



Annual Report
2020

Meiji Yasuda
Life Insurance Company
Year ended March 31, 2020





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Corporate Profile

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:

105 Regional Offices
and Market Development Departments,
1,033 Agency Offices,
and 21 Group Marketing Departments
(As of April 1, 2020)

Total Assets:

¥39,530.8 billion

Foundation Funds:

¥980.0 billion
(Including reserve for redemption of foundation funds)

Number of Employees:

43,676
Sales personnel (MY Life plan advisors): 33,000

(As of March 31, 2020)

We are committed to realizing our management philosophy “Peace of mind, forever.”

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.

Meiji Yasuda Philosophy

Mission:
Meiji Yasuda Life's purpose and duty

Management Philosophy

Vision:
Meiji Yasuda Life's long-term vision

Corporate Vision

Values:
Values to be held in high esteem

Meiji Yasuda Values

The Meiji Yasuda Philosophy consists of the Management Philosophy, Corporate Vision and Meiji Yasuda Values. Our fundamental corporate philosophy is expressed in these key concepts.

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.



Corporate emblem



Corporate logo

Meiji Yasuda Life must remain true to one mission, that is, extending lifelong support to each and every customer to ensure their health and peace of mind. Our commitment to fulfilling this mission is encapsulated in our management philosophy “Peace of mind, forever.”

To embody these aspirations, our corporate emblem and logo are designed using green and yellow. Green represents our wish to grow hand in hand with our customers like fresh green leaves, while yellow symbolizes the warmth of sunlight shining on their lives.

Moreover, the corporate emblem is shaped with soft curves evocative of a heart while also suggesting a cradle gently holding a baby. The corporate logo’s lengthened rectangular shape is intended to communicate our hope of maintaining long-lasting relationships with our customers.

Meiji Yasuda Life at a Glance (as of March 31, 2020)

Total Number of Customers

12,070,000

Individual insurance marketing: Approximately 7,070,000 customers¹
Group insurance marketing: Approximately 5,000,000 persons insured²

¹ Life insurance policyholders (including deferments and those currently receiving annuity payments) + Life insurance insured persons + Nonlife insurance insured persons (excluding redundant policies); all of whose policies were offered through our agency distribution channel and other channels, excluding group insurance marketing.

² The number of persons insured by group life insurance (insured persons and insured spouses of group life insurance contracts underwritten by the Company on a standalone basis or as the leading underwriter).

Number of Domestic Bases

1,159 locations

(As of April 1, 2020)

Network Supporting the Expansion of Our Overseas Insurance Business

7 subsidiaries and affiliates
in **5** countries

Number of Employees (Consolidated Basis)

48,385

Total Assets (Consolidated Basis)

¥42,613.8 billion

Number of Policies in Force

12,360,000*

* The performance of Meiji Yasuda Life alone; sum of individual life insurance and individual annuities.

Insurance Claims, Annuities and Benefits on Policies Paid

¥1,634.7 billion

Insurance claims: ¥604.7 billion
Annuities: ¥627.3 billion
Benefits: ¥402.7 billion

(Annual total for the fiscal year ended March 31, 2020)

Number of Sales Personnel (MY Life Plan Advisors)

33,000

Partnership Agreements Signed with Meiji Yasuda Life

Prefectural governments: 32¹
Municipalities: 66¹
Universities: 4²
Regional banks: 4²

¹ The number of comprehensive partnership and health improvement partnership agreements
² Including partnership agreements involving health improvement, regional vitalization and other specific issues

Group Life Insurance in Force

¥116 trillion
No. 1 domestic share

Ratings

Rating and Investment Information (R&I)
Insurance claims paying ability
AA-
Moody's
Insurance financial strength rating
A1

Japan Credit Rating Agency (JCR)
The ability to pay insurance claims rating
AA-
S&P
Insurer financial enhancement rating
A+

(As of July 2, 2020)

Base Profit from the Overseas Insurance Business and Others* as a Percentage of the Group's Overall Business Results



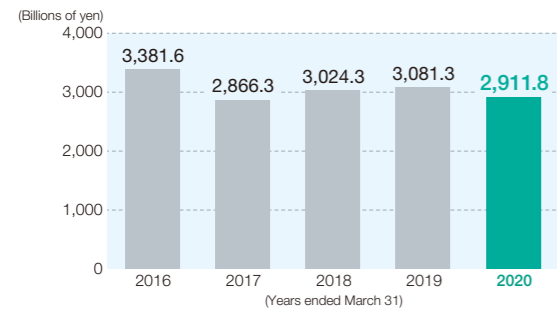
* Representing all insurance business excluding the Company's domestic life insurance business

Financial and ESG Highlights

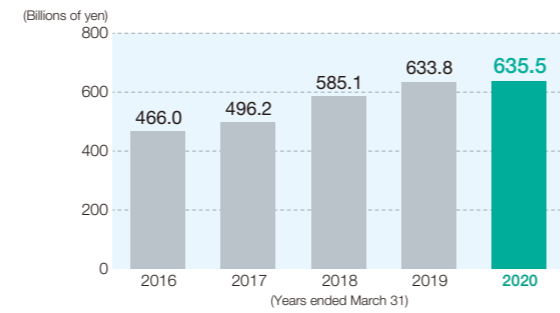
We are working to steadily improve our corporate value in a way that strikes a balance between growth potential, profitability and financial soundness.

Main Financial Indicators

Insurance Premiums of the Group **¥2,911.8 billion**

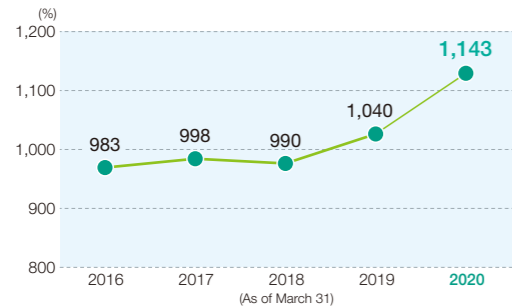


Base Profit of the Group **¥ 635.5 billion**



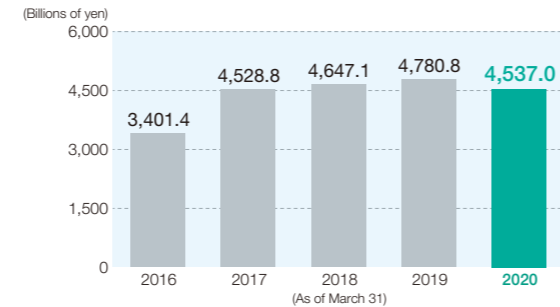
We hit a record-high profit for a third consecutive year.

Consolidated Solvency Margin Ratio **1,143%**



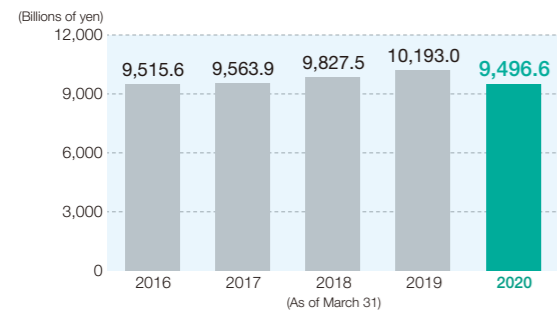
Our consolidated solvency margin ratio also hit a record high.

Group EEV **¥4,537.0 billion**



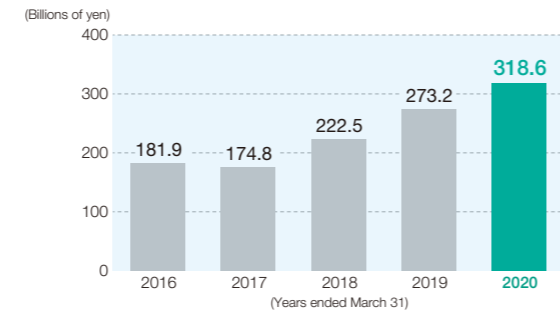
Note: Figures presented above for the fiscal year ended March 31, 2019 and later are reevaluated.

Real Net Assets **¥9,496.6 billion**



Note: Figures presented above are real net assets on a non-consolidated basis.

Interest Surplus **¥318.6 billion**



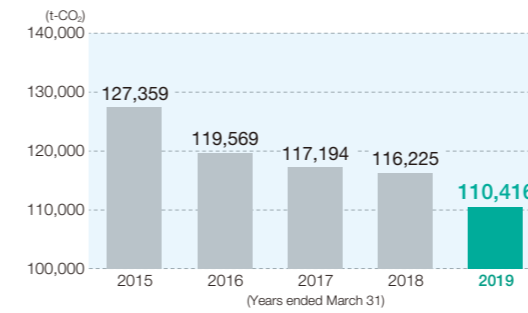
For a third consecutive year, we achieved growth in interest surplus and hit a new record high in base profit.

Value Created by Meiji Yasuda Life

From the perspective of addressing environmental, social and governance (ESG) issues, we are also promoting proactive initiatives aimed at fulfilling our responsibilities as a corporate citizen with regard to the realization of a sustainable society. Going forward, we will continuously strive to enhance our corporate value from both financial and non-financial aspects.

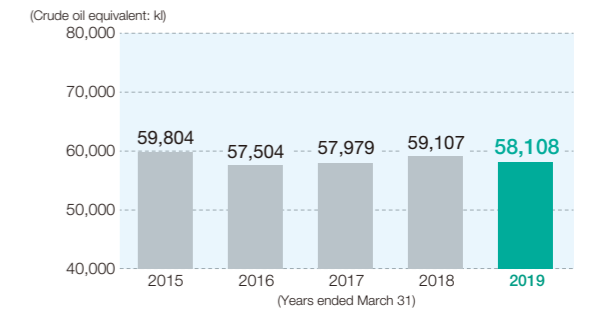
Environmental

Volume of CO₂ Emissions **110,416 t-CO₂**



Note: The figures presented above for the years leading up to March 31, 2019 are based on raw results data that was finalized as of July 1, 2020.

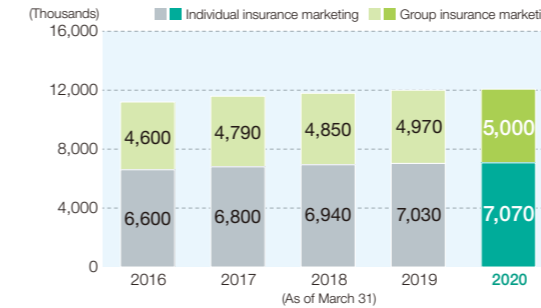
Energy Consumption Volume **58,108 kl**



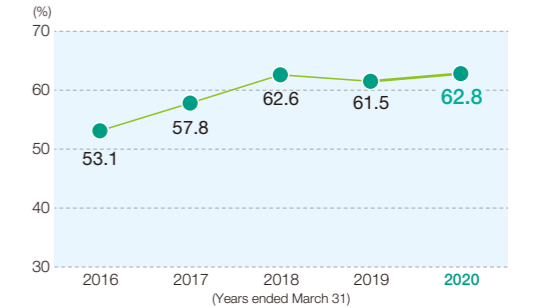
Note: The figures presented above for the years leading up to March 31, 2019 are based on raw results data that was finalized as of July 1, 2020.

Social

Number of Customers **12.07 million**



Total Customer Satisfaction Ratings **62.8%**

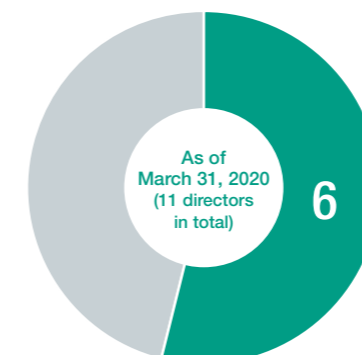


Our total customer satisfaction ratings hit a record high.

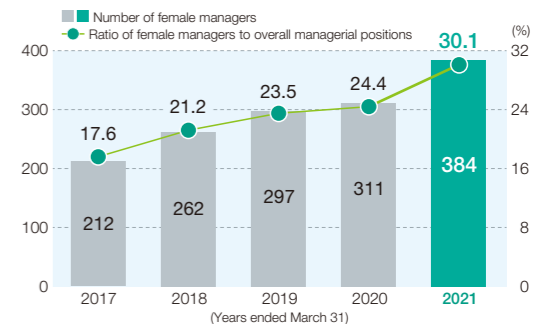
Note: Based on the sum of the number of respondents who chose "satisfied" or "somewhat satisfied" in customer satisfaction surveys.

Governance

Number of Outside Directors **6 out of 11 Directors**



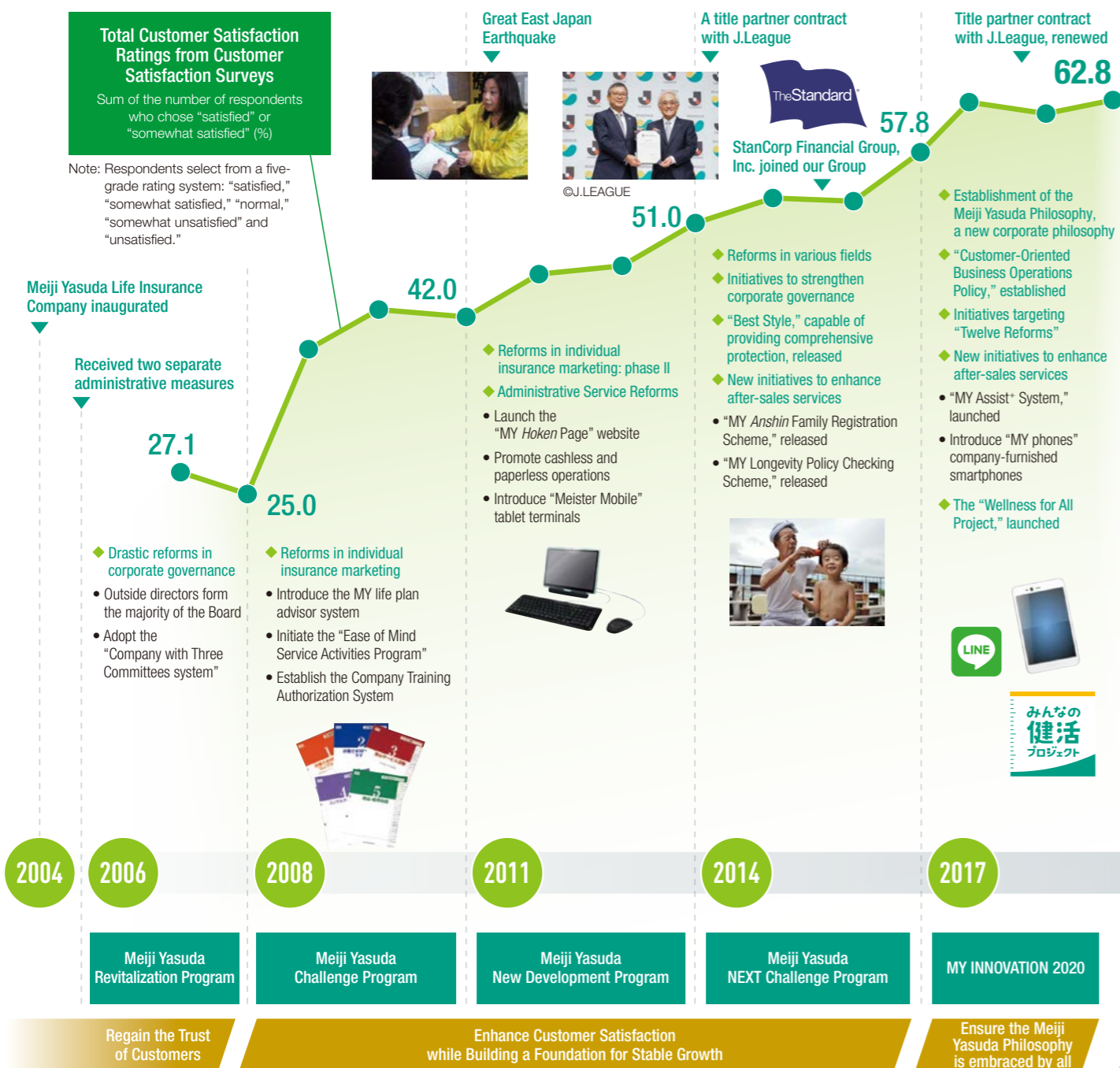
Number of Female Managers **384**



In April 2020, we achieved our goal of raising the ratio of female managers to overall managerial positions to 30% by the end of 2020.

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

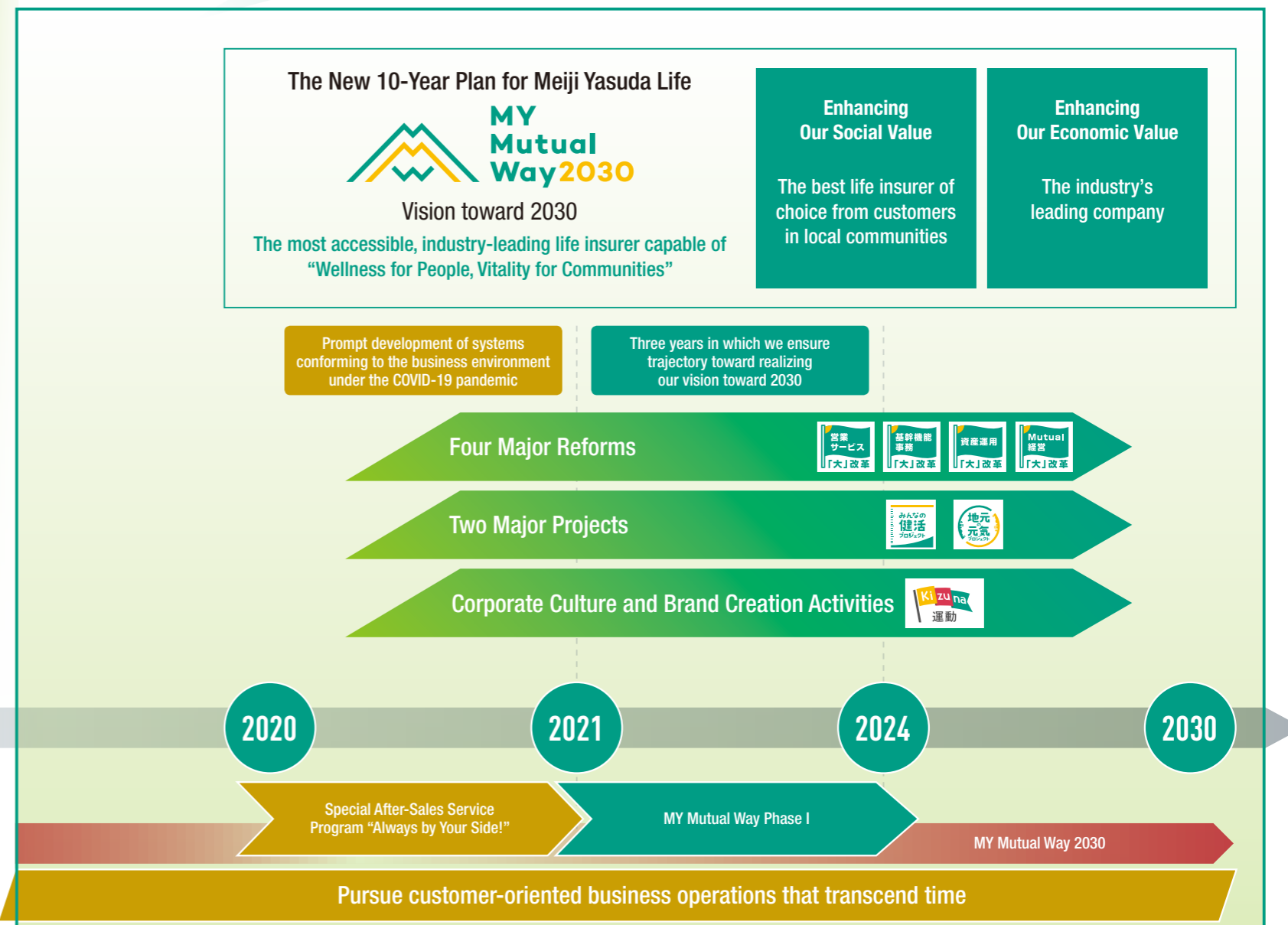
While adapting to radical social changes since the beginning of the Meiji era, both the Meiji Life Insurance Company (successor of Meiji Life Insurance Limited Company founded in 1881) and The Yasuda Mutual Life Insurance Company (successor of Kyosai Gohyakumei-Sha founded in 1880) strove to ensure customers' 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.



Pursuing Our Corporate Vision "A Long-Respected Life Insurance Company that Cares about People First"

Having received administrative measures twice in 2005, we have since striven to regain the trust of customers and society while improving our operations. As a result, we have seen steady improvement in total customer satisfaction ratings (the rating hit a record high in the fiscal year ended March 31, 2020). Looking ahead, we will extend lifelong support to our customers via the provision of the best possible face-to-face after-sales services that live up to our management philosophy, "Peace of mind, forever," while ensuring stable business management that can navigate Meiji Yasuda Life over the next 100 years. Remaining true to our fundamental business approach, we will thus pursue the constant upgrading of customer-oriented business operations in line with the changing times.

Realization of the Corporate Vision "A Long-Respected Life Insurance Company that Cares about People First"



Sources of Value Creation

Human Capital

Human resources boasting professional skills for providing customers with lifelong support

- The number of employees (consolidated basis) **48,385** (as of March 31, 2020)
- The number of Certified Skilled Workers of Financial Planning **25,600** (as of March 31, 2020)

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

- Approximately **33,000 sales personnel** (as of March 31, 2020)
- Approximately **1,000 staff** in charge of corporate and group customers (as of March 31, 2020)

Social Capital

A solid business foundation

- Individual insurance marketing: Approximately **7,070,000 customers** (as of March 31, 2020)
- Group insurance marketing: Approximately **5,000,000 persons** insured by voluntary group life insurance policies (as of March 31, 2020)

An extensive business network at home and abroad

- Domestic bases: **1,159 locations** (as of April 1, 2020)
- Overseas bases: **Seven subsidiaries and affiliates in five countries** (as of April 1, 2020)

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: **1,143%** (as of March 31, 2020)

Operating Environment

Economic environment and regulatory trends

- Prolongation of an ultra-low interest rate environment
- Introduction, revision and abolishment of laws and regulations

Changes in social structure

- Rapid aging of society and reforms in public social security systems
- A decline in regional population

Advances in digitalization and healthcare technologies

- Advancement of digital technologies
- Increasing sophistication of medical technologies and healthcare services

Value Created by Meiji Yasuda Life

Meiji Yasuda Philosophy

Management Philosophy	Peace of mind, forever
Corporate Vision	A Long-Respected Life Insurance Company that Cares about People First
Meiji Yasuda Values	<ul style="list-style-type: none"> Customer Focus and Ethical Standards Ambition and Creation Teamwork and Growth

MY Mutual Way 2030 — The New 10-Year Plan

MY Mutual Way 2030 ▶ P. 28

The most accessible, industry-leading life insurer capable of “Wellness for People, Vitality for Communities.”

Enhancing Our Social Value

The best life insurer of choice from customers in local communities

Improvement in customer satisfaction ratings and other indicators

Constant upgrading of customer-oriented business operations in line with the changing times

Enhancing Our Economic Value

The industry's leading company

Improvement in Group EEV and other indicators

Key Policy (1)

Provide customers and their communities with value beyond their expectation

Key Policy (2)

Effective integration of human operations and digital technologies (DX)

Key Policy (3)

Develop asset management and the overseas insurance business into earnings pillars

Key Policy (4)

Flexible and disciplined mutual company management

Special After-Sales Service Program “Always by Your Side!” (since April 2020) ▶ P. 31

MY Mutual Way Phase I (April 2021 to March 2024) ▶ P. 34

Four Major Reforms ▶ P. 38

営業サービス「大」改革
基幹機能事務「大」改革
資産運用「大」改革
Mutual経営「大」改革

Two Major Projects ▶ P. 56

みんなの健活プロジェクト
地元元気プロジェクト

Corporate Culture and Brand Creation Activities

Mutual company management ▶ P. 61

Corporate governance ▶ P. 64

Internal control system ▶ P. 76

ERM and risk management structure ▶ P. 78

Compliance ▶ P. 83

IT governance

Business Foundation

Supporting Value Creation

Strengthen capital by securing sustainable growth in corporate value

Value created via collaboration with stakeholders

Note: Icons represent relevant issues specified under the United Nations Sustainable Development Goals (SDGs)

Relationship with customers

We cater to customers and seek to impress them with our after-sales service. ▶ P. 15

GOOD HEALTH AND WELL-BEING
 NO POVERTY

Relationship with local communities

We create value to fill real social needs and help nurture local communities. ▶ P. 16

GOOD HEALTH AND WELL-BEING
 SUSTAINABLE CITIES AND COMMUNITIES
 QUALITY EDUCATION
 AFFORDABLE AND CLEAN ENERGY

Relationship with fellow workers

We respect ambition and diversity, and seek to create fulfilling workplaces. ▶ P. 17

GOOD HEALTH AND WELL-BEING
 QUALITY EDUCATION
 GENDER EQUALITY
 DECENT WORK AND ECONOMIC GROWTH

SDGs related to issues where we place utmost priority

GOOD HEALTH AND WELL-BEING
 SUSTAINABLE CITIES AND COMMUNITIES

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

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.

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, the Community Vitalization Project 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 (★ Utmost priority)	Relevant SDGs
★ Prolong healthy life expectancy	3 GOOD HEALTH AND WELL-BEING
★ Vitalize regional communities	11 SUSTAINABLE CITIES AND COMMUNITIES
Help raise the general public's health and financial literacy	4 QUALITY EDUCATION, 3 GOOD HEALTH AND WELL-BEING
Provide a variety of insurance products and services	1 NO POVERTY, 3 GOOD HEALTH AND WELL-BEING
Pursue innovation through surveys, research and development	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Create employment opportunities	8 DECENT WORK AND ECONOMIC GROWTH
Promote diversity	5 GENDER EQUALITY
Advance work style reforms	8 DECENT WORK AND ECONOMIC GROWTH
Advocate for human rights	10 REDUCED INEQUALITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Strengthen governance and secure management transparency	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Maintain strict compliance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Develop crime and disaster countermeasures	11 SUSTAINABLE CITIES AND COMMUNITIES, 5 GENDER EQUALITY
Protect the environment and combat climate change	7 AFFORDABLE AND CLEAN ENERGY, 13 CLIMATE ACTION

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

Priority issues

- ★ Prolong healthy life expectancy Utmost priority
- 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

Relevant SDGs

An SDG related to issues where we place utmost priority

Key initiatives undertaken by Meiji Yasuda Life

- The "Wellness for All Project" Page 57
 - Deliver products designed to support customers' health maintenance and improvement efforts
 - Best Style Health Cash Back

Dementia Care MCI Plus
 - Provide the web-based "MY Wellness Activity Report" service
 - "MY Wellness Activity Report"
- The Community Vitalization Project Page 58
 - Sponsored Meiji Yasuda Life Golf Tournament
 - Sponsored Meiji Yasuda Life Futsal Festa
 - Meiji Yasuda Life Golf Tournament

- Initiatives to enhance customer satisfaction with sales personnel Page 89
 - Enhance the quality of consulting activities
 - Enhance the content of after-sales services via Ease of Mind Service Activities Program and Wellness Support Activity
 - A booklet explaining social security systems

A simulation of coverage amount
- Upgrade our structure for providing after-sales services for the elderly Page 40
 - "MY Anshin Family Registration Scheme"
 - "MY Longevity Policy Checking Scheme"
 - "MY Assist+ System"
 - Assist Card
- Initiatives to enhance customer satisfaction via IT utilization Page 93
- Survey and research aimed at creating new products and services Page 92
 - Meiji Yasuda Research Institute, Inc.
- Adopt a more sophisticated management approach Page 63
- Enhance our compliance structure Page 83

Relationship with local communities

Priority issues

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

Relevant SDGs

SDGs related to issues where we place utmost priority

Key initiatives undertaken by Meiji Yasuda Life

- **The "Wellness for All Project"**
 - Sponsor the "Meiji Yasuda Life J.League Walking Campaign"
 

A "Meiji Yasuda Life J.League Walking Campaign" event
- **The Community Vitalization Project**
 - Implement the "Employee Giving Campaign to Support MY Local Community"
 - Launch website for the project

Page 59
- **Partnership agreements with local governments and other entities**

Page 59
- **Address environmental problems and climate change**


Page 46
- **Promote an ESG-oriented investment and financing approach**

Page 47
- **Promote stewardship initiatives**

Page 49
- **Our support of Meiji Yasuda J.League**
 - Sign sponsorship deals with J clubs and other local soccer clubs through our business bases nationwide
 - Host soccer clinics for elementary school students
 

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

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- **Contribute to Communities and Help Children Grow Soundly**
 - Community Safety Initiative
 - Donations to NPOs
 - Presenting Yellow Patches
 

Children experiencing wood chopping as part of a nature education event

Page 97
- **Enhance our compliance structure**


A poster for Yellow Patch giving campaigns

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Relationship with fellow workers

Priority issues

- ★ Prolong healthy life expectancy **Utmost priority**
- 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

Relevant SDGs

An SDG related to issues where we place utmost priority

Key initiatives undertaken by Meiji Yasuda Life

- **The "Wellness for All Project"**
 - Help employees address lifestyle-related diseases
 - Help employees address mental health issues
 - Help employees address women-specific health issues
- **Promote diversity & inclusion**
 - Assist employees' pursuit of career success regardless of gender, disability or age
 - Foster a corporate culture accepting diversity

Participants taking a photo after an LGBT-related event



A diversity forum
- **Assist employees in their efforts to enhance skills and develop careers**
 - Organize the "Value-Up Program"
- **Advocate for human rights**
- **Enhance our compliance structure**

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As a Mutual Company, We Will Realize Our Management Philosophy “Peace of Mind, Forever.”



Akio Negishi

Akio Negishi

Director, President,
Representative Executive Officer and Group CEO,
Meiji Yasuda Life Insurance Company

1. Opening

First of all, I would like to extend my wholehearted sympathy to all of those who have been affected by the COVID-19 pandemic. Meiji Yasuda Life has implemented diverse measures in response to this crisis, taking action in line with our “Customer-Oriented Business Operations Policy—Our Declaration of Proactively Pursuing a Customer-Oriented Business Approach.” For example, we have lengthened the grace period for insurance premium payments while introducing a special measure for hospitalization benefits payments. We have also revised conditions for accidental death insurance claims. Looking ahead, we will pay close attention to the evolving situation and strive to take a flexible stance with regard to our handling of policies and procedures.

2. Review of Financial Results for the Fiscal Year Ended March 31, 2020

In the fiscal year ended March 31, 2020, the business environment remained harsh amid ongoing ultra-low interest rates in Japan, lower interest rates overseas reflecting various factors including U.S.-China trade tension, and fallout from the COVID-19 pandemic that began to emerge in January. Against this backdrop, insurance premium income was down, compared with the previous fiscal year, due mainly to a decline in the sales volume of foreign currency-denominated insurance with a single premium. However, base profit of the Group and the Company both grew year on year, thanks primarily to interest, dividends and other income that achieved record highs. Thus, for a third consecutive year, we have achieved record-high profit. In addition, our consolidated solvency margin ratio also hit a record high and remains at an industry-leading level.

Taking these operating results into account, we have decided to upwardly revise the rate of dividends on individual life insurance and individual annuities for a fourth consecutive year, with the aim of maximizing dividends to be delivered to our policyholders.

3. Review of Achievements under MY INNOVATION 2020

In line with MY INNOVATION 2020, a three-year program spanning the period from April 2017 to March 2020, we have worked to enhance our corporate value in a way that strikes a balance between growth potential, profitability and financial soundness. As a result, we were able to achieve most of our management targets, including European Embedded Value (EEV), which indicates corporate value. Furthermore, we have implemented the “Wellness for All Project,” an endeavor aimed at redefining life insurance to provide new value. Specifically, we released new products and services designed to provide customers with ongoing assistance to their health improvement efforts. In addition, we have worked to spark innovation by upgrading our organizational structure and undertaking surveys and research.

At the same time, we have endeavored to create synergies with existing subsidiaries and affiliates, including StanCorp Financial Group, Inc., with the aim of enhancing profitability. Thanks to these efforts, base profit from the overseas insurance business has grown for a fourth consecutive year, with its ratio to base profit of the Group amounting to approximately 10% in the fiscal year ended March 31, 2020. This represents an increase of 3.2 percentage points from the fiscal year ended March 31, 2017, the fiscal year prior to the launch of the program. Through these initiatives, we were able to secure a path for future growth while enhancing our presence in the life insurance industry.

4. About MY Mutual Way 2030

Background and Concepts behind the Plan

The duration of life insurance policies typically extends to the ultra-long term, such as 30 to 40 years, or even longer. Given this, we believe that the maintenance of stable management backed by financial soundness is a matter of particular importance, as we are called to ensure the steady payment of insurance claims and benefits no matter the business environment. These unique requirements set life insurers aside from other types of businesses. With this in mind, we have established our management philosophy “Peace of mind, forever.” Moreover, in anticipation of the coming age of centenarians in Japan, we think that taking this management approach is more important than ever before. Taking these factors into account, MY Mutual Way 2030, a new 10-year plan aimed at achieving our vision with regard to what Meiji Yasuda Life must look like in 10 years, has thus been formulated based on the analysis of possible changes in our business environment over the next 30 years.

Our Commitment to Mutual Company Management

Japanese society has seen an unprecedented decline in the birth rate, which is resulting in the rapid aging of the population. While this phenomenon prompts discussion regarding the streamlining of the public social security system, we believe that life insurers constitute an essential part of the “social safety net.” The coverage we provide protects policyholders from risk. In essence, insurance is a safety net extended by all the other policyholders to help when another policyholder is visited by an unfortunate risk. Therefore, insurance is inherently imbued with the spirit of “mutual aid” by all those who subscribe to protect against diverse risks.

Based on this premise, insurers alone are allowed to take the form of a mutual company in accordance with Japan’s Insurance Business Act. The most notable feature of the mutual company is that, unlike a stock company owned by shareholders, those enrolled in insurance policies become “mutual members” and owners of the company. This, we believe, enables the long-term, stable management that places the utmost priority on pursuing policyholder interests.

I, too, personally believe that the mutual company system is best suited for life insurers. That is why I decided to use the word “mutual,” which might not be familiar to Japan’s general public, for the title of the new 10-year plan. MY Mutual Way 2030 is thus designed to help us live up to our commitment well into the future of pursuing policyholder interests over the ultra-long term by taking full advantage of our strengths as a mutual company.

Mutual members:

Each Meiji Yasuda Life policyholder is a mutual member with joint ownership of the Company, similar to shareholders owning a stock company. However, this excludes those who enroll only in policies without dividends.



Our Vision

In line with this 10-year plan, we will take up the challenge of becoming the “best life insurer of choice from customers in local communities” as well as the “industry’s leading company.” Simultaneously, this plan identifies as our vision of becoming the “most accessible, industry-leading life insurer capable of ‘Wellness for People, Vitality for Communities.’” This is what Meiji Yasuda Life must look like in 10 years upon fully accomplishing this challenge.

We highly value our relationships with three stakeholder groups in line with our corporate vision. We will strive to cultivate our relationships with the local communities in which our policyholders and their families live, to this end implementing initiatives aimed at creating flourishing regional communities in addition to enhancing relationships with our customers and our fellow workers. Focusing on these key relationships will help us accomplish the challenge we have set for Meiji Yasuda Life.

We originally planned to launch MY Mutual Way Phase I, a new three-year program, in April 2020 as a part of MY Mutual Way 2030. Due to the COVID-19 pandemic, we have decided to delay the launch of this program for one year. In the interim, we have launched the Special After-Sales Service Program “Always by Your Side!,” a single-year management plan for the fiscal year ending March 31, 2021.

5. Special After-Sales Service Program “Always by Your Side!”

Under this program, we have positioned “securing financial soundness,” “maintaining and enhancing our business foundation” and “establishing a structure enabling us to make a strong start of MY Mutual Way Phase I” as the keynotes for business management. Especially, in terms of maintaining and enhancing our business foundation, we will strive to maintain such core functions as those associated with the payment of insurance claims and benefits while placing the utmost priority on ensuring the safety of customers and employees. As we consider our relationship with customers to be the most significant component of Meiji Yasuda Life’s business foundation, we will thereby work to strengthen these relationships through all-out efforts to enhance our after-sales services.

To successfully execute the strategies of this special program, we have not set the performance targets specified under our usual management plans. Instead, as our management performance targets, we have adopted more appropriate indicators to assess the status of after-sales services, such as the “number of customer contacts.” By doing so, we will implement three essential policies listed below.

First, we will place more emphasis than ever before on promoting a customer-oriented business approach. Due to the lingering sense of anxiety over the pandemic and the unclear economic outlook, securing preparedness against risk has become a matter of growing importance. With this in mind, we will focus on providing detailed explanations, through MY life plan advisors and other personnel in charge of customers, with regard to the importance of continuing their insurance policies while avoiding excessive financial burden. These personnel will also let our customers know about special measures applied to various procedures, such as the payment of certain claims, while offering consulting services on the content of coverage and insurance premiums. For our corporate and group customers, we will endeavor to help them check the content of their policies in addition to stepping up the provision of information services.

Second, we will establish a structure optimized for the business environment brought about by the COVID-19 pandemic. We will respond proactively to changes that have affected customer behavior and society as a whole. To this end, we will upgrade our digital infrastructure and enhance our capabilities to engage using non face-to-face customer communications. By doing so, we will combine the traditional strength of our face-to-face after-sales services with our no-physical-contact services and establish a new mode of after-sales services.

