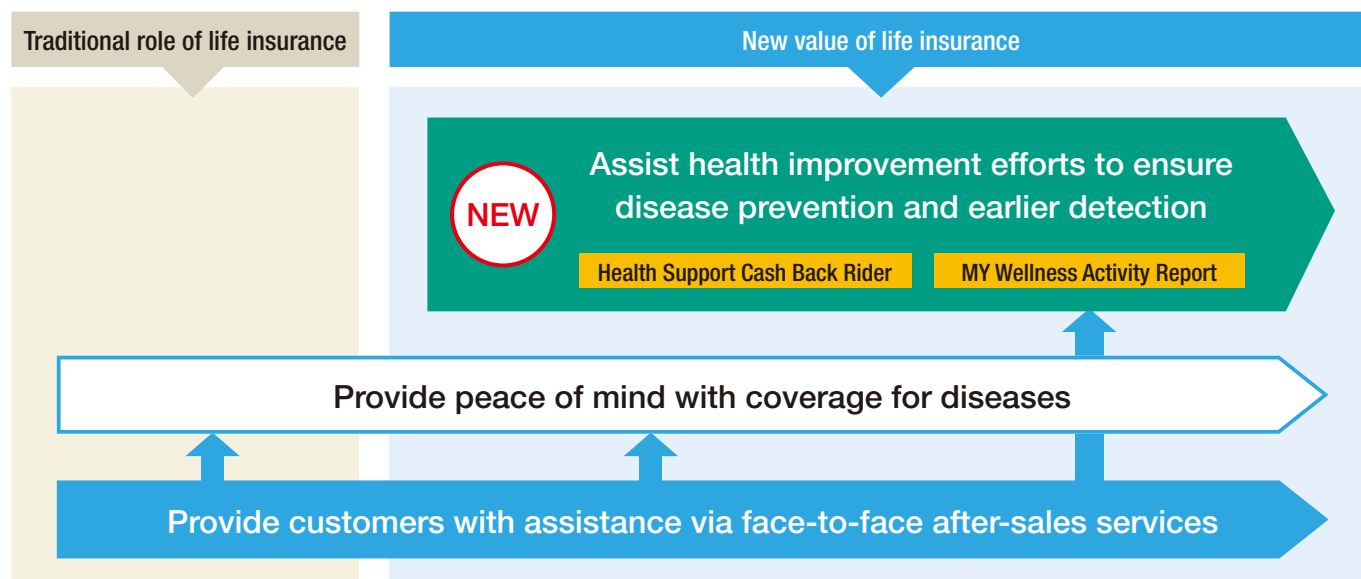
* “Best Style Health Cash Back” is a product name for “Best Style” attached with a “Health Support Cash Back Rider.”

万一人を支える、健康を応援する

ベストスタイル
健康キャッシュバック

[5年ごと配当組立総合保障保険]

Comprehensive protection insurance
with combined policies and
periodic dividends every five years



Four Points Support Health Improvement Efforts

“Best Style Health Cash Back” is designed to assist each customer with their ongoing health improvement efforts by combining “Health Support Cash Back Rider” and “MY Wellness Activity Report.”

Point 1	Policyholders who submit health checkup results are eligible to receive a refund of a portion of premiums every year.
Point 2	Based on the most recent health checkup results, policyholders are classified into three categories, with classification revised annually.
Point 3	The amount of premiums to be paid by policyholders is not impacted by health checkup results.
Point 4	To assist their health improvement efforts, policyholders are eligible to receive the web-based “MY Wellness Activity Report” service that compiles useful information based on policyholders’ health checkup results.

Pursuing Customer-Focused Business Operations

Main Initiatives in the Fiscal Year Ended March 31, 2019

In line with the “Meiji Yasuda Philosophy,” we have announced the Customer-Focused Business Operations Policy—Our Declaration of Proactively Pursuing a Customer-Focused Business Approach. Practicing this policy, we are striving to deliver our best to our customers by, for example, ensuring that all eligible insurance claims and benefits are smoothly paid to customers and providing after-sales services finely tuned to their needs.

In addition, we have been holding steady on KPIs* designed to assess the status of initiatives aimed at promoting a customer-focused business approach. Thanks to the success of initiatives guided by this policy, Meiji Yasuda Life received an Award from the Consumer Affairs Agency Commissioner in November 2018 for excellence in the practice of consumer-oriented management.



* 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

With the April 2019 launch of the “Wellness for All Project,” we have added a new section below describing this project. Section 3 explores the implications of our 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 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 Ongoing Assistance to Customers, Local Communities and Fellow Workers to Help Them Improve Their Health

As we aim to promote wellness activities that are fun for all and easy to continue, we are implementing the “Wellness for All Project” and thereby providing optimal assistance to help a broad range of people achieve health improvement. We will also support corporate and group customers taking on measures to improve employee health. Also, Meiji Yasuda Life employees will encourage one another to engage in forward-looking wellness activities, with the aim of facilitating the involvement of an even greater number of people and creating a positive impact on society.

4 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.

5 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.

6 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.

7 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.

8 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.

9 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

Having renewed the title partner contract with J.League, we remain committed to supporting J.League, J clubs and other local football clubs.



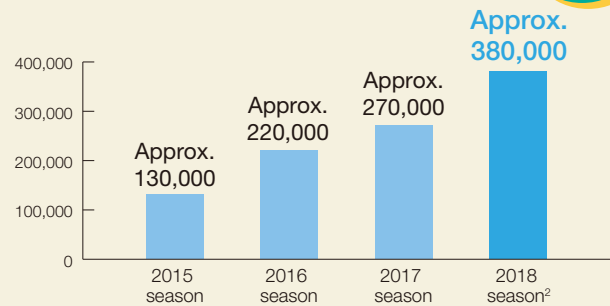
In January 2019, we renewed the title partner contract with J.League, with the hope that Meiji Yasuda Life becomes a company that takes deep root in and is loved by the communities

in which it operates. Building on this successful partnership, we will work in tandem with J.League to create and deliver new value aimed at vitalizing local communities.



Signing ceremony for the title partner contract with J.League

The Number of Stadium-Goers¹



1. The sum of Meiji Yasuda Life employees, their families and customers who went to stadiums to watch the J.League games
2. As of March 31, 2019

Broadcasting “Wellness for All” Commercials to Promote Exercise with J.League



In tandem with J.League, we created TV commercials featuring “Wellness for All” themed exercises performed by six popular J.League athletes. The exercise video is also available on our

corporate website. Furthermore, in communities nationwide, we are introducing these exercises to attendees of health promotion events.



©J.LEAGUE

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

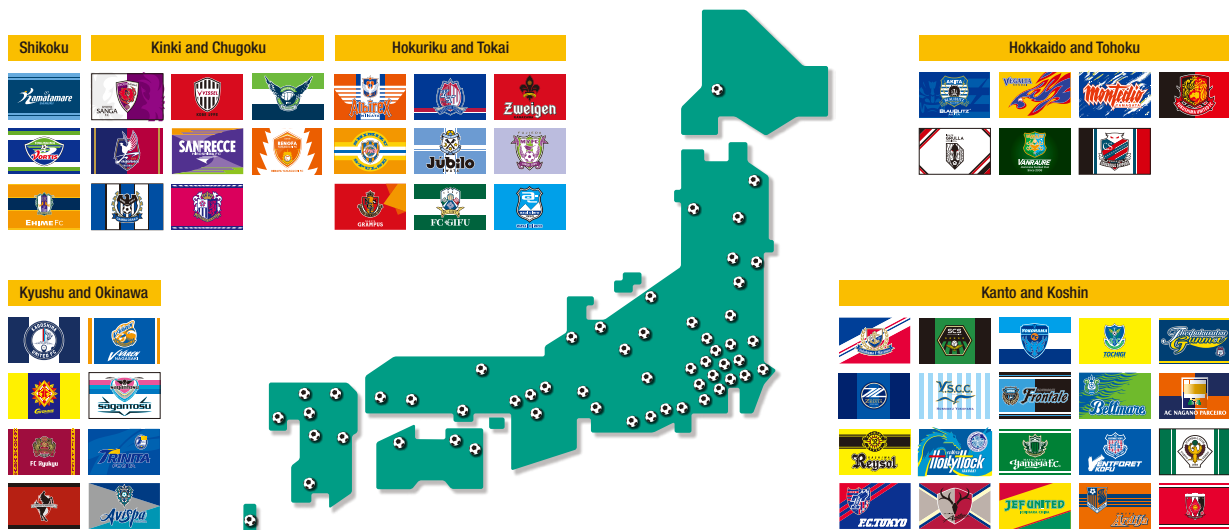
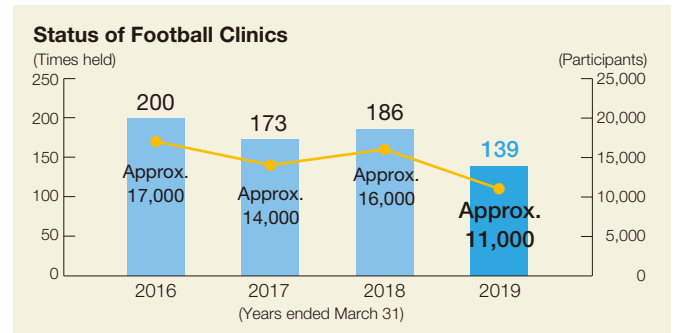


For the fiscal year ending March 31, 2020, we succeeded in signing sponsorship deals with all 55 member clubs of the J.League through our business bases nationwide, including 96 regional offices. In addition, some business bases operating in areas where J.League clubs are not active, became sponsors 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 2018 season we held football clinics for elementary school students on 139 occasions in areas throughout Japan. A total of around 11,000 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 (Takamatsu Regional Office)



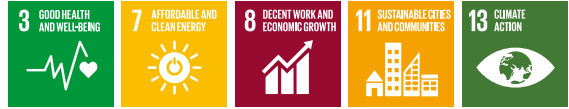
Meiji Yasuda Life Engages in Community Contribution Activities on Various Fronts.

We are contributing to the sound upbringing of children by, for example, engaging in the “Community Safety Initiative” and presenting “Yellow Patches.” Please also see pages 97 and 98 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/>

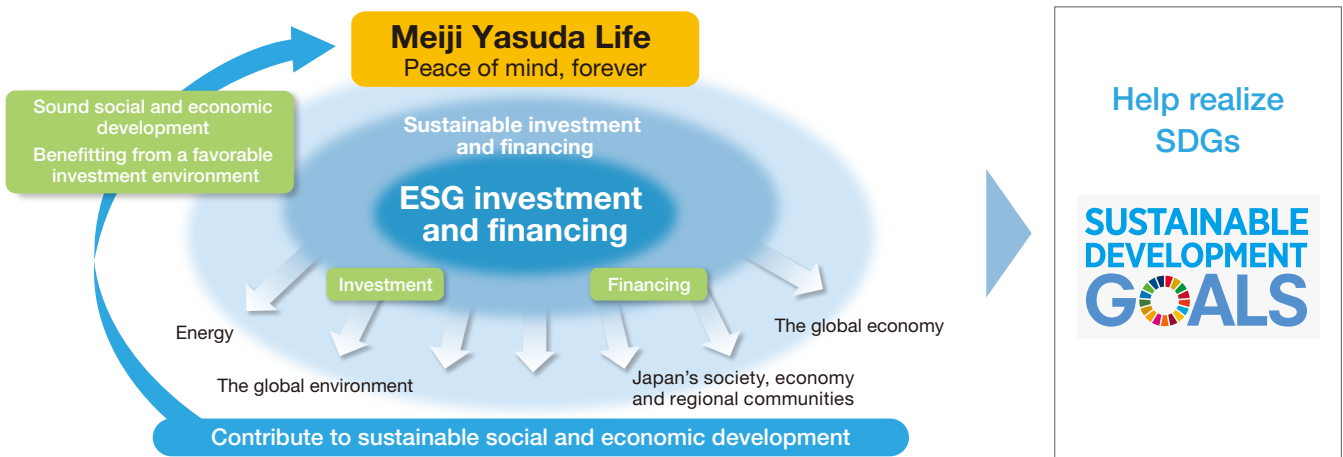
Promoting Sustainable Investment and Financing



About Sustainable Investment and Financing

As part of initiatives aimed at addressing environmental, social and governance (ESG) issues via investment and financing, 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 finds similarity between this approach and its

management philosophy aimed at delivering customers unwavering peace of mind. Moreover, the Company considers this approach highly relevant to its mission as a life insurance company of contributing to the public good. In addition, Meiji Yasuda Life aims to help realize United Nations SDGs through the practice of sustainable investment and financing.

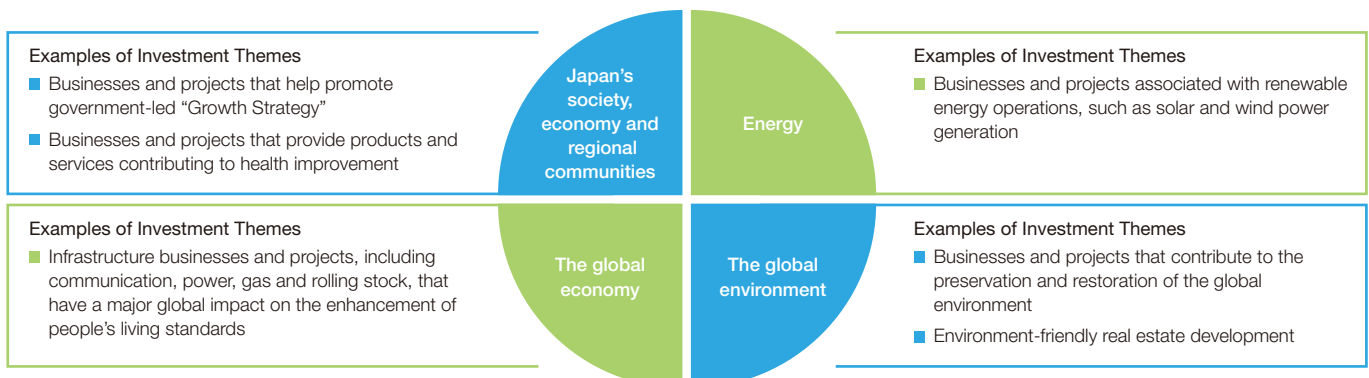


Main Initiatives

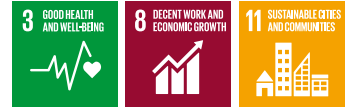
Meiji Yasuda Life has positioned “Japan’s society, economy and regional communities,” “the global economy,” “energy” and “the global environment” as primary targets in its sustainable investment and financing, striving to help realize sustainability in these four fields. In line with this positioning, 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. Thus far, the Company invested a total of ¥427.2 billion as of March 31, 2019, making steady progress.

In January 2019, Meiji Yasuda Life became a signatory to the United Nations Principles for Responsible Investment (PRI), which advocates for the incorporation of ESG perspectives into the investment and financing judgments of institutional investors. Looking ahead, we will step up efforts aimed at promoting ESG-oriented, sustainable investment and financing.



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

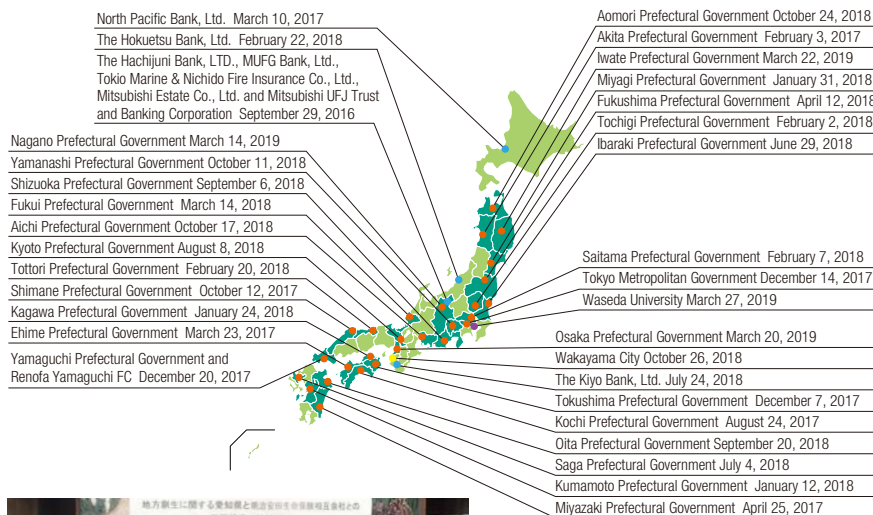
know-how acquired through social contribution activities. By doing so, the Company will contribute to community safety and support the health promotion efforts undertaken by other community members.

As of March 31, 2019, Meiji Yasuda Life signed partnership agreements with 28 local governments, four banks and one university.

Main Content of Collaborative Initiatives

Supporting the elderly and assisting with 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 mid-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 Aichi Prefectural Government

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 improvement efforts (Fukui Regional Office)

Initiatives to Promote Employee Health under the “Wellness for All Project”

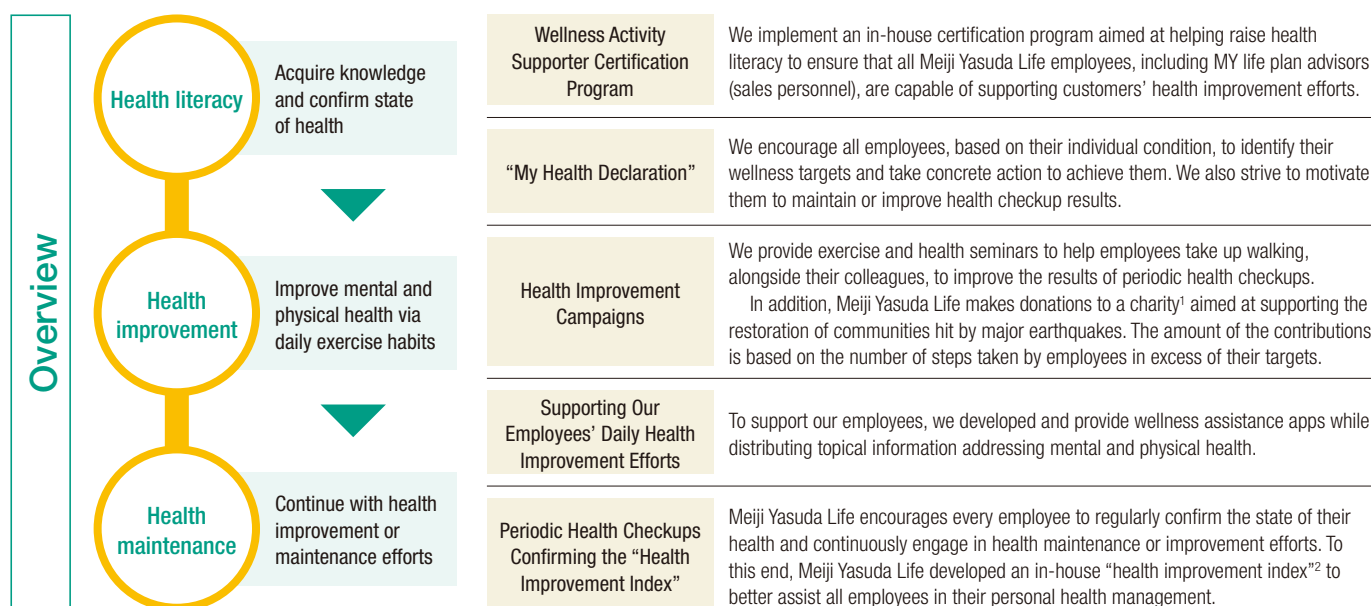


Meiji Yasuda Life’s Health-Oriented Corporate Management

As part of the “Wellness for All Project,” Meiji Yasuda Life is stepping up initiatives to assist employees with their health improvement efforts. To this end, the Company provides a variety of measures with three basic strategies, namely, (1) helping them

choose optimal methods tailored to their individual needs; (2) providing opportunities to enjoy wellness activities with colleagues; and (3) suggesting milestones to help them stay motivated.

Meiji Yasuda Life’s Initiatives to Promote Employee Health



1. Beneficiary: Team As One, a charity organization founded by J.League and J clubs to support the restoration of communities damaged by major natural disasters. Specifically, this charity is (1) raising disaster-aid funds; (2) extending financial assistance to restoration initiatives undertaken by J clubs; and (3) donating aid supplies, equipment and facilities via the use of funds raised to support people affected by disasters.
2. Based on this index, employees who succeeded in improving their health checkup results are granted points in the same manner that “Best Style Health Cash Back” grants policyholders points to determine the amount of premiums refunded. The health improvement index is assessed by the Company to determine overall trends in health maintenance or improvement.

External Recognitions

Meiji Yasuda Life has been chosen to receive multiple awards and certificates for its excellence in the practice of health-oriented corporate management.

■ Listed for a third consecutive year as part of the “Certified Health and Productivity Management Organization Recognition Program—White 500”

Chosen as one of “White 500” under the 2019 Certified Health and Productivity Management Organization Recognition Program co-sponsored by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi Health Promotion Association, the Company obtained highest ever ratings in this program, securing a position in a group of highly rated companies that account for only 10% of all respondents to program surveys.

■ Certified as a “Sports Yell Company”

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.

■ Selected as a Model Company under the Fiscal 2018 Tokyo Sports Promotion Company Certification Program

The Company was selected as a model company by the Tokyo Metropolitan Government under Fiscal 2018 Tokyo Sports Promotion Company Certification Program, which certifies corporations exemplifying the practice of sports promotion by assisting employees in their engagement in sports activities and making social contributions in the sports field. Of 266 Sports Promotion Companies certified by the metropolitan government, Meiji Yasuda Life secured a position as one of only 11 firms selected as model companies under this fiscal 2018 program.



Initiatives to Foster 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. This bottom-up project is aimed at creating a corporate 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.”



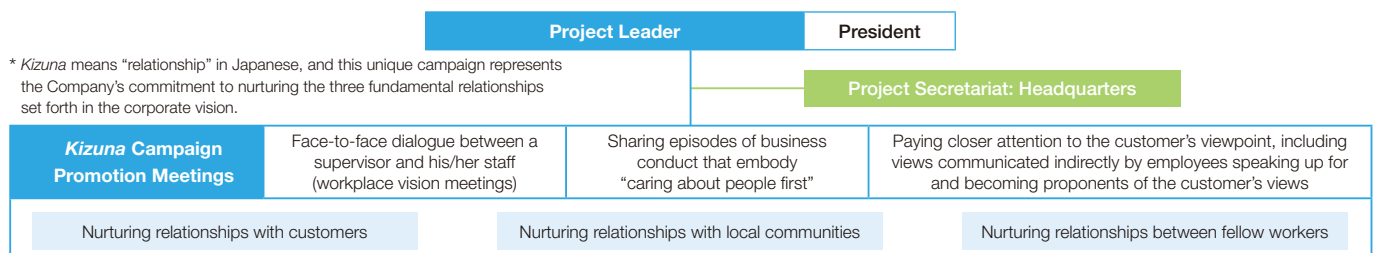
- In June 2019, the Chairman of the Board, President, as well as all the other officers and general managers of Headquarters departments, gathered with employee representatives from business units across the nation, to hold a planning session, with attendees being divided into small working groups.



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.



Progress in the MY INNOVATION 2020, a Three-Year Program Spanning April 2017 – March 2020

1 Overview of MY INNOVATION 2020

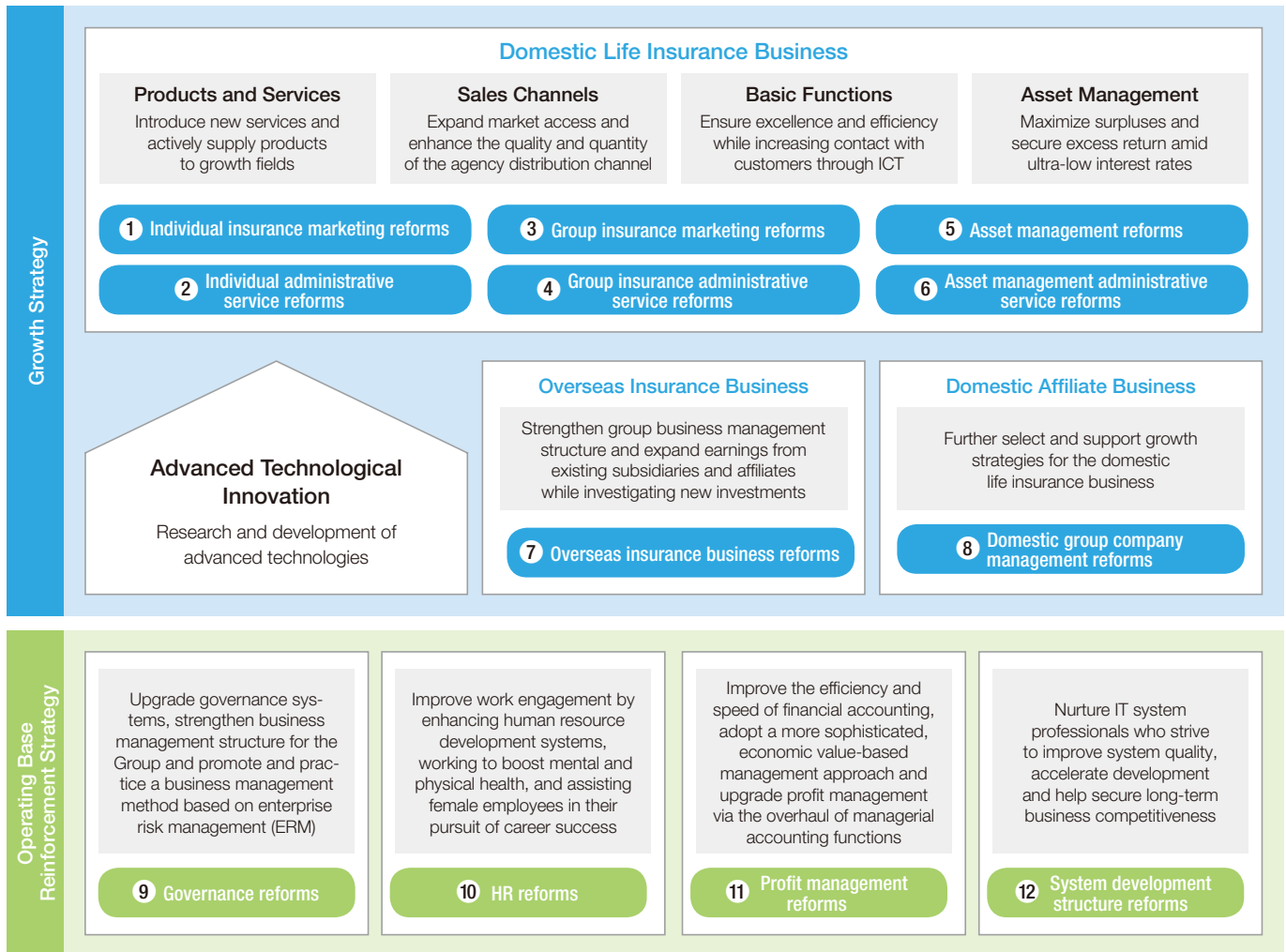
Since April 2017, Meiji Yasuda Life has been implementing the MY INNOVATION 2020, a three-year program. This program encompasses a Medium-Term Business Plan and the Corporate Vision Realization Project. These two components are both designed to facilitate business innovation, driving our transformative 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 growth strategy and operating base reinforcement strategy, effectively focusing our management resources and capital on these reforms.

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



2 Progress

In the fiscal year ended March 31, 2019, the second year of the MY INNOVATION 2020, the Company has seen stable growth in European Embedded Value (EEV), meeting its management performance target for corporate value. In addition, the Company also achieved its Medium-Term Business Plan target for the number of customers a full year ahead of schedule in both the agency distribution channel and the group insurance marketing channel. As such, overall progress in the program was steady.

Operating results for the fiscal year also 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, indicating solid profitability. In sum, these results represent a second consecutive year of annual growth in revenues and profits, with base profit of the Company and base profit of the Group hitting a record high since the inauguration of Meiji Yasuda Life for a second consecutive year. In addition, we maintained our robust solvency margin ratio and consolidated solvency margin ratio, both of which indicate a high level of financial soundness.

Looking at customer satisfaction survey results, which verify the outcomes of efforts to realize our corporate vision, surveys undertaken in the fiscal year ended March 31, 2019 revealed that total customer satisfaction and customer satisfaction with regard to sales personnel and products remained at high levels (based on the proportion of “Satisfied” and “Somewhat satisfied”). This reflects the favorable customer reviews we garnered in the course of face-to-face after-sales service.

With regard to management quality indicators aimed at assessing our foundational strength in terms of customer confidence, the rates of surrender, lapse and partial surrender, as well as the persistency rate, all remained virtually unchanged. This was thanks to our ongoing efforts to improve our business structure to live up to customer expectations.



1. Management Performance Targets

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

		As of March 31, 2019	Year-on-year change	Medium-Term Business Plan targets
Corporate Value (EEV) ¹		¥5,296.8 billion	107.2%	+20%
Annualized Premiums in Force (Individual insurance marketing)		¥2,219.4 billion	100.6%	¥2,247.0 billion
Group Life Insurance in Force (Group insurance marketing)		¥115.8 trillion	101.6%	No. 1 Domestic Share
Annualized New Premiums from Third-Sector Insurance ²		¥59.5 billion	123.3%	¥56.0 billion (+40%)
Number of Customers	Agency distribution channel and other channels ³	7,030,000	101.2%	7,000,000 (approx. +200,000)
	Group insurance marketing channel ⁴	4,970,000	102.4%	4,940,000 (approx. +150,000)
Economic Solvency Ratio (ESR) ⁵		130%	+ 1 percentage point	150-160% or more
Reference figure ⁶		183%	+18 percentage points	
On-Balance Sheet Capital ⁷		¥2,918.8 billion	110.1%	¥3 trillion (+20%)

1. Assumptions used in EEV calculation include the economic environment, the mortality rate, the hospitalization rate and other variables largely beyond the control of the execution of management strategies. These variables are fixed at figures recorded in the fiscal year ended March 31, 2017.

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 deferrals 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, which is constantly being updated.)

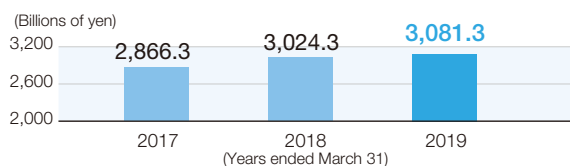
6. A figure calculated using a model based on the Insurance Capital Standard (mandating applying the Ultimate Forward Rate, adding expected investment return of 0.15% and giving consideration to tax effects and other factors) currently discussed by the International Association of Insurance Supervisors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

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

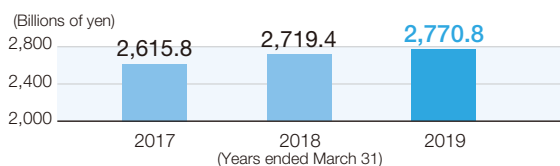
2. Growth in Operating Results

Insurance premiums and other of the Company and insurance premiums of the Group both increased for the second consecutive year.

Insurance Premiums of the Group



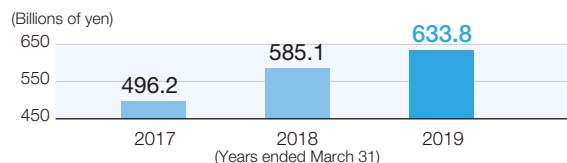
Insurance Premiums and Other of the Company



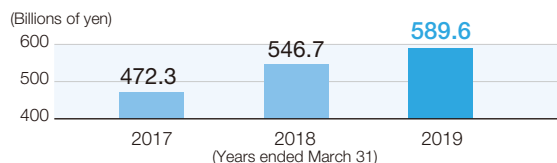
3. Profitability

Base profit of the Group and base profit of the Company grew for the second consecutive year. These results also hit a record high since the inauguration of Meiji Yasuda Life for the second consecutive year.

Base Profit of the Group



Base Profit of the Company



4. Financial Soundness

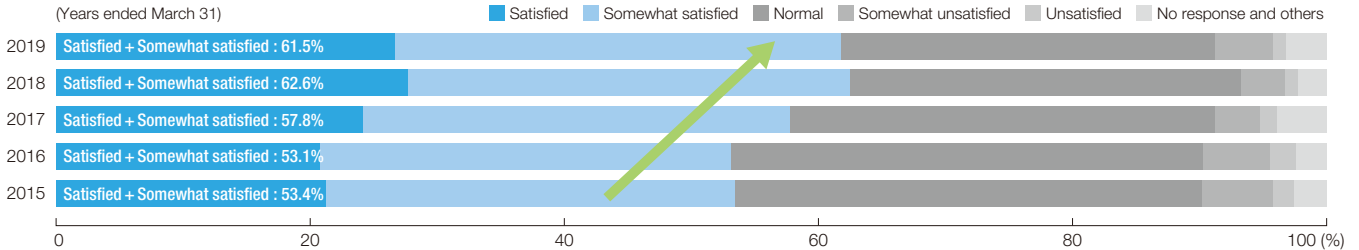
We have maintained our solvency margin ratio, one of several regulatory indicators displaying the soundness of life insurers, at the industry's leading level. We have also maintained other financial soundness indicators at continuously high levels.

As of March 31,	2017	2018	2019
Solvency margin ratio	945.5%	937.9%	983.3%
Consolidated solvency margin ratio	998.9%	990.2%	1,040.1%
Real net assets	¥9,563.9 billion	¥9,827.5 billion	¥10,193.0 billion
Proportion in general account assets	26.0%	26.1%	26.5%
Unrealized gains/losses on general account assets	¥6,040.9 billion	¥6,182.6 billion	¥6,374.9 billion
Unrealized gains/losses on securities with market prices	¥5,666.9 billion	¥5,788.6 billion	¥5,890.7 billion

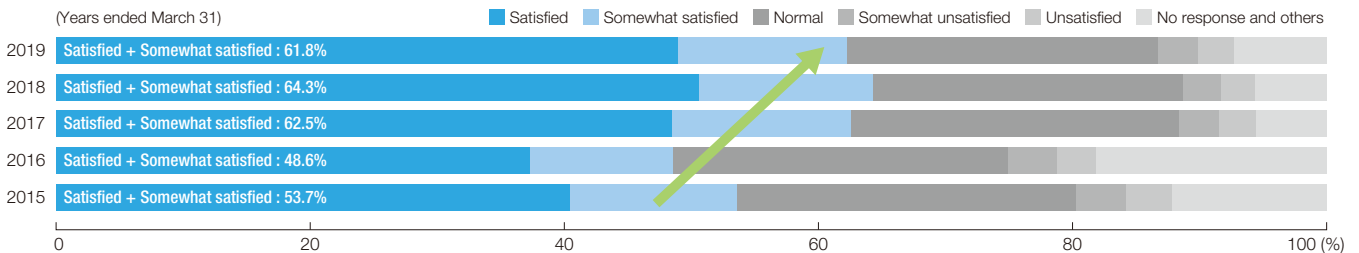
5. Customer Satisfaction

Our total customer satisfaction rating and ratings for customer satisfaction with regard to sales personnel and products (the proportion of “Satisfied” and “Somewhat satisfied”) remained at high levels thanks mainly to our initiatives aimed at enhancing face-to-face after-sales service.

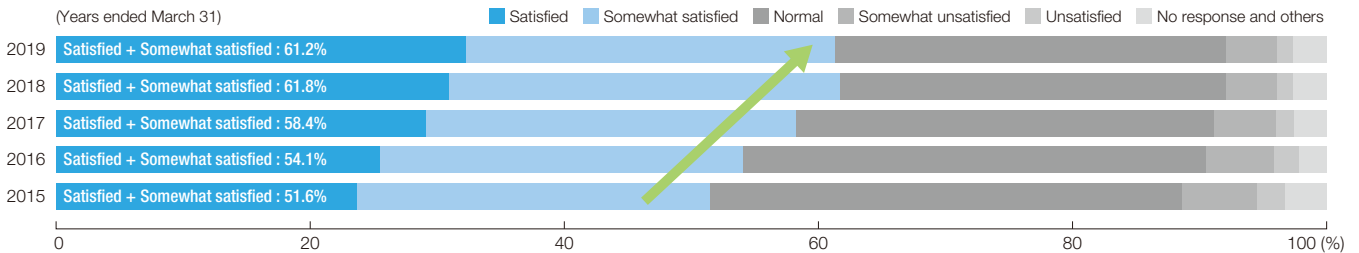
Total Customer Satisfaction Rating



Customer Satisfaction with Regard to Sales Personnel



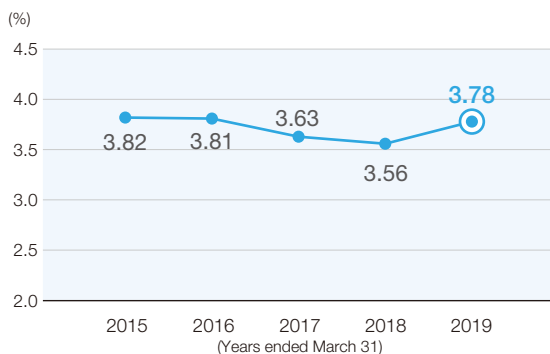
Customer Satisfaction with Regard to Products



6. Management Quality

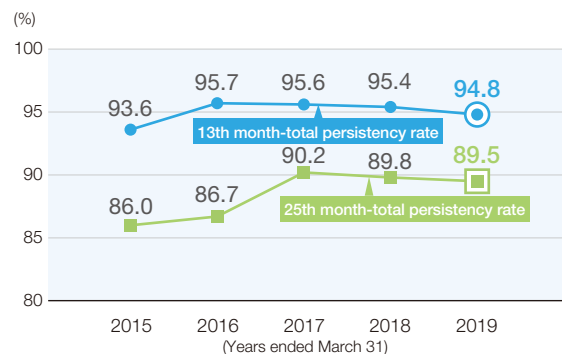
The quality indicators of our policies, namely, the rates of surrender, lapse and partial surrender as well as the persistency rate, all remained favorable.

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.



Domestic Life Insurance Business

Individual Insurance Marketing
Reforms/Group Insurance
Marketing Reforms

Expanding Our Customer Base While Delivering New Value via the Pursuit of the “Wellness for All Project”

Tadashi Onishi

Senior Managing
Executive Officer

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

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 ultralow 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. Along with a growing call for across-the-board initiatives aimed at lengthening people's healthy life expectancy to address this issue, the general public is ever more conscious about needs for health improvement. 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 agency distribution channel (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 group insurance marketing channel, through which we maintain the No. 1 share in group life insurance, and our Bancassurance channel, which has a customer base that includes the affluent. 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, to this end 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 “Wellness for All Project” aimed at providing ongoing assistance to efforts undertaken by customers, local communities and our fellow workers to promote health. To fulfill these aims, we will provide a comprehensive set of products, services and campaigns, delivering new value to our individual, corporate and group customers.

Main Initiatives

Individual Insurance Marketing

In our agency distribution channel, we have upwardly revised wages for newly employed 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 1,000,000 policies (as of March 31, 2019). 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.

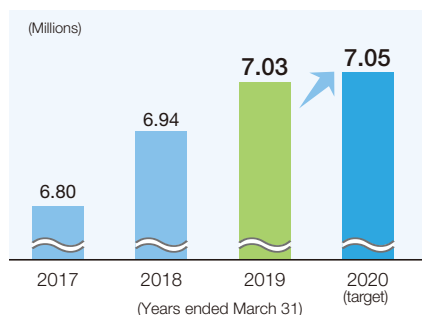
As for our initiatives in the priority fields, we marketed such products as “U.S. dollar-denominated endowment insurance with a single lump-sum premium” and “Whole life medical insurance for people age 50 or older.” We also stepped up the provision of seminars for employees at our group life insurance customers, utilizing our group insurance marketing channel to increase contact points with potential individual customers. Thus, we made steady progress in our efforts to develop markets for seniors. To cultivate the market for “investment-type products,” we released “U.S. dollar-denominated wealth accumulation whole life insurance” that accommodates customer needs for wealth accumulation solutions among a broad range of age groups.

In the fiscal year ending March 31, 2020, we launched the “Wellness for All Project” on a full-scale. In conjunction with this move, in April 2019 we released “Best Style Health Cash Back” aimed at providing customers with ongoing assistance to their health improvement efforts. Based on health checkup results submitted by policyholders, this product refunds up to one month's premium while delivering disease risk prediction and health improvement advice via the “MY Wellness Activity Report” service.

Acting in collaboration with J.League, we also host Meiji Yasuda Life J.League Walking Campaign and Meiji Yasuda Life Futsal Festa. Looking ahead, we will continue to provide assistance to customers' health improvement efforts while paying close attention to their needs through face-to-face after sales service by sales personnel.

The Number of Customers

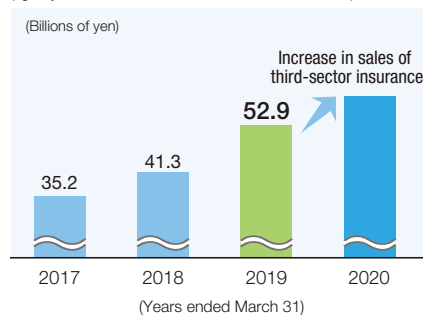
(agency distribution channel)



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

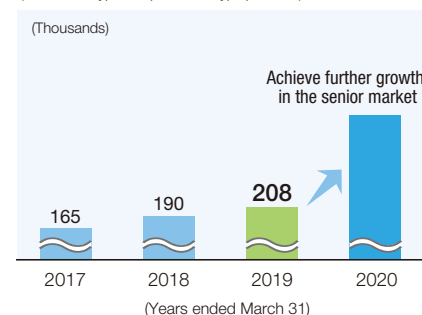
Annualized New Premiums from Third-Sector Insurance

(agency distribution channel and Bancassurance channel)



The Number of New Policies Signed by Seniors

(investment-type and protection-type products)



Note: The number of new policies signed to provide coverage for persons insured at age 50 or older.

Group Insurance Marketing

In the group insurance marketing channel, we strove to utilize our group life insurance products to help corporate and group customers enhance their employee benefit programs. 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, we have succeeded in achieving steady growth in 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 January 2019, we released “comprehensive group disability income insurance” that provides income protection coverage when the policyholder is no longer able to work due to sickness, injury or mental disease.

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 enhanced the content of after-sales services.

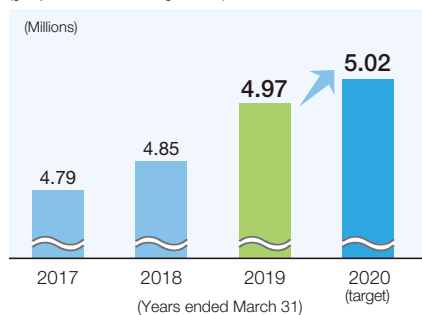
In addition, we strove to strengthen partnership with financial institutions while stepping up efforts to develop new customers among small- and mid-size corporations. To this end, we reorganized our sales organization by market segmentation, namely, “financial institutions,” “large corporations,” “mid-size corporations” and “small-size corporations.” In the Bancassurance channel, we released “Australian dollar-denominated endowment insurance with a single lump-sum premium” in December 2018 and garnered favorable customer reviews. As was the August 2017 release of “Everybody Plus,” a single premium whole life insurance denominated in foreign currencies, this move is guided by our policy of accommodating asset management and inheritance needs among senior and affluent customers.

In the fiscal year ending March 31, 2020, we will provide assistance to corporate and group customers taking a proactive stance toward improvement of employee health. As part of the “Wellness for All Project,” we will therefore expand our existing product functions, which have been adopted by a number of group and corporate customers to enhance their employee benefit programs, by incorporating new functions aimed at supporting health-oriented corporate management.* In this way, we will deliver new value to these customers.

*“Health-oriented corporate management” is a provisional translation of 健康経営®, a registered trademark of the KenkoKeiei NPO.

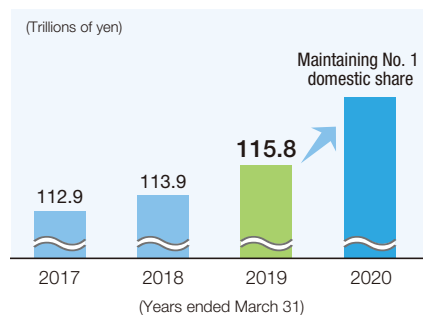
The Number of Customers

(group insurance marketing channel)



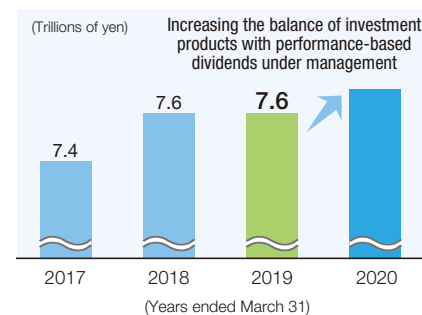
Group Life Insurance in Force

(Trillions of yen)



Group Pension Assets Managed

(Trillions of yen)



Note: Figures represent 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)



Individual Administrative Services

Individual Administrative
Service Reforms

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

Toshiyuki Sumiyoshi

Managing
Executive Officer

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

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 in terms of IT and financial literacy. 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. To meet ever higher customer expectations, we are called to deliver 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. Since April 2016, we also launched the "AAA"* project aimed at stepping up these administrative service reform efforts.

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.

* Named after three project keywords: "Access," "After-Follow" and "Arch"

Main Initiatives

As part of our efforts to enhance customer convenience and provide easy-to-understand procedures, we have been promoting paperless enrollment and policy maintenance procedures by using "Meister Mobile" tablet terminals. In the fiscal year ended March 31, 2019, we expanded the lineup of these paperless procedures, initiating the acceptance of applications for address change. These procedures now also allow corporate customers to apply for enrollment in new policies. We also revised some screen layouts, making it easier for customers to navigate electronic procedures. 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. Specifically, we newly incorporated functions enabling the electronic issuance of a life insurance premium payment certificate, for use in tax deductions, as well as the simulated calculation of benefits to be paid based on the injuries and diseases specified by website users.

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.

We also implement the "MY Longevity Policy Checking Scheme" to help policyholders reconfirm the details of their policies upon reaching pre-scribed ages, such as 77 (*Kiju*) and 90 (*Sotsuju*), 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, we instituted the "MY Assist+ System" aimed at assisting customers who have disabilities or other physical difficulties in completing application procedures due to such factors as age-related vision deterioration or hearing impairment. As such, we are striving to provide even more convenient services for the elderly.

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 with 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 the mailbox 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. This is beneficial to elderly people who often regret bothering their family members, especially those who have handwriting problems like me.

(Male policyholder, Ehime Prefecture)



Group Insurance Administrative Services

Group Insurance Administrative
Service Reforms

Building a Group Insurance Administrative Service Structure Capable of Realizing the Industry's Leading Service Quality

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

Managing
Executive Officer

Koichi Nagao



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, including AI, 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

We have been striving to enhance customer satisfaction and improve the convenience of various administrative services via the "MY *Hojin* Portal," a website launched in the fiscal year ended March 31, 2018 for individuals in charge of insurance policies at corporate and group customers, and the Claim Consultation Center, which accommodates customer inquiries and provides consultation about claim application.

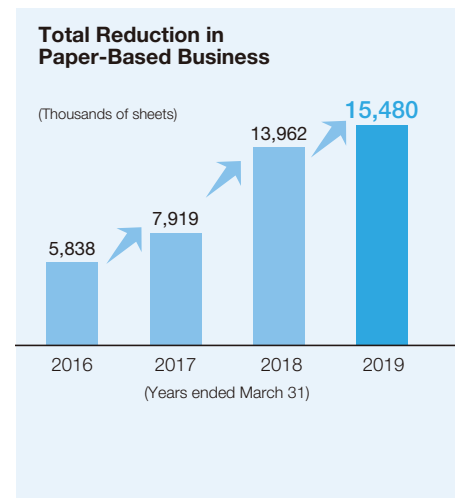
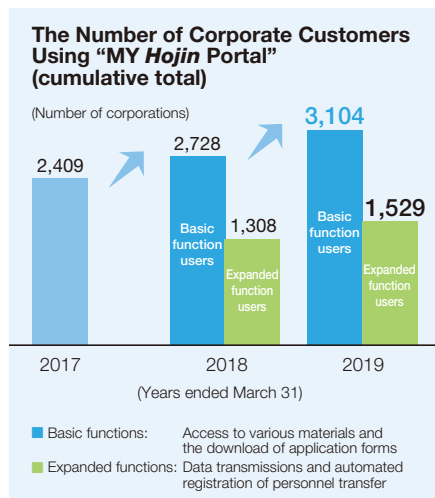
Currently, the number of corporate and group customers signed up for the "MY *Hojin* Portal" has been steadily increasing. Specifically, 3,104 corporate and group customers have opted for basic functions providing access to various materials and the download of application forms. Another 1,529 are utilizing expanded functions enabling the web-based registration of personnel transfer. Meanwhile, we steadily expanded the scope of policyholders eligible to use the Claim Consultation Center. Today, individuals in charge of insurance policies at approximately 800 corporate and group customers are benefitting from services offered by this center. Reflecting these efforts, our surveys aimed at assessing customer satisfaction for group insurance administrative services revealed that total customer satisfaction stood at 65.3%, up 0.2 of a percentage point year on year.

In addition, we are pushing 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. In the second half of the fiscal year ending March 31, 2020, we also plan to release the "MY Portal for All," a smartphone-based service that enables persons insured to check the content of their enrollment, taking advantage of our "MY *Hojin* Portal" platform.

At the same time, we will continue to encourage our corporate and group customers to utilize our services, as we aim to contribute to significant workload reduction for these customers via the provision of these systems and procedures.

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 reconfirm such matters as whether they have eligible claims that they will want to apply for, their latest contact and designated recipients of insurance claims and benefits. As of March 31, 2019, we reached out to 11,700 persons to reconfirm these matters (cumulative total: representing 99.6% of all insured persons covered by this scheme). In the course of this activity, we helped them carry out various procedures in line with their requests.

We hold annual customer meetings to engage in exchanges with the staff in charge of insurance policies at corporate customers and conduct various customer satisfaction surveys to collect customer opinions and reflect this valuable feedback in our services. Furthermore, 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.





Asset Management

Asset Management Reforms

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

Masao Aratani

Director,
Deputy President

Chief Executive,
the Investment Division

The Business Environment and Our Strategies

Looking at the current investment environment, a prolonged trend toward ultra-low interest rates continues. 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, including intensifying trade friction, 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, 2019, interest, dividends and other income reached a record high since the inauguration of Meiji Yasuda Life for the second consecutive year. This helped us secure interest surplus totaling ¥273.2 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, we invested 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 ¥310 billion each for domestic and overseas investees.

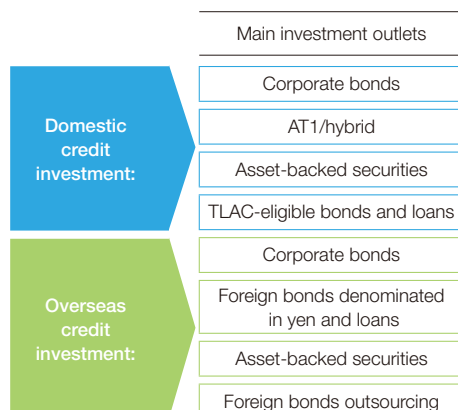
In the fiscal year ending March 31, 2020, we will strive to achieve targets of undertaking credit investment totaling ¥1,600 billion, which comprises ¥800 billion for domestic investees and the same amount for overseas investees, in line with the Medium-Term Asset Management Plan.

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 steadfast implementation of these and other asset management reform initiatives.

Base Profit (non-consolidated)

(Billions of yen)

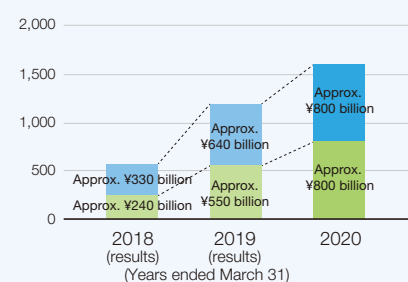
Years ended March 31,	2013	2014	2015	2016	2017	2018	2019
Base profit	394.5	460.4	506.3	459.9	472.3	546.7	589.6
Interest surplus	42.5	119.3	168.6	181.9	174.8	222.5	273.2



Results and Plans for Credit Investment (cumulative total)

■ Domestic ■ Overseas

(Billions of yen)



Asset Management Administrative Services

Asset Management
Administrative Service Reforms

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

Executive Officer in Charge of
the Investment Administration Department

Managing
Executive Officer

Takashi Kikugawa



The Business Environment and Our Strategies

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 May 2019, we introduced systems to handle securities-related front-end operations as we continue to steadily upgrade and diversify our asset management methodologies. Looking ahead, we will develop asset management administration systems compatible with new asset management methodologies and products.

2 Contributing to the Company's profit

In May 2019, we upgraded 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

We are striving to remain responsive to the latest international standards in the securities field and, to this end, steadily promote digitized and automated securities trading in addition to pushing ahead with the automation and standardization of 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 increase the IT literacy of our employees. 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.



Overseas Insurance Business

Overseas Insurance
Business Reforms

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

Kazunori Yamauchi

Senior Managing
Executive Officer

Executive Officer in Charge of
the International Business
Planning Department

The Business Environment and Our Strategies

The overseas life insurance market is expected to grow significantly thanks to growth in the global economy and population. To bring greater benefit to customers, Meiji Yasuda Life is striving to seize opportunities arising from overseas market growth and thereby diversify its business portfolio while achieving a sustainable increase in profit. To this end, we aim to raise the proportion of profit contributed by the overseas insurance business* in consolidated operating results to 15% by March 31, 2028.

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.

In addition, as Japanese corporations expand into markets abroad, it has become ever more important for them to ensure robust governance that fully encompasses the entire corporate group, including their overseas subsidiaries. With this in mind, we are engaged in research on regulations being enforced in the home countries of our investees while strengthening our risk management, compliance and other management structures for the entire Meiji Yasuda Life Group.

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. Looking at the contribution of the overseas insurance business to consolidated operating results for the fiscal year ended March 31, 2019, these operations accounted for 10.1% of insurance premiums and 9.2% of base profit. Given the growth of Meiji Yasuda Life on a non-consolidated operating basis, that means the overseas insurance business is also increasing its contribution to consolidated operating results.

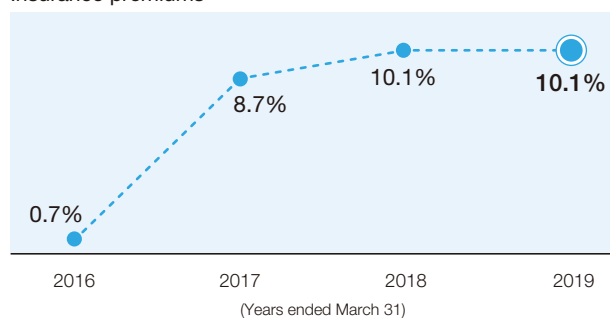
During that same period, Meiji Yasuda Life worked to introduce enterprise risk management (ERM) and strengthen the business management structure on a groupwide basis. With the aim of enforcing consistent internal control throughout the Group, we formulated Group policies on risk management, compliance and other important matters while establishing the Group Conference, which is attended by representatives from key subsidiaries. Furthermore, we strove to expand the overseas insurance business. To this end, we endeavored to increase profit from existing subsidiaries and affiliates in collaboration with such Group members as StanCorp. As a result, the overall operating results for the overseas insurance business included a third consecutive annual increase in both revenues and profits.

In addition, we share expertise and know-how with existing subsidiaries and affiliates by, for example, collaborating with them in asset management. We also allow their employees to join training provided at Meiji Yasuda Life. Moreover, we take advantage of the size of the Group to help them achieve cost reductions.

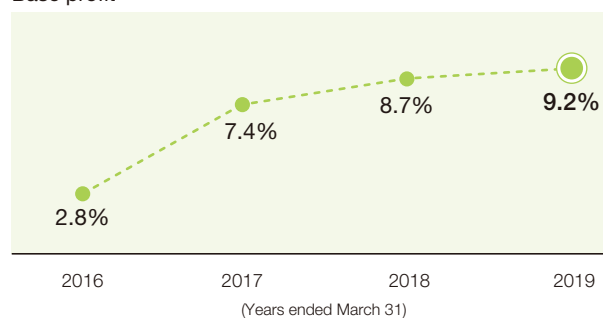
Building on the outcomes of the aforementioned initiatives, in the fiscal year ending March 31, 2020, the final year of the current Medium-Term Business Plan, we will continue to push ahead with overseas insurance business reforms, keeping our focus on enhancing the business management structure for the Group and boosting profit from existing subsidiaries and affiliates. At the same time, we will promote the sharing of expertise between all Group members to realize greater synergies while conducting in-depth market research to identify potential new investee candidates. We will also strive to nurture global human resources who boast diverse backgrounds and are capable of supporting these activities.

Overseas Insurance Business* as a Proportion of Consolidated Operating Results

Insurance premiums



Base profit



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

Domestic Affiliate Business

Domestic Group Company
Management Reforms

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

Executive Officer in Charge of
the Affiliated Companies Department

Managing
Executive Officer

Hideki Nagashima



The Business Environment and Our Strategies

Our domestic affiliate business comprises 18 domestic subsidiaries and affiliates as well as 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 4,800 employees, these subsidiaries, 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 the current Medium-Term Business Plan, "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.

Main Initiatives

In the fiscal year ended March 31, 2019, the second year of domestic group company management reforms, we were increasingly focused on enhancing the business management structure at each affiliate. We have also been 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. In addition, with the aim of stepping up the development of human resources—an essential component supporting our business operations—we have promoted 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.

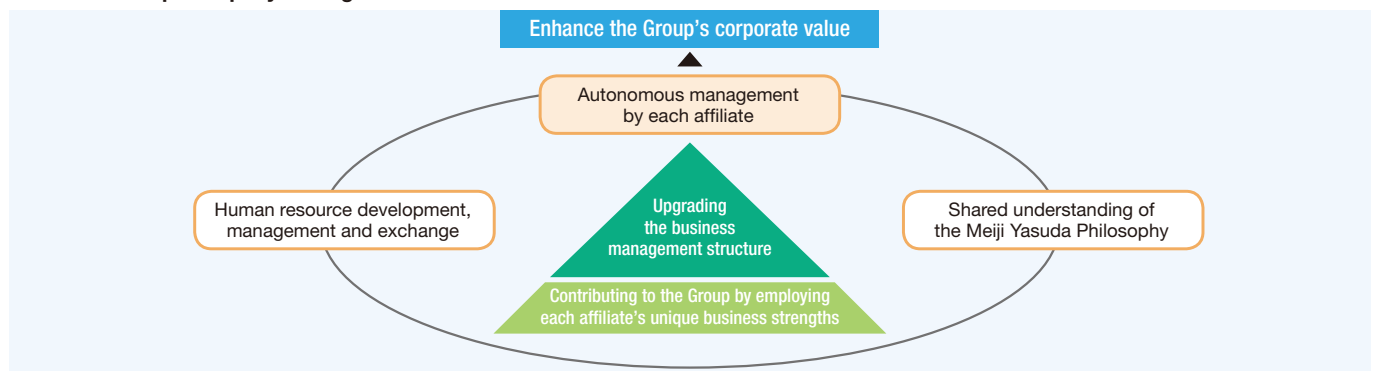
In April 2019, we relocated healthcare- and digital-related fundamental research functions maintained by Meiji Yasuda Life to Meiji Yasuda Research Institute, Inc. (formerly, Meiji Yasuda Institute of Life and Wellness, Inc.) while spinning out Meiji Yasuda System Technology's life insurance premium payment collection operations to establish Meiji Yasuda Payment Collection Business Services Co., Ltd. Furthermore, we pushed ahead with the selection and concentration of businesses to strengthen the sales support-related services undertaken by Meiji Yasuda Trading Company, Limited. To this end, printing operations previously undertaken by MYJ Co., Ltd. were transferred to this subsidiary.

In the fiscal year ending March 31, 2020, the final year of the current Medium-Term Business Plan, we will step up the monitoring and assessment of our affiliates. Building on our monitoring practice established a year earlier and tailored to the status of each affiliate's business management structure, we will enhance monitoring effectiveness by placing particular focus on the Check and Act aspects of the PDCA cycle. We will also ensure that all domestic group companies get on track via autonomous management by, for example, reviewing their human resource management systems.

Moreover, we will promote health improvement activities under the "Wellness for All Project," with all domestic group companies working in unison to assist Meiji Yasuda Life in the pursuit of greater consolidated profit and contribution to social sustainability.

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.

Domestic Group Company Management Reforms





Adopting a More Sophisticated Management Approach

Governance Reforms

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

Atsushi Nakamura

Managing
Executive Officer

Executive Officer in Charge of
the Corporate Planning Department

The Business Environment and Our Strategies

As we aim to secure a robust operating base supporting our growth strategy and brand strategy, we are acutely aware of the critical importance of a corporate governance structure capable of securing transparency and fairness in decision making. In this light, we also recognize that the enhancement of information disclosure, targeting policyholders and other stakeholders, is essential. In addition, the overseas insurance business and relevant operations now account for a growing proportion of the Meiji Yasuda Life Group's consolidated profit due to such factors as the March 2016 inclusion of StanCorp Financial Group, Inc. into the scope of consolidation. Taking these circumstances into account, we also need to secure our responsiveness to international regulatory trends by strengthening the business management structure for oversight of Group companies.

We are also aware of the necessity of enterprise risk management (ERM) to secure sustainable growth in our corporate value. More specifically, we will embrace a risk-taking approach where necessary while endeavoring to maximize profitability and boost our growth potential. Prefaced on maintaining our financial soundness, we will thus shift our focus away from a conventional approach centered on risk avoidance.

Given the operating environment described above, the current Medium-Term Business Plan specifies 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

As part of its initiatives under governance reforms, Meiji Yasuda Life (non-consolidated basis) conducted a Board of Directors self-evaluation, incorporating a third-party perspective, that reviewed the selection of agenda items discussed at its meetings. Moreover, the Company opened a special website to enhance communication with policyholder representatives. To obtain a broad range of customer feedback, the Company also began maintaining a dedicated section for the Conference of Customers within its corporate website during the conference period. As such, we are upgrading our governance systems in terms of enhancing the effectiveness of our mutual company system.

With the aim of strengthening the Group's business management structure, we established Group policies on internal control to enforce consistent internal control throughout the Group. The Group has also created the positions of Chief Executive Officer (Group CEO), Chief Risk Officer (Group CRO), Chief Compliance Officer (Group CCO) and Chief Audit Officer (Group CAO). At the same time, we established the Group Management Headquarters Council and the Group Conference. Along with the appointment of these individuals, the two bodies are expected to strengthen Group operations.

Promoting the use of ERM in business management, 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). While striving to meet these targets, we are stepping up ERM-based management by continuously cultivating a sound risk culture in which employees are highly literate with various risks and by enhancing the effectiveness of our action plans aimed at securing preparedness to such events as sudden fluctuations in the economic environment.

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 securing externally financed capital by issuing foreign subordinated bonds amounting to US\$1 billion in April 2018 and raising foundation funds totaling ¥50 billion in September 2018.

(Please also see page 61 for more detail about ERM-related initiatives.)

Management Performance Targets under the Medium-Term Business Plan

	As of March 31, 2019	Year-on-year change	As of March 31, 2020 (targets)
Economic Solvency Ratio (ESR) ¹	130%	+ 1 percentage point	150-160% or more
Reference figure ²	183%	+ 18 percentage points	
On-Balance Sheet Capital ³	¥2,918.8 billion	110.1%	¥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, which is constantly being updated.)

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.

Human Resource Management

HR Reforms

Creating a Rewarding and Inclusive Workplace through the Pursuit of HR Reforms

Executive Officer in Charge of
the Human Resources Department

Managing
Executive Officer

Hideki Nagashima



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 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 the current Medium-Term Business Plan, 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. For example, each employee proclaims "My Health Declaration," while the Company undertakes in-house campaigns to promote across-the-board health improvement efforts.

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.



Upgrading Our Profit Management Structure

Profit Management Reforms

Upgrading Our Profit Management Methods to Establish a Profit Structure That Is Sustainable over the Future

Yasushi Ueda

Managing Executive Officer

Executive Officer in Charge of the Profit Management & Actuarial Department

The Business Environment and Our Strategies

Under the prolonged low interest rate environment, today's economic outlook is uncertain, with market conditions becoming ever more volatile and complex. The environment surrounding the life insurance industry is likewise evolving rapidly due to such factors as the emergence of new business models resulting from the advancement of information and communication technology (ICT). Moreover, in step with the globalization of their operations, businesses are facing growing calls to ensure responsiveness to international regulatory trends and engage in profit management centered on an economic value-based approach*.

Amid these circumstances, Meiji Yasuda Life is striving to develop a structure for achieving stable growth in corporate value in a manner that strikes optimal balance between fast-paced action to realize reforms and appropriate internal control backed by robust protective measures. This also applies to the field of profit management. The Company is therefore aware of the urgent need for an operational system structure capable of enhancing the speed and efficiency of accounting treatment, as well as more robust planning and execution capabilities. In brief, it must transcend the scope of traditional accounting functions, which focused on analyzing past financial results and short-term profit and loss, to enable the implementation of measures to enhance corporate value based on future business scenarios.

In line with this awareness, Meiji Yasuda Life launched profit management reforms at the beginning of the fiscal year ending March 31, 2020. Still underway, these reforms are aimed at supporting the Company's growth strategy, operating base reinforcement strategy and brand strategy from the aspect of profit management while establishing a profit structure that is sustainable over the future and can maintain Meiji Yasuda Life's capability, as a mutual company, to deliver a stable stream of policyholder dividends over the medium to long term.

* A method for evaluating the value of assets and liabilities based on fair value or market-consistent value determined using future cash flows

Main Initiatives

Profit management reforms focus on the following priority issues.

1 Enhance the speed and efficiency of JGAAP-based accounting operations

In anticipation of the introduction of economic value-based financial accounting methods, we will secure our ability to simultaneously handle these accounting methods and JGAAP-based accounting operations. To this end, we strive to enhance the speed and efficiency of accounting by carrying out thorough operational reviews, utilizing cutting-edge ICT, and nurturing accounting and actuarial specialists.

2 Practice managerial accounting aimed at upgrading our profit management structure

To help enhance the efficiency of businesses and investments, such as those undertaken as part of the Twelve Reforms, we will develop more sophisticated managerial accounting functions that enable us to conduct the multifaceted and timely analysis of balance sheet status by department, sales channel and other perspective.

3 Secure responsiveness to the future enforcement of international capital regulations

We will upgrade our profit management structure to secure responsiveness to the Insurance Capital Standard (ICS), an international solvency margin standard for the economic value-based evaluation of insurance policies, as well as market-consistent evaluation of assets and liabilities.

To fulfill our mission of delivering "peace of mind, forever" to customers, we will practice more sophisticated profit management and develop systems supporting it.

System Development Structure

System Development
Structure Reforms

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

Executive Officer in Charge of
the Information Systems Department

Senior Managing
Executive Officer

Shinya Makino



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. 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 priority issues.

1 Development structure

We aim to nurture professionals who are not only equipped with superior system development skills but also well-versed in a wide range of business fields. To this end, we initiated the overhaul of training programs and prescribed career paths for these individuals. As part of these efforts, we began offering a career path specializing in system development to new recruits. We are also stepping up collaboration with system development subsidiaries, thereby strengthening our development structure.

2 System infrastructure

To enhance customer satisfaction, we are upgrading our system infrastructure by, for example, introducing cutting-edge ICT solutions. We are also studying the possibility of infrastructure supported by external components and services while engaging in forward-looking research into promising technologies that will help enhance our in-house system infrastructure.

3 Development methodologies

We are striving 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.



Solidifying Public Recognition of the Meiji Yasuda Brand by Disseminating the Corporate Vision

Tadashi Onishi

Senior Managing
Executive Officer

Executive Officer in Charge of
the Branding Strategy Department

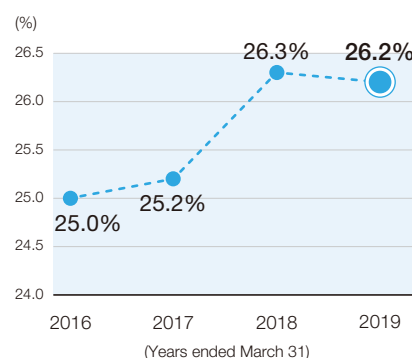
The Business Environment and Our Strategies

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.

Our analysis of this indicator by gender, age group and regional distribution of respondents showed that our image was growing in some segments. However, overall results for the fiscal year ended March 31, 2019, were virtually unchanged from the previous fiscal year.

In the fiscal year ending March 31, 2020, we will strive to improve our corporate image indicator through initiatives employing Meiji Yasuda Life’s unique strengths. Specifically, we will promote the “Wellness for All Project” to assist our customers, local communities and fellow workers in their health improvement efforts. We will also step up our community contribution activities by utilizing the renewed title partner contract with J.League.

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, 2019.

Main Initiatives

We engage in ongoing promotional activities by holding the Meiji Yasuda Life J.League Walking Campaign, Meiji Yasuda Life Futsal Festa and Meiji Yasuda Life Golf Tournament in addition to hosting “Yoga Sessions for All.” Looking ahead, these events will be held in regions nationwide as part of the “Wellness for All Project” with the aim of encouraging our customers to casually participate in exercise. We will implement these unique initiatives utilizing our ties with J.League, J clubs and J.League’s partner companies as well as local governments that have signed partnership agreements with us. Simultaneously, we will increase our media exposure via TV commercials and newspaper ads to effectively reach people in regions throughout Japan. We will also enhance the content of articles delivered via our corporate website, LINE account and Facebook account, providing an easy-to-understand explanation of “MY Wellness Activity Report,” “Personal Health Check,” “Best Style Health Cash Back” (released in April 2019) and other products and services designed to assist health improvement efforts. We will thereby raise the quality and quantity of information being disseminated to communicate our corporate messages.

We also engage in in-house promotional activities. Having positioned the “Wellness for All Project” as the core of our initiatives aimed at realizing our corporate vision, we will also promote the “Kizuna” Campaign supported by small group activities to draw on employee creativity and practice a bottom-up approach. Through the pursuit of both, we will help each employee raise their awareness of and encourage them to take action to establish a unified Meiji Yasuda brand.

Dissemination of the Meiji Yasuda Brand via Various Outlets

Official “Wellness for All Project” Website

We have created dedicated sections within our corporate website to introduce the aforementioned health improvement events, such as those held in collaboration with J.League, as well as our unique services associated with health checkups and our products boasting functions that support health improvement. These are ways we engage in public communications aimed at encouraging people across the board to join wellness activities that are fun and easy to continue.



Delivering Information on Our Initiatives to Realize Our Corporate Vision

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. We also post a variety of articles on our initiatives via Meiji Yasuda Life’s official LINE account.



Corporate website



Our official LINE account distributes an array of content (The above screen capture shows images processed via a smartphone-based service enabling users to create their own video clips akin to Meiji Yasuda Life’s TV commercials)

Organizing MY HAPPINESS Photography Competition

Meiji Yasuda Life has organized this annual photography competition since 1999. The latest 2018 showcase received 64,824 submissions. To date, we have received a total of more than 1,180,000 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.



“Otenba Musume” (playsome girls), a grand-prix winning piece



“Toretayo” (“got it!”), a piece selected for a silver award

Operation of Mutual Company

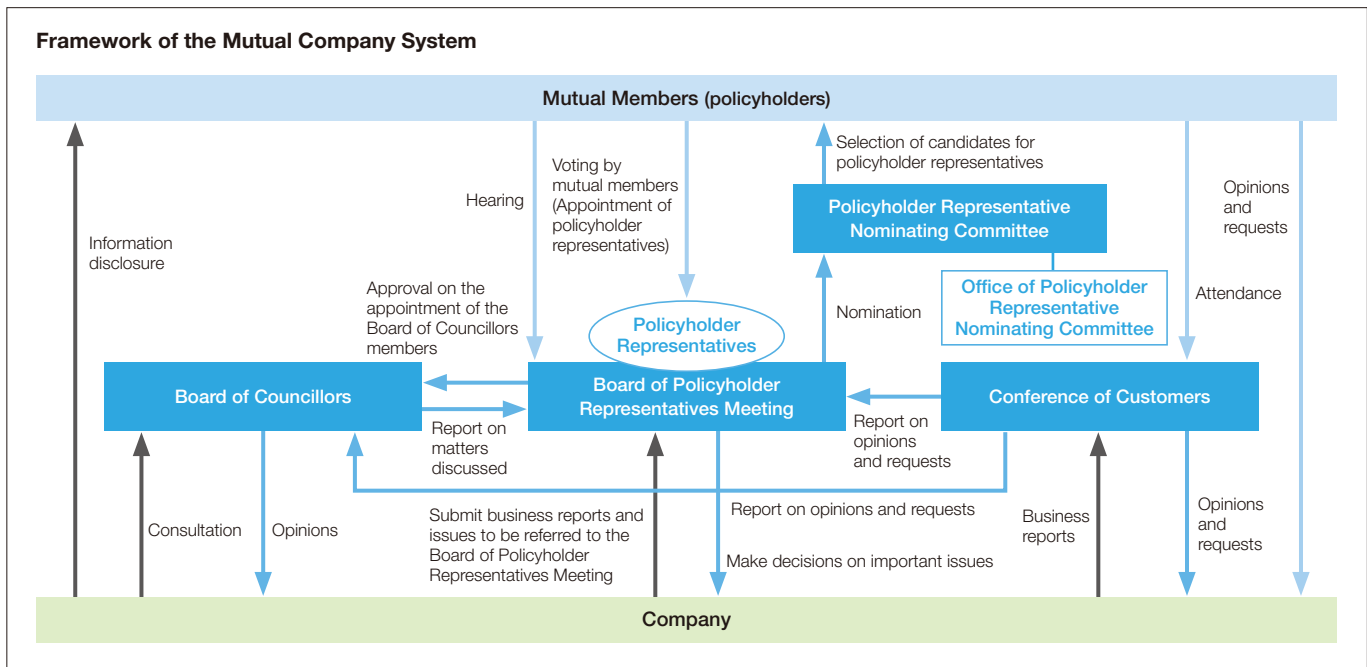
Framework of the Mutual Company System

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, 2019, Meiji Yasuda Life’s mutual members numbered approximately 6.51 million.

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 6.51 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 represen-

tatives 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 represent all policyholders.

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 101 locations, including regional offices across Japan, from January to February 2019, with a total of 2,346 policyholders attending.

The conference provided briefings on the operating results for the first half of the fiscal year (April 1 to September 30, 2018), the outline of the "Wellness for All Project," and the Company's social contribution activities. In addition, a total of 9,116 opinions and requests were submitted by attendees. This input is very important for us.

During the period in which these meetings were held, the Company also created a dedicated section for the Conference of Customers within its corporate website. This section accepted opinions and requests from customers who have difficulties with attending the conference and thereby obtained a broad range of feedback on its business operations.

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, 2020, 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

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

Our Initiatives to Strengthen Corporate Governance

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.

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.

Interview with an Outside Director

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 to assess its effectiveness. At the same time, the Company proactively discloses to the general public issues revealed via this evaluation and improvement measures it is undertaking.

Here, we invited Ms. Miyako Suda, who has been serving as an outside director since 2014, to ask about her views on Meiji Yasuda Life's initiative to enhance its corporate governance.

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

A. It's been nearly five years since I assumed the office of outside director at Meiji Yasuda Life. I feel that during this period, the Company engaged in a variety of efforts aimed at enhancing the effectiveness of its governance. In particular, under the banner of MY INNOVATION 2020, current Medium-Term Business Plan initiatives reflect the strong enthusiasm of top management executives to continue enhancing the Group's business management structure, taking into account the acquisition of StanCorp. The optimal structure has become a central issue actively discussed by the Board of Directors.

I believe that good governance hinges largely on top management's awareness of and commitment to advocating for governance. In this light, President Negishi, who serves as Group CEO, seems to be successful in communicating strong messages conveying his commitment to customers as well as Meiji Yasuda Life officers and employees. At the same time, the outside directors, including myself, want to live up to the high expectations he places in their

important roles in governance. Because of this, I find my duties at the Company meaningful.

Today, the environment surrounding domestic life insurers is increasingly volatile due to Japan's rapidly aging society, a declining birth rate, relentless globalization and advancing digitalization. These factors are making it difficult to present a clear picture of what the Company would become like in the medium- to long-term future. Simultaneously, this environment will require more speedy decision making by top management executives. However, I hope that the Board of Directors will set aside sufficient time to discuss forward-looking subjects in depth and from the perspective of a longer time frame. To navigate the uncertain world, the Company may sometimes need to embrace unprecedented or unconventional solutions. If the Board of Directors is capable of proposing such solutions, Meiji Yasuda Life will rightfully enjoy sustainable corporate development.



Miyako Suda

Director

- 1988 Professor, School of Economics, Senshu University
- 1990 Professor, Faculty of Economics, Gakushuin University
- 2001 Member of the Policy Board, Bank of Japan
- 2011 Special Advisor, The Canon Institute for Global Studies (continuing)
- 2014 Outside Director of Meiji Yasuda Life Insurance Company

Q. As a specialist in finance and economy, what do you think of Meiji Yasuda Life's initiatives to develop asset management and ERM structures?

A. Among various risks confronting life insurers, interest rate risk understandably represents the most critical risk. Currently, the prolonged low interest rate environment seems like it will be continuously in place in Japan. However, it is impossible to accurately estimate how long this environment will continue. Although life insurers may benefit from a gradual increase in interest rates going forward, they should nevertheless be prepared for sudden interest rate hikes.

That being said, I believe that they must not be content with simply focusing on risk avoidance. Rather, a risk-taking approach should be taken where and when necessary. In this regard, Meiji Yasuda Life is promoting a business management approach based on enterprise risk management (ERM). Prefaced on maintaining

financial soundness, the Company's practice of ERM-based management involves a risk-taking decision where necessary to maximize its profitability, secure growth potential and achieve sustainable growth in corporate value.

The Board of Directors also engaged in ERM-themed discussion which, in turn, helped establish an ERM framework. However, this should be advanced even further. In order for Meiji Yasuda Life to deliver unwavering peace of mind to customers, an initiative of this kind is essential and must be firmly embraced by business units throughout the organization. With this in mind, I believe that the Company must motivate a broad range of officers and employees to champion this cause, reaching out to each in a manner that is optimized to their individual circumstances.

Directors, Executive Officers and Operating Officers

Directors

(As of July 2, 2019)



Chairman of the Board
Nobuya Suzuki*



Director, President and Group CEO
Akio Negishi*



Director, Deputy President and Group CAO
Masahiro Ifuku



Director, Deputy President
Masao Aratani



Director
Seichiro 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

Executive Officers

(As of July 2, 2019)

Senior Managing Executive Officers	Tadashi Onishi	Responsible for the "Wellness for All Project"
	Shinya Makino	
	Yasuyuki Ayai	Chief Executive, Individual Insurance Marketing
	Kazunori Yamauchi	
Managing Executive Officers	Takashi Kikugawa	
	Teruki Umezaki	Group CCO
	Hideki Nagashima	
	Shinji Nakatani	Chief Executive, Public Marketing
	Koichi Nagao	
	Atsushi Nakamura	
	Masanao Kawamura	Chief Executive, Corporate Marketing
	Yasushi Ueda	
Toshiyuki Sumiyoshi		
Executive Officer	Kenji Fukui	Group CRO

Operating Officers

Managing Operating Officers	Michihiko Hayashi	Chief General Manager, Central Tokyo Marketing Headquarters
	Hideki Yamaguchi	Chief General Manager, Nagoya Marketing Headquarters
	Masahiro Koyama	Deputy Chief Executive, Corporate Marketing Division
Operating Officers	Shiro Kishimoto	Chief General Manager, East Metropolitan Marketing Headquarters
	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, Credit Investment Department
	Yoshiya Kato	Chief General Manager, Osaka Marketing Headquarters
	Hideaki Kurumaya	Chief General Manager, Fukuoka Marketing Headquarters
	Shinji Makino	General Manager, Group Market Planning & Research Department
	Nobuyuki Aoto	General Manager, Information Systems Department
	Kenji Soejima	Deputy Chief Executive, Individual Insurance Marketing Division
	Toshihiko Naka	General Manger, Marketing Planning & Research Department

Internal Control System

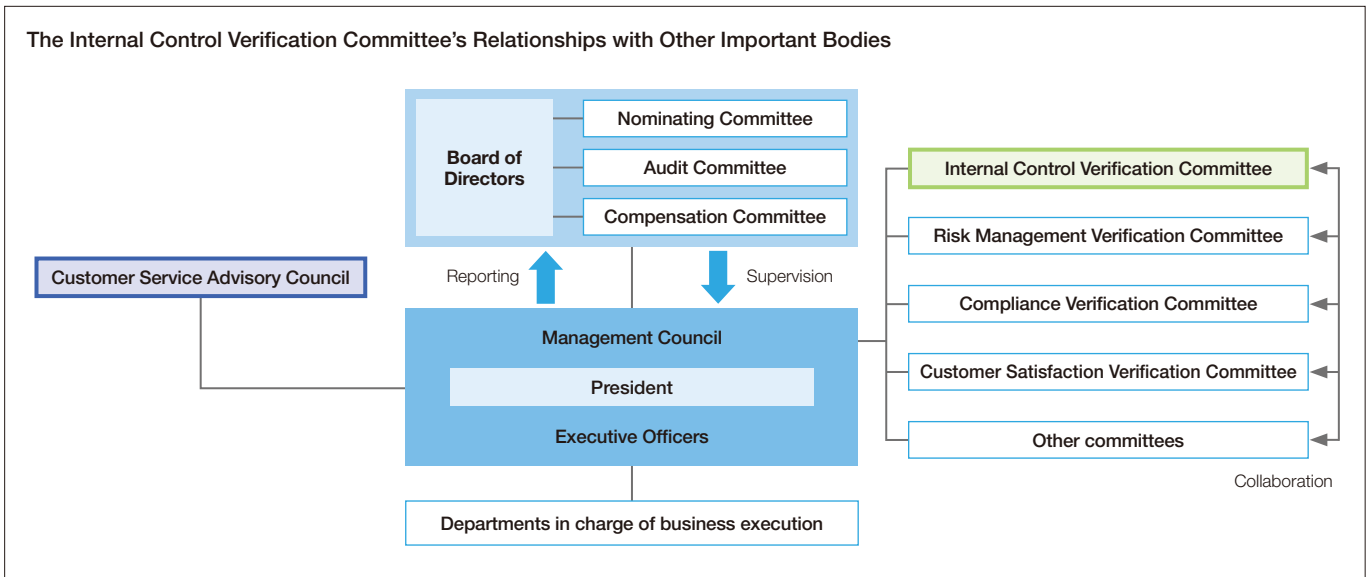
Development and Enhancement of the Internal Control System

Meiji Yasuda Life established the Basic Policy of Group Internal Controls 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.



Basic Policy of Group Internal Controls

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 Group operations through legal compliance, risk management and internal audits.

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 the Basic Policy of Group Internal Audit. In line with this policy, the Internal Audit Department has been put in place, operating under the dedicated supervision of the Director & Deputy President. 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 the aforementioned policy 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 domestic 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 the 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. In the fiscal year ended March 31, 2019, we appointed dedicated staff in charge of assessing the quality of the audit results from the viewpoints of fairness, validity and appropriateness. Our internal audits for the same fiscal year 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.

External Recognition

Meiji Yasuda Life was chosen to receive the Chairman's Award at the 52nd National Conference for Promotion of Internal Auditing sponsored by The Institute of Internal Auditors-Japan (September 2018).

ERM and Risk Management Structure

Basic Recognition, ERM, and Risk Management Policies and Rules

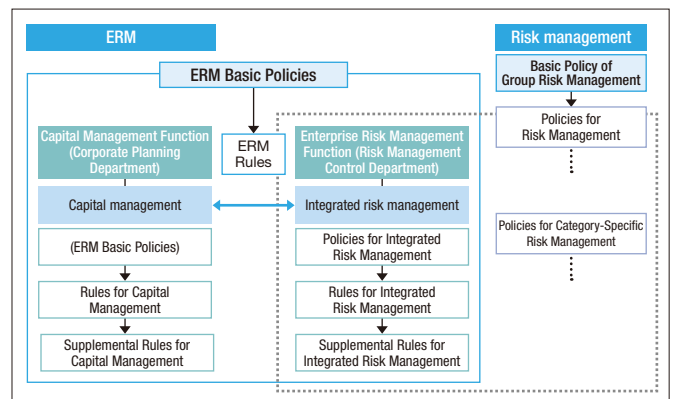
Meiji Yasuda Life recognizes the importance of ensuring sound management and faithfully fulfilling contractual obligations over the long term to achieve its goal of delivering customers unwavering peace of mind. In line with this recognition, the Company views risk management as one of the most crucial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

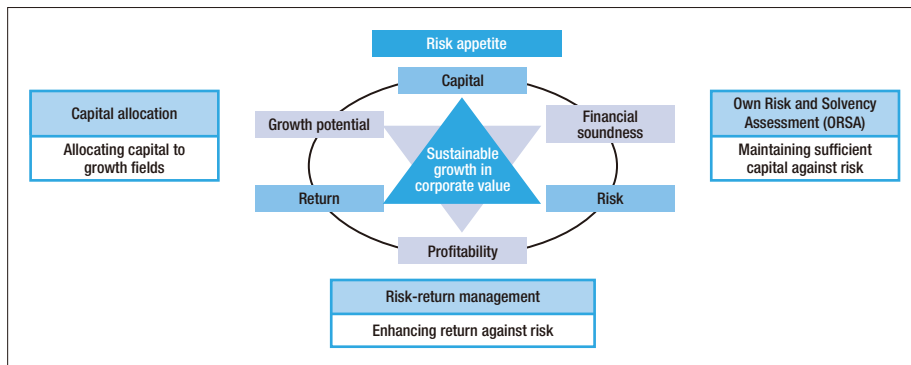
With the aim of enhancing corporate value while striking a balance between growth potential, profitability and financial soundness, Meiji Yasuda Life has utilized an ERM framework in the implementation of MY INNOVATION 2020, a three-year program.

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. As part of its management performance targets, the Company aims to achieve an ESR of 150 to

160% or more by the end of the fiscal year ending March 31, 2020, the final year of the aforementioned program, with an eye to securing responsiveness to international trends in capital regulations.

In the fiscal year ended March 31, 2019, Meiji Yasuda Life endeavored to strengthen its ERM structure by, for example, upgrading action plans assuming multiple scenarios with regard to the Company's ESR performance, with the aim of ensuring its viability in the uncertain economic environment.

(Please also see page 44 for the Company's recent operating results vis-à-vis management performance targets.)



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.

Outline of Meiji Yasuda Life's Risk Appetite

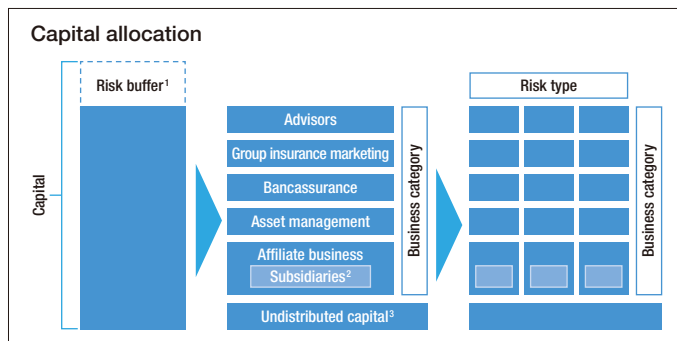
- Based on its management philosophy, the Company aims to deliver its customers unwavering peace of mind and, to this end, engages in risk-taking in the pursuit of its domestic life insurance business, asset management, affiliate businesses and other operations as long as its financial soundness is maintained 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.



- 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

◆ 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

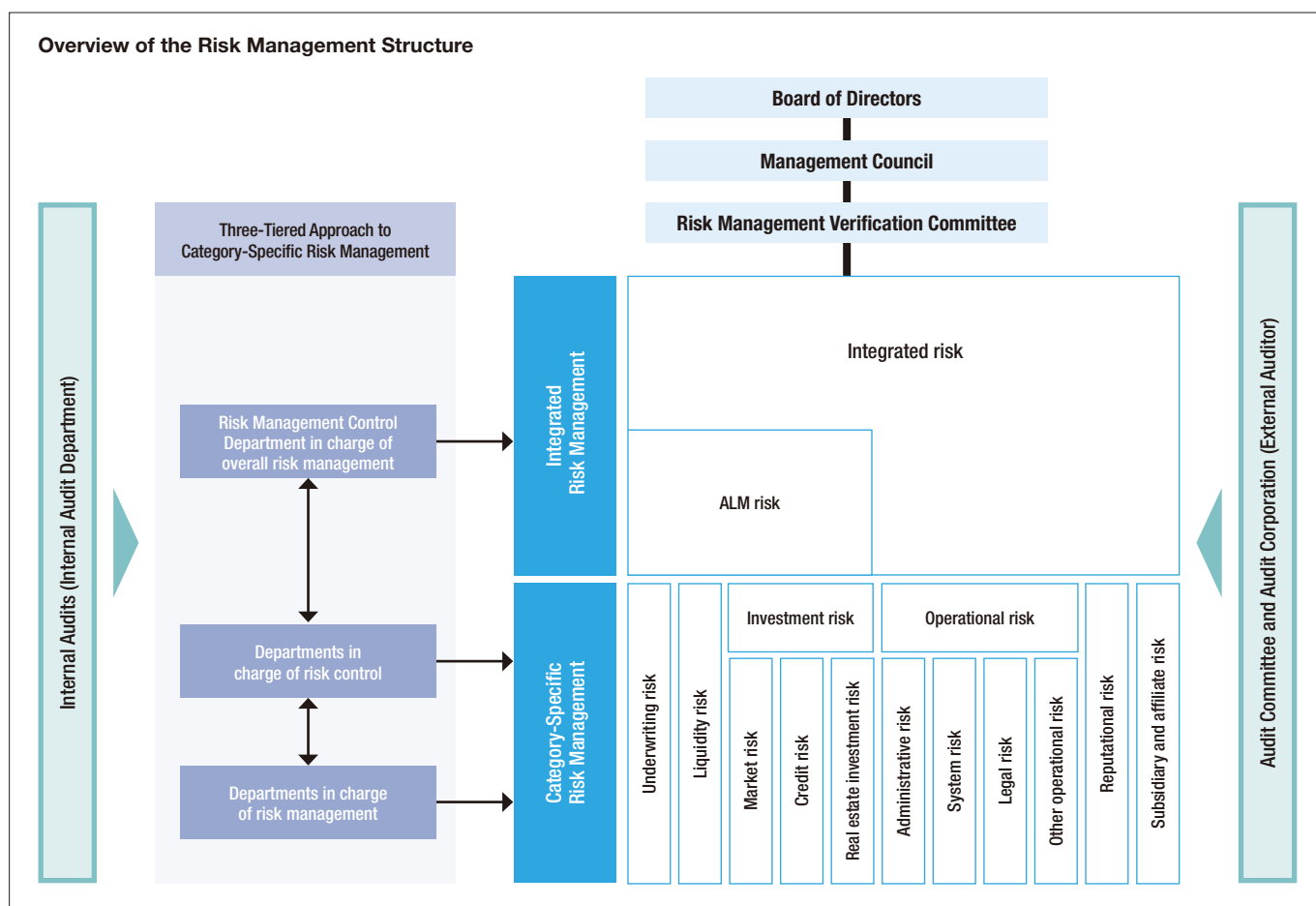
From a perspective of managing Group operations, Meiji Yasuda Life has established a structure that controls important subsidiaries via the enforcement of Group risk appetite and capital allocation. By doing so, the Company maintains robust governance of Group operations in both qualitative and quantitative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

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.



Integrated 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 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 risk, including potential risks that may significantly impact its business operations, while monitoring and controlling for such risk. The Company also employs Own Risk and Solvency Assessment (ORSA), a process for verifying the appropriateness of its risk-taking strategies, as a core methodology to promote integrated risk management.

Furthermore, the Company has established the Basic Policy of Group Risk Management and 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, paying attention to a broad range of risk factors from those that originate in the business environment to climate change risk. 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 and brainstorming 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.

Definitions of Category-Specific Risk

Category-specific risk		Risk definition
Underwriting risk		Risk that may cause Meiji Yasuda Life to sustain losses when economic trends, the incidence of insured events or other factors fluctuate contrary to the expectations of the Company upon pricing insurance premiums
Liquidity risk		Risk that may cause Meiji Yasuda Life to sustain losses if it is forced to divest assets at significantly lower prices than usual to meet urgent funding requirements due to a deterioration in cash flows
Investment risk	Market risk	Risk that may cause Meiji Yasuda Life to sustain losses due to changes in various market-related risk factors, such as interest rates, foreign exchange rates and securities prices, which will, in turn, lead to fluctuations in the value of its assets (including off-balance sheet assets) and liabilities or otherwise alter the yield from its assets
	Credit risk	Risk that may cause Meiji Yasuda Life to sustain losses due to a decline in or disappearance of the value of its assets (including off-balance sheet assets) in step with the financial deterioration of borrowers the Company granted credit
	Real estate investment risk	Risk that may cause Meiji Yasuda Life to sustain losses when the yield from its real estate is reduced by changes in rents, or the overall value of its real estate deteriorates due to fluctuations in market conditions
Operational risk		Risk that may cause Meiji Yasuda Life or its customers to sustain losses due mainly to failures in personnel, process or system functions in the course of operations or the impact of external factors
	Administrative risk	Risk that may cause Meiji Yasuda Life or its customers to sustain losses when its officers, employees or personnel commissioned by the Company to solicit insurance fail to maintain accuracy in administrative procedures or engaged in impropriety or fraudulent behaviors in the course of such procedures
	System risk	Risk that may cause Meiji Yasuda Life or its customers to sustain losses due to system failure, malfunction, or other system-related flaws, as well as the unauthorized use of its computers
	Legal risk	Risk that may cause Meiji Yasuda Life to sustain losses due to business decisions made by its business units when such decisions result in (1) the violation of laws or regulations that exposes the Company to legal liability or (2) the signing of an agreement that is significantly detrimental to the Company's own interest
	Other operational risk	Any other risk (excepting administrative, system and legal risk) that may cause Meiji Yasuda Life or its customers to sustain losses due mainly to failures in personnel, process or system functions in the course of operations or the impact of external factors
Reputational risk		Risk that may cause Meiji Yasuda Life to sustain losses when a negative impression of the Company or the life insurance industry as a whole, including concerns about credit worthiness, spreads among policyholders or the general public via press coverage, internet communications or other media and negatively impacts the Company's operating results
Subsidiary and affiliate risk		Risk that may cause the Meiji Yasuda Life Group or its customers to sustain losses due to incidents at its subsidiaries or affiliates

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

Compliance-Related Policies and Rules

In line with the Basic Policy of Group Internal Controls, we established the Basic Policy of Group Compliance, which stipulates fundamental matters for promoting compliance throughout the Meiji Yasuda Life Group. Having clarified that the utmost priority should be placed on compliance in all aspects of our operations, this basic policy not only mandates compliance with all applicable laws and regulations at home and abroad as well as with international standards and in-house rules, but also asks all Meiji Yasuda Life Group members to maintain fair and sincere conduct in conformity with social norms. Furthermore, this basic policy defines that compliance must be promoted in a way that lives up to customer trust via the provision of optimal products and high-quality services.