Lastly, as we aim to make a smooth start of MY Mutual Way Phase I in April 2021, we will begin implementing some of the future initiatives, described later under Four Major Reforms, ahead of schedule.

Phase change:

For Meiji Yasuda Life, this expression implies that the Company is determined to boldly take on the challenge of accomplishing a higher goal that cannot be reached by building on existing modes of doing things.

Total customer satisfaction ratings:

Ratings represent the percentage of respondents who select "satisfied" or "somewhat satisfied" on customer satisfaction surveys that offer the five choices of "satisfied," "somewhat satisfied," "normal," "somewhat unsatisfied" and "unsatisfied."

Four Major Reforms and Two Major Projects:

The word "Major" used in the title of reforms and projects is intended to represent Meiji Yasuda Life's determination to comprehensively rally its strengths into these endeavors and, to this end, strategically allocate management resources to thoroughly update its systems and infrastructure in order to deliver new value.

DX:

Generally used as an abbreviated name of digital transformation, DX collectively represents initiatives aimed at achieving workstyle reforms and realizing innovation for society as a whole by developing new services and business models in step with the advancement of information technology.

6. About MY Mutual Way Phase I

Starting from April 2021, MY Mutual Way Phase I aims to secure a path for growth toward the realization of our vision toward 2030. This is, in sum, intended to achieve a "phase change" as explained later.

Meiji Yasuda Life arose a young and vibrant life insurance company born of the 21st century via the 2004 merger of Meiji Life Insurance Company and The Yasuda Mutual Life Insurance Company, each unparalleled by any other domestic insurer in terms of their history and tradition. However, we stumbled in 2005, twice receiving administrative measures due to such problems as non-payments of insurance claims and benefits in violation of relevant laws, as well as problems with internal control and corporate management. Drawing lessons from these incidents, we strove to achieve a complete re-founding. To this end, we carried out drastic reforms in corporate governance to transform into a "company placing utmost value on customers." For example, we initiated the selection of voluntary candidates for policyholder representatives while adopting the "Company-with-Committees" system. Simultaneously, we overhauled our administration systems for the payment of insurance claims and benefits by, for instance, establishing the Customer Satisfaction Advisory Council while installing a dedicated system to receive customer complaints. After launching these initiatives to regain the trust of customers, we also introduced the MY life plan advisor system and the "Ease of Mind Service Activities Program" to ensure high-quality consulting and after-sales services. Moreover, we instituted the "MY Longevity Policy Checking Scheme" to proactively reach out to elderly customers and help them determine if they have eligible claims they should apply for as part of our efforts to enhance customer satisfaction. As a result, total customer satisfaction ratings based on customer satisfaction surveys have improved to 62.8% in the fiscal year ended March 31, 2020 from 27.1% in the fiscal year ended March 31, 2007. This achievement, we believe, shows that we have succeeded in transforming ourselves into a company capable of satisfying significantly more customers.

Through these longstanding efforts, we have thus been able to solidify our foundations as an excellent company. As we navigate the rapidly changing operating environment, we now believe it is time for Meiji Yasuda Life to adopt a bolder approach to pursuing business expansion and greater profitability, with the aim of securing policyholder interests over the ultra-long term future. This is what I meant earlier by "phase change."

To achieve this, MY Mutual Way Phase I will entail Four Major Reforms in the fields of "sales and services," "core functions and administrative services," "asset management" and "mutual company management" as well as Two Major Projects aimed at contributing to customers' health improvement and the creation of flourishing communities.

Furthermore, in the overseas insurance business, we will enhance the profit base for existing subsidiaries and affiliates. We will also develop a new profit base in the Asia Pacific region via the establishment of a local subsidiary equipped with research functions. Eventually, we want the overseas insurance business to contribute 15% of overall profit by March 31, 2028. Through these initiatives, we will achieve the necessary "phase change" toward realizing our "vision toward 2030" and securing a path for future growth.

7. Digital Transformation (DX) Initiatives

With regard to DX initiatives, we have to date been proactively updating our core functions, such as those associated with policy underwriting, policy maintenance and claim payment, via the use of digital technologies, and thereby promoting paperless and cashless operations. However, these initiatives have not been orchestrated based on an overarching strategy. Now, due to the COVID-19 pandemic, we are aware of the potential of digitalization to accelerate societal changes taking place at an astonishing pace. Given this, we are convinced that stepping up our use of digital technologies will prove fundamental to implementing the initiatives under our business plan. Accordingly, we will closely examine how to streamline our operations, create new value and enhance our business competitiveness via the use of digital technologies. Having positioned the utilization of digital technologies as a top priority for management, we will upgrade our DX-related structures, ranging from those associated with business model, strategies, organization and human resources to operational system platforms, at the fastest possible speed.

8. Contributing to the United Nations SDGs

The thoughts behind our management philosophy "Peace of mind, forever" coincide with the spirit of the SDGs, which aim to realize a sustainable society under the credo of "leaving no-one behind" by addressing universal issues associated with economic, social and environmental concerns. Based on this belief, Meiji Yasuda Life will engage in Two Major Projects as well as responsible investment and other endeavors to address climate change risks.

Two Major Projects

Having identified 13 priority issues relevant to 17 goals and 169 targets of the SDGs, we have placed the utmost priority on striving to "Prolong healthy life expectancy" and "Vitalize regional communities" via the Two Major Projects.

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. However, many people experience difficulty continuing solitary efforts to improve their health. With this in mind, we promote the "Wellness for All Project" and deliver new products and services designed to contribute to health improvement while offering opportunities in which people can casually participate in exercise. In this way, we will help our customers extend their healthy life expectancy.

We will also implement the "Community Vitalization Project" to vitalize regional communities, which support bases of Meiji Yasuda Life around the nation, to help them flourish. As part of this project, we will support various community activities while promoting such initiatives as the "Employee Giving Campaign to Support MY Local Community," a matching-gift program in which donations from employees are delivered to recipients along with donations from the Company. Furthermore, acting in collaboration with J.League, with which Meiji Yasuda Life signed a title partner contract, we will strive to vitalize people around Japan and help them get through the current pandemic crisis via the "Local Aid Campaign with J."

13 priority issues:

Please refer to page 14.

The "Employee Giving Campaign to Support MY Local Community":

To support local governments and medical institutions in need of financial assistance due to the COVID-19 pandemic, this program solicits voluntary donations from employees to organizations rooted in communities where they live, come from or otherwise share a common bond. In line with the matching-gift scheme, Meiji Yasuda Life contributes its own matching funds and delivers the combined donation to the recipient.



ESG investment:

Unlike conventional investment approaches, ESG investment considers not only financial results achieved by investees but also how they address environmental, social and governance issues.

PRI:

Formulated in 2006 via collaboration between participants in the United Nations Environment Programme Finance Initiative and the United Nations Global Compact

TCFD:

An organization established in December 2015 by the Financial Stability Board (FSB) upon the request of the G20's finance ministers and central bank governors. The TCFD published a proposal in June 2017 to encourage businesses to voluntarily assess and disclose the financial impact of "risks" and "opportunities" arising from climate change.

Responsible Investment and Initiatives to Address Climate Change Risks

As life insurers typically act as institutional investors, we believe that engagement in ESG investment and other responsible investment constitutes an important mission. In this light, we have promoted sustainable investment and financing, extending a cumulative total of ¥700.0 billion to provide finance mainly for renewable energy projects and green bonds over three years from April 2017 to March 2020. In addition, in January 2019 we became a signatory to the United Nations Principles for Responsible Investment (PRI) and, in April 2020, we established the Responsible Investment Office in order to step up our initiatives in this field going forward.

Aware of risks arising from climate change, in January 2019 we have also declared our support of recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD). In line with this move, we are currently working to reduce greenhouse gas emissions from our operations as a life insurer while, as an institutional investor, formulating an investment and financing policy to restrict finance for coal-fire power generation. We are thus striving to curb climate change risks.

9. Closing Words

Today, medical practitioners and others, who provide services that constitute an integral part of our daily living, are recognized as "essential workers." Especially since the emergence of the COVID-19 pandemic, these dedicated individuals support society's underlying functions and help ensure peace of mind for all, faithfully responding to requests from society in the ongoing course of fulfilling their duties despite the looming threat of the virus. We, too, at Meiji Yasuda Life are determined to play our part by delivering life insurance and helping customers secure robust coverage in preparation for risk, in addition to ensuring the prompt and steady payment of insurance claims and benefits regardless of circumstances. These are the ways we support the peace of mind of our customers. To this end, all Meiji Yasuda Life employees are committed to living up to society's expectations in their daily operations, striving to follow the inspiring example set by essential workers.

Looking ahead, we sincerely ask for your continued support and encouragement.



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Major Achievements of Successive Medium-Term Business Plans

To date, we have been implementing Medium-Term Business Plans along with various key programs while promoting employee-driven activities using a bottom-up approach. In these ways, we have pursued the enhancement of customer satisfaction in addition to securing sustainable growth in our corporate value.

Under the Meiji Yasuda New Development Program (April 2011 to March 2014), we promptly took action in response to the Great East Japan Earthquake, visiting all policyholders living in regions struck by this disaster and confirming their whereabouts in a way that fully utilized the strengths of our face-to-face after-sales services.

In line with the Meiji Yasuda NEXT Challenge Program (April 2014 to March 2017), we upgraded our structure for after-sales services by,

for example, introducing a scheme that helps elderly customers who reach longevity celebration years confirm the content of their policies. We also released "Best Style," a product capable of providing comprehensive protection, while making the U.S.-based StanCorp Financial Group, Inc. a wholly-owned subsidiary.

Having then launched MY INNOVATION 2020 (April 2017 to March 2020), we started the "Wellness for All Project" to deliver products, services and campaigns designed to assist health improvement efforts. We also implemented other initiatives aimed at helping customers maintain and improve their own health condition via our face-to-face after-sales services.

April 2006 to March 2008 Meiji Yasuda Revitalization Program

April 2008 to March 2011 Meiji Yasuda Challenge Program

April 2011 to March 2014 Meiji Yasuda New Development Program

- Secure sustainable growth potential in the domestic life insurance business
 - "Kaigo no Sasae," a nursing care insurance, released
- Actively invest in growth markets, such as the overseas insurance business and the nursing care service business
 - Sunvenus Tachikawa Company Limited, a private nursing home operator, made a subsidiary
 - Expansion into the insurance industry in Poland, initiated

- Adopt sophisticated risk management and strengthen the capital and financial base

Achievements (management targets, etc.)

- Achieved operating results well in excess of all management targets
- Total customer satisfaction ratings from customer satisfaction surveys improved to 51.0%

Management Targets		Targets	Results for the fiscal year ended March 31, 2014
Individual Insurance Marketing	Annualized Premiums in Force	¥1,960.0 billion	¥2,083.8 billion
Group Insurance Marketing	Premium Income	¥1,050.0 billion	¥1,243.6 billion
Corporate Value (EEV)		¥2,900.0 billion	¥3,419.4 billion

April 2014 to March 2017 Meiji Yasuda NEXT Challenge Program

- Pursue brand strategy centered on face-to-face after-sales service
 - "MY Anshin Family Registration Scheme" and "MY Longevity Policy Checking Scheme," released
- Execute growth strategy involving the enrichment of third-sector insurance products, such as medical insurance, and the proactive expansion of the overseas insurance business
 - "Best Style," comprehensive protection insurance, released
 - The U.S.-based StanCorp Financial Group, Inc., made a wholly-owned subsidiary

Achievements (management targets, etc.)

- All management targets, including EEV, which indicates our corporate value, were met
- Total customer satisfaction ratings from customer satisfaction surveys improved to 57.8%

Management Targets		Targets	Results for the fiscal year ended March 31, 2017
Corporate Value (EEV)		¥5,300.0 billion	¥5,504.6 billion
Individual Insurance Marketing	Annualized Premiums in Force	¥2,198.0 billion	¥2,205.2 billion
Group Insurance Marketing	Group Life Insurance in Force	Maintaining our No. 1 domestic market share	¥112.9 trillion
	Group Pension Assets Managed	Maintaining and steadily increasing assets under management	¥7.44 trillion

April 2017 to March 2020 MY INNOVATION 2020

- The "Wellness for All Project," launched
 - "Best Style Health Cash Back" and "Dementia Care MCI Plus," released
 - "MY Wellness Activity Report" service, released
 - Hosted "Meiji Yasuda Life J.League Walking Campaign" and other events aimed at assisting health improvement
- Growth strategies aimed at expanding our customer base, promoting new market initiatives and realizing better asset management
 - Introduced products targeting priority fields in the domestic life insurance market (whole life medical insurance with a lump-sum benefit, etc.)
 - Stepped up credit investment and financing

- Operating base reinforcement strategies aimed at ensuring better governance and improved work engagement
 - Promoted and practiced a business management method based on enterprise risk management (ERM)
- Brand strategy aimed at promoting our new corporate philosophy, the "Meiji Yasuda Philosophy"

Achievements (management targets, etc.)

- Met most management targets thanks to our efforts to enhance corporate value in a way that strikes a balance between growth potential, profitability and financial soundness
- Total customer satisfaction ratings from customer satisfaction surveys improved to 62.8%

1. Management Targets

With the exception of two items, which were negatively affected by the external environment, we have achieved our targets under MY INNOVATION 2020.

Management Targets	Medium-Term Business Plan Targets (Percentages and figures represent targeted change from the fiscal year ended March 31, 2017)	Results for the fiscal year ended March 31, 2020		Difference from results in the fiscal year ended March 31, 2017	
		Met/Unmet	Met/Unmet		
Corporate Value (EEV) ¹	+20%	¥5,794.8 billion	Met	+20.0%	
Annualized Premiums in Force (Individual insurance marketing)	¥2,247.0 billion	¥2,180.7 billion	Unmet	-1.1%	
Group Life Insurance in Force (Group insurance marketing)	No. 1 Domestic Share	¥116.3 trillion	Met	+3.0%	
Annualized New Premiums from Third-Sector Insurance	¥56.0 billion (+40%)	¥44.9 billion	Unmet	+9.4%	
Number of Customers	Agency distribution channel and other channels	7,000 thousand	7,070 thousand	Met	+260 thousand
	Group insurance marketing channel	4,940 thousand	5,000 thousand	Met	+210 thousand
Number of Advisors	33,000	33,467 ²	Met	+2,212	
Capital Efficiency Indicator (RoEEV)	Stably ensure an annual average of around 6%	6.8%	Met	-	
Economic Solvency Ratio (ESR) ³	150-160% or more	155%	Met	-	
On-Balance Sheet Capital	¥3,000.0 billion	¥3,105.3 billion	Met	+26.0%	

¹ Assumptions used in EEV calculation include the economic environment, the rate of surrender and other variables largely beyond the control of the execution of management strategies. These variables were fixed at figures recorded as of March 31, 2017 just prior to the start of the Medium-Term Business Plan. Corporate value (EEV) calculated using these variables stands at ¥4,830.2 billion as of March 31, 2017.

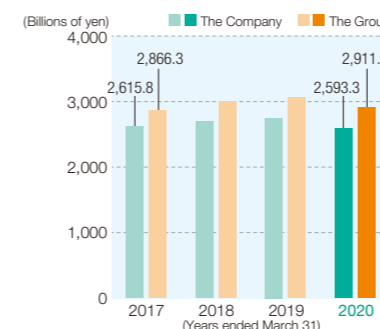
² As of April 1, 2020

³ For the fiscal year ending March 31, 2021, the Company has upgraded methods used in ESR measurement in light of the Insurance Capital Standard (ICS) and the status of domestic discussions regarding economic value-based capital regulations while switching to Group-based ESR management. ESR, provisionally calculated using the upgraded methods, stood at 183% as of March 31, 2020.

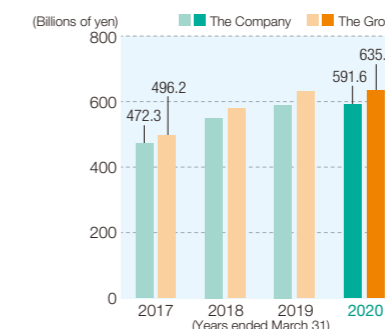
2. Growth Potential, Profitability and Financial Soundness

In the fiscal year ended March 31, 2020, the final year of MY INNOVATION 2020 (April 2017 to March 2020), base profit of the Group and the Company both hit record highs for a third consecutive year. This demonstrates our robust profitability despite a year-on-year decrease in insurance premiums and other, which indicate growth potential, due mainly to lower sales of foreign currency denominated insurance with a single premium in the face of declining overseas interest rates. Moreover, we have also achieved a record high in our consolidated solvency margin ratio, which indicates financial soundness.

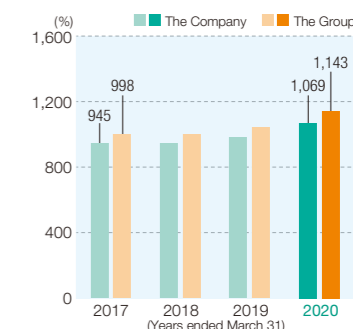
Insurance Premiums and Other (Growth)



Base Profit (Profitability)

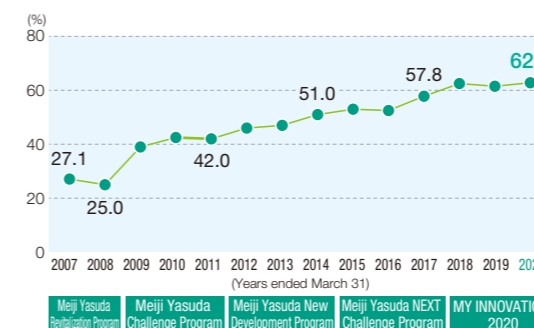


Solvency Margin Ratio (Financial Soundness)



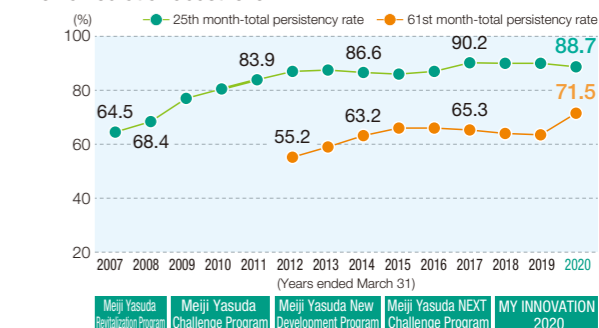
3. Customer Satisfaction

Total customer satisfaction ratings hit record high.



4. Total Persistency Rate

Total persistency rate, one of the quality indicators for our policies, remained at a robust level.



Note: The Company initiated the calculation of the 61st month-total persistency rate from the fiscal year ended March 31, 2012.

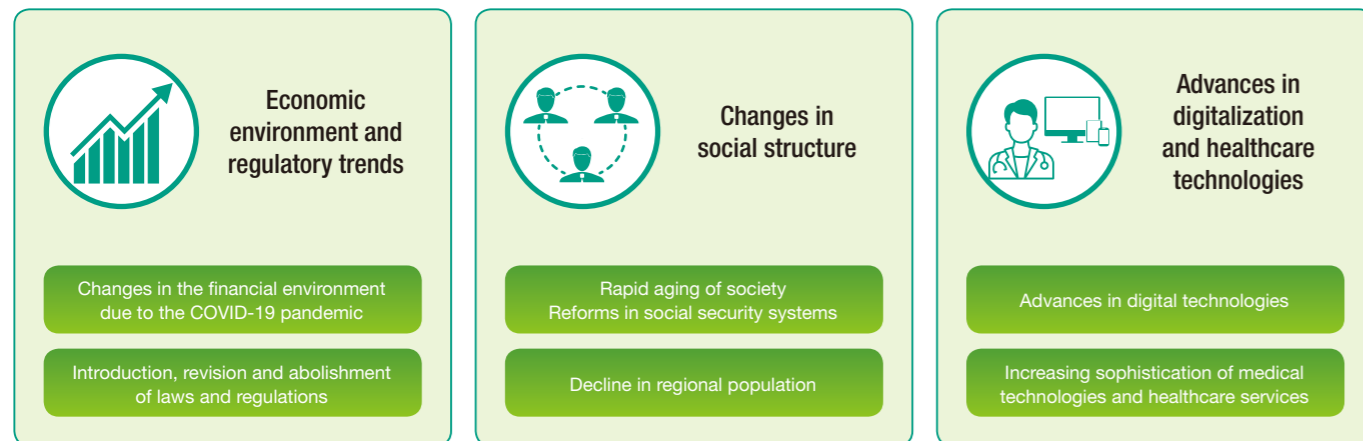
Constantly Improving Our Customer Focus in Light of the Changing Business Environment

Our business management is expected to be significantly impacted by such factors as the evolving economic environment, regulatory trends, changes in social structure, and advances in digital, healthcare and other technologies. We must correctly adapt to these external changes to realize our corporate vision, “A Long-Respected Life Insurance Company that Cares about People First.” Moreover, in anticipation of the coming age of centenarians, we must constantly strive to meet the

needs of customers and their communities via the provision of unique value only Meiji Yasuda Life can create.

Based on this recognition, we have formulated MY Mutual Way 2030, a new 10-year plan aimed at securing our ability, as a mutual company supported by policyholders acting as mutual members, to flexibly adapt to long-term changes in the business environment and pursue customer-oriented business operations in harmony with the times.

► Factors that could impact the business environment



Initiatives to Constantly Meet Needs of Customers and Their Communities in Anticipation of the Coming Age of Centenarians



* Activities aimed at assisting customers and their communities in their health improvement efforts

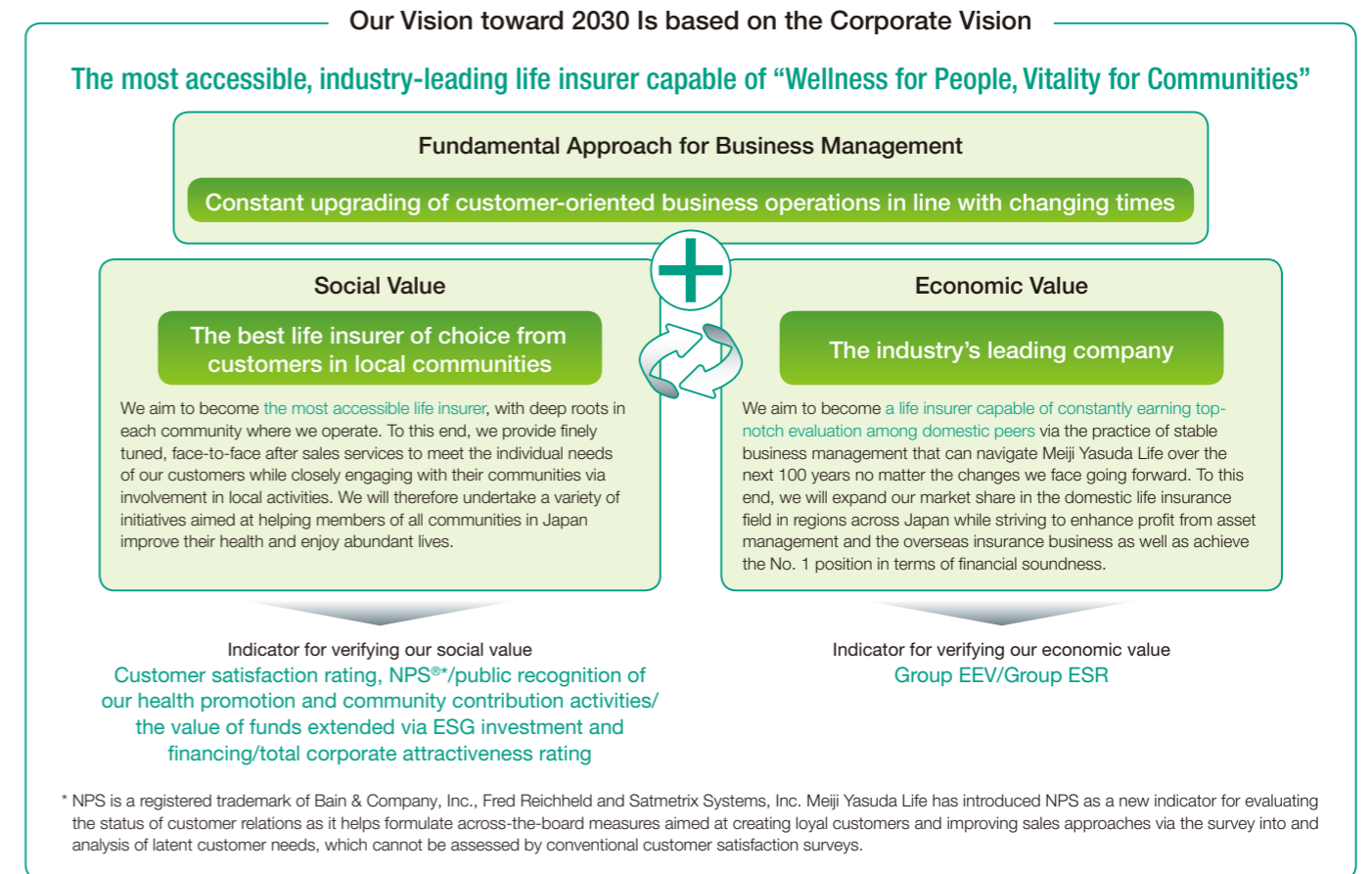


Our Vision with Regard to What Meiji Yasuda Life Must Look Like in 10 Years

Under this plan, we have identified our vision with regard to what Meiji Yasuda Life must look like in 10 years as “the most accessible, industry-leading life insurer capable of ‘Wellness for People, Vitality for Communities.’” To achieve this, we will implement various initiatives aimed at significantly enhancing Meiji Yasuda Life’s social value vis-à-vis

such indicators as Net Promoter Score (NPS®) and others representing the public recognition of our health promotion and community contribution activities. At the same time, we aim to raise our economic value in terms of, for example, Group EEV, to the industry-leading level.

► Our Vision toward 2030



► Key Policies under the 10-Year Plan

- 1 Provide customers and their communities with value beyond expectation**

 - Develop leading-edge products and services focused on providing higher social value by contributing to quality of life (QOL) in the age of centenarians
 - Enhance face-to-face services tailored to meet individual needs of customers with an eye to serving a growing number of elderly customers
 - Step up initiatives to help members of regional communities enjoy abundant lives with focus on being a life insurer with roots in each community
- 2 Effective integration of human operations and technologies**

 - Reduce the sense of burden customers may feel when they, for example, apply for administrative procedures, via the integration of human operations and digital technologies
 - Promote operational process reforms via the use of digital technologies while allocating more sophisticated functions to employees
 - Enhance the effectiveness and efficiency of our management resources by shifting them from the “cost center” (cost-intensive operations)
- 3 Develop asset management and the overseas insurance business into earnings pillars**

 - Promote the reform of our profit and business portfolio, with asset management and the overseas insurance business being positioned as growth fields
 - Diversify and enhance the methodologies to improve total income (income gain and capital gain) from asset management
 - Raise the ratio of profit from the overseas insurance business and other to 15% by March 31, 2028
- 4 Flexible and disciplined mutual company management**

 - Strengthen the Group’s business management structure to secure responsiveness to the future expansion of the overseas insurance business
 - Put business management based on ERM into practice with an eye to changes in the economic environment and a shift of management focus to economic-value based indices
 - Strengthen our structure for surveys and R&D aimed at securing flexibility to adapt to changes in the business environment

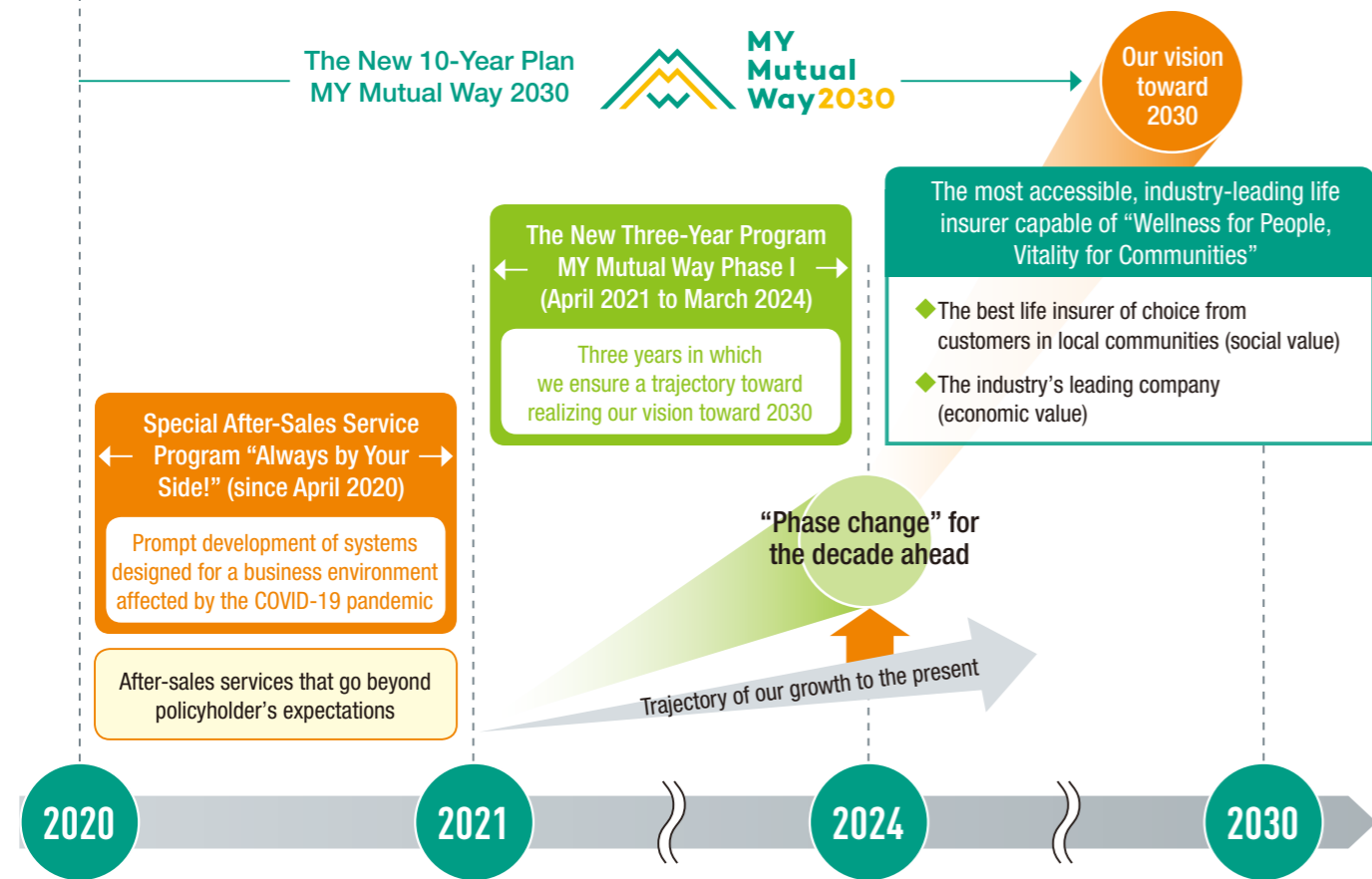
What We Aim to Achieve via MY Mutual Way Phase I (April 2021 to March 2024)

MY Mutual Way 2030 is our new 10-year plan. Within this timeframe, we have designated Phase I as the three years spanning April 2021 to March 2024. During Phase I, we will secure a trajectory for growth toward the realization of our vision toward 2030. Specifically, we will execute the Four Major Reforms* aimed at drastically overhauling our systems and infrastructure in such fields as “sales and services,” “core functions and administrative services,” “asset management” and “mutual company management.” Simultaneously, we will implement the Two Major Projects* that rally Meiji Yasuda Life’s comprehensive strengths to contribute to society. MY Mutual Way Phase I has thus been designed to strategically allocate our management resources to these endeavors. Phase I was originally set to launch in April 2020, but delayed one year in light of the COVID-19 pandemic. We have instead decided to

implement a single-year business plan titled, Special After-Sales Service Program “Always by Your Side!” This decision prioritizes the steady execution of the payment of insurance claims and other core functions during the fiscal year ending March 31, 2021 and the establishment of a more robust after-sales service structure capable of meeting the needs of customers amid the pandemic crisis. Accordingly, the term of MY Mutual Way Phase I was postponed to the period spanning April 2021 to March 2024.

* The word “Major” used in the title of reforms and projects is intended to represent Meiji Yasuda Life’s determination to comprehensively rally its strengths into these endeavors and, to this end, strategically allocate management resources to thoroughly update its systems and infrastructure in order to deliver new value.

► Positioning of the Period Spanning April 2021 to March 2024 in the 10-Year Plan



Constant upgrading of customer-oriented business operations in line with the changing times

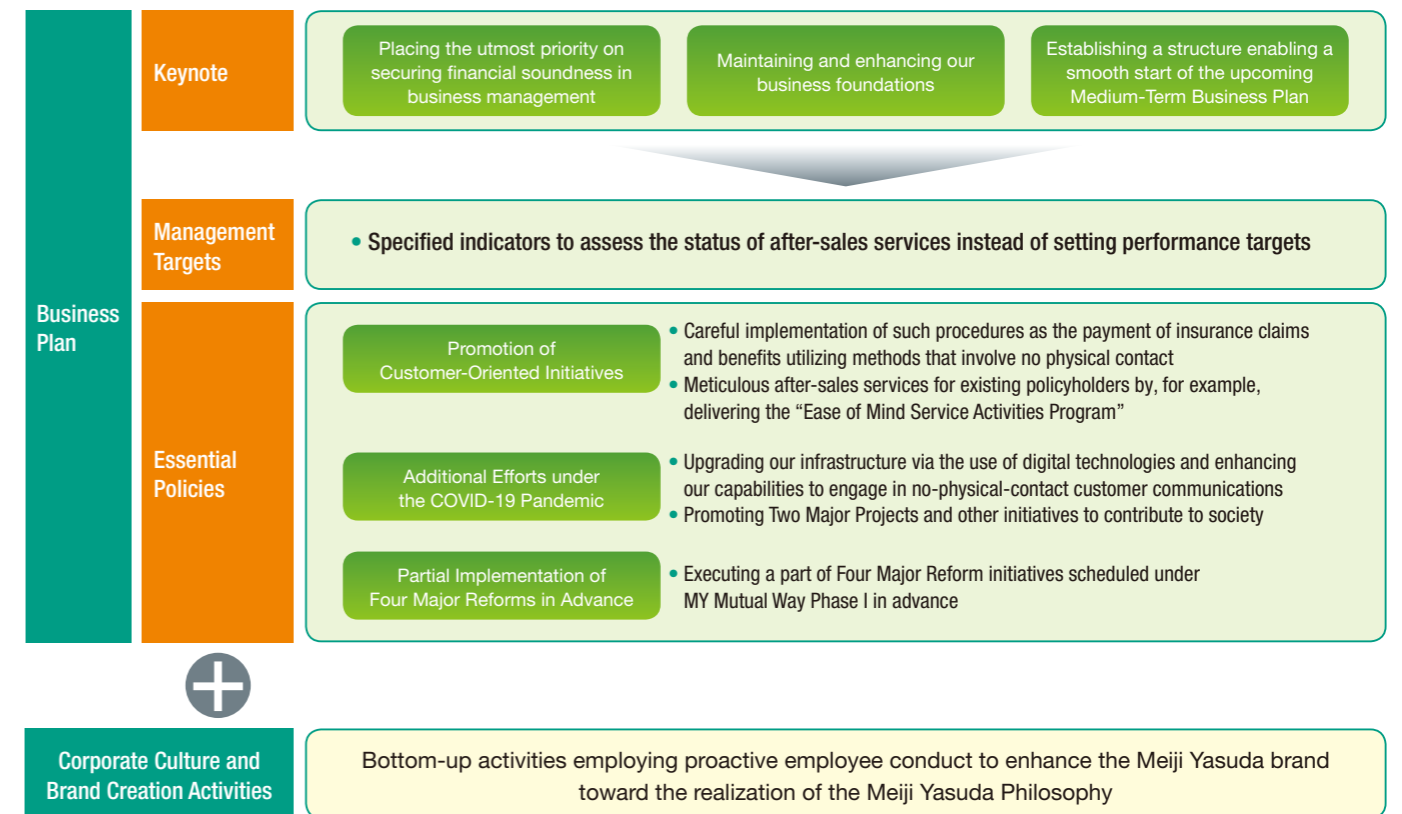
We seek to remain capable of delivering services that live up to the management philosophy “Peace of mind, forever.” With the aim of extending lifelong support for customers, we will continue to upgrade our approach to after-sales services. In this way, we will practice stable business management that can help Meiji Yasuda Life navigate the next 100 years.

About Special After-Sales Service Program “Always by Your Side!”

In line with this single-year business plan, we are striving to steadily execute the payment of insurance claims and benefits and other core functions in order to deliver unwavering peace of mind to our customers while placing the utmost priority on ensuring the safety of customers and employees. In addition, we aim to secure a robust footing for the upcoming launch of MY Mutual Way Phase I scheduled for April 2021. To this end, we will endeavor to promptly develop systems optimized for

the business environment brought about by the COVID-19 pandemic by, for example, establishing a new mode of after-sales services via the combination of face-to-face and no-physical-contact services. For the initiatives discussed above, we have not set the usual performance targets specified under our business plans. Instead, as our management targets, we have adopted more suitable indicators to assess the status of our after-sales services.

► Overview of Special After-Sales Service Program “Always by Your Side!”



► Indicators Specified under Special After-Sales Service Program “Always by Your Side!”

Item	Targets for the fiscal year ending March 31, 2021	
Number of customer contacts (Individual insurance marketing) ¹	5,000,000 individuals	
Number of customer contacts (Group insurance marketing)	Persons insured by group life insurance ²	2,500,000 individuals
	Corporate and group customers ³	6,800 corporate and group customers
Number of advisors ⁴	34,500 (Approx. +1,000 year on year)	

1 The number of life insurance policyholders reached by Meiji Yasuda Life’s sales personnel (MY life plan advisors) or other employees via face-to-face or no-physical-contact services.
 2 The number of persons insured by voluntary group life insurance through Meiji Yasuda Life’s personnel in charge of group insurance marketing (including those reached via corporate or group customers or their business bases)
 3 The number of corporate and group customers reached (among those enrolled in existing policies or other products sold via the Bancassurance channel) by Meiji Yasuda Life’s personnel in charge of group insurance marketing
 4 The target figure is for April 1, 2021.

Essential Policy (1) Promotion of Customer-Oriented Initiatives

In addition to the steady execution of core functions, including the payment of insurance claims and benefits, we have expanded special measures, such as lengthening the grace period for insurance premium payments. We are also working to ensure that all policyholders are informed about the special measures they are eligible for.

Moreover, we provide consulting services on the content of coverage and insurance premiums in a way that meets individual customer needs. Through these initiatives, we aim to support the persistency of customers’ policies while helping them secure robust coverage for risks arising from such factors as the COVID-19 pandemic.

Special measures applied to insurance policies in connection with the COVID-19 pandemic

Special measures associated with the grace period for insurance premium payments	<ul style="list-style-type: none"> The grace period for insurance premium payments can be lengthened upon request from policyholders. Insurance premiums under the grace period can be paid in installments or by the extended payment date. 						
Payment of insurance claims and benefits	<p>COVID-19 is defined as a type of disease for which insurance claims and benefits are paid.</p> <ul style="list-style-type: none"> A policyholder who was hospitalized due to infection with COVID-19 is eligible for hospitalization benefits. A policyholder who passed away or came to have significant disabilities is eligible for accidental death and other insurance claims. A policyholder who underwent online medical examinations is eligible for outpatient benefits. In cases where the policyholder is unable to prepare documents necessary to establish his/her eligibility for insurance claims and benefits, Meiji Yasuda Life will flexibly handle the case in light of the individual situation. 						
Special measures associated with benefits paid for hospitalization and outpatient	<ul style="list-style-type: none"> If a policyholder underwent treatment on par with hospitalization at a provisional facility or his/her home due to the circumstances of the medical institution, the policyholder is eligible for hospitalization benefits upon the provision of a certificate issued by a physician or medical institution with regard to the period of said treatment. If the circumstances of the medical institution hindered the policyholder’s planned hospital visit on the initial date and the actual date of the hospital visit was delayed beyond the expiration period in which a hospital visit qualifies for outpatient benefits, Meiji Yasuda Life will deem the actual date of the hospital visit to fall into said period, and the policyholder will thus be eligible for hospital treatment benefits. 						
Exemption of the payment of interest associated with policyholder loans newly furnished	<p>When a policyholder loan is newly furnished, Meiji Yasuda Life exempts the borrower from the payment of interest.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Applicable interest rate:</td> <td style="text-align: center;">0.0% per year</td> </tr> <tr> <td style="text-align: center;">Application period:</td> <td style="text-align: center;">March 16 to June 30, 2020</td> </tr> <tr> <td style="text-align: center;">Expiration date of the period in which the special interest rate is applied:</td> <td style="text-align: center;">September 30, 2020</td> </tr> </table> <p><small>Note: This exemption is not applied to variable life insurance.</small></p>	Applicable interest rate:	0.0% per year	Application period:	March 16 to June 30, 2020	Expiration date of the period in which the special interest rate is applied:	September 30, 2020
Applicable interest rate:	0.0% per year						
Application period:	March 16 to June 30, 2020						
Expiration date of the period in which the special interest rate is applied:	September 30, 2020						
The lengthening of the period for policy renewal procedures	<p>If a policyholder who enrolled in a policy with renewal date on June 1, 2020 or earlier failed to apply for renewal procedures, Meiji Yasuda Life will flexibly handle the case upon considering the individual situation.</p>						

Essential Policy (2) Prompt Development of Systems Conforming to the Business Environment Affected by the COVID-19 Pandemic

Currently, Meiji Yasuda Life’s sales personnel (e.g. MY life plan advisors) totaling approximately 33,000 and operating in regions nationwide are equipped with “Meister Plus” tablet terminals and “MY phones” company-furnished smartphones. Looking ahead, we are stepping up the utilization of these devices and will create a new mode for sales

activities via the combination of face-to-face and no-physical-contact after-sales services.

Simultaneously, we are upgrading our operational platforms, including those supporting employees who work from home, with the aim of allowing employees to perform their duties no matter where they are.

Infrastructure enabling us to realize a new mode of sales activities



“MY phones” company-furnished smartphones being distributed to more than 30,000 employees (the first move of its kind in the domestic life insurance industry)

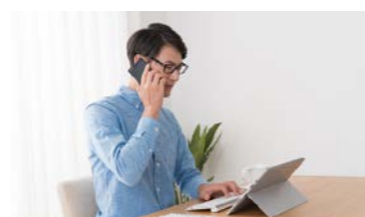


“Meister Plus” tablet terminals



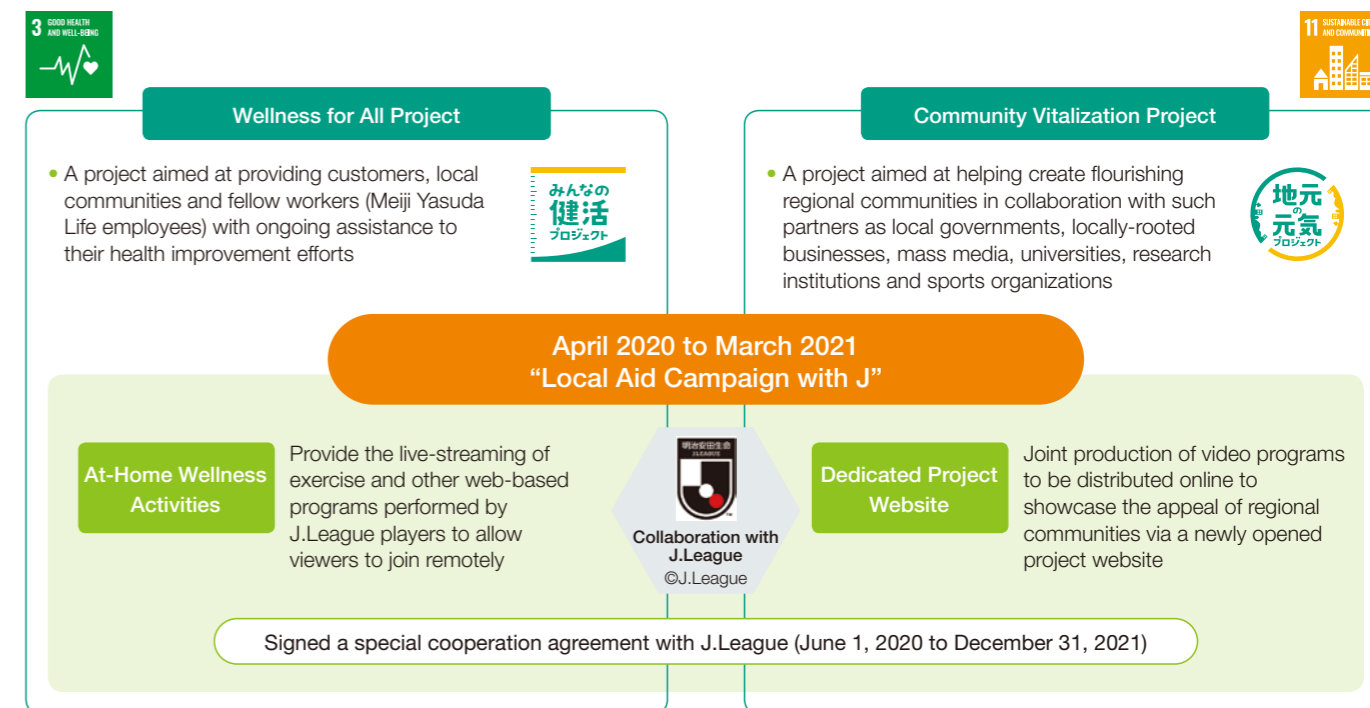
Payment terminals being utilized to go cashless

Upgrading of operational platforms supporting employees who work from home



In addition to the initiatives described earlier, we aim to vitalize people and communities around the nation to help them get through the COVID-19 pandemic via the Wellness for All Project (launched in April 2019; also see page 57) and the Community Vitalization Project

(launched in April 2020; also see page 58). In line with these projects, we are collaborating with the Japan Professional Football League (J.League) to implement “Local Aid Campaign with J.”



Essential Policy (3) Partial Implementation of Four Major Reforms in Advance

To secure a robust footing for the upcoming launch of MY Mutual Way Phase I, a three-year program slated to start in April 2021, we are

already implementing some aspects of the Four Major Reform initiatives (also see page 35) scheduled under Phase I.

1 Major Reform of Sales and Services page 38

- Transition to a next-generation sales channel
- Develop leading-edge products and services
- Cultivate markets by taking advantage of our corporate capabilities

営業サービス 「大」改革

3 Major Reform of Asset Management page 44

- Enhance our core asset management functions
- Rebuild our asset management platforms
- Strengthen asset management governance

資産運用 「大」改革

2 Major Reform of Core Functions and Administrative Services pages 40 and 42

- Promotion of further digitalization
- Establish new face-to-face services
- Increase the sophistication and efficiency of our headquarters operational structure

基幹機能事務 「大」改革

4 Major Reform of Mutual Company Management page 52

- Reform of the governance structure
- Reform of the resource management structure by each segment
- Reform of the innovation promotion structure

Mutual経営 「大」改革

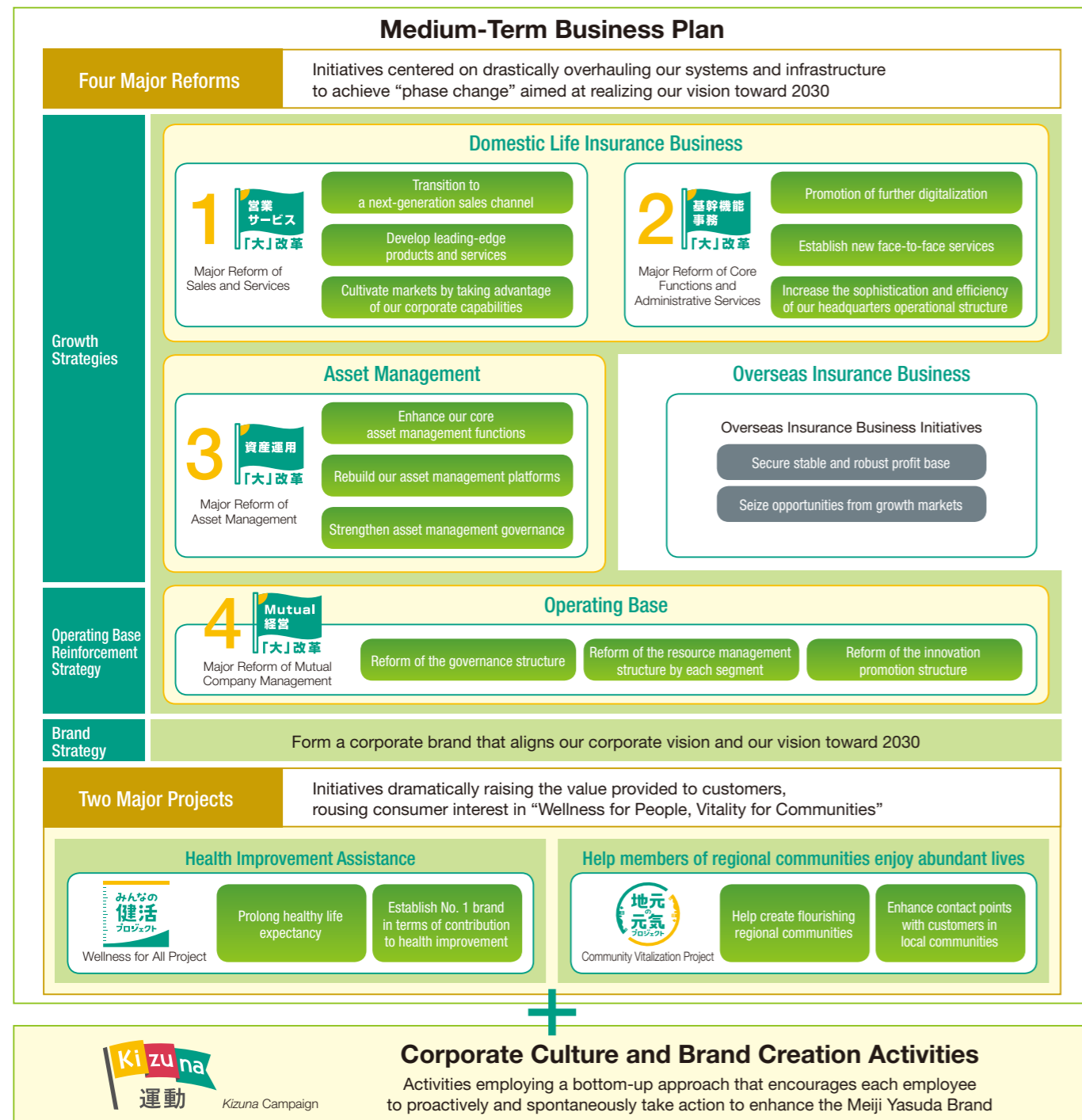
MY Mutual Way Phase I—Three-Year Program Spanning April 2021 to March 2024

About MY Mutual Way Phase I

Once we have succeeded in developing systems optimized for the business environment brought about by the COVID-19 pandemic in the fiscal year ending March 31, 2021, we will go on to launch MY Mutual Way Phase I. This three-year program is designed to secure a path for growth to realize our vision toward 2030. The Phase I program will run from April 2021 to March 2024. It consists of the Medium-Term Business Plan, as well as Corporate Culture and Brand Creation Activities.

In line with the Medium-Term Business Plan, we will focus on implementing the Four Major Reforms and Two Major Projects. Simultaneously, we will promote Corporate Culture and Brand Creation Activities, employing a bottom-up approach that encourages each employee to proactively and spontaneously take action in an effort to enhance the Meiji Yasuda Brand and realize our corporate vision.

► Overview of MY Mutual Way Phase I



Four Major Reforms

Major Reform of Sales and Services
Growth Strategy—Domestic Life Insurance Business (page 38)

Through the further utilization of digital technologies, we will deliver new life insurance value. This entails advancing our operations to create a new mode of after-sales services, transitioning to a next-generation sales channel, and developing leading-edge products and services designed to assist health improvement and proper disease management. We will also introduce such products as life insurance trusts. In addition, we will simultaneously promote the Two Major Projects to win the support of an even broader range of customers and their communities. To this end, we take advantage of our corporate capabilities in the course of expanding contact points with community members and implementing initiatives to help create flourishing regional communities.

Major Reform of Core Functions and Administrative Services
Growth Strategy—Domestic Life Insurance Business (pages 40 and 42)

We will expand the range of electronic procedures and improve the convenience of our administrative services, with the aim of realizing completely paperless and cashless operations. Specifically, we will simplify application procedures for the payment of insurance claims and benefits and introduce a scheme that immediately executes the payment. We will also strive to ensure that upon completing the application procedures for new enrollment, applicants are quickly informed of whether the policies can be underwritten. In step with the expansion of the range of electronic procedures, we will also aim to significantly reduce workload arising from existing operations. By doing so, we will help our administrative staff operating in regions nationwide secure spare capacity and join our new face-to-face service force which is expected to consist of 2,000 employees, with sales personnel (MY life plan advisors) and administrative staff working together to help customers conduct various procedures.

Major Reform of Asset Management
Growth Strategy—Asset Management (page 44)

We will develop more robust asset allocation functions that enable us to secure both financial soundness and profitability, along with enhancing our capabilities for individual asset management. To this end, we will rebuild our asset management platforms by, for example, nurturing asset management specialists, strengthening our structure for overseas investment and financing, and promoting the upgrading and diversification of asset management methodologies via the use of AI and other cutting-edge technologies. Moreover, with an eye to securing responsiveness to the introduction of economic-value based capital regulations in accordance with the Insurance Capital Standard, we will upgrade our risk return management while strengthening our asset management and risk management structures in a way that ensures flexibility and transparency.

Major Reform of Mutual Company Management
Operating Base Reinforcement Strategy (page 52)

As a mutual company, we will enhance our business management structure to secure our ability to adapt to changes in the operating environment and live up to the increasingly higher requirements of customers and society over the long term.

- Enhance the effectiveness of enterprise risk management (ERM)-based business operations while upgrading our business management approach in conformity with the International Financial Reporting Standards (IFRS)
- Send out messages to Group companies to foster a sense of unity, strengthening our corporate identity
- Consider introducing new methods for enriching policyholder dividends
- Ensure swift and flexible decision making by each department and develop infrastructure enabling more autonomy by, for example, introducing a system that facilitates independent expense management
- Strengthen our structure for promoting digital transformation (DX) while developing systems for promoting big data utilization
- Upgrade our functions for surveys and research into advances in digital and healthcare technologies

Two Major Projects

Wellness for All Project (page 57)

In line with the Wellness for All Project, which was launched in April 2019, we will continue to deliver products and services designed to assist customers in their efforts to maintain and improve their health. By doing so, we will contribute to the prevention and early detection of diseases, with the aim of creating a new life insurance value that goes beyond traditional life insurance functions that focus coverage on those who develop diseases.

Examples of Initiatives

- Expand our initiatives to support proper disease treatment and management
- Provide opportunities for people to casually engage in physical exercise
- Develop and deliver new products and services designed to assist customers in their health improvement efforts

Community Vitalization Project (page 58)

Under the Community Vitalization Project, which was launched in 2020, we will take full advantage of Meiji Yasuda Life's corporate capabilities to act in collaboration with such partners as local governments, locally-rooted businesses, mass media, universities, research institutions and sports organizations. In this way, we will help create flourishing regional communities while enhancing contact points with customers in local communities.

Examples of Initiatives

- Contribution via partnerships with local governments
- Contribution via sports promotion
- Contribution via the use of our relationships with businesses nationwide

A Message from Executive Offices in Charge of Finance and Capital Management



Atsushi Nakamura
Managing Executive Officer
Executive Officer
in Charge of the Corporate
Planning Department



Yasushi Ueda
Managing Executive Officer
Executive Officer in Charge of
the Profit Management &
Actuarial Department

To Secure Our Ability to Live up to Our Management Philosophy “Peace of Mind, Forever,” We Will Stay Focused on Securing Financial Soundness Supporting Our Long-Term Business Management While Enhancing Our Corporate Value.

Meiji Yasuda Life’s Finance and Capital Management Policies

In line with MY Mutual Way 2030, our new 10-year plan, we are poised to move forward with realizing our vision toward 2030. This will involve expanding our financial and profit bases that enable us to maintain stable management regardless of future changes in the business environment, and thereby enhancing our economic value. To this end, we will adhere to a basic financial and capital management policy of employing an enterprise risk management (ERM) framework in the formulation and management of business plans. Thus, we aim to secure stable profit and greater corporate value in a way that strikes a balance

between growth potential, profitability and financial soundness.

To ensure our success in the decade ahead, we will be focused on securing financial soundness supporting our long-term business management while achieving sustainable growth in corporate value via capital allocation aimed at supporting risk-taking endeavors in growth fields. Furthermore, we will accumulate a robust volume of capital, such as by securing internal reserves in addition to maintaining stable payment of policyholder dividends.

Securing Financial Soundness

Along with maintaining a robust solvency margin ratio in accordance with the current regulations, we are developing a framework for securing financial soundness by using Economic Solvency Ratio (ESR) as an indicator in preparation for the introduction of economic-value based capital regulations.

ESR is used as a financial soundness indicator for assessing the value of assets and liabilities based on fair value and better represents the actual economic status. We use ESR to confirm our capital sufficiency while controlling our stance on risk-taking in line with the current level of ESR. This approach enables us to appropriately engage in risk-taking in a way that ensures our financial soundness, helping us pursue sustainable growth in corporate value.

In addition, at the closure of the final year of the three-year program MY INNOVATION 2020 on March 31, 2020, our ESR* stood at 155%, meeting our management target of 150% to 160% or more. This indicates sufficient financial soundness. Looking ahead, we will strive to maintain financial soundness deserving “AA” ratings by stably improving our ESR.

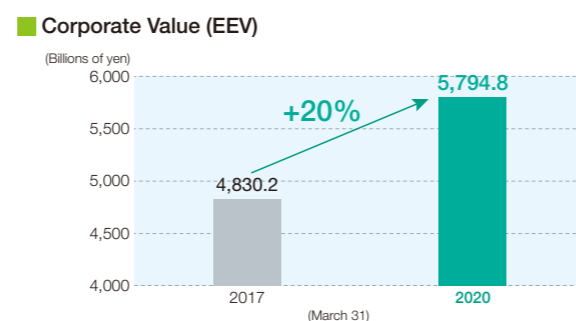
* An economic-value based indicator that shows whether the Company has secured sufficient capital in contrast with its total amount of risk. (Adopting a 99.5% confidence level, the figure is based on the Company’s internal model.) From the fiscal year ending March 31, 2021, the Company upgraded methods used in ESR measurement in light of the Insurance Capital Standard (ICS) and the status of domestic discussions regarding the introduction of economic value-based capital regulations while switching to the Group-based ESR management. ESR, provisionally calculated using the upgraded methods, stood at 183% as of March 31, 2020.

Capital Management

In line with the business plan, we ensure the appropriate allocation of capital to each business field, with the aim of securing capital sufficiency, enhancing capital efficiency and thereby pursuing sustainable growth.

In addition, we aim to expand our profit base and, to this end, have positioned the domestic life insurance business, asset management and the overseas insurance business as growth fields in which we engage in risk-taking aimed at maximizing profitability and securing growth potential in a way that ensures our financial soundness.

Moreover, we employ externally financed capital as necessary. In the fiscal year ended March 31, 2020, we raised foundation funds totaling ¥50.0 billion in August 2019, and issued subordinated bonds totaling ¥80.0 billion in September. In this way, we strove to further enhance our financial base.

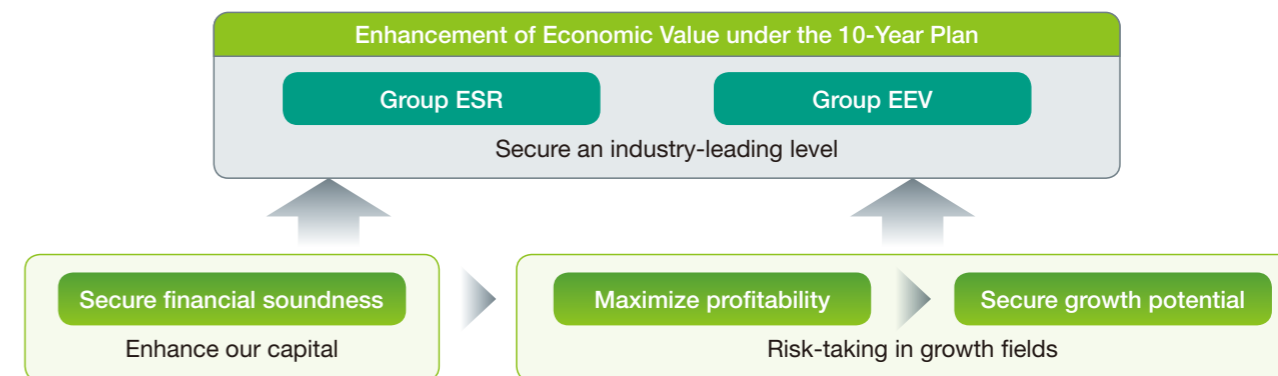


Note: Assumptions used in EEV calculation include the economic environment and other variables largely beyond the control of the execution of management strategies. These variables are fixed at figures recorded as of March 31, 2017 just prior to the start of the Medium-Term Business Plan.

Under MY INNOVATION 2020, we were able to meet a management target of raising our EEV, an economic value-based indicator of corporate value by 20% from the level as of March 31, 2017, achieving sustainable growth.

In line with the new 10-year plan, we will strive to raise our Group EEV and Group ESR to an industry-leading level. As for the fiscal year

ending March 31, 2021, however, we will place the utmost priority on ensuring financial soundness as part of Special After-Sales Service Program “Always by Your Side!,” a single-year business plan, in light of changes in the monetary environment reflecting such factors as the COVID-19 pandemic.



Enhancing Our Capital

As we aim to maintain and enhance our financial base to secure our ability to execute the steady payment of insurance claims and benefits, even when the magnitude of the fallout from the COVID-19 pandemic increases or the economic environment falls into radical deterioration (due to the pandemic or other factors), we are stably accumulating capital in preparation for various risks. Also, as of March 31, 2020, our on-balance sheet capital, which is the sum of essential capital (internal reserves consisting of reserve for redemption of foundation funds, reserve for price fluctuation, contingency reserves, reserve for business

infrastructure and other reserves) and externally financed capital, amounts to ¥3,105.3 billion, in excess of our management target of ¥3,000.0 billion under MY INNOVATION 2020.

With an eye to ensuring our responsiveness to the expected introduction of economic value-based capital regulations and resilience against risks arising from a highly volatile monetary environment, we are currently striving to maintain and enhance the soundness of our financial base and, to this end, endeavor to secure an even more robust volume of internal reserves.

About Policyholder Dividends

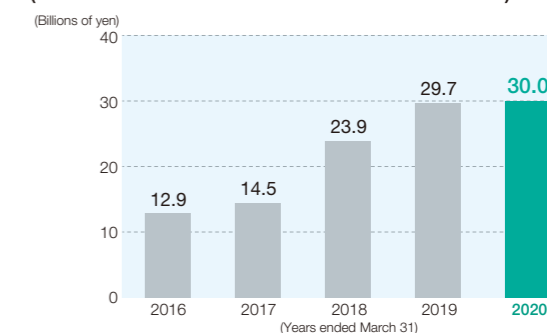
Based on a spirit of mutual aid, we engage in the payment of policyholder dividends to mitigate burdens placed on policyholders who pay insurance premiums while giving due consideration to such factors as the financial results of the most recent fiscal year, our existing capacity to enhance the Company’s financial soundness into the future, and the contribution to surplus by each policyholder.

In light of financial results for the fiscal year ended March 31, 2020, we have decided to upwardly revise the rate of dividends on certain individual life insurance and individual annuities linked to mortality profit for policies designed to provide comprehensive protection (e.g. “Best Style”) as they are expected to stably contribute to profit. Boosting the return of surplus to policyholders compared with the previous fiscal year, Meiji Yasuda Life has thus achieved a fourth consecutive annual increase in the rate of dividends for individual life insurance and individual annuities.

Going forward, we will maintain our status as a mutual company and strive to realize a business management approach embodying “Policyholders First,” thereby living up to customer expectations. As part of these efforts, we are considering the introduction of new methods to

enrich policyholder dividends in a way that takes advantage of the distinctive features of a mutual company. Although our business environment remains volatile due to the prolonged trend toward ultra-low interest rates and the spread of the COVID-19, we will nevertheless endeavor to maintain our financial soundness while striving to return surplus to policyholders.

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





Tadashi Onishi
Deputy President
Executive Officer in Charge of
the Marketing Planning & Research Department
and the Group Market
Planning & Research Department

**Securing a Path for Growth
by Promoting Two Major Projects and
Overhauling Our Sales and Service Structure
to Advance Our Customer Focus**

Placing emphasis on assisting customers in their health improvement efforts and supporting regional communities, we will strive to deliver new value to customers by providing products and services that go beyond their expectations and by pushing ahead with digital transformation (DX).

**Achievement under the Previous Medium-Term Business Plan
and Our Strategies for the Future**

The environment surrounding Japan's business sector is radically changing due to advances in digitalization and healthcare technologies in addition to the declining birth rate and rapid aging of society. The life insurance industry is likewise facing major changes in the competitive environment as sales channels diversify and insurers release one new product after another to provide coverage for health improvement efforts and dementia treatment.

Against this backdrop, in line with growth strategies under the previous Medium-Term Business Plan (April 2017 to March 2020) we strove to thoroughly enhance our agency distribution channel while delivering new products and services via the launch of the Wellness for All Project. These initiatives helped us increase the number of customers while expanding sales in such fields as third-sector insurance.

In individual insurance marketing, we developed a more robust sales and service structure by increasing the number of sales personnel (e.g. MY life plan advisors) to more than 33,000. At the same time, we raised the number of customers to 7,070,000 by, for example, enhancing the lineup of "Simple Insurance Series Light! By Meiji Yasuda Life" (hereinafter "Light! Series"). Furthermore, we released "Best Style Health Cash Back," which supports policyholders' health improvement efforts, as well as "Dementia Care MCI Plus." Through the development and provision of these and other new products, we made steady progress in our initiatives to increase annualized new premiums from third-sector insurance.

In group insurance marketing, we enhanced the lineup of group life insurance and corporate annuity products to help our corporate and group customers improve their employee benefit programs while upgrading our services and infrastructure associated with the operation of said programs. Thanks to these initiatives, the number of customers (persons insured by group life insurance) increased to 5,000,000, and our group life insurance

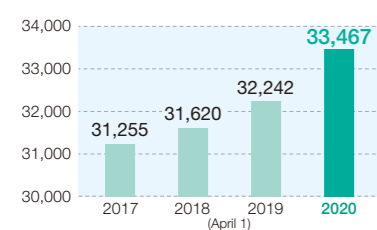
in force stood at ¥116.3 trillion, maintaining our industry-leading position. In addition, annualized new premiums from third-sector insurance grew steadily thanks mainly to the release of such new products as "Health Support Cash Back Rider" and non-dividend group medical insurance.

Going forward, we are aware of growing calls for coverage of disease treatment amid the COVID-19 pandemic and must adapt to "new norms" in customers' lifestyles. As we expect the fallout from the COVID-19 pandemic to remain ongoing during the fiscal year ending March 31, 2021, we will thoroughly focus on providing customers with after-sales services, placing the utmost priority on addressing their concerns about the content of coverage and the payment of insurance premiums. Also, we will utilize cutting-edge digital technologies to diversify communication methods and drastically improve various procedures in terms of user friendliness and convenience. By doing so, we will establish a new mode of sales capable of meeting diverse customer requests.

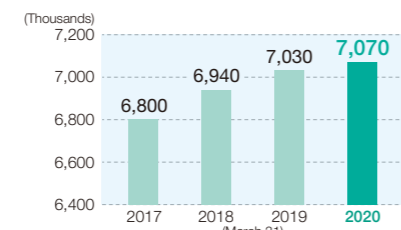
Under the upcoming Medium-Term Business Plan (April 2021 to March 2024), we will then upgrade the content of the Wellness for All Project to deliver products and services that go beyond customer expectations. We will also transition to a new sales model via the integration of a face-to-face sales approach and digital technologies as we aim to thoroughly enhance our agency distribution channel structure. Furthermore, we will implement even more sophisticated strategies to cultivate growth markets for products tailored for such customer segments as seniors and women. In addition, we will push ahead with such initiatives as the Community Vitalization Project to carry out strategies to develop new markets in regional communities. In these ways, we will execute the major reform of sales and services with the aim of realizing our vision toward 2030.

Individual Insurance Marketing

The Number of Sales Personnel

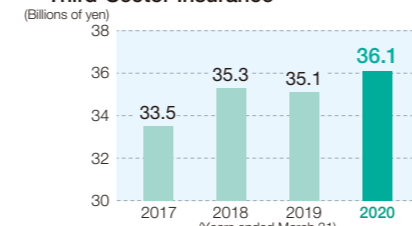


The Number of Customers



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

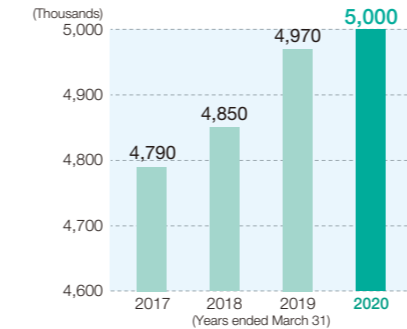
**Annualized New Premiums from
Third-Sector Insurance**



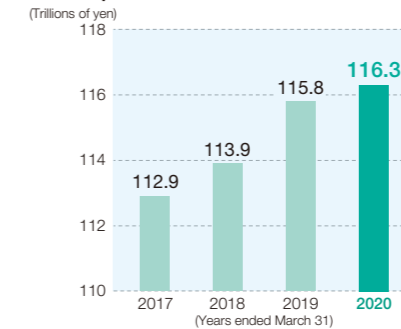
Note: Excluding group term life insurance.

Group Insurance Marketing

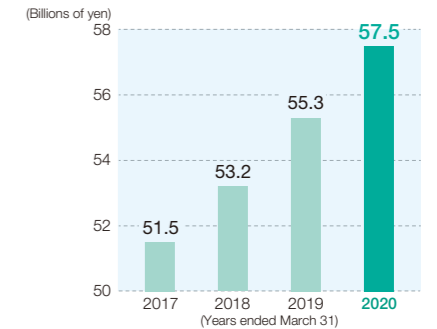
The Number of Persons Insured



Group Life Insurance in Force



Third-Sector Insurance Premiums



Note: Figures represent persons insured by voluntary group life insurance (insured persons and insured spouses of group life insurance contracts underwritten by the Company on a standalone basis or as the leading underwriter).

Main Initiatives under the Major Reform of Sales and Services

To achieve our vision toward 2030, we will drastically overhaul our sales and service structure, to this end delivering products and services that go beyond customer expectations. We will also further enhance our agency distribution channel structure while transforming our sales model using customer perspective and developing even more sophisticated strategies to cultivate growth markets for such customer segments as seniors and women. In addition, we will carry out strategies to develop new markets in regional communities.

Individual Insurance Marketing

We will further enhance our agency distribution channel, a key sales channel supported by sales personnel (e.g. MY life plan advisors), while improving productivity by establishing a new sales model via the integration of a face-to-face sales approach and digital technologies. We will also offer health improvement support in addition to assisting the elderly and other people in their efforts to take greater roles in society. To this end, we will transition to a next-generation sales personnel structure capable of taking on the endeavors described above to help customers and their communities enhance their quality of life (QOL).

Moreover, we will strengthen MY Relationship Associates, a sales organization consisting of new recruits with the aim of providing customers with comprehensive consulting services, including worksite visits for those in urban areas. Furthermore, we will increase the number of our *Hoken* Shops while creating new customer contact points by upgrading our digital marketing methodologies.

As for our products and services, we will update the content of coverage and services offered via our insurance products designed to support customers' health improvement efforts. We will thereby endeavor to meet the diverse needs of customers who want to improve their health, those striving to prevent serious illness and those engaging in rehabilitation from diseases, extending optimal support in step with the stages of their diseases. We will also enhance the lineup of products for seniors while delivering new value through trust and other services. Moreover, we will expand the "Light! Series" lineup to increase the number of customers.

In terms of market strategies, we will reach out to potential customers in regional communities by employing our corporate capabilities. We will also step up our initiatives to cultivate promising markets for products tailored for seniors and women.

Group Insurance Marketing

We will develop and introduce "Min-na-no MY Portal," a dedicated, smartphone-based online service for group life insurance customers to enable them to casually calculate coverage and insurance premiums, and apply for new enrollment and policy maintenance procedures. This service is expected to significantly improve the user convenience of our services associated with employee benefit programs in place at our corporate and group customers. By doing so, we will increase the number of persons insured by group life insurance.

Simultaneously, we will go paperless in various procedures to significantly reduce the burden placed on the individuals responsible for clerical work associated with insurance policies at corporate and group customers. This is one way we contribute to the promotion of work style reforms.

Furthermore, we will deliver products and services aimed at assisting our corporate and group customers in their efforts to practice health-oriented corporate management while expanding the lineup of products that offer ongoing coverage to persons insured even after their retirement. We will thus help our corporate and group customers be equipped with employee benefit programs that are highly attractive. In these ways, we will maintain our unparalleled position in the domestic group life insurance market.

In the Bancassurance channel, we will enhance our product lineup to better accommodate customer needs for asset management and inheritance solutions. We will also strengthen the provision of information to customers by, for example, distributing a product pamphlet featuring easy-to-understand explanations of the risk associated with foreign currency denominated insurance and other products, in order to ensure that elderly customers can rest assured about the content of insurance they enroll in.

Notes: 1. "Best Style Health Cash Back" is a product name for "Best Style" attached with "Health Support Cash Back Rider."
2. "Dementia Care MCI Plus" is a product name for "Dementia Care" attached with a whole life coverage rider for mild cognitive impairment.



Toshiyuki Sumiyoshi
 Managing Executive Officer
 Executive Officer in Charge of
 the Customer Service
 Planning & Administration Department,
 the Policy Administration Department,
 the Underwriting Department,
 the Policy Service Department and
 the Claims Administration Department

Establishing an Unrivalled Position as the Industry Forerunner in Individual Administrative Services

In the field of individual administrative services, we will launch the major reform of core functions and administrative services by building on achievements under our reformative initiatives to date. Aiming to reach a new growth stage, we will therefore promote digitalization and other initiatives to update customer procedures and communications.