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.

Also, the “Meiji Yasuda Sales and Service Policy” lays out our mottos on such matters as enhancing after-sales service and meticulously accommodating the needs of the elderly as well as the rule of providing detailed product explanations. 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, we have in place various compliance-related policies and rules. We also issue “Compliance Manuals” that specify laws, regulations and in-house rules that must be observed in the course of day-to-day business conduct to ensure that every officer and employee is well-versed in these matters. The content of important policies, rules and manuals with regard to compliance is determined by the Management Council or the Board of Directors.

Basic Policy of Group Compliance (excerpt)

1. Purpose of the policy

Under the management philosophy of “Peace of mind, forever”, Meiji Yasuda Life Insurance Company shall state fundamental views on implementing the compliance of Meiji Yasuda Life Insurance Group in accordance with “Basic Policy of Group Internal Controls”.

In this policy, Meiji Yasuda Life Insurance Company (the “Company”) and its subsidiaries and affiliates (the “group companies”) are collectively referred to as the “Group”.

2. Fundamental views on compliance

The Company shall define compliance as the top priority matter in all aspects of performance of business operations and as premises of soundness and adequacy. The Company shall state fundamental views on compliance as follows;

- Besides complying with laws and ordinances applicable to Japan and overseas, international norms, internal rules and the like, the Company and group companies shall act fairly and faithfully based on corporate and community values.
- Every executive and employee of the Group shall practice compliance such that the Group can retain and build on the trust of its customers by offering the most suitable products and high quality services.
- The Company will work on improving the compliance system as the Group and the Company will support, provide guidance, oversee and monitor for compliance promotion by each group company in accordance with the methods specified in the Basic Policy of Group Internal Controls.

3. System to promote compliance

(1) The Company shall oversee compliance for the whole Group and establish a department responsible for the comprehensive and collective management of compliance of the Group and a committee for reviewing the matters concerning compliance for the Group.

(2) The Company shall establish policies and procedures to develop the whole group compliance system.

(3) The Company shall monitor the activities by receiving reports from each group company on a regular basis and as and when necessary regarding the status and effectiveness of each group company's compliance system.

In addition, the Company shall maintain the prompt reporting system to report important matters to its Board of Directors in an appropriate manner.

4. Compliance items to be prompted

The Company shall state compliance items which are especially required to promote as the Group as follows;

(1) Appropriately manage transactions conducted by financial institutions of the Group that may have conflicts of interest so that the interests of the

customers are not adversely affected.

(2) Appropriately handle and implement appropriate safeguards to protect and manage the Group's confidential information including the customers' personal information.

(3) Implement appropriate measures to completely cut off all relations with anti-social forces such as organized crime groups and other criminal organizations.

(4) Implement appropriate measures for ensuring that the transactions are not used for money laundering and terrorism financing.

(5) When collecting important in-house information, information of other companies or other information that may fall under the important information for any companies, implement appropriate measures for proactively preventing fraudulent transactions (insider trading) such as sales and purchase of shares of such company before the information has become public.

(6) Implement appropriate measures for proactively preventing exchange of entertainment, gifts, money and other profits or preferential treatments for the purpose of obtaining and maintaining unfair profits and preferential treatment.

(7) Prevent all executives and employees from conducting fraudulent transactions such as restricting competition including price-fixing, and earning profits by taking their superior bargaining position.

5. Compliance Promotion Methods

The Company shall prescribe compliance promotion methods so that the Group ensures the effectiveness of compliance promotion as follows;

(1) In addition to complying with laws and regulations applicable to each company, the Company and group companies shall establish policies and procedures to ensure the effectiveness of compliance promotion based on their business characteristics, scale and risks they face.

(2) For achieving compliance, the Company and group companies shall formulate/review and implement the detailed compliance plan by each fiscal year.

(3) For fostering high ethical standards in every executive officer and employee and firmly establishing the culture of compliance in the organization, the Company and group companies shall continuously disseminate information and impart education about compliance.

(4) The Company and group companies shall establish a direct reporting route that can be used by the discovering person when the normal internal reporting system is not feasible, such as establishing a reporting hotline. In addition, the Company and group companies shall ensure a process in place to protect whistleblowers.

(5) When a violation of compliance has occurred, in addition to taking appropriate disciplinary actions against the violators in accordance with the policies, the Company and group companies shall strive to make prompt improvements such as conducting root-cause analysis and formulating recurrence

prevention measures.

(6) If the Company and group companies find or recognize any incidents that could make serious impacts on its management or any concerns that these incidents could occur, the Company and group companies shall make efforts to prevent the spread or occurrence of the incidents, and the group companies shall promptly report them to the Company and the Company shall report them to its Board of Directors in a rapid manner.

6. Providing support and guidance to group companies

- (1) The Company shall provide necessary support and guidance regarding compliance to the group companies.
- (2) If group companies directly owned by the Company have their own subsidiaries or affiliated companies, group companies shall develop the organizational system for checking the status of compliance, including these subsidiaries and affiliated companies, and providing necessary support and guidance regarding compliance to them.

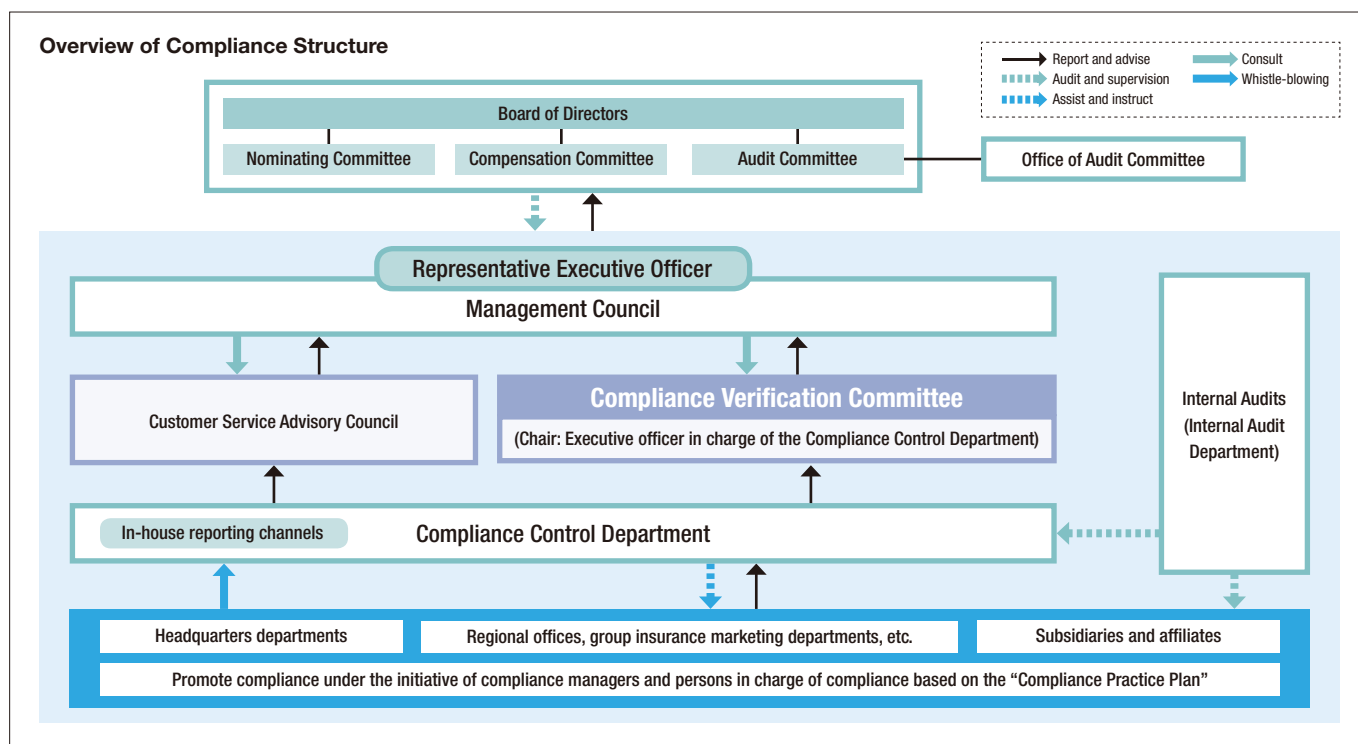
Compliance Structure

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. In addition to spearheading the development and updating of the Group's compliance structure, this department maintains cooperation with compliance managers and persons in charge of compliance at each business section to provide compliance education, implement preemptive measures and deal 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 is charged with the planning of 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.



External Recognition

Registered as conforming to the Consumer Affairs Agency's Whistleblowing Compliance Management System (WCMS) certification standards based on self-declaration (May 2019)



Initiatives to Promote Robust Compliance

Every fiscal year, Meiji Yasuda Life draws up a “Compliance Practice Plan,” which is finalized by the Board of Directors, setting forth concrete action plans aimed at promoting compliance.

In line with this companywide action plan, headquarters, regional offices and 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.

In addition, the Compliance Control Department engages in periodic monitoring of progress on the “Compliance Practice Plan” and provides necessary assistance to ensure that the plan is steadily implemented based on a PDCA cycle. Moreover, the Compliance Verification

Committee and other bodies carry out the interim and fiscal year-end assessment on the status of the plan and report their assessment results to the Board of Directors.

With regard to compliance education for officers and employees, we have made it a general rule to address compliance topics in all joint training sessions, with the aim of seizing every opportunity to provide compliance education on an ongoing basis. Twice a year, we also designate compliance promotion weeks, in which to hold intensive education. Furthermore, we utilize in-house newsletters, intranet and other outlets in an effort to constantly update officers and employees on the latest compliance issues.

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 Policy of Group Compliance identifies countermeasures against antisocial forces and financial crimes as one of our priority compliance issues. Under the initiative of the Compliance Control Department, we are therefore striving to ensure that appropriate countermeasures are in place. 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, 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.

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 only by 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>

IT Governance

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, 2019, we invested around ¥30 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 wealth accumulation whole life insurance” as well as functions for “Meister Plus” tablet terminals, company-furnished smartphones (“MY phones”) and settlement terminals, directing 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 and counter rising system operation costs. To this end, the Company is regularly reviewing and reorganizing service menu and systems in an effort to divest underutilized and inefficient system assets.

IT investments by purpose		Proportion
Business-related investment	Investment aimed at supporting management strategies and expanding existing system functions	50%
	Of this, investment aimed at acquiring competitive advantages in and promoting expansion into growth fields	40%
System-related investment	Investment aimed at developing a functional system infrastructure from a perspective of ensuring business continuity	50%

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, smartphones and settlement 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 remain 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 a disaster or similar event, we would launch backup systems in accordance with our BCPs and thereby continue core operations.

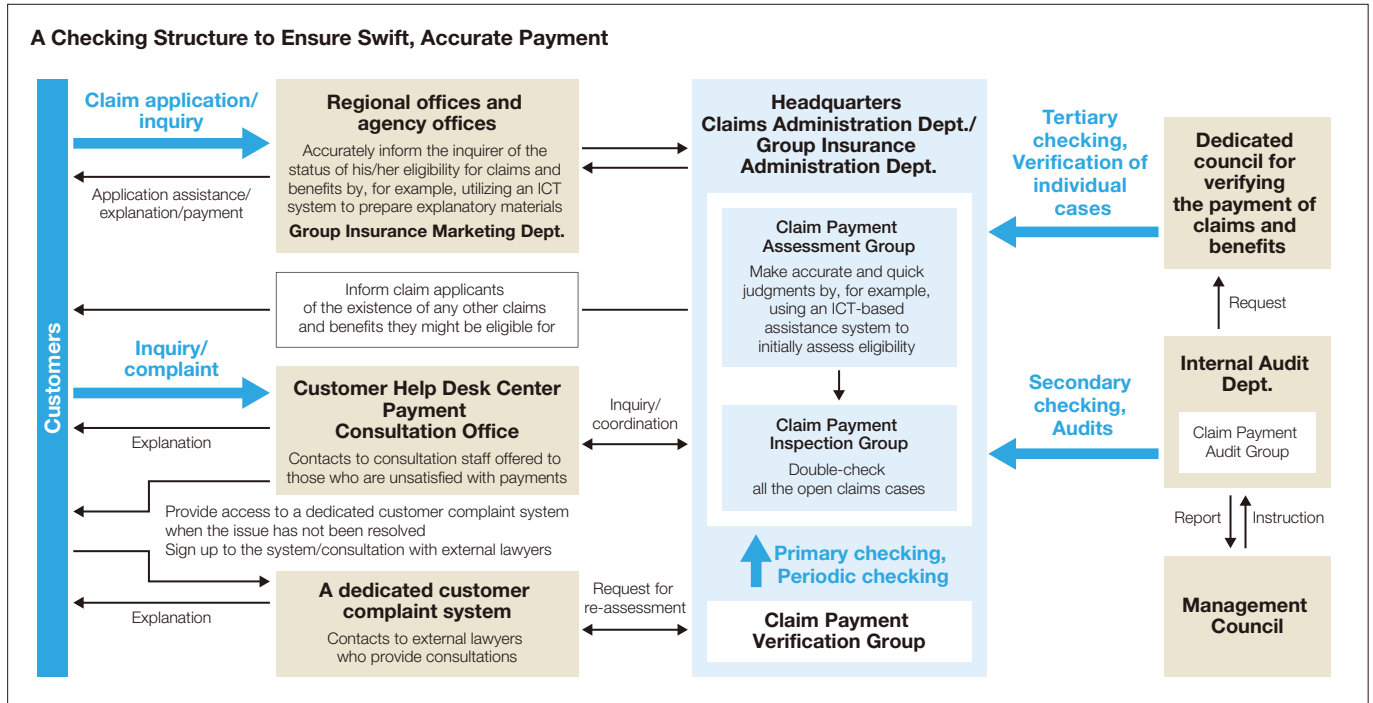
* A certification under the ISMS conformity assessment employing a third-party evaluation scheme based on the ISO 27001 standard



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 policy-

holder 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 Claim Payment Inspection 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 Claim Payment Inspection 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 verifying 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 Verification Group 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 Group 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.

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.

Increasing the Number of Hospitals Subject to the Direct Payment of Benefits for Advanced Medical Treatment Assistance

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.

Having expanded the scope of eligible medical institutions in March 2019, we have designated a total of 21 hospitals, improving the availability of the scheme to policyholders undergoing either proton beam therapy or heavy-particle radiation therapy.

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.

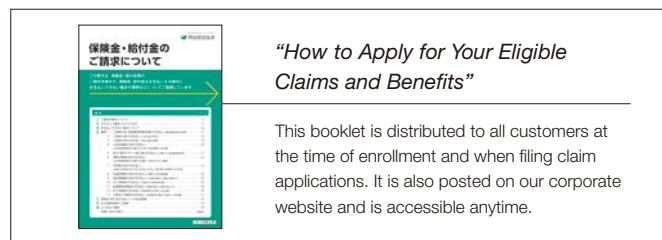
Note: The amount reimbursed by the Company is determined by certificate type as detailed below.

- 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.



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.

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.

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, 2018 to March 31, 2019)

(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	113	0	0	44	157	3	619	173	0	191	986	1,143
Cancelled due to serious violation of policies	1	0	0	3	4	0	0	0	0	0	0	4
Indemnification clauses applied	247	20	2	11	280	60	165	18	1	45	289	569
Not eligible for payment	1	41	1,111	3,463	4,616	0	660	19,393	141	1,078	21,272	25,888
Other	0	0	0	0	0	0	0	0	0	0	0	0
Total number of non-payment cases	362	61	1,113	3,521	5,057	63	1,444	19,584	142	1,314	22,547	27,604
Number of payments	61,130	769	2,093	22,421	86,413	15,490	341,228	165,889	571	280,659	803,837	890,250

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.

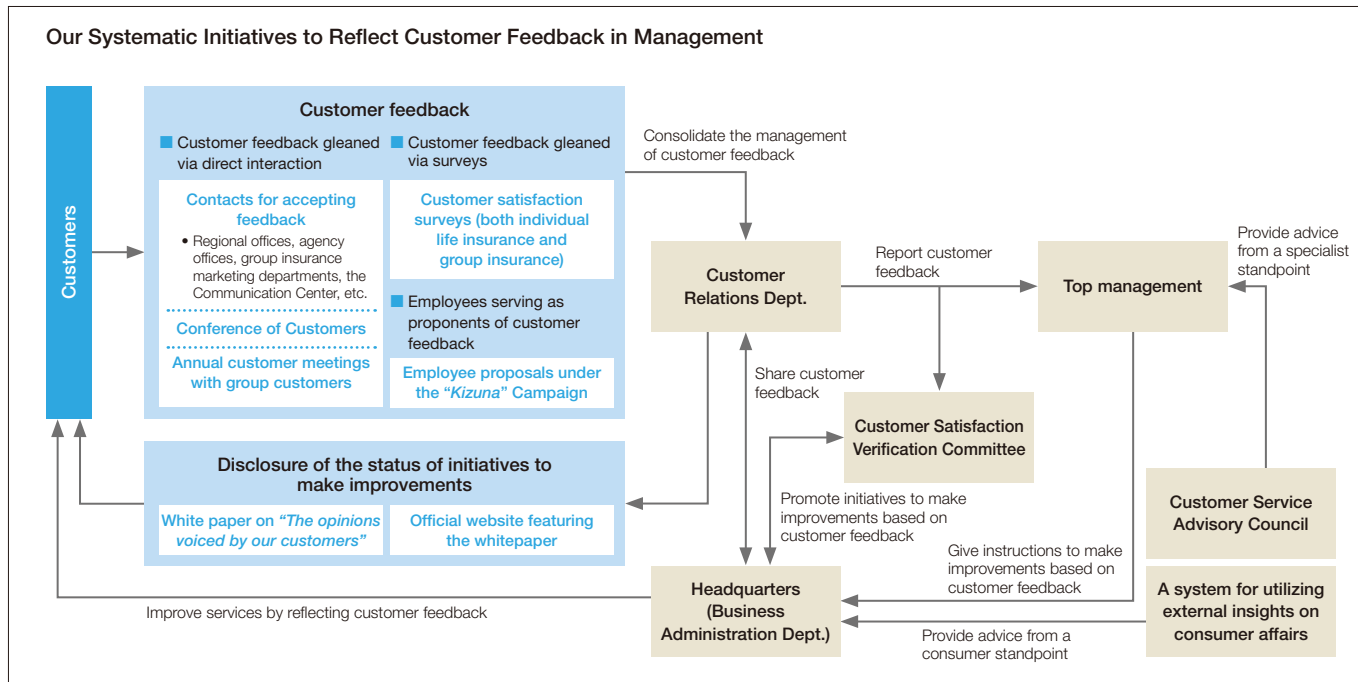
Status of the Usage of the Dedicated Customer Complaint System with regard to the Payment of Insurance Claims and Benefits (from April 1, 2018 to March 31, 2019)

This system accepted one case, which involved a customer request for re-assessment. However, re-assessments undertaken by departments in charge of the assessment of payment and other bodies resulted in no change in 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 for a portion of the hospitalization period as the Company deemed such portion not to conform to definitions of hospitalization stipulated in its general terms and conditions for insurance, which mandate the policyholder be solely focused on treatment and constantly managed by a physician.	1

Note: Since the system's installation on March 28, 2006, it has accepted a cumulative total of 157 complaints. Of these cases, 42 resulted in changes to the Company's initial decision.

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.

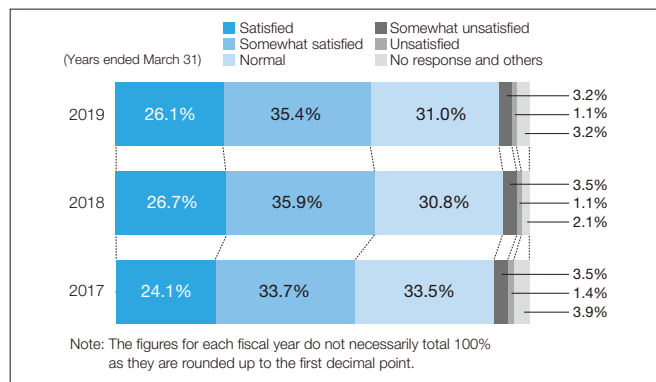
Customer Satisfaction Surveys

In addition to directly accepting customer feedback, we have undertaken annual customer satisfaction surveys since the fiscal year ended March 31, 2007. Targeting policyholders of our individual life insurance, we are thus assessing what they say about our products and 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 (total customer satisfaction)*



* 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 ended 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,	2019 (% of total complaints)	2018 (% of total complaints)
New policies	4,601 (12.0%)	5,061 (12.7%)
Premium collection	2,816 (7.4%)	3,026 (7.6%)
Policy maintenance	12,488 (32.6%)	13,080 (32.8%)
Insurance claims and benefits	7,269 (19.0%)	7,725 (19.4%)
Other	11,111 (29.0%)	11,008 (27.6%)
Total	38,285 (100.0%)	39,900 (100.0%)
Total including non-complaint feedback	307,088	304,923

Examples of Customer Requests, Complaints and Improvement Measures (fiscal year ended March 31, 2019)

<p>1</p> <p>A case where a customer request helped optimize our products and services to meet customer needs</p>	<p>Example of a customer request</p> <p>I want Meiji Yasuda Life to create products that reward policyholders based on their health checkup results.</p>
	<p>Improvement measures</p> <p>In April 2019, we released “Best Style Health Cash Back,” a product designed to assist customers’ health improvement efforts and serve as a strategic offering supporting the “Wellness for All Project.” Features of this product include:</p> <ul style="list-style-type: none"> ① Policyholders who submit their health checkup results are eligible for a refund of up to one month’s premium. ② Policyholders can take advantage of the “MY Wellness Activity Report” service and receive helpful information on health improvement. <p>Looking ahead, we will continue to promote the “Wellness for All Project” to support customers’ health improvement.</p>
<p>2</p> <p>A case where a customer request helped optimize our products and services to meet customer needs</p>	<p>Example of a customer request</p> <p>“Best Style” should be more flexible so that it can offer optimal coverage for any individual. I want “Best Style” to incorporate income protection for those facing conditions that restrict their ability to work.</p>
	<p>Improvement measures</p> <p>In June 2018, we released “Wage and Household Budget Supporting Rider.” This rider is designed to be attached to “Best Style” with the aim of offering income protection coverage with monthly payment of benefits should the policyholder no longer be able to work due to disease or injury. Features of this product include:</p> <ul style="list-style-type: none"> ① Initiate payment of monthly benefits as soon as the period of hospitalization or home care reaches 30 consecutive days ② Once initiated, payment of monthly benefits continues for one year whether or not the policyholder recovers from the condition ③ The policyholder is eligible for the aforementioned benefits regardless of the type of disease or injury 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 <p>With this rider now included in the lineup of options for “Best Style,” we have effectively upgraded “Best Style,” creating an even better insurance product that provides coverage for a broad range of risks, including inability to work.</p>
<p>3</p> <p>A case where a customer request resulted in further improvement of customer convenience</p>	<p>Example of a customer request</p> <p>As I cannot perform procedures by myself, I must always ask family members to carry these out. Isn’t there a hassle-free alternative?</p>
	<p>Improvement measures</p> <p>In April 2018, we instituted the “MY Assist+ System” aimed at assisting customers who have physical difficulties in filling out 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. Meiji Yasuda Life staff visit the residence of such customers and fill in forms on their behalf to complete procedures, providing meticulous support tailored to their individual conditions.</p>
<p>4</p> <p>A case where a customer request resulted in further enhancement of our service explanation</p>	<p>Example of a customer request</p> <p>I want Meiji Yasuda Life to enhance the content of after-sales services provided via its periodic policy checking scheme.</p>
	<p>Improvement measures</p> <p>In June 2018, we began distributing a pamphlet explaining periodic policy checking. This pamphlet features articles on the importance of periodic policy checking and the process to be followed in the course of such checking. It also includes a comprehensive list of items that must be checked, such as policy content, the existence of eligible claims that the policyholder will want to apply for, and the policyholder’s intentions about current coverage. In these ways, we strive to provide easy-to-understand after-sales services and ensure that customers are fully satisfied with our explanations.</p>

Initiatives to Enhance Customer Satisfaction with Regard to Sales Personnel

Striving to Enhance the Quality of Consulting Activities

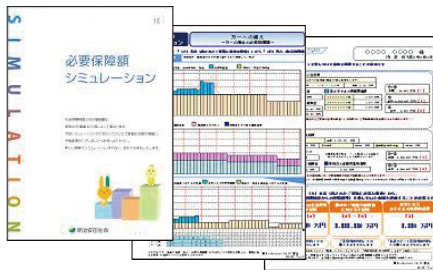
Meiji Yasuda Life's recent market surveys revealed that a number of customers considering enrollment in life insurance prefer to simultaneously receive comprehensive consulting services encompassing available social security benefits as well as proposals that are meticulously tailored to their individual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

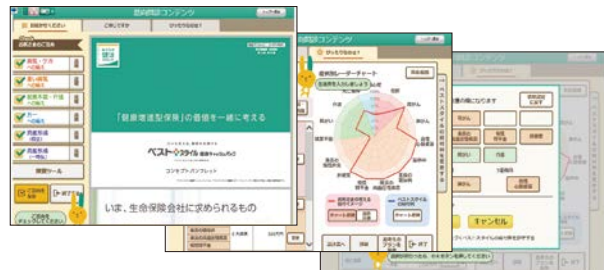
medical insurance, while automatically calculating the necessary coverage amounts by type of disease.

We also explain "Best Style" with the aid of the "Best Style Concept Pamphlet." In addition to explaining coverage available to "Best Style" policyholders, the pamphlet elaborates on the concepts behind the product, helping customers understand the value of insurance designed to assist health improvement efforts and the advantages of flexible coverage revision, as well as the robust face-to-face 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 information on health improvement, 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



A booklet illustrating the "MY Wellness Activity Report" service



The "Wellness Activity Services for All" program pamphlet featuring comprehensive descriptions of health improvement services offered by Meiji Yasuda Life



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

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 hearts and minds. We have also put in place an extensive line-up of educational programs, utilizing video on-demand and interactive telecommunication systems, that directly connect instructors at headquarters departments with sales personnel.

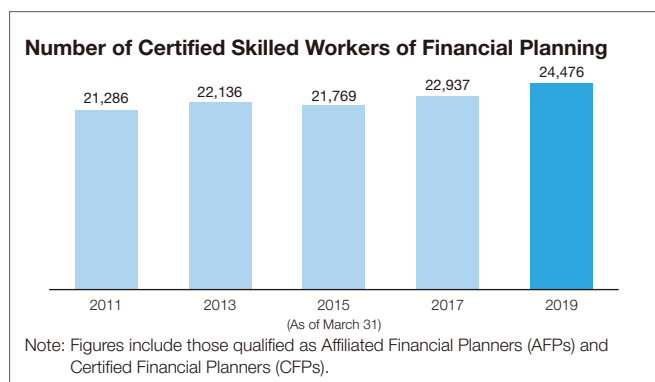
We also have in place in-house qualification systems for all sales personnel to assess and grade their knowledge and skills. Among those, the Customer Relations Quality Enhancement Curriculum is aimed at instilling basic knowledge and skills for handling customer relations. And the degree of their accomplishments 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. To this end, the Customer Relations Quality Test: Study Aid Book is distributed to all sales personnel and is utilized as the primary training material. In addition, we have clarified a set of requirements with regard to the knowledge and skills that 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, 2019, the number of sales personnel who qualified under the Certified Skilled Workers of Financial Planning and other financial planning (FP) skill certification systems totaled 24,476.

With the full-scale launch of the "Wellness for All Project" in the fiscal year ending March 31, 2020, we also initiated an in-house Wellness Activity Supporter Certification program. With Meiji Yasuda Health Development Foundation in charge of certification, this program aims to instill health literacy necessary to assist customers with their health improvement efforts. Currently, all sales personnel are participating in this program.



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



Certified Skilled Workers of Financial Planning

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.

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 banks, long-term credit banks, securities companies, labour banks and credit unions that have signed agency contracts with us. This channel markets single premium products (whole life insurance, endowment 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.

In December 2018, this channel began handling foreign currency denominated endowment insurance with a single lump-sum payment of premiums.



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



"Everybody," a single premium whole life insurance



"Australian dollar-denominated endowment insurance with a single lump-sum premium"

- 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.
 3. "Everybody Plus," a single premium whole life insurance denominated in foreign currencies and "Australian dollar-denominated endowment insurance with a single lump-sum premium" require the payment of fees and involve foreign exchange fluctuation risk and interest rate fluctuation risk that have to be borne by policyholders.

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)

2017	2018	2019
1,515	1,721	2,049

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 7:00 p.m. on weekdays and 5:00 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 to meet customer needs. In addition, the staff can provide customers with insights into how to start wellness activities and other useful health information. They are thus playing their part in Meiji Yasuda Life’s pursuit of the “Wellness for All Project” aimed at empowering customers to nurture health literacy, proactively improve their health and embrace the practice of continuous health maintenance.

Furthermore, these shops host seminars on asset building, pensions and inheritance for seniors as well as events for families to provide a variety of information and services.

Having opened five new shops in Tokyo, Saitama, Kanagawa and Osaka in April 2019, we currently operate a total of 20 “*Hoken ga Wakaru Desk*” shops, offering face-to-face consulting on insurance and after-sales service for customers.

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 2019, 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.

“*Hoken ga Wakaru Desk*” shop in Funabashi, Chiba Prefecture



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



“*Hoken ga Wakaru Desk*” shop in Yodoyabashi, Osaka



“*Hoken Port*” shop



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"

Our Products and Services Aimed at Delivering Unwavering Peace of Mind to Customers and Helping Them Enjoy Affluent Lives

◆ Life Insurance

Releasing “U.S. dollar-denominated wealth accumulation whole life insurance” (February 2019)

This whole life insurance offers lifelong protection while helping policyholders accumulate funds for their future. It also provides them with a broad range of options regarding the premium payment period and how and when they receive claims and benefits, meeting diverse needs for asset formation and utilization solutions.

Product Features

- ① Fixed premium amount, which is periodically paid in yen, is converted into U.S. dollars and accumulated.
- ② Death coverage for policyholders who pass away during the premium payment period is relatively lower as is the amount of surrender benefits received by those who surrender before the passage of the prescribed period. However, this allows the product to secure more robust claims and benefits to be paid to policyholders thereafter.
- ③ Policyholders are allowed to choose from a broad range of options regarding how and when they receive claims and benefits to meet their future needs.

Note: “U.S. dollar-denominated wealth accumulation whole life insurance” involves foreign exchange fluctuation risk to be borne by customers and requires the payment of fees.

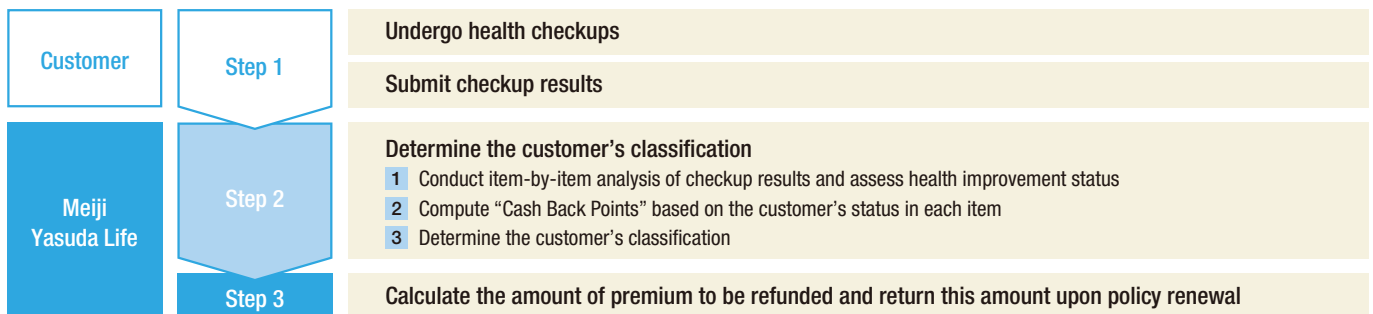
Releasing “Health Support Cash Back Rider” (April 2019)

This rider supports customers’ health improvement efforts by refunding a portion of premiums based on their annual health checkup results. This rider can be attached to “Best Style,” our mainstay product.

Product Features

- ① Policyholders are granted points determined via the item-by-item analysis of their annual health checkup results based on criteria established by Meiji Yasuda Life employing its big data. They are thus classified into three categories in accordance with their total points granted.
- ② In line with the category they belong to, policyholders may receive refund of one month’s premium, a half of one month’s premium or 10% of such premium.

Refunding scheme under “Health Support Cash Back Rider”



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.



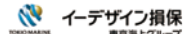
* The “summary of policy terms and conditions” and “important notice (disclaimer information)” are both included in a single booklet.

◆ Nonlife Insurance

Products for Individual Customers



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



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

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.



“Total Assist” Automobile Insurance

“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.



“Total Assist” Homeowners Insurance

“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.

“Meiji Yasuda Life Odekake Keikouhin”

In addition to coverage for damage, breakage or theft of belongings, this product delivers coverage for medical treatment of accident-related injuries and for liability that arises from accidents.

Accident Insurance

“Total Assist” Karada Insurance (Syougai Teigaku)

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



Underwriter: Meiji Yasuda General Insurance Co., Ltd.

Main Products for Group Customers

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.

External Recognition

Meiji Yasuda Life was chosen to receive an Award for Excellence (Center Operation Category) under the 2018 Contact Center Award program sponsored by RIC TELECOM.



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 Annual “Notification from Meiji Yasuda Life”

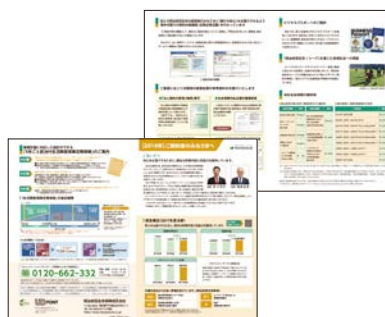
We distribute an annual “Notification from Meiji Yasuda Life” to all policyholders. This material provides each recipient with the content of their enrolled policies, as well as other important matters, we want them to confirm.

In the fiscal year ended March 31, 2019, the content of two of our booklets, “Notification on the Content of Policies” and “To Our Policyholders,” was entirely renewed with improved layout and updated

text to ensure our policyholder notifications are always easy to read and understand. In addition, the notification for individual policyholders was revised to include a list of persons insured, designated recipients of insurance claims and secondary contacts registered by policyholders to help confirm the accuracy of the information. By doing so, we strove to ensure that every eligible claim is applied for and swiftly paid.



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”

“MY Hoken Page,” a Website Dedicated to Policyholder Services

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.* The website also provides users with access to updates on services available under the “Wellness Activity Services for All” program, which offers policyholder services aimed at supporting the prevention, earlier detection, and proper treatment and management of diseases. In addition, “MY Hoken Page” delivers helpful information with regard to how to utilize public social security systems and the tax

implications of life insurance.

In April 2019, we released “MY Wellness Activity Portal,” a section equipped with a wealth of functions, such as the trial version of “MY Wellness Activity Report” (a personalized health improvement information service), the “Cash Back Calculator” for assessing the size of the refund users can receive if they have “Best Style Health Cash Back” policies, and other content aimed at assisting health improvement in line with our “Wellness for All Project” objectives.

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 2019 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, the amount of surrender benefits 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
Policyholder services available under the “Wellness Activity Services for All” program	Disease prevention and early detection	<ul style="list-style-type: none"> Advanced medical checkups with incentives Postal mail-based health checkup services with discounts Comprehensive health counseling and the booking of comprehensive health checkups, including those aimed at addressing women-specific health issues Sports gym memberships with discounts
	Disease treatment and management	<ul style="list-style-type: none"> Second opinions <u>Best hospital referrals for those who combat three specified diseases</u> Diabetes counseling and specialist doctor referrals
	Phone-based counseling by specialists	<ul style="list-style-type: none"> Around-the-clock health counseling Nursing care counseling Around-the-clock pregnancy and child-rearing counseling Disability counseling
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 	
“MY Wellness Activity Portal”	<ul style="list-style-type: none"> “MY Wellness Activity Report” (trial version) Cash Back Calculator Updates on health improvement events 	

“Wellness Activity Services for All”

As part of the “Wellness for All Project,” Meiji Yasuda Life introduced the “Wellness Activity Services for All” policyholder service program. Services available under this program include those aimed at supporting proper disease treatment and management. As described below, we provide policyholders who combat diseases with treatment information and doctor referrals to help them find convincing treatment methods

and receive care from trusted physicians. On July 26, 2019, we expanded the scope of individuals eligible to use these services to include not only persons insured under “Best Style” but also those insured under “Whole life medical insurance for people age 50 or older” and whole life medical insurance with a lump-sum benefit.*

Meiji Yasuda Life Second Opinion Service Since June 2014

“Second opinions” refer to opinions 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. When second opinions do not affirm the primary physician’s opinions, the patient may ask these medical specialists to refer them to other physicians.

- Medical specialists charged with this service are skilled doctors boasting comprehensive expertise in their respective fields of specialty, including a number of respected professors and professor emeriti at medical universities, who are members of Japan’s “Doctor of Doctors’ Network.”
- Face-to-face counseling with medical specialists and the issuance of referral letters free of charge.

Best Hospital Referrals for Those Who Combat Three Specified Diseases Since April 2019

We provide hospital referrals for those who have been diagnosed with cancer, cerebrovascular disease or heart disease (collectively, “three specified diseases”) and need to receive treatment involving methods or

surgeries that cannot be offered by their primary physicians, thereby connecting them to doctors specializing in relevant fields.

- Upon the primary physician’s consent, the patient can receive a referral when it is confirmed that specialist physicians are available at an affiliated hospital. We will then check the hospital’s vacancy, book appointments and issue a referral letter.

Diabetes Counseling and Specialist Doctor Referral Service Since May 2017

This service provides eligible individuals 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.

- 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

Scope of eligible individuals: Persons insured under “Best Style,” “Whole life medical insurance for people age 50 or older” and whole life medical insurance with a lump-sum benefit.*

Note: Meiji Yasuda Life Second Opinion Service, Best Hospital Referrals for Those Who Combat Three Specified Diseases and Diabetes Counseling and Specialist Doctor Referral Service are run by T-PEC CORPORATION, a subcontractor of Meiji Yasuda Life. Policyholders and persons insured must meet certain conditions to use this service.

* Released on August 2, 2019

Basic Research Aimed at Creating New Products and Services — Meiji Yasuda Research Institute, Inc.

Founded in July 1991, Meiji Yasuda Research Institute underwent reorganization in April 2019, expanding the fields of its study and research to cover such subjects as healthcare, cutting-edge technologies, life planning and public social security systems. Thus, the institute is currently fulfilling a broad range of study and research functions and acting as a think tank for the Meiji Yasuda Life Group. Looking ahead, the institute will strive to help the Group take a flexible business approach amid an increasingly uncertain environment reflecting rapid advances in technologies and changes in society. To this end, it will employ fresh viewpoints in research activities while being attentive to social trends on various fronts.





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 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.

* “*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.

Nursing Care-Related Services

Two affiliates of Meiji Yasuda Life—Meiji Yasuda System Technology Co., Ltd. and Meiji Yasuda Research Institute, Inc.—provide nursing care-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	Nursing care counseling	Specialists like certified care managers and social workers provide phone-based counseling to address nursing care issues.
	Disability counseling	Specialists like certified care managers and social workers provide phone-based counseling to address issues associated with physical disabilities.
Services for corporate customers	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 Research Institute 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%20only))

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.
Disease prevention and nursing care	The website explains types of diseases elderly people often develop and elaborates on how to prevent them while providing tips for nursing care.
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.

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.

Initiatives to Enhance Customer Satisfaction via IT Utilization

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.

Advanced Technologies Supporting Our Face-to-Face Customer Services

Utilizing “Meister Plus” tablet terminals

For approximately 30,000 sales personnel who operate in regions nationwide, we will deploy “Meister Plus” a newly developed tablet terminal that boasts advanced mobile communication functions and is lighter than any other tablet terminals used in the industry. This will better position sales personnel to make proposals and conduct procedures at customers’ homes, workplaces or other locations they choose. Also, “Meister Plus” will serve as a helpful tool when sales personnel provide customers with the explanation of the web-based “MY Wellness Activity Report” service, which delivers health information

in a personalized way tailored to each customer’s health status.

In addition, we will enhance electronic procedures for policy maintenance, expanding the scope of procedures that can be processed by filing a single simultaneous application covering multiple policies. Furthermore, we will improve screen layouts so that customers can navigate procedures following on-screen instructions alone. We will also revise procedures to accept electronic applications for benefit payments. In these ways, we will further enhance customer convenience.

Diversifying Communication Tools

Utilizing “MY phones” (company-furnished smartphones)

We will introduce company-furnished smartphones called “MY phones” for use by sales personnel. This move is expected to enhance the quality of customer services, such as consulting services, while expanding the lineup of policy maintenance services and other after-sales services.

In light of the popularization of smartphones and the diversification of customer communication methods, “MY phones” are equipped with “LINEWORKS,” an app that directly connects with a customer’s LINE account, with the aim of securing a communication tool other than phone calls or e-mail. The app will enable Meiji Yasuda Life to smoothly deliver life insurance-related information and explanations about procedures to customers.

In addition, a high-definition camera installed in “MY phones” will help us go paperless. More specifically, sales personnel will take a photo of forms filled in by customers, such as those used for enrollment application and policy maintenance as well as health checkup results submitted by “Best Style Health Cash Back” policyholders to apply for a premium refund. Sales personnel will no longer need to take original copies away from customers and will be capable of completing these procedures in a swift and secure manner. Looking ahead, we will also utilize photo-based data gleaned in the course of electronic procedures, to this end introducing AI-driven systems for processing this data to enhance the efficiency and smoothness of procedures.

Realizing Quick and Simple Administration Service Procedures

Introducing Settlement Terminals to Go Cashless

We will introduce settlement terminals to enable customers to use credit cards (for payment involving ¥100,000 or less) and cash cards, eliminating the need for cash for premium payments.

These terminals are also able to register or switch customers’ bank accounts used for premium payments by simply reading their cash

cards. Thus, customers will no longer need to fill in paper forms to apply for these procedures, nor will they be asked to affix their seal to a hard copy despite Japan’s established practices requiring the use of a seal with an imprint registered with a financial institution.

Equipping All the Devices with Robust Security Functions

We are equipping “Meister Plus” tablet terminals, “MY phones” and settlement terminals with robust security functions as these devices will be used to handle confidential customer information.

For example, customer information handled via “Meister Plus” and “MY phones” will be immediately transmitted to Meiji Yasuda Life’s system center charged with consolidated information management and

will not be retained in the devices. These tablets and smartphones are also equipped with a biometric authorization system. In addition, settlement terminals are in conformity with PCI-PTS with SRED, the latest global security standard for settlement transaction devices. They will likewise retain no data in local device memory as they immediately encrypt card data and transfer it to a card information processing facility.

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, comprehensive group disability income 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.

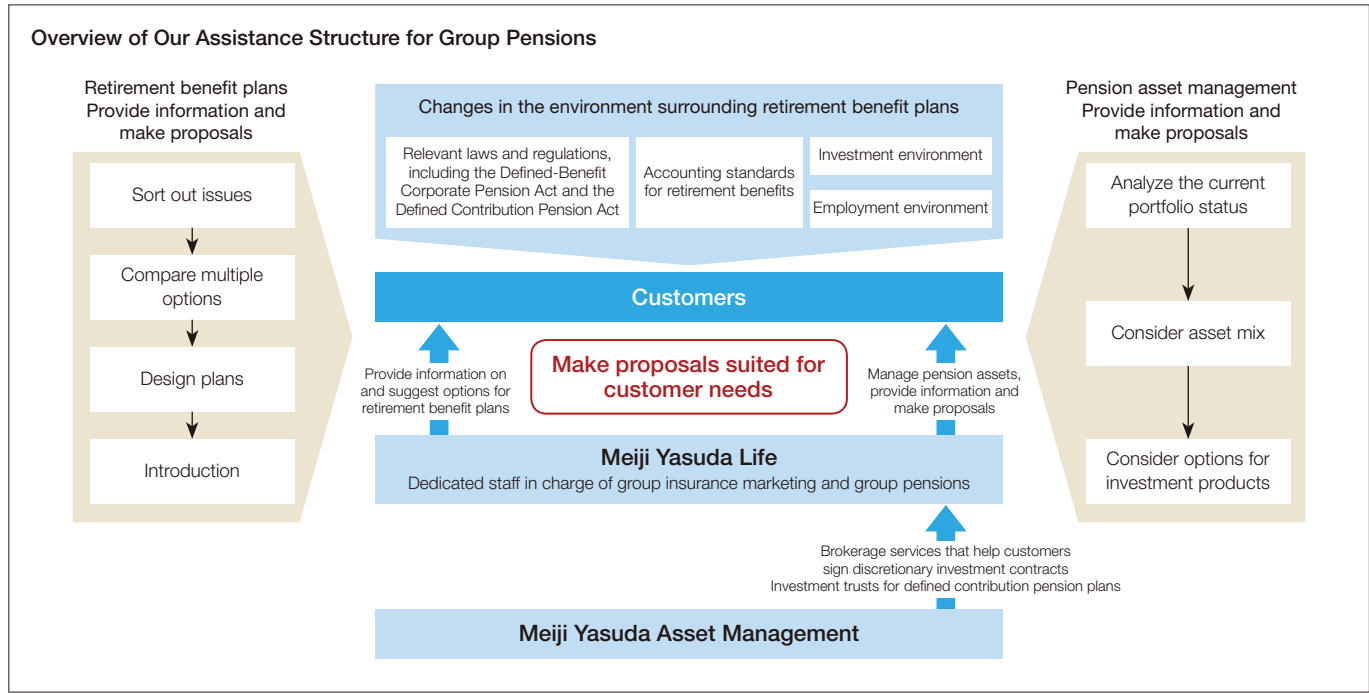
In addition to those listed above, the persons insured are eligible for the following services at the time of the receipt of insurance claims for disabilities.

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. → 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.
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. → 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.



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

Products and investment outlets	Provider
<p>General account</p> <p>First treaty separate account Asset management via 14 accounts and five plans with performance-based dividends</p>	<p>Meiji Yasuda Life</p>
<p>Discretionary investment contracts</p> <p>30 standard products with performance-based dividends</p> <p>Domestic and foreign stock Domestic and foreign bonds Balanced-management Alternative vehicles, etc.</p>	<p>Meiji Yasuda Asset Management</p> <p>Meiji Yasuda Life engages in brokerage services that help customers sign discretionary investment contracts with Meiji Yasuda Asset Management</p>

Note: The number of products is as of April 1, 2019. 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 Research Institute, Inc.)

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.

Example themes for nursing care seminars	I. The reality of a declining birth rate, an aging society and nursing care issues	II. To support long-term nursing care
	<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 	<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

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 500 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.

Seminars for managers	<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
Seminars for staff members	<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 2019.

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.

Thanks to their assiduous efforts to improve services and their commitment to social contribution, these overseas subsidiaries and affiliates are highly appreciated by a broad range of stakeholders.

Overview of the Overseas Insurance Business

● Overseas bases in New York, London and Hong Kong



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.

In 2018, TU Europa S.A. was selected to be named the "Best Digital Insurer" at an international forum for financial institutions held in Poland. As such, TU Europa S.A. has garnered a solid reputation as an innovative insurer. Meanwhile, for the fourth consecutive year, TUIR Warta S.A. has been commended for its high-quality customer services, based on the results of surveys targeting Poland's general public.



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). In 2018, Founder Meiji Yasuda Life was commended by *China Business Journal* as an insurer with excellent competitiveness. This joint venture has also garnered a high reputation in such fields as human resource development and philanthropy.