Achievement under the Previous Medium-Term Business Plan and Our Strategies for the Future

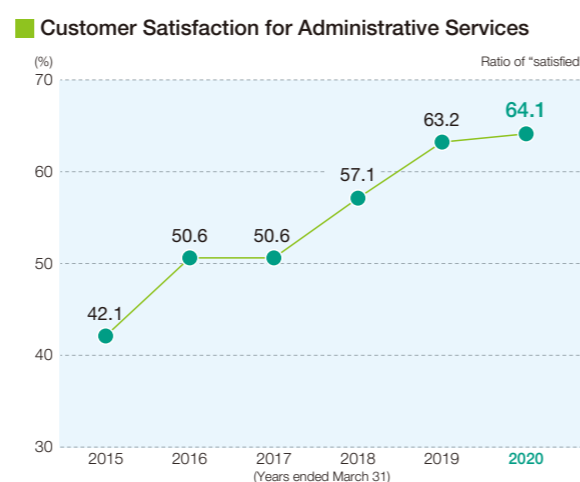
Today, the business environment surrounding the life insurance industry has been radically evolving due to the rapid aging of society, the improving IT and financial literacy of our customers, and the expected coming age of centenarians. These changes also affect customer requirements for our administrative services ranging from policy underwriting and policy maintenance to claim payment and other procedures deriving from policy administration. To meet ever higher customer expectations, we are aware of the growing need to maximize the value of our after-sales services while pursuing more convenient, sophisticated services so that we can always deliver unwavering peace of mind to customers.

Given these circumstances, since April 2011 Meiji Yasuda Life has engaged in individual administrative service reforms, aiming to realize the industry's leading level of service quality. Since April 2016, we also launched the "AAA" project aimed at improving customer convenience and realizing more easy-to-understand administrative services. Specifically, we endeavored to go paperless in various procedures by employing "Meister Plus" tablet terminals while renovating screen layouts for electronic procedures to decrease incomplete entries and shorten the time required to fill out applications as part of our efforts to provide our customers with more convenient administrative services.

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. In addition, 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, diseases and other conditions specified by website users. Furthermore, we began accepting web-based applications for insurance claims and benefits. As such, we have enhanced the content of no-physical-contact administrative services.

In addition, we have been promoting the "MY Longevity Policy Checking Scheme," "MY *Anshin* Family Registration Scheme" and "MY Assist" System," all of which are designed to deliver systematic after-sales services highly responsive to evolving customer needs in a rapidly aging society.

Looking ahead, each member of society will have to live side by side with the risk of the COVID-19 virus and, therefore, needs to adapt to the "new normal." This will, we believe, prompt major changes in customer needs. With this in mind, we are considering upgrading the content of no-physical-contact after-sales services by employing the "MY *Hoken* Page" and other tools to meet the needs among those concerned about risk arising from procedures involving in-person contacts. In the fiscal year ending March 31, 2021, we will strive to establish a new mode of after-sales services via the combination of face-to-face and no-physical-contact after-sales services, with the aim of developing systems conforming to the business environment affected by the COVID-19 pandemic. At the same time, under the major reform of core functions and administrative services, we will begin implementing some of the future initiatives in advance, thereby securing a solid footing toward achieving a "phase change."



Main Initiatives under the Major Reform of Core Functions and Administrative Services

Under the major reform of core functions and administrative services, we will aim to establish our unrivalled position as the industrial forerunner in individual administrative services and, to this end, we will promote further digitalization while establishing new face-to-face services and increasing the sophistication and efficiency of our headquarters operational structure.

Promotion of Further Digitalization

We aim to develop a more stable and robust structure for life insurers' core functions, namely, policy underwriting, policy maintenance and claim payment, via digitalization. We will also upgrade both face-to-face and no-physical-contact services and, to this end, incorporate cutting-edge IT technologies. Although our conventional initiatives have been aimed at achieving paperless operations, we will shift our focus to the proactive utilization of AI, biometric authorization and other technologies in leading-edge fields. By doing so, we will develop an administrative service structure capable of effectively combining digital-driven, instantly-available procedures that are stress-free for customers and face-to-face after-sales services offered via sales personnel (e.g. MY life plan advisors) to meticulously meet customer needs.

Examples of Measures Implemented to Improve Procedures Associated with New Enrollment, Policy Maintenance and the Payment of Insurance Claims and Benefits

With regard to procedures associated with new enrollment, we will establish a new mode of enrollment via the effective combination of face-to-face and no-physical-contact procedures by drawing on our takeaways from the COVID-19 pandemic. For example, as we develop a structure to meet diverse customer needs, sales personnel (e.g. MY life plan advisors) will be empowered to provide customers with the explanation of the content of coverage via videophone systems, while the customers will be enabled to perform web-based application procedures, including the declaration of health conditions.

In terms of policy maintenance, we will expand the scope of procedures that can be completed via our "MY *Hoken* Page" website or phone calls to our call centers, with the aim of freeing customers of constraints due to time or location. Moreover, we will update the functions of this website to significantly improve customer convenience by, for example, enabling customers visiting the website to receive notifications with regard to the completion of procedures and confirm the latest content of their coverage at any time.

In addition, although our current lineup of electronic application procedures for the payment of insurance claims and benefits includes only some of those associated with hospitalization, along with other

benefits that can be received via simplified applications, we intend to significantly expand the scope of insurance claims and benefits that can be electronically applied for while considerably shortening the period from application to payment. Furthermore, we will provide bereaved families of the policyholders with such services as income and expense prediction, based on insurance claims and survivor annuities to be received, and guidance on necessary public social security system procedures to be completed while also offering them a detailed explanation of Meiji Yasuda Life's survivor assistance services. In sum, we will continuously pursue administrative services capable of satisfying our customers in a way that transcends the traditional scope of application procedures associated with the payment of insurance claims.

Establish New Face-to-Face Services

To provide all customers nationwide with the best possible after-sales services that are finely tuned to their needs and capable of delivering an encompassing sense of security, we will introduce new face-to-face services (supported by our "administrative service concierge") from April 2021.

Through these new face-to-face services, administrative staff operating in each business base will visit customers together with sales personnel (e.g. MY life plan advisors) to extend high-value-added services, finely tuned to the needs of all our customers. Specifically, our staff will make special efforts to support elderly customers while visiting these and other policyholders at the time of the payment of insurance claims, a time when they are acutely aware of the importance of life insurance. Striving to deliver an encompassing sense of security to our customers, we will thereby realize our corporate vision, "A Long-Respected Life Insurance Company that Cares about People First."

Increase the Sophistication and Efficiency of Our Headquarters Operational Structure

Based on the objective of developing a more stable administrative service structure of higher quality, we will review, digitize and update our administrative rules so that we can thoroughly streamline these operations and focus on what is truly essential by reducing the burden arising from human operations. In these ways, we will increase the sophistication and efficiency of our headquarters operational structure. Through this initiative, we aim to reduce workload attributable to existing headquarters operations by 40%.

Main Functions Currently Available via the "MY *Hoken* Page"

Confirmation of policy content	• Quick access to policy content	• Inquiries about surrender benefits	• History of personal transactions and procedures
Various procedures	• Application for the payment of benefits	• Withdrawal of dividends, etc.	• Applications for policyholder loans
	• Registration and amendment of address and phone number	• Registration and amendment of secondary contacts	• Registration of the recipient's date of birth
	• Repayment of policyholder loans	• Switching of bank accounts used to receive insurance claims and benefits	• Change of log-in password
Requests for procedure forms	• Amendment of four-digit passcode	• Surrender of foreign currency denominated insurance	• Amendment of target value of returns from foreign currency denominated insurance
	• Switching of bank accounts used for the payment of premiums	• Amendment of family name, etc.	• Reissuance of life insurance premium payment certificates for tax deductions
Others	• Electronic issuance of life insurance premium payment certificates for tax deductions	• Registration of bank accounts used to receive insurance claims and benefits	
	• Benefit simulation	• Health Support Cash Back-related (submission of health checkup results)	• "Letter from Heaven" service-related (registration, amendment and confirmation of content)
	• Registration and amendment of e-mail address		



Koichi Nagao
Managing Executive Officer
Executive Officer in Charge of
the Group Insurance Administration
Department and the Group Pension
Administration Department

Realizing the Industry's Leading Administrative Service Quality by Addressing Latent Needs of Corporate and Group Customers

In group insurance marketing, we will promote the integration of digital and analogue operations to enhance contact points between customers and Meiji Yasuda Life in the course of administrative services, with the aim of becoming "A Long-Respected Life Insurance Company that Cares about People First."

Achievement under the Previous Medium-Term Business Plan and Our Strategies for the Future

In the field of group insurance administrative services, we have been engaged in group insurance administrative service reforms over six years beginning from April 2014. Through these efforts, we have been able to develop a new group insurance administrative service infrastructure via the launch of the "MY Hojin Portal," a website dedicated for individuals responsible for insurance policies at corporate and group customers, as well as the smartphone-based "Min-na-no MY Portal" service that enables persons insured by group life insurance policies to confirm the content of enrollment and other information.

Simultaneously, we carried out reforms of application forms while establishing such organizations as the Group Insurance Administration Service Center. By doing so, we have succeeded in freeing headquarters departments of a significant workload worth approximately 140,000 hours per year in addition to reducing or digitizing 17.6 million paper forms, which represent approximately 77% of paper forms conventionally used.

With regard to customer reviews on our services, our surveys aimed at assessing customer satisfaction for group insurance administrative services revealed that total customer satisfaction stood at a robust

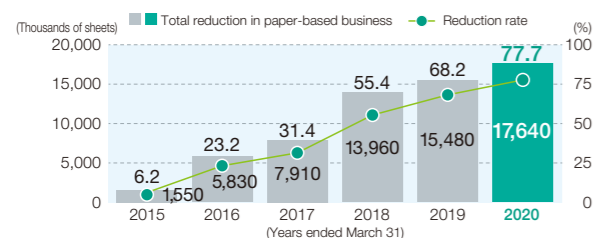
70.4%. Moreover, other surveys focused on assessing customer satisfaction with regard to application procedures showed that 79.5% of respondents were satisfied, suggesting a high level of customer satisfaction. These results attest to the successful establishment of foundations enabling us to realize ideal administrative services in the field of group insurance marketing, where Meiji Yasuda Life boasts distinctive strengths.

In line with the new Medium-Term Business Plan, we will build on the outcomes of conventional group insurance administrative service reforms and, to this end, execute the major reform of core functions and administrative services. These initiatives will be undertaken in tandem with similar reforms to be executed in the field of individual administrative services. Via the integration of digital and analogue operations, we will deliver services capable of satisfying individuals responsible for insurance-related clerical work at corporate and group customers as well as each and every person insured by our group life insurance policies. We will thus strengthen our relationship with customers and further enhance customer satisfaction.

Achievement under Group Insurance Administrative Service Reform

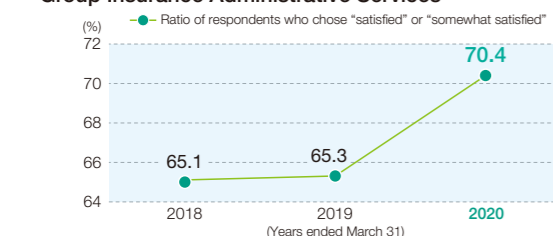
Streamlining of Administrative Operations

Reduction in and Digitalization of Various Paper Forms



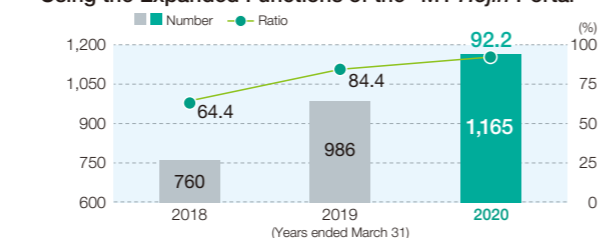
Improvement in Customer Satisfaction

Results of Surveys on Customer Satisfaction for Group Insurance Administrative Services



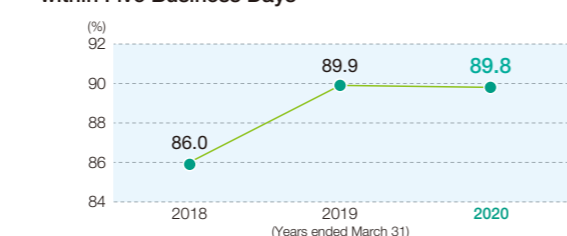
Improvement in Administrative Service Quality

The Number and Ratio of Corporate and Group Customers Using the Expanded Functions of the "MY Hojin Portal"



Improvement in Administrative Service Quality

The Ratio of Eligible Insurance Claims and Benefits Paid within Five Business Days



Main Initiatives under the Major Reform of Core Functions and Administrative Services

In line with the major reform of core functions and administrative services, we will aim to secure ability to deliver group insurance administrative services of the industry's leading quality and, to this end, promote further digitalization while establishing new face-to-face services and increasing the sophistication and efficiency of our headquarters operational structure.

Going forward, each member of society will be asked to embrace "new norms" as we must all live side by side with the risk of COVID-19. This will also affect the social requirements we, as life insurers, are expected to fulfill. Accordingly, in addition to further digitalization, we will

place the utmost priority on developing a structure capable of swiftly and steadily paying insurance claims and benefits. In the fiscal year ending March 31, 2021, we will therefore engage in the development of functions to support web-based applications and look into eliminating the need for personal seals on forms used in administrative procedures. In these ways, we will upgrade our structure for the payment of insurance claims and benefits. Furthermore, we will promote the web-based "Min-na-no MY Portal" service in response to a growing trend toward working from home. Through the initiatives discussed above, we will secure a solid footing for the April 2021 full-scale launch of the major reform.

Promotion of Further Digitalization

Networks for Group Insurance Administrative Services

We will include group term life insurance and other voluntary group life insurance in general as well as comprehensive group term life insurance for employees into the lineup of products electronically offered via "MY Hojin Portal," a web-based administrative service launched in the fiscal year ended March 31, 2018 for individuals responsible for insurance policies at corporate and group customers. We will also expand the scope of administrative services handled via this website to streamline operations that these individuals perform, thereby reducing their workload.

Enhance Customer Contact Points (Digitalization of Front Operations)

We will enhance points of contact with persons insured by our group life insurance by promoting the use of the "Min-na-no MY Portal" service that enables them to confirm the content of enrollment by using their smartphones. At the same time, we will strengthen our online functions via, for example, the introduction of those associated with web-based applications for the payment of benefits. Through these efforts, we will create new contact points with individual customers in a way that employs collaboration between sales personnel and administrative staff.

Functional Upgrades for the "MY Hojin Portal"

- Include group term life insurance and other voluntary group life insurance in general as well as comprehensive group term life insurance for employees into the web-based lineup
- Expand the scope of administrative services to include withdrawal from the policy, transfer of workplaces and amendment of personal profile



Functions Available via the "Min-na-no MY Portal"

- Explanation of employee benefit programs and applications for enrollment and policy maintenance
- Dedicated functions for persons insured to complete various procedures and confirm relevant information
- The "Wellness Activity Report" service
- Other useful tools and informational services



In addition, we have acquired a business model patent for functions available to individuals responsible for insurance policies at corporate and group customers via the "Min-na-no MY Portal."

Establish New Face-to-Face Services

Administrative Service Reforms at the Group Insurance Marketing Departments

We aim to help employees at the group insurance marketing departments create spare capacity by consolidating and digitizing back-office

operations, with the aim of empowering them to allocate more time to engage in customer support in various procedural aspects. By doing so, we will further enhance customer satisfaction while upgrading our administrative service structure.

Increase the Sophistication and Efficiency of Our Headquarters Operational Structure

Enhance the Convenience of Customer Inquiry Desks via the Establishment of the Group Insurance Administration Service Center

We have consolidated our customer inquiry functions, previously fulfilled by multiple business units, to better respond to customer applications for insurance claims and benefits, and otherwise handle relevant questions with regard to administrative services. This move resulted in the April 2020 establishment of the Group Insurance Administration Service Center, which will enhance customer convenience while improving the quality and consistency of our response to their inquiries.

Development of Headquarters Operational Structure

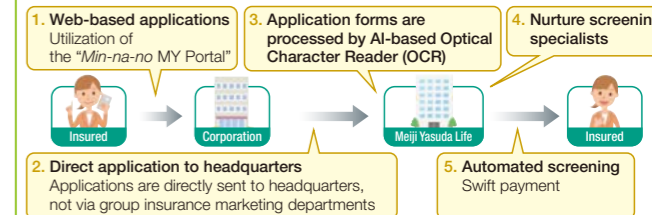
To secure our ability to handle the increasing volume of administrative service-related operations, we will develop systems for automatically processing application forms for new enrollment while eliminating the need to place personal seals on paper forms. Simultaneously, we will digitize administrative procedures associated with applications for the payment of benefits in addition to updating our automated claim screening functions. These initiatives are expected to help us ensure the even swifter payment of insurance claims and benefits while improving the efficiency of relevant operations.

Examples of Support Functions Offered by the Group Insurance Administration Service Center

- Centralized handling of applications for the payment of insurance claims and benefits, and inquiries associated with policy maintenance for retirees
- Assistance to both staff at group insurance marketing departments and individuals responsible for insurance policies at corporate and group customers with regard to the use of the "MY Hojin Portal" and "Group Welfare (GW) Assistance System"
- Customer inquiry desk for users of the "Min-na-no MY Portal"
- Management and utilization of health checkup data



Payment of Insurance Claims and Benefits





Masao Aratani

Director, Deputy President
Chief Executive, the Investment Division

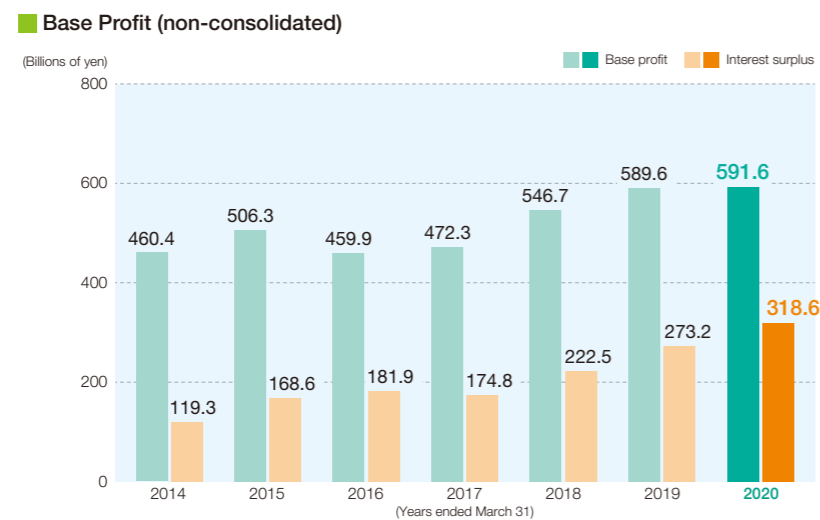
Securing Stable Net Return from Asset Management to Allocate Greater Resources to Policyholder Dividends and Contribution to Regional Communities

Aiming to achieve asset management supporting our ability to live up to the management philosophy “Peace of mind, forever,” we will implement initiatives to enhance our core asset management functions, rebuild our asset management platforms and strengthen asset management governance.

Achievement under the Previous Medium-Term Business Plan and Our Strategies for the Future

Under the previous Medium-Term Business Plan (April 2017 to March 2020), we have promoted asset management reforms to upgrade and diversify our asset management methodologies and enhance our asset management governance systems. We have been confronting a prolonged ultra-low interest rate environment in Japan, as well as growing market volatility that impacts stock prices and foreign exchange rates. In response, these reforms were intended to secure an asset management structure capable of contributing to sustainable improvement in corporate value and enabling us to maintain a sound financial base even amid radical market fluctuations.

With regard to investment and financing, we strove for timely response to changes in the market environment, including changes in interest rates and foreign exchange rates at home and abroad, and flexibly purchased such instruments as domestic and foreign bonds. We have also increased our credit assets in a way that gives due consideration to the issuers’ creditworthiness. As a result, our interest surplus grew for a third consecutive year, making significant contribution to a new record high in base profit.



Currently, monetary and financial easing policies are being carried out in each country due to the fallout from the COVID-19 pandemic. Because of these policies, the low interest rate environment is expected to remain in place globally during the fiscal year ending March 31, 2021. The current situation is also making it difficult to predict the future direction of stock and foreign exchange markets. With regard to our initiatives for the current fiscal year, we will place utmost emphasis on robustly securing financial soundness and, therefore, implement appropriate risk management in the course of sustaining stable yields via the

enhancement of our capabilities for individual asset management, as well as the upgrading and diversification of our asset management methodologies. In these ways, we seek to return profit to our policyholders and local communities. With an eye to securing our responsiveness to economic value-based capital regulations in accordance with the Insurance Capital Standard (ICS), we will also endeavor to enhance our asset management and risk management structures in a way that ensures resilience and transparency.

Main Initiatives under the Major Reform of Asset Management

In line with the major reform of asset management, we will aim to achieve asset management supporting our ability to provide our customers with services that live up to the management philosophy “Peace of mind, forever.” To this end, we will implement initiatives to enhance our core asset management functions, rebuild our asset management platforms and strengthen asset management governance.

will nurture asset management specialists while upgrading and diversifying our asset management methodologies via the use of AI and other cutting-edge technologies. Moreover, we will enhance the efficiency of asset management-related administrative operations by digitizing them and reviewing their workflows. By doing so, we will rebuild our asset management platforms constituting our core asset management functions. Also, in anticipation of the introduction of economic value-based capital regulations, we will upgrade our structures for asset management and risk management to ensure their resilience and transparency.

Specifically, we will develop more robust asset allocation functions that enable us to secure both financial soundness and profitability along with enhancing our capabilities for individual asset management. We will also upgrade our structure for responsible investment. To this end, we

Enhance Our Core Asset Management Functions

Develop more robust asset allocation functions

- Achieve asset allocations that adapt to the market environment and enable us to secure both financial soundness and profitability

Enhance our capabilities for individual asset management

- Optimize timing for investment
- Upgrade and diversify our asset management methodologies

Upgrade our structure for responsible investment

Proactively promote ESG investment and financing

- Proactively promote ESG investment and financing to contribute to the creation of a sustainable society and the realization of the SDGs

ESG bonds
Green loans, etc.

Project finance for such projects
as renewable energy generation

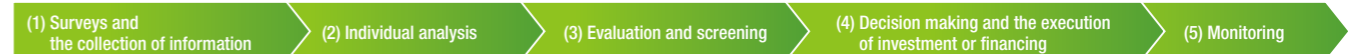
Newly establish a dedicated organization

- Establish the Responsible Investment Office, a specialist team tasked with upgrading our stewardship initiatives and enhancing our responsiveness to the United Nations Principles for Responsible Investment



Rebuild Our Asset Management Platforms

- Asset management platforms refer to those associated with asset management processes ranging from (1) surveys and the collection of information prior to investment and financing to (5) monitoring of individual assets.



Nurture asset management specialists

- Systematically nurture specialists employing new human resource development systems to strengthen our asset management capabilities

Upgrade our investment and financing operations by employing big data

- Perform combined data analysis of our own data and external big data to utilize analysis results in our decision making on various matters

Utilize interest rate, foreign exchange and other predictive models

- Develop our own predictive models via the use of AI and other cutting-edge technologies to support the optimization of our investment action amid the unclear market environment

Update our structure for asset management administrative services

- Reduce the volume of existing operations associated with asset management administrative services by approximately 20% via digitalization and other methods

Strengthen Asset Management Governance

Secure a more robust asset management governance structure

- Enhance our asset management and risk management structures in a way that ensures resilience and transparency in anticipation of the introduction of economic value-based capital regulations in accordance with ICS

Our Response to Environmental Concerns and Climate Change

Addressing Climate Change-Related Issues in Line with Recommendations from the Task Force on Climate-related Financial Disclosures (TCFD)*



Having declared our support of the TCFD recommendations in January 2019, we are working hand in hand with our customers to address issues arising from climate change in an effort to help create a low-carbon society.

In line with the TCFD recommendations, we hereby disclose climate change-related information in four categories, namely, “governance,” “strategy,” “risk management,” and “metrics and targets.”

Governance	<ul style="list-style-type: none"> “Protect the environment and combat climate change” is one of Meiji Yasuda Life’s priority issues that is relevant to the United Nations SDGs. In keeping with this, we consider natural disasters induced by climate change to be a source of “important risk.” Accordingly, we monitor the resulting risk within our framework for managing important risks, with top management receiving periodic reporting on this matter. In April 2020, we established the Responsible Investment Office, a specialist team tasked with further upgrading our responsible investment initiatives, which encompass our stewardship initiatives and ESG investment and financing. This office is expected to spearhead Meiji Yasuda Life’s efforts to gear up its response to climate change risks in the course of asset management.
Strategy/ Risk Management	<ul style="list-style-type: none"> As a business operator, we contribute to a transition to a low-carbon society while, as an institutional investor, promoting initiatives to counter climate change risks via, for example, our involvement in ESG investment and financing as well as our engagement with investees. Aware of climate change risks affecting our insurance businesses and asset management, we implement proper risk management via surveys into the medium- to long-term impact of natural disasters on the payment of insurance claims and benefits.
Metrics and Targets	<ul style="list-style-type: none"> In line with our goals of helping realize a low-carbon society as well as in accordance with energy-related laws and regulations (e.g. the Act on the Rational Use of Energy), we endeavor to steadily cut 1% of CO₂ emissions from our business activities on a year-on-year basis while disclosing the volume of such emissions. In the fiscal year ended March 31, 2019, we reduced CO₂ emissions by 4.99% compared with the previous fiscal year.

Climate Change-Related Measures

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

+

Helping to Curb the Depletion of the Ozone Layer

- In addition to contributing to the realization of a low-carbon society, we push ahead with initiatives to curb the depletion of the ozone layer in connection with our efforts to help preserve the global environment as a whole.
 - We maintain proper management of Class I Specified Products defined under the Act on Rational Use and Appropriate Management of Fluorocarbons.
 - From the perspective of protecting the ozone layer, we select and use refrigerants that are friendly to the global environment.

* The TCFD issued a proposal to encourage businesses to voluntarily disclose the financial impact of climate change.

Pursuing Responsible Investment as an Institutional Investor (1) Promoting ESG Investment and Financing

About Our ESG Investment and Financing

In line with our management philosophy “peace of mind, forever,” we aim to pursue long-term, stable management as a life insurer. As part of these efforts, we proactively promote an investment and financing approach aimed at addressing environmental (E), social (S) and governance (G) issues.

Going forward, we will step up our initiatives as an institutional investor to help create a sustainable society, promote the sound development of economies and businesses, and otherwise contribute to social causes and public interest via ESG investment and financing in a way consistent with our commitment to facilitating the realization of the United Nations Sustainable Development Goals (SDGs).

Our Policy for ESG Investment and Financing

Fundamental Concepts	<p>Guided by our management philosophy “peace of mind, forever,” we aim to maximize the return of profit to our policyholders by securing robust asset management profitability while giving due consideration to the perspective of contributing to the realization of the SDGs. At the same time, we intend to vitalize regional economies and otherwise help create flourishing communities via ESG investment and financing. With this in mind, we will continuously engage in asset management aimed at contributing to the realization of a sustainable society to fulfill our social responsibilities and public mission as a life insurer.</p>
Examples of Our Initiatives	1. Incorporating ESG perspectives into the investment and financing process
	<ul style="list-style-type: none"> In the course of investment and financing, we invest in projects that are expected to help resolve ESG issues. We incorporate ESG perspectives into our decision making by, for example, adopting evaluation criteria that employ the status of investees’ ESG initiatives and other non-financial information, in light of asset characteristics.
	2. Investee dialogue on ESG issues and the promotion of information disclosure
	<ul style="list-style-type: none"> We engage in dialogue with investees to realize a common understanding of social issues including ESG issues and, as necessary, we encourage them to take steps to address such issues. Through engagement in constructive dialogue, we aim to help investees improve their corporate value while requesting the appropriate disclosure of information on ESG issues.
3. Collaboration on ESG investment and financing to upgrade our asset management methodologies	
<ul style="list-style-type: none"> We strive to upgrade our asset management methodologies by promoting collaboration between Group companies in ESG investment and financing, and by exchanging opinions with industry associations and otherwise staying current with external best practices for ESG investment and financing. 	
4. Enhancement of ESG activity reporting	
<ul style="list-style-type: none"> Enhancing the content of our information disclosure, we proactively publicize the status and progress of initiatives associated with ESG investment and financing. 	

Examples of ESG Investment and Financing by Meiji Yasuda Life (fiscal year ended March 31, 2020)

Investment in Green Bonds

In the fiscal year ended March 31, 2020, we invested approximately ¥43.0 billion in “Green Bonds,” which specialize in financing global warming countermeasures, renewable energy and other projects aimed at addressing environmental concerns.



Investment in Social Bonds

In December 2019, we invested approximately ¥5.5 billion in “Social Bonds” issued by domestic megabanks with the aim of raising funds for loans to help restore communities hit by earthquakes, typhoons and other natural disasters; supporting public hospitals at home and abroad to provide low-income households with access to healthcare services; financing domestic medical institutions run by domestic public healthcare and social welfare corporations; and offering loans to public schools.



Investment in Renewable Energy

In February 2020, we invested in project finance related to the Akita and Noshiro Port offshore wind farm in Akita Prefecture. This project is being carried out by Akita Offshore Wind Corporation, with the aim of developing and operating offshore wind power generation facilities that have a combined total output of approximately 140MW. This project, with a cost of approximately ¥100.0 billion, marks the first time Meiji Yasuda Life has invested in project finance to support offshore wind power generation.



Becoming a Signatory to the PRI

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

To date, we have been striving to fulfill our social responsibilities as an institutional investor by, for example, promoting ESG investment and financing while engaging in investee dialogue in a way that conforms to Japan’s Stewardship Code.

Looking ahead, we aim to further upgrade our approach to responsible investment, which encompasses our stewardship initiatives and ESG investment and financing. To this end, in the fiscal year ending March 31, 2021 we have publicized our policy for ESG investment and

financing in conjunction with the establishment of the Responsible Investment Office specializing in this field.

Putting PRI into practice, we will continue incorporating ESG perspectives into investment and financing process, with the aim of making an ongoing contribution to the creation of a sustainable society.



Pursuing Responsible Investment as an Institutional Investor (2) Promoting Stewardship Initiatives

We abide by the Principles for Responsible Institutional Investors (Japan’s Stewardship Code) in the course of asset management.

Policies for Fulfilling Our Stewardship Responsibilities (fundamental concept)

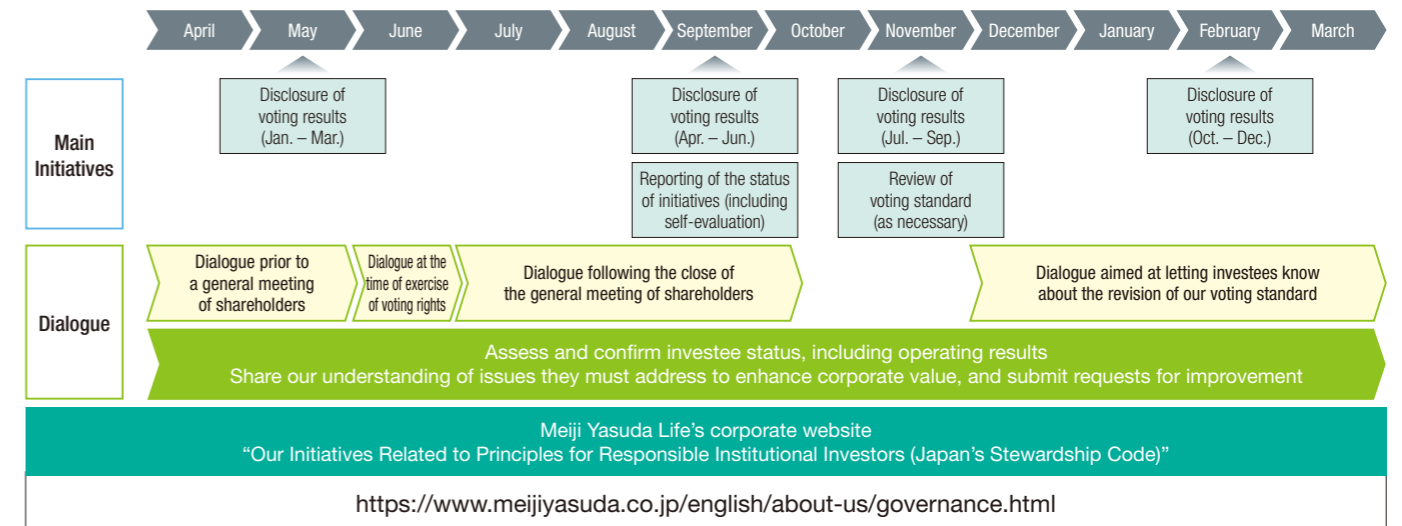
From the stance of a long-term perspective, the Company recognizes that securing investment profits while controlling risk is essential to fulfill its obligation to its customers. Therefore, the Company’s fundamental concept for stock investment is to yield stable returns over the long term in step with 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.

Promotion of Stewardship Initiatives

We engage in ongoing and constructive dialogue with the Company’s investees from the stance of a long-term perspective to ensure they share our perspective. In this process, we ask investees to make improvements when problems have been identified. In addition, we undertake the appropriate exercise of voting rights in accordance with the Company’s in-house rules while disclosing voting results on a quarterly basis. We also monitor and carry out periodic verification of these initiatives.

Looking ahead, we will encourage our investees to maximize their corporate value via dialogue and other initiatives, thereby fulfilling our responsibilities as an institutional investor. In addition, the status of our stewardship initiatives is periodically updated on Meiji Yasuda Life’s corporate website.

Meiji Yasuda Life’s Standard Schedule for Stewardship Initiatives



Recent Examples of Stewardship Initiatives

May 2014	Declared the adoption of Japan’s Stewardship Code
August 2014	Announced Meiji Yasuda Life’s “Policies for Fulfilling Our Stewardship Responsibilities”
September 2017	Announced the updating of the policies in accordance with the revision of Japan’s Stewardship Code
September 2018	Began publicly disclosing the results of votes we cast on individual ballot proposals
January 2019	Declared our support of the TCFD recommendations Became a signatory to the United Nations Principles for Responsible Investment
February 2019	Initiated quarterly disclosure of voting results
April 2020	Established the Responsible Investment Office, a specialist team tasked with further upgrading our approach to responsible investment, which encompasses stewardship initiatives and ESG investment and financing



Kazunori Yamauchi
 Senior Managing Executive Officer
 Executive Officer in Charge of
 the International Business
 Planning Department

Pushing ahead with the Development of Stable Operating Platforms Overseas and Strengthening the Group's Business Management

Rallying Meiji Yasuda Life's overall strengths, we will enhance our ability to realize the management philosophy, "Peace of mind, forever," while striving to deliver an even more robust stream of policyholder dividends. To this end, we will develop stable operating platforms and promote the strengthening of the Group's business management.

Our Recognition of the Business Environment

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 the outlook for the global economy remains unclear, it has become ever more important to ensure robust governance that fully encompasses the entire corporate group, including 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 business management, including risk management and compliance, for the entire Meiji Yasuda Life Group.

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

Achievement under the Previous Medium-Term Business Plan and Our Strategies for the Future

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 grown significantly.

Under the previous Medium-Term Business Plan (April 2017 to March 2020), we endeavored to strengthen business management for the Group by (1) fostering a sense of unity among Group companies and facilitating integrated management with the message "Creating peace of mind, together" (2) developing an enterprise risk management (ERM) structure via capital allocation to overseas Group companies and (3) establishing the Group Conference, which aims to formulate Group policies on risk management, compliance and other important matters requiring consistent internal control. The Group Conference is attended by representatives from Meiji Yasuda Life Group companies, including StanCorp Financial Group, to create a common understanding of the issues being faced and a shared direction in response.

In addition, we share expertise and know-how with existing subsidiaries and affiliates by, for example, collaborating with them in asset management, while leveraging the size of the Group to help achieve cost reductions.

We also invite their employees to join training provided at Meiji Yasuda Life and otherwise promote the exchange of human resources.

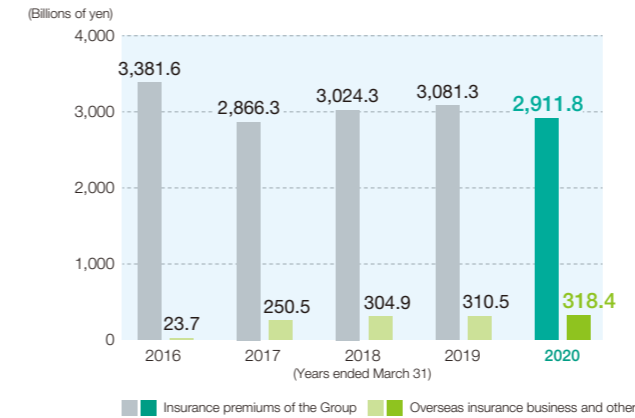
As a result, throughout the term of the previous Medium-Term Business Plan we were able to robustly raise base profit from the overseas insurance business and other by 21.0% on an annual average basis. In particular, the base profit from these operations in the fiscal year ended March 31, 2020 totaled ¥65.1 billion as they achieved year-on-year increases in both revenues and earnings for a fourth consecutive year. The proportion of insurance premiums and base profit contributed by these operations has now reached 10.9% and 10.3%, respectively, of consolidated operating results, suggesting stable growth in their profit contribution.