Thai Life Insurance Public Company Limited (Thailand)

In 2013, we invested in this major life insurer and thus made it our affiliate. In line with its management philosophy, Thai Life aims "to be an iconic brand inspired by the people, for the people," and, to this end, takes advantage of its significant brand recognition backed by a track record that extends more than 75 years. In 2018, Thai Life was chosen to receive the Award for Excellence (Thailand's Life Insurance Category) under the Global Insurance Awards program sponsored by *World Finance*, a U.K.-based business magazine. Currently, we are striving to help Thai Life achieve sustainable growth by, for example, providing assistance to its initiatives in the agency distribution channel and the IT field.





StanCorp Financial Group, Inc. (Portland, the United States)

In March 2016, Meiji Yasuda acquired a 100% equity stake in StanCorp Financial Group, Inc., a leading provider of insurance and financial services, making it a wholly owned subsidiary. StanCorp Financial Group, and its subsidiaries, known by its marketing name "The Standard," was founded — and is still headquartered — in Portland, Oregon, in 1906. The management philosophy of The Standard is to help people achieve financial well-being and peace of mind, and the company has a solid track record of business success and innovation, especially in the U.S. group life insurance market, which is the world's largest. With its strong products and services and a distribution network extending across the United States, The Standard is well-positioned for future growth. The Standard's focus on customers, corporate strategy

and business goals are complementary to Meiji Yasuda Life. Meiji Yasuda provides The Standard with management oversight, embedding personnel, including a director, at The Standard headquarters to help the company drive expansion and achieve greater profitability.

The Standard, like Meiji Yasuda, also focuses on helping strengthen local communities. The company and employees donate time and money to hundreds of schools and nonprofits. In 2018, this generosity and commitment was recognized with many awards including the Keep Oregon Well Mental Health Heroes award from Trillium Family Services, a mental and behavioral health care provider for children and families, for ongoing financial and volunteer support.



Meiji Yasuda America Incorporated



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. 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. PGL is also known for proactive employee involvement in volunteer activities. For example, in 2018 PGL employees helped organize Radiothon, a fund-raising event sponsored by Kapiolani Medical Center.



PT Avrist Assurance (Indonesia)

In 2010, we invested in this life insurer. Since then, we gradually stepped up investment, increasing our shareholdings in Avrist, making it our affiliate in 2012. A life insurer boasting a solid track record spanning more than 40 years, PT Avrist Assurance engages in operations in regions across Indonesia via diverse channels. In 2018, Avrist was commended by business magazine *Warta Ekonomi* as the Life Insurance Company with Best Financial Performance based on the magazine's evaluation of its recent operating results and ratings from customer surveys. Meiji Yasuda Life is dispatching personnel to help this affiliate raise its corporate value through such measures as strengthening its sales capabilities.



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.

On a quarterly basis, we also disclose the results of votes we cast on individual ballot proposals at investees.

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.

In addition to these efforts, we will improve the overall effectiveness of investee dialogue and our stewardship initiatives by, for example, seeking counsel from external specialists and experts. We will thereby develop and upgrade our structure for ensuring the appropriateness of our stewardship initiatives well 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

Our Social Contribution Activities

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 renewed the title partner contract with J.League in January 2019, with the hope that this partnership will help deliver new value in terms of community revitalization. As they did a year earlier, in the 2019 season our regional offices across Japan have also entered sponsorship deals with J 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 26 and 27 for more details on these initiatives.

* 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).

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, 2019, the Company made donations to NPOs engaged in initiatives to address social issues, selecting ten recipients from around the country in collaboration with the Japan Philanthropic Association. The beneficiaries included organizations supporting children, 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 2018, we donated to 12 citizen groups, expanding the total number of beneficiaries to 185 over the course of the past 18 years.



Presenting Yellow Patches

Our longstanding traffic safety campaign of presenting Yellow Patches to new elementary school children has now been in service for well 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 66,540,000 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.



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 operates 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 35 years, the concerts have been held at 156 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 2018, we held these events in five locations, namely, Ishikawa, Aomori, Tokushima, Wakayama and Shizuoka 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 2018, this event was held in 72 locations across Japan and the number of employees and their families who participated in this activity totaled approximately 42,000.



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 1,800 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.

In an effort to bring benefit to society as a whole, the foundation is raising public health awareness, to this end providing its insights to local governments, business corporations, community organizations and other entities by presenting health-themed lectures and by hosting health checkup events.

In recent years, the foundation is focused on promoting and assisting in employee health management aimed at countering the harmful effects of sitting at a desk for long periods of time.



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. The foundation provides expert counseling and other services to assist parents raising children with developmental disorders and children themselves. 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 been promoting the use of communication assistance boards—a popular support tool for those with disabilities as well as foreigners.



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.



Our Initiatives to Address Environmental Concerns

Meiji Yasuda Life believes that addressing environmental issues, especially global warming, is essential to fulfilling its social responsibilities as a corporate citizen. Accordingly, we are striving to minimize the environmental footprint attributable to our operations while helping employees

raise their environmental awareness. In these ways, we are proactively contributing to environmental protection, aiming to foster and preserve a society rich in the blessings of nature so that people, including our customers, can live with confidence and enjoy abundant lifestyles.

Promoting Energy-Saving Measures across the Board

We formulated in-house operational standards for air conditioning systems, including those associated with temperature settings and operational hours. To reduce the use of energy-consuming equipment, we identified basic practices to be observed by employees, such as turning lighting off during lunch breaks or when the office is empty and using

stairways where possible instead of elevators. We also implement various measures to promote these practices, for example, raising employees' energy-saving awareness via in-house communications, such as newsletters and the intranet, and holding "Coolbiz" campaigns that relax dress codes and allow employees to wear cooler clothing.

Total Energy Consumption of All Buildings (calculated based on methods stipulated by Japan's Act on Rationalizing Energy Use)¹

Years ended March 31,	2014	2015	2016	2017	2018
Energy consumption volume (crude oil equivalent: kl)	64,024	59,804	57,504	57,979	59,017
Electricity consumption volume (1,000 kWh)	224,460	210,740	204,670	204,940	207,450
CO ₂ emission volume (t- CO ₂) ²	136,742	127,359	119,569	117,194	116,225

1. Figures for the fiscal year ended March 31, 2019 are expected to be finalized around July 2019.

2. Calculated using emission coefficients specified by Japan's Act on Promotion of Global Warming Countermeasures under calculation, reporting and disclosure systems enforced by said act (CO₂ emission volume attributable to electricity consumption is calculated using emission coefficients announced by power companies).

External Recognition

Maintaining a "Top-Level Facility" Certification

Meiji Yasuda Life's Marunouchi MY PLAZA (Meiji Yasuda Life Building and Meiji Seimei Kan) applied for a certification under the Tokyo Metropolitan Environmental Security Ordinance aimed at certifying facilities boasting outstanding global warming countermeasures and was successfully certified as a "top-level facility" for the second compliance period specified by said ordinance. MY PLAZA has previously been certified as a "top-level facility" in the first compliance period. A building complex consisting of office and commercial facilities, MY PLAZA welcomes a vast number of visitors. In addition to installing building equipment with superior energy efficiency, this facility was commended for its collaborative initiatives with tenants to systematically reduce CO₂ emissions.

* The Tokyo Metropolitan Government certifies large-scale business facilities based in Tokyo via the assessment of a total of 213 items, ranging from the status of organizational structure for reducing CO₂ emissions to the installation of energy-saving equipment. Under this assessment scheme, "top-level facilities" are selected among facilities deemed excellent in terms of specific global warming countermeasures and represent outstanding performance in the promotion of such countermeasures.

Making Our Office Buildings Environmentally Friendly

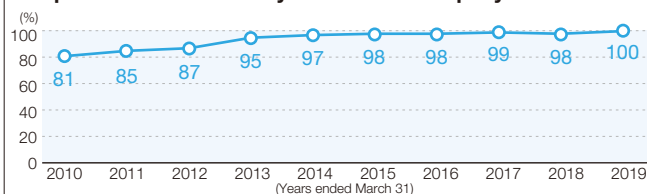
We have planted greenery on the rooftops of a total of 13 company-owned buildings located in regions nationwide. In total, such greenery now covers 6,649 m². We expect that the green rooftops will help

alleviate the "urban heat island effect" while providing buildings with additional heat insulation that, in turn, helps reduce energy use by air conditioning systems.

Introducing Eco-Friendly Vehicles

As for company-owned cars, we have proactively promoted a switchover to eco-friendly vehicles. In the fiscal year ended March 31, 2019, we completed this switchover, with all 123 company-owned cars now consisting of eco-friendly vehicles, including 84 hybrid vehicles.

Proportion of Eco-Friendly Vehicles in Company-Owned Cars



Separation and Recycling of Waste

We are proactively engaged in the collection, separation and recycling of waste by, for example, installing recycling boxes at each floor of the Meiji Yasuda Life Building that houses our headquarters. As a result, the recycling ratio stood at 80.0% in the fiscal year ended March 31, 2019.



A recycling box

Reducing the Volume of Paper Use

In addition to installing the “e-filing” electronic document management system aimed at facilitating document and information sharing that transcends organizational boundaries, we are striving to go paperless by promoting the use of monitors and projectors at meetings instead of distributing paper-based handouts. We are also minimizing paper use via double-sided printing and reduced printing. Furthermore, accomplishments by each business unit in terms of reduction in paper use are periodically shared in-house through the intranet and other media, with the aim of raising employee awareness and encouraging spontaneous initiatives.

Employing Environmentally Friendly Printing Methods While Promoting a Switchover to Paperless Terms and Conditions for Insurance

Meiji Yasuda Life is also reducing the volume of paper used in various explanation materials for customers while promoting the use of plant-based biodegradable ink.

As part of initiatives to reduce paper use, we have previously converted general terms and conditions for life insurance products into CD-ROM and, in September 2015, we introduced web-based general terms and conditions to be used for all new policies handled by sales personnel, including those for “Best Style,” our mainstay life insurance product.

To reduce resource consumption, we will continue to give due consideration to environmental concerns in the course of business activities.



Summary of policy terms and conditions for “Best Style”



Web-based general terms and conditions

Purchasing Environmentally Friendly Office Equipment

As for office equipment used by headquarters, regional offices and agency offices, we preferentially purchase products certified under environmentally friendly product certification systems, including the Eco Mark program and the Green Purchasing Network program, or those compliant with Japan’s Green Purchasing Act or certified by the Forest Stewardship Council. Thanks to systematic efforts to purchase from

these sources, the proportion of environmentally friendly products in overall value of office equipment purchased in the fiscal year ended March 31, 2019, remained robust at 81.8%.

Going forward, we will systematically promote the procurement of environmentally friendly office equipment.

Implementing Energy Saving Campaigns

We have implemented across-the-board energy saving campaigns, designating a summer campaign period (from July to September 2018) and a winter campaign period (December 2018 to March 2019). These campaigns involved the announcement of standard room temperature

settings (28°C in summer and 20°C in winter) and other energy saving measures, in addition to providing employees with tips for energy saving to raise their environment awareness and encourage spontaneous action.

Helping Children Raise Their Environmental Awareness

We are co-sponsoring the “Nationwide Environment-Themed Painting Competition for Elementary and Junior High School Students” aimed at facilitating environmental education. By doing so, we are helping raise

children’s environmental awareness, with the hope that we can contribute to the preservation of the environment and society as a whole.

Promoting Diversity & Inclusion

In line with the “MY INNOVATION 2020” (April 2017 – March 2020), Meiji Yasuda Life has identified “diversity & inclusion” as one of its priority issues. Accordingly, we are striving to create an environment and structure that accepts diverse human resources and motivates them to realize their full potential. Furthermore, we are fostering an inclusive corporate culture that encourages employees to appreciate each other’s differences.

Creating an Environment and Structure for Motivating Diverse Human Resources to Realize Their Full Potential

Encouraging Women Who Aim for Career Success

We are promoting various initiatives aimed at supporting female employees in their pursuit of achieving their full potential, providing them with career development assistance, updating our personnel systems and offering them a broader range of career opportunities. Through these initiatives, we aim to empower them to create new value and meet increasingly diverse customer needs.

◆ Career Development Assistance

We maintain a list of female manager candidates and provide them with job level-based training tailored to their career goals. We also implement in-house posting to select participants for special training programs, offering various training opportunities to women with ambition and competence. In these ways, we strive to secure a constant stream of female candidates for managerial positions.

◆ Updating Personnel Systems to Assist Women in Their Pursuit of Success

We have been incrementally reorganizing our personnel systems to support two distinct job categories: “nationwide career track employees” and “region-specific career track employees.” We have thereby clarified that all career track employees deserve equivalent treatment except for transfer orders that may be issued to those in the former category and cause them to relocate.

We also unified wages set for job roles in both categories. Placing stronger emphasis on the principle of “equal pay for equal work,” this move helped enhance the persuasiveness and transparency of the wage system.

◆ Offering a Broader Range of Career Opportunities

We are broadening the range of career opportunities offered to female employees with ambition. For example, we offer job posts that allow them to better leverage their past career and life experience. We are also accelerating the conversion of employees on term-limited employment to permanent employment.



Job level-based training for female employees

Status of Female Employees Promoted to Managerial Positions (as of April 1, 2019)

Currently, the number of female managers amounts to 311, representing 24.4% of overall managerial positions.

General managers ¹	6
Managers ²	305
Total	311

1. General managers of headquarters departments, regional offices, group insurance marketing departments, etc.

2. Group managers of headquarters business units or managers at regional offices, group insurance marketing departments, etc.

Creating a Workplace in Which People with Disabilities Play Key Roles

As of March 31, 2019, we employ approximately 980 people with disabilities. Looking ahead, we will step up the hiring of people with disabilities. To this end, we are staffing them at sales units of regional offices and headquarters’ administrative departments that are equipped with a cutting-edge, barrier-free environment while giving due consideration to the characteristics of each individual. To offer employment opportunities, we will also utilize a special-purpose subsidiary established in June 2017 in accordance with Japan’s Act on Employment Promotion etc. of Persons with Disabilities.

We are also promoting the creation of a workplace environment in which people with disabilities can work with confidence. For example, we offer face-to-face interviews by occupational life counselors appointed at each business unit where these people are employed. We also conduct awareness surveys while setting dedicated in-house help desks for people with disabilities. Moreover, we provide them with opportunities to assume higher job responsibilities. We are thus helping people with disabilities pursue fulfilling careers that live up to their potential.

Offering Robust Job Opportunities for Middle Aged and Senior People

In accordance with Japan’s revised Act on Stabilization of Employment of Elderly Persons, in April 2013 we updated our conventional system for re-hiring seniors who reached retirement age via the creation of an “elder staff” system. In general, this system was intended to offer job opportunities to all retirees willing to remain in the workforce and secured their employment until age 65. In April 2019, we extended the official retirement age, believing that encouraging middle aged and senior people to play greater roles in the workforce is essential to sustainable corporate growth. Thus, all employees are now allowed to maintain their career tracks until they reach 65 without disruption.

Fostering a Corporate Culture That Embraces Diversity

Creating an Inclusive Workplace Environment

We recognize that love of family is at the heart of insurance. Based on this recognition, we are promoting the creation of an inclusive environment supported by mutual assistance. At the same time, we are developing a fulfilling workplace that helps all individuals to realize their full potential while fostering a corporate culture in which diverse human resources feel welcomed and enabled to work vibrantly. To this end, we are implementing various initiatives, such as those listed below, aimed at creating a working environment conducive to innovation.

◆ Training Managers to Support Staff Efforts to Strike Work-Life Balance

We are implementing special training programs for managers to raise their awareness of the growing need to support their own staff's engagement in childrearing and other family pursuits. In line with the programs' objective of encouraging spontaneous initiatives at each business unit, all officers, including the president, and every manager signed up for these programs and declared their commitment to helping their staff achieve work-life balance while formulating action plans that employ a PDCA cycle. The implementation of these programs resulted in a number of effective initiatives finely tuned to address issues specific to each business unit, while drawing on its unique characteristics. These programs are expected to help Meiji Yasuda Life enhance its human resource capabilities, improve employee health, create spare capacity and promote workforce diversity.

Under these programs, ideal traits for managers are defined as follows: (1) commitment to helping their staff strike an optimal balance between work and family; (2) willingness to support staff pursuit of success in terms of both career development and private life; (3) capabilities to lead business units under their supervision to achieve robust performance; and (4) a mental leeway allowing themselves to enjoy both work and private life.



President Akio Negishi holding a statement of declaration

◆ Holding Annual Diversity Forums

As we aim to foster a corporate culture that embraces diversity & inclusion, we hold an annual Diversity Forum to convene key personnel from each workplace and discuss issues their business units now confront in the course of diversity promotion and how to resolve them.

◆ Developing a Working Environment That Embraces Members of the LGBT Community

To create a working environment where members of the LGBT community can work in confidence, we are enhancing our employee benefit programs while setting up a dedicated in-house counseling desk. We are also encouraging employees to become allies to such people and express support for them.

◆ Supporting Optimal Work-Life Balance

At Meiji Yasuda Life, all business unites have introduced the Work-Life Design Program to improve the effectiveness of our ongoing initiatives aimed at helping employees achieve work-life balance and enhance the quality of their working styles. This program involves assessing the status of work-life balance at each business unit, granting points based on such factors as the amount of annual paid leave utilized and the amount of childcare leave taken by male employees. Assessment results are also reflected in the evaluation of business unit managers.

External Recognition

- Received an "Award for Excellence from the Minister" under the "Excellent Equal Opportunity/Work and Family-Life Balance Companies" commendation program (Family-Friendly Corporation Category) sponsored by the Ministry of Health, Labor and Welfare (MHLW) (October 2013)
- Received a "Special Encouragement Award" under the "Ikumen Company Award" program sponsored by MHLW (October 2013)
- Included in "FY2014 Diversity Management Selection 100" published by the Ministry of Economy, Trade and Industry (March 2015)
- Received a "Special Encouragement Award from the Minister" under the "Telework Promotion Company Commendation" program sponsored by MHLW (November 2015)
- Acquired "Platinum Kurumin Certification"* under the certification program in accordance with Japan's Act on Promotion of Measures to Support the Development of the Next Generation (December 2015)
* Initiated on April 1, 2015, this certification is granted only to outstanding performers among companies acquiring "Kurumin Certification," which accredits their initiatives to support employee engagement in childrearing
- Received an "Award from the Minister of State for Gender Equality" under a program titled "Leading Companies where Women Shine" sponsored by the Gender Equality Bureau of the Cabinet Office (December 2016)
- Obtained a "Gold" rating under the Pride Index rating program sponsored by work with Pride (wwP), an NPO aimed at assisting sexual minorities in their pursuit of equal rights, for the second consecutive year (October 2017 and 2018)



Business Activities

Main Initiatives in the Fiscal Year Ended March 31, 2019

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.

We strengthened our products by expanding the lineup of “Simple Insurance Series Light! By Meiji Yasuda Life” (hereinafter “Light! Series”) through the release of “Meiji Yasuda Life *Odekake Keikouhin*” in November 2018. This is yet another insurance offering designed to target younger customers and those with no prior insurance coverage to encourage casual enrollment. This nonlife insurance extends coverage for the policyholder’s belongings.

In June 2018, we also released “Wage and Household Budget Supporting Rider,” a new rider that can be attached to “Best Style.” This move is intended to meet growing needs for income protection coverage, reflecting the ongoing expansion of the number of single-person households and the increasing workforce participation of women.

In the market for “investment-type products,” in February 2019, we released “U.S. dollar-denominated wealth accumulation whole life

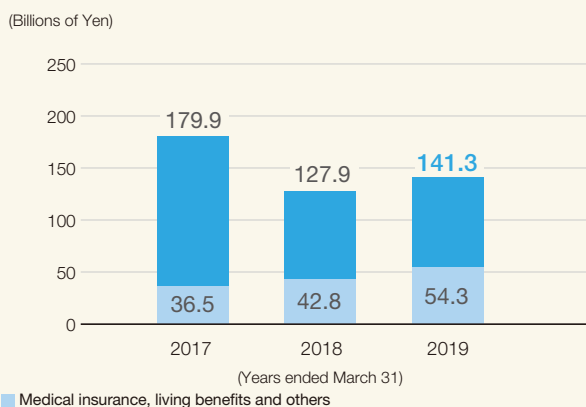
insurance,” a level premium product aimed at accommodating needs for asset building solutions.

To enhance our sales and service structure, we have endeavored to reinforce our pool of sales personnel in terms of quality and quantity. To that end, we took such steps as expanding dedicated organizations in charge of joint training sessions and revising the educational curriculum, with the aim of reinforcing our education and training structure for sales personnel. Simultaneously, we expanded the scope of areas covered by region-specific career track employees appointed from new recruits to be charged with group insurance marketing. We also enhanced sales management and human resource development systems for this employee group. Through these and other efforts, we advanced our market competitiveness, especially in urban areas.

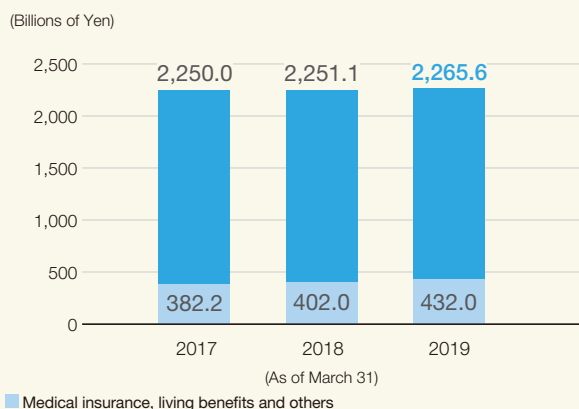
To secure new contact points with customers, we stepped up market development efforts by employing Meiji Yasuda Life’s unique corporate capabilities. For example, we took advantage of digital marketing methods in web-based promotional campaigns while co-hosting events with J.League’s partner companies and other external corporations.

As a result, the number of customers as of March 31, 2019 (agency distribution channel) rose 90,000 year on year to 7,030,000, achieving our Medium-Term Business Plan target of 7,000,000 a full year ahead of schedule.

Annualized New Premiums
(individual life insurance and individual annuities)



Annualized Premiums in Force
(individual life insurance and individual annuities)



Group Insurance Marketing

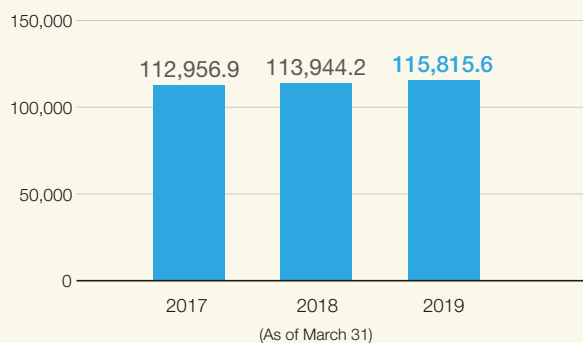
In group life insurance, we encouraged our corporate and group customers to review current coverage in conjunction with the revision of insurance premium rates and made various proposals aimed at helping enhance coverage offered to persons insured. Consequentially, group life insurance in force totaled ¥115.8 trillion, achieving the ninth consecutive year of growth. We also released comprehensive group disability income insurance in January 2019 to meet growing needs for income protection coverage that would take effect should the policyholder no longer be able to work due to disease or injury. In this way, we strove to expand the group life insurance market.

In group pensions, we engaged in consulting activities aimed at accommodating customers' asset management needs. In doing so, we promoted products of our subsidiary that engages in investment advisory through our separate account asset management and brokerage services.

Taking advantage of our customer base in group insurance marketing, we also endeavored to expand the point of contact with employees of our group and corporate customers. To this end, upon the approval of such customers, sales personnel paid visits to their workplaces as well as offices of their subsidiaries and affiliates to secure marketing footholds.

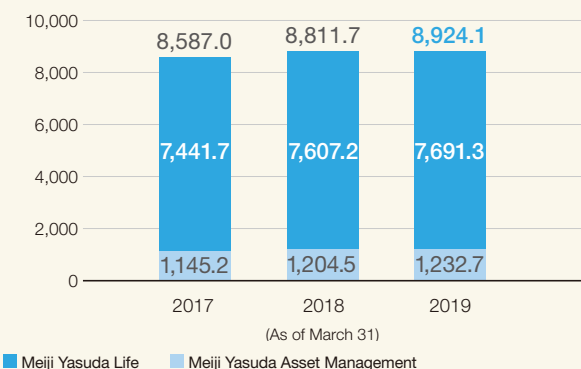
Life Insurance in Force (group life insurance)

(Billions of Yen)



Group Pension Assets held by the Meiji Yasuda Life Group*

(Billions of Yen)



* 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 products designed to meet asset management needs among middle-aged or older individuals and affluent customers. Specifically, we promoted "Everybody Plus," a single premium whole life

insurance denominated in foreign currencies, while releasing "Australian dollar-denominated endowment insurance with a single lump-sum premium" in December 2018.

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, 2019, we purchased foreign bonds whenever U.S. interest rates rose, giving due consideration to trends in foreign exchange rates and the gap between domestic and overseas interest rates. We also invested in Japanese government bonds (JGBs) when the Bank of Japan's move to adjust its monetary policies prompted growth in domestic interest rates. As such, we strove to maintain optimal asset allocation consistent with the present market environment.

With the aim of boosting our profitability, 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 January 2019, we became a signatory to the United Nations Principles for Responsible Investment (PRI), which advocates for the incorporation of ESG perspectives into the investment and financing judgments of institutional investors to facilitate the realization of a sustainable society.

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 striving to help investees achieve growth in corporate value and maximize shareholder value attributable to it. To this end, we engaged in dialogue with investees and the exercise of our voting rights in a way that gives due consideration to differences in the nature of general and separate accounts, taking distinct approaches based on the asset categories in which they are held. In the fiscal year ended March 31, 2019, we also began publicly disclosing the results of votes we cast on individual ballot proposals at investees held in our general account assets while increasing the frequency of such disclosure, from an annual basis to a quarterly basis, after the disclosure of voting results as of July 2018. As such, we steadily upgraded the information disclosure practices associated with our stewardship initiatives that began with our earlier decision to publicly disclose the results of votes we cast on individual ballot proposals at investees held in our separate account assets in the fiscal year ended March 31, 2018.

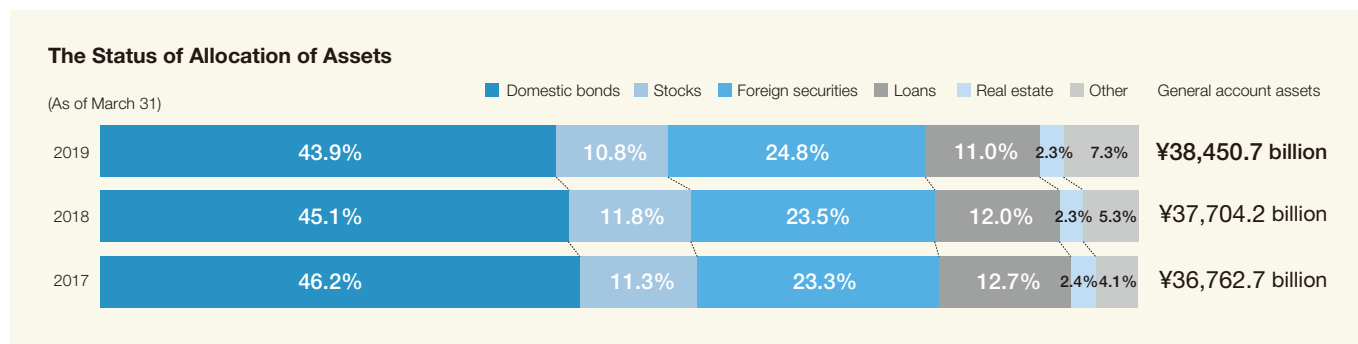
Overview of Asset Management Results

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, 2019 stood at ¥38,450.7 billion, up ¥746.4 billion compared with March 31, 2018. Detailed year-

on-year comparisons by asset type follow.

Domestic bonds decreased ¥130.6 billion as redemptions exceeded the increase from new investment, despite our efforts aimed at purchasing JGBs whenever domestic interest rates rise and investing in corporate bonds issued by domestic businesses. The value of stocks held decreased ¥328.7 billion due to such factors as lower stock prices. Foreign securities rose ¥689.1 billion due mainly to the purchase of foreign bonds. Loans decreased ¥283.5 billion. This was attributable to decreases from repayments during the fiscal year, which exceeded the increase due to lending. Real estate holdings declined ¥2.5 billion due mainly to depreciation.



Proceeds from Investment

Investment income increased to ¥907.9 billion, up 6.5% compared with the previous fiscal year, due mainly to increases in interest, dividends and other income. On the other hand, investment expenses grew to ¥227.1 billion, up 9.6% 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 ¥680.8 billion, up 5.5% compared with last year's figure. Investment return on base profit and overall investment return grew year on year to 2.79% and 1.92%, respectively, compared with the previous fiscal year.

Rate of Return

Years ended March 31,	2017	2018	2019
Investment Return on Base Profit = (proceeds from investment in base profit – provision for interest on dividend reserves)/policy reserves in general account	2.52%	2.65%	2.79%
Investment Return = net investment income/average daily balance of general account assets	1.89%	1.91%	1.92%

Pursuing High-Quality Administrative Service

In the individual insurance field, we expanded the scope of electronic procedures available via the "Meister Mobile" tablet terminals while enhancing functions of "MY Hoken Page," a website dedicated to policyholder services. Through these efforts, we strove to enhance customer convenience, ensuring that our administrative procedures are always easy to understand and quick to complete. As a result, in the fiscal year ended March 31, 2019, the customer satisfaction rating with regard to our procedures stood at 63.2%, up 6.1 percentage points year on year.

In addition, efforts are now under way to upgrade our structure for after-sales services, focusing on better serving the elderly. To this end, we continued to promote our "MY Anshin Family Registration Scheme" that registers secondary contacts other than policyholders. We also carried out the "MY Longevity Policy Checking Scheme" to help elderly customers determine whether they have eligible claims that they will

want to apply for and, if so, swiftly process their related applications.

Moreover, we have been encouraging customers, who have physical difficulties completing application procedures, to sign up for the "MY Assist+ System," which was instituted in April 2018 to provide support.

In the field of group insurance, we have endeavored to enhance customer satisfaction and improve the convenience of various administrative services via the operation of "MY Hojin Portal," a web-based administrative service platform for the individuals in charge of insurance policies at group customers. As part of our after-sales services, we also continued to implement a group insurance version of the "MY Longevity Policy Checking Scheme" to help persons insured under group life insurance for retirees. Under this scheme, we helped such persons determine whether they had eligible claims and processed applications in line with their requests.

Profitability and Growth

In the Fiscal Year Ended March 31, 2019, Base Profit of the Group and Base Profit of the Company Both Hit a Record High for the Second Consecutive Year

Consolidated Operating Results

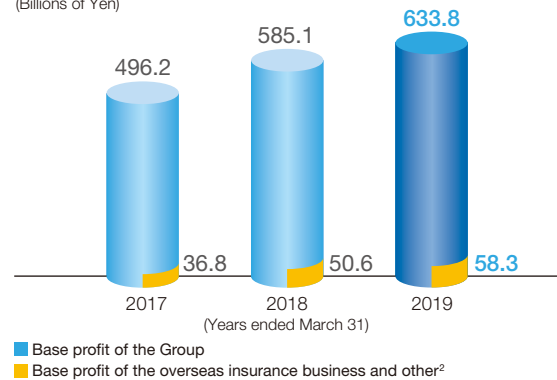
Base Profit of the Group¹

¥633.8 billion

Base profit of the Group grew 8.3% year on year to ¥633.8 billion, reaching a record high for the second consecutive year. This was mainly due to increases in interest, dividends and other income.

Base Profit of the Group

(Billions of Yen)



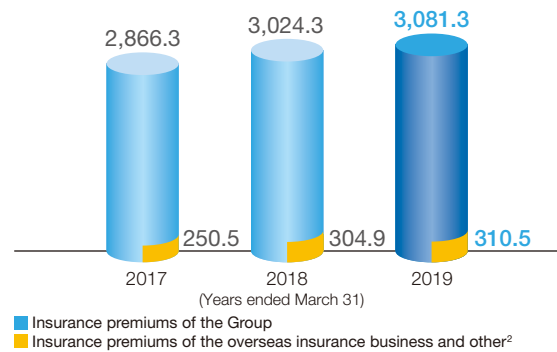
Insurance Premiums of the Group³

¥3,081.3 billion

Insurance premiums of the Group increased 1.9% year on year to ¥3,081.3 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

(Billions of Yen)



Insurance Claims, Annuities and Benefits on Policies Paid

¥1,647.9 billion

During the fiscal year ended March 31, 2019, the total of insurance claims, annuities and benefits on policies paid stood at ¥1,647.9 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

¥395.5 billion

(for 2,351 thousand cases)
Including hospitalization benefits and surgical benefits of ¥48.3 billion (for 579 thousand cases)

Annuities

¥614.5 billion

(for 6,569 thousand cases)
Including individual annuities of ¥370.2 billion (for 754 thousand cases)

Insurance Claims

¥637.8 billion

(for 219 thousand cases)
Including death insurance claims of ¥378.7 billion (for 102 thousand cases)

Total
¥1,647.9 billion
(for 9,141 thousand cases)

(Year ended March 31, 2019)

Non-Consolidated Operating Results

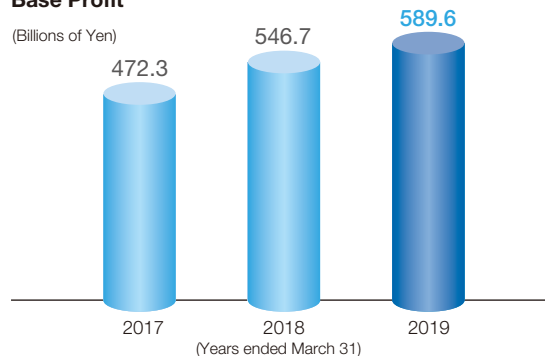
Base Profit⁴

¥589.6 billion

Base profit of the Company rose 7.9% year on year to ¥589.6 billion, hitting a record high for the second consecutive year.

Base Profit

(Billions of Yen)



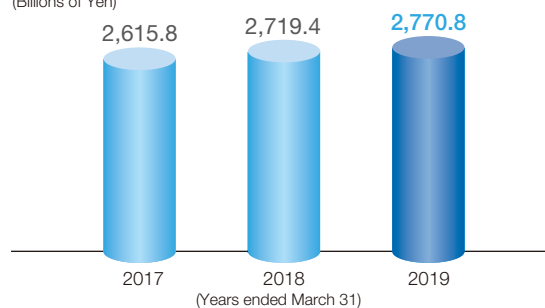
Insurance Premiums and Other⁵

¥2,770.8 billion

Insurance premiums and other of the Company increased 1.9% year on year to ¥2,770.8 billion.

Insurance Premiums and Other

(Billions of Yen)



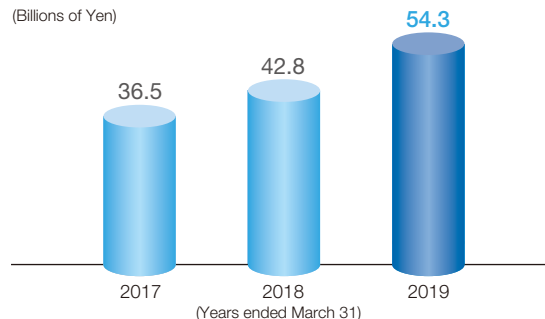
Annualized New Premiums⁶ (third-sector insurance)

¥54.3 billion

Annualized new premiums of the Company (third-sector insurance) climbed 26.9% year on year to ¥54.3 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

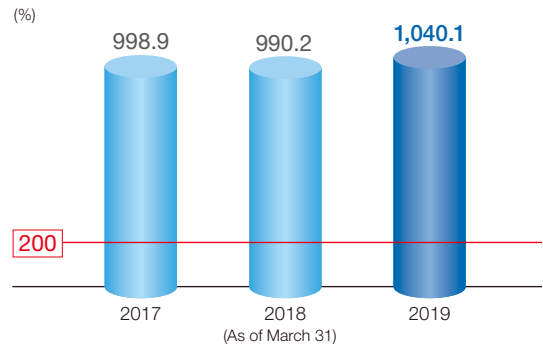
Consolidated Solvency Margin Ratio

1,040.1 %

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 1,040.1%, maintaining the indicator at a high level.

Consolidated Solvency Margin Ratio

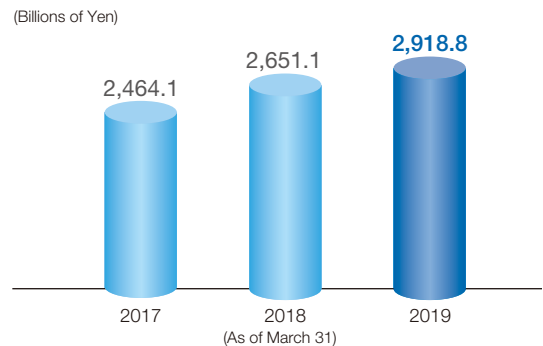


On-Balance Sheet Capital (Non-consolidated basis)

¥2,918.8 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

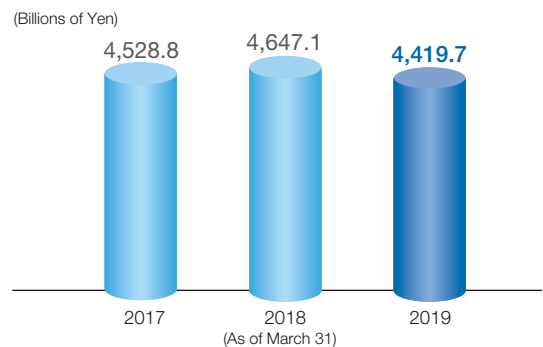


European Embedded Value (EEV)

¥4,419.7 billion

EEV is an indicator that shows the corporate value of insurance companies. On a consolidated basis, our EEV amounted to ¥4,419.7 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, 2019)

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

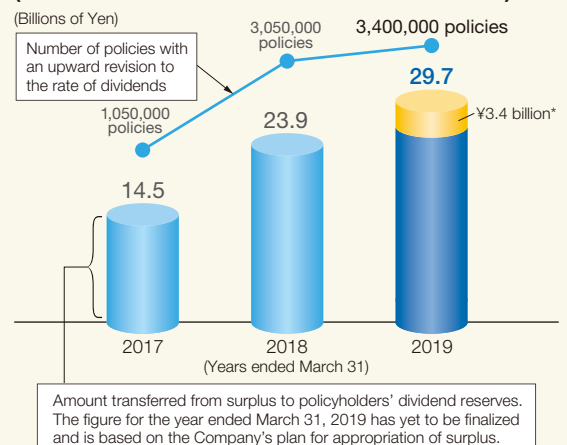
Raising the Rate of Dividends on Individual Life Insurance and Individual Annuities for the Third Consecutive Year

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, 2019, 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 or hospitalization rider. This decision was made by taking into account such factors as an improvement in the mortality rate and the hospitalization rate and will result in a total of ¥3.4 billion increase in dividends paid for 3,400,000 policies.

Boosting the returns of surplus to policyholders compared with the previous fiscal year, Meiji Yasuda Life has thus achieved a third consecutive annual increase in the rate of dividends.

Provision for Policyholders' Dividend Reserves (Individual life insurance and individual annuities)



*Year-on-year growth attributable to upward revisions

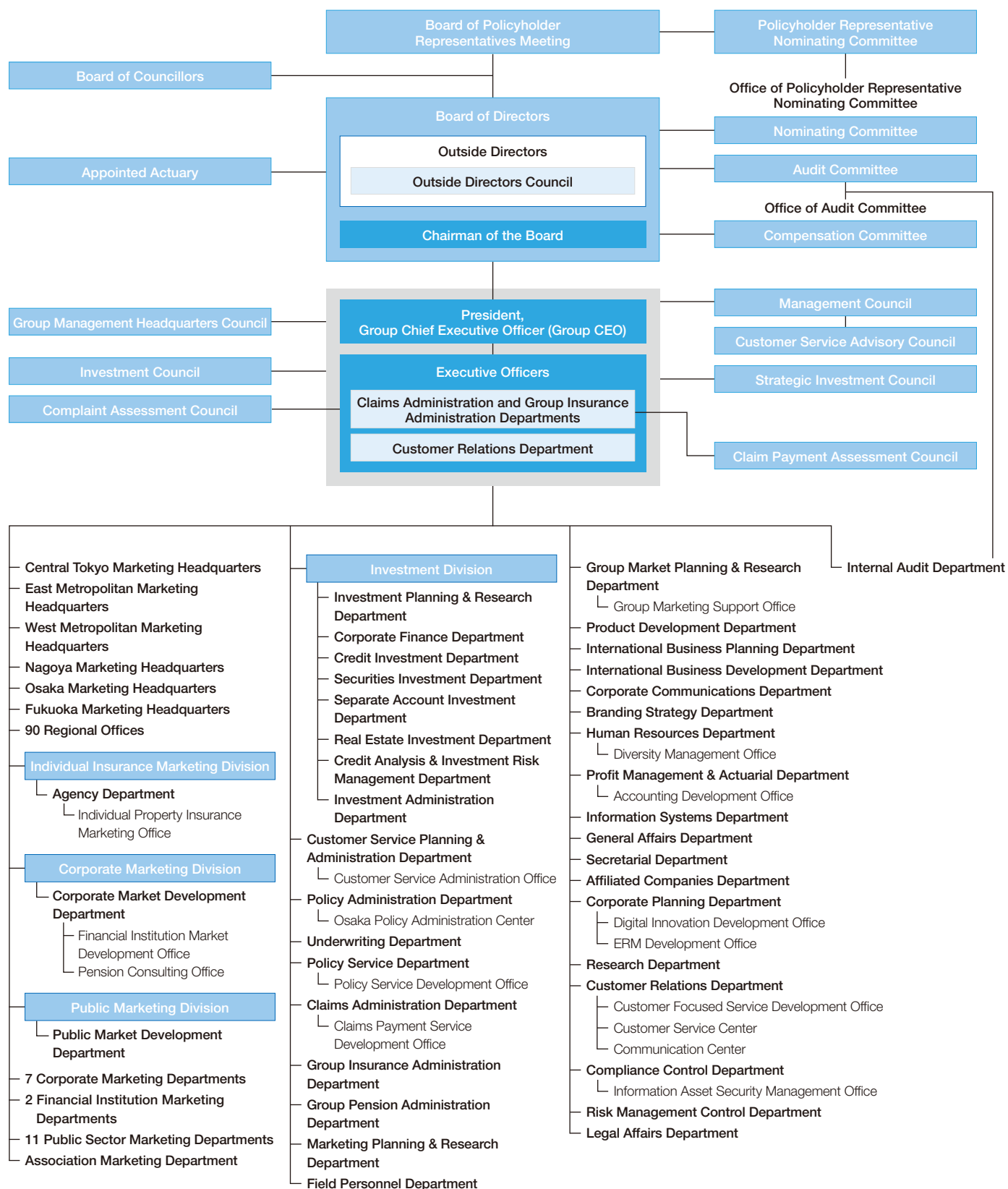
Company Information

Contents

Company Organization	113
Sources of Foundation Funds / Status of Employees	114
Domestic Subsidiaries, Affiliates and Others	115
Overseas Subsidiaries, Affiliates and Others	116

Company Organization

(As of July 2, 2019)



Sources of Foundation Funds / Status of Employees

Contributors

(As of March 31, 2019)

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 2017 Fund Special Purpose Company, Ltd.	50,000	19.23
Meiji Yasuda Life 2018 Fund Special Purpose Company, Ltd.	50,000	19.23

Note: Meiji Yasuda Life 2014 Fund Special Purpose Company, Ltd., Meiji Yasuda Life 2016 Fund Special Purpose Company, Ltd., Meiji Yasuda Life 2017 Fund Special Purpose Company, Ltd. and Meiji Yasuda Life 2018 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		2019	
	2018	2019	2018	2019	Average age	Average length of service
Permanent staff	10,485	10,506	275	302	44 years, 4 months	16 years, 2 months
Male	4,442	4,438	139	134	44 years, 4 months	20 years, 9 months
Female	6,043	6,068	136	168	44 years, 3 months	12 years, 10 months
Sales personnel	31,776	32,444	5,660	5,920	47 years, 3 months	10 years, 6 months
Male	7	6	0	0	73 years, 3 months	45 years, 9 months
Female	31,769	32,438	5,660	5,920	47 years, 3 months	10 years, 6 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	
	2018	2019
Permanent staff	15,360	15,372
Sales personnel	31,776	32,444

Domestic Subsidiaries, Affiliates and Others

(As of March 31, 2019)

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"> One of whose directors/officers concurrently serves as the Company's officer 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"> One of whose directors/officers concurrently serves as the Company's officer 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	100.0	0.0	<ul style="list-style-type: none"> 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
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
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	Koto-ku, Tokyo	10	April 1, 1975	Brokerage of goods, sale of goods and administrative operations associated with 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
MST Insurance Service Co., Ltd.	Shinjuku-ku, Tokyo	1,010	October 1, 2003	Insurance agency	16.1	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; investment management 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. Meiji Yasuda System Technology Co., Ltd. established Meiji Yasuda Payment Collection Business Services Co., Ltd. by spinning out its MBS business division on April 1, 2019. On the same day, Meiji Yasuda Payment Collection Business Services Co., Ltd. became a wholly-owned subsidiary of Meiji Yasuda Life Insurance Company.

2. Meiji Yasuda Institute of Life and Wellness, Inc. was renamed Meiji Yasuda Research Institute, Inc. on April 1, 2019.

Overseas Subsidiaries, Affiliates and Others

(As of March 31, 2019)

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	Two of whose directors/officers concurrently serve as the Company's officers
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 2,880 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.: Nine subsidiaries (Meiji Yasuda Life's subsidiaries)
- Pacific Guardian Life Insurance Company, Limited: One subsidiary (Meiji Yasuda Life's subsidiary)
- 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; of these, EUROPA. UA SERVICE and EUROPA. UA are under liquidation proceedings as of March 31, 2019)
- Towarzystwo Ubezpieczeń i Reasekuracji WARTA Spółka Akcyjna: One subsidiary (Meiji Yasuda Life's affiliate)

Financial Section

Contents

Consolidated Basis

Balance Sheets	118
Statements of Income	119
Statements of Comprehensive Income	120
Statements of Changes in Net Assets	121
Statements of Cash Flows	123
Notes to the Financial Statements	124
Independent Auditor's Report	141

Non-consolidated Basis

Balance Sheets	142
Statements of Income	144
Statements of Changes in Net Assets	146
Proposed Appropriation of Surplus	147
Notes to the Financial Statements	148
Independent Auditor's Report	163
Supplementary Financial Information	164

Consolidated Balance Sheets

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
ASSETS:			
Cash and deposits (Notes 3, 4, and 7)	¥ 1,287,537	¥ 646,020	\$ 11,600
Call loans (Note 3)	90,000	90,000	810
Monetary claims bought (Note 4)	212,307	214,730	1,912
Money held in trust (Note 4)	21,669	13,076	195
Securities (Notes 4, 5, 6, 7, and 8)	33,403,624	33,128,510	300,960
Loans (Notes 4, 7, 9, and 10)	5,019,827	5,276,491	45,227
Tangible fixed assets (Notes 11, 12, and 13)			
Land	618,014	614,975	5,568
Buildings	280,168	287,061	2,524
Leased assets	711	787	6
Construction in progress	5,221	5,273	47
Other tangible fixed assets	7,941	7,710	71
Subtotal	912,057	915,808	8,217
Intangible fixed assets			
Software	55,131	60,733	496
Goodwill	132,965	143,246	1,197
Other intangible fixed assets	279,086	281,087	2,514
Subtotal	467,182	485,067	4,209
Due from agents	1,578	1,569	14
Reinsurance receivables	164,308	121,167	1,480
Other assets	428,437	518,444	3,860
Net defined benefit assets (Note 14)	91,988	113,534	828
Deferred tax assets (Note 15)	2,994	2,375	26
Customers' liabilities under acceptances and guarantees	22,563	21,727	203
Allowance for possible loan losses	(5,361)	(5,100)	(48)
Total assets	¥42,120,715	¥41,543,423	\$379,500
LIABILITIES:			
Policy reserves and other reserves			
Reserve for outstanding claims	¥ 738,628	¥ 735,955	\$ 6,654
Policy reserves	34,339,715	33,901,297	309,394
Policyholders' dividend reserves (Note 16)	242,957	233,768	2,189
Subtotal	35,321,301	34,871,021	318,238
Due to agents	2,937	2,931	26
Reinsurance payables	1,187	1,199	10
Bonds payable (Notes 4 and 17)	589,098	482,356	5,307
Other liabilities	1,012,377	891,457	9,121
Net defined benefit liabilities (Note 14)	6,995	6,328	63
Reserve for contingent liabilities (Note 18)	1	1	0
Reserve for price fluctuation	816,962	685,414	7,360
Deferred tax liabilities (Note 15)	281,498	377,710	2,536
Deferred tax liabilities for land revaluation	79,370	79,522	715
Acceptances and guarantees	22,563	21,727	203
Total liabilities	38,134,293	37,419,670	343,583
NET ASSETS:			
Foundation funds (Note 19)	260,000	260,000	2,342
Reserve for redemption of foundation funds (Note 19)	670,000	620,000	6,036
Reserve for revaluation	452	452	4
Surplus	499,135	504,951	4,497
Total funds, reserve and surplus	1,429,588	1,385,404	12,880
Net unrealized gains on available-for-sale securities	2,442,225	2,583,926	22,004
Deferred unrealized gains on derivatives under hedge accounting	41,253	35,881	371
Land revaluation differences	117,898	118,189	1,062
Foreign currency translation adjustments	(44,976)	(27,485)	(405)
Remeasurements of defined benefit plans	(273)	23,861	(2)
Total accumulated other comprehensive income	2,556,127	2,734,374	23,030
Non-controlling interests	705	3,974	6
Total net assets	3,986,421	4,123,752	35,916
Total liabilities and net assets	¥42,120,715	¥41,543,423	\$379,500

Consolidated Statements of Income

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
ORDINARY INCOME:			
Insurance premiums and other	¥3,081,385	¥3,024,398	\$27,762
Investment income			
Interest, dividends and other income	872,291	832,383	7,859
Gains on money held in trust	—	23	—
Gains on sales of securities	16,595	27,554	149
Gains on redemption of securities	76,949	59,184	693
Foreign exchange gains	8,186	—	73
Reversal of allowance for possible loan losses	—	270	—
Other investment income	2,408	2,010	21
Investment gains on separate accounts	3,824	37,356	34
Subtotal	980,255	958,785	8,831
Other ordinary income	120,860	133,890	1,088
Total ordinary income	4,182,501	4,117,073	37,683
ORDINARY EXPENSES:			
Benefits and other payments			
Claims paid	725,847	765,271	6,539
Annuity payments	616,446	647,404	5,554
Benefit payments	523,719	508,026	4,718
Surrender benefits	464,349	421,909	4,183
Other refunds	94,147	86,188	848
Subtotal	2,424,510	2,428,801	21,844
Provision for policy reserves and other reserves			
Provision for reserve for outstanding claims	13,631	19,170	122
Provision for policy reserves	451,985	417,353	4,072
Provision for interest on policyholders' dividend reserves (Note 16)	97	106	0
Subtotal	465,714	436,630	4,196
Investment expenses			
Interest expenses	33,866	32,897	305
Losses on money held in trust	183	—	1
Losses on sales of securities	39,925	38,219	359
Losses on valuation of securities	17,893	8,816	161
Losses on redemption of securities	5,075	4,307	45
Losses on derivative financial instruments	130,990	110,895	1,180
Foreign exchange losses	—	8,679	—
Provision for allowance for possible loan losses	779	—	7
Depreciation of real estate for non-insurance business	10,210	10,300	91
Other investment expenses	22,675	24,660	204
Subtotal	261,599	238,776	2,356
Operating expenses (Note 21)	468,136	461,670	4,217
Other ordinary expenses	171,920	181,004	1,548
Total ordinary expenses	3,791,882	3,746,883	34,164
Ordinary profit	390,618	370,190	3,519
Extraordinary gains			
Gains on disposals of fixed assets	2,758	1,678	24
Reversal of reserve for contingent liabilities	—	0	—
Subtotal	2,758	1,678	24
Extraordinary losses			
Losses on disposals of fixed assets	1,590	1,827	14
Impairment losses (Note 13)	1,204	896	10
Provision for reserve for contingent liabilities	0	—	0
Provision for reserve for price fluctuation	131,553	107,196	1,185
Losses on reduction entry of real estate	1,931	—	17
Contributions for promotion of social welfare project	565	553	5
Other extraordinary losses	6	40	0
Subtotal	136,852	110,515	1,233
Surplus before income taxes and non-controlling interests	256,525	261,353	2,311
Income taxes (Note 15)			
Current	58,212	58,604	524
Deferred	(32,673)	(63,225)	(294)
Total income taxes	25,539	(4,621)	230
Net surplus	230,985	265,974	2,081
Net surplus attributable to non-controlling interests	1,406	935	12
Net surplus attributable to the Parent Company	¥ 229,579	¥ 265,038	\$ 2,068

Consolidated Statements of Comprehensive Income

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

Years ended March 31,	Millions of Yen		Millions of
	2019	2018	2019
Net surplus	¥230,985	¥265,974	\$2,081
Other comprehensive income (loss) (Note 24)	(177,940)	35,923	(1,603)
Net unrealized gains (losses) on available-for-sale securities	(140,068)	36,425	(1,261)
Deferred unrealized gains (losses) on derivatives under hedge accounting	5,372	(3,761)	48
Foreign currency translation adjustments	(10,701)	(19,061)	(96)
Remeasurements of defined benefit plans	(24,130)	8,339	(217)
Share of other comprehensive income (loss) of associates accounted for under the equity method	(8,412)	13,980	(75)
Comprehensive income (loss)	¥ 53,045	¥301,898	\$ 477
Comprehensive income (loss) attributable to the Parent Company	51,623	300,965	465
Comprehensive income (loss) attributable to non-controlling interests	1,421	932	12

Consolidated Statements of Changes in Net Assets

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

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 transition 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

Year ended March 31, 2019

(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 transition adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Beginning 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
Changes in the fiscal year													
Issuance of foundation funds	50,000				50,000								50,000
Additions to policyholders' dividend reserves (Note 16)				(185,731)	(185,731)								(185,731)
Additions to reserve for redemption of foundation funds		50,000			50,000								50,000
Payment of interest on foundation funds				(1,171)	(1,171)								(1,171)
Net surplus attributable to the Parent Company				229,579	229,579								229,579
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				290	290								290
Changes in equity attributable to the Parent Company arising from transactions with non-controlling interests				1,216	1,216								1,216
Net changes, excluding funds, reserves and surplus						(141,701)	5,372	(290)	(17,491)	(24,134)	(178,246)	(3,268)	(181,515)
Net changes in the fiscal year	—	50,000	—	(5,816)	44,183	(141,701)	5,372	(290)	(17,491)	(24,134)	(178,246)	(3,268)	(137,331)
Ending balance	¥260,000	¥670,000	¥452	¥499,135	¥1,429,588	¥2,442,225	¥41,253	¥117,898	¥(44,976)	¥ (273)	¥2,556,127	¥ 705	¥3,986,421

Consolidated Statements of Changes in Net Assets (continued)

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

Year ended March 31, 2019

(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	\$2,342	\$5,586	\$4	\$4,549	\$12,482	\$23,280	\$323	\$1,064	\$(247)	\$214	\$24,636	\$35	\$37,154
Changes in the fiscal year													
Issuance of foundation funds	450				450								450
Additions to policyholders' dividend reserves (Note 16)				(1,673)	(1,673)								(1,673)
Additions to reserve for redemption of foundation funds		450			450								450
Payment of interest on foundation funds				(10)	(10)								(10)
Net surplus attributable to the Parent Company				2,068	2,068								2,068
Redemption of foundation funds	(450)				(450)								(450)
Reversal of reserve for fund redemption				(450)	(450)								(450)
Reversal of land revaluation differences				2	2								2
Changes in equity attributable to the Parent Company arising from transactions with non-controlling interests				10	10								10
Net changes, excluding funds, reserves and surplus						(1,276)	48	(2)	(157)	(217)	(1,605)	(29)	(1,635)
Net changes in the fiscal year	—	450	—	(52)	398	(1,276)	48	(2)	(157)	(217)	(1,605)	(29)	(1,237)
Ending balance	\$2,342	\$6,036	\$4	\$4,497	\$12,880	\$22,004	\$371	\$1,062	\$(405)	\$ (2)	\$23,030	\$ 6	\$35,916

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
	2019	2018	2019
I Cash flows from operating activities			
Surplus before income taxes and non-controlling interests	¥ 256,525	¥ 261,353	\$ 2,311
Depreciation of real estate for non-insurance business	10,210	10,300	91
Depreciation	44,147	47,087	397
Impairment losses	1,204	896	10
Amortization of goodwill	7,745	7,885	69
Increase (Decrease) in reserve for outstanding claims	13,571	22,034	122
Increase (Decrease) in policy reserves	552,611	510,493	4,978
Provision for interest on policyholders' dividend reserves	97	106	0
Increase (Decrease) in allowance for possible loan losses	260	(748)	2
Increase (Decrease) in net defined benefit liabilities	2,904	(5,142)	26
Increase (Decrease) in reserve for contingent liabilities	0	(0)	0
Increase (Decrease) in reserve for price fluctuation	131,553	107,196	1,185
Interest, dividends, and other income	(872,291)	(832,383)	(7,859)
Losses (Gains) on securities	(138,094)	154,833	(1,244)
Interest expenses	33,866	32,897	305
Foreign exchange losses (gains)	(13,715)	2,409	(123)
Losses (Gains) on tangible fixed assets	(994)	247	(8)
Investment losses (gains) on equity method	(3,638)	(3,285)	(32)
Decrease (Increase) in due from agents	(9)	22	(0)
Decrease (Increase) in reinsurance receivables	1,805	(4,581)	16
Decrease (Increase) in other assets (excluding those related to investing and financing activities)	80,572	(87,514)	725
Increase (Decrease) in due to agents	58	30	0
Increase (Decrease) in reinsurance payables	(11)	383	(0)
Increase (Decrease) in other liabilities (excluding those related to investing and financing activities)	12,012	(22,442)	108
Others, net	(10,290)	(2,955)	(92)
Subtotal	110,101	199,122	991
Interest, dividends, and other income received	911,560	882,268	8,212
Interest paid	(34,255)	(31,836)	(308)
Policyholders' dividends paid	(176,676)	(173,157)	(1,591)
Income taxes paid	(67,371)	(31,051)	(607)
Net cash provided by operating activities	743,358	845,345	6,697
II Cash flows from investing activities			
Net decrease (increase) in deposits	(16,421)	(1,087)	(147)
Purchase of monetary claims bought	(12,400)	(18,200)	(111)
Proceeds from sales and redemption of monetary claims bought	14,724	23,376	132
Purchase of money held in trust	(8,300)	(9,800)	(74)
Purchase of securities	(4,509,597)	(4,432,833)	(40,630)
Proceeds from sales and redemption of securities	3,962,251	3,311,315	35,699
Loans extended	(1,230,885)	(1,150,256)	(11,090)
Proceeds from collection of loans	1,472,996	1,267,871	13,271
Net increase (decrease) in cash collateral under securities borrowing / lending transactions	159,433	337,468	1,436
Total investment activities (IIa)	(168,198)	(672,146)	(1,515)
[I + IIa]	575,159	173,199	5,182
Purchase of tangible fixed assets	(20,054)	(16,909)	(180)
Proceeds from sales of tangible fixed assets	4,278	3,669	38
Purchase of intangible fixed assets	(33,305)	(26,115)	(300)
Others, net	(535)	(1,172)	(4)
Net cash used in investing activities	(217,816)	(712,674)	(1,962)
III Cash flows from financing activities			
Proceeds from debt	—	316	—
Repayments of debt	—	(316)	—
Proceeds from issuance of bonds payable	106,014	99,331	955
Redemption of bonds payable	—	(28,577)	—
Proceeds from issuance of foundation funds	50,000	50,000	450
Redemption of foundation funds	(50,000)	(100,000)	(450)
Payment of interest on foundation funds	(1,171)	(1,846)	(10)
Acquisition of stock of subsidiaries without change in scope of consolidation	(2,498)	(831)	(22)
Others, net	(524)	(6,080)	(4)
Net cash provided by financing activities	101,820	11,995	917
IV Effect of foreign exchange rate changes on cash and cash equivalents	(72)	(3,187)	(0)
V Net increase (decrease) in cash and cash equivalents	627,289	141,479	5,651
VI Cash and cash equivalents at the beginning of the year	720,180	577,833	6,488
VII Increase in cash and cash equivalents due to merger with unconsolidated subsidiaries	—	867	—
VIII Cash and cash equivalents at the end of the year (Note 3)	¥1,347,470	¥ 720,180	\$12,140

Notes to the Consolidated Financial Statements

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

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, 2019, which was ¥110.99 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 number of consolidated subsidiaries was 17 and 17 as of March 31, 2018 and 2019, respectively. The consolidated subsidiaries as of March 31, 2019 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 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, 2018 and 2019 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 number of affiliates accounted for by the equity method was 10 and 9 as of March 31, 2018 and 2019, respectively. The affiliates accounted for by the equity method as of March 31, 2019 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 StanCorp Financial Group, Inc. has been excluded from the scope of the equity method as of March 31, 2019, due to the sales 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:

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 Industry Audit Committee Report No.21, “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 Industry Audit Committee Report No.21, "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, from the year ended March 31, 2010, based on the Industry Audit Committee Report No. 26, "Accounting and Auditing Treatments related to Application of Accounting Standard for Financial Instruments in the Insurance Industry," (JICPA, issued on September 3, 2002).

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) 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) 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.

(10) 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 each country's accounting standard, such as U.S. GAAP.

(11) 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, 2018 and 2019 amounted to ¥370 million and ¥93 million (U.S. \$0 million), respectively.

(12) 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 which are additionally set aside pursuant to Article 69, Paragraph 5 of the “Ordinance for Enforcement of the Insurance Business Act” include the following:

- the policy reserves for 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. 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 set aside in the year ended March 31, 2015 for variable life insurance contracts, and single premium endowment contracts concluded on or after September 2, 1995; and
- the policy reserves set aside in the year ended March 31, 2018 for single premium individual annuity contracts concluded on or after April 2, 1998.

Policy reserves of certain overseas consolidated subsidiaries are calculated based on each country’s accounting standard, such as U.S. GAAP.

(13) 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.

(14) 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”.

(15) 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.

(16) 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.

(17) 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”.

(18) 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, 2018 and 2019 were as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
Cash and deposits	¥1,287,537	¥646,020	\$11,600
Time deposits (over 3 months)	(35,504)	(19,083)	(319)
Call loans	90,000	90,000	810
Money held in trust (matured within 3 months)	5,000	3,000	45
Securities (matured within 3 months from the date of acquisition)	437	242	3
Cash and cash equivalents	1,347,470	720,180	12,140

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 risk management verification committee 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 value 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		
	2019			2018			2019		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Cash and deposits	¥ 1,287,537	¥ 1,287,537	¥ —	¥ 646,020	¥ 646,020	¥ —	\$ 11,600	\$ 11,600	\$ —
Available-for-sale securities (CDs)	33,998	33,998	—	35,999	35,999	—	306	306	—
Monetary claims bought	212,307	225,616	13,309	214,730	225,501	10,770	1,912	2,032	119
Held-to-maturity debt securities	197,980	211,289	13,309	197,914	208,685	10,770	1,783	1,903	119
Available-for-sale securities	14,327	14,327	—	16,816	16,816	—	129	129	—
Money held in trust	21,669	21,669	—	13,076	13,076	—	195	195	—
Available-for-sale securities	21,669	21,669	—	13,076	13,076	—	195	195	—
Securities	32,932,586	35,411,027	2,478,440	32,532,324	34,753,657	2,221,333	296,716	319,047	22,330
Trading securities	1,601,661	1,601,661	—	1,704,869	1,704,869	—	14,430	14,430	—
Held-to-maturity debt securities	4,160,730	4,983,463	822,733	4,365,326	5,164,696	799,370	37,487	44,900	7,412
Policy-reserve-matching bonds	8,057,811	9,713,518	1,655,706	7,549,821	8,971,785	1,421,963	72,599	87,517	14,917
Available-for-sale securities	19,112,383	19,112,383	—	18,912,306	18,912,306	—	172,199	172,199	—
Loans	5,019,827	5,292,784	272,957	5,276,491	5,558,870	282,378	45,227	47,687	2,459
Policy loans	242,958	242,958	—	252,884	252,884	—	2,189	2,189	—
Industrial and consumer loans	4,776,869	5,049,826	272,957	5,023,607	5,305,985	282,378	43,038	45,498	2,459
Allowance for possible loan losses ⁽¹⁾	(4,033)	—	—	(3,739)	—	—	(36)	—	—
	5,015,794	5,292,784	276,990	5,272,751	5,558,870	286,118	45,191	47,687	2,495
Bonds payable	589,098	616,693	27,595	482,356	513,801	31,445	5,307	5,556	248
Payables under repurchase agreements	58,266	58,266	—	5,358	5,358	—	524	524	—
Payables under securities borrowing transactions	552,716	552,716	—	382,564	382,564	—	4,979	4,979	—
Derivative financial instruments ⁽²⁾	46,533	46,533	—	128,845	128,845	—	419	419	—
Hedge accounting is not applied	(2,131)	(2,131)	—	(748)	(748)	—	(19)	(19)	—
Hedge accounting is applied	48,664	48,664	—	129,593	129,593	—	438	438	—

(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 ¥596,185 million and ¥471,037 million (U.S. \$4,243 million) as of March 31, 2018 and 2019, respectively. Impairment losses on the unlisted stocks and others were ¥211 million and ¥0 million (U.S. \$0 million) for the years ended March 31, 2018 and 2019, 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 mainly stated at a price 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 a price based on data provided by pricing vendors.

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 ¥(4,583) million and ¥10,376 million (U.S. \$93 million) for the years ended March 31, 2018 and 2019, respectively.

Held-to-maturity debt securities

No held-to-maturity debt securities were sold during the year ended March 31, 2018 and 2019, 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		
	2019			2018			2019		
	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	¥3,581,847	¥4,317,920	¥736,072	¥3,719,653	¥4,436,465	¥716,811	\$32,271	\$38,903	\$6,631
2) Corporate bonds	467,140	547,364	80,224	518,348	594,193	75,845	4,208	4,931	722
3) Others	297,929	317,752	19,822	262,797	280,945	18,147	2,684	2,862	178
Total	4,346,917	5,183,037	836,120	4,500,799	5,311,604	810,804	39,164	46,698	7,533
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	—	—	—	921	916	(5)	—	—	—
2) Corporate bonds	2,800	2,798	(1)	2,800	2,786	(13)	25	25	(0)
3) Others	8,993	8,917	(75)	58,719	58,074	(645)	81	80	(0)
Total	11,793	11,716	(76)	62,441	61,777	(663)	106	105	(0)

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

Disposition of policy-reserve-matching bonds amounted to ¥889 million and ¥50,733 million (U.S. \$457 million) resulting in total gains on sales of ¥0 million and ¥800 million (U.S. \$7 million) for the years ended March 31, 2018 and 2019, respectively. Total loss on sales was ¥27 million for the year ended March 31, 2018. There was no total loss on sales for the year ended March 31, 2019.

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		
	2019			2018			2019		
	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	¥7,492,896	¥9,127,506	¥1,634,610	¥7,356,786	¥8,778,393	¥1,421,607	\$67,509	\$82,237	\$14,727
2) Corporate bonds	30,344	34,303	3,959	37,665	41,118	3,452	273	309	35
3) Others	493,842	511,581	17,739	33,070	33,376	305	4,449	4,609	159
Total	8,017,082	9,673,392	1,656,309	7,427,523	8,852,888	1,425,365	72,232	87,155	14,923
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	—	—	—	—	—	—	—	—	—
2) Corporate bonds	—	—	—	—	—	—	—	—	—
3) Others	40,728	40,125	(603)	122,298	118,896	(3,401)	366	361	(5)
Total	40,728	40,125	(603)	122,298	118,896	(3,401)	366	361	(5)

Available-for-sale securities

Disposition of available-for-sale securities amounted to ¥1,049,828 million and ¥1,088,252 million (U.S. \$9,804 million) resulting in total gains on sales of ¥27,553 million and ¥15,794 million (U.S. \$142 million) and total losses of ¥38,191 million and ¥39,925 million (U.S. \$359 million) for

the years ended March 31, 2018 and 2019, 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		
	2019			2018			2019		
	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	¥1,478,135	¥3,835,843	¥2,357,708	¥1,548,799	¥4,227,216	¥2,678,417	\$13,317	\$34,560	\$21,242
(2) Bonds	4,861,369	5,299,063	437,693	4,797,080	5,230,324	433,244	43,800	47,743	3,943
1) National & local government bonds	3,188,231	3,533,547	345,316	3,378,801	3,729,334	350,532	28,725	31,836	3,111
2) Corporate bonds	1,673,138	1,765,515	92,377	1,418,278	1,500,990	82,711	15,074	15,906	832
(3) Others	6,012,079	6,712,864	700,785	4,402,984	5,046,385	643,400	54,167	60,481	6,313
Total	12,351,583	15,847,770	3,496,187	10,748,864	14,503,927	3,755,062	111,285	142,785	31,500
Securities whose balance sheet amount does not exceed the acquisition or amortized costs									
(1) Domestic stocks	196,093	173,524	(22,569)	123,241	112,743	(10,498)	1,766	1,563	(203)
(2) Bonds	60,165	59,715	(450)	218,475	212,102	(6,373)	542	538	(4)
1) National & local government bonds	—	—	—	3,972	3,965	(6)	—	—	—
2) Corporate bonds	60,165	59,715	(450)	214,503	208,136	(6,366)	542	538	(4)
(3) Others	3,188,739	3,101,368	(87,371)	4,308,316	4,149,426	(158,889)	28,729	27,942	(787)
Total	3,444,999	3,334,608	(110,390)	4,650,033	4,474,271	(175,761)	31,038	30,044	(994)

Note: This table includes financial instruments that are deemed appropriate to be treated as securities under the "Financial Instruments and Exchange Act".

"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 ¥1,467 million and ¥11,546 million (U.S. \$104 million) for the years ended March 31, 2018 and 2019, respectively.

c. Maturity analysis of monetary claims and securities with maturities

As of March 31,	Millions of Yen					
	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
Deposits	¥ 645,824	¥ —	¥ —	¥ —	¥ —	¥ —
Monetary claims bought	—	—	—	—	—	214,730
Money held in trust	3,000	—	—	—	—	—
Loans*	595,199	656,353	684,120	532,415	802,941	1,752,316
Securities						
Held-to-maturity debt securities	165,898	351,442	370,613	411,853	812,693	2,250,024
Policy-reserve-matching bonds	—	45,771	225,172	56,556	297,165	6,925,156
Available-for-sale securities with maturities	711,362	1,374,381	2,396,841	1,206,293	1,730,068	5,790,650
Total	2,121,285	2,427,949	3,676,748	2,207,118	3,642,869	16,932,878

As of March 31,	Millions of Yen						Millions of U.S. Dollars					
	2019						2019					
	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	¥1,287,385	¥ —	¥ —	¥ —	¥ —	¥ —	\$11,599	\$ —	\$ —	\$ —	\$ —	\$ —
Monetary claims bought	—	—	—	—	—	212,307	—	—	—	—	—	1,912
Money held in trust	5,000	—	—	—	—	—	45	—	—	—	—	—
Loans*	472,783	656,974	679,859	594,924	751,319	1,620,634	4,259	5,919	6,125	5,360	6,769	14,601
Securities												
Held-to-maturity debt securities	166,788	371,590	398,958	552,343	521,576	2,146,673	1,502	3,347	3,594	4,976	4,699	19,341
Policy-reserve-matching bonds	—	68,957	190,309	72,345	838,067	6,888,130	—	621	1,714	651	7,550	62,060
Available-for-sale securities with maturities	562,525	2,121,525	1,734,143	670,326	2,312,293	6,050,737	5,068	19,114	15,624	6,039	20,833	54,516
Total	2,494,482	3,219,048	3,003,271	1,889,939	4,423,256	16,918,482	22,474	29,003	27,058	17,028	39,852	152,432

* Bankruptcy and reorganization claims, which are expected to be unrecoverable, are not included in this table, and they were ¥259 million and ¥374 million (U.S. \$3 million) as of March 31, 2018 and 2019, 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					
	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
Bonds payable	¥ —	¥—	¥29,046	¥—	¥—	¥453,310
Payables under repurchase agreements	5,358	—	—	—	—	—
Payable under securities borrowing transactions	382,564	—	—	—	—	—
Total	387,922	—	29,046	—	—	453,310

As of March 31,	Millions of Yen						Millions of U.S. Dollars					
	2019						2019					
	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	¥ —	¥—	¥28,363	¥—	¥—	¥560,735	\$ —	\$—	\$255	\$—	\$—	\$5,052
Payables under repurchase agreements	58,266	—	—	—	—	—	524	—	—	—	—	—
Payable under securities borrowing transactions	552,716	—	—	—	—	—	4,979	—	—	—	—	—
Total	610,983	—	28,363	—	—	560,735	5,504	—	255	—	—	5,052

e. Fair value of derivative transactions

Hedge accounting not applied

i) Interest-rate related

As of March 31,	Millions of Yen			
	2018			
	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
Receipts floating, payments fixed	—	—	—	—
Total				4

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2019				2019			
	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	¥12,810	¥11,145	¥ 4	¥ 4	\$115	\$100	\$ 0	\$ 0
Receipts floating, payments fixed	6,049	6,049	—	—	54	54	—	—
Total				4				0

Note: Net gains (losses) represent the fair values.

ii) Currency-related

As of March 31,	Millions of Yen			
	2018			
	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
(U.S. dollar)	62,385	—	1,661	1,661
(Euro)	13,904	—	37	37
(Australian dollar)	11,454	—	68	68
(British pound)	127	—	0	0
(Others)	422	—	0	0
Bought	19,226	—	61	61
(U.S. dollar)	9,566	—	64	64
(Euro)	6,914	—	(0)	(0)
(Australian dollar)	2,302	—	(0)	(0)
(Others)	442	—	(1)	(1)
Currency options				
Sold				
Call	—	—	—	—
(U.S. dollar)	—	—	—	—
Bought				
Put	—	—	—	—
(U.S. dollar)	—	—	—	—
Cross currency swaps				
Yen payments / Australian dollar receipts	88,870	88,870	(4,389)	(4,389)
Yen payments / U.S. dollar receipts	—	—	—	—
Total				(2,558)

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2019				2019			
	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	¥194,632	¥ —	¥ 199	¥ 199	\$1,753	\$ —	\$ 1	\$ 1
(U.S. dollar)	160,265	—	(23)	(23)	1,443	—	(0)	(0)
(Euro)	14,252	—	122	122	128	—	1	1
(Australian dollar)	20,073	—	100	100	180	—	0	0
(British pound)	40	—	0	0	0	—	0	0
(Others)	1	—	(0)	(0)	0	—	(0)	(0)
Bought	11,875	—	(24)	(24)	106	—	(0)	(0)
(U.S. dollar)	6,577	—	3	3	59	—	0	0
(Euro)	3,864	—	(28)	(28)	34	—	(0)	(0)
(Australian dollar)	1,378	—	1	1	12	—	0	0
(Others)	55	—	(0)	(0)	0	—	(0)	(0)
Currency options								
Sold	198,628	—			1,789	—		
Call	[476]		1	474	[4]		0	4
(U.S. dollar)	[476]		1	474	[4]		0	4
Bought	178,500	—			1,608	—		
Put	[476]		32	(443)	[4]		0	(3)
(U.S. dollar)	[476]		32	(443)	[4]		0	(3)
Cross currency swaps								
Yen payments / Australian dollar receipts	154,546	154,546	(3,143)	(3,143)	1,392	1,392	(28)	(28)
Yen payments / U.S. dollar receipts	11,740	11,740	300	300	105	105	2	2
Total				(2,637)				(23)

Notes: 1. Net gains (losses) on foreign currency forward contracts and cross currency swaps 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			
	2018			
	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
Foreign currency-denominated stock index futures				
Sold	—	—	—	—
Bought	2,820	—	(93)	(93)
Exchange-traded transactions				
Foreign currency-denominated				
Stock index options				
Bought				
Call	63,552	292		
	[1,399]	[16]	2,011	612
Total				558

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2019				2019			
	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	¥ 2,672	¥ —	¥ (18)	¥ (18)	\$ 24	\$—	\$(0)	\$(0)
Bought	4,154	—	0	0	37	—	0	0
Foreign currency-denominated stock index futures								
Sold	327	—	(9)	(9)	2	—	(0)	(0)
Bought	5,444	—	72	72	49	—	0	0
Exchange-traded transactions								
Foreign currency-denominated								
Stock index options								
Bought								
Call	60,773	382			547	3		
	[1,464]	[20]	453	(1,010)	[13]	[0]	4	(9)
Total				(965)				(8)

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, 2018.

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2019				2019			
	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								
Foreign currency-denominated bond index futures								
Bought	¥123	¥—	¥2	¥2	\$1	\$—	\$0	\$0
Total				2				0

Note: Net gains (losses) represent the fair values.

Hedge accounting applied

i) Interest-rate related

As of March 31,	Millions of Yen			
	2018			
	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	¥231,400	¥231,400	¥51,256
Fair value hedge accounting				
Interest rate swaps				
Receipts floating, payments fixed	Securities (Bonds)	48,816	46,363	—
Special hedge accounting				
Interest rate swaps				
Receipts fixed, payments floating	Loans	8,562	3,562	197
Total				51,453

As of March 31,	Millions of Yen				Millions of U.S. Dollars		
		2019			2019		
	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	¥230,700	¥230,700	¥57,446	\$2,078	\$2,078	\$517
Fair value hedge accounting							
Interest rate swaps							
Receipts floating, payments fixed	Securities (Bonds)	57,657	54,558	—	519	491	—
Special hedge accounting							
Interest rate swaps							
Receipts fixed, payments floating	Loans	3,369	3,324	185	30	29	1
Total				57,632			519

ii) Currency-related

As of March 31,	Millions of Yen			
		2018		
	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	¥3,376,632	¥ —	¥79,785
(U.S. dollar)		3,058,604	—	76,837
(Euro)		183,159	—	319
(Australian dollar)		134,867	—	2,628
Deferred hedge accounting				
Cross currency swaps				
(Euro)	Foreign-currency- denominated bonds	35,575	35,575	(1,641)
(Australian dollar)		4,305	4,305	192
Total				78,337

As of March 31,	Millions of Yen				Millions of U.S. Dollars		
		2019			2019		
	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	¥3,887,217	¥ —	¥ (8,600)	\$35,023	\$ —	\$(77)
(U.S. dollar)		3,529,862	—	(10,393)	31,803	—	(93)
(Euro)		199,793	—	700	1,800	—	6
(Australian dollar)		142,408	—	980	1,283	—	8
(Others)		15,152	—	112	136	—	1
Deferred hedge accounting							
Cross currency swaps							
(Euro)	Foreign-currency- denominated bonds	35,575	35,575	(381)	320	320	(3)
(Australian dollar)		4,305	4,305	199	38	38	1
Total				(8,782)			(79)

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, 2018 and 2019.

iv) Bond-related

No ending balance as of March 31, 2018 and 2019.

5. Securities Lending

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥2,169,636 million and ¥2,322,166 million (U.S. \$20,922 million) as of March 31, 2018 and 2019, respectively.

6. Securities sold under Repurchase Agreements

Securities sold under repurchase agreements amounted to ¥5,441 million and ¥58,278 million (U.S. \$525 million) as of March 31, 2018 and 2019, respectively.

7. Pledged Assets

Assets pledged as collateral were cash and deposits in the amount of ¥8 million (U.S. \$0 million) as of March 31, 2019, securities in the amount of ¥5,507 million and ¥4,823 million (U.S. \$43 million), and loans in the amount of ¥105,781 million and ¥104,745 million (U.S. \$943 million) as of March 31, 2018 and 2019, respectively.

8. Equity Securities issued by Unconsolidated Subsidiaries and Affiliates

The total amounts of equity securities issued by unconsolidated subsidiaries and affiliates were ¥180,079 million and ¥174,468 million (U.S. \$1,571 million) as of March 31, 2018 and 2019, 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 ¥28,445 million and ¥25,934 million (U.S. \$233 million) as of March 31, 2018 and 2019, respectively.

There were no loans to bankrupt borrowers as of March 31, 2018 and 2019, respectively. The aggregate amounts of loans in arrears were ¥3,633 million and ¥4,265 million (U.S. \$38 million) as of March 31, 2018 and 2019, respectively.

The amounts of loans deemed uncollectible and directly deducted from the loans in the consolidated balance sheets as of March 31, 2018 and 2019 were ¥368 million and ¥91 million (U.S. \$0 million), respectively, for loans to bankrupt borrowers, and ¥2 million and ¥1 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, 2018 and 2019, 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 ¥24,812 million and ¥21,668 million (U.S. \$195 million) as of March 31, 2018 and 2019, 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, 2018 and 2019, respectively. The amount is as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2019	2018	2019
Loans	¥614	¥621	\$5

10. Loan Commitments

The amounts of loan commitments outstanding were ¥67,062 million and ¥87,902 million (U.S. \$791 million) as of March 31, 2018 and 2019, respectively.

11. Fair Value of Investment and Rental Properties

The carrying amounts of investment and rental properties were ¥585,700 million and ¥581,588 million (U.S. \$5,240 million), and their fair values were ¥736,616 million and ¥782,819 million (U.S. \$7,053 million) as of March 31, 2018 and 2019, 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 ¥429,347 million and ¥447,080 million (U.S. \$4,028 million) as of March 31, 2018 and 2019, 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, 2018 and 2019, 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, 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, 2019

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	1	¥ —	¥231	¥ 231
Idle assets	6	692	280	972
Total	7	692	511	1,204

For the year ended March 31, 2019

Asset group	Millions of U.S. Dollars		
	Land	Buildings	Total
Real estate for non-insurance business	\$—	\$2	\$ 2
Idle assets	6	2	8
Total	6	4	10

(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 1.92% and 1.90% for the years ended March 31, 2018 and 2019, 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, 2018 and 2019 were as follows:

Years ended March 31,	2019	2018
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, 2018 and 2019 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
Balance at the beginning of the fiscal year	¥352,805	¥361,873	\$3,178
Service costs	10,356	12,026	93
Interest cost on retirement benefit obligations	4,875	5,311	43
Actuarial losses (gains) recognized	(4,266)	6,746	(38)
Benefits paid	(25,177)	(25,961)	(226)
Partial suspension in defined benefit plans of the U.S. consolidated subsidiaries	—	(5,241)	—
Past service costs	(47)	—	0
Others	(1,106)	(1,949)	(9)
Balance at the end of the fiscal year	337,440	352,805	3,040

c. Changes in the plan assets for the years ended March 31, 2018 and 2019 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
Balance at the beginning of the fiscal year	¥460,011	¥445,853	\$4,144
Expected return on plan assets	7,824	7,414	70
Actuarial gains (losses) recognized	(36,605)	9,767	(329)
Contributions by employer	3,714	9,714	33
Benefits paid	(11,469)	(11,013)	(103)
Others	(1,042)	(1,725)	(9)
Balance at the end of the fiscal year	422,433	460,011	3,806

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, 2018 and 2019 were determined as follows:

	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
As of March 31,			
Present value of funded retirement benefit obligations	¥329,650	¥344,547	\$2,970
Plan assets at fair value	(422,433)	(460,011)	(3,806)
Net present value of funded retirement benefit obligations	(92,782)	(115,463)	(835)
Present value of non-funded retirement benefit obligations	7,790	8,258	70
Net balance on the consolidated balance sheet	(84,992)	(107,205)	(765)
Consists of:			
Defined benefit liabilities	6,995	6,328	63
Defined benefit assets	(91,988)	(113,534)	(828)

e. The amounts recognized in retirement benefit expenses in the consolidated statements of income for the years ended March 31, 2018 and 2019 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
Years ended March 31,			
Service costs	¥10,356	¥12,026	\$93
Interest cost on retirement benefit obligations	4,875	5,311	43
Expected return on plan assets	(7,824)	(7,414)	(70)
Amortization of net actuarial losses (gains)	(571)	8,872	(5)
Amortization of net past service costs	(865)	(860)	(7)
Gains from partial suspension in defined benefit plans of the U.S. consolidated subsidiaries	—	(4,977)	—
Others	91	49	0
Retirement benefit expenses	6,062	13,007	54

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, 2018 and 2019 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
Years ended March 31,			
Actuarial gains (losses)	¥(32,873)	¥12,099	\$(296)
Past service costs	(817)	(859)	(7)
Total	(33,691)	11,239	303

Major components of total accumulated other comprehensive income (before income tax effect adjustments) for the years ended March 31, 2018 and 2019 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
Years ended March 31,			
Unrecognized actuarial gains (losses)	¥(2,952)	¥29,921	\$(26)
Unrecognized past service costs	2,593	3,411	23
Total	(358)	33,332	(3)

g. Plan assets

Plan assets as of March 31, 2018 and 2019 were comprised as follows:

	% of total fair value of plan assets	
	2019	2018
As of March 31,		
Debt securities	7.3%	6.8%
Stocks	32.3%	36.9%
General account of life insurance companies	31.0%	29.0%
Jointly invested assets	22.5%	21.8%
Investment trusts	3.1%	3.3%
Cash and deposits	0.9%	0.7%
Others	2.9%	1.4%
Total	100.0%	100.0%

Plan assets include the retirement benefit trusts. The amounts of the retirement benefit trusts were 47.8% and 45.2% of total plan assets as of March 31, 2018 and 2019, 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, 2018 and 2019 were as follows:

Years ended March 31,	2019	2018
Discount rate		
Domestic	0.9%	0.9%
Overseas	4.3 to 4.4%	3.5 to 3.7%
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%	3.9 to 7.3%

(3) Defined contribution plans

The amounts recognized as expenses for the defined contribution pension plans were ¥2,843 million and ¥3,953 million (U.S. \$35 million) for the years ended March 31, 2018 and 2019, respectively.

15. Deferred Taxes

(1) Deferred tax assets/liabilities were recognized as follows:

	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
As of March 31,			
Deferred tax assets	¥ 764,906	¥ 708,838	\$6,891
Valuation allowance for deferred tax assets	(8,396)	(7,963)	(75)
Subtotal	756,510	700,875	6,816
Deferred tax liabilities	(1,035,013)	(1,076,209)	(9,325)
Net deferred tax assets (liabilities)	(278,503)	(375,334)	(2,509)

Major components of deferred tax assets/liabilities were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
As of March 31,			
Deferred tax assets			
Policy reserves and other reserves	¥436,003	¥432,814	\$3,928
Reserve for price fluctuation	228,319	191,543	2,057
Deferred tax liabilities:			
Net unrealized gains on available-for-sale securities	916,966	958,930	8,261

(2) The statutory tax rates were 28.20% and 27.96% for the years ended March 31, 2018 and 2019, 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,	2019	2018
Policyholders' dividend reserves	(17.82)%	(18.66)%
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, 2018 and 2019 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
Years ended March 31,			
Balance at the beginning of the fiscal year	¥233,768	¥236,959	\$2,106
Transfer from surplus in the previous fiscal year	185,731	169,815	1,673
Dividend payments to policyholders during the fiscal year	(176,676)	(173,157)	(1,591)
Interest accrued during the fiscal year	134	151	1
	242,957	233,768	2,188

17. Subordinated Bonds

As of March 31, 2018 and 2019, bonds payable in liabilities included foreign currency-denominated subordinated bonds of ¥453,310 million, and subordinated bonds and foreign currency-denominated subordinated bonds of ¥560,735 million (U.S. \$5,052 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 ¥50,000 million and ¥50,000 million (U.S. \$450 million) pursuant to Article 60 of the "Insurance Business Act" in the years ended March 31, 2018 and 2019, 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 ¥100,000 million and ¥50,000 million (U.S. \$450 million) as of March 31, 2018 and 2019, 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 ¥876,492 million and ¥825,371 million (U.S. \$7,436 million) as of March 31, 2018 and 2019, 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 ¥48,499 million and ¥47,718 million (U.S. \$429 million) as of March 31, 2018 and 2019, respectively, pursuant to Article 259 of the "Insurance Business Act".

These contributions are recognized as operating expenses when contributed.

22. 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.

23. 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, 2018 and 2019 were as follows:

Years ended March 31,	Millions of Yen		Millions of
	2019	2018	U.S. Dollars
Net unrealized gains on available-for-sale securities:			
Amount arising during the fiscal year	¥(184,383)	¥ 21,517	\$ (1,661)
Reclassification adjustments	(6,840)	29,988	(61)
Before income tax effect adjustments	(191,223)	51,505	(1,722)
Income tax effects	51,154	(15,079)	460
Net unrealized gains on available-for-sale securities	(140,068)	36,425	(1,261)
Deferred unrealized gains (losses) on derivatives under hedge accounting:			
Amount arising during the fiscal year	¥ 11,354	¥ 1,448	\$ 102
Reclassification adjustments	(3,897)	(6,935)	(35)
Before income tax effect adjustments	7,457	(5,487)	67
Income tax effects	(2,085)	1,725	(18)
Deferred unrealized gains (losses) on derivatives under hedge accounting	5,372	(3,761)	48
Foreign currency translation adjustments:			
Amount arising during the fiscal year	¥ (10,701)	¥(19,061)	\$ (96)
Reclassification adjustments	—	—	—
Before income tax effect adjustments	(10,701)	(19,061)	(96)
Income tax effects	—	—	—
Foreign currency translation adjustments	(10,701)	(19,061)	(96)
Remeasurements of defined benefit plans:			
Amount arising during the fiscal year	¥ (28,867)	¥ 2,594	\$ (260)
Reclassification adjustments	(4,823)	8,644	(43)
Before income tax effect adjustments	(33,691)	11,239	(303)
Income tax effects	9,560	(2,899)	86
Remeasurements of defined benefit plans	(24,130)	8,339	(217)
Share of other comprehensive income of affiliates accounted for by the equity method:			
Amount arising during the year	¥ (8,191)	¥ 13,288	\$ (73)
Reclassification adjustments	(220)	752	(1)
Share of other comprehensive income of affiliates accounted for by the equity method	(8,412)	13,980	(75)
Total other comprehensive income	(177,940)	35,923	(1,603)

24. Subsequent Events

Appropriation of surplus

The proposed appropriation of surplus of the Company for the year ended March 31, 2019 was approved as planned at the annual meeting of the representatives of policyholders held on July 2, 2019.

Offering of foundation funds

During the annual meeting of representatives of policyholders held on July 2, 2019, 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, 2020.

Redemption of foundation funds

The Company redeemed foundation funds on August 2, 2019 and also established for reserve for redemption of foundation funds pursuant to Article 56 of the "Insurance Business Act" in the amount of ¥60,000 million.