Going forward, we will continue to upgrade our business management on a groupwide basis while securing an even more robust pool of global human resources in terms of both quality and quantity. Simultaneously, we will help the seven existing subsidiaries and affiliates achieve steady corporate growth in addition to seeking out other prime investee candidates via the use of the local subsidiaries' research functions. By doing so, we will expand our overseas insurance business and thereby bring greater benefits to our customers.

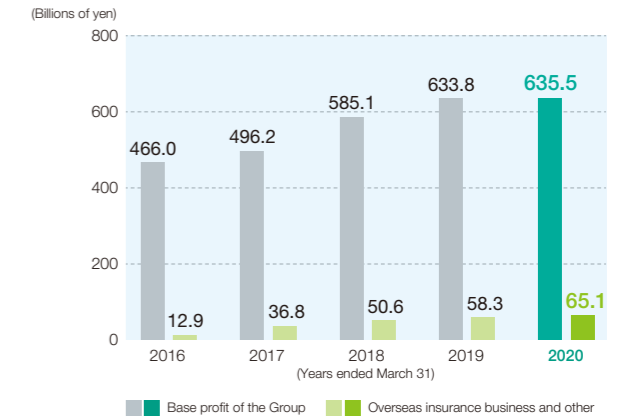


Insurance Premiums of the Group/Base Profit of the Group

Insurance Premiums of the Group

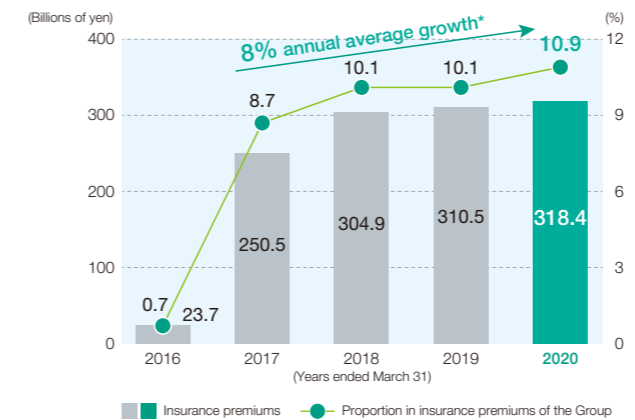


Base Profit of the Group

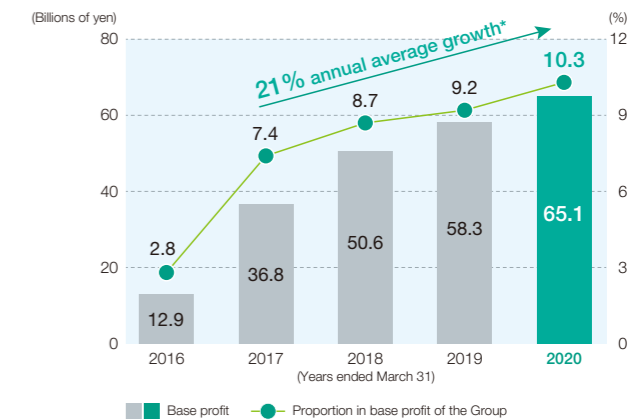


Insurance Premiums and Base Profit from the Overseas Insurance Business and Other

Insurance Premiums

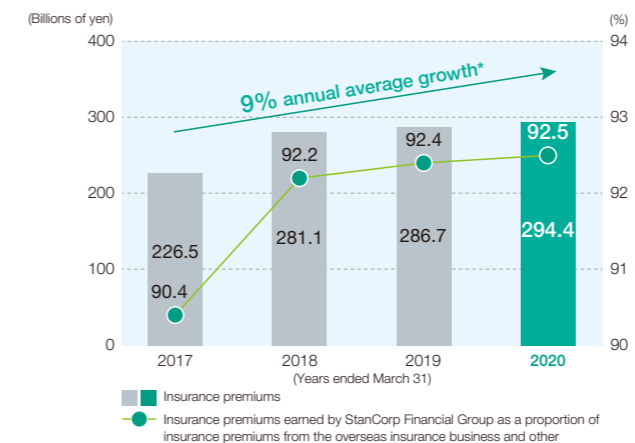


Base Profit

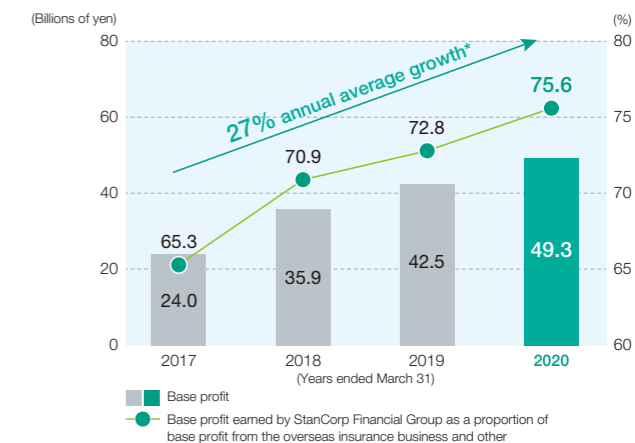


Insurance Premiums and Base Profit Earned by StanCorp Financial Group, Inc.

Insurance Premiums



Base Profit



* Annual average growth rate for the previous Medium-Term Business Plan period (April 2017 to March 2020)



Atsushi Nakamura

Managing Executive Officer
Executive Officer in Charge of
the Corporate Planning Department

Establishing a Corporate Management Structure to Enable Flexible, Yet Disciplined, Long-Term Management

To ensure long-term stable business management, we will create a new mode of corporate management by flexibly adapting to changes in the operating environment via the reform of our structures for governance, resource management and innovation promotion.

Our Vision toward 2030

Today, the business environment surrounding Meiji Yasuda Life is expected to evolve in various ways due to the prolonged ultra-low interest rates, the introduction of new capital regulations, and advances in digital and healthcare technologies.

As a life insurer handling insurance policies whose duration extends to the ultra-long term, we are being called to place even greater emphasis on practicing disciplined management capable of flexibly adapting to an evolving business environment and securing management stability over the long term. This, we believe, is essential to ensure our

ability to provide our customers with services that live up to the management philosophy “Peace of mind, forever.” Given these circumstances, we will pursue the reform of (1) our governance structure supporting disciplined management, (2) our resource management structure supporting swift decision making and optimal resource allocation, and (3) our innovation promotion structure supporting the ongoing creation of life insurance value that only Meiji Yasuda Life can deliver. By doing so, we will push ahead with the upgrading of our business management structure.

Taking on Threefold Reform Initiatives

Reform of the Governance Structure:

We will upgrade our mutual company management and other business management structures while strengthening our customer-oriented business approach in these endeavors. As we are aware of the need to strengthen supervision over management to ensure customer-oriented business operations over the long term as a mutual company, we will also improve the effectiveness of the Board of Directors’ supervisory functions while enhancing the transparency of mutual company management via information disclosure. Moreover, we believe that establishing a business management structure capable of adapting to changes in the operating environment and strategies will be increasingly important going forward. Specifically, in order for Meiji Yasuda Life to expand its overseas insurance business in line with its growth strategies, the Company must upgrade its business management structure on a groupwide basis. In addition, we will increase the sophistication of our business management approach based on enterprise risk management (ERM) to secure our responsiveness to changes in the economic environment and a future transition to economic value-based capital management.

Reform of the Resource Management Structure:

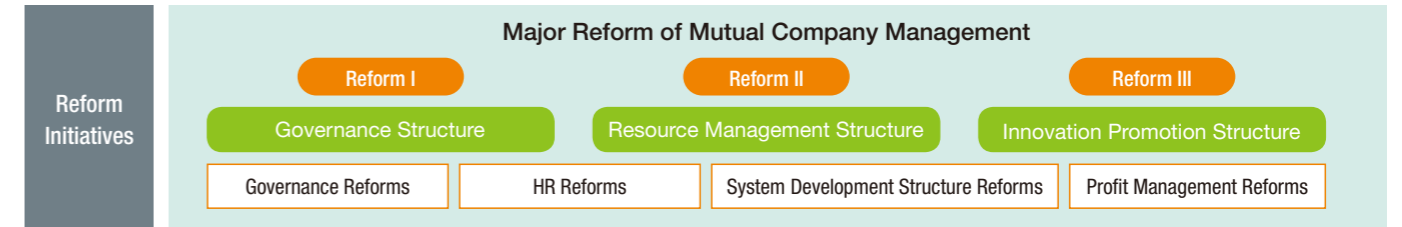
With the aim of helping each business department achieve autonomous management, we will delegate greater authority regarding the management of resources while upgrading our human resource management and system development structures and otherwise enhancing our business infrastructure. In this way, we will secure a structure capable of maximizing the effectiveness and efficiency of our management resources.

Reform of the Innovation Promotion Structure:

To create life insurance value that only Meiji Yasuda Life can deliver via the use of new technologies, we will develop a robust structure for promoting digital transformation (DX). Specifically, as our society faces the growing need to transition to “new norms” resulting from the COVID-19 pandemic, we will work to establish a new mode of after-sales services via the combination of face-to-face and no-physical-contact services while enhancing the Company’s remote work infrastructure that empowers employees to perform their duties no matter where they are. In these ways, we will develop systems in step with the current business environment. In addition, we will conduct survey and research activities to secure our ability to swiftly introduce cutting-edge technologies, such as those associated with big data utilization.

Our initiatives targeting these threefold reforms will be executed through “governance reforms,” “HR reforms,” “system development structure reforms” and “profit management reforms,” which serve as components of a framework for the major reform of mutual company management.

► Our Vision to Be Achieved in 10 Years via the Major Reform of Mutual Company Management



► Main Initiatives under Threefold Reforms

<p>Reform of the Governance Structure</p>	<ul style="list-style-type: none"> Implement corporate philosophy education for employees via “Notebook of MY PHILOSOPHY”[*] while developing a risk management structure for conduct risk Enhance the effectiveness of our ERM-based business management as we prepare for the introduction of economic value-based capital regulations while upgrading our financial management to secure conformity with IFRS Foster a sense of unity in terms of corporate identity among Group companies by conveying our Group Message “Creating peace of mind, together” Develop new methods for enriching policyholder dividends as a mutual company and giving back to local communities <p><small>* A booklet featuring concrete examples of action to be taken to embody the Meiji Yasuda Philosophy from the employee perspective</small></p>	
<p>Reform of the Resource Management Structure</p>	<ul style="list-style-type: none"> Establish a structure in which the departments of each business operate autonomously via the use of PDCA cycles, to this end helping them manage their expenses independently Systematically nurture managerial candidates and specialists while developing a personnel management system designed to create a robust workforce supported by diverse people Develop human resources and platforms for enhancing our system development structure; step up system quality management and security enhancement; reinforce IT resources to accelerate digitalization; and upgrade our IT governance systems in anticipation of future technological innovation 	
<p>Reform of the Innovation Promotion Structure</p>	<ul style="list-style-type: none"> Enhance the digital transformation (DX) promotion structure Develop a data lake to promote big data utilization and train specialist human resources, such as data scientists Enhance our intelligence gathering and R&D functions related to the economic environment, regulatory trends, changes in the social structure, and innovation in digital and healthcare technologies, and establish a PDCA cycle to review our management planning flexibly 	



Tadashi Onishi
Deputy President
Executive Officer in Charge of
the Branding Strategy Department

Establishing Our Brand Image as a Life Insurer Capable of “Wellness for People, Vitality for Communities” via the Two Major Projects

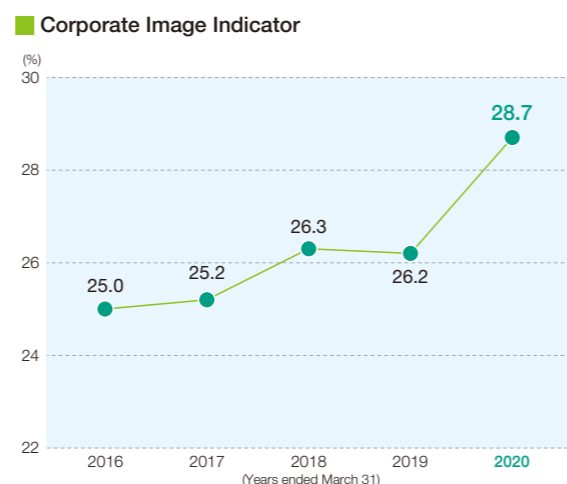
We will strive to establish brand strength as “A Long-Respected Life Insurance Company” by undertaking unique initiatives aimed at providing customers and their communities nationwide with health improvement assistance and helping them enjoy abundant lives.

Our Recognition of the Business Environment

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.

In the fiscal year ended March 31, 2020, we strove to enhance the Meiji Yasuda brand via various initiatives employing the Company’s unique strengths, including the “Wellness for All Project” aimed at assisting our customers, local communities and fellow workers in their health improvement efforts, in addition to implementing community contribution activities utilizing the renewed title partner contract with J.League. As a result, we achieved a significant improvement in our corporate image indicator from the year earlier.

On the other hand, as Japanese society prepares for the imminent arrival of the coming of age of centenarians, we are aware of the growing need for measures aimed at enhancing our ability to accurately meet the needs of customers in light of their life stages and health conditions over the long term. In doing so, we must raise the value of our insurance products and services in terms of their capabilities to ensure unwavering peace of mind for customers. This is, we believe, essential as we aim to remain “A Long-Respected Life Insurance Company” chosen by customers.



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, 2020.

Future Initiatives

In line with the recognition discussed above, we will continue the “Wellness for All Project” to assist customers and local communities in their health improvement efforts, with the aim of fulfilling our social mission as a life insurer tasked with providing customers with services that live up to the management philosophy “Peace of mind, forever.” At the same time, we will launch the “Community Vitalization Project” aimed at vitalizing regional communities in which our customers live.

As we aim to establish our brand image as a company supporting “Wellness for People, Vitality for Communities,” we will also encourage each employee to take action to continuously embody this image while leveraging the power of sports to enhance our brand via collaboration

with J.League and the Japan Ladies Professional Golfers’ Association. In ways like these, we seek to secure greater brand capabilities enabling Meiji Yasuda Life to attract customers and remain their first choice.

In addition, we adopted a new corporate logo to be featured in all brand messages, in-house communications, advertisements and on various pamphlets distributed by Meiji Yasuda Life employees. This move is aimed at unifying the outward appearance of these publications and is expected to help convey our brand image and enhance our presence among the general public. Ultimately, we hope to ensure that one day, the name everyone recognizes when it comes to life insurance is Meiji Yasuda Life.

New Initiatives to Establish a Brand Image as a Company Supporting “Wellness for People, Vitality for Communities”

Disseminating Our Brand Image to the General Public

We will open a dedicated brand information website to post the outline of the Two Major Projects and update the status of initiatives under these projects. Production of a special leaflet featuring articles on these projects is also currently under way. This supplemental tool will allow Meiji Yasuda Life employees to provide customers, local governments and locally-rooted businesses with a convenient explanation of what we are doing to vitalize their communities.



Portal of our dedicated brand information website



A special leaflet featuring articles on the Two Major Projects: Cover (left) and a part of a double-page feature (right)

Communicating Our Brand Image in an Easy-to-Understand Manner

Two colors (green and yellow) used in the new corporate logo are also used in logomarks for the Two Major Projects and in designs of various publications. By doing so, we unify their outward appearance.



Corporate logo



Brand message



Logomark for the “Wellness for All Project”



Logomark for the “Community Vitalization Project”

New Initiatives from Our Partnership with J.League

As part of the “Local Aid Campaign with J,” which stems from our partnership agreement with J.League, we will provide the live-streaming of exercise programs that feature current and former J.League players serving as instructors. These “At-Home Wellness Activities” allow viewers to participate remotely. We also plan to launch a dedicated website for the “Community Vitalization Project” and work in tandem with J.League to produce web-based content showcasing the appeal of regional communities, including local products, specialties and sightseeing spots.



Samples of web-based exercise programs

“Wellness for All Project” and “Community Vitalization Project”

Overview

As Japanese society anticipates the imminent age of centenarians, we have identified “The most accessible, industry-leading life insurer capable of ‘Wellness for People, Vitality for Communities’” as our vision toward 2030 in line with MY Mutual Way 2030, a new 10-year plan. To achieve this, we will continue the “Wellness for All Project,” which was launched in April 2019, while initiating the “Community Vitalization Project,” an across-the-board project, in the fiscal year ending March 31, 2021.

Through the promotion of these projects, we will extend ongoing health improvement assistance while helping create flourishing communities, with the aim of contributing to the realization of United Nations

Sustainable Development Goals (SDGs) and the resolution of issues regional communities are now confronting.

In the fiscal year ending March 31, 2021, we will also promote the “Local Aid Campaign with J” by utilizing a special cooperation agreement that we have signed with J.League as we collaborate with J.League in an increasing range of fields. The COVID-19 pandemic has hit regional communities and economies hard. Aware of growing calls for companies to help society recover, we will thus strengthen our focus on these initiatives to help regional communities regain their previous vitality.



3 GOOD HEALTH AND WELL-BEING

Our Vision for Brand Image

ひとに健康を、まちに元気を。

“Wellness for People, Vitality for Communities”



11 SUSTAINABLE CITIES AND COMMUNITIES



Wellness for All Project

Having launched the “Wellness for All Project” in April 2019, we have been delivering products, services and campaigns aimed at providing customers, local communities and fellow workers (Meiji Yasuda Life employees) with ongoing assistance to their health improvement efforts. As for products, we released “Best Style Health Cash Back” designed to assist health improvement and, as of March 2020, we have sold approximately 400,000 policies in one year. We also released yet another product designed to assist health improvement, namely, “Dementia Care MCI Plus,” which supports policyholder efforts to prevent the development of dementia. As for services, we continued to deliver the “MY Wellness Activity Report” service to provide customers with such insights as disease risk predictions formulated based on individual health conditions while offering around-the-clock phone-based counseling and specialist doctor referrals. We have also made advanced health examinations available to our customers at lower prices. In addition, we hosted “Personal Health Check,” “Meiji Yasuda Life J.League Walking Campaign” and other events in regions across Japan to provide health improvement assistance. In the fiscal year ended March 31, 2020, the total number of those who attended these events amounted to approximately 470,000. These initiatives also helped a growing number of Meiji Yasuda Life

employees experience improvement in their health checkup results thanks to their proactive engagement in health improvement efforts.

From the fiscal year ending March 31, 2021, we will develop and deliver new products and services capable of providing coverage for the prevention of serious symptoms. By doing so, we will upgrade the content of our products and services designed to support health improvement efforts ranging from early detection and treatment of diseases while enhancing our structure to provide as many customers as possible with life insurance that offers greater value in terms of its capabilities to assist health improvement efforts. In these ways, we will step up our contribution to the prolongation of healthy life expectancy and establish the No. 1 brand as a company supporting “Wellness for People.”

In addition, we will otherwise help customers and local community members with health issues they are currently confronting by hosting online events (to help counter the spread of COVID-19) and enhancing the content of health improvement campaigns. Moreover, we will develop a more robust R&D structure capable of compiling and analyzing a broad range of health data, and creating products and services designed to deliver new value.

みんなの健活プロジェクト


“Stay Healthy Together”

Today, the maintenance of healthy life expectancy has become a matter of growing public interest. In fact, staying healthy is more important than ever before for people who want to enjoy their lives. However, solitary efforts to improve health are often said to be hard to continue. We hope to promote wellness activities that are fun and easy to continue. That is why Meiji Yasuda Life launched the “Wellness for All Project.” In line with the project objectives, our sales personnel (e.g. MY life plan advisors) help customers continue efforts to maintain and improve their health conditions via face-to-face after-sales services. In the course of these services, we inform customers of upcoming J.League-collaboration campaigns, which offer opportunities for them to casually engage in physical exercise, and the latest schedule for health check events. Furthermore, we provide them with health improvement advice via the “MY Wellness Activity Report” service in light of their health conditions while delivering insurance products designed to reward them based on health checkup results.

Expand our initiatives to support the prevention of serious symptoms

Develop and deliver new products and services capable of providing coverage for the prevention of serious symptoms


Prevention of serious symptoms




Provide opportunities for people to casually engage in physical exercise

Enhance the content of health improvement campaigns to help customers and local community members address health issues they are now confronting

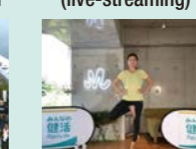
Personal Health Check



Meiji Yasuda Life J.League Walking Campaign



At-Home Wellness Activities (live-streaming)



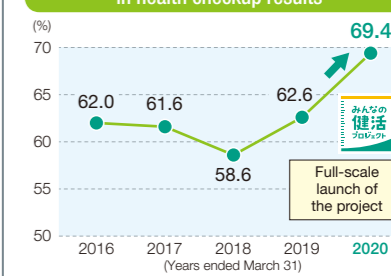
Promote R&D aimed at creating new products and services

Develop a more robust R&D structure capable of compiling and analyzing a broad range of health data, and creating products and services designed to deliver new value

Reference: Status of health improvement among Meiji Yasuda Life employees

A number of Meiji Yasuda Life employees engaged in wellness activities experienced improvement in health conditions.

Percentage of those who experienced year-on-year improvement in health checkup results



Health awareness survey results targeting all employees (fiscal year ended March 31, 2020)

Felt increased awareness in health improvement → **75.8%**

Adopted new habits for health improvement → **70.2%**

Community Vitalization Project

As we aim to cultivate close partnerships with regional communities in which our customers live and help them flourish and gain vitality, we launched the Community Vitalization Project in the fiscal year ending March 31, 2021. Under this project, we will help resolve various community issues while promoting regional vitalization by employing our solid, longstanding relationships with local governments and municipalities; our partnerships with J.League and other locally-rooted sports organizations; and our network of domestic bases and sales channels capable of reaching out to communities nationwide.

Specifically, we will act in collaboration with local governments to assist community residents in their health improvement efforts, support local festivals and otherwise vitalize regional communities. By doing so, we will help create a flourishing community in which people enjoy healthy and abundant lives. We will also continue to host soccer clinics for elementary school students by utilizing sponsorship deals with J.League clubs. Moreover, we will also assist young athletes supported by people of regional communities. In addition to these initiatives aimed at helping raise regional vitality through sports activities, we will take full advantage of our

sales network encompassing regions nationwide to extend our support to local businesses contributing to the sustainability of regional communities. In these ways, we will also help vitalize regional economies.

In the fiscal year ending March 31, 2021, we will implement the “Employee Giving Campaign to Support MY Local Community” —a matching-gift program aimed at filling pressing needs for financial assistance, due to the fallout from the COVID-19 pandemic, among organizations rooted in regional communities where Meiji Yasuda Life employees live, come from or otherwise share a common bond. In line with this program, we will solicit voluntary donations from employees who aspire to give back to their communities, with Meiji Yasuda Life contributing its own matching funds and delivering the combined donation to the recipient.

Also, as part of “Local Aid Campaign with J,” we will open a dedicated website for the project and work in tandem with J clubs to provide web-based content showcasing the appeal of regional communities, including local products, specialties and sightseeing spots.



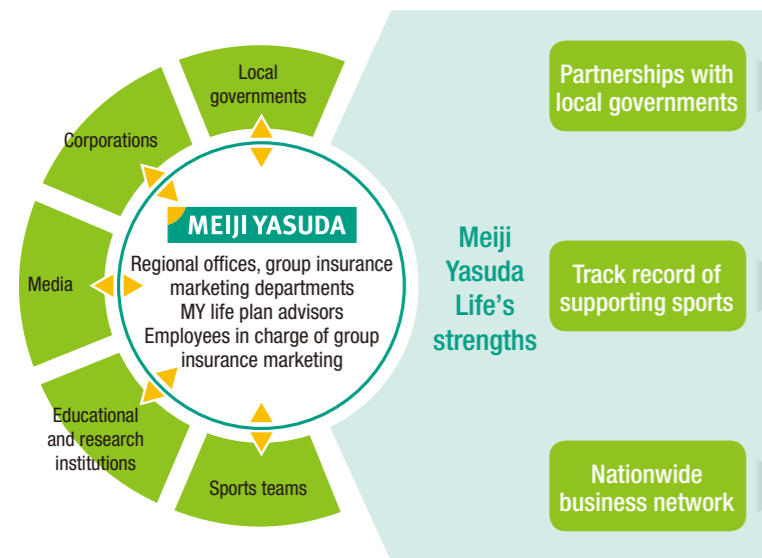
Let us all work together to make our communities flourish!

In regions all around Japan, there are numerous communities unique in their cultural heritage, climate and natural environment. We believe that our initiatives aimed at helping each of these communities flourish will naturally create new energy, raising the vitality of the entire country.

In order for such communities to thrive, they need opportunities and places for people to get together, build a robust regional network and energize regional economies. Under the banner of the Community Vitalization Project, we will therefore strive to help vitalize communities. To this end, we will maintain dialogue, working hand in hand with people in the communities where we operate, with J.League acting as our partner in regions across Japan.

We hope to see more communities that people love and take pride in, and help them flourish even further.

Overview of Initiatives



Acting in collaboration with municipalities, we will contribute to the creation of prosperous communities and, to this end, assist them in holding health improvement seminars and festivals for local residents and otherwise help promote regional vitalization.

We will offer opportunities for people in communities to engage in physical exercise and interact with each other by, for example, extending our ongoing support for home-grown sports teams and athletes, such as J.League clubs and players, and by hosting sports events in which people can casually participate.

Taking full advantage of our network of business bases, including sales and service staff around Japan, we will facilitate the vitalization of regional economies by, for example, helping local businesses play their part in sustainable community development.

Two Major Projects – Contributing to the United Nations SDGs

In the course of the Two Major Projects aimed at assisting health improvement and helping create prosperous regional communities, we aim to address the need to “Prolong healthy life expectancy” and “Vitalize regional communities.” As part of the priority issues identified

as being relevant to the United Nations Sustainable Development Goals (SDGs), we are placing utmost priority on these two issues.

We have also set evaluation indicators for each of the project’s initiatives to assess the quantitative and qualitative progress we have made.

Contribution to the SDGs via the Two Major Projects



Initiatives undertaken by Meiji Yasuda Life

Signing partnership agreements with local governments and other entities

- Signed partnership and other agreements with 98 local governments and municipalities,¹ four regional banks² and four universities² to help them address issues their regional communities are confronting (as of March 31, 2020)
- Host health checkup events aimed at promoting health improvement awareness while co-sponsoring local fairs to support the reconstruction of regions hit by natural disasters and draw public attention to their specialties

- The number of comprehensive partnership and health improvement partnership agreements
- Agreements with regional banks and universities include partnership agreements involving specific issues



Signing ceremony for the comprehensive partnership agreement with Shiga Prefectural Government



A promotional fair aimed at drawing public attention to specialties from the Shinshu region

Providing products designed to assist health maintenance and improvement efforts

- Offer “Best Style Health Cash Back” designed to assist health improvement efforts as well as “Dementia Care MCI Plus” designed to support the prevention of dementia



“Best Style Health Cash Back”



“Dementia Care MCI Plus”

Sponsoring Meiji Yasuda Life Golf Tournament

- Host golf tournaments in regions across Japan
- A cumulative total of 6,417 players participated in the 120 preliminary rounds sponsored by our regional offices, the 15 regional tournaments and one grand final



A Meiji Yasuda Life Golf Tournament game

Delivering the MY Wellness Activity Report service

- Employ medical big data encompassing approximately 1 million people and provide customers with such insights as predictions on future hospitalization risks based on their health checkup results and the comprehensive analysis of each customer’s health to suggest a comparable reference point, e.g. “your health is that of a 31-year old”



MY Wellness Activity Report

Sponsoring Meiji Yasuda Life Futsal Festa

- Host futsal tournaments for non-professional adult players by acting in collaboration with J.League and J clubs as well as other J.League partner companies
- A cumulative total of 6,748 players participated in the 65 preliminary rounds sponsored by our regional offices, the nine regional tournaments and one grand final



Players competing at a Futsal Festa

Hosting “Personal Health Check” events

- Offer regional offices and other facilities as venues for simplified checkups, such as blood tests, while encouraging attendees to undergo checkups at medical institutions as necessary
- These events were held 180 times in locations nationwide during the fiscal year ended March 31, 2020



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

Disseminating Information via a Dedicated Project Website

- Work in tandem with J clubs to let the general public know about the unique features of regional communities and the attractiveness of their specialties and sightseeing hotspots

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Framework of the Mutual Company System

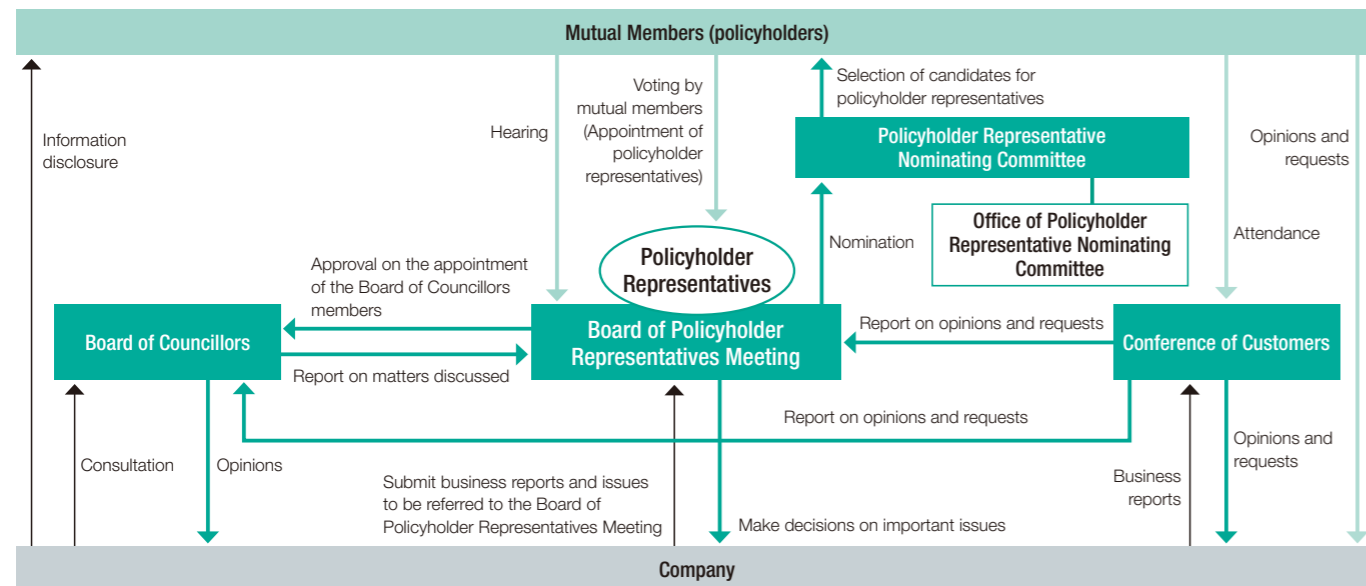
Although a life insurance company can be established as either a “stock company” or a “mutual company,” Meiji Yasuda Life was founded as a mutual company in accordance with Japan’s Insurance Business Act.

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, 2020, Meiji Yasuda Life’s mutual members numbered approximately 6.42 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

► Framework of the Mutual Company System



Differences between Insurers Taking the Form of a Mutual Company and Stock Company

The main factors that distinguish life insurers taking the form of a mutual company from their stock company peers are listed below.

As a mutual company is jointly owned by each policyholder, who acts

as a mutual member, Meiji Yasuda Life is focused on reflecting policyholder intentions into business management by employing a long-term perspective.

	Mutual company	Stock company
Legal nature	An intermediate corporation founded in accordance with Japan’s Insurance Business Act	A for-profit corporation founded in accordance with Japan’s Company Act
Owners	Mutual members	Shareholders
Decision-making body	General meeting of mutual members or the board of policyholder representatives meeting	General meeting of shareholders
Methods for the payment of dividends	<p>Source: Profit (surplus)</p> <p>Resolution by the board of policyholder representatives meeting (on behalf of the general meeting of mutual members) approving the appropriation of surplus</p> <p>Policyholder dividends</p>	<p>Source: Profit (surplus)</p> <p>Approval from the board of directors to record a provision for policyholder dividend reserves on the statement of income</p> <p>Resolution by the general meeting of shareholders approving the appropriation of surplus</p> <p>Policyholder dividends Dividends for shareholders</p>

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 6.42 million policyholders nationwide to attend a single meeting is simply impossible.

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

Policyholder Representatives

In line with its Articles of Incorporation, Meiji Yasuda Life has set the number of policyholder representatives at 222. Of these, 120 representatives are

selected from all 47 prefectures throughout Japan. While using a proportional representation system based on the number of policyholders residing in each prefecture, the Company selects a minimum of one representative from every prefecture. An additional 80 representatives are selected irrespective of where they reside. These measures are designed to ensure that representatives reflect the diverse demographic base of our mutual members, including people from every region and age group, as well as various occupations.

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

In light of the primary role of policyholder representatives, who attend the Board of Policyholder Representatives Meeting and engage in practical discussions involving question and answer sessions, we believe the size of this body is appropriate to 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. In general, 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 2020, with a total of 2,347 policyholders attending.

The conference provided briefings on the operating results for the first half of the fiscal year (April 1 to September 30, 2019), the accomplishments of the 15 years since the inauguration of Meiji Yasuda Life, and the Company’s activities aimed at contributing to regional communities. In addition, a total of 7,347 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-Oriented Service 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, 2021, 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

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.

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.

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.

Roles Outside Directors Are Expected to Fulfill

At Meiji Yasuda Life, outside directors are expected to fulfill the following three roles in the course of their deliberations at the Board of Directors.

(1) Supervise the appropriateness of business execution from objective and multifaceted standpoints

(2) Advise the Board of Directors employing their own expertise to facilitate the Company's sustainable growth and the long-lasting enhancement of its corporate value

(3) Ensure that opinions of stakeholders, such as policyholders, are appropriately reflected in deliberations of the Board of Directors by bringing an independent stance to bear on management

Name	Current position at Meiji Yasuda Life and duties	Specialty	Reasons for appointment
 <p>Shigehiko Hattori</p>	Lead Outside Director, Compensation Committee (Chair)	Corporate management	Mr. Shigehiko Hattori has experience in a number of important positions, including as president of Shimadzu Corporation, outside director of Mitsubishi Tanabe Pharma Corporation and president of Japan Analytical Instruments Manufacturers' Association. Accordingly, he possesses the knowledge and experience in corporate management to accurately, fairly and efficiently make important management decisions for the Company and oversee the execution of duties by its directors, executive officers and other officers. Since 2012, Mr. Hattori has served the Company as an outside director. He has been nominated as an outside director because it is expected that he will continue to supervise business execution, including that of the Company's executive officers, from an independent standpoint and thus strengthen the Board of Director's functions.
 <p>Teruo Kise</p>	Director, Nominating Committee (Chair), Audit Committee	Corporate management	Mr. Teruo Kise has experience in a number of important positions, including as president of TOTO LTD., outside director of Nishi-Nippon Railroad Co., Ltd., and vice chairman of the Kyushu Economic Federation. Accordingly, he possesses the knowledge and experience in corporate management to accurately, fairly and efficiently make important management decisions for the Company and oversee the execution of duties by its directors, executive officers and other officers. Since 2014, Mr. Kise has served the Company as an outside director. He has been nominated as an outside director because it is expected that he will continue to supervise business execution, including that of the Company's executive officers, from an independent standpoint and thus strengthen the Board of Director's functions.
 <p>Miyako Suda</p>	Director, Nominating Committee, Audit Committee (Chair)	Finance	Ms. Miyako Suda possesses wide-ranging knowledge as an economist, member of the Policy Board of the Bank of Japan and special advisor of the Canon Institute for Global Studies. Accordingly, she possesses the knowledge and experience as an expert in finance and economics to accurately, fairly and efficiently make important management decisions for the Company and oversee the execution of duties by its directors, executive officers and other officers. Ms. Suda participated in corporate management as an outside director and outside auditor and she has served the Company as an outside director since 2014. She has been nominated as an outside director because it is expected that she will continue to supervise business execution, including that of the Company's executive officers, from an independent standpoint and thus strengthen the Board of Director's functions.
 <p>Keiko Kitamura</p>	Director, Audit Committee, Compensation Committee	Accounting	Ms. Keiko Kitamura possesses wide-ranging knowledge as an expert of accounting, director of the Financial Accounting Standards Foundation and auditor of Keio Corporation. Accordingly, she possesses the knowledge and experience as an expert in finance and accounting to accurately, fairly and efficiently make important management decisions for the Company and oversee the execution of duties by its directors, executive officers and other officers. Ms. Kitamura participated in corporate management as an outside director and outside auditor and she has served the Company as an outside director since 2015. She has been nominated as an outside director because it is expected that she will continue to supervise business execution, including that of the Company's executive officers, from an independent standpoint and thus strengthen the Board of Director's functions.
 <p>Masaki Akita</p>	Director, Nominating Committee	Corporate management	Mr. Masaki Akita has experience in a number of important positions, including as president of Matsuya Co., Ltd. Accordingly, he possesses the knowledge and experience in corporate management to accurately, fairly and efficiently make important management decisions for the Company and oversee the execution of duties by its directors, executive officers and other officers. Since 2017, Mr. Akita has served the Company as an outside director. Mr. Akita has been nominated as an outside director because it is expected that he will continue to supervise business execution, including that of the Company's executive officers, from an independent standpoint and thus strengthen the Board of Director's functions.
 <p>Tatsuo Uemura</p>	Director, Audit Committee, Compensation Committee	Legal affairs	Mr. Tatsuo Uemura possesses wide-ranging knowledge and experience as a professor, who researches the Company Act and other legal subjects, and as an outside director of JASDAQ Securities Exchange, Inc. and Shiseido Co., Ltd. Accordingly, he possesses the knowledge and experience as an expert in legal affairs to accurately, fairly and efficiently make important management decisions for the Company and oversee the execution of duties by its directors, executive officers and other officers. Mr. Uemura participated in corporate management as an outside director and outside auditor, and he has been nominated as an outside director of the Company because it is expected that he will supervise business execution, including that of the Company's executive officers, from an independent standpoint and thus strengthen the Board of Director's functions.