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, 2018 and 2019, 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, 2018 and 2019, 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, 2019 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 5, 2019
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
	2019	2018	2019
ASSETS:			
Cash and deposits (Note 3)			
Cash	¥ 149	¥ 192	\$ 1
Deposits	1,147,565	507,276	10,339
Subtotal	1,147,715	507,469	10,340
Call loans	90,000	90,000	810
Monetary claims bought (Note 3)	212,307	214,730	1,912
Money held in trust	16,669	10,076	150
Securities (Notes 3, 4, 5, 6, and 7)			
National government bonds	14,346,841	14,412,932	129,262
Local government bonds	372,091	503,877	3,352
Corporate bonds	2,373,171	2,292,833	21,381
Domestic stocks	4,243,360	4,593,785	38,231
Foreign securities	9,702,141	8,990,244	87,414
Other securities	1,144,574	988,287	10,312
Subtotal	32,182,181	31,781,961	289,955
Loans (Notes 3, 8, and 9)			
Policy loans	239,335	249,260	2,156
Industrial and consumer loans	3,984,470	4,258,109	35,899
Subtotal	4,223,805	4,507,370	38,055
Tangible fixed assets (Notes 10, 11, 12, and 13)			
Land	603,904	600,808	5,441
Buildings	258,110	264,156	2,325
Construction in progress	4,329	3,934	39
Other tangible fixed assets	4,012	4,125	36
Subtotal	870,356	873,024	7,841
Intangible fixed assets			
Software	47,640	52,269	429
Other intangible fixed assets	40,848	28,465	368
Subtotal	88,489	80,734	797
Due from agents	0	0	0
Reinsurance receivables	1,189	663	10
Other assets			
Accounts receivable	95,809	99,319	863
Prepaid expenses	5,906	6,032	53
Accrued income	105,150	100,063	947
Money on deposit	10,079	9,668	90
Deposits for futures transactions	2,355	2,559	21
Margins on futures transactions	26	—	0
Derivative financial instruments (Note 3)	73,754	138,466	664
Cash collaterals pledged for financial instruments	17,391	33,327	156
Suspense	3,256	5,212	29
Other assets	10,254	9,576	92
Subtotal	323,984	404,228	2,919
Prepaid pension cost (Note 14)	86,903	77,447	782
Customers' liabilities under acceptances and guarantees	22,563	21,727	203
Allowance for possible loan losses	(5,361)	(5,100)	(48)
Total assets	¥39,260,805	¥38,564,334	\$353,732

Non-consolidated Balance Sheets (continued)

Meiji Yasuda Life Insurance Company

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
LIABILITIES:			
Policy reserves and other reserves			
Reserve for outstanding claims (Note 15)	¥ 130,411	¥ 115,109	\$ 1,174
Policy reserves (Note 15)	32,248,774	31,798,563	290,555
Policyholders' dividend reserves (Note 16)	242,957	233,768	2,189
Subtotal	32,622,143	32,147,442	293,919
Reinsurance payables	1,065	1,067	9
Bonds payable (Notes 3 and 17)	560,735	453,310	5,052
Other liabilities			
Payables under repurchase agreements (Note 3)	58,266	5,358	524
Payables under securities borrowing transactions (Note 3)	552,716	382,564	4,979
Income taxes payable	13,615	23,530	122
Accounts payable	52,073	67,250	469
Accrued expenses	30,149	31,965	271
Deferred income	2,681	2,519	24
Deposits received	26,073	25,833	234
Guarantee deposits received	35,589	34,390	320
Margins on futures transactions	—	24	—
Derivative financial instruments (Note 3)	27,674	11,633	249
Cash collaterals received for financial instruments	82,313	161,876	741
Asset retirement obligations	3,288	3,223	29
Suspense receipts	3,710	4,760	33
Subtotal	888,152	754,930	8,002
Reserve for contingent liabilities (Note 20)	1	1	0
Reserve for price fluctuation	815,975	684,594	7,351
Deferred tax liabilities (Note 21)	239,296	317,386	2,156
Deferred tax liabilities for land revaluation	79,370	79,522	715
Acceptances and guarantees	22,563	21,727	203
Total liabilities	35,229,303	34,459,982	317,409
NET ASSETS:			
Foundation funds (Note 22)	260,000	260,000	2,342
Reserve for redemption of foundation funds (Note 22)	670,000	620,000	6,036
Reserve for revaluation	452	452	4
Surplus	491,675	505,757	4,429
Reserve for future losses	11,463	10,902	103
Other surplus	480,212	494,855	4,326
Reserve for fund redemption	98,000	96,000	882
Fund for price fluctuation allowance	29,764	29,764	268
Reserve for promotion of social welfare project	35	47	0
Reserve for business infrastructure	100,000	100,000	900
Reserve for reduction entry of real estate	26,940	27,380	242
Special reserves	2,000	2,000	18
Other reserves	85	85	0
Unappropriated surplus	223,386	239,577	2,012
Total funds, reserve and surplus	1,422,128	1,386,210	12,813
Net unrealized gains on available-for-sale securities	2,450,220	2,564,070	22,076
Deferred unrealized gains on derivatives under hedge accounting	41,253	35,881	371
Land revaluation differences	117,898	118,189	1,062
Total unrealized gains, revaluation reserves and adjustments	2,609,372	2,718,141	23,509
Total net assets	4,031,501	4,104,352	36,323
Total liabilities and net assets	¥39,260,805	¥38,564,334	\$353,732

Non-consolidated Statements of Income

Meiji Yasuda Life Insurance Company

Years ended March 31,	Millions of Yen		Millions of
	2019	2018	2019
			U.S. Dollars
ORDINARY INCOME:			
Insurance premiums and other			
Insurance premiums	¥2,769,643	¥2,718,837	\$24,953
Reinsurance revenue	1,236	632	11
Subtotal	2,770,879	2,719,469	24,965
Investment income (Note 26)			
Interest, dividends and other income	807,260	768,959	7,273
Interest on deposits	999	21	9
Interest and dividends on securities	677,845	641,470	6,107
Interest on loans	74,234	79,112	668
Rent revenue from real estate	37,991	36,175	342
Other interest and dividends	16,190	12,179	145
Gains on money held in trust	—	22	—
Gains on sales of securities	15,762	25,175	142
Gains on redemption of securities	76,650	58,119	690
Foreign exchange gains	8,185	—	73
Reversal of allowance for possible loan losses	—	399	—
Other investment income	125	85	1
Investment gains on separate accounts	3,824	37,356	34
Subtotal	911,810	890,118	8,215
Other ordinary income			
Income from annuity riders	16,217	15,082	146
Income from deferred benefits	52,178	71,258	470
Reversal of accrued retirement benefits	9,455	6,603	85
Other ordinary income	7,670	7,637	69
Subtotal	85,522	100,582	770
Total ordinary income	3,768,212	3,710,171	33,950
ORDINARY EXPENSES:			
Benefits and other payments			
Claims paid	637,897	679,816	5,747
Annuity payments	614,555	645,353	5,537
Benefit payments	395,524	380,435	3,563
Surrender benefits	463,306	420,757	4,174
Other refunds	89,249	80,543	804
Reinsurance premiums	4,897	5,645	44
Subtotal	2,205,432	2,212,551	19,870
Provision for policy reserves and other reserves			
Provision for reserve for outstanding claims (Note 27)	15,301	3,618	137
Provision for policy reserves (Note 27)	450,211	415,361	4,056
Provision for interest on policyholders' dividend reserves (Note 16)	97	106	0
Subtotal	465,609	419,086	4,195
Investment expenses (Note 26)			
Interest expenses	12,572	10,085	113
Losses on money held in trust	184	—	1
Losses on sales of securities	37,527	38,046	338
Losses on valuation of securities	17,708	8,530	159
Losses on redemption of securities	4,983	4,302	44
Losses on derivative financial instruments	130,169	113,851	1,172
Foreign exchange losses	—	8,679	—
Provision for allowance for possible loan losses	341	—	3
Depreciation of real estate for non-insurance business	9,516	9,687	85
Other investment expenses	14,132	14,110	127
Subtotal	227,135	207,294	2,046

Non-consolidated Statements of Income (continued)

Meiji Yasuda Life Insurance Company

Years ended March 31,	Millions of Yen		Millions of
	2019	2018	U.S. Dollars
Operating expenses (Note 28)	357,421	356,467	3,220
Other ordinary expenses			
Deferred benefit payments	78,698	87,413	709
Taxes	27,606	26,653	248
Depreciation	28,125	27,616	253
Other ordinary expenses	4,660	4,728	41
Subtotal	139,090	146,411	1,253
Total ordinary expenses	3,394,689	3,341,811	30,585
Ordinary profit	373,522	368,360	3,365
Extraordinary gains			
Gains on disposals of fixed assets	2,409	1,529	21
Reversal of reserve for contingent liabilities	—	0	—
Subtotal	2,409	1,529	21
Extraordinary losses			
Losses on disposals of fixed assets	1,547	1,791	13
Impairment losses (Note 13)	1,204	755	10
Provision for reserve for contingent liabilities	0	—	0
Provision for reserve for price fluctuation	131,380	107,048	1,183
Losses on reduction entry of real estate	1,931	—	17
Contributions for promotion of social welfare project	565	553	5
Subtotal	136,629	110,148	1,231
Surplus before income taxes	239,302	259,741	2,156
Income taxes (Note 21)			
Current	52,912	52,255	476
Deferred	(36,140)	(32,701)	(325)
Total income taxes	16,771	19,553	151
Net surplus	¥ 222,530	¥ 240,187	\$ 2,004

Non-consolidated Statements of Changes in Net Assets

Meiji Yasuda Life Insurance Company

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		
	Other surplus																		
	Foundation funds (Note 22)	Reserve for redemption of foundation funds (Note 22)	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

Year ended March 31, 2019

(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		
	Other surplus																		
	Foundation funds (Note 22)	Reserve for redemption of foundation funds (Note 22)	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	¥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
Changes in the fiscal year																			
Issuance of foundation funds	50,000													50,000					50,000
Additions to policyholders' dividend reserves (Note 16)												(185,731)	(185,731)	(185,731)					(185,731)
Additions to reserve for future losses				561								(561)							
Additions to reserve for redemption of foundation funds		50,000												50,000					50,000
Payment of interest on foundation funds												(1,171)	(1,171)	(1,171)					(1,171)
Net surplus												222,530	222,530	222,530					222,530
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					(500,000)								(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							(565)					565							
Additions to reserve for reduction entry of real estate								105				(105)							
Reversal of reserve for reduction entry of real estate								(544)				544							
Reversal of land revaluation differences												290	290	290					290
Net changes, excluding funds, reserves and surplus															(113,850)	5,372	(290)	(108,768)	(108,768)
Net changes in the fiscal year	—	50,000	—	561	2,000	—	(11)	—	(439)	—	—	(16,190)	(14,081)	35,918	(113,850)	5,372	(290)	(108,768)	(72,850)
Ending balance	¥260,000	¥670,000	¥452	¥11,463	¥98,000	¥29,764	¥35	¥100,000	¥26,940	¥2,000	¥85	¥223,386	¥491,675	¥1,422,128	¥2,450,220	¥41,253	¥117,898	¥2,609,372	¥4,031,501

Non-consolidated Statements of Changes in Net Assets (continued)

Meiji Yasuda Life Insurance Company

Year ended March 31, 2019

(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	Total unrealized gains (losses), revaluation reserve and adjustments	Total net assets				
	Other surplus																		
	Foundation funds (Note 22)	Reserve for redemption of foundation funds (Note 22)	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	Net unrealized gains (losses) on available-for-sale securities		Deferred unrealized gains (losses) on derivatives under hedge accounting
Beginning balance	\$2,342	\$5,586	\$ 4	\$ 98	\$864	\$268	\$0	\$900	\$246	\$18	\$ 0	\$2,158	\$4,556	\$12,489	\$23,101	\$323	\$1,064	\$24,489	\$36,979
Changes in the fiscal year																			
Issuance of foundation funds	450													450					450
Additions to policyholders' dividend reserves (Note 16)												(1,673)	(1,673)	(1,673)					(1,673)
Additions to reserve for future losses				5									(5)						
Additions to reserve for redemption of foundation funds		450												450					450
Payment of interest on foundation funds												(10)	(10)	(10)					(10)
Net surplus												2,004	2,004	2,004					2,004
Redemption of foundation funds	(450)													(450)					(450)
Additions to reserve for fund redemption					468									(468)					
Reversal of reserve for fund redemption					(450)									(450)					(450)
Additions to reserve for promotion of social welfare project							4							(4)					
Reversal of reserve for promotion of social welfare project							(5)							5					
Additions to reserve for reduction entry of real estate								0						(0)					
Reversal of reserve for reduction entry of real estate								(4)						4					
Reversal of land revaluation differences												2	2	2					2
Net changes, excluding funds, reserves and surplus															(1,025)	48	(2)	(979)	(979)
Net changes in the fiscal year	—	450	—	5	18	—	(0)	—	(3)	—	—	(145)	(126)	323	(1,025)	48	(2)	(979)	(656)
Ending balance	\$2,342	\$6,036	\$ 4	\$103	\$882	\$268	\$0	\$900	\$242	\$18	\$ 0	\$2,012	\$4,429	\$12,813	\$22,076	\$371	\$1,062	\$23,509	\$36,323

Non-consolidated Proposed Appropriation of Surplus

Meiji Yasuda Life Insurance Company

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
Unappropriated surplus	¥223,386	¥239,577	\$2,012
Reversal of voluntary surplus reserves:	544	544	4
Reversal of reserve for reduction entry of real estate	544	544	4
Total	223,931	240,122	2,017
Appropriation of surplus	223,931	240,122	2,017
Provision for policyholders' dividend reserves	169,630	185,731	1,528
Net surplus	54,300	54,390	489
Reserve for future losses	512	561	4
Interest on foundation funds	918	1,171	8
Voluntary surplus reserves:	52,870	52,658	476
Reserve for fund redemption	52,000	52,000	468
Reserve for promotion of social welfare project	564	553	5
Reserve for reduction entry of real estate	306	105	2

Notes to the Non-consolidated Financial Statements

Meiji Yasuda Life Insurance Company

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, 2019, which was ¥110.99 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 Industry Audit Committee Report No.21, “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 non-consolidated balance sheets.

(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 Industry Audit Committee Report No.21, “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, from the year ended March 31, 2010, based on the Industry Audit Committee Report No. 26, “Accounting and Auditing Treatments related to Application of Accounting Standard for Financial Instruments in the Insurance Industry,” (JICPA, issued on September 3, 2002).
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) 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) 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

(7) 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).

(8) 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, 2018 and 2019 amounted to ¥370 million and ¥93 million (U.S. \$0 million), respectively.

(9) 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 which are additionally set aside pursuant to Article 69, Paragraph 5 of the "Ordinance for Enforcement of the Insurance Business Act" include the following:

-the policy reserves for 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. 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 set aside in the year ended March 31, 2015 for variable life insurance contracts, and single premium endowment contracts concluded on or after September 2, 1995; and

-the policy reserves set aside in the year ended March 31, 2018 for single premium individual annuity contracts concluded on or after April 2, 1998.

(10) 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, 2018 and 2019, respectively.

(11) Reserve for price fluctuation

Reserve for price fluctuation of the Company is calculated pursuant to Article 115 of the "Insurance Business Act".

(12) 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.

(13) Policy acquisition costs

Policy acquisition costs are expensed when incurred.

(14) 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".

(15) 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 risk management verification committee 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 value 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		
	2019			2018			2019		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Cash and deposits	¥ 1,147,715	¥ 1,147,715	¥ —	¥ 507,469	¥ 507,469	¥ —	\$ 10,340	\$ 10,340	\$ —
Available-for-sale securities (CDs)	33,998	33,998	—	35,999	35,999	—	306	306	—
Monetary claims bought	212,307	225,616	13,309	214,730	225,501	10,770	1,912	2,032	119
Held-to-maturity debt securities	197,980	211,289	13,309	197,914	208,685	10,770	1,783	1,903	119
Available-for-sale securities	14,327	14,327	—	16,816	16,816	—	129	129	—
Money held in trust	16,669	16,669	—	10,076	10,076	—	150	150	—
Available-for-sale securities	16,669	16,669	—	10,076	10,076	—	150	150	—
Securities	31,003,951	33,480,771	2,476,819	30,490,448	32,710,178	2,219,729	279,340	301,655	22,315
Trading securities	775,564	775,564	—	785,232	785,232	—	6,987	6,987	—
Held-to-maturity debt securities	4,138,098	4,959,211	821,112	4,342,387	5,140,154	797,766	37,283	44,681	7,398
Policy-reserve-matching bonds	8,057,811	9,713,518	1,655,706	7,549,821	8,971,785	1,421,963	72,599	87,517	14,917
Available-for-sale securities	18,032,477	18,032,477	—	17,813,006	17,813,006	—	162,469	162,469	—
Loans	4,223,805	4,498,906	275,100	4,507,370	4,785,620	278,250	38,055	40,534	2,478
Policy loans	239,335	239,335	—	249,260	249,260	—	2,156	2,156	—
Industrial and consumer loans	3,984,470	4,259,571	275,100	4,258,109	4,536,360	278,250	35,899	38,377	2,478
Allowance for possible loan losses ^(*)	(4,033)	—	—	(3,739)	—	—	(36)	—	—
	4,219,772	4,498,906	279,133	4,503,630	4,785,620	281,990	38,019	40,534	2,514
Bonds payable	560,735	587,971	27,236	453,310	483,415	30,105	5,052	5,297	245
Payables under repurchase agreements	58,266	58,266	—	5,358	5,358	—	524	524	—
Payables under securities borrowing transactions	552,716	552,716	—	382,564	382,564	—	4,979	4,979	—
Derivative financial instruments ^(**)	46,079	46,079	—	126,833	126,833	—	415	415	—
Hedge accounting is not applied	(2,585)	(2,585)	—	(2,760)	(2,760)	—	(23)	(23)	—
Hedge accounting is applied	48,664	48,664	—	129,593	129,593	—	438	438	—

(*) 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, 2018 and 2019 were as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
Unlisted stocks and others	¥1,178,229	¥1,291,512	\$10,615
Equity securities issued by subsidiaries and affiliates	881,663	875,118	7,943

Impairment losses on the unlisted stocks and others except for equity securities issued by subsidiaries and affiliates were ¥221 million and ¥0 million (U.S. \$0 million) for the years ended March 31, 2018 and 2019, 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 stated at a price 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 a price based on data provided by pricing vendors at the balance sheet date.

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 ¥(4,583) million and ¥10,376 million (U.S. \$93 million) for the years ended March 31, 2018 and 2019, respectively.

Held-to-maturity debt securities

No held-to-maturity debt securities were sold during the year ended March 31, 2018 and 2019, 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		
	2019			2018			2019		
	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	¥3,563,208	¥4,297,660	¥734,452	¥3,701,807	¥4,417,009	¥715,202	\$32,103	\$38,721	\$6,617
2) Corporate bonds	467,140	547,364	80,224	518,348	594,193	75,845	4,208	4,931	722
3) Others	297,929	317,752	19,822	262,797	280,945	18,147	2,684	2,862	178
Total	4,328,278	5,162,778	834,499	4,482,952	5,292,148	809,196	38,997	46,515	7,518
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	—	—	—	—	—	—	—	—	—
2) Corporate bonds	2,800	2,798	(1)	2,800	2,786	(13)	25	25	(0)
3) Others	5,000	4,924	(75)	54,549	53,903	(645)	45	44	(0)
Total	7,800	7,723	(76)	57,349	56,690	(658)	70	69	(0)

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

Disposition of policy-reserve-matching bonds amounted to ¥889 million and ¥50,733 million (U.S. \$457 million) resulting in total gains on sales of ¥0 million and ¥800 million (U.S. \$7 million) for the year ended March 31, 2018 and 2019, respectively. Total loss on sales was ¥27 million for the year ended March 31, 2018. There was no total loss on sales for the year ended March 31, 2019.

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		
	2019			2018			2019		
	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	¥7,492,896	¥9,127,506	¥1,634,610	¥7,356,786	¥8,778,393	¥1,421,607	\$67,509	\$82,237	\$14,727
2) Corporate bonds	30,344	34,303	3,959	37,665	41,118	3,452	273	309	35
3) Others	493,842	511,581	17,739	33,070	33,376	305	4,449	4,609	159
Total	8,017,082	9,673,392	1,656,309	7,427,523	8,852,888	1,425,365	72,232	87,155	14,923
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	—	—	—	—	—	—	—	—	—
2) Corporate bonds	—	—	—	—	—	—	—	—	—
3) Others	40,728	40,125	(603)	122,298	118,896	(3,401)	366	361	(5)
Total	40,728	40,125	(603)	122,298	118,896	(3,401)	366	361	(5)

Available-for-sale securities

Disposition of available-for-sale securities amounted to ¥872,181 million and ¥891,891 million (U.S. \$8,035 million) resulting in total gains on sales of ¥25,175 million and ¥14,962 million (U.S. \$134 million) and total losses of ¥38,018 million and ¥37,527 million (U.S. \$338 million) for the years ended March 31, 2018 and 2019, 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		
	2019			2018			2019		
	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	¥ 1,478,135	¥ 3,835,843	¥2,357,708	¥ 1,548,692	¥ 4,227,017	¥2,678,324	\$ 13,317	\$ 34,560	\$21,242
(2) Bonds	4,839,378	5,276,532	437,153	4,762,611	5,195,056	432,444	43,601	47,540	3,938
1) National & local government bonds	3,167,226	3,512,009	344,783	3,349,267	3,699,049	349,781	28,536	31,642	3,106
2) Corporate bonds	1,672,152	1,764,522	92,370	1,413,343	1,496,006	82,662	15,065	15,898	832
(3) Others	5,759,780	6,451,371	691,590	3,776,433	4,395,059	618,626	51,894	58,125	6,231
Total	12,077,294	15,563,746	3,486,452	10,087,737	13,817,132	3,729,394	108,814	140,226	31,412
Securities whose balance sheet amount does not exceed the acquisition or amortized costs									
(1) Domestic stocks	196,093	173,524	(22,569)	123,241	112,743	(10,498)	1,766	1,563	(203)
(2) Bonds	49,321	49,065	(255)	212,170	205,822	(6,347)	444	442	(2)
1) National & local government bonds	—	—	—	3,972	3,965	(6)	—	—	—
2) Corporate bonds	49,321	49,065	(255)	208,198	201,857	(6,341)	444	442	(2)
(3) Others	2,374,142	2,311,136	(63,005)	3,894,555	3,740,200	(154,354)	21,390	20,822	(567)
Total	2,619,557	2,533,726	(85,830)	4,229,967	4,058,766	(171,200)	23,601	22,828	(773)

Note: This table includes financial instruments that are deemed appropriate to be treated as securities under the "Financial Instruments and Exchange Act".

"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 ¥1,181 million and ¥11,361 million (U.S. \$102 million) for the years ended March 31, 2018 and 2019, respectively.

c. Maturity analysis of monetary claims and securities with maturities

As of March 31,	Millions of Yen					
	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
Deposits	¥ 507,276	¥ —	¥ —	¥ —	¥ —	¥ —
Monetary claims bought	—	—	—	—	—	214,730
Loans*	576,053	603,987	658,298	510,759	760,783	1,147,968
Securities	811,026	1,629,985	2,748,904	1,520,306	2,582,464	14,722,987
Held-to-maturity debt securities	165,898	351,442	367,191	408,363	807,085	2,239,605
Policy-reserve-matching bonds	—	45,771	225,172	56,556	297,165	6,925,156
Available-for-sale securities with maturities	645,128	1,232,771	2,156,541	1,055,386	1,478,212	5,558,225
Total	1,894,357	2,233,973	3,407,202	2,031,066	3,343,247	16,085,687

As of March 31,	Millions of Yen						Millions of U.S. Dollars					
	2019						2019					
	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	¥1,147,565	¥ —	¥ —	¥ —	¥ —	¥ —	\$10,339	\$ —	\$ —	\$ —	\$ —	\$ —
Monetary claims bought	—	—	—	—	—	212,307	—	—	—	—	—	1,912
Loans*	443,009	604,622	648,901	574,134	710,617	1,002,811	3,991	5,447	5,846	5,172	6,402	9,035
Securities	677,302	2,389,931	2,092,797	1,118,538	3,442,754	14,853,441	6,102	21,532	18,855	10,077	31,018	133,826
Held-to-maturity debt securities	166,788	369,907	395,511	548,735	515,916	2,138,438	1,502	3,332	3,563	4,944	4,648	19,266
Policy-reserve-matching bonds	—	68,957	190,309	72,345	838,067	6,888,130	—	621	1,714	651	7,550	62,060
Available-for-sale securities with maturities	510,513	1,951,066	1,506,976	497,457	2,088,770	5,826,872	4,599	17,578	13,577	4,481	18,819	52,499
Total	2,267,877	2,994,553	2,741,699	1,692,673	4,153,371	16,068,560	20,433	26,980	24,702	15,250	37,421	144,774

* Bankruptcy and reorganization claims, which are expected to be unrecoverable, are not included in this table, and they were ¥259 million and ¥374 million (U.S. \$3 million) as of March 31, 2018 and 2019, 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					
	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
Bonds payable	¥ —	¥ —	¥ —	¥ —	¥ —	¥453,310
Payables under repurchase agreements	5,358	—	—	—	—	—
Payable under securities borrowing transactions	382,564	—	—	—	—	—
Total	610,983	—	—	—	—	453,310

As of March 31,	Millions of Yen						Millions of U.S. Dollars					
	2019						2019					
	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	¥ —	¥ —	¥ —	¥ —	¥ —	¥560,735	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,052
Payables under repurchase agreements	58,266	—	—	—	—	—	524	—	—	—	—	—
Payable under securities borrowing transactions	552,716	—	—	—	—	—	4,979	—	—	—	—	—
Total	610,983	—	—	—	—	560,735	5,504	—	—	—	—	5,052

e. Fair value of derivative transactions

Hedge accounting not applied

i) Interest-rate related

As of March 31,	Millions of Yen			
	2018			
	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
Total				4

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2019				2019			
	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	¥700	¥700	¥4	¥4	\$6	\$6	\$0	\$0
Total				4				0

Note: Net gains (losses) represent the fair values.

ii) Currency-related

As of March 31,	Millions of Yen				
	2018				
	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
(U.S. dollar)	62,385	—	—	1,661	1,661
(Euro)	13,904	—	—	37	37
(Australian dollar)	11,454	—	—	68	68
(British pound)	127	—	—	0	0
(Others)	422	—	—	0	0
Bought	19,226	—	—	61	61
(U.S. dollar)	9,566	—	—	64	64
(Euro)	6,914	—	—	(0)	(0)
(Australian dollar)	2,302	—	—	(0)	(0)
(Others)	442	—	—	(1)	(1)
Currency options					
Sold					
Call	—	—	—	—	—
(U.S. dollar)	—	—	—	—	—
Bought					
Put	—	—	—	—	—
(U.S. dollar)	—	—	—	—	—
Cross currency swaps					
Yen payments / Australian dollar receipts	88,870	88,870	(4,389)	(4,389)	
Yen payments / U.S. dollar receipts	—	—	—	—	
Total				(2,558)	

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2019				2019			
	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	¥ 194,632	¥ —	¥ 199	¥ 199	\$1,753	\$ —	\$ 1	\$ 1
(U.S. dollar)	160,265	—	(23)	(23)	1,443	—	(0)	(0)
(Euro)	14,252	—	122	122	128	—	1	1
(Australian dollar)	20,073	—	100	100	180	—	0	0
(British pound)	40	—	0	0	0	—	0	0
(Others)	1	—	(0)	(0)	0	—	(0)	(0)
Bought	11,875	—	(24)	(24)	106	—	(0)	(0)
(U.S. dollar)	6,577	—	3	3	59	—	0	0
(Euro)	3,864	—	(28)	(28)	34	—	(0)	(0)
(Australian dollar)	1,378	—	1	1	12	—	0	0
(Others)	55	—	(0)	(0)	0	—	(0)	(0)
Currency options								
Sold								
Call	198,628	—			1,789	—		
[U.S. dollar]	[476]		1	474	[4]		0	4
Bought	198,628	—			1,789	—		
[U.S. dollar]	[476]		1	474	[4]		0	4
Put	178,500	—			1,608	—		
[U.S. dollar]	[476]		32	(443)	[4]		0	(3)
Bought	178,500	—			1,608	—		
[U.S. dollar]	[476]		32	(443)	[4]		0	(3)
Cross currency swaps								
Yen payments / Australian dollar receipts	154,546	154,546	(3,143)	(3,143)	1,392	1,392	(28)	(28)
Yen payments / U.S. dollar receipts	11,740	11,740	300	300	105	105	2	2
Total				(2,637)				(23)

Notes: 1. Net gains (losses) on foreign currency forward contracts and cross currency swaps 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			
	2018			
	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
Foreign currency-denominated stock index futures				
Sold	—	—	—	—
Bought	2,820	—	(93)	(93)
Total				(53)

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2019				2019			
	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	¥2,672	¥—	¥(18)	¥(18)	\$24	\$—	\$(0)	\$(0)
Bought	4,154	—	0	0	37	—	0	0
Foreign currency-denominated stock index futures								
Sold	327	—	(9)	(9)	2	—	(0)	(0)
Bought	5,444	—	72	72	49	—	0	0
Total				45				0

Note: Net gains (losses) represent the fair values.

iv) Bond-related

No ending balance as of March 31, 2018.

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2019				2019			
	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								
Foreign currency-denominated bond index futures								
Bought	¥123	¥—	¥2	¥2	\$1	\$—	\$0	\$0
Total				2				0

Note: Net gains (losses) represent the fair values.

Hedge accounting applied

i) Interest-rate related

As of March 31,	Millions of Yen			
	2018			
	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	¥231,400	¥231,400	¥51,256
Special hedge accounting				
Interest rate swaps				
Receipts fixed, payments floating	Loans	8,562	3,562	197
Total				51,453

As of March 31,	Millions of Yen				Millions of U.S. Dollars		
	2019				2019		
	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	¥230,700	¥230,700	¥57,446	\$2,078	\$2,078	\$517
Special hedge accounting							
Interest rate swaps							
Receipts fixed, payments floating	Loans	3,369	3,324	185	30	29	1
Total				57,632			519

ii) Currency-related

As of March 31,	Millions of Yen			
		2018		
	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	¥3,376,632	¥ —	¥79,785
(U.S. dollar)		3,058,604	—	76,837
(Euro)		183,159	—	319
(Australian dollar)		134,867	—	2,628
Deferred hedge accounting				
Cross currency swaps				
(Euro)	Foreign-currency- denominated bonds	35,575	35,575	(1,641)
(Australian dollar)		4,305	4,305	192
Total				78,337

As of March 31,	Millions of Yen				Millions of U.S. Dollars		
		2019			2019		
	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	¥3,887,217	¥ —	¥ (8,600)	\$35,023	\$ —	\$(77)
(U.S. dollar)		3,529,862	—	(10,393)	31,803	—	(93)
(Euro)		199,793	—	700	1,800	—	6
(Australian dollar)		142,408	—	980	1,283	—	8
(Others)		15,152	—	112	136	—	1
Deferred hedge accounting							
Cross currency swaps							
(Euro)	Foreign-currency- denominated bonds	35,575	35,575	(381)	320	320	(3)
(Australian dollar)		4,305	4,305	199	38	38	1
Total				(8,782)			(79)

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, 2018 and 2019.

iv) Bond-related

No ending balance as of March 31, 2018 and 2019.

4. Securities Lending

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥2,169,636 million and ¥2,322,166 million (U.S. \$20,922 million) as of March 31, 2018 and 2019, respectively.

5. Securities sold under Repurchase Agreements

Securities sold under repurchase agreements amounted to ¥5,441 million and ¥58,278 (U.S. \$525 million) as of March 31, 2018 and 2019, respectively.

6. Pledged Assets

Assets pledged as collateral were securities in the amount of ¥3,922 million and ¥3,187 million (U.S. \$28 million) as of March 31, 2018 and 2019, respectively.

7. Equity Securities issued by Subsidiaries and Affiliates

The total amounts of equity securities issued by subsidiaries and affiliates were ¥875,409 million and ¥881,663 million (U.S. \$7,943 million) as of March 31, 2018 and 2019, 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 ¥18,780 million and ¥18,955 million (U.S. \$170 million) as of March 31, 2018 and 2019, respectively.

There were no loans to bankrupt borrowers as of March 31, 2018 and 2019, respectively. The aggregate amounts of loans in arrears were ¥3,533 million and ¥3,943 million (U.S. \$35 million) as of March 31, 2018 and 2019, respectively.

The amounts of loans deemed uncollectible and directly deducted from the loans in the non-consolidated balance sheets as of March 31, 2018 and 2019 were ¥368 million and ¥91 million (U.S. \$0 million), respectively, for loans to bankrupt borrowers, and ¥2 million and ¥1 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, 2018 and 2019, 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 ¥15,246 million and ¥15,012 million (U.S. \$135 million) as of March 31, 2018 and 2019, 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 ¥52,315 million and ¥65,181 million (U.S. \$587 million) as of March 31, 2018 and 2019, respectively.

10. Fair Value of Investment and Rental Properties

The carrying amounts of investment and rental properties were ¥571,662 million and ¥568,568 million (U.S. \$5,122 million), and their fair values were ¥712,503 million and ¥759,655 million (U.S. \$6,844 million) as of March 31, 2018 and 2019, 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 ¥419,972 million and ¥436,021 million (U.S. \$3,928 million) as of March 31, 2018 and 2019, 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, 2018 and 2019, 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, 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, 2019

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	1	¥ —	¥231	¥ 231
Idle assets	6	692	280	972
Total	7	692	511	1,204

For the year ended March 31, 2019

Asset group	Millions of U.S. Dollars		
	Land	Buildings	Total
Real estate for non-insurance business	\$—	\$2	\$ 2
Idle assets	6	2	8
Total	6	4	10

(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 1.92% and 1.90% for the years ended March 31, 2018 and 2019, 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, 2018 and 2019 were as follows:

Years ended March 31,	2019	2018
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, 2018 and 2019 were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2019	2018	2019
Balance at the beginning of the fiscal year	¥281,135	¥291,451	\$2,532
Service costs	10,148	10,524	91
Interest cost on retirement benefit obligations	2,530	2,623	22
Actuarial losses (gains) recognized	2,552	436	22
Benefits paid	(22,920)	(23,901)	(206)
Balance at the end of the fiscal year	273,446	281,135	2,463

c. Changes in the plan assets for the years ended March 31, 2018 and 2019 were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2019	2018	2019
Balance at the beginning of the fiscal year	¥394,232	¥383,905	\$3,551
Expected return on plan assets	3,487	3,368	31
Actuarial gains (losses) recognized	(31,217)	6,515	(281)
Contributions by employer	3,588	9,550	32
Benefits paid	(9,367)	(9,106)	(84)
Balance at the end of the fiscal year	360,723	394,232	3,250

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, 2018 and 2019 were determined as follows:

	Millions of Yen		Millions of U.S. Dollars
As of March 31,	2019	2018	2019
Present value of funded retirement benefit obligations	¥272,480	¥280,144	\$2,454
Plan assets at fair value	(360,723)	(394,232)	(3,250)
Net present value of funded retirement benefit obligations	(88,243)	(114,088)	(795)
Present value of non-funded retirement benefit obligations	965	991	8
Unrecognized actuarial losses (gains)	(2,214)	32,194	(19)
Unrecognized past service costs	2,588	3,455	23
Accrued retirement benefits (Prepaid pension cost)	(86,903)	(77,447)	(782)

e. The amounts recognized in retirement benefit expenses in the non-consolidated statements of income for the years ended March 31, 2018 and 2019 were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2019	2018	2019
Service costs	¥10,148	¥10,524	\$91
Interest cost on retirement benefit obligations	2,530	2,623	22
Expected return on plan assets	(3,487)	(3,368)	(31)
Amortization of net actuarial losses (gains)	(639)	8,828	(5)
Amortization of net past service costs	(866)	(866)	(7)
Retirement benefit expenses	7,685	17,741	69

f. Plan assets

Plan assets as of March 31, 2018 and 2019 were comprised as follows:

	% of total fair value of plan assets	
As of March 31,	2019	2018
Debt securities	7.7%	7.2%
Stocks	37.5%	43.0%
General account of life insurance companies	27.8%	26.0%
Jointly invested assets	19.3%	18.2%
Investment trusts	3.6%	3.4%
Cash and deposits	0.9%	0.7%
Others	3.2%	1.5%
Total	100.0%	100.0%

Plan assets include the retirement benefit trusts. The amounts of the retirement benefit trusts were 55.8% and 52.9% of total plan assets as of March 31, 2018 and 2019, 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, 2018 and 2019 were as follows:

Years ended March 31,	2019	2018
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 ¥1,051 million and ¥1,018 million (U.S. \$9 million) for the years ended March 31, 2018 and 2019, respectively.

15. Reinsurance

As of March 31, 2018 and 2019, 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 ¥55 million and ¥318 million (U.S. \$2 million), respectively.

As of March 31, 2018 and 2019, 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 ¥23,236 million and ¥28,250 million (U.S. \$254 million), respectively.

16. Policyholders' Dividend Reserves

Changes in policyholders' dividend reserves for the years ended March 31, 2018 and 2019 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
Balance at the beginning of the fiscal year	¥233,768	¥236,959	\$2,106
Transfer from surplus in the previous fiscal year	185,731	169,815	1,673
Dividend payments to policyholders during the fiscal year	(176,676)	(173,157)	(1,591)
Interest accrued during the fiscal year	134	151	1
Balance at the end of the fiscal year	242,957	233,768	2,188

17. Subordinated Bonds

As of March 31, 2018 and 2019, 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 the 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
	2019	2018	2019
Deferred tax assets	¥730,103	¥686,215	\$6,578
Valuation allowance for deferred tax assets	4,139	(3,823)	37
Subtotal	734,242	682,392	6,615
Deferred tax liabilities	(965,260)	(999,778)	(8,696)
Net deferred tax assets (liabilities)	(231,018)	(317,386)	(2,081)

Major components of deferred tax assets/liabilities were as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
Deferred tax assets			
Policy reserves and other reserves	¥413,482	¥410,353	\$3,725
Reserve for price fluctuation	228,146	191,412	2,055
Deferred tax liabilities			
Net unrealized gains on available-for-sale securities	916,612	954,762	8,258

(2) The statutory tax rates were 28.20% and 27.96% for the years ended March 31, 2018 and 2019, 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,	2019	2018
Policyholders' dividend reserves	(19.10)%	(18.78)%

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 ¥50,000 million and ¥50,000 million (U.S. \$450 million) pursuant to Article 60 of the "Insurance Business Act" in the year ended March 31, 2018 and 2019, 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 ¥100,000 million and ¥50,000 million (U.S. \$450 million) as of March 31, 2018 and 2019, 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 ¥2,718,594 million and ¥2,609,825 million (U.S. \$23,514 million) as of March 31, 2018 and 2019, 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 ¥876,492 million and ¥825,371 million (U.S. \$7,436 million) as of March 31, 2018 and 2019, 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, 2018 and 2019 were as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
Monetary receivable	¥2,530	¥2,695	\$22
Monetary payable	4,460	3,679	40

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
	2019	2018	2019
Domestic bonds including national government bonds	¥ 1,705	¥ 495	\$15
Domestic stocks	3,287	2,427	29
Foreign securities	10,769	22,253	97

Major components of losses on sales of securities were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
Domestic bonds including national government bonds	¥ 78	¥ 220	\$ 0
Domestic stocks	488	15	4
Foreign securities	36,960	37,809	333

Major components of losses on valuation of securities were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
Domestic stocks	¥11,361	¥1,393	\$102
Foreign securities	6,142	6,931	55

Loss on derivative financial instruments included net valuation loss of ¥99,914 million for the years ended March 31, 2018 and net valuation gain of ¥23,151 million (U.S. \$208 million) for the years ended March 31, 2019.

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, 2018 and 2019 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
Provision for (reversal of) reinsurance recoverable on outstanding claims	¥ 262	¥ 45	\$ 2
Provision for (reversal of) reinsurance recoverable on policy reserves	5,014	1,920	45

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 ¥48,499 million and ¥47,718 million (U.S. \$429 million) as of March 31, 2018 and 2019, 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, 2018 and 2019 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2019	2018	2019
Total income	¥18,957	¥17,314	\$170
Total expenses	38,849	35,174	350

28. 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.

29. Subsequent Events

Appropriation of surplus

The proposed appropriation of surplus of the Company for the year ended March 31, 2019 was approved as planned at the annual meeting of the representatives of policyholders held on July 2, 2019.

Offering of foundation funds

During the annual meeting of representatives of policyholders held on July 2, 2019, 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, 2020.

Redemption of foundation funds

The Company redeemed foundation funds on August 2, 2019 and also established for reserve for redemption of foundation funds pursuant to Article 56 of the "Insurance Business Act" in the amount of ¥60,000 million.



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, 2018 and 2019, 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, 2018 and 2019, 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, 2019 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 5, 2019
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.

Supplementary Financial Information

Contents

Non-consolidated Information	165	Investment Performance Indicators	193
Assets	165	<ul style="list-style-type: none"> • Breakdown of Invested Assets (General Account) • Increase (Decrease) by Asset Type (General Account) • Investment Returns (General Account) • Average Balances of Assets (General Account) • Investment Income (General Account) • Investment Expenses (General Account) • Interest, Dividends and Other Income (General Account) • Attribution Analysis of Interest, Dividends and Other Income (General Account) • Gains on Sales of Securities (General Account) • Losses on Sales of Securities (General Account) • Losses on Valuation of Securities (General Account) • Balance of Securities (General Account) • Breakdown of Securities by Remaining Period for Maturity (General Account) • Rate of Return on Bonds at Fiscal Year End (General Account) • Breakdown of Stocks Held by Industry (General Account) • Loans (General Account) • Breakdown of Loans by Duration (General Account) • Breakdown of Domestic Corporate Loans by Size of Borrower (General Account) • Breakdown of Loans by Industry (General Account) • Breakdown of Loans by Usage (General Account) • Breakdown of Loans by Region (General Account) • Breakdown of Loans by Collateral (General Account) • Tangible and Intangible Fixed Assets (General Account) • Gains on Disposals of Fixed Assets (General Account) • Losses on Disposals of Fixed Assets (General Account) • Depreciation of Real Estate for Non-Insurance Business (General Account) • Foreign Securities Investment and Overseas Loans (General Account) • Investments and Loans for Public Entities (General Account) • Interest Rates of Loans • Other Assets (General Account) 	
<ul style="list-style-type: none"> • Loans Categorized by Internal Classification of Borrowers • Non-performing Loans • Self Assessment of Loans and Other Assets • Loans Involving Guaranteed Investment Trusts • Enhancement of Ability for Insurance Claim and Benefit Payout (Solvency margin ratio) • Real Net Assets • Gains and Losses on Valuation of Trading Securities (Consolidated) • Fair Value of Securities (Consolidated) • Fair Value of Money Held in Trust (Consolidated) • Fair Value of Derivative Transactions (Consolidated) • Status of Stocks Held • Components of Ordinary Profit (Base Profit) • Components of Base Profit (Three Surplus Factors) 			
Performance Indicators	176		
Performance Indicators for Main Business	176		
<ul style="list-style-type: none"> • Annualized Premiums and Number of Policies • Insurance Amount of Policies in Force and New Policies • Insurance Amount of Policies in Force and New Policies by Product Type • Insurance Amount of Policies in Force by Coverage Type • Insurance Amount of Individual Life Insurance and Individual Annuities in Force by Type of Policy • Annualized Premiums in Force by Type of Policy (individual life insurance and individual annuities) 			
Performance Indicators for Insurance Policies	184		
<ul style="list-style-type: none"> • Rate of Change of Policies in Force • Average Insured Amount per New Policy and Policy in Force (individual life insurance) • New Policy Rate (comparison between the beginning and end of the year) • Surrender and Lapse Rates (comparison between the beginning and end of the year) • Average Premiums for New Policies (individual life insurance policies with monthly payments) • Mortality Rate (individual life insurance) • Rate of Incidence of Events Covered by Riders (individual life insurance) • Ratio of Operating Expenses to Insurance Premiums • The Number of Major Insurance Companies that Accepted Reinsurance Agreements • Ratio of Reinsurance Premiums Paid to the Top Five Counterparties • Ratio of Reinsurance Premiums by Counterparty Rating • Unreceived Reinsurance Claims • Ratio of Premiums Paid as Benefit Payments under Third-Sector Insurance, with Coverage Breakdown 			
Performance Indicators for Accounting	186		
<ul style="list-style-type: none"> • Reserve for Outstanding Claims • Policy Reserves • Breakdown of Policy Reserves • Policy Reserves for Individual Life Insurance and Individual Annuities • 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 • 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) • Policyholders' Dividend Reserves • Allowance for Possible Loan Losses and Other Reserves • Specific Allowance for Possible Overseas Loan Losses • Insurance Premiums • Insurance Premiums Categorized by Policy Year • Insurance Claims, Annuities and Benefits Paid • The Number of Cases Where Claims, Annuities and Benefits were Paid • Depreciation • Operating Expenses • Taxes • Lease Transactions • Balance of Loans Payable by Remaining Loan Period • Quarterly Information 			
		Fair Values of Financial Instruments (General Account)	208
		<ul style="list-style-type: none"> • Gains and Losses on Valuation of Trading Securities (General Account) • Fair Values of Securities (General Account) • Fair Value of Money Held in Trust (General Account) • Fair Value of Derivative Transactions (General Account) • Fair Value of Land (General Account) • Unrealized Gains and Losses on Overall Assets (General Account) 	
		Performance Indicators for Separate Account	213
		Balance of Separate Account Assets	213
		<ul style="list-style-type: none"> • Investment Status of Separate Account Assets for Variable Individual Life Insurance and Variable Individual Annuities 	
		Variable Individual Life Insurance (Separate Account)	214
		<ul style="list-style-type: none"> • Insurance Amount of Policies in Force • Breakdown of Assets • Investment Returns • Fair Value of Securities • Fair Value of Money Held in Trust • Fair Value of Derivative Transactions 	
		Variable Individual Annuities (Separate Account)	216
		<ul style="list-style-type: none"> • Policies in Force • Breakdown of Assets • Investment Returns • Fair Value of Securities • Fair Value of Money Held in Trust • Fair Value of Derivative Transactions 	
		Group Pensions (Separate Account)	218
		<ul style="list-style-type: none"> • Separate Account Assets Managed for Group Pension Policyholders • Investment Performance of First Treaty Separate Account (Comprehensive Account) • First Treaty Separate Account (Accounts Established for Each Investee) 	
		Consolidated Information	220
		<ul style="list-style-type: none"> • Non-performing Loans • The Enhancement of Ability for Insurance Claim and Benefit Payout Possessed by the Insurance Company and Its Subsidiaries (Consolidated Solvency Margin Ratio) • The Enhancement of Ability for Insurance Claim and Benefit Payout Possessed by the Insurance Company's Subsidiary (Solvency Margin Ratio) • Segment Information 	

Non-consolidated Information

Assets

Loans Categorized by Internal Classification of Borrowers

	(Millions of Yen)	
As of March 31,	2019	2018
Loans to legally bankrupt and substantially bankrupt borrowers	438	559
Loans to borrowers with high possibility of bankruptcy	3,504	2,974
Loans with collection risk	15,225	15,479
Subtotal	19,168	19,013
Proportion of total loans (%)	0.29	0.28
Normal loans	6,623,904	6,702,846
Total	6,643,073	6,721,859

- 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,	2019	2018
Loans to bankrupt borrowers	—	—
Loans in arrears	3,943	3,533
Loans in arrears for three months or longer	—	—
Restructured loans	15,012	15,246
Total	18,955	18,780
Non-performing loans/total loans (%)	0.45	0.42

- 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 ¥368 million for loans to bankrupt borrowers and ¥2 million for loans in arrears as of March 31, 2018; and ¥91 million for loans to bankrupt borrowers and ¥1 million for loans in arrears as of March 31, 2019.
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)			
	2019		2018	
	Amount	% of total value of loans	Amount	% of total value of loans
Not Classified	6,627,868	99.8	6,684,117	99.4
Class II	15,031	0.2	37,625	0.6
Class III	172	0.0	115	0.0
Class IV	—	—	—	—
Subtotal of II-IV	15,204	0.2	37,741	0.6
Total	6,643,073	100.0	6,721,859	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)	
	2019	2018
(A) Total solvency margin	7,813,804	7,614,123
① Foundation funds	1,247,299	1,195,875
② Reserve for price fluctuation	815,975	684,594
③ Contingency reserves	710,714	691,787
④ General allowance for possible loan losses	1,089	1,310
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)	3,060,911	3,202,005
⑥ Unrealized gains on land × 85% (100% in case of losses)	400,514	348,812
⑦ Excess of continued Zillmerized reserve	909,388	936,352
⑧ Qualifying subordinated debt	560,735	453,310
⑨ Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—	—
⑩ Deductions	—	—
⑪ Other (tax effect adjustment)	107,176	100,074
(B) Total amount of risk $\sqrt{(\text{12}+\text{13})^2+(\text{14}+\text{15}+\text{16})^2}+\text{17}$	1,589,199	1,623,634
⑫ Insurance risk	120,996	119,760
⑬ Third-sector insurance risk	69,193	61,586
⑭ Assumed interest rate risk	146,472	145,077
⑮ Minimum guarantee risk	11,035	8,829
⑯ Investment risk	1,385,352	1,424,153
⑰ Business management risk	34,660	35,188
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	983.3	937.9

- 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,	2019	2018
Real net assets	10,193,061	9,827,543
Ratio of real net assets to general account assets (%)	26.5	26.1

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,	2019	2018
Real net assets after deducting unrealized gains and losses on held-to-maturity debt securities and policy-reserve-matching bonds	7,702,931	7,597,042

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 (Consolidated)

(Millions of Yen)

As of March 31,	2019		2018	
	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	775,564	(10,376)	785,232	(4,583)
General account	—	—	—	—
Separate account	775,564	(10,376)	785,232	(4,583)

Fair Value of Securities (Consolidated)

• Securities with Fair Value (excluding trading securities)

(Millions of Yen)

As of March 31,	2019					2018				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity debt securities	4,336,078	5,170,501	834,422	834,499	(76)	4,540,301	5,348,839	808,537	809,196	(658)
Policy-reserve-matching bonds	8,057,811	9,713,518	1,655,706	1,656,309	(603)	7,549,821	8,971,785	1,421,963	1,425,365	(3,401)
Stocks of subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	14,696,852	18,097,473	3,400,621	3,486,452	(85,830)	14,317,705	17,875,899	3,558,193	3,729,394	(171,200)
Domestic bonds	4,888,700	5,325,598	436,897	437,153	(255)	4,974,782	5,400,878	426,096	432,444	(6,347)
Domestic stocks	1,674,228	4,009,367	2,335,139	2,357,708	(22,569)	1,671,934	4,339,760	2,667,825	2,678,324	(10,498)
Foreign securities	7,293,609	7,870,746	577,137	628,368	(51,231)	7,018,010	7,425,040	407,029	556,602	(149,572)
Foreign bonds	6,502,084	6,928,152	426,067	470,907	(44,840)	6,282,089	6,553,962	271,872	407,224	(135,351)
Foreign stocks and others	791,524	942,594	151,069	157,461	(6,391)	735,920	871,077	135,157	149,378	(14,221)
Other securities	775,212	826,765	51,552	62,130	(10,578)	591,537	647,327	55,790	60,570	(4,780)
Monetary claims bought	13,236	14,327	1,090	1,090	—	15,626	16,816	1,190	1,190	—
Negotiable deposits	34,000	33,998	(1)	0	(1)	36,000	35,999	(0)	0	(0)
Money held in trust	17,864	16,669	(1,194)	—	(1,194)	9,814	10,076	262	262	—
Total	27,090,742	32,981,493	5,890,750	5,977,261	(86,510)	26,407,828	32,196,523	5,788,694	5,963,956	(175,261)
Domestic bonds	16,450,708	19,341,072	2,890,364	2,890,621	(256)	16,592,190	19,234,381	2,642,191	2,648,552	(6,361)
Domestic stocks	1,674,228	4,009,367	2,335,139	2,357,708	(22,569)	1,671,934	4,339,760	2,667,825	2,678,324	(10,498)
Foreign securities	7,927,511	8,528,002	600,490	652,400	(51,910)	7,292,812	7,703,477	410,664	563,639	(152,974)
Foreign bonds	7,135,987	7,585,407	449,420	494,939	(45,518)	6,556,891	6,832,399	275,507	414,261	(138,753)
Foreign stocks and others	791,524	942,594	151,069	157,461	(6,391)	735,920	871,077	135,157	149,378	(14,221)
Other securities	775,212	826,765	51,552	62,130	(10,578)	591,537	647,327	55,790	60,570	(4,780)
Monetary claims bought	211,216	225,616	14,400	14,400	—	213,540	225,501	11,960	12,606	(645)
Negotiable deposits	34,000	33,998	(1)	0	(1)	36,000	35,999	(0)	0	(0)
Money held in trust	17,864	16,669	(1,194)	—	(1,194)	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,	2019			2018		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	4,328,278	5,162,778	834,499	4,482,952	5,292,148	809,196
Domestic bonds	4,030,348	4,845,025	814,676	4,220,155	5,011,203	791,048
Foreign bonds	99,949	106,462	6,512	119,183	125,914	6,731
Monetary claims bought	197,980	211,289	13,309	143,614	155,030	11,416
Securities whose fair value does not exceed the balance sheet amount	7,800	7,723	(76)	57,349	56,690	(658)
Domestic bonds	2,800	2,798	(1)	2,800	2,786	(13)
Foreign bonds	5,000	4,924	(75)	249	248	(0)
Monetary claims bought	—	—	—	54,300	53,654	(645)

• Policy-Reserve-Matching Bonds

(Millions of Yen)

As of March 31,	2019			2018		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	8,017,082	9,673,392	1,656,309	7,427,523	8,852,888	1,425,365
Domestic bonds	7,528,858	9,167,649	1,638,791	7,394,452	8,819,512	1,425,060
Foreign bonds	488,223	505,742	17,518	33,070	33,376	305
Securities whose fair value does not exceed the balance sheet amount	40,728	40,125	(603)	122,298	118,896	(3,401)
Domestic bonds	—	—	—	—	—	—
Foreign bonds	40,728	40,125	(603)	122,298	118,896	(3,401)

• Available-for-Sale Securities

(Millions of Yen)

As of March 31,	2019			2018		
	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	12,077,294	15,563,746	3,486,452	10,087,737	13,817,132	3,729,394
Domestic bonds	4,839,378	5,276,532	437,153	4,762,611	5,195,056	432,444
Domestic stocks	1,478,135	3,835,843	2,357,708	1,548,692	4,227,017	2,678,324
Foreign securities	5,222,294	5,850,663	628,368	3,346,851	3,903,453	556,602
Other securities	509,250	571,381	62,130	399,140	459,711	60,570
Monetary claims bought	13,236	14,327	1,090	15,626	16,816	1,190
Negotiable deposits	15,000	15,000	0	5,000	5,000	0
Money held in trust	—	—	—	9,814	10,076	262
Securities whose balance sheet amount does not exceed the acquisition or amortized costs	2,619,557	2,533,726	(85,830)	4,229,967	4,058,766	(171,200)
Domestic bonds	49,321	49,065	(255)	212,170	205,822	(6,347)
Domestic stocks	196,093	173,524	(22,569)	123,241	112,743	(10,498)
Foreign securities	2,071,315	2,020,083	(51,231)	3,671,159	3,521,586	(149,572)
Other securities	265,962	255,384	(10,578)	192,396	187,615	(4,780)
Monetary claims bought	—	—	—	—	—	—
Negotiable deposits	19,000	18,998	(1)	31,000	30,999	(0)
Money held in trust	17,864	16,669	(1,194)	—	—	—

• Book Value of Securities of Which Market Value is Extremely Difficult to Determine

(Millions of Yen)

As of March 31,	2019	2018
Held-to-maturity debt securities	—	—
Policy-reserve-matching bonds	—	—
Stocks of subsidiaries and affiliates	881,663	875,118
Available-for-sale securities	295,993	415,356
Unlisted domestic stocks	27,452	27,776
Unlisted foreign stocks	257,126	377,126
Other foreign securities	596	458
Others	10,818	9,994
Total	1,177,656	1,290,474

Fair Value of Money Held in Trust (Consolidated)

(Millions of Yen)

As of March 31,	2019					2018				
	Balance sheet		Net gains/losses			Balance sheet		Net gains/losses		
	amount	Fair value	Gains	Losses	amount	Fair value	Gains	Losses		
Money held in trust	16,669	16,669	—	—	—	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,	2019					2018				
	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	17,864	16,669	(1,194)	—	(1,194)	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 (Consolidated)

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 risk accompanying these transactions is mitigated and limited.