Procedures for and Policies on the Selection of Directors, Executive Officers and Operating Officers

Selection Procedures

Directors are appointed by the Board of Policyholder Representatives Meeting based on a selection proposal prepared by the Nominating Committee in accordance with the Company's Fundamental Concepts on the Selection of Director Candidates.

Executive officers and operating officers are appointed by the Board of Directors based on the Company's Fundamental Concepts on the Selection of Executive Officers and Operating Officers.

Selection Policies

Fundamental Concepts on the Selection of Director Candidates

- (1) Director candidates must be capable of contributing to the Company's sustainable growth and medium- to long-term improvement in corporate value and be equipped with ability to appropriately fulfill their roles and responsibilities as Board members.
- (2) Director candidates must be selected in accordance with standards stipulated by the Company's Rules on the Selection of Director Candidates from among those who have knowledge and experience to support accurate, fair and efficient supervision over the Company's business management as well as duties carried out by executive officers and directors. In addition, these candidates must have sufficient social credibility.

- (3) To secure the independence of outside directors, candidates for such positions must undergo the confirmation of their status in relation to the Company's Standards for Securing the Independence of Outside Directors.

Fundamental Concepts on the Selection of Executive Officers and Operating Officers

- (1) The selection of executive officers and operating officers must be focused on ensuring the steady implementation of business plans over the medium to long term and, to this end, give due consideration to such perspectives as refreshing senior management membership to secure ongoing business development and maintain organizational vitality.
- (2) Executive officers and operating officers must be selected from among those deemed to have sufficient knowledge and experience to support the accurate, fair and efficient execution of their duties with regard to the Company's business management based on the assessment of their track record and experience in corporate management as well as evaluations by in-house and external individuals. In addition, candidates for these officers must have sufficient social credibility.

Self-Evaluation of the Board's Effectiveness

The Company conducts evaluation of the effectiveness of the Board of Directors and Nominating, Audit and Compensation committees once a year based on self-evaluation results.

Self-evaluation conducted in the fiscal year ending March 31, 2021 covered a period from July 2019 to June 2020. Like self-evaluation conducted in the previous year, the Company employed third-party consultants who contributed specialist advice and support, with the aim of enhancing the fairness and objectivity in the evaluation of the effectiveness of the Board of Directors and committees named above. The results are as outlined below.

Board of Directors

1. Response to Major Issues Identified via Self-Evaluation in the Previous Year

The Board of Directors has addressed issues identified in the course of self-evaluation (covering the period from July 2018 to June 2019) that was conducted in the fiscal year ended March 31, 2020. These are described below.

Major Issues	Responses
<ul style="list-style-type: none"> The need to continuously facilitate efforts to ensure that the Meiji Yasuda philosophy and other key concepts are adopted by all employees as well as to foster the desired corporate culture The need for deliberation employing a forward-looking approach with regard to the formulation of our business strategies and plans, giving due consideration to how we contribute to customer interests over the medium to long term as a life insurer and what initiatives we must launch as we compete against growing industry peers 	<ul style="list-style-type: none"> Outside directors visited regional offices, agency offices and administrative service departments to deepen their understanding of Meiji Yasuda Life's business operations, while the Company confirmed the status of employees' understanding and support of its management philosophy and other key concepts Employed a "backcasting approach," based upon a business environment analysis that forecasts the ultra-long-term spanning 30 years, in the revision of "Our Long-Term Management Direction" and the formulation of the Medium-Term Business Plan to facilitate constructive deliberations
<ul style="list-style-type: none"> The need for input and deliberation supporting the evaluation of proactive risk-taking in addition to risk aversion 	<ul style="list-style-type: none"> Clarified a framework for optimally exercising risk control in light of the level of surplus and ensuring timely reporting to the Board of Directors by focusing on "soft limits" and "hard limits" as part of the development of an enterprise risk management (ERM) structure
<ul style="list-style-type: none"> Room for improvement with regard to failure analysis when management targets or goals for priority measures are not met 	<ul style="list-style-type: none"> Mandated detailed reporting on factors leading to the failure to meet targets in sessions aimed at evaluating progress in the business plan while maintaining ongoing and in-depth deliberations aimed at analyzing root causes

2. Summary of Self-Evaluation Results and Issues Identified Based on Such Results

Evaluation items

Composition and operation of the Board of Directors, a system for supporting outside directors, the effectiveness of the Board of Directors, the selection of executive officers and operating officers, deliberation on and process leading up to the formulation of the Medium-Term Business Plan, and initiatives aimed at promoting digital transformation (DX)

(1) Summary of Self-Evaluation

Based upon input from each director and analysis employing third-party consultants, the self-evaluation concluded that the governance provided by the Board of Directors functions effectively. In addition, the self-evaluation also determined that overall the issues identified in the course of the previous self-evaluation are being properly addressed.

(2) Evaluation of Initiatives to Secure the Board of Directors' Effectiveness and Issues Identified in the Course of Self-Evaluation

The following table describes the results of the assessment of the Board of Directors' effectiveness in terms of its fulfillment of the roles, noted in (i) to (iii), that the Board is expected to play in accordance with Japan's Corporate Governance Code. The self-evaluation also confirmed that the Board of Directors continuously endeavors to enhance its effectiveness.

In addition, all members of the Board are aware of the need to optimize the Board's operations in light of the fallout from the COVID-19 pandemic and maintain further deliberation aimed at adjusting the direction of business management to adapt to new circumstances influenced by the pandemic.

	Self-Evaluation Results	Issues Identified
(i) Direction of corporate strategies	<p>Formulation of medium- to long-term business plan</p> <ul style="list-style-type: none"> The Board of Directors has been engaged in active deliberation on multiple occasions with regard to the formulation of a medium- to long-term business plan involving the assessment of the current business environment. The self-evaluation concluded that this approach helped facilitate directors' understanding on the topics and led to constructive deliberation. <p>Deliberation on the overseas insurance business</p> <ul style="list-style-type: none"> The Board of Directors has been engaged in sufficient deliberation, with each session being held at appropriate times. The self-evaluation also concluded that development is steadily under way of functions to monitor this business based on a PDCA cycle. 	<ul style="list-style-type: none"> It was recognized that the Board of Directors needs to improve the operation of each session and the layout of meeting materials so that attendees can more smoothly focus on subjects to be discussed without being distracted by non-essential matters. Moreover, all directors are aware that when specific themes are being discussed over multiple sessions, they need to narrow the scope to ensure a common understanding of which aspects will be discussed at upcoming sessions. The self-evaluation recognized that the overseas insurance business needs to be better coordinated with the management philosophy, the Medium-Term Business Plan and other Companywide strategies. It was also determined that the Company must step up in-depth surveys into this business.
(ii) Development of a system supporting senior management members in appropriate risk-taking endeavors	<p>Establishment of a robust business management structure and the development and maintenance of internal controls</p> <ul style="list-style-type: none"> The self-evaluation concluded that the Board of Directors succeeded in contributing constructive advice and helpful insights to executive team members with regard to the following matters. <ul style="list-style-type: none"> Positioning of the Audit Department and the enhancement of its roles and functions Status of regional strategies Initiatives associated with the overseas insurance business Customer perspectives on "Our Conduct Principles" 	<ul style="list-style-type: none"> It was recognized that IT utilization and other digitalization initiatives must be discussed at a faster pace in light of the fallout from the COVID-19 pandemic as well as growing needs to ensure our ability to flexibly adapt to expected changes in the business environment. This deliberation must also address, employing input from external specialists, the matter of how we contribute to customer interests over the medium to long term.
(iii) Highly effective supervision over top management and directors from an independent and objective standpoint	<p>Monitoring the execution of the business plan</p> <ul style="list-style-type: none"> The self-evaluation concluded that, as part of the efforts to help outside directors deepen their understanding of Meiji Yasuda Life's business operations, sufficient opportunities are provided to them in a timely and appropriate manner. These opportunities include the prior explanation of agenda items to be discussed by the Board of Directors, the Outside Directors Council, presentation meetings focused on specific themes, and meetings attended by outside directors and representatives from regional offices, group insurance marketing departments and overseas subsidiaries to exchange opinions. 	<ul style="list-style-type: none"> The self-evaluation determined that the Company needs to develop a structure for improving the convenience and efficiency of meeting platforms by, for example, allowing executive officers in charge of the prior explanation of agenda items to employ web-conferencing systems, in addition to promoting ongoing initiatives aimed at helping the Board of Directors realize highly effective supervisory functions.

Nominating Committee

1. Response to Major Issues Identified via Self-Evaluation in the Previous Year

The Nominating Committee has addressed issues identified in the course of self-evaluation (covering the period from July 2018 to June 2019) that was conducted in the fiscal year ended March 31, 2020. These are described below.

Major Issues	Responses
<ul style="list-style-type: none"> The need to increase opportunities in which all committee members confirm the current status and share their opinions during the process to select director candidates 	<ul style="list-style-type: none"> Introduced a preliminary selection of outside director candidates that incorporates such insights as recommendations from outside committee members while securing opportunities in which all committee members confirm the current status and share their opinions (three times per year)
<ul style="list-style-type: none"> The need to secure sufficient time to discuss important agenda items 	<ul style="list-style-type: none"> Increased time for deliberation per committee session to approximately 1.5 times the conventional duration in the fiscal year ending March 31, 2021, thereby securing sufficient time for deliberation

2. Summary of Self-Evaluation Results and Issues Identified Based on Such Results

(1) Summary of Self-Evaluation

Based upon input from each committee member and analysis employing third-party consultants, the self-evaluation assessed the composition and operation of the committee, a system for supporting outside committee members, and the overall effectiveness of the committee. The self-evaluation thus concluded that the committee's functions are effective as a body tasked with the selection of director candidates thanks to new initiatives aimed at facilitating information sharing and robust communication among committee members via, for example, the clarification of the selection process based on guidelines for selecting outside director candidates and the introduction of a preliminary selection of candidates.

(2) Issues Identified

The self-evaluation confirmed that the Nominating Committee continuously endeavors to address various issues, including those listed below, to further enhance its effectiveness.

- The need to enhance the selection process, including preliminary candidate selection, to further upgrade methods for selecting director candidates
- The need to maintain periodic reviews on the appropriateness of guidelines for selecting new outside director candidates
- The need to acquire more detailed information with regard to director candidates and facilitate active deliberation at committee sessions

Audit Committee

1. Response to Major Issues Identified via Self-Evaluation in the Previous Year

The Audit Committee has addressed issues identified in the course of self-evaluation (covering the period from July 2018 to June 2019) that was conducted in the fiscal year ended March 31, 2020. These are described below.

Major Issues	Responses
<ul style="list-style-type: none"> • The need to enhance the content of information provided to Audit Committee members 	<ul style="list-style-type: none"> • Reevaluated key subjects in agenda items to be discussed by the Management Council and latent risks associated with such subjects while narrowing down matters that should be relayed to other bodies and otherwise striving to effectively provide relevant information to outside Audit Committee members
<ul style="list-style-type: none"> • The need to discuss the introduction of a new evaluation process to clarify the Audit Committee's accountability on the selection of accounting auditors 	<ul style="list-style-type: none"> • The committee received interim reporting on the status of surveys into and research on the introduction of a periodic process for selecting accounting auditors in addition to reviewing the interim reporting on the performance of current accounting auditors
<ul style="list-style-type: none"> • The need to step up collaboration with the Internal Audit Department 	<ul style="list-style-type: none"> • Formulated an internal audit plan based on a draft plan prepared by the Audit Committee • Strengthened collaboration between the Audit Committee and the Internal Audit Department by, for example, holding multiple committee sessions with the attendance of senior internal auditors and other key personnel from the Internal Audit Department to exchange opinions

2. Summary of Self-Evaluation Results and Issues Identified Based on Such Results

(1) Summary of Self-Evaluation

Based upon input from each committee member and analysis employing third-party consultants, the self-evaluation assessed the operation of the Audit Committee, circumstances surrounding its audit activities, the status of operational and accounting audits, methods used for auditing, priority measures undertaken by the committee and other matters. The self-evaluation thus concluded that the committee carries out its duties in a proper manner in accordance with the Company's Rules on the Audit Committee and Rules on Auditing by the Audit Committee.

(2) Issues Identified

The self-evaluation also confirmed that the Audit Committee continuously endeavors to address various issues, including those listed below, to further enhance its effectiveness.

- The need to enhance audit quality by directly supervising the Company's internal audit functions (upgrade the structure to properly relay audit findings to audited business units)
- The need to discuss a new evaluation process to clarify the Audit Committee's accountability on the selection of accounting auditors

Compensation Committee

1. Response to Major Issues Identified via Self-Evaluation in the Previous Year

The Compensation Committee has addressed issues identified in the course of self-evaluation (covering the period from July 2018 to June 2019) that was conducted in the fiscal year ended March 31, 2020. These are described on the next page.

Measure Issues	Reponses
<ul style="list-style-type: none"> • The need to enhance the effectiveness of a PDCA cycle used for director evaluation to secure optimal linkage with performance 	<ul style="list-style-type: none"> • Pushed ahead with the optimization of the linkage between director evaluation and performance and the enhancement of the PDCA cycle by, for example, discussing the introduction of a medium- to long-term performance-based compensation program in the fiscal year ending March 31, 2021 and by making it a rule to monitor director compensation every three years
<ul style="list-style-type: none"> • The need to secure sufficient time to discuss important agenda items 	<ul style="list-style-type: none"> • Increased time for deliberation per committee session to approximately 1.5 times the conventional duration in the fiscal year ending March 31, 2021, thereby securing sufficient time for deliberation

2. Summary of Self-Evaluation Results and Issues Identified Based on Such Results

(1) Summary of Self-Evaluation

Based upon input from each committee member and analysis employing third-party consultants, the self-evaluation assessed the composition and operation of the committee, a system for supporting outside committee members and the overall effectiveness of the committee. The self-evaluation thus concluded that the committee's functions are effective as a body tasked with determining director compensation thanks to efforts to improve its effectiveness. These efforts included the introduction of a medium- to long-term performance-based compensation program and other measures aimed at revising conventional compensation systems in a way that gives due consideration to consistency with employee compensation systems as well as maintaining intensive deliberation in the course of a robust process leading up to such revisions, with each committee member contributing his/her opinions.

(2) Issues Identified

The self-evaluation confirmed that the Compensation Committee continuously endeavors to address various issues, including those listed below, to further enhance its effectiveness.

- The need to acquire more detailed information to evaluate each internal director
- The need to upgrade methods for collecting information via ongoing surveys into external practices
- The need to enhance information disclosure regarding the reasons compensation systems were changed and the results of such revisions to facilitate stakeholder understanding

Status of the Audit Committee's Activities

1. Organization and Staffing

In accordance with relevant laws and the Company's Articles of Incorporation, the Audit Committee consists of five individuals, including four outside directors acting as committee members and one internal director acting as a full-time committee member. Each committee member is specialized in legal affairs, corporate management, finance, economics or accounting. Therefore, the committee is positioned to employ the considerable expertise contributed by its members especially in the field of finance and accounting.

2. Meeting Frequency and Attendance

In the fiscal year ended March 31, 2020, the Audit Committee met once a month in general. Attendance by each committee member is as described below.

	Name	Number of Meetings	Number Attended
Outside director	Seiichi Ochiai	15	15
Outside director	Teruo Kise	15	15
Outside director	Miyako Suda	15	15
Outside director	Keiko Kitamura	15	12
Director	Seichiro Utsubo	15	15

3. Main Agenda Items Discussed by the Committee

The Audit Committee conducts audits in line with its audit policies and plans. The audit plans are prepared to specify priority audit items in light of (1) law revisions, regulatory trends and other external factors, (2) executive team members' recognition of important risks, and (3) conclusions reached at Audit Committee sessions.

Priority audit items in the fiscal year ended March 31, 2020 were (1) the status of the Company's response to market risks, (2) the status of its initiatives to enhance the structure for managing insurance solicitation, and (3) the status of its initiatives to upgrade the Group's business management structure.

4. Status of Committee Activities

- (1) The committee held sessions, both periodically and as necessary, to receive reporting and exchange opinions on such topics as the development and operational status of the Group's internal control systems and the progress of the Medium-Term Business Plan. Attendees who provided such reports and contributed their opinions at these sessions included executive officers who supervise departments in charge of internal control (the Compliance Control Department, the Risk Management Control Department, the Customer Relations Department, the Profit Management & Actuarial Department, and the Corporate Planning Department) as well as top management members responsible for Group management in addition to President, Representative Executive Officer and Group CEO.
- (2) The committee acted in close, ongoing collaboration with the Audit Department, from which it received reports, both periodically and as necessary, and otherwise exchanged opinions with regard to internal audit plans, the content of audit items, audit results, the evaluation of the quality of internal audits, the status of efforts to upgrade the structure for ensuring audit findings are properly relayed to audited business units, and the audit methodologies used.
- (3) The committee also acted in close, ongoing collaboration with the accounting auditors, receiving reports both periodically and as necessary, and otherwise exchanging opinions with regard to audit plans prepared by the accounting auditors, the content of audit items, audit results (including those associated with the status of internal control for ensuring proper financial reporting) and other matters related to the execution of their duties. Furthermore, the committee strove to clarify its accountability on the selection of accounting auditors and, to this end, performed the interim evaluation of accounting auditors as well as surveys into and research on the possible introduction of a periodic process for the selection of such individuals.

Remuneration for Directors and Executive Officers

(1) Breakdown

Item	Number of recipients	Total amount	Breakdown		
			Basic compensation	Performance-based compensation	Other
Directors	8	¥143 million	¥143 million	–	–
Executive Officers	18	¥1,095 million	¥579 million	¥505 million	¥11 million
Total	26	¥1,239 million	¥722 million	¥505 million	¥11 million

Notes:

- Remuneration for directors concurrently serving as executive officers is included in remuneration for executive officers. The figures include one director who retired at the closure of the 72nd regular Board of Policyholder Representatives Meeting held on July 2, 2019.
- The Company abolished its retirement benefit scheme for directors and executive officers on June 30, 2008.
- Apart from the remuneration presented above or disclosed in past business reports, the Company has paid ¥92 million and ¥13 million, respectively, to 48 directors and 12 corporate auditors who previously retired as annuitants.
- On July 2, 2019, the Company's Compensation Committee passed a resolution approving policies on the determination of individual remuneration for directors and executive officers. Based on these policies, the committee formulated rules on the determination of such remuneration. In accordance with these rules, the committee decided the amount of individual remuneration for directors and executive officers based on the Company's operating results and individual achievements. Said policies are as described below.
 - Basic policy: The amount of remuneration for directors and executive officers shall be set at an appropriate level based on the duties carried out by each recipient, giving due consideration to the operating environment surrounding the Company and its business performance.
 - Remuneration for directors: Remuneration for directors consists only of fixed compensation whose amount is determined by each individual director's duties, including such assignments as chairing a committee.
 - Remuneration for executive officers: With the aim of ensuring the Company's sustainable growth and the medium and long-term enhancement of corporate value, remuneration for executive officers consists of basic compensation, performance-based compensation and additional compensation for those with representative authority and those responsible for Group management. Specifically,
 - basic compensation and additional compensation for those with representative authority and those responsible for Group management shall be fixed compensation determined in light of the recipient's position and duties.
 - Performance-based compensation shall be determined within certain limits based on the recipient's position and duties, with consideration given to the Company's operating results as well as individual contribution to corporate performance.

- Remuneration for the Company's directors and executive officers consists of basic compensation, which is fixed compensation; performance-based compensation; and other compensation. Performance-based compensation consists of a component determined by the Company's operating results and a component determined by the evaluation of individual achievements. The proportion of these two components are individually determined based on the recipient's position. In addition, the ratio of performance-based compensation to the total amount of compensation paid to each recipient, ranges from 39.7% to 50.8% based on his/her position during the fiscal year ended March 31, 2020.
- The main indicators used to determine performance-based compensation are identical with those used for management targets. Specifically, these include EEV, which represents corporate value; annualized premiums in force in individual insurance marketing; and group life insurance in force in group insurance marketing.
- Other compensation includes subsidies for rents of corporate housing.

(2) Total Amount of Remuneration Paid to Individual Recipients

Name	Position	Total amount	Breakdown		
			Basic compensation	Performance-based compensation	Other
Nobuya Suzuki	Chairman of the Board, Representative Executive Officer	¥100 million	¥49 million	¥49 million	¥2 million
Akio Negishi	Director, President, Representative Executive Officer	¥117 million	¥59 million	¥54 million	¥3 million

Note: Recipients named above only include recipients whose remuneration amounts to ¥100 million or more in total.

(3) Remuneration for Outside Directors

	Number of recipients	Compensation paid by insurance companies	Compensation paid by the parent of insurance companies
Total	6	¥100 million	–

Note: The amount of remuneration presented above is disclosed in accordance with guidelines for the preparation of Securities Reports regarding matters stipulated by Article 24, Paragraph 1 of the Financial Instruments and Exchange Act. This is based on precaution No. 57-b issued under the Cabinet Office Ordinance to provide guidance for form No. 2 with regard to the disclosure of corporate status (Ministry of Finance's 1973 Ordinance No. 5), which provides a basis for companies to treat disclosure in the same manner as specified by precaution No. 38 issued to provide guidance for form No. 3 under said ordinance.



Nobuya Suzuki
Chairman of the Board,
Representative Executive Officer

The Board of Directors Seeks to Operate in the Manner Best Suited to a Company Owned by Mutual Members, Our Policyholders.

The Composition and Operation of Meiji Yasuda Life's Board of Directors

Under the "Company with Three Committees system," Meiji Yasuda Life's Board of Directors is charged with determining the fundamental management policies as well as with supervising the execution of duties by directors and executive officers. Our Board of Directors aims to serve as "monitoring board" and, to this end, strives to secure clear separation between the functions of management supervision and business execution by, for example, delegating most executive authority to executive officers. In sum, the Board of Directors prioritizes supervising the execution of business by executive officers.

Moreover, the majority (six of 11 members) of Meiji Yasuda Life's Board of Directors is comprised of outside directors. The Board thus aims to secure robust supervisory functions and transparency and is engaged in active discussion, with all members contributing diverse opinions employing the perspective of various stakeholders, including policyholders.

My Role as the Chairman of the Board

Although I serve concurrently as a representative executive officer, I am not charged with the execution of specific operations. Accordingly, I am positioned to oversee the Company's overall business operations without being distracted by executive duties. I believe that by taking advantage of my unique standpoint as the Chairman of the Board, I can fulfill the expectation of appropriately providing information, especially to outside directors, about each agenda item to help them freely express their opinions and insights. In the course of presiding over discussion at Board meetings, I have striven to maintain a neutral position as Chairman while encouraging constructive discussion by clearly indicating what the attendees need to discuss.

Every year, the Board of Directors evaluates the overall effectiveness of its operations based on questionnaires filled out by each director, which provide a self-evaluation, as well as conclusions reached at Board meetings. Evaluations by directors, including outside directors, have been generally favorable. I believe that the Board of Directors' effectiveness hinges on the open exchange of opinions. In addition, executive team members must take heed of input from those with different perspectives and reflect such input in business execution. This approach is essential and must be maintained by all executives. We also employ insights contributed by the Outside Director Council, which consists solely of outside directors. By doing so, we strive to ensure that each Board member receives timely updates about agenda items and feels free to contribute to the discussion without constraint.

Our Future Initiatives

In the fiscal year ended March 31, 2020, the Board of Directors engaged in the determination of the Company's long-term fundamental management policies and the formulation of the Medium-Term Business Plan. Simultaneously, the Outside Director Council met on multiple occasions to address a broad range of subjects, reviewing operating results and analyzing the business environment over the ultra-long term. Thus, the council has similarly discussed long-term fundamental management policies and, in light of them, examined the Medium-Term Business Plan. In the course of constructive discussion held by these two separate bodies, each director actively contributed their diverse expertise and opinions, which, in turn, helped to adjust the business plan.

Looking ahead, the Board of Directors needs to review the business plan in light of such factors as the fallout from the COVID-19 pandemic while urgently addressing digital transformation (DX), which aims to achieve the thoroughgoing reform of our business model via the use of digital technologies. I think all members of the Board share the same sense of urgency on these important matters.

Today, the social and economic environment surrounding Meiji Yasuda Life is rapidly evolving. In addition to promoting DX, the Board of Directors is determined to accurately assess changing circumstances and monitor the execution of the Company's business operations to confirm their appropriateness. We will thereby ensure that the Board of Directors remains highly effective in its operations, with the aim of living up to the expectations of our stakeholders, especially our policyholders.



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 Basic Policy of Corporate Governance, which set forth fundamental concepts and policies on corporate governance consistent with the spirit of Japan's Corporate Governance Code that was enacted in June 2015 for listed companies.

Under this Basic Policy, 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 deliberation 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.

We invited Ms. Keiko Kitamura, who has been serving as an outside director since 2015, to ask about her views on Meiji Yasuda Life's initiative to enhance its corporate governance.

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

A Since becoming a director in 2015, I have seen steady progress as the Company's Board of Directors, in light of various changes in society, has enhanced its deliberations. The overseas insurance business supported by StanCorp and other subsidiaries and affiliates has been an area of particular interest for each director. The Board has thus maintained active deliberation on and fully exercised its supervision over this business. I am convinced that the Board is successful in providing the required management guidance for these operations.

Due to such factors as the fallout from the COVID-19 pandemic, there is a lingering sense of tiredness among people, businesses and society as a whole. That is why I believe it is exactly the right time for corporations to take a forward-looking approach and intensively discuss business plans for the short, medium and long-term while maintaining the flexibility to review these plans in step

with evolving circumstances. More than others, in the course of business management, life insurers are being called upon to adopt an ultra-long-term perspective aimed at pursuing policyholder interests. Life insurers are also expected to remain open to social expectations and, to this end, play their part in the vitalization of regional communities.

For outside directors, it can sometimes be hard to fully digest the characteristics of life insurance operations or management issues highly specific to life insurers. However, the Company's outside directors are given sufficient opportunities to attend study sessions aimed at addressing diverse topics, along with visits to headquarters, regional offices, agency offices and sometimes overseas subsidiaries. These opportunities help each director realize the full potential of their duties as they are able to acquire in-depth knowledge of Meiji Yasuda Life's business operation and its corporate culture. I hope that the Company will increase these opportunities.



Keiko Kitamura
Director

1981 Professor, Faculty of Commerce, Chuo University
2015 Director, Meiji Yasuda Life Insurance Company
2016 Professor Emeritus, Chuo University (incumbent)

Q As a specialist in accounting, what do you think of the roles the Board of Directors and the Audit Committee are called to fulfill?

A As a researcher in the field of accounting, I believe there are clear expectations that I will bring my expertise, with regard to such subjects as financial reporting, to bear when I attend meetings of the Board of Directors or the Audit Committee.

Sometimes, this can mean presenting harsh opinions against the proposals or actions of executive team members.

Financial statements prepared by financial institutions, particularly life insurers like Meiji Yasuda Life, differ from those prepared by other business corporations in many ways. I can sometimes be confounded by the differences. Although outside directors receive meeting materials prior to upcoming Board meetings and attend advance briefings on such materials, I take a long time to thoroughly

examine finance-related documents. I know that significant time is involved in finalizing the financial results, but I have requested that the Board's secretariat team deliver these materials earlier.

Going forward, the Company may choose to introduce IFRS-based accounting management. Meiji Yasuda Life is also subject to economic value-based capital regulations expected to come into effect in the near future. These future trends will significantly affect Meiji Yasuda Life's business operations in such aspects as the valuation of liabilities using fair value and the matching of assets and liabilities. I will therefore need to study these matters even more thoroughly. Looking ahead, I will continue to do my best to help the Company's Board of Directors robustly fulfill its supervisory functions by contributing my accounting expertise.

Directors, Executive Officers and Operating Officers

Directors

(As of July 2, 2020)



Chairman of the Board
Nobuya Suzuki*



Director, President and Group CEO
Akio Negishi*



Director, Deputy President
Masao Aratani



Director, Deputy President
Shinya Makino



Director
Seiichiro Utsubo



Director
Shigehiko Hattori**
Senior Advisor, Shimadzu Corporation



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.



Director
Tatsuo Uemura**
Professor Emeritus, Waseda University

* Representative Executive Officer
** Outside Director

Executive Officers

(As of July 2, 2020)

Executive Officers

Nobuya Suzuki	Chairman of the Board
Akio Negishi	Director, President and Group Chief Executive Officer
Masao Aratani	Director, Deputy President, Chief Executive, Investment Division
Tadashi Onishi	Deputy President, Responsible for the "Wellness for All Project" and the "Community Vitalization Project"
Shinya Makino	Director, Deputy President

Senior Managing Executive Officers

Kazunori Yamauchi	
Takashi Kikugawa	
Teruki Umezaki	Group Chief Compliance Officer

Managing Executive Officers

Hideki Nagashima	
Shinji Nakatani	Chief Executive, Public Marketing Division
Hideki Yamaguchi	Chief Executive, Individual Insurance Marketing Division
Koichi Nagao	
Atsushi Nakamura	
Masanao Kawamura	Chief Executive, Corporate Marketing Division
Yasushi Ueda	Group Chief Actuary
Toshiyuki Sumiyoshi	
Kenji Fukui	Group Chief Risk Officer

Operating Officers

(As of July 2, 2020)

Managing Operating Officers

Michihiko Hayashi	Chief General Manager, Tokyo Marketing Headquarters
Masahiro Koyama	Deputy Chief Executive, Corporate Marketing Division
Shiro Kishimoto	Chief General Manager, Saitama Marketing Headquarters

Operating Officers

Masanori Takano	General Manager, 1st Public Sector Marketing Department
Minoru Wakabayashi	General Manager, Corporate Market Development Department
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	Chief General Manager, Kanagawa Marketing Headquarters
Toshihiko Naka	General Manger, Marketing Planning & Research Department
Yoshiichi Asano	General Manager, Human Resources Department
Daisaku Shintaku	Responsible for the matters relevant to StanCorp
Nobuhiro Nakamura	Chief General Manager, Nagoya Marketing Headquarters
Takeo Ueda	General Manager, Specified Insurance Product Investment Department

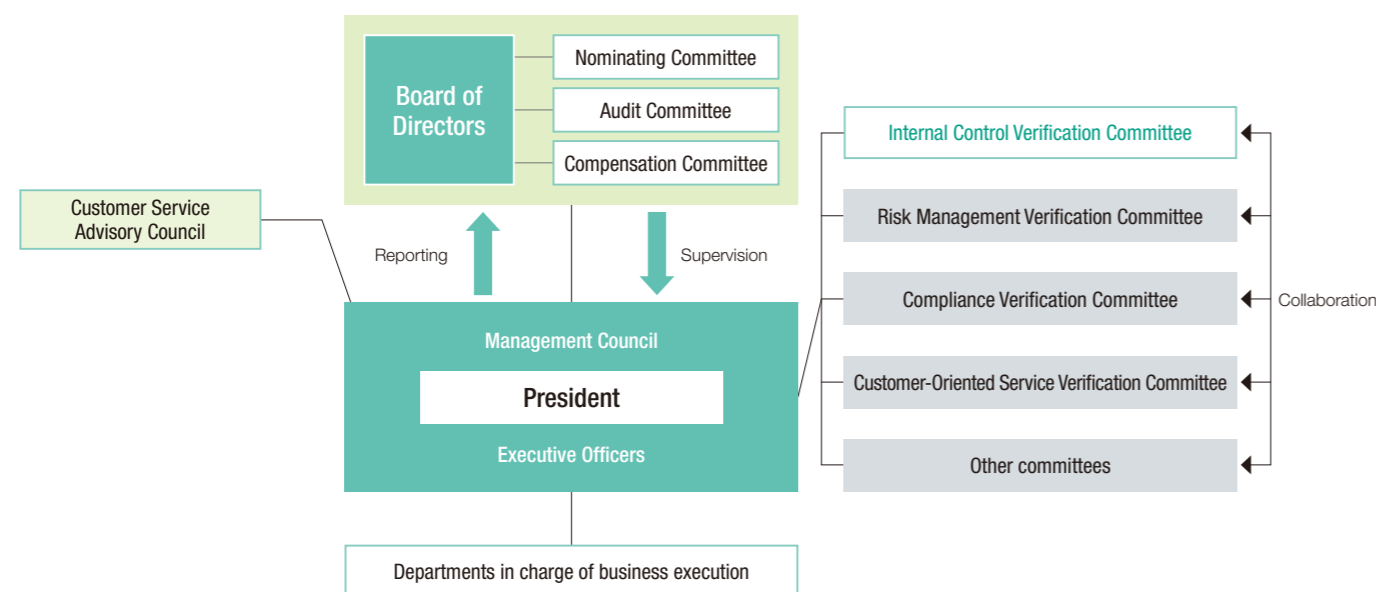
Development and Enhancement of the Internal Control System

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.

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



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 organizational activities from a fair and objective standpoint with the aim of helping the Company achieve its organizational targets. To secure the effectiveness of internal audits, the Company established the Basic Policy of Group Internal Audit. In line with this policy, the Audit Department has been put in place, operating under the direct supervision of the Audit Committee. With the aim of ensuring that its audit function is strictly independent from business execution functions, the Company requires a resolution by 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 Audit Committee is positioned to directly instruct the Audit Department, which is tasked with monitoring functions as a component of the internal control system.

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 plans drafted by the Audit Committee and risk assessments conducted by the Audit Department, with the scope of audits encompassing all business units and activities of Meiji Yasuda Life and its domestic Group companies. 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 Group companies. 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 Audit Committee, Board of Directors and Management Council.

Meiji Yasuda Life's main domestic Group companies 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 Group insurance companies 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 programs to nurture our human resources, including an in-house educational program, 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 internal 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).

Basic Recognition, ERM, and Risk Management Policies and Rules

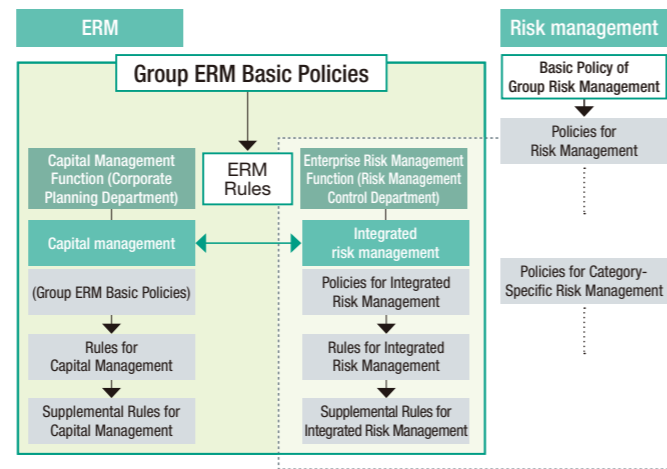
Meiji Yasuda Life recognizes the importance of ensuring sound management and faithfully fulfilling contractual obligations over the long term to achieve its goal of providing customers with services that live up to the management philosophy "Peace of mind, forever." In line with this recognition, the 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 stably enhancing corporate value while striking a balance between growth potential, profitability and financial soundness, Meiji Yasuda Life has utilized an ERM framework in the formulation and implementation of business plans.

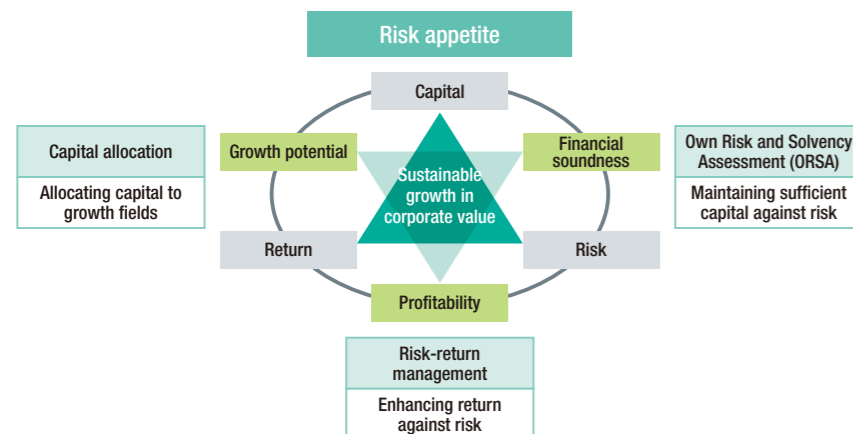
More specifically, to ensure sustainable growth in corporate value and based upon its unique risk appetite, which clarifies the types and levels of acceptable risk, the Company engages in capital allocation, risk-return management and Own Risk and Solvency Assessment (ORSA) in an integrated manner.

In the fiscal year ended March 31, 2020, the final year of the three-year program MY INNOVATION 2020, the Company strove to upgrade its ERM structure by, for example, enhancing the preciseness of risk control, with an eye to addressing issues identified in the course of implementing the Medium-Term Business Plan. As a result, our ESR,

a key economic value-based indicator for financial soundness, stood at 155%* as of March 31, 2020, meeting our Medium-Term Business Plan target of 150 to 160% or more.