In addition, transactions are executed through market exchange or OTC transactions. In general, the latter employ Credit Support Annex (CSA), a type of contract that mandates the mutual provision of collateral by transactional participants based on market conditions and risks, while giving 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 value at fiscal year-end based on data provided by pricing vendors.

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,	2019						2018					
	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	57,632	(8,782)	—	—	—	48,850	51,453	78,337	—	—	—	129,790
Hedge accounting not applied	4	(2,637)	45	2	—	(2,585)	4	(2,558)	(53)	—	—	(2,608)
Total	57,637	(11,419)	45	2	—	46,264	51,457	75,778	(53)	—	—	127,182

Note: Gains and losses on derivative transactions where fair value hedge accounting is applied included gain attributable to currency-related transactions totaling ¥79,785 million as of March 31, 2018 and loss attributable to currency-related transactions totaling ¥8,600 million as of March 31, 2019. 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,	2019			2018		
	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	700	700	4	1,200	1,200	4
Total			4			4

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,	2019							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	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	—	—	—	—	—	700	700	—	—	—	—	—	1,200	1,200
Average interest rate in receipt (%)	—	—	—	—	—	0.41	0.41	—	—	—	—	—	0.68	0.68
Average interest rate in payment (%)	—	—	—	—	—	0.01	0.01	—	—	—	—	—	0.01	0.01

◆ Currency-Related

(Millions of Yen)

As of March 31,	2019				2018			
	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	194,632	—	199	199	88,295	—	1,768	1,768
(U.S. dollar)	160,265	—	(23)	(23)	62,385	—	1,661	1,661
(Australian dollar)	20,073	—	100	100	11,454	—	68	68
(Euro)	14,252	—	122	122	13,904	—	37	37
(Others)	41	—	0	0	550	—	1	1
Bought	11,875	—	(24)	(24)	19,226	—	61	61
(U.S. dollar)	6,577	—	3	3	9,566	—	64	64
(Euro)	3,864	—	(28)	(28)	6,914	—	(0)	(0)
(Australian dollar)	1,378	—	1	1	2,302	—	(0)	(0)
(Others)	55	—	(0)	(0)	442	—	(1)	(1)
Currency options								
Sold								
Call	198,628	—	—	—	—	—	—	—
(U.S. dollar)	(476)	—	1	474	[—]	—	—	—
(U.S. dollar)	198,628	—	1	474	[—]	—	—	—
(U.S. dollar)	(476)	—	—	—	[—]	—	—	—
Bought								
Put	178,500	—	32	(443)	—	—	—	—
(U.S. dollar)	(476)	—	—	—	[—]	—	—	—
(U.S. dollar)	178,500	—	32	(443)	[—]	—	—	—
(U.S. dollar)	(476)	—	—	—	[—]	—	—	—
Currency swaps								
Yen payments/Australian dollar receipts	154,546	154,546	(3,143)	(3,143)	88,870	88,870	(4,389)	(4,389)
Yen payments/U.S. dollar receipts	11,740	11,740	300	300	—	—	—	—
Total				(2,637)				(2,558)

Notes: 1. Net gains (losses) on foreign exchange contracts and currency swaps represent the fair values. 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,	2019			2018			
	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							
Sold	2,672	—	(18)	(18)	—	—	—
Bought	4,154	—	0	0	2,706	—	39
Foreign currency-denominated stock index futures							
Sold	327	—	(9)	(9)	—	—	—
Bought	5,444	—	72	72	2,820	—	(93)
Total				45			(53)

Note: Net gains (losses) represent the fair values.

◆ Bond-Related

(Millions of Yen)

As of March 31,	2019			2018			
	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							
Foreign bond index futures							
Bought	123	—	2	2	—	—	—
Total				2			—

Note: Net gains (losses) on foreign bond index futures represent the fair values.

(3) Transactions Where Hedge Accounting is Applied

◆ Interest-rate Related

(Millions of Yen)

Hedge accounting method	Type	Main hedged items	2019		2018			
			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	230,700	230,700	57,446	231,400	231,400	51,256
Special hedge accounting	Interest rate swaps Receipts fixed, payments floating	Loans	3,369	3,324	185	8,562	3,562	197
Total					57,632			51,453

Reference: Amount and Proportion of Interest Rate Swaps by Remaining Contract Duration

(Millions of Yen)

As of March 31,	2019							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	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	45	6,300	6,800	11,124	12,300	197,500	234,069	5,000	3,636	7,100	8,926	14,500	200,800	239,962
Average interest rate in receipt (%)	1.60	1.56	1.75	1.73	2.05	1.87	1.86	2.15	1.51	1.69	1.73	1.90	1.88	1.87
Average interest rate in payment (%)	0.07	0.01	(0.00)	0.14	0.00	0.00	0.01	0.21	0.01	(0.00)	0.11	0.06	0.01	0.02

◆ Currency-Related

(Millions of Yen)

As of March 31,			2019			2018			
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	3,887,217	—	(8,600)	3,376,632	—	79,785
			(U.S. dollar)	3,529,862	—	(10,393)	3,058,604	—	76,837
			(Euro)	199,793	—	700	183,159	—	319
			(Australian dollar)	142,408	—	980	134,867	—	2,628
	(Others)	15,152	—	112	—	—	—		
Deferred hedge accounting	Cross currency swaps	Foreign-currency- denominated bonds							
			(Euro)	35,575	35,575	(381)	35,575	35,575	(1,641)
			(Australian dollar)	4,305	4,305	199	4,305	4,305	192
Total									
					(8,782)			78,337	

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. Classification of Investment Securities and Fundamental Concept for Stock Investment

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 addition to its stockholdings based on the aforementioned concept, the Company may engage in strategic stockholding by investing in other companies with the aim of strengthening partnerships through business alliance and collaboration. The strategically held stocks are managed as "Investment Securities not Held Solely for the Purpose of Investment" and managed distinctly from other stocks, which are held in line with the aforementioned fundamental concept for stock investment.

2. Investment Securities not Held Solely for the Purpose of Investment

(1) Investment policies, methods for verifying rationality of the holding and verification results for individual stocks

All listed stocks that are strategically held by the Company undergo verification regarding the appropriateness of the purposes of the holding as well as a close examination of the benefits and risks arising from such holding. By doing so, the Company verifies whether or not to continue such stockholding.

(2) Number of Stocks and Their Balance Sheet Value

(Thousand Shares, Millions of Yen)

	Number of stocks	Total balance sheet value
Unlisted stocks	10	6,421
Other stocks	1	53,470

Increase in Number of Shares of Specific Stocks

None

Decrease in Number of Shares of Specific Stocks

None

3. Breakdown of Investment Securities not Held Solely for the Purpose of Investment (excluding unlisted stocks)

As of March 31, 2019

(Thousand Shares, Millions of Yen)

Stock	Number of shares	Balance sheet amount	Purpose
Talanx AG	12,493	53,470	Ongoing stockholding to maintain a strategic partnership aimed at promoting international collaboration in the insurance business in growing markets

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

4. Investment Securities Held Solely for Investment

(Millions of Yen)

As of and years ended March 31,

	2019					2018				
	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	27,536	1,653	760	783	(0)	27,505	1,102	710	1,069	(211)
Others	4,038,079	106,509	2,052	2,341,850	(11,361)	4,385,729	92,939	1,700	2,691,152	(1,181)

Components of Ordinary Profit (Base Profit)

(Millions of Yen)

Years ended March 31,	2019	2018
Base income ①	3,748,005	3,685,492
Insurance premiums and other	2,770,879	2,719,469
Insurance premiums	2,769,643	2,718,837
Investment income (Note 1)	888,082	864,599
Interest, dividends and other income	807,260	768,959
Other ordinary income (Note 1)	85,522	100,582
Other base income	3,520	840
Base expenses ②	3,158,348	3,138,790
Benefits and other payments	2,205,432	2,212,551
Claims paid	637,897	679,816
Annuity payments	614,555	645,353
Benefit payments	395,524	380,435
Surrender benefits	463,306	420,757
Other refunds	89,249	80,543
Provision for policy reserves and other reserves (Note 1)	415,198	374,099
Investment expenses (Note 1)	41,205	38,186
Operating expenses	357,421	356,467
Other ordinary expenses	139,090	146,411
Other base expenses	—	11,074
Base profit	A (①-②)	546,701

(Millions of Yen)

Years ended March 31,		2019	2018
Capital income ③		23,948	36,249
Gains on money held in trust		—	—
Gains on trading securities		—	—
Gains on sales of securities		15,762	25,175
Gains on derivative financial instruments		—	—
Foreign exchange gains		8,185	—
Other capital income		—	11,074
Capital expenses ④		189,109	169,925
Losses on money held in trust		397	—
Losses on trading securities		—	—
Losses on sales of securities		37,527	38,046
Losses on valuation of securities		17,708	8,530
Losses on derivative financial instruments		130,169	113,851
Foreign exchange losses		—	8,679
Other capital expenses		3,307	817
Capital gains/losses	B (③-④)	(165,160)	(133,675)
Total of base profit and capital gains/losses	A+B	424,497	413,025
Temporary income ⑤		—	320
Reversal of contingency reserves		—	—
Reversal of specific allowance for possible loan losses		—	320
Other temporary income		—	—
Temporary expenses ⑥		50,974	44,986
Provision for contingency reserves		18,926	10,253
Provision for specific allowance for possible loan losses		562	—
Provision for specific allowance for possible overseas loan losses		—	—
Write-off of doubtful accounts		—	—
Other temporary expenses (Note 2)		31,484	34,732
Temporary gains/losses	C (⑤-⑥)	(50,974)	(44,665)
Ordinary profit	A+B+C	373,522	368,360

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. 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,		2019	2018
Base profit	A	589.6	546.7
Interest surplus		273.2	222.5
Mortality profit		275.4	288.9
Expense profit		40.8	35.2
Capital gains/losses	B	(165.1)	(133.6)
Temporary gains/losses	C	(50.9)	(44.6)
Ordinary profit	D (=A+B+C)	373.5	368.3
Extraordinary gains/losses, income taxes	E	(150.1)	(128.7)
Unappropriated surplus	F (=D+E)	223.3	239.5

Performance Indicators

Performance Indicators for Main Business Annualized Premiums and Number of Policies

(1) Policies in Force

• Annualized Premiums

As of March 31,	2019		2018	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	1,616,274	102.2	1,581,825	101.3
Individual annuities	649,391	97.0	669,319	97.2
Total	2,265,666	100.6	2,251,145	100.0
Medical insurance, living benefits and others	432,067	107.5	402,047	105.2

(Millions of Yen)

• Number of Policies

As of March 31,	2019		2018	
	Number of policies	YOY change (%)	Number of policies	YOY change (%)
Individual life insurance	9,751,539	102.8	9,482,859	103.6
Individual annuities	2,533,037	96.9	2,613,215	97.2
Total	12,284,576	101.6	12,096,074	102.2

(2) New Policies

• Annualized Premiums

Years ended March 31,	2019		2018	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	138,101	113.0	122,254	95.7
Individual annuities	3,226	56.2	5,739	11.0
Total	141,328	110.4	127,994	71.1
Medical insurance, living benefits and others	54,350	126.9	42,825	117.2

(Millions of Yen)

• Number of Policies

Years ended March 31,	2019		2018	
	Number of policies	YOY change (%)	Number of policies	YOY change (%)
Individual life insurance	1,138,770	102.4	1,112,145	101.4
Individual annuities	19,278	61.0	31,590	12.7
Total	1,158,048	101.3	1,143,735	85.1

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

(Millions of Yen)

As of March 31,	2019		2018	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	61,358,372	95.0	64,557,636	94.9
Individual annuities	13,406,522	96.0	13,969,694	96.3
Subtotal	74,764,894	95.2	78,527,330	95.1
Group life insurance	115,815,673	101.6	113,944,264	100.9
Total	190,580,568	99.0	192,471,595	98.4
Group pensions	7,691,335	101.1	7,607,226	102.2

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

(Millions of Yen)

Years ended March 31,	2019				2018			
	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	2,195,058	(861,564)	1,333,494	92.8	2,365,162	(928,235)	1,436,927	78.6
Individual annuities	93,942	(255)	93,686	57.4	163,452	(357)	163,094	12.9
Subtotal	2,289,001	(861,820)	1,427,180	89.2	2,528,615	(928,593)	1,600,021	51.7
Group life insurance	709,377	—	709,377	31.2	2,275,567	—	2,275,567	451.3
Total	2,998,378	(861,820)	2,136,558	55.1	4,804,183	(928,593)	3,875,589	107.6
Group pensions	13	—	13	81.0	16	—	16	19.5

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.

	Policies in force (as of March 31, 2019)				New policies (year ended March 31, 2019)			
	Number of policies	% of policies	Amount (Millions of Yen)	% of policies	Number of policies	% of policies	Amount (Millions of Yen)	% of policies
Hybrid insurance	395,236	4.1	1,734,317	2.8	[66,377]	[5.8]	[248,245]	[4.5]
Endowment insurance	136,688	1.4	654,682	1.1	66,341	5.8	247,772	4.5
Endowment insurance (denominated by designated currencies)	99,303	1.0	292,223	0.5	[9,543]	[0.8]	[63,345]	[1.2]
Endowment insurance with term rider	88,814	0.9	292,053	0.5	9,537	0.8	63,205	1.2
Endowment insurance with term rider with living benefits	28,596	0.3	252,830	0.4	[55,941]	[4.9]	[175,171]	[3.2]
Term life insurance with living benefits	7,769	0.1	73,689	0.1	55,941	4.9	175,171	3.2
Child insurance with annuity for child	34,066	0.3	137,819	0.2	—	—	—	—
Term rider with living benefits	[18,388]	—	31,018	0.1	—	—	—	—
Pure endowment insurance	1,098,256	11.3	1,051,068	1.7	[893]	[0.1]	[9,729]	[0.2]
Wealth accumulation insurance with death/accident benefits for women	765,392	7.8	366,885	0.6	863	0.1	9,396	0.2
Child insurance	294,698	3.0	649,333	1.1	—	—	—	—
Child insurance with educational endowment	38,166	0.4	24,934	0.0	—	—	—	—
Policy aggregation rider	[771,664]	—	9,915	0.0	—	—	—	—
Total	9,751,539	100.0	61,358,372	100.0	[1,138,770]	[100.0]	[5,492,969]	[100.0]
					879,640	77.2	2,195,058	40.0

Notes: 1. Figures presented in the brackets of each line item for new policies in the year ended March 31, 2019 include policies subject to conversion, coverage revision and rider changes.
2. Total number of policies does not include the number of riders presented in brackets.

Individual Annuities

(Millions of Yen)

	Policies in force (as of March 31, 2019)		New policies (year ended March 31, 2019)	
	Number of policies	Amount	Number of policies	Amount
Whole life annuities with term life insurance	3,603	4,789	—	—
Individual annuities	2,432,178	13,060,631	19,208	93,527
Variable individual annuities	298	949	—	—
Variable individual annuities (that assure planned annuity value)	91,557	297,091	—	—
Annuity type payment rider attached to life insurance policies	2,793	10,042	70	415
Income protection rider	1,350	8,180	—	—
Whole life or fixed-term annuity rider with disability income benefit	612	8,035	—	—
Whole life annuity rider with disability income benefit	599	12,527	—	—
Whole life nursing care annuity rider	47	445	—	—
Others	(885)	3,828	—	—
Total	2,533,037	13,406,522	19,278	93,942

Notes: 1. Others is not included in the total number of policies.
2. The amount of policies in force represents the expected future value of accumulated capital of insurance policies written prior to payout at pension eligibility and policy reserves of insurance policies written after pension payout.
3. The amount of new policies represents planned annuity value at the start of annuity payments.
4. The figures for whole life annuity rider with disability income benefit include whole life annuity rider with nursing care support.

Group Life Insurance

(Millions of Yen)

	Policies in force (as of March 31, 2019)		New policies (year ended March 31, 2019)	
	Number of policies	Amount	Number of policies	Amount
Group term life insurance	12,691,717	55,190,320	182,209	674,797
Comprehensive group term life insurance for employees	4,902,954	14,509,217	25,394	34,411
Group credit life insurance	11,889,636	45,971,501	41	168
Consumer group credit life insurance	4,624	2,433	—	—
Group whole life insurance	1,144	3,906	—	—
Life insurance for disability support	(42,316)	26,050	—	—
Annuity type payment rider attached to group term life insurance	19,263	112,243	—	—
Total	29,509,338	115,815,673	207,644	709,377

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, 2019)		New policies (year ended March 31, 2019)	
	Number of policies	Amount	Number of policies	Amount
Corporate pensions	692	473	—	—
New corporate pensions	8,175,213	443,534	—	—
Corporate pensions with individual contribution	3,200,013	3,566,641	—	—
National pension fund insurance	—	10	—	—
Employees' pension fund insurance	244,035	132,672	—	—
Group pure endowment insurance	—	130,527	—	—
Defined contribution pension plans (corporate)	—	109,119	—	9
Defined contribution pension plans (individual)	—	8,897	—	—
Defined benefit corporate pension plans (contract-type)	—	1,805,274	—	3
Defined benefit corporate pension plans (fund-type)	—	1,494,183	—	—
Total	11,619,953	7,691,335	—	13

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, 2019)		New policies (year ended March 31, 2019)	
	Number of policies	Amount	Number of policies	Amount
Asset formation insurance and asset formation annuities				
Asset formation saving insurance	45,985	138,947	522	117
Asset formation for home acquisition insurance	4,046	13,145	68	3
Asset formation benefit saving insurance	8,059	1,192	1,056	47
Asset formation annuities	777	1,660	—	—
Asset formation wealth accumulation annuities	27,380	58,302	342	11
Subtotal	86,247	213,249	1,988	180
Medical life insurance	1,015,196	3,116	33,004	17
Disability income insurance	80,020	5,176	4,007	233
Reinsurance underwritten	265,623	31,957	534	220

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,	2019	2018
Death coverage		
Death protection due to illness/accidents		
Individual life insurance	60,307,303	63,631,933
Individual annuities	3,894	4,200
Group life insurance	115,703,429	113,829,256
Group pensions	—	—
Total (including others)	176,046,584	177,560,431
Death protection due to accidents		
Individual life insurance	[10,661,157]	[11,360,154]
Individual annuities	[123,177]	[131,278]
Group life insurance	[6,069,637]	[6,120,470]
Group pensions	[—]	[—]
Total (including others)	[16,882,079]	[17,641,513]
Death protection due to other causes		
Individual life insurance	—	—
Individual annuities	[—]	[—]
Group life insurance	[42,527]	[41,456]
Group pensions	[—]	[—]
Total (including others)	—	—
Pure endowment		
Maturity and living benefits		
Individual life insurance	1,051,068	925,702
Individual annuities	11,499,744	12,081,182
Group life insurance	5,531	5,408
Group pensions	—	—
Total (including others)	12,594,948	13,052,433
Annuities		
Individual life insurance	[49,862]	[50,427]
Individual annuities	[1,542,168]	[1,597,448]
Group life insurance	[15,841]	[16,295]
Group pensions	[—]	[—]
Total (including others)	[1,611,704]	[1,668,204]
Others		
Individual life insurance	—	—
Individual annuities	1,902,883	1,884,311
Group life insurance	106,712	109,600
Group pensions	7,691,335	7,607,226
Total (including others)	9,875,577	9,776,988
Hospitalization coverage		
Hospitalization due to accidents		
Individual life insurance	[33,823]	[30,012]
Individual annuities	[583]	[633]
Group life insurance	[3,996]	[4,028]
Group pensions	[—]	[—]
Total (including others)	[41,519]	[37,779]
Hospitalization due to illness		
Individual life insurance	[33,540]	[29,677]
Individual annuities	[578]	[627]
Group life insurance	[—]	[—]
Group pensions	[—]	[—]
Total (including others)	[37,235]	[33,409]

(Millions of Yen)

As of March 31,	2019	2018
Hospitalization due to other causes		
Individual life insurance	[28,744]	[34,013]
Individual annuities	[1,074]	[1,149]
Group life insurance	[30]	[29]
Group pensions	[—]	[—]
Total (including others)	[29,849]	[35,192]

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,	2019	2018
Disability coverage		
Individual life insurance	[3,690,645]	[3,976,172]
Individual annuities	[21,591]	[23,069]
Group life insurance	[3,268,788]	[3,187,498]
Group pensions	[—]	[—]
Total (including others)	[6,981,024]	[7,186,739]
Surgery coverage		
Individual life insurance	[8,078,872]	[7,897,829]
Individual annuities	[109,978]	[118,382]
Group life insurance	[—]	[—]
Group pensions	[—]	[—]
Total (including others)	[8,188,850]	[8,016,211]

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,	2019	2018
Mortality insurance		
Whole life insurance	14,422,640	14,548,309
Whole life insurance with term rider	4,117,467	4,839,651
Wealth accumulation whole life insurance with floating interest	11,543,590	15,109,598
Comprehensive protection insurance with combined policies	20,721,039	19,313,739
Whole life hospitalization insurance	759,248	944,875
Term insurance	5,573,032	5,449,633
Total (including others)	58,572,986	61,781,416
Hybrid insurance		
Endowment insurance	946,905	868,063
Endowment insurance with term rider	544,883	664,790
Term life insurance with living benefits	73,689	98,199
Total (including others)	1,734,317	1,850,517
Pure endowment insurance		
Wealth accumulation insurance with death/accident benefits for women	366,885	266,688
Child insurance	649,333	612,319
Total (including others)	1,051,068	925,702

(Millions of Yen)

As of March 31,	2019	2018
Annuities		
Individual annuities	13,406,522	13,969,694
Rider coverage for accidents and illness		
Accidental death benefit rider	1,223,468	1,448,559
Rider for injuries	7,455,172	7,856,427
Hospitalization rider due to accidents	1,647	1,854
Hospitalization rider due to illness	31,768	27,920
Hospitalization rider due to lifestyle-related diseases	1,281	1,574
Hospitalization rider due to cancer	860	1,087
Hospitalization rider for female-specific critical illness	5,033	5,716
Home care rider (post-hospitalization)	14,294	17,356
Rider for specific injuries	73,700	72,794
		(Number of Policies)
Surgery rider	2,618,165	2,562,274
Rider for protection against cancer	3,586,704	3,196,861
Advanced medical care rider	2,349,704	2,245,029
Serious disease rider with ongoing coverage	2,020,484	1,774,731
New nursing care rider	759,118	720,829

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.

Annualized Premiums in Force by Type of Policy (individual life insurance and individual annuities)

(Millions of Yen)

As of March 31,	2019	2018
Mortality insurance		
Whole life insurance	643,435	650,978
Whole life insurance with term rider	57,914	66,462
Wealth accumulation whole life insurance with floating interest	141,023	170,000
Comprehensive protection insurance with combined policies	349,935	308,324
Whole life hospitalization insurance	25,042	29,293
Term insurance	194,334	169,219
Total (including others)	1,464,850	1,445,676
Hybrid insurance		
Endowment insurance	57,794	46,965
Endowment insurance with term rider	8,549	10,342
Term life insurance with living benefits	1,042	1,382
Total (including others)	72,926	65,594
Pure endowment insurance		
Wealth accumulation insurance with death/accident benefits for women	37,940	29,015
Child insurance	32,047	30,406
Total (including others)	78,497	70,554
Annuities		
Individual annuities	649,391	669,319

Performance Indicators for Insurance Policies

Rate of Change of Policies in Force

	(%)	
Years ended March 31,	2019	2018
Individual life insurance	(5.0)	(5.1)
Individual annuities	(4.0)	(3.7)
Group life insurance	1.6	0.9
Group pensions	1.1	2.2

Average Insured Amount per New Policy and Policy in Force (individual life insurance)

	(Thousands of Yen)	
Years ended March 31,	2019	2018
New policy	2,495	2,738
Policy in force	6,292	6,807

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,	2019	2018
Individual life insurance	3.4	3.5
Individual annuities	0.7	1.1
Group life insurance	0.6	2.0

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,	2019	2018
Individual life insurance	4.5	4.4
Individual annuities	2.3	2.4
Group life insurance	0.1	0.2

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, 2019	Year ended March 31, 2018	
92,701	91,127	

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, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
6.28	6.13	5.24	4.89

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,	2019		2018	
	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	0.18	0.17	0.14	0.13
Disability	0.27	0.10	0.30	0.10
Hospitalization due to accidents	5.07	168.18	4.89	161.32
Hospitalization due to illness	52.02	1,419.50	50.72	1,423.61
Hospitalization due to lifestyle-related diseases	53.17	1,575.50	50.29	1,496.18
Surgery for illness and injuries	96.11		88.83	
Surgery for lifestyle-related diseases	44.45		38.35	

- 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, 2019	Year ended March 31, 2018
12.9	13.1

The Number of Major Insurance Companies that Accepted Reinsurance Agreements

Year ended March 31, 2019	Year ended March 31, 2018
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, 2019	Year ended March 31, 2018
95.6	96.0

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,	2019	2018
A or higher	99.0	99.0
BBB or higher	1.0	1.0
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

Year ended March 31, 2019	Year ended March 31, 2018
542	179

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,	2019	2018
Ratio of benefits paid under third-sector insurance	31.8	31.7
Medical coverage (for illness)	39.9	39.5
Cancer coverage	46.5	44.8
Nursing care coverage	15.3	15.9
Others	17.4	16.9

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,	2019	2018
Insurance claims	82,383	78,002
Death insurance claims	66,690	63,533
Insurance claims for accidents	795	755
Insurance claims for disabilities	13,619	13,331
Insurance claims upon maturity	711	352
Others	567	29
Annuity payments	2,690	2,599
Benefit payments	24,394	22,868
Surrender benefits	20,024	10,751
Other refunds	327	388
Deferred benefit payments	590	499
Total	130,411	115,109

Policy Reserves

	(Millions of Yen)	
As of March 31,	2019	2018
Policy reserves (excluding contingency reserves)		
Individual life insurance	15,892,839	15,618,563
General account	15,837,491	15,556,849
Separate account	55,348	61,714
Individual annuities	7,604,718	7,525,677
General account	7,312,316	7,212,700
Separate account	292,402	312,976
Group life insurance	134,493	137,956
General account	134,493	137,956
Separate account	—	—
Group pensions	7,691,335	7,607,226
General account	7,223,695	7,138,960
Separate account	467,640	468,266
Others	214,672	217,351
General account	214,672	217,351
Separate account	—	—
Subtotal	31,538,060	31,106,775
General account	30,722,668	30,263,818
Separate account	815,391	842,957
Contingency reserves	710,714	691,787
Total	32,248,774	31,798,563
General account	31,433,383	30,955,606
Separate account	815,391	842,957

Breakdown of Policy Reserves

(Millions of Yen)

	Premium reserves	Unearned premiums	Refund reserves	Contingency reserves	Total
As of March 31, 2019	30,748,259	789,800	—	710,714	32,248,774
As of March 31, 2018	30,305,338	801,437	—	691,787	31,798,563

Policy Reserves for Individual Life Insurance and Individual Annuities

Policy Reserve Accumulation Method and Ratio

As of March 31,		2019	2018
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 premium 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	245,603	2.75 – 5.00
Years ended March 31, 1982 to 1986	727,452	2.75 – 6.00
Years ended March 31, 1987 to 1991	2,727,257	2.75 – 6.00
Years ended March 31, 1992 to 1996	3,872,636	1.00 – 5.50
Years ended March 31, 1997 to 2001	1,232,381	1.00 – 3.75
Years ended March 31, 2002 to 2006	686,258	0.55 – 2.35
Years ended March 31, 2007 to 2011	3,084,747	0.55 – 1.85
Year ended March 31, 2012	2,781,036	0.71 – 1.50
Year ended March 31, 2013	1,465,208	0.45 – 1.50
Year ended March 31, 2014	1,360,927	0.45 – 1.50
Year ended March 31, 2015	1,321,932	0.35 – 1.09
Year ended March 31, 2016	1,397,274	0.44 – 1.05
Year ended March 31, 2017	860,957	0.25 – 1.00
Year ended March 31, 2018	691,056	0.25 – 3.46
Year ended March 31, 2019	695,077	0.25 – 3.91

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,	2019	2018
Policy reserves (general account)	26,706	22,549

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, 2019, the Company set aside provision for contingency reserves totaling ¥57 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, 2019							
Balance at the beginning of the fiscal year	192,286	13,193	24,386	2,531	382	986	233,768
Transfer from surplus in the previous fiscal year	19,576	4,392	133,420	23,062	(1)	5,281	185,731
Interest accrued during the fiscal year	95	1	1	0	0	0	97
Other increases	36	—	—	—	—	—	36
Dividend payments to policyholders during the fiscal year	15,862	1,048	131,612	22,843	44	5,265	176,676
Balance at the end of the fiscal year	196,132	16,538	26,195	2,751	336	1,003	242,957
	[171,183]	[11,120]	[15,007]	[3]	[321]	[1]	[197,638]
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]

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, 2019			
Allowance for possible loan losses			
General allowance for possible loan losses	1,310	1,089	(221)
Specific allowance for possible loan losses	3,789	4,271	481
Specific allowance for possible overseas loan losses	—	—	—
Reserve for contingent liabilities	1	1	0
Reserve for price fluctuation	684,594	815,975	131,380
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	—	—	—
Reserve for contingent liabilities	1	1	(0)
Reserve for price fluctuation	577,545	684,594	107,048

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,	2019	2018
Individual life insurance	1,514,578	1,362,839
Lump-sum payment	499,420	383,899
Annual payment	243,573	227,394
Biannual payment	4,695	4,772
Monthly payment	766,889	746,772
Individual annuities	350,877	372,725
Lump-sum payment	1,286	1,150
Annual payment	53,046	56,722
Biannual payment	563	617
Monthly payment	295,980	314,236
Group life insurance	303,441	312,153
Group pensions	565,551	635,714
Total (including others)*	2,769,643	2,718,837

* 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,		2019	2018
Individual life insurance	First-year premiums	636,536	560,067
Individual annuities	Premiums for the second year and beyond	1,228,918	1,175,498
	Subtotal	1,865,455	1,735,565
Group life insurance	First-year premiums	3,405	1,898
	Premiums for the second year and beyond	300,035	310,254
	Subtotal	303,441	312,153
Group pensions	First-year premiums	159	146
	Premiums for the second year and beyond	565,391	635,568
	Subtotal	565,551	635,714
Total (including others)*	First-year premiums	640,805	562,992
	Premiums for the second year and beyond	2,128,838	2,155,844
	Total	2,769,643	2,718,837
	Growth rate (%)	1.9	4.0

* 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, 2019	Year ended March 31, 2018
	Individual life insurance	Individual annuities	Group life insurance	Group pensions	Asset formation insurance Asset formation annuities	Other insurance	Total	Total	
Claims paid:	470,885	442	131,245	33,793	891	638	637,897	679,816	
Death insurance claims	258,982	418	118,733	—	—	578	378,712	382,005	
Insurance claims for accidents	2,524	2	394	—	12	—	2,933	2,858	
Insurance claims for disabilities	35,658	4	11,960	—	—	20	47,642	45,043	
Insurance claims upon maturity	173,716	17	—	33,793	879	—	208,406	249,840	
Others	4	—	157	—	—	40	201	68	
Annuity payments	7,172	370,209	17,018	215,819	4,336	—	614,555	645,353	
Benefit payments:	138,245	14,932	442	239,015	628	2,260	395,524	380,435	
Death benefits	39,722	12,601	5	3,146	134	12	55,624	52,421	
Hospitalization benefits	30,365	974	286	—	—	1,744	33,370	34,145	
Surgery benefits	13,883	772	—	—	—	316	14,972	15,229	
Disability benefits	816	4	82	—	—	—	903	904	
Survivor benefits	16,627	531	—	—	494	—	17,653	21,296	
Lump-sum benefits	—	—	30	234,086	—	—	234,117	220,400	
Others	36,829	47	37	1,781	—	187	38,883	36,037	
Surrender benefits	362,289	74,733	—	9,212	17,070	—	463,306	420,757	

The Number of Cases Where Claims, Annuities and Benefits were Paid

	Year ended March 31, 2019							Year ended March 31, 2018
	Individual life insurance	Individual annuities	Group life insurance	Group pensions	Asset formation insurance annuities	Other insurance	Total	Total
Claims paid:	157,171	89	48,085	2	1,559	12,945	219,851	249,465
Death insurance claims	44,768	85	44,419	—	—	12,928	102,200	101,567
Insurance claims for accidents	671	1	173	—	1	—	846	786
Insurance claims for disabilities	22,295	3	3,480	—	—	10	25,788	22,487
Insurance claims upon maturity	89,436	—	—	2	1,558	—	90,996	124,613
Others	1	—	13	—	—	7	21	12
Annuity payments	5,223	754,171	54,841	5,741,025	14,266	—	6,569,526	6,672,492
Benefit payments:	1,597,518	26,241	4,662	684,588	298	38,516	2,351,823	3,666,632
Death benefits	12,519	2,898	413	3,587	75	25	19,517	18,846
Hospitalization benefits	356,285	9,715	3,844	—	—	29,204	399,048	398,039
Surgery benefits	167,767	8,451	—	—	—	4,375	180,593	180,242
Disability benefits	486	5	147	—	—	—	638	752
Survivor benefits	68,986	4,151	—	—	223	—	73,360	315,278
Lump-sum benefits	—	—	235	680,997	—	—	681,232	656,620
Others	991,475	1,021	23	4	—	4,912	997,435	2,096,855

Depreciation

	(Millions of Yen)				
	Acquisition cost	Current-year depreciation	Accumulated depreciation	Ending balance	Accumulated depreciation ratio (%)
Year ended March 31, 2019					
Tangible fixed assets	295,484	8,706	184,376	111,107	62.4
Buildings	277,475	7,262	170,096	107,378	61.3
Others	18,008	1,444	14,279	3,728	79.3
Intangible fixed assets	93,038	19,370	45,593	47,445	49.0
Others	237	47	109	128	45.9
Total	388,761	28,125	230,079	158,681	59.2
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

Operating Expenses

Years ended March 31,	(Millions of Yen)	
	2019	2018
Marketing promotion expenses	132,775	132,246
Marketing administration expenses	53,487	52,176
General and administration expenses	171,158	172,044
Total	357,421	356,467

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 ¥3,475 million and ¥3,419 million in the years ended March 31, 2018 and March 31, 2019, respectively.

Taxes

	(Millions of Yen)	
Years ended March 31,	2019	2018
National tax	15,927	15,441
Consumption tax	13,616	13,211
Special local corporate tax	2,075	1,967
Revenue stamp tax	227	256
Registration and license tax	3	2
Other national taxes	5	3
Local tax	11,678	11,211
Local consumption tax	3,670	3,558
Corporate enterprise tax	4,972	4,716
Fixed asset tax	2,549	2,456
Real estate acquisition tax	4	3
Business office tax	481	476
Other local taxes	0	—
Total	27,606	26,653

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, 2019							
Bonds payable	—	—	—	—	—	560,735	560,735
Payables under repurchase agreements	58,266	—	—	—	—	—	58,266
Payables under securities borrowing transactions	552,716	—	—	—	—	—	552,716
Total	610,983	—	—	—	—	560,735	1,171,718
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

Reference: Average Interest Rates of Bonds

	(%)	
As of March 31,	2019	2018
Bonds payable (denominated in yen)	1.11	1.11
Bonds payable (denominated in foreign currencies)	5.17	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 ranging from December 2046 to December 2051. Bonds payable (denominated in foreign currencies) consist of subordinated bonds denominated in U.S. dollars with the date of maturity ranging from October 2045 to April 2048.

Quarterly Information

(Millions of Yen)

	As of June 30, 2018	As of September 30, 2018	As of December 31, 2018	As of March 31, 2019
Insurance premiums and other	704,267	1,405,770	2,070,003	2,770,879
Base profit	122,260	296,943	433,089	589,657

Investment Performance Indicators Breakdown of Invested Assets (General Account)

(Millions of Yen)

As of March 31,	2019		2018	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	1,213,857	3.2	553,381	1.5
Receivables under resale agreements	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—
Monetary claims bought	212,307	0.6	214,730	0.6
Trading account securities	—	—	—	—
Money held in trust	16,669	0.0	10,076	0.0
Securities	31,406,617	81.7	30,996,728	82.2
Domestic bonds	16,887,605	43.9	17,018,286	45.1
Domestic stocks	4,135,309	10.8	4,464,095	11.8
Foreign securities	9,530,906	24.8	8,841,746	23.5
Foreign bonds	7,562,054	19.7	6,828,764	18.1
Foreign stocks and others	1,968,851	5.1	2,012,982	5.3
Other securities	852,795	2.2	672,600	1.8
Loans	4,223,805	11.0	4,507,370	12.0
Policy loans	239,335	0.6	249,260	0.7
Industrial and consumer loans	3,984,470	10.4	4,258,109	11.3
Real estate	866,343	2.3	868,899	2.3
Deferred tax assets	—	—	—	—
Others	516,478	1.3	558,203	1.5
Allowance for possible loan losses	(5,361)	(0.0)	(5,100)	(0.0)
Total	38,450,719	100.0	37,704,290	100.0
Assets denominated in foreign currencies	9,556,503	24.9	8,524,354	22.6

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,	2019	2018
Cash, deposits and call loans	660,476	172,558
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary claims bought	(2,423)	(5,387)
Trading account securities	—	—
Money held in trust	6,592	10,076
Securities	409,888	875,197
Domestic bonds	(130,680)	47,636
Domestic stocks	(328,785)	322,106
Foreign securities	689,160	263,745
Foreign bonds	733,290	247,006
Foreign stocks and others	(44,130)	16,739
Other securities	180,194	241,708
Loans	(283,564)	(174,611)
Policy loans	(9,925)	(11,465)
Industrial and consumer loans	(273,639)	(163,145)
Real estate	(2,555)	(9,599)
Deferred tax assets	—	—
Others	(41,724)	72,590
Allowance for possible loan losses	(260)	748
Total	746,429	941,573
Assets denominated in foreign currencies	1,032,149	482,886

Note: Real estate reflects the total value of land, buildings and construction in progress.

Investment Returns (General Account)

	(%)	
Years ended March 31,	2019	2018
Cash, deposits and call loans	0.09	(0.05)
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary claims bought	1.60	1.70
Trading account securities	—	—
Money held in trust	(1.28)	0.67
Securities	2.10	2.08
Domestic bonds	1.61	1.62
Domestic stocks	5.50	5.31
Foreign securities	2.32	2.16
Foreign bonds	2.27	1.73
Foreign stocks and others	2.51	3.52
Loans	1.67	1.75
Industrial and consumer loans	1.52	1.60
Real estate	2.15	1.98
Total	1.92	1.91
Overseas investments	2.26	2.10

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,	2019		2018	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	896,952	2.5	401,199	1.2
Receivables under resale agreements	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—
Monetary claims bought	214,006	0.6	218,878	0.6
Trading account securities	—	—	—	—
Money held in trust	14,949	0.0	3,123	0.0
Securities	27,934,549	78.7	26,609,876	78.7
Domestic bonds	16,652,607	46.9	16,631,582	49.2
Domestic stocks	1,807,782	5.1	1,793,381	5.3
Foreign securities	8,783,361	24.7	7,695,684	22.8
Foreign bonds	6,944,499	19.6	5,821,885	17.2
Foreign stocks and others	1,838,861	5.2	1,873,798	5.5
Loans	4,409,073	12.4	4,599,402	13.6
Industrial and consumer loans	4,164,432	11.7	4,344,699	12.9
Real estate	872,772	2.5	881,563	2.6
Total	35,508,071	100.0	33,795,996	100.0
Overseas investments	9,493,352	26.7	8,234,933	24.4

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,	2019	2018
Interest, dividends and other income	807,260	768,959
Gains on securities products	—	—
Gains on money held in trust	—	22
Gains on trading securities	—	—
Gains on sales of securities	15,762	25,175
Gains on redemption of securities	76,650	58,119
Gains on derivative financial instruments	—	—
Foreign exchange gains	8,185	—
Reversal of allowance for possible loan losses	—	399
Other investment income	125	85
Total	907,985	852,761

Investment Expenses (General Account)

(Millions of Yen)

Years ended March 31,	2019	2018
Interest expenses	12,572	10,085
Losses on securities products	—	—
Losses on money held in trust	184	—
Losses on trading securities	—	—
Losses on sales of securities	37,527	38,046
Losses on valuation of securities	17,708	8,530
Losses on redemption of securities	4,983	4,302
Losses on derivative financial instruments	130,169	113,851
Foreign exchange losses	—	8,679
Provision for allowance for possible loan losses	341	—
Redemption of loans	—	—
Depreciation of real estate for non-insurance business	9,516	9,687
Other investment expenses	14,132	14,110
Total	227,135	207,294

Interest, Dividends and Other Income (General Account)

(Millions of Yen)

Years ended March 31,	2019	2018
Interest on deposits	999	21
Interest and dividends on securities	677,845	641,470
Interest on domestic bonds	270,926	270,624
Dividends on domestic stocks	108,058	94,072
Interest and dividends on foreign securities	281,518	253,278
Interest on loans	74,234	79,112
Rent on real estate	37,991	36,175
Total (including others)	807,260	768,959

Attribution Analysis of Interest, Dividends and Other Income (General Account)

(Millions of Yen)

Years ended March 31,	2019			2018		
	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	38,301	38,954	(653)	47,495	10,840	36,654
Securities	36,374	31,933	4,441	50,129	18,553	31,576
Loans	(4,877)	(3,273)	(1,604)	(5,413)	(4,101)	(1,311)
Real estate	1,815	(360)	2,176	1,151	(444)	1,596

Gains on Sales of Securities (General Account)

(Millions of Yen)

Years ended March 31,	2019	2018
Domestic bonds and others	1,705	495
Domestic stocks and others	3,287	2,427
Foreign securities	10,769	22,253
Total (including others)	15,762	25,175

Losses on Sales of Securities (General Account)

(Millions of Yen)

Years ended March 31,	2019	2018
Domestic bonds and others	78	220
Domestic stocks and others	488	15
Foreign securities	36,960	37,809
Total (including others)	37,527	38,046

Losses on Valuation of Securities (General Account)

(Millions of Yen)

Years ended March 31,	2019	2018
Domestic bonds and others	—	—
Domestic stocks and others	11,361	1,393
Foreign securities	6,142	6,931
Total (including others)	17,708	8,530

Balance of Securities (General Account)

(Millions of Yen)

As of March 31,	2019		2018	
	Amount	(%)	Amount	(%)
Government bonds	14,201,573	45.2	14,263,267	46.0
Municipal bonds	366,541	1.2	498,341	1.6
Corporate bonds	2,319,491	7.4	2,256,677	7.3
Public entity bonds	376,544	1.2	419,959	1.4
Domestic stocks	4,135,309	13.2	4,464,095	14.4
Foreign securities	9,530,906	30.3	8,841,746	28.5
Foreign bonds	7,562,054	24.1	6,828,764	22.0
Foreign stocks and others	1,968,851	6.3	2,012,982	6.5
Other securities	852,795	2.7	672,600	2.2
Total	31,406,617	100.0	30,996,728	100.0

Breakdown of Municipal Bonds by Region

(Millions of Yen)

As of March 31,	2019	2018
Hokkaido	5,589	11,495
Tohoku	300	300
Kanto	132,000	159,534
Chubu	43,647	75,632
Kinki	97,084	116,732
Chugoku	14,078	25,570
Shikoku	—	—
Kyushu	32,487	44,131
Others	41,351	64,945
Total	366,541	498,341

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, 2019							
Securities	677,302	2,389,931	2,092,797	1,118,538	3,442,754	21,685,292	31,406,617
Government bonds	212,106	1,136,451	1,170,293	793,319	1,524,330	9,365,071	14,201,573
Municipal bonds	63,229	9,192	5,091	1,703	181,869	105,454	366,541
Corporate bonds	67,833	162,872	156,889	56,845	405,431	1,469,617	2,319,491
Domestic stocks	—	—	—	—	—	4,135,309	4,135,309
Foreign securities	334,052	1,076,217	758,008	266,131	1,321,049	5,775,447	9,530,906
Foreign bonds	333,864	1,076,217	758,008	266,131	1,321,049	3,806,783	7,562,054
Foreign stocks and others	188	—	—	—	—	1,968,663	1,968,851
Other securities	80	5,197	2,515	537	10,073	834,391	852,795
Monetary claims bought	—	—	—	—	—	212,307	212,307
Negotiable deposits	33,998	—	—	—	—	—	33,998
Money held in trust	—	—	—	—	—	16,669	16,669
Total	711,301	2,389,931	2,092,797	1,118,538	3,442,754	21,914,269	31,669,593
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

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,	2019	2018
Domestic bonds	1.73	1.73
Foreign bonds	3.42	3.28

Breakdown of Stocks Held by Industry (General Account)

(Millions of Yen)

As of March 31,	2019		2018	
	Amount	(%)	Amount	(%)
Fishery, agriculture & forestry	1,866	0.0	1,634	0.0
Mining	—	—	—	—
Construction	92,201	2.2	100,992	2.3
Manufacturing				
Foods	210,165	5.1	221,540	5.0
Textiles & apparels	24,862	0.6	27,168	0.6
Pulp & paper	3,563	0.1	4,338	0.1
Chemicals	368,092	8.9	427,426	9.6
Pharmaceuticals	126,452	3.1	134,506	3.0
Oil & coal products	6,302	0.2	7,495	0.2
Rubber products	13,680	0.3	13,654	0.3
Glass & ceramics products	174,653	4.2	190,541	4.3
Iron & steel	53,813	1.3	64,712	1.4
Nonferrous metals	15,158	0.4	16,593	0.4
Metal products	18,655	0.5	21,346	0.5
Machinery	226,784	5.5	274,280	6.1
Electric appliances	501,544	12.1	584,842	13.1
Transportation equipment	429,819	10.4	493,514	11.1
Precision instruments	205,869	5.0	189,286	4.2
Other products	40,394	1.0	45,377	1.0
Electric power & gas	159,065	3.8	136,985	3.1
Transportation, information & communication				
Land transportation	240,643	5.8	211,321	4.7
Marine transportation	5,928	0.1	7,705	0.2
Air transportation	6,359	0.2	4,132	0.1
Warehouse & harbor transportation services	25,628	0.6	22,722	0.5
Information & communication	34,883	0.8	31,242	0.7
Trade				
Wholesale trade	308,920	7.5	297,482	6.7
Retail trade	38,239	0.9	42,868	1.0
Finance & insurance				
Banks	322,267	7.8	410,582	9.2
Securities & commodity futures	15,267	0.4	17,155	0.4
Insurance	181,814	4.4	174,751	3.9
Other financing business	73,153	1.8	82,420	1.8
Real estate	156,012	3.8	151,892	3.4
Services	53,066	1.3	53,580	1.2
Total	4,135,309	100.0	4,464,095	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,		2019	2018
Policy loans		239,335	249,260
Policyholder loans		226,092	235,112
Premium loans		13,242	14,148
Industrial and consumer loans		3,984,470	4,258,109
(Loans for non-residents)		184,984	173,032
Corporate loans		3,817,428	4,081,518
(To domestic corporations)		3,663,443	3,939,485
Loans to governments and supranationals		21,836	22,016
Loans to public organizations		127,040	134,768
Housing loans		—	798
Consumer loans		17,927	18,647
Others		238	361
Total		4,223,805	4,507,370

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, 2019								
Floating interest rate		86,442	7,365	13,350	9,512	3,010	70,860	190,542
Fixed interest rate		260,772	533,627	596,361	618,051	670,886	1,114,228	3,793,928
Total		347,215	540,993	609,711	627,563	673,896	1,185,088	3,984,470
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

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,		2019		2018	
		(%)		(%)	
Large size corporations	Number of borrowers	630	54.9	658	58.4
	Loan amount	3,232,581	88.2	3,508,030	89.0
Medium size corporations	Number of borrowers	102	8.9	103	9.1
	Loan amount	20,502	0.6	19,556	0.5
Small size corporations	Number of borrowers	415	36.2	366	32.5
	Loan amount	410,360	11.2	411,897	10.5
Total	Number of borrowers	1,147	100.0	1,127	100.0
	Loan amount	3,663,443	100.0	3,939,485	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,	2019		2018	
	Amount	(%)	Amount	(%)
Domestic				
Manufacturing	631,666	15.9	726,417	17.1
Foodstuffs and beverages	29,988	0.8	34,383	0.8
Textile products	5,536	0.1	8,622	0.2
Lumber and wood products	—	—	—	—
Pulp, paper, and paper products	39,106	1.0	42,103	1.0
Printing	5,540	0.1	5,608	0.1
Chemical and allied products	111,709	2.8	116,592	2.7
Petroleum refining	72,570	1.8	84,420	2.0
Ceramic, stone, and clay products	61,003	1.5	68,167	1.6
Iron and steel	110,567	2.8	120,897	2.8
Nonferrous metals and products	12,484	0.3	12,400	0.3
Fabricated metal products	2,997	0.1	2,241	0.1
General-purpose, production, and business-oriented machinery	49,336	1.2	54,280	1.3
Electrical machinery equipment and supplies	70,448	1.8	92,743	2.2
Transportation equipment	56,502	1.4	79,913	1.9
Miscellaneous manufacturing industries	3,874	0.1	4,043	0.1
Agriculture and forestry	372	0.0	360	0.0
Fishery	—	—	—	—
Mining and quarrying of stone and gravel	—	—	26	0.0
Construction	12,816	0.3	16,376	0.4
Electricity, gas, heat supply, and water	736,416	18.5	742,800	17.4
Information and communications	89,090	2.2	92,604	2.2
Transport and postal activities	290,218	7.3	298,485	7.0
Wholesale trade	746,216	18.7	797,540	18.7
Retail trade	11,927	0.3	21,488	0.5
Finance and insurance	776,787	19.5	872,466	20.5
Real estate	358,310	9.0	355,890	8.4
Goods rental and leasing	98,363	2.5	111,362	2.6
Scientific research, and professional and technical services	20,246	0.5	20,790	0.5
Hotels	1,762	0.0	2,025	0.0
Eating and drinking services	723	0.0	735	0.0
Living-related and personal services, and amusement services	3,143	0.1	3,249	0.1
Education and learning support	301	0.0	461	0.0
Medical, health care, and welfare services	212	0.0	131	0.0
Other services	2,567	0.1	1,849	0.0
Local governments	414	0.0	569	0.0
Loans for housing funds and consumer credit (with installment repayments)	17,927	0.4	19,445	0.5
Others	—	—	—	—
Subtotal	3,799,486	95.4	4,085,077	95.9
Overseas				
Governments and others	31,000	0.8	31,000	0.7
Financial institutions	14,860	0.4	15,200	0.4
Commerce, industry and others	139,124	3.5	126,832	3.0
Subtotal	184,984	4.6	173,032	4.1
Total of industrial and consumer loans	3,984,470	100.0	4,258,109	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,	2019		2018	
	Amount	(%)	Amount	(%)
Capital expenditures	845,429	21.2	851,655	20.0
Operating capital	3,139,041	78.8	3,406,454	80.0

Breakdown of Loans by Region (General Account)

(Millions of Yen)

As of March 31,	2019		2018	
	Amount	(%)	Amount	(%)
Hokkaido	36,953	1.0	40,807	1.0
Tohoku	52,747	1.4	57,188	1.4
Kanto	2,866,206	75.8	3,106,226	76.4
Chubu	350,618	9.3	364,063	9.0
Kinki	236,734	6.3	249,169	6.1
Chugoku	48,388	1.3	53,785	1.3
Shikoku	42,693	1.1	48,372	1.2
Kyushu	147,216	3.9	146,017	3.6
Total	3,781,558	100.0	4,065,631	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,	2019		2018	
	Amount	(%)	Amount	(%)
Collateral loans	12,349	0.3	15,046	0.4
Loans secured by securities	4,434	0.1	4,607	0.1
Loans secured by real estate, movable assets or aggregated foundation collateral	6,640	0.2	9,221	0.2
Loans secured by nominative claims	1,274	0.0	1,217	0.0
Guaranteed loans	65,889	1.7	68,559	1.6
Fiduciary loans	3,888,303	97.6	4,155,057	97.6
Others	17,927	0.4	19,445	0.5
Total of industrial and consumer loans	3,984,470	100.0	4,258,109	100.0
Subordinated loans	315,950	7.9	388,450	9.1

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, 2019							
Land	600,808	4,415	1,319	692	—	603,904	—
Buildings	264,156	11,117	538	511	16,625	258,110	419,900
Construction in progress	3,934	13,764	13,369	—	—	4,329	—
Other tangible fixed assets	4,125	1,513	68	—	1,558	4,012	16,120
Total of tangible fixed assets	873,024	30,811	15,295	1,204	18,184	870,356	436,021
Real estate for rent	560,368	18,210	11,917	1,114	9,363	557,297	250,480
Software	52,269	14,850	32	—	19,447	47,640	45,683
Other intangible fixed assets	28,465	31,687	19,288	—	16	40,848	186
Total of intangible fixed assets	80,734	46,538	19,320	—	19,463	88,489	45,870
Year ended March 31, 2018							
Land	602,976	1	2,170	324	—	600,808	—
Buildings	273,269	8,652	1,139	430	16,626	264,156	404,475
Construction in progress	2,252	8,248	6,565	—	—	3,934	—
Other tangible fixed assets	3,916	1,828	33	—	1,586	4,125	15,496
Total of tangible fixed assets	882,414	18,731	9,908	755	18,213	873,024	419,972
Real estate for rent	551,571	29,038	10,736	755	9,504	560,368	241,448
Software	51,577	19,769	—	—	19,077	52,269	48,653
Other intangible fixed assets	25,400	27,808	24,727	—	16	28,465	176
Total of intangible fixed assets	76,978	47,578	24,727	—	19,093	80,734	48,830

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,	2019	2018
Real estate	866,343	868,899
For operational use	309,121	308,914
For rent	557,222	559,985
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,	2019	2018
Tangible fixed assets	2,363	1,529
Land	289	1,444
Buildings	0	85
Others	2,073	—
Intangible fixed assets	—	—
Others	45	—
Total	2,409	1,529
Real estate for rent	2,363	1,529

Losses on Disposals of Fixed Assets (General Account)

(Millions of Yen)

Years ended March 31,	2019	2018
Tangible fixed assets	1,408	1,676
Land	10	—
Buildings	1,329	1,646
Others	68	30
Intangible fixed assets	37	0
Others	102	113
Total	1,547	1,791
Real estate for rent	794	1,761

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, 2019					
Tangible fixed assets	402,652	9,477	251,637	151,014	62.5
Buildings	400,535	9,363	249,803	150,731	62.4
Others	2,117	113	1,834	283	86.6
Intangible fixed assets	90	4	65	24	73.0
Others	128	35	92	35	72.5
Total	402,870	9,516	251,796	151,074	62.5
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

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,	2019		2018	
	Amount	(%)	Amount	(%)
Bonds	7,678,631	74.4	6,793,498	72.0
Stocks and others	1,685,729	16.3	1,615,405	17.1
Cash, deposits and others	192,142	1.9	115,449	1.2
Subtotal	9,556,503	92.6	8,524,354	90.4

(2) Assets with value fixed in yen

(Millions of Yen)

As of March 31,	2019		2018	
	Amount	(%)	Amount	(%)
Loans	131,049	1.3	131,049	1.4
Others	102	0.0	103	0.0
Subtotal	131,151	1.3	131,152	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,	2019		2018	
	Amount	(%)	Amount	(%)
Loans for non-residents	166,860	1.6	167,200	1.8
Domestic bonds (foreign bonds issued in yen)	185,514	1.8	212,602	2.3
Others	283,122	2.7	397,576	4.2
Subtotal	635,496	6.2	777,378	8.2

(4) Total of (1)+(2)+(3)

(Millions of Yen)

As of March 31,	2019		2018	
	Amount	(%)	Amount	(%)
Foreign securities investment and overseas loans	10,323,151	100.0	9,432,885	100.0

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, 2019								
North America	6,880,424	72.2	6,243,310	82.6	637,114	32.4	25,731	13.9
Europe	891,215	9.4	759,188	10.0	132,027	6.7	29,500	15.9
Oceania	322,346	3.4	322,346	4.3	—	—	8,392	4.5
Asia	165,375	1.7	53,739	0.7	111,635	5.7	1,360	0.7
Latin America	1,129,575	11.9	41,500	0.5	1,088,074	55.3	110,000	59.5
Middle East	—	—	—	—	—	—	—	—
Africa	—	—	—	—	—	—	—	—
Supranationals	141,969	1.5	141,969	1.9	—	—	10,000	5.4
Total	9,530,906	100.0	7,562,054	100.0	1,968,851	100.0	184,984	100.0
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

Breakdown of Foreign Currency-Denominated Assets by Currency

(Millions of Yen)

As of March 31,	2019		2018	
	Amount	(%)	Amount	(%)
U.S. dollar	8,506,148	89.0	7,457,063	87.5
Euro	490,726	5.1	509,478	6.0
Others	559,628	5.9	557,812	6.5
Total	9,556,503	100.0	8,524,354	100.0

Investments and Loans for Public Entities (General Account)

(Millions of Yen)

Years ended March 31,	2019	2018
Bonds		
Government bonds	—	—
Municipal bonds	—	—
Other public entity bonds	1,114	1,343
Subtotal	1,114	1,343
Loans		
Loans for government-related agencies	836	1,016
Loans for other public entities	4,000	4,000
Subtotal	4,836	5,016
Total	5,950	6,359

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, 2019					
Deferred assets	5,043	1,461	469	1,592	4,444
Others	—	876	995	—	5,810
Total	5,043	2,338	1,464	1,592	10,254
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

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,	2019					2018				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity debt securities	4,336,078	5,170,501	834,422	834,499	(76)	4,540,301	5,348,839	808,537	809,196	(658)
Policy-reserve-matching bonds	8,057,811	9,713,518	1,655,706	1,656,309	(603)	7,549,821	8,971,785	1,421,963	1,425,365	(3,401)
Stocks of subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	14,696,852	18,097,473	3,400,621	3,486,452	(85,830)	14,317,705	17,875,899	3,558,193	3,729,394	(171,200)
Domestic bonds	4,888,700	5,325,598	436,897	437,153	(255)	4,974,782	5,400,878	426,096	432,444	(6,347)
Domestic stocks	1,674,228	4,009,367	2,335,139	2,357,708	(22,569)	1,671,934	4,339,760	2,667,825	2,678,324	(10,498)
Foreign securities	7,293,609	7,870,746	577,137	628,368	(51,231)	7,018,010	7,425,040	407,029	556,602	(149,572)
Foreign bonds	6,502,084	6,928,152	426,067	470,907	(44,840)	6,282,089	6,553,962	271,872	407,224	(135,351)
Foreign stocks and others	791,524	942,594	151,069	157,461	(6,391)	735,920	871,077	135,157	149,378	(14,221)
Other securities	775,212	826,765	51,552	62,130	(10,578)	591,537	647,327	55,790	60,570	(4,780)
Monetary claims bought	13,236	14,327	1,090	1,090	—	15,626	16,816	1,190	1,190	—
Negotiable deposits	34,000	33,998	(1)	0	(1)	36,000	35,999	(0)	0	(0)
Money held in trust	17,864	16,669	(1,194)	—	(1,194)	9,814	10,076	262	262	—
Total	27,090,742	32,981,493	5,890,750	5,977,261	(86,510)	26,407,828	32,196,523	5,788,694	5,963,956	(175,261)
Domestic bonds	16,450,708	19,341,072	2,890,364	2,890,621	(256)	16,592,190	19,234,381	2,642,191	2,648,552	(6,361)
Domestic stocks	1,674,228	4,009,367	2,335,139	2,357,708	(22,569)	1,671,934	4,339,760	2,667,825	2,678,324	(10,498)
Foreign securities	7,927,511	8,528,002	600,490	652,400	(51,910)	7,292,812	7,703,477	410,664	563,639	(152,974)
Foreign bonds	7,135,987	7,585,407	449,420	494,939	(45,518)	6,556,891	6,832,399	275,507	414,261	(138,753)
Foreign stocks and others	791,524	942,594	151,069	157,461	(6,391)	735,920	871,077	135,157	149,378	(14,221)
Other securities	775,212	826,765	51,552	62,130	(10,578)	591,537	647,327	55,790	60,570	(4,780)
Monetary claims bought	211,216	225,616	14,400	14,400	—	213,540	225,501	11,960	12,606	(645)
Negotiable deposits	34,000	33,998	(1)	0	(1)	36,000	35,999	(0)	0	(0)
Money held in trust	17,864	16,669	(1,194)	—	(1,194)	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,	2019			2018		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	4,328,278	5,162,778	834,499	4,482,952	5,292,148	809,196
Domestic bonds	4,030,348	4,845,025	814,676	4,220,155	5,011,203	791,048
Foreign bonds	99,949	106,462	6,512	119,183	125,914	6,731
Monetary claims bought	197,980	211,289	13,309	143,614	155,030	11,416
Securities whose fair value does not exceed the balance sheet amount	7,800	7,723	(76)	57,349	56,690	(658)
Domestic bonds	2,800	2,798	(1)	2,800	2,786	(13)
Foreign bonds	5,000	4,924	(75)	249	248	(0)
Monetary claims bought	—	—	—	54,300	53,654	(645)

(2) Policy-Reserve-Matching Bonds

(Millions of Yen)

As of March 31,	2019			2018		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	8,017,082	9,673,392	1,656,309	7,427,523	8,852,888	1,425,365
Domestic bonds	7,528,858	9,167,649	1,638,791	7,394,452	8,819,512	1,425,060
Foreign bonds	488,223	505,742	17,518	33,070	33,376	305
Securities whose fair value does not exceed the balance sheet amount	40,728	40,125	(603)	122,298	118,896	(3,401)
Domestic bonds	—	—	—	—	—	—
Foreign bonds	40,728	40,125	(603)	122,298	118,896	(3,401)

(3) Available-for-Sale Securities

(Millions of Yen)

As of March 31,	2019			2018		
	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	12,077,294	15,563,746	3,486,452	10,087,737	13,817,132	3,729,394
Domestic bonds	4,839,378	5,276,532	437,153	4,762,611	5,195,056	432,444
Domestic stocks	1,478,135	3,835,843	2,357,708	1,548,692	4,227,017	2,678,324
Foreign securities	5,222,294	5,850,663	628,368	3,346,851	3,903,453	556,602
Other securities	509,250	571,381	62,130	399,140	459,711	60,570
Monetary claims bought	13,236	14,327	1,090	15,626	16,816	1,190
Negotiable deposits	15,000	15,000	0	5,000	5,000	0
Money held in trust	—	—	—	9,814	10,076	262
Securities whose balance sheet amount does not exceed the acquisition or amortized costs	2,619,557	2,533,726	(85,830)	4,229,967	4,058,766	(171,200)
Domestic bonds	49,321	49,065	(255)	212,170	205,822	(6,347)
Domestic stocks	196,093	173,524	(22,569)	123,241	112,743	(10,498)
Foreign securities	2,071,315	2,020,083	(51,231)	3,671,159	3,521,586	(149,572)
Other securities	265,962	255,384	(10,578)	192,396	187,615	(4,780)
Monetary claims bought	—	—	—	—	—	—
Negotiable deposits	19,000	18,998	(1)	31,000	30,999	(0)
Money held in trust	17,864	16,669	(1,194)	—	—	—

• Book Value of Securities of Which Market Value is Extremely Difficult to Determine

(Millions of Yen)

As of March 31,	2019	2018
Held-to-maturity debt securities	—	—
Policy-reserve-matching bonds	—	—
Stocks of subsidiaries and affiliates	881,663	875,118
Available-for-sale securities	295,993	415,356
Unlisted domestic stocks	27,452	27,776
Unlisted foreign stocks	257,126	377,126
Other foreign securities	596	458
Others	10,818	9,994
Total	1,177,656	1,290,474

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,	2019					2018				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Domestic bonds	16,450,708	19,341,072	2,890,364	2,890,621	(256)	16,592,190	19,234,381	2,642,191	2,648,552	(6,361)
Domestic stocks	1,674,228	4,009,367	2,335,139	2,357,708	(22,569)	1,671,934	4,339,760	2,667,825	2,678,324	(10,498)
Foreign securities	8,700,198	9,256,482	556,284	672,815	(116,530)	8,060,746	8,405,155	344,408	585,960	(241,551)
Foreign bonds	7,135,987	7,585,407	449,420	494,939	(45,518)	6,556,891	6,832,399	275,507	414,261	(138,753)
Foreign stocks and others	1,564,211	1,671,074	106,863	177,876	(71,012)	1,503,855	1,572,755	68,900	171,698	(102,798)
Other securities	776,515	828,070	51,554	62,139	(10,585)	593,351	649,209	55,858	60,639	(4,780)
Others	263,081	276,285	13,204	14,400	(1,196)	259,355	271,577	12,222	12,868	(646)
Total	27,864,731	33,711,278	5,846,546	5,997,685	(151,138)	27,177,577	32,900,083	5,722,506	5,986,344	(263,838)

Notes: 1. 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.
2. Figures presented above exclude ¥403,667 million comprising unlisted domestic securities totaling ¥150,667 million and unlisted foreign securities totaling ¥253,000 million, both of which were posted at book value as of March 31, 2019.
3. After these exclusions, the above figures account for 98.1% and 98.6% of total securities, respectively, as of March 31, 2018 and March 31, 2019.
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,	2019					2018				
	Balance sheet amount	Fair value	Net gains/losses			Balance sheet amount	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Money held in trust	16,669	16,669	—	—	—	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,	2019					2018				
	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	17,864	16,669	(1,194)	—	(1,194)	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,	2019						2018					
	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	57,632	(8,782)	—	—	—	48,850	51,453	78,337	—	—	—	129,790
Hedge accounting not applied	4	(2,742)	—	—	—	(2,737)	4	(2,701)	—	—	—	(2,697)
Total	57,637	(11,524)	—	—	—	46,112	51,457	75,636	—	—	—	127,093

Note: Gains and losses on derivative transactions where fair value hedge accounting is applied included gain attributable to currency-related transactions totaling ¥79,785 million as of March 31, 2018 and loss attributable to currency-related transactions totaling ¥8,600 million as of March 31, 2019. 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,	2019				2018			
	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	700	700	4	4	1,200	1,200	4	4
Total				4				4

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,	2019							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	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	—	—	—	—	—	700	700	—	—	—	—	—	1,200	1,200
Average interest rate in receipt (%)	—	—	—	—	—	0.41	0.41	—	—	—	—	—	0.68	0.68
Average interest rate in payment (%)	—	—	—	—	—	0.01	0.01	—	—	—	—	—	0.01	0.01

◆ Currency-Related

(Millions of Yen)

As of March 31,	2019				2018			
	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	166,438	—	62	62	47,797	—	1,688	1,688
(U.S. dollar)	157,950	—	(32)	(32)	45,857	—	1,697	1,697
(Australian dollar)	8,488	—	94	94	1,939	—	(9)	(9)
Bought	1,002	—	7	7	—	—	—	—
(U.S. dollar)	1,002	—	7	7	—	—	—	—
Currency options								
Sold								
Call	198,628	—	—	—	—	—	—	—
(U.S. dollar)	(476)	—	1	474	(—)	—	—	—
Bought	198,628	—	—	—	—	—	—	—
(U.S. dollar)	(476)	—	1	474	(—)	—	—	—
Put	178,500	—	—	—	—	—	—	—
(U.S. dollar)	(476)	—	32	(443)	(—)	—	—	—
Currency swaps								
Yen payments/Australian dollar receipts	154,546	154,546	(3,143)	(3,143)	88,870	88,870	(4,389)	(4,389)
Yen payments/U.S. dollar receipts	11,740	11,740	300	300	—	—	—	—
Total				(2,742)				(2,701)

Notes: 1. Net gains (losses) on foreign exchange contracts and currency swaps represent the fair values. 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,			2019			2018		
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		Over 1 year	Over 1 year	
Deferred hedge accounting	Interest rate swaps Receipts fixed, payments floating	Insurance liabilities	230,700	230,700	57,446	231,400	231,400	51,256
Special hedge accounting	Interest rate swaps Receipts fixed, payments floating	Loans	3,369	3,324	185	8,562	3,562	197
Total			57,632			51,453		

Reference: Amount and Proportion of Interest Rate Swaps by Remaining Contract Duration

(Millions of Yen)

As of March 31,		2019							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	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	45	6,300	6,800	11,124	12,300	197,500	234,069	5,000	3,636	7,100	8,926	14,500	200,800	239,962
	Average interest rate in receipt (%)	1.60	1.56	1.75	1.73	2.05	1.87	1.86	2.15	1.51	1.69	1.73	1.90	1.88	1.87
	Average interest rate in payment (%)	0.07	0.01	(0.00)	0.14	0.00	0.00	0.01	0.21	0.01	(0.00)	0.11	0.06	0.01	0.02

◆ Currency-Related

(Millions of Yen)

As of March 31,			2019			2018			
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		Over 1 year	Over 1 year		
Fair value hedge accounting	Foreign currency forward contracts	Foreign-currency-denominated bonds							
			Sold	3,887,217	—	(8,600)	3,376,632	—	79,785
			(U.S. dollar)	3,529,862	—	(10,393)	3,058,604	—	76,837
			(Euro)	199,793	—	700	183,159	—	319
			(Australian dollar)	142,408	—	980	134,867	—	2,628
	(Others)	15,152	—	112	—	—	—		
Deferred hedge accounting	Cross currency swaps	Foreign-currency-denominated bonds							
			(Euro)	35,575	35,575	(381)	35,575	35,575	(1,641)
			(Australian dollar)	4,305	4,305	199	4,305	4,305	192
Total			(8,782)			78,337			

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)

		Revaluation differences	Net unrealized gains		
			Unrealized gains in off-balance-sheet transactions		
			Book value	Fair value	
As of March 31, 2019	471,193	197,268	273,924	616,057	889,981
As of March 31, 2018	410,367	197,711	212,655	612,943	825,599

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,	2019	2018
Securities	5,846,546	5,722,506
Valuation differences	3,401,194	3,559,231
Unrealized gains in off-balance-sheet transactions	2,445,352	2,163,274
Land	471,193	410,367
Revaluation differences	197,268	197,711
Unrealized gains in off-balance-sheet transactions	273,924	212,655
Others	57,257	49,791
Total	6,374,996	6,182,665

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 gain attributable to currency-related transactions totaling ¥79,785 million as of March 31, 2018 and loss attributable to currency-related transactions totaling ¥8,600 million as of March 31, 2019. 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,	2019	2018
Variable individual life insurance	55,634	65,206
Variable individual annuities	294,285	315,556
Group pensions	475,451	495,730
Total	825,371	876,492

Investment Status of Separate Account Assets for Variable Individual Life Insurance and Variable Individual Annuities

In the domestic bond market, long-term yields maintained an upward trajectory until September 2018 thanks to robust U.S. economic indices and news coverage on the Bank of Japan (BOJ)'s move to consider the introduction of measures aimed at alleviating the side effects of monetary easing. However, long-term yields stagnated thereafter until the end of the fiscal year ended March 31, 2019 due to plunges in the stock market reflecting hikes in U.S. long-term interest rates and the impact of monetary easing policies executed by the U.S. Federal Reserve Bank (FRB) and the European Central Bank (ECB). Consequently, the yield on ten-year JGBs fell to a negative 0.095% as of March 31, 2019, down 0.140 of a percentage point compared with the end of the previous fiscal year.

In the domestic stock market, prices continued to rise until in early October 2018 the Nikkei average hit a record high for the post-bubble period. This was thanks mainly to growing expectations for global economic expansion, supported by robust U.S. economic indices, as well as anticipation for the outcome of the U.S.-China trade talks that had been resumed to alleviate trade tension. However, stock prices plunged afterward until December due to growing volatility triggered by hikes in U.S. long-term interest rates. From January 2019 onward, stock prices rose again due to a shift in FRB and ECB policies toward monetary easing. As a result, the Nikkei average as of March 31, 2019 was ¥21,205, down ¥248 from March 31, 2018.

In the U.S. bond market, long-term interest rates generally maintained an upward trajectory until October 2018 thanks to robust U.S. economic indices, despite a temporary decline triggered by a growing sense of anxiety over U.S.-China trade tension. Afterward, however, long-term interest rates fell due to such factors as decreasing expectations toward inflation on the back of lower crude oil prices, a growing sense of anxiety about the deceleration of U.S. economic growth and the FRB's monetary easing policies. As a result, the yield on ten-year U.S. Treasuries was 2.406% as of March 31, 2019, down 0.334 of a percentage point from a year earlier.

In the U.S. stock market, prices steadily grew thanks mainly to robust corporate performance and expectations for the alleviation of U.S.-China trade tension, with the Dow Jones Industrial Average hitting a record high in early October 2018. However, stock prices fell thereafter until December, reflecting growing volatility triggered by hikes in U.S. long-term interest rates and a growing sense of anxiety about the deceleration of China's economic growth due to U.S.-China trade tension. From January 2019 onward, stock prices rose again thanks to the FRB's monetary easing policies. As a result, the Dow Jones Industrial Average stood at US\$25,928 on March 31, 2019, up US\$1,826 year on year.

As for foreign currency exchange rates, the yen appreciated on the back of growing risk avoidance. However, the exchange rate as of March 31, 2019 stood at ¥110.99 to the U.S. dollar, down ¥4.75 year on year, reflecting robust U.S. economic indices. Against the euro, the exchange rate stood at ¥124.56, up ¥5.96 year on year, reflecting Brexit negotiation problems and downward revisions in economic forecasts for the eurozone.

Given this environment, the Company strove to secure stable returns from variable individual life insurance through diversified investment in both domestic and overseas assets. For example, the Company increased stock allocations based on the projection that the robust U.S. economy would drive global economic growth and help maintain an environment favoring stock investment over bond investment. When volatility grew, however, the Company reduced stock allocations. Thus, the Company flexibly adjusted its asset portfolio in light of changes in the prevailing market environment during the fiscal year ended March 31, 2019.

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)			
	2019		2018	
	Number of policies	Amount	Number of policies	Amount
Variable life insurance (term type)	—	—	—	—
Variable life insurance (whole-life type)	50,818	470,176	51,878	481,863
Total	50,818	470,176	51,878	481,863

Note: Insurance amount of policies in force includes coverage under term rider.

Breakdown of Assets

As of March 31,	(Millions of Yen)			
	2019		2018	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	512	0.9	925	1.4
Securities	52,194	93.8	57,986	88.9
Domestic bonds	16,166	29.1	14,689	22.5
Domestic stocks	17,607	31.6	21,913	33.6
Foreign securities	18,420	33.1	21,383	32.8
Foreign bonds	5,054	9.1	6,013	9.2
Foreign stocks and others	13,365	24.0	15,369	23.6
Other securities	—	—	—	—
Loans	—	—	—	—
Others	2,926	5.3	6,293	9.7
Allowance for possible loan losses	—	—	—	—
Total	55,634	100.0	65,206	100.0

Investment Returns

(Millions of Yen)

Years ended March 31,	2019	2018
Interest, dividends and other income	1,176	1,272
Gains on sales of securities	3,700	5,671
Gains on redemption of securities	—	—
Gains on valuation of securities	6,032	7,034
Foreign exchange gains	25	28
Gains on derivative financial instruments	283	329
Other income	5	3
Losses on sales of securities	2,832	1,145
Losses on redemption of securities	—	1
Losses on valuation of securities	7,786	7,903
Foreign exchange losses	21	29
Losses on derivative financial instruments	255	269
Other expenses	1	1
Net gains (losses)	327	4,989

Fair Value of Securities

Gains and Losses on Valuation of Trading Securities

(Millions of Yen)

As of March 31,	2019		2018	
	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	52,194	(1,753)	57,986	(869)

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,	2019						2018					
	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	—	(2)	(9)	—	—	(11)	—	1	—	—	—	1
Total	—	(2)	(9)	—	—	(11)	—	1	—	—	—	1

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,	2019			2018				
	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	—	—	—	—	1,216	—	(0)	(0)
(U.S. dollar)	—	—	—	—	813	—	(1)	(1)
(Euro)	—	—	—	—	336	—	1	1
(Others)	—	—	—	—	66	—	0	0
Bought	1,046	—	(2)	(2)	1,656	—	1	1
(U.S. dollar)	735	—	1	1	1,027	—	4	4
(Euro)	310	—	(3)	(3)	550	—	(2)	(2)
(Others)	—	—	—	—	78	—	(0)	(0)
Total				(2)				1

Note: Net gains (losses) represent the fair values.

◆ Stock-Related

(Millions of Yen)

As of March 31,	2019			2018				
	Notional amount/ contract value		Fair value	Net gains (losses)	Notional amount/ contract value		Fair value	Net gains (losses)
	Over 1 year				Over 1 year			
Exchange-traded transactions								
Yen stock index futures								
Sold	964	—	(6)	(6)	—	—	—	—
Foreign currency-denominated stock index futures								
Bought	1,088	—	(2)	(2)	—	—	—	—
Total				(9)				—

Note: Net gains (losses) on stock index futures and foreign currency-denominated stock index futures represent the fair values.

◆ 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,	2019		2018	
	Number of policies	Amount	Number of policies	Amount
	Variable individual annuities	91,855	298,040	94,021

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,	2019		2018	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	264	0.1	323	0.1
Securities	291,779	99.1	312,669	99.1
Domestic bonds	—	—	—	—
Domestic stocks	—	—	—	—
Foreign securities	—	—	—	—
Foreign bonds	—	—	—	—
Foreign stocks and others	—	—	—	—
Other securities	291,779	99.1	312,669	99.1
Loans	—	—	—	—
Others	2,242	0.8	2,563	0.8
Allowance for possible loan losses	—	—	—	—
Total	294,285	100.0	315,556	100.0

Investment Returns

(Millions of Yen)

Years ended March 31,	2019	2018
Interest, dividends and other income	4,577	3,045
Gains on sales of securities	0	0
Gains on redemption of securities	—	—
Gains on valuation of securities	43,459	47,220
Foreign exchange gains	—	—
Gains on derivative financial instruments	—	—
Other income	—	—
Losses on sales of securities	440	444
Losses on redemption of securities	—	—
Losses on valuation of securities	48,599	44,740
Foreign exchange losses	—	—
Losses on derivative financial instruments	—	—
Other expenses	—	—
Net gains (losses)	(1,002)	5,081

Fair Value of Securities

Gains and Losses on Valuation of Trading Securities

(Millions of Yen)

As of March 31,	2019		2018	
	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	291,779	(5,140)	312,669	2,479

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,	2019		2018	
	Number of groups	Fair value	Number of groups	Fair value
First treaty separate account	838	467,638	817	468,265
Comprehensive account	425	171,889	459	190,317
Accounts established for each investee	281	200,045	289	210,309
Dedicated accounts for each investee	199	95,703	134	67,638
Total	838	467,638	817	468,265

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, 2019

From April to September 2018, the Company generally maintained a greater allocation of domestic and foreign stocks, and a smaller allocation of domestic and foreign bonds, in line with its annual investment plan. From October onward, the Company took a generally conservative asset allocation approach, adjusting the weight of stocks as necessary. The average time-weighted return rate for comprehensive account assets during the fiscal year ended March 31, 2019 was 0.54%. This was attributable to positive returns recorded in domestic and foreign bonds and foreign stocks.

(%)

	Planned figures for year ended March 31, 2019	Asset Allocations				As of March 31, 2019
		As of March 31, 2018	As of June 30, 2018	As of September 30, 2018	As of December 31, 2018	
Domestic bonds	26.0	24.3	23.3	22.8	28.9	29.9
Domestic stocks	35.0	36.6	33.8	35.9	30.9	30.4
Foreign bonds	11.0	9.8	9.8	8.6	9.2	9.2
Foreign stocks	25.0	26.2	30.4	30.7	23.9	27.9
Short-term funds and others	3.0	3.0	2.6	2.0	7.1	2.6
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,	2019		2018	
	Fair value	(%)	Fair value	(%)
Domestic bonds	51,349	29.9	46,301	24.3
Domestic stocks	52,254	30.4	69,742	36.6
Foreign bonds	15,743	9.2	18,701	9.8
Foreign stocks	48,011	27.9	49,846	26.2
Short-term funds and others	4,530	2.6	5,725	3.0
Total	171,889	100.0	190,317	100.0

(3) Investment Performance

(%)

Years ended March 31,	2019	2018
Time-weighted return rate	0.54	8.32

First Treaty Separate Account (Accounts Established for Each Investee)

(1) Investment Status in the Year Ended March 31, 2019

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 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 the emphasis placed on various factors. In this way, the Company executed enhanced index investing. The Company strove to control exposure to risks specific to certain business sectors while fixing the weighting allocated to each factor.
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 the demand/supply outlook for JGBs.
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. The Company also fixed the weighting allocated to each factor (for European stocks, from July 2018 onward) while striving to control exposure to risks specific to certain regions and business sectors.
Short-term fund account	The Company engaged in investment focusing on maintaining liquidity and stability.

Notes: 1. The Company's "quantitative model" used to select stocks in the course of administering the yen currency denominated stock account—B and foreign currency denominated stock account, was improved in April 2018.

2. The Company's "European model" used to select stocks in the course of administering the foreign currency denominated stock account—B was improved in July 2018.

(2) Fair Value and Investment Performance

(Millions of Yen)

As of and years ended March 31,	2019		2018	
	Fair value	Time-weighted return rate (%)	Fair value	Time-weighted return rate (%)
Yen currency denominated bond account	104,216	1.89	107,097	1.13
Yen currency denominated bond account—A	—	—	20,313	1.42
Yen currency denominated stock account	13,373	(6.51)	15,152	12.73
Yen currency denominated stock account—B	23,295	(6.59)	23,349	13.68
Foreign currency denominated bond account	34,692	2.40	9,372	4.52
Foreign currency denominated bond account—A	—	—	6,514	2.96
Foreign currency denominated stock account	10,335	9.13	10,454	11.01
Foreign currency denominated stock account—B	10,603	9.08	9,785	9.11
Short-term fund account	3,528	0.00	8,270	0.00
Total	200,045		210,309	

Note: The Company stopped administering the yen currency denominated bond account—A and foreign currency denominated bond account—A at the end of the fiscal year ended March 31, 2018.

Non-performing Loans

	(Millions of Yen)	
As of March 31,	2019	2018
Loans to bankrupt borrowers	—	—
Loans in arrears	4,265	3,633
Loans in arrears for three months or longer	—	—
Restructured loans	21,668	24,812
Total	25,934	28,445
Non-performing loans/total loans (%)	0.52	0.54

- 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 ¥368 million for loans to bankrupt borrowers and ¥2 million for loans in arrears as of March 31, 2018; and ¥91 million for loans to bankrupt borrowers and ¥1 million for loans in arrears as of March 31, 2019.
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,	2019	2018
(A) Total solvency margin	7,305,541	7,135,780
① Foundation funds	889,822	807,879
② Reserve for price fluctuation	816,962	685,414
③ Contingency reserves	710,739	691,814
④ Catastrophe reserves	10,556	10,137
⑤ General allowance for possible loan losses	1,091	1,311
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)	3,048,988	3,222,738
⑦ Unrealized gains on land × 85% (100% in case of losses)	406,485	354,394
⑧ Total of unrecognized actuarial differences and unrecognized past service costs	(424)	33,199
⑨ Excess of continued Zillmerized reserve	909,388	936,352
⑩ Qualifying subordinated debt	560,735	453,310
⑪ Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—	—
⑫ Deductions	(156,581)	(161,429)
⑬ Other (tax effect adjustment)	107,777	100,655
(B) Total amount of risk $\sqrt{(\sqrt{14^2+15^2+(17+18)^2+(19+20+21)^2+16+22}}$	1,404,686	1,441,247
⑭ Insurance risk	162,499	161,955
⑮ General underwriting risk	1,763	1,788
⑯ Major disaster risk	465	473
⑰ Third-sector insurance risk	69,535	61,986
⑱ Insurance risk of small-amount short-term insurer	—	—
⑲ Assumed interest rate risk	146,477	145,083
⑳ Minimum guarantee risk	11,035	8,829
㉑ Investment risk	1,195,209	1,236,606
㉒ Business management risk	31,739	32,334
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	1,040.1	990.2

- 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,	2019	2018
(A) Total solvency margin	72,007	70,981
① Capital and others	58,033	57,979
② Reserve for price fluctuation	617	465
③ Contingency reserves	25	26
④ Catastrophe reserves	10,556	10,137
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)	995	813
⑦ Unrealized gains on land × 85% (100% in case of losses)	1,178	977
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	601	580
(B) Total amount of risk $\sqrt{((13+14)^2+(15+16)^2+(17)+18)}$	2,747	2,813
⑬ General underwriting risk	1,763	1,788
⑭ Third-sector insurance risk	—	—
⑮ Assumed interest rate risk	5	6
⑯ Investment risk	1,327	1,385
⑰ Business management risk	71	73
⑱ Major disaster risk	465	473
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	5,241.6	5,045.9

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, 2018 and March 31, 2019, 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

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

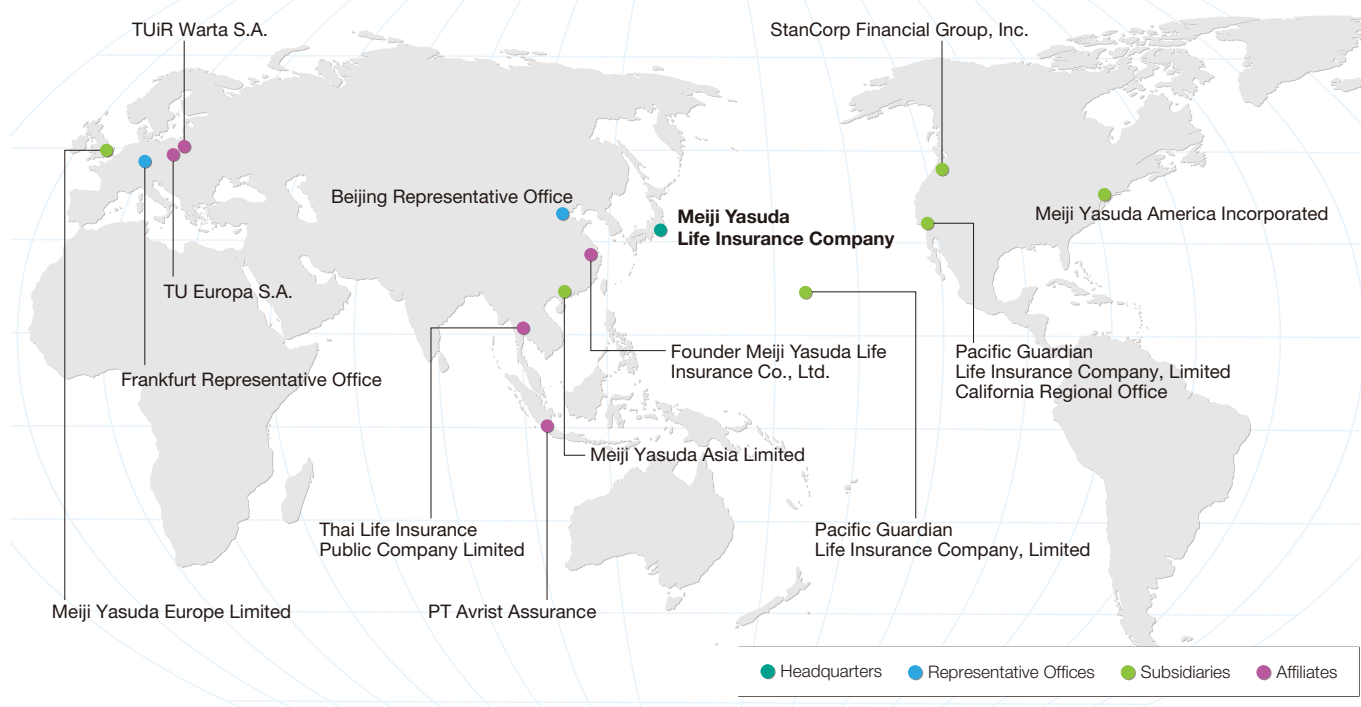
2019

April

- The “Wellness for All Project,” launched
- “Best Style Health Cash Back,” released

International Directory

(As of March 31, 2019)



<h2>Headquarters</h2>	<ul style="list-style-type: none"> Meiji Yasuda Life Insurance Company 1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-0005, Japan Phone:+81-3-3283-8293 Fax:+81-3-3215-8123
<h2>Representative Offices</h2>	<ul style="list-style-type: none"> Meiji Yasuda Life Insurance Company Frankfurt Representative Office Goethestrasse 7, 60313 Frankfurt am Main, Germany Phone:+49-69-748000 Fax:+49-69-748021 Meiji Yasuda Life Insurance Company Beijing Representative Office Room 6003, 6th Floor, Changfugong Office Building, 26 Jianguomen Wai Avenue, Chaoyang District, Beijing 100022, China Phone:+86-10-6513-9815 Fax:+86-10-6513-9818
<h2>Subsidiaries</h2>	<ul style="list-style-type: none"> Pacific Guardian Life Insurance Company, Limited 1440 Kapiolani Boulevard, Suite 1700, Honolulu, Hawaii 96814, U.S.A. Phone:+1-808-955-2236 Fax:+1-808-942-1290 StanCorp Financial Group, Inc. 1100 SW Sixth Avenue, Portland, Oregon 97204, U.S.A. Phone:+1-971-321-7000 Fax:+1-971-321-7540 Meiji Yasuda America Incorporated 780 Third Avenue, 42nd Floor, New York, New York 10017, U.S.A. Phone:+1-212-332-4900 Fax:+1-212-332-4960 Meiji Yasuda Europe Limited 125 Finsbury Pavement, London EC2A 1NQ, U.K. Phone:+44-20-7448-8800 Fax:+44-20-7448-8819 Pacific Guardian Life Insurance Company, Limited California Regional Office 879 West 190th Street, Suite 1020, Gardena, California 90248, U.S.A. Phone:+1-714-784-7301 Fax:+1-310-538-8327 Meiji Yasuda Asia Limited Unit 2, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong, China Phone:+852-2524-7021 Fax:+852-2868-4419
<h2>Affiliates</h2>	<ul style="list-style-type: none"> Founder Meiji Yasuda Life Insurance Co., Ltd. 21F, Building A, Oriental Financial Plaza 1168 Century Avenue, Pudong New District, Shanghai 200122, China TUIR Warta S.A. 85/87 Chmielna Street, 00-805 Warsaw, Poland PT Avrist Assurance Gedung Bank Panin Senayan Lt. 3, 7, 8 Jl. Jenderal Sudirman, Jakarta 10270, Indonesia Thai Life Insurance Public Company Limited 123 Ratchadapisek Road, Din Daeng, Bangkok, 10400, Thailand TU Europa S.A. 62 Gwiaździsta Street, 53-413 Wrocław, Poland



MEIJI YASUDA LIFE INSURANCE COMPANY

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



Printed in Japan