In the fiscal year ending March 31, 2021, we will continue to take advantage of our ERM framework to practice a management approach focused on securing financial soundness, which serves as a basis for customer-oriented business operations. At the same time, we will strive to enhance the effectiveness of our ERM-based management in anticipation of the upcoming introduction of economic value-based capital regulations.

* For the fiscal year ending March 31, 2021, the Company has upgraded methods used in ESR measurement in light of the Insurance Capital Standard (ICS) and the status of domestic discussions regarding economic value-based capital regulations while switching to Group-based ESR management. ESR, provisionally calculated using the upgraded methods, stood at 183% as of March 31, 2020.



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 Group 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 provide its customers with services that live up to the management philosophy "Peace of mind, forever" and, to this end, engages in risk-taking in the pursuit of its domestic life insurance business, asset management, affiliate businesses and other operations as long as its financial soundness is maintained at high levels.
- To maintain financial soundness that can earn an "AA" rating, the Company modifies its risk-taking practices based on the level of its ESR, striking a balance between growth potential, profitability and financial soundness. By doing so, the Company will secure stable profit while enhancing its corporate value.

- In the domestic life insurance business, the Company aims to diversify insurance underwriting risk. At the same time, the Company proactively underwrites certain types including medical and nursing care insurance.
- In asset management, the Company focuses on controlling interest rate risk, with due consideration given to the impact of interest rates on its liabilities. The Company also disperses its asset management risk while diversifying its asset management methodologies. In these ways, the Company engages in risk-taking, with the aim of securing the greatest profitability possible within its risk tolerance.
- In the affiliate business, the Company engages in risk-taking aimed at securing potential for sustainable future growth while avoiding the concentration of risk in the domestic life insurance business.

Capital Allocation

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

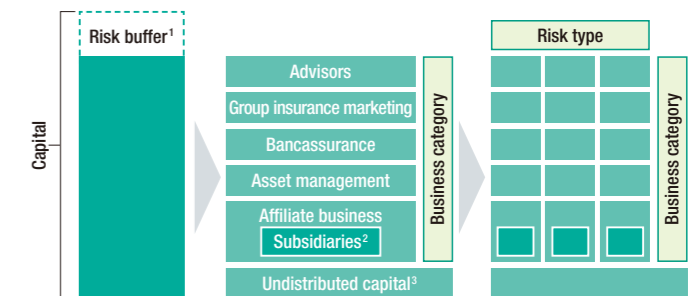
Risk-Return Management

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

Own Risk and Solvency Assessment (ORSA)

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

Capital allocation



- Retaining adequate capital to ensure financial soundness capable of withstanding changes in external factors
- Directly allocate capital to important subsidiaries
- 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

Utilizing ERM in Group Management

From a perspective of managing Group operations, we have established a structure for maintaining robust governance of Group operations in both qualitative and quantitative aspects by ensuring that Group risk appetite is shared by Meiji Yasuda Life and Group companies and by optimally allocating capital to important subsidiaries.

Top Risks

Based on the magnitude of a given risk and the probability (e.g. frequency) of its materialization, the Company has examined various risks, including latent risks, and defined key risks in light of their importance. Among these key risks, those that are particularly deemed to warrant extra attention from management during the fiscal year are identified as top risks and treated as such in the Company's risk management activities.

Our responses to these top risks are stipulated as priority measures, which constitute key components of the annual business plan. Moreover, we monitor the status of our response to such risks, with the aim of ensuring robust risk control through the preemptive implementation of necessary countermeasures and securing our ability to take flexible action whenever a top risk materializes.

The following table lists the top risks that we have identified and are responding to during the fiscal year ending March 31, 2021 (as of May 2020).

Tail risks*	<ul style="list-style-type: none"> Decline in financial soundness due to rapid changes in the market environment <ol style="list-style-type: none"> Deterioration in surplus reflecting the lower domestic interest rates Posting of growing losses due to plunges in stock prices and the appreciation of the yen
Strategic and business risks	<ul style="list-style-type: none"> Insufficiency of response to the fallout from the COVID-19 pandemic
Risk of deterioration in brand value	<ul style="list-style-type: none"> Insufficiency of compliance with legal regulations associated with the solicitation of insurance

* A type of risk that is highly unlikely to occur, but could cause the Company to sustain massive losses should it materialize

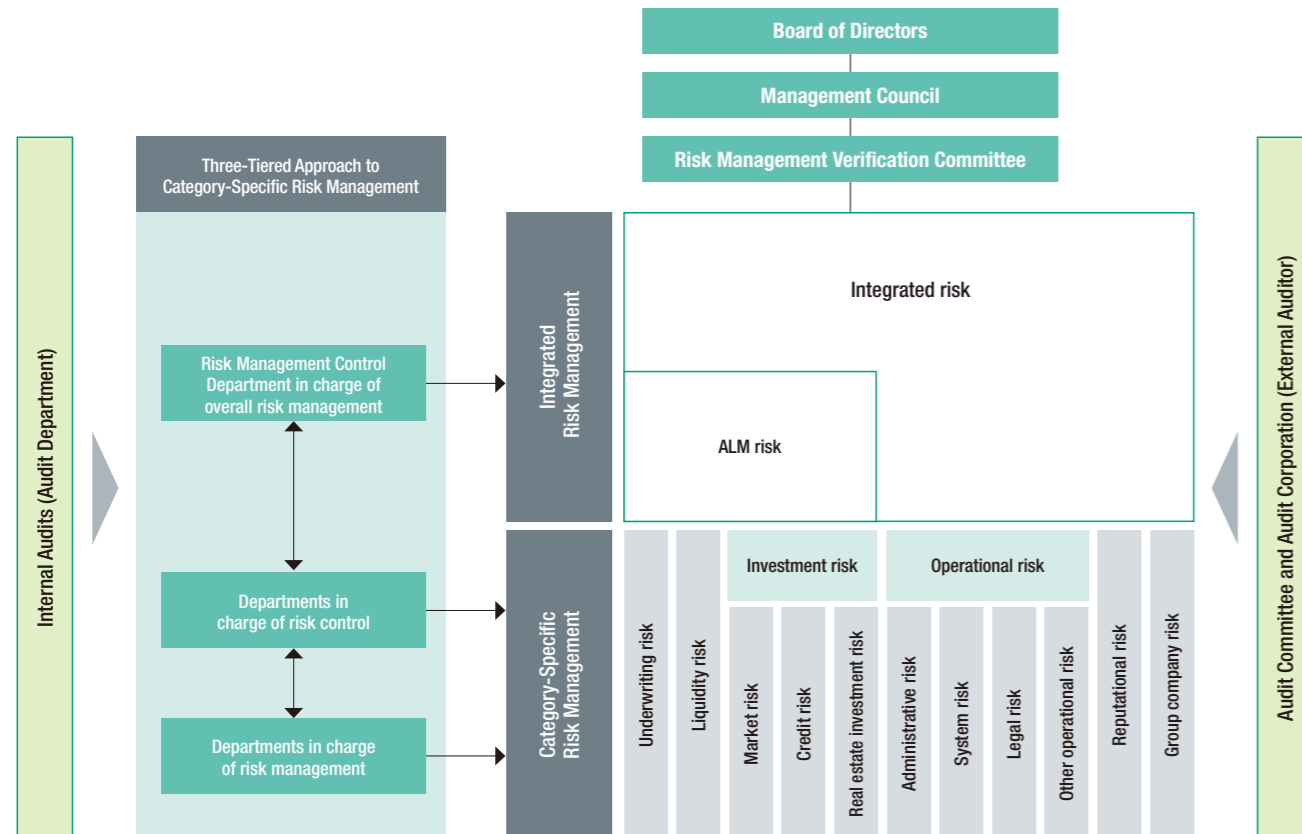
Risk Management Structure

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 Audit Department undertakes audits, while the Audit Committee carries out inspections and the Audit Corporation undertakes external audits. These audits examine the appropriateness and efficacy of risk management functions, as well as the risk management system.

► Overview of the Risk Management Structure



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 deterioration in surplus due to lower domestic interest rates, the occurrence of a major earthquake, a climate change-induced natural disaster, 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
Group company risk	Risk that may cause the Meiji Yasuda Life Group or its customers to sustain losses due to incidents at Group companies

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.” Based on this definition, everyone at Meiji Yasuda Life is expected to proactively apply “Our Conduct Principles.” Specifically, they are called upon to think for themselves about whether their actions put people first and are consistent with a

spirit of fairness.

We recognize that every officer and employee of the Group must practice compliance to realize “A Long-Respected Life Insurance Company That Cares about People First” in line with our corporate vision. With this in mind, we are implementing the following initiatives to promote compliance.

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.

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.

Compliance Structure

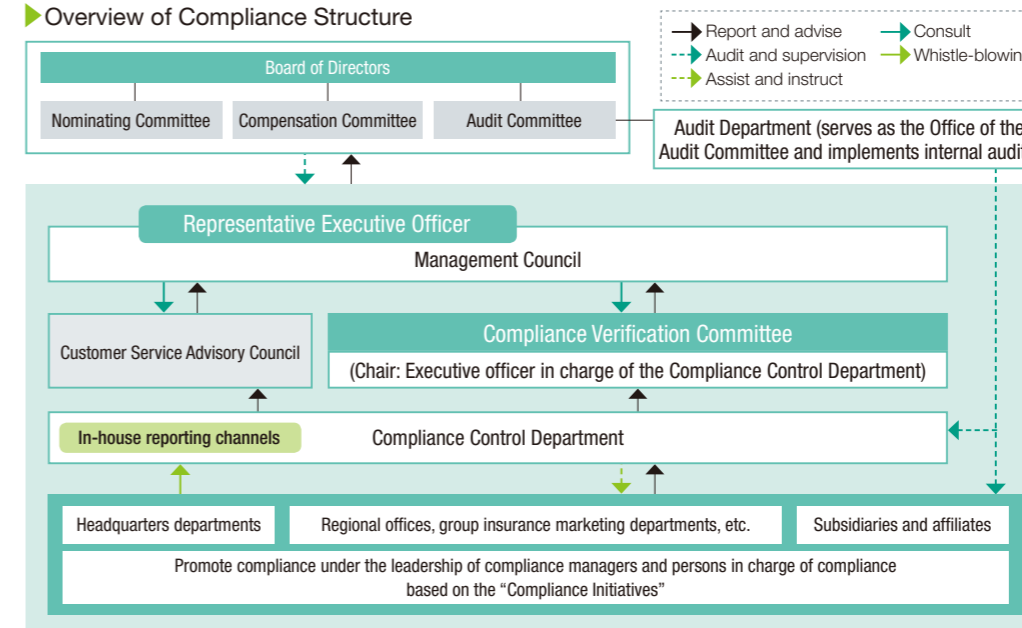
Meiji Yasuda Life has put the Compliance Control Department in place to carry out integrated management of compliance issues throughout the Meiji Yasuda Life Group. In addition to spearheading the development and updating of the Group's compliance structure, this department maintains cooperation with 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 a customer-oriented business approach, thereby serving as an advisory body on these matters.

► Overview of Compliance Structure



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

To robustly promote compliance, each business unit at Meiji Yasuda Life is aware of its compliance risk ownership and is striving to effectively maintain compliance under the leadership of compliance managers and other personnel in charge of the autonomous and continuous operation of a PDCA cycle. In this way, the Company is working to achieve its ideal in terms of compliance. Specifically, we aim to accomplish priority initiatives under the annual business plan and meet our targets based on the evaluation indicators. To this end, we have identified priority compliance fields for each organizational category, such as regional offices and group insurance marketing departments, in light of their risk status. We are thus promoting “Compliance Initiatives” in which each business unit is responsible for the formulation and execution of concrete measures aimed at ensuring compliance. In line with these “Compliance Initiatives,” we have also set objective evaluation indicators, which we use to evaluate compliance status twice yearly,

at interim and year-end. Moreover, progress at each business unit is being reported to such bodies as the Management Council in a periodic manner.

Also, the Compliance Control Department is charged with the periodic monitoring of progress in the “Compliance Initiatives.” The department also provides necessary assistance to ensure that each business unit is able to firmly operate its PDCA cycle.

We also implement mandatory compliance education for all officers and employees. In addition to providing annual compliance training for this purpose, 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.

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 Money Laundering, Financing of Terrorism and Other Financial Crimes / Our Response to Antisocial Forces

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 the financing of terrorism 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.

Promoting Countermeasures against Money Laundering, Financing of Terrorism and Other Financial Crimes

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, financing of terrorism 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 “Group Basic 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.

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.

Protection of Personal Information

Meiji Yasuda Life established its “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.

Relationship with Customers

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Relationship with Local Communities

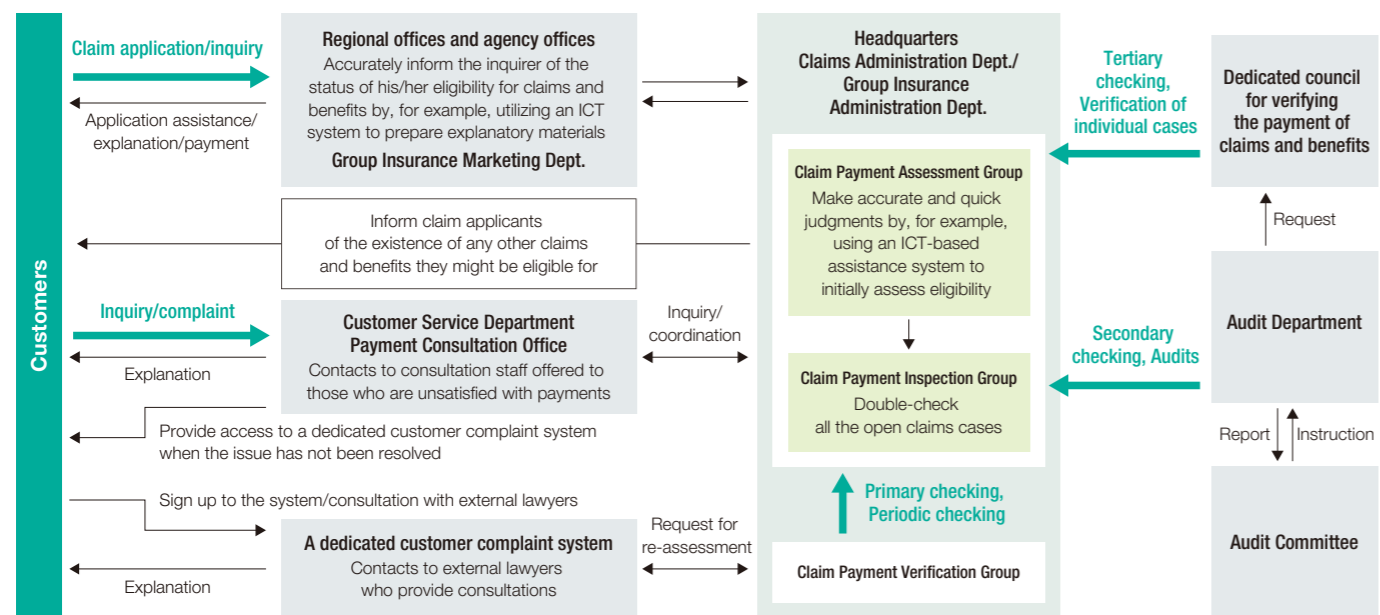
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Relationship with Fellow Workers

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Our basic policy for the payment of insurance claims and benefits is to ensure that claims and benefits are accurately and swiftly paid for every eligible application. We also focus on ensuring that every eligible policyholder is informed of claims and benefits they can apply for. We are thus rallying across-the-board efforts to practice this basic policy.

► A Checking Structure to Ensure Swift, Accurate Payment



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 Claims 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 Audit Department to ensure that even more rigorous audits are carried out. 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 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.

Statistics on the Payment of Insurance Claims and Benefits

We have been periodically disclosing statistics on the payment of insurance claims and benefits as well as the status of the usage of a dedicated customer complaint system aimed at handling issues arising from these matters.

► Status of Payments of Insurance Claims and Benefits (Payments, Ineligible Cases and Breakdown of Both; from April 1, 2019 to March 31, 2020)

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	111	0	2	47	160	3	508	119	1	144	775	935
Cancelled due to serious violation of policies	1	0	0	0	1	0	0	0	0	0	0	1
Indemnification clauses applied	178	18	1	1	198	68	136	26	0	34	264	462
Not eligible for payment	0	26	1,036	3,200	4,262	0	895	18,687	145	1,059	20,786	25,048
Other	0	0	0	0	0	0	0	0	0	0	0	0
Total number of non-payment cases	290	44	1,039	3,248	4,621	71	1,539	18,832	146	1,237	21,825	26,446
Number of payments	62,613	710	1,965	24,620	89,908	16,324	340,813	167,617	524	300,473	825,751	915,659

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, 2019 to March 31, 2020)

This system accepted two cases, both of which involved a customer request for re-assessment. Details follow.

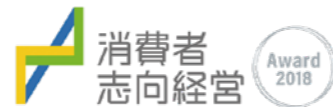
Product type	Detail	Number of cases
Serious disability insurance claims	Complaint challenging Meiji Yasuda Life's decision not to pay serious disability insurance claims as the Company had originally deemed the application ineligible in light of stipulation under terms and conditions for the payment of such claims. (However, the Company carried out re-assessment based on such inputs as new information acquired through additional confirmation and decided to pay insurance claims, changing its initial decision.)	1
Hospitalization benefits, etc.	Complaint challenging Meiji Yasuda Life's decision not to pay hospitalization and other benefits as the Company deemed the application ineligible because the case allegedly involved "deliberate or gross negligence of the policyholder or insured person." (As of June 25, 2020, the re-assessment of the case is under way by the departments in charge of the assessment of payment.)	1

Note: Since the system's installation on March 28, 2006, it has accepted a cumulative total of 159 complaints. Of these cases, 43 resulted in changes to the Company's initial decision.

In line with the “Meiji Yasuda Philosophy,” we have announced the Customer-Oriented Business Operations Policy—Our Declaration of Proactively Pursuing a Customer-Oriented Business Approach. We are thus pursuing customer-oriented business operations aimed at delivering our best to customers.

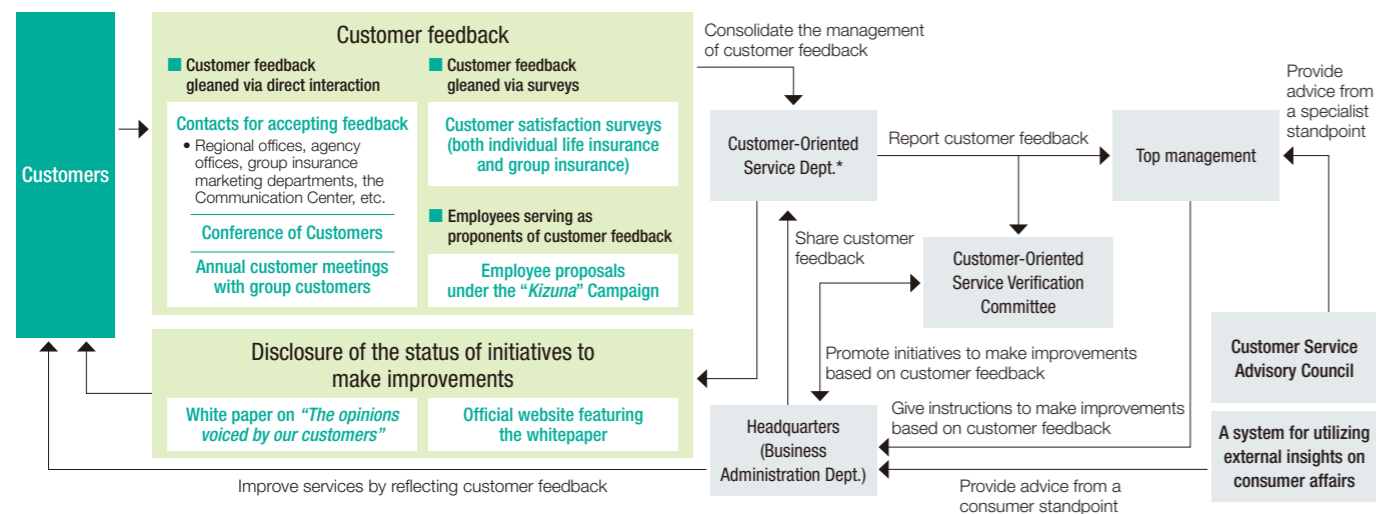
For example, we develop high-quality products and services that accurately meet customer needs. We also provide after-sales services finely tuned to address customer concerns. Furthermore, we strive to ensure that all eligible insurance claims and benefits are smoothly paid to customers. In these ways, our customer-oriented business approach is thoroughly practiced in every aspect of our business operations.

Thanks to the policy and our resulting customer-oriented efforts, we were chosen to receive an Award from the Consumer Affairs Agency Commissioner in November 2018 under an award program sponsored by the agency to commend excellent practices in consumer-oriented management.



Our Systematic Initiatives to Reflect Customer Feedback in Management

Our Systematic Initiatives to Reflect Customer Feedback in Management



* In April 2020, the Customer Relations Department was reorganized and renamed the Customer-Oriented Service Department to upgrade the Company's customer-oriented business approach.

Utilizing Direct Feedback—Voices from Customers

To reflect customer feedback in business management, 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 collectively managed by the Customer-Oriented Service Department by using such tools as 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.

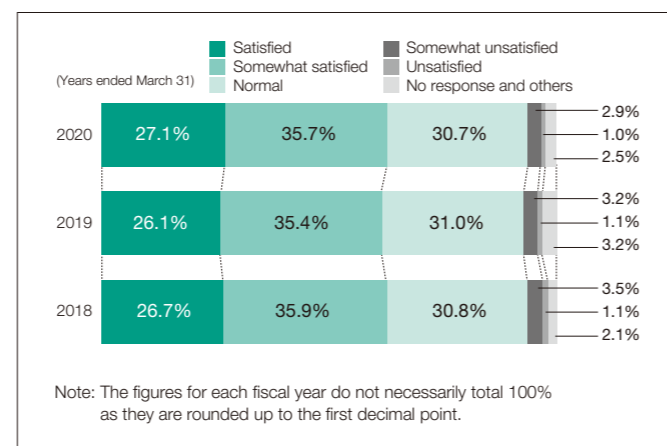
Speaking up on Behalf of Customers—“Kizuna” Proposals

Employees who regularly keep in touch with customers use the insights they acquire in the course of day-to-day operations to create proposals to improve services from a customer perspective.

Addressing Latent Customer Needs—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 customers of our individual life insurance, we are thus assessing what they say about our products and services.

Results of Customer Satisfaction Surveys (Total customer satisfaction)*



* We engage separately in Group Customer Satisfaction Surveys targeting corporate and group customers.

Striving to Enhance the Quality of Consulting Activities

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

Based on these results, we provide customers with an explanation of relevant social security systems, including public pensions and medical insurance, prior to their enrollment in life insurance. Moreover, we employ a simulation tool to calculate the necessary coverage amount to help them confirm the coverage they need in preparation for the major risks

most people face during their lifetime.

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.



A booklet explaining social security systems

Provide information on relevant social security systems and explain necessary coverage in light of each customer's individual circumstances



A simulation tool for calculating the necessary coverage amount

Enhancing After-Sales Services via the “Ease of Mind Service Activities Program” and “Wellness Support Activity”

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

We have incorporated the “periodic policy checking” menu into screen layouts of our “Meister Plus” tablet terminals, with the aim of enabling sales personnel to provide an easy-to-understand explanation of policy content, help customers determine whether they have policies eligible for claims or benefits that they can apply for, and offer optimal advice on insurance based on the customer's intention. In this way, we deliver after-sales services highly attuned to the needs of each individual customer.

In addition, we distribute the “Anshin Roadmap” booklet to customers who have enrolled in “Best Style,” a product capable of providing comprehensive protection. This booklet is designed to provide them with details about our after-sales services following enrollment. Through these and other efforts, we are endeavoring to help customers confirm whether their coverage is optimal in light of their current circumstances while better understanding the value and importance of after-sales services.

“Wellness Support Activity” Aimed at Offering Optimal Health Improvement Assistance

Having launched the “Wellness for All Project” in April 2019, our sales personnel (e.g. MY life plan advisors) are now tasked with providing customers with ongoing health improvement assistance. Our sales personnel continue to fulfill their conventional missions, namely, to “swiftly and accurately assist customers applying for insurance claims and benefits” and to “help customers periodically confirm the content of their policies and otherwise offer useful information.” Beyond this traditional role, our sales personnel now strive to empower customers to nurture their own health literacy, proactively improve their health and embrace the practice of continuous health maintenance.

In particular, for customers who enrolled in “Best Style Health Cash Back” we prepare the “MY Wellness Activity Report,” which employs the results of their health checkups. We also offer support to customers

when they submit the required health checkup results to receive refunds on insurance premiums. We will thus deliver a comprehensive set of useful information to support their health improvement efforts.



Note: The “MY Wellness Activity Report” is a web-based service aimed at providing customers with health-related insights that are individually tailored from an analysis of the health checkup data they submit annually to qualify for the refunding of insurance premiums.

- Notes:
1. If policyholders submit the results of their health checkups on or after the anniversary of their policy, a portion of insurance premiums will be refunded (automatic deposit) on the date the Company receives the health checkup results.
 2. The refunded amount is deposited to the policyholder's account with prescribed interest rates and can be withdrawn upon the request from the policyholders. However, policyholders are not allowed to request withdrawals of the refunded amount deposited to their accounts during the period from the date the Company receives the health checkup results to the date the Company determines the “Cash Bank Points” to be granted to each policyholder to classify them into one of three categories based on their health checkup results.
 3. Policyholders are not eligible for the refunding of insurance premiums if they fail to submit health checkup results.

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.



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 2019, this channel began handling foreign currency-denominated whole life insurance with a single premium. This product is available with three options to meet customer needs with regard to asset building, benefits and advancement.

Initiatives to Create a New Channel

Developing Our Shop Network

Today, our customers' lifestyles and purchasing needs are increasingly diverse. With the aim of accommodating their expanding needs for services at physical shops, 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.

Our "Hoken Shops" are set up to handle various procedures and provide consulting associated with insurance policies while meticulously meeting diverse customer needs for products designed to prepare for inheritance or the onset of dementia and other medical conditions. These shops also offer foreign currency-denominated products and pension products that help customers utilize their assets. Moreover, these shops take advantage of digital tools to provide consulting services employing specialist expertise and accept online booking for consulting session appointments. Maintaining longer operating hours, which extend until 8 p.m. on weekdays and 7 p.m. on Saturdays, these shops also provide convenience for customers who have difficulties visiting shops during weekday workhours. Furthermore, some of these shops began operating on Sundays and national holidays. In addition, our "Hoken Shops" boast excellent locations in terms of accessibility. In 2020, we increased the number of these shops from 20 to 28, establishing new shops in Fukuoka, Hokkaido and Kobe for the first time. Even after enrollment, customers and their inquiries are always welcome, whether it's by visiting, a phone call or an e-mail. We look forward to helping our customers with insurance-related information, including various services associated with health improvement. Our shop network is thus supporting a robust after-sales service structure.

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

Note: In addition to the shops discussed above, Meiji Yasuda Office Partners Co., Ltd., a Group company, operates "Hoken Port" shops that handle products of Meiji Yasuda Life as well as those of other insurance companies.



The "Hoken Shop" Marunouchi

Online Sales Initiatives

Today, a growing number of customers consider information they acquired via the internet before enrolling in life insurance. With this in mind, Meiji Yasuda Life has been striving to enhance the content of various online resources available to customers while promoting "Simple Insurance Series Light! By Meiji Yasuda Life." This flagship product is designed to be "simple," "small amount" and "easy to understand," and it is optimized for those choosing life insurance online.

Moreover, we update video materials on our corporate website to help customers examine and consider the content of products themselves while upgrading such functions as an online simulator for calculating insurance premiums. At the same time, we are reaching out to potential customers via our website and SNS accounts to encourage them to consider enrollment. Also, our official LINE account is equipped with various menus designed to help customers collect information by themselves.

We also aim to fully address the needs of those who are receptive to detailed explanation and proposals in the course of considering enrollment. We usher customers who have requested materials via our official corporate website toward face-to-face counseling with our sales personnel (e.g. MY life plan advisors) or a "Hoken Shop" visit, where they can receive consulting services.

Going forward, we will continue to enhance the content of various online resources in step with advances in technologies while expanding the scope of procedures available online. By doing so, we will improve convenience for customers and help them better understand our products.



"Simple Insurance Series Light! By Meiji Yasuda Life"

Life Insurance

Releasing "Whole Life Medical Insurance with a Lump-Sum Benefit" (August 2019) and "Dementia Care MCI Plus" (February 2020)

We released whole life medical insurance that provides policyholders who underwent a single-day hospital treatment with a lump-sum benefit in addition to offering conventional hospitalization coverage for those who were hospitalized. Also, the product helps with payment of expenses for a private room, meals and other peripheral services while covering treatment costs arising from hospital visits prior to or after hospitalization. "Dementia Care MCI Plus" is medical insurance employing the combina-

tion of whole life medical coverage, which provides a lump-sum benefit for hospitalization risk, with coverage for those who developed mild cognitive impairment (MCI) and coverage for families who take on the nursing care of policyholders with more severe symptoms. In this way, the product assists policyholders who have MCI in their efforts to relieve the symptoms or prevent them from worsening while simultaneously reducing the burden placed on their families.

Releasing "Foreign Currency-Denominated Endowment Insurance with a Single Premium" (August 2019)

This endowment insurance with a single premium is available at affiliated financial institutions. While helping policyholders secure robust assets

denominated in foreign currencies (U.S. dollars or Australian dollars), the product delivers insurance claims 10 years after enrollment upon maturity.

Releasing "Foreign Currency-Denominated Whole Life Insurance with a Single Premium" (December 2019)

The lineup of this whole life insurance includes a number of variations.

"Foreign currency-denominated whole life insurance with insurance period options" allows policyholders to set the first insurance period at five, seven or 10 years, aiming to help them build assets denominated in U.S. dollars over the medium to long term.

"Foreign currency-denominated whole life insurance with easy endowment" helps policyholders smoothly carry out the advancement of assets, denominated in U.S. dollars, in a planned manner while they

are living.

Also, "foreign currency-denominated whole life insurance with three options" sold via affiliated financial institutions is available with policy options designed to meet customer needs with regard to asset building, benefits and advancement.

Note: The lineup of products handled by these institutions may change due to such factors as trends in market interest rates.

Our Customer Services

Distributing the Annual "Notification from Meiji Yasuda Life"

We distribute a set of annual publications titled "Notification from Meiji Yasuda Life" to all policyholders. These materials provide each recipient with the content of their enrolled policies, as well as other important matters, we want them to confirm.

We annually improve the articles and layout of these materials by drawing on opinions and requests from customers. In the fiscal year ended March 31, 2020, we updated a booklet "Notification on the Content of Policies" to feature a list of the main materials attached. We also improved the content of guidance printed on this booklet to help policyholders confirm in an easy-to-understand manner whether the

registration status of persons insured, recipients, secondary contacts and other individuals concerned is properly updated and whether they have eligible claims and benefits they want to apply for.

In the fiscal year ending March 31, 2021, we aim to provide "Best Style" policyholders who have "Health Support Cash Back Rider" with the timely explanation of their classification status based on "Cash Back Points" and the amount of refunds they can receive. To this end, we will send policyholders a "Notification from Meiji Yasuda Life" that is optimally timed with the anniversary of the policy.

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

We maintain the “MY Hoken Page,” a website dedicated to policyholder services, as part of Meiji Yasuda Life’s official corporate website. This page is designed to deliver our after-sales services to customers who have difficulties with receiving services involving in-person contacts.

Various Procedures Can Be Completed via Our Website

Policyholders can complete procedures, such as filing out applications for benefits or amending their address online, as well as submitting requests for the shipping of certain procedure forms.

Informative Content about Convenient Services Available to Policyholders

Policyholders can confirm the lineup of services available to them, such as those associated with health improvement assistance and medical

treatment, and submit applications for such services. Some of these services provide additional privileges.

Ongoing Assistance to Health Improvement Efforts

Policyholders can submit health checkup results, which, in turn, are utilized to annually prepare the “MY Wellness Activity Report” that they can view online. The website functions also include a simulator for assessing the classification of each policyholder based on “Cash Back Points.”

- Notes: 1. To create a “MY Hoken Page” user account, policyholders are asked to perform ID registration and set 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.
2. The “MY Wellness Activity Report” service is available only to policyholders who enrolled in specific insurance products.

“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. This service program provides eligible policyholders with the privilege to receive advanced medical checkups and thereby assists them in earlier disease detection, as well as disease risk prevention. For those who have developed diseases, the program offers second opinions and other services aimed at supporting the prevention of serious symptoms. Furthermore, this program offers phone-based counseling services by healthcare specialists, including around-the-clock health counseling free of charge.

In addition to these three services, we introduced an app for chat-based counseling, further strengthening the lineup of the program. The app debuted in conjunction with the February 2020 release of “Dementia Care” and “Dementia Care MCI Plus.” Our policyholders can now casually use this counseling service with the privilege to seek advice from medical specialists at any time. Also, we began distributing free-of-charge video content designed to improve viewers’ cognitive functions. As such, we have expanded the lineup of services for people seeking a fulfilling life after retirement.

Note: Policyholders must meet certain conditions to use this service.



Meiji Yasuda Life Second Opinion Service

“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.

This service is available to customers who enrolled in the following products (free of charge).

Scope of eligible individuals: Policyholders of and persons insured under “Best Style,” “Whole life medical insurance for people age 50 or older,” “Whole life medical insurance with a lump-sum benefit,” “Dementia Care” and “Dementia Care MCI Plus”

Around-the-Clock Health Counseling Service

This service provides policyholders and their families with free-of-charge, around-the-clock counseling on their health-related concerns. The service allows them to casually seek specialist advice on topics ranging from details about a disease, how to handle it or what causes the symptoms to first-aid for injuries, in addition to offering referrals to medical institutions.

Scope of eligible individuals: Policyholders of and persons insured under any Meiji Yasuda Life product as well as policyholders’ families (within second degree of kinship)

Note: Meiji Yasuda Life Second Opinion Service and Around-the-Clock Health Counseling Service are run by T-PEC CORPORATION, a subcontractor of Meiji Yasuda Life.

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

Since its founding in July 1991, Meiji Yasuda Research Institute expanded the fields of its survey and research, undergoing reorganization twice in April 2019 and April 2020. Today, the institute has grown into a think tank fulfilling a broad range of survey and research functions to address subjects ranging from healthcare, digital technologies, social structure and the economic environment to regulatory trends 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.

Relationship with Customers

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 (e.g. MY life plan advisors) 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.

Utilizing “Meister Plus” Tablet Terminals

For approximately 30,000 sales personnel, including MY life plan advisors, who operate in regions nationwide, we have deployed “Meister Plus,” a 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” serves 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 enhanced 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 improved screen layouts so that customers can navigate procedures following on-screen instructions alone. We also revised procedures to accept electronic applications for benefit payments. In these ways, we are striving to further enhance customer convenience.

Utilizing “MY Phones” (company-furnished smartphones)

We have introduced company-furnished smartphones called “MY phones” for use by MY life plan advisors and other 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 “LINE WORKS,” 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 is thus enabling Meiji Yasuda Life to smoothly deliver life insurance-related information and explanations about procedures to customers.

In addition, we are striving to go paperless by taking advantage of a high-definition camera installed in “MY phones.” More specifically, sales personnel can 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 no longer need to take original copies away from customers and can complete 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.

Introducing Cashless Payment Terminals

Having introduced payment terminals, we are enabling customers to use credit cards (for payment involving ¥100,000 or less) and cash cards, as part of our efforts to realize cashless operations and enhance customer convenience.

These terminals are also able to register or switch customers’ bank

accounts used for premium payments by simply reading their cash cards. Thus, customers no longer need to fill in paper forms to apply for these procedures, nor are they 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.

Initiatives to Facilitate Innovation

We promote initiatives to facilitate innovation employing cutting-edge technologies to enhance customer communication and improve operational efficiency.

Introduction of “MY Phones,” Company-Furnished Smartphones, and the Development of an App for Assessing Cognitive Functions

In September 2019, we introduced “MY phones,” company-furnished smartphones, for use by all sales personnel (e.g. MY life plan advisors). “MY phones” are equipped with “LINE WORKS,” a LINE app for business use, as well as a high-definition camera. This move is expected to upgrade our customer service as these devices help us better adapt to the diversification of communication tools and enhance such after-sales services as those associated with policy maintenance.



Reading a paper form with a high-definition camera to smoothly perform various procedures



A screen capture from a training app installed in “MY phones.” The app allows sales personnel to check their own facial expressions and speaking skills while they undergo training programs involving AI-based role playing.

In addition, we have developed “Casual Brain Check,” an app for assessing users’ cognitive functions* in conjunction with the release of insurance products with coverage for dementia countermeasures.

* Cognitive function refers to intellectual abilities such as understanding, judgment and logical thinking.



Examples of the app’s screen layouts: The “Casual Brain Check” helps users assess their brain activeness to encourage behavioral changes to prevent dementia (the app is provided to customers via “MY phones” and other outlets).

Enhancing Operational Efficiency via the Use of AI and Robotic Process Automation (RPA)

We are striving to enhance operational efficiency via the use of AI and RPA. To this end, we have introduced an AI-based Optical Character Reader (OCR) to read receipts of medical expenses, a chat bot capable of responding to customer inquiries, and an AI-driven assistance tool for in-house inquiries.

Meiji Yasuda Life’s Organizations Tasked with Innovation

Meiji Yasuda Life boasts organizations tasked with the utilization of digital, healthcare, data analytics and other technologies in cutting-edge fields. The Digital Innovation Planning Office and Meiji Yasuda Research Institute, Inc. spearhead across-the-board initiatives centered on big data analysis and open innovation.

Big Data Utilization

We are stepping up human resource development to nurture data scientists via the implementation of unique education curriculums while developing our system platforms, with the aim of promoting the use of data analytics in business operations.

Open Innovation

We are engaged in collaboration with external partners in different business sectors as well as research organizations in a proactive effort to incorporate outside input. In the healthcare field, we participate in joint research with Hirosaki University, which boasts health-related big data, and MiRTeL Co., Ltd., a venture startup originating from Hiroshima University, to study pre-symptomatic diseases. We have also signed a partnership agreement with Keio University’s Institute for Advanced Biosciences. Utilizing cutting-edge scientific technologies, this partner-

ship aims to help resolve issues confronting society and contribute to the development of regional communities.

To step up collaboration with venture startups, in November 2019, we began employing services provided by Plug and Play Japan, the Japanese branch of a world-leading accelerator, to develop connections with a broad range of external corporations.

Promoting Industry-Academia Partnerships and Collaboration with Venture Startups



HIROSAKI COI
center of innovation



MiRTeL



PLUGANDPLAY JAPAN

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 local subsidiaries in New York and London in preparation for future business development.

Guided by the Meiji Yasuda Philosophy, these subsidiaries and affiliates are assiduously playing their part in the Group's efforts to rally its overall strengths to improve services and contribute to society.

Overview of the Overseas Insurance Business

● Local subsidiaries in New York, London and Hong Kong

Meiji Yasuda Europe Limited



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 2019, TU Europa S.A. was chosen to receive an award by a local private independent research agency for its customer service quality. This affiliate has garnered particularly high reputation for IT-driven customer services. In the same year, TUiR Warta S.A. was granted an award under a commendation program sponsored by two major local newspapers with the aim of selecting excellent companies in terms of product and customer service quality based on consumer surveys. This affiliate was the only insurance company selected under the 2019 round of the program, drawing praise for the solid reputation it has achieved over 15 years.



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. and Haier Group. In 2019, Founder Meiji Yasuda Life was commended by *China Business Journal* for a second consecutive year as an insurer with excellent competitiveness. Having also been chosen to receive a Golden Bell Prize at China Data Intelligence Summit Forum, this joint venture has garnered high praise for its initiatives to utilize big data and provide excellent customer services.



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, "To be an iconic brand inspired by the people for the people," Thai Life takes advantage of its significant brand recognition backed by a track record that extends more than 75 years. For a third consecutive year, Thai Life has been chosen to receive the World Branding Award under a commendation program sponsored by the U.K.-based NPO. Moreover, in 2019, Thai Life expanded its business into the neighboring Myanmar market and reinforced its profit base. Currently, we are striving to help Thai Life achieve sustainable growth by, for example, providing assistance to its initiatives in distribution channels 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 and Meiji Yasuda are aligned in many complementary areas including corporate strategy, business goals and a deep focus on customers. The Standard's Retirement Plan business, for example, earned 31 Best in Class designations (a record) for customer service

and administration excellence in *PLANSPONSOR* Magazine's 2019 annual survey. 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 2019, this generosity and commitment was recognized with many awards including a Corporate Philanthropy Award from the *Portland Business Journal* for The Standard's corporate giving. Driven by the culture of giving back, Greg Ness, chairman, president and CEO of The Standard, also received the 2019 William S. Naito Outstanding Service Award from the *Portland Business Alliance* for his many contributions to the city and region.



Meiji Yasuda America Incorporated



PACIFIC GUARDIAN LIFE



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 2019 PGL employees helped organize a fund-raising event sponsored by a local medical institution and also participated in a charity walking event under the auspices of a community organization.



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.

Avrist is also active in CSR activities aimed at improving women's social standing in Indonesia and helping children raise their career awareness. As part of these activities, Avrist began collaborating with an NPO in 2019 to organize a human resource development program to nurture female entrepreneurs. Meiji Yasuda Life is dispatching personnel to help this affiliate raise its corporate value through such measures as strengthening its sales capabilities.



Guided by the spirit of mutual assistance, which led to our founding as a mutual company, we are active in regions around the nation, engaging in social contribution activities aimed at better accommodating the needs of regional communities while helping children grow soundly.

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 2020 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 help children grow soundly and vitalize regional communities by, for example, hosting soccer clinics for elementary school students and organizing tours for supporters to cheer live at the stadium for their favorite J.League club.

* 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 Helping Children Grow Soundly

Community Safety Initiative

In September 2014, we launched community-based initiatives in which sales personnel (e.g. MY life plan advisors) 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

The Company makes donations to NPOs engaged in initiatives to address social issues, selecting recipients from around the country in collaboration with the Japan Philanthropic Association. The most recent beneficiaries included organizations supporting children, people with disabilities, elderly people and communities hit by natural disasters as well as those addressing environmental issues.



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 2019, we donated to 11 citizen groups, expanding the total number of beneficiaries to 196 over the course of the past 19 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 67,610,000 children with these patches.

Note: This activity is conducted in tandem with Mizuho Financial Group, Inc., Sampo Japan 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 36 years, the concerts have been held at 161 special-needs schools around Japan.



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 2019, we held these events in five locations, namely, Oita, Ibaraki, Niigata, Aichi and Kochi 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 campaign raise money to support

orphans with their schooling and mental healthcare. In 2019, this event was held in 73 locations across Japan and the number of employees and their families who participated in this activity totaled approximately 43,000.



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 1,900 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, this foundation engages in a range of surveys and research on health improvement 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 benefit society as a whole, the foundation is raising public health awareness by, for example, providing its health-related insights, backed by scientific evidence, to local governments, business corporations, community organizations and other entities. The foundation also presents health-themed lectures while hosting health checkup events. In recent years, the foundation has focused on assisting businesses in their efforts to promote employee health management aimed at countering the harmful effects of sitting at a desk for long periods of time in addition to reaching out to regional communities to help nurture health literacy.

Meiji Yasuda Health Development Foundation

Launched in April 2017, this foundation took over some operations previously handled by Meiji Yasuda Life Foundation of Health and Welfare and related to comprehensive health checkups (including the Shinjuku Health Checkup Center). Today, the foundation is also charged with managing the Health Improvement Assistance Center, which was established in April 2019.

The Health Improvement Assistance Center is hosting health seminars involving hands-on lectures offered by certified health and exercise trainers, registered dietitians and other specialists, with the aim of helping participants nurture science-based health literacy and raising their health

awareness. In addition, the center also provides information and assistance to support organizations seeking to promote health-oriented corporate management.

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 helping children grow soundly. The foundation provides expert counseling and other services to assist parents raising children with developmental disorders and the 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.

In line with MY Mutual Way 2030, we aim to become a mega life insurer capable of reaching out to regional communities by employing a “Policyholders First” approach. To this end, we promote human resource development from a long-term perspective while providing optimal assistance to each employee based on the areas they find motivating and their competencies, better positioning them for personal growth and

career success. Simultaneously, we are developing a structure to help employees take on higher goals and realize the full potential of their assignments. That is why Meiji Yasuda Life has positioned “diversity & inclusion” as a priority issue. Looking ahead, we will thereby raise the value of our human resources while fostering an inclusive corporate culture that embraces diversity.

Creating an Environment and Structure for Motivating Diverse Human Resources to Realize Their Full Potential: Our Human Resource Development Programs

Encouraging Women Who Aim for Career Success

Career Development Assistance

As part of our ongoing initiatives to nurture female manager candidates, we maintain various assistance programs, extending opportunities to be mentored by officers, to apply for select training sessions and to interact with their peers from different business sectors. These assistance programs are designed to meet varying needs in light of the assignments they aim to take on. We have also established a dedicated in-house career counseling desk.

Updating Personnel Systems to Assist Women in Their Pursuit of Success

We have been reorganizing our personnel systems to support two distinct job categories: “nationwide career track employees” and “region-specific career track employees,” stipulating 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. In the course of this reorganization, we have also placed stronger emphasis on the principle of “equal pay for equal work” to enhance the persuasiveness and transparency of the wage system.



(Left) Included in “FY2014 Diversity Management Selection 100” published by the Ministry of Economy, Trade and Industry (March 2015)

(Right) 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)
In December 2015, Meiji Yasuda Life declared its support of the “Declaration on Action by a Group of Male Leaders Who Will Create a Society in which Women Shine” under the auspices of the Gender Equality Bureau Cabinet Office, and has since renewed that declaration annually.

Creating a Workplace in Which People with Disabilities Play Key Roles

As we aim to offer an inclusive workplace to employees with disabilities, we deployed tablet terminals equipped with a UD talk* app in addition to establishing an in-house counseling desk for such employees. Moreover, we offer them opportunities for promotion while otherwise helping them fully live up to their ambitions and achieve further career success.

We also offer employment for people with disabilities at Meijiyasuda Business Plus Co., Ltd., a special-purpose subsidiary founded in 2017, striving to empower diverse employees with disabilities to realize their career ambitions and full potential.

*An informational supplement app that performs real-time speech-to-text conversion for people with hearing disabilities

As of June 1,	2017	2019
Number of employees with disabilities	899	1,004
Ratio of employees with disabilities to the overall employee headcount	2.04%	2.21%

Note: The figures presented above include those hired by Meijiyasuda Business Plus.

Offering a Broader Range of Career Opportunities

We are broadening the range of career opportunities offered to each female employee to help them pursue their 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.

We have been striving to raise the ratio of female managers to overall managerial positions to approximately 30% by April 2020. This ratio stood at 30.1% as of April 1, 2020, satisfying our initial target thanks to our systematic, ongoing efforts to promote women to managers via the provision of career and skill development assistance to promising candidates.

As of April 1,	2012	2016	2020
Number of female managers	69	212	384
Ratio of female managers to overall managerial positions	3.8%	17.6%	30.1%



A job level-based training session for female employees

Offering Robust Job Opportunities for Middle Aged and Senior People

In April 2015, we abolished age limits for managerial candidates and, in April 2019, we lengthened the retirement age to 65. This was part of our initiatives aimed at encouraging middle aged and elderly employees to remain key workforce components and, to this end, helping them take full advantage of their longstanding business experience and accumulated skills.

We are also implementing career design training for those aged 50 and 58 to help them develop their careers autonomously while offering the “Self-Career Dock,” a career counseling and e-learning program available to any of these employees. In these ways, we strive to meet individual needs for career development assistance.

As of April 2020, the number of employees aged 57 or older assuming senior management duties reached 25. Looking ahead, we will continue to encourage middle aged and elderly employees to pursue further career fulfillment.



A career design training session

Fostering a Corporate Culture That Embraces Diversity and Helps Employees Inspire One Another

Corporate Culture Starts at the Top

As part of our proactive initiatives to foster a corporate culture and workplace environment that encourages mutual collaboration and helps employees inspire one another, all officers and managers at Meiji Yasuda Life are being called to proactively play their role in fostering this kind of corporate culture and workplace in a way that helps improve organizational performance. To this end, they have declared their commitment to fulfilling these duties and are striving to act upon their action plans. Meanwhile, the Company is conducting surveys targeting all business units to assess the degree of their accomplishments while reflecting survey results in the evaluation of their duties. Through the practice of the PDCA cycle explained above, Meiji Yasuda Life is striving to develop a better environment for fellow workers and help them achieve personal growth.

We also host the annual in-house award program to commend exemplary individuals while sharing their initiatives via the intranet. In ways like these, we are helping each business unit autonomously incorporate best practices to create the desirable corporate culture and working environment.



(Left) Received a “Special Encouragement Award” under the “Ikumen Company Award” program sponsored by the Ministry of Health, Labor and Welfare (MHLW) (October 2013)

(Right) President Akio Negishi holding a statement of declaration

Holding Annual Diversity Forums

As we aim to foster a corporate culture that embraces diversity & inclusion (D&I), we hold an annual Diversity Forum, which convenes individuals who are appointed at business units across the nation, to spearhead D&I initiatives. The forum serves as a venue for sharing messages from top management with attendees and discussing how to resolve the issues currently being confronted by business units as they carry out D&I initiatives.

Note: In the fiscal year ending March 31, 2021, the Company held the Diversity Forum online.



Diversity Forum

Developing a Working Environment That Embraces and Facilitates the Understanding of the LGBT Community

We are striving to create a working environment where members of the LGBT community can work in confidence. For example, our employees who have same sex partners are deemed legally married and eligible for rights for special paid leave (e.g. leave granted at the occurrence of life events). Also, those with same sex partners are now eligible to apply for some employee benefit programs designed for married couples, including the use of company-furnished housing. Moreover, we have set up a dedicated in-house counseling desk while encouraging employees to become allies to such people and express support for them. In addition, each business unit is striving to facilitate employee understanding of the LGBT community by, for example, participating in LGBT-related events and implementing training sessions.



(Left) Participants taking a photo after an LGBT-related event

(Right) Obtained a “Gold” rating under the Pride Index rating program aimed at commending business corporations striving to create an inclusive workplace environment for members of the LGBT community, for the third consecutive year

Promoting Flexible Working Styles

At Meiji Yasuda Life, all business units 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 labor efficiency via workstyle reforms. This program involves assessing the status of work-life balance at each business unit, granting points based on such factors as progress in the popularization of working from home and flextime programs and the amount of childcare leave taken by male employees. Assessment results are also reflected in the evaluation of business unit managers.

In addition, we implement the “MY Style” campaign aimed at adopting a more relaxed dress code, such as “business casual.” Throughout the year, employees are allowed, for example, to wear sneakers instead of formal business shoes. This move is expected to help employees embrace flexible workstyles, come up with unconventional ideas and facilitate open communications.



(Left) Received awards under the “Excellent Equal Opportunity/Work and Family-Life Balance Companies” commendation program sponsored by MHLW

- “Tokyo Labour Bureau Director’s Excellence Award” conferred twice in the Equal Opportunity Category and the Family-Friendly Corporation Category (September 2012)
- “Award for Excellence from the Minister of Health, Labor and Welfare” in the Family-Friendly Corporation Category (October 2013)

(Right) 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)

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Status of Our Group Performance

The Group performance refers to consolidated performance comprising business results of Meiji Yasuda Life and those of its subsidiaries, including StanCorp Financial Group.

In the fiscal year ended March 31, 2020, the base profit of the Group

hit a record high for the third consecutive year. Going forward, we will promote the domestic life insurance business, overseas insurance business and other to enhance customer interest and continuously deliver unwavering peace of mind to customers.

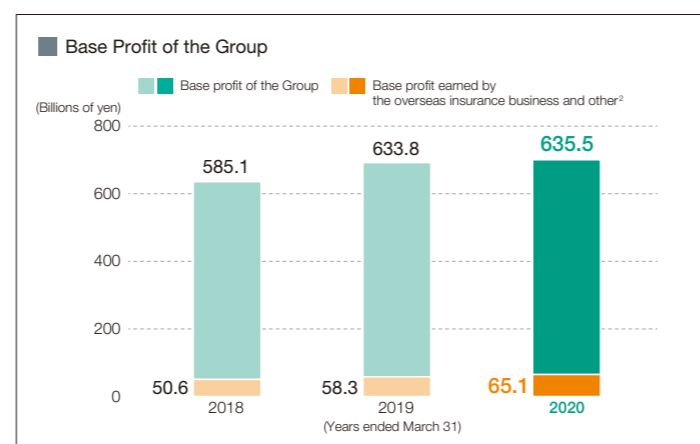
¥635.5 billion

Base Profit of the Group¹

In the fiscal year ended March 31, 2020, the base profit of the Group stood at ¥635.5 billion, an increase of 0.3% year on year, hitting a record high for the third consecutive year.

This was mainly attributable to dividend income from foreign bond investment trusts.

(Billions of yen)			
Years ended March 31,	2018	2019	2020
Base profit of the Group	585.1	633.8	635.5
Contribution by StanCorp	35.9	42.5	49.3

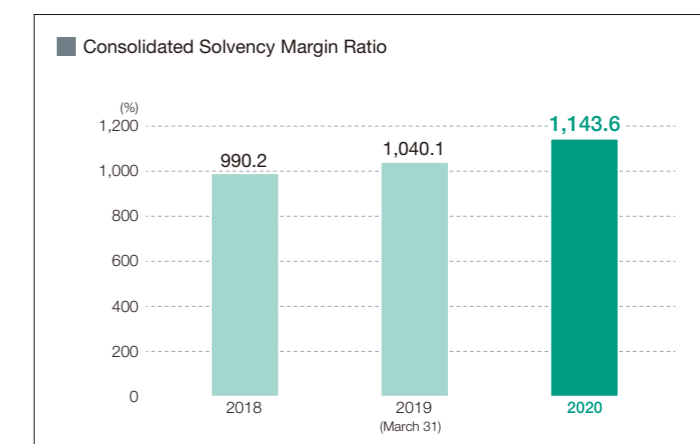


Consolidated Solvency Margin Ratio

1,143.6%

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 1,143.6%, maintaining the indicator at a high level.



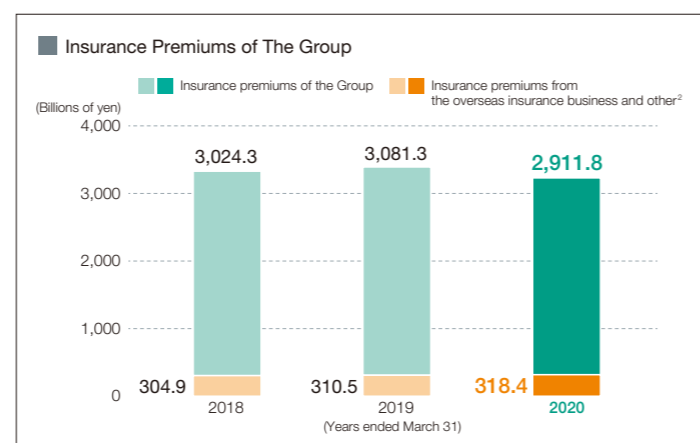
Insurance Premiums of the Group³

¥2,911.8 billion

Insurance premiums of the Group totaled ¥2,911.8 billion, a decrease of 5.5% year on year.

This was attributable to a decline in revenues of Meiji Yasuda Life on a non-consolidated basis.

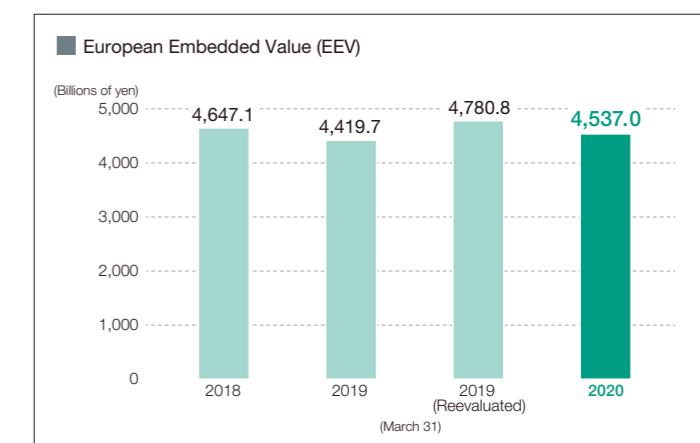
(Billions of yen)			
Years ended March 31,	2018	2019	2020
Insurance premiums of the Group	3,024.3	3,081.3	2,911.8
Contribution by StanCorp	281.1	286.7	294.4



European Embedded Value (EEV)⁴

¥4,537.0 billion

EEV is an indicator that shows the corporate value of insurance companies. On a consolidated basis, our EEV amounted to ¥4,537.0 billion.



¹ Calculated by adding the base profit of the Company to income before income taxes, which excludes capital gains and losses, recorded by its consolidated subsidiaries and equity method affiliates and adjusted based on the ratio of equity stakes held by the Company in these entities. Some intragroup transactions are offset in the course of calculating base profit.

² Sum of operations other than the domestic life insurance business.

³ Insurance premiums and other as presented in the consolidated statement of income.

⁴ In the first half of the fiscal year ended March 31, 2020, the Company switched its extrapolation method to a method that uses ultimate interest rates with an eye to securing preparedness to the introduction of the Insurance Capital Standard (ICS), an international standard currently discussed by the International Association of Insurance Supervisors (IAIS). Moreover, the Meiji Yasuda Life Group's EEV as of March 31, 2020 includes net assets recorded by Meiji Yasuda General Insurance Co., Ltd. as "other net assets than those associated with regulated businesses." (The above graph also presents the Group's EEV as of March 31, 2019 being reevaluated via the inclusion of such assets.)

External Ratings by Rating Agencies

Meiji Yasuda Life obtains external ratings to help stakeholders objectively evaluate its operating status, including financial soundness. These ratings are obtained from rating agencies and represent the Company's ability to pay insurance claims and insurance financial strength. (As of July 2, 2020)

AA-

**Rating and Investment Information (R&I)
Insurance claims paying ability**

Very high claims paying ability supported by some excellent factors.

AA-

**Japan Credit Rating Agency (JCR)
The ability to pay insurance claims rating**

A very high level of certainty to honor the financial obligations.

A1

**Moody's
Insurance financial strength rating**

Obligations rated A are judged to be upper-medium grade and are subject to low credit risk.

A+

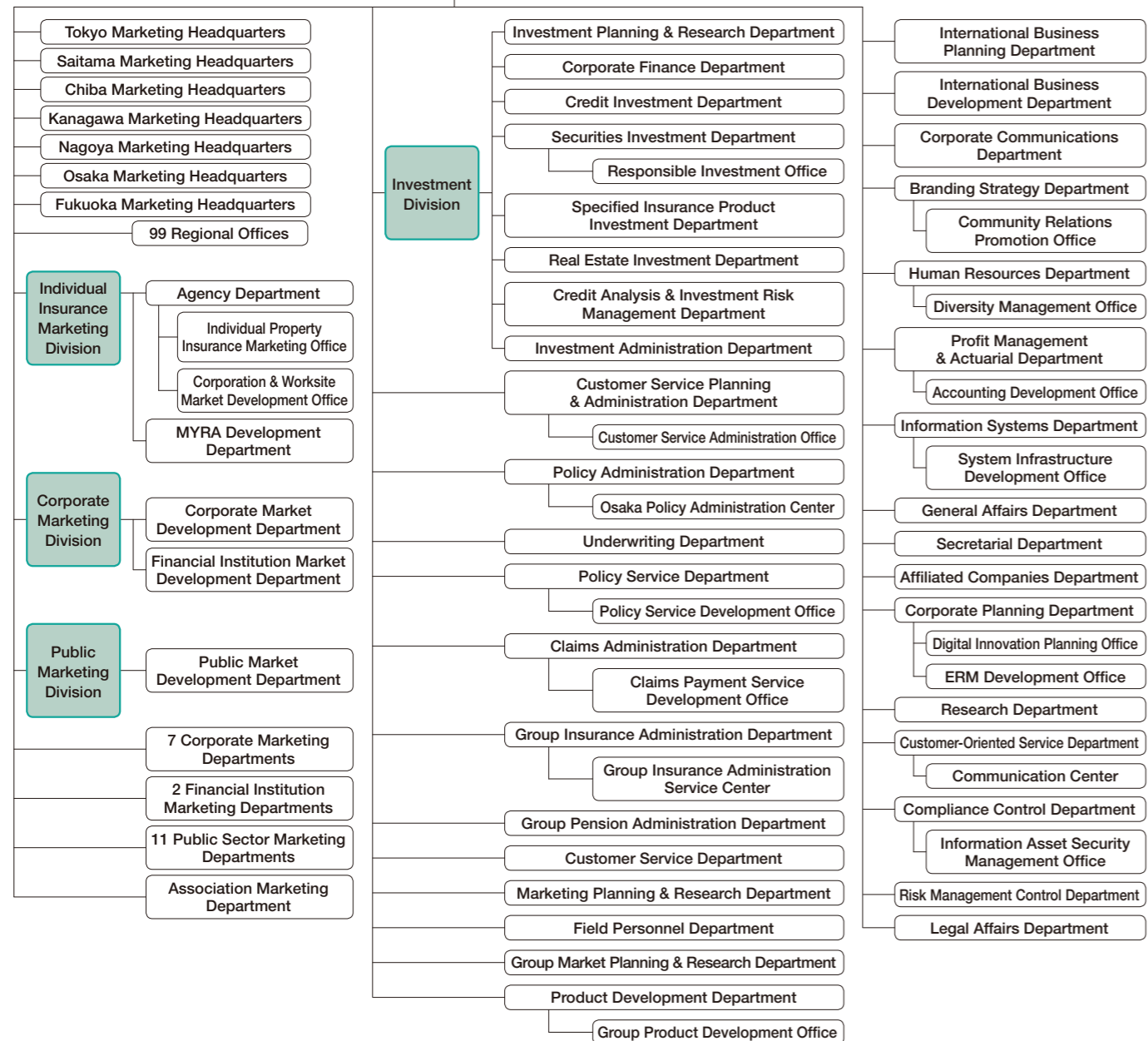
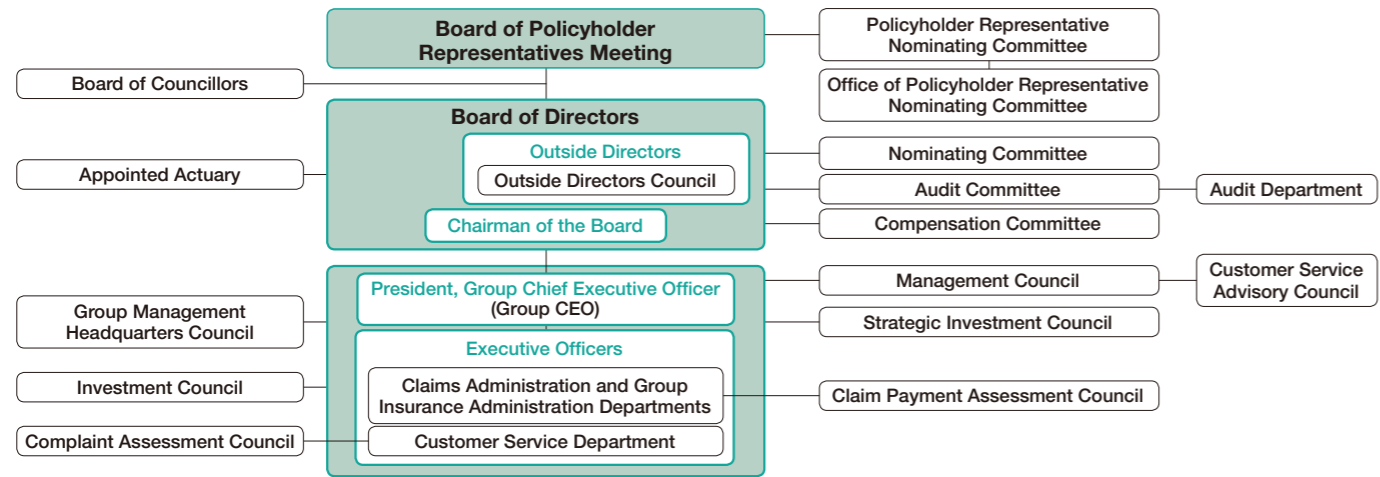
**S&P
Insurer financial enhancement rating**

An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong.

- Notes: 1. The ratings presented above were provided upon the request of Meiji Yasuda Life.
2. The abovementioned agencies are registered as credit rating agencies certified by Japan's Financial Services Agency.
3. Ratings with "+" or "-" represent the Company's standing relative to peers in the same category.
As for a rating by Moody's, "1" suggests that the Company commands high ranking in the same category represented by the letter "A."
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.

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Sources of Foundation Funds

Contributors	Size of Contribution	
	Amounts Contributed (millions of yen)	Proportion (%)
Meiji Yasuda Life 2016 Fund Special Purpose Company, Ltd.	100,000	40.00
Meiji Yasuda Life 2017 Fund Special Purpose Company, Ltd.	50,000	20.00
Meiji Yasuda Life 2018 Fund Special Purpose Company, Ltd.	50,000	20.00
Meiji Yasuda Life 2019 Fund Special Purpose Company, Ltd.	50,000	20.00

Note: All four of the above listed funds 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		2020	
	2019	2020	2019	2020	Average age	Average length of service
Permanent staff	10,506	10,676	302	327	44 years, 8 months	16 years, 5 months
Male	4,438	4,473	134	174	44 years, 10 months	21 years, 3 months
Female	6,068	6,203	168	153	44 years, 7 months	12 years, 11 months
Sales personnel	32,444	33,000	5,920	5,860	47 years, 3 months	10 years, 5 months
Male	6	6	0	0	74 years, 3 months	46 years, 9 months
Female	32,438	32,994	5,920	5,860	47 years, 3 months	10 years, 5 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 (sum of "nationwide career track employees" and "region-specific career track employees").

Reference: Status of Employees (Consolidated Basis)

As of March 31,	Total Employees	
	2019	2020
Permanent staff	15,372	15,385
Sales personnel	32,444	33,000

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	10,000	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"> 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; services related to nursing care	100.0	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 such services as system development A tenant of a building owned by the Company

Others

Company name	Main business site	Capital or Investment (millions of yen)	Establishment	Principal business	Proportion of voting rights held by Meiji Yasuda Life (%)	Proportion of voting rights held by Meiji Yasuda Life's subsidiaries (%)
Meiji Yasuda Insurance Service Company, Limited	Shinjuku-ku, Tokyo	30	April 5, 1984	Insurance agency	100.0	0.0
Meiji 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; packaging and distribution; insurance agency; clerical work related to employee benefit programs	100.0	0.0
Meijiyasuda 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, administrative operations associated with employee benefit programs, printing and book binding	100.0	0.0
Meiji Yasuda Payment Collection Business Services Co., Ltd.	Koto-ku, Tokyo	10	April 1, 2019	Payment collection	100.0	0.0
Meiji Yasuda Research Institute, Inc.	Chiyoda-ku, Tokyo	85	July 1, 1991	Survey, research and consulting regarding healthcare, cutting-edge technologies, life planning and social security systems	100.0	0.0
Sunvenus Tachikawa Company Limited	Tachikawa City, Tokyo	10	December 1, 1987	Operation of private nursing home	100.0	0.0
Diamond Athletics, Ltd.	Minato-ku, Tokyo	50	July 1, 1983	Operation of athletic clubs	35.0	0.0
RP Alpha Tokutei Mokuteki Kaisha	Chuo-ku, Tokyo	15,210	August 7, 2001	Real estate and related investment	—	—
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. MYJ Co., Ltd. was renamed Meiji Yasuda Office Partners Co., Ltd. as of April 1, 2020.

2. Meiji Yasuda Research Institute, Inc. began conducting survey and research regarding the economic field as of April 1, 2020.

3. Meiji Yasuda Trading Company, Limited began handling the event support business as of April 1, 2020.

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	One of whose directors/officers concurrently serves as the Company's officer
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, financial and economic research	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: One subsidiary (Meiji Yasuda Life's affiliate)
- Towarzystwo Ubezpieczeń i Reasekuracji WARTA Spółka Akcyjna: One subsidiary (Meiji Yasuda Life's affiliate)

Consolidated Basis

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Consolidated Balance Sheets

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
ASSETS:			
Cash and deposits (Notes 3, 4, and 7)	¥ 1,246,447	¥ 1,287,537	\$ 11,453
Call loans (Note 3)	90,000	90,000	826
Monetary claims bought (Note 4)	204,335	212,307	1,877
Money held in trust (Note 4)	15,166	21,669	139
Securities (Notes 4, 5, 6, 7, and 8)	34,023,049	33,403,624	312,625
Loans (Notes 4, 7, 9, and 10)	4,913,456	5,019,827	45,147
Tangible fixed assets (Notes 11, 12, and 13)			
Land	617,250	618,014	5,671
Buildings	274,919	280,168	2,526
Leased assets	469	711	4
Construction in progress	4,828	5,221	44
Other tangible fixed assets	7,737	7,941	71
Subtotal	905,204	912,057	8,317
Intangible fixed assets			
Software	69,106	55,131	634
Goodwill	123,595	132,965	1,135
Other intangible fixed assets	249,527	279,086	2,292
Subtotal	442,229	467,182	4,063
Due from agents	1,612	1,578	14
Reinsurance receivables	161,038	164,308	1,479
Other assets	529,429	428,437	4,864
Net defined benefit assets (Note 14)	66,029	91,988	606
Deferred tax assets (Note 15)	2,762	2,994	25
Customers' liabilities under acceptances and guarantees	19,888	22,563	182
Allowance for possible loan losses	(6,754)	(5,361)	(62)
Total assets	¥42,613,896	¥42,120,715	\$391,563
LIABILITIES:			
Policy reserves and other reserves			
Reserve for outstanding claims	¥ 723,195	¥ 738,628	\$ 6,645
Policy reserves	34,848,442	34,339,715	320,209
Policyholders' dividend reserves (Note 16)	245,988	242,957	2,260
Subtotal	35,817,626	35,321,301	329,115
Due to agents	3,707	2,937	34
Reinsurance payables	964	1,187	8
Bonds payable (Notes 4 and 17)	668,563	589,098	6,143
Other liabilities	1,584,263	1,012,377	14,557
Net defined benefit liabilities (Note 14)	8,229	6,995	75
Reserve for contingent liabilities (Note 18)	1	1	0
Reserve for price fluctuation	833,615	816,962	7,659
Deferred tax liabilities (Note 15)	56,462	281,498	518
Deferred tax liabilities for land revaluation	79,210	79,370	727
Acceptances and guarantees	19,888	22,563	182
Total liabilities	39,072,534	38,134,293	359,023
NET ASSETS:			
Foundation funds (Note 19)	250,000	260,000	2,297
Reserve for redemption of foundation funds (Note 19)	730,000	670,000	6,707
Reserve for revaluation	452	452	4
Surplus	475,912	499,135	4,372
Total funds, reserve and surplus	1,456,365	1,429,588	13,382
Net unrealized gains on available-for-sale securities	1,993,002	2,442,225	18,312
Deferred unrealized gains on derivatives under hedge accounting	45,187	41,253	415
Land revaluation differences	118,421	117,898	1,088
Foreign currency translation adjustments	(49,497)	(44,976)	(454)
Remeasurements of defined benefit plans	(22,818)	(273)	(209)
Total accumulated other comprehensive income	2,084,295	2,556,127	19,151
Non-controlling interests	700	705	6
Total net assets	3,541,362	3,986,421	32,540
Total liabilities and net assets	¥42,613,896	¥42,120,715	\$391,563

Consolidated Statements of Income

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
ORDINARY INCOME:			
Insurance premiums and other investment income	¥2,911,826	¥3,081,385	\$26,755
Interest, dividends and other income	936,932	872,291	8,609
Gains on money held in trust	47	—	0
Gains on sales of securities	20,486	16,595	188
Gains on redemption of securities	90,742	76,949	833
Foreign exchange gains	—	8,186	—
Other investment income	2,895	2,408	26
Investment gains on separate accounts	—	3,824	—
Subtotal	1,051,103	980,255	9,658
Other ordinary income	110,454	120,860	1,014
Total ordinary income	4,073,384	4,182,501	37,428
ORDINARY EXPENSES:			
Benefits and other payments			
Claims paid	694,334	725,847	6,379
Annuity payments	629,047	616,446	5,780
Benefit payments	532,584	523,719	4,893
Surrender benefits	549,892	464,349	5,052
Other refunds	109,991	94,147	1,010
Subtotal	2,515,851	2,424,510	23,117
Provision for policy reserves and other reserves			
Provision for reserve for outstanding claims	—	13,631	—
Provision for policy reserves	264,143	451,985	2,427
Provision for interest on policyholders' dividend reserves (Note 16)	89	97	0
Subtotal	264,233	465,714	2,427
Investment expenses			
Interest expenses	44,740	33,866	411
Losses on money held in trust	—	183	—
Losses on sales of securities	6,983	39,925	64
Losses on valuation of securities	104,319	17,893	958
Losses on redemption of securities	32,140	5,075	295
Losses on derivative financial instruments	133,638	130,990	1,227
Foreign exchange losses	18,187	—	167
Provision for allowance for possible loan losses	1,818	779	16
Write-down of loans	393	—	3
Depreciation of real estate for non-insurance business	10,226	10,210	93
Other investment expenses	24,624	22,675	226
Investment losses on separate accounts	19,948	—	183
Subtotal	397,021	261,599	3,648
Operating expenses (Note 21)	476,964	468,136	4,382
Other ordinary expenses	165,776	171,920	1,523
Total ordinary expenses	3,819,847	3,791,882	35,099
Ordinary profit	253,536	390,618	2,329
Extraordinary gains			
Gains on disposals of fixed assets	45	2,758	0
Reversal of reserve for contingent liabilities	0	—	0
Subtotal	46	2,758	0
Extraordinary losses			
Losses on disposals of fixed assets	1,723	1,590	15
Impairment losses (Note 13)	2,428	1,204	22
Provision for reserve for contingent liabilities	—	0	—
Provision for reserve for price fluctuation	16,658	131,553	153
Losses on reduction entry of real estate	4	1,931	0
Contributions for promotion of social welfare project	510	565	4
Other extraordinary losses	—	6	—
Subtotal	21,326	136,852	195
Surplus before income taxes and non-controlling interests	232,256	256,525	2,134
Income taxes (Note 15)			
Current	56,111	58,212	515
Deferred	(31,784)	(32,673)	(292)
Total income taxes	24,327	25,539	223
Net surplus	207,929	230,985	1,910
Net surplus attributable to non-controlling interests	80	1,406	0
Net surplus attributable to the Parent Company	¥ 207,848	¥ 229,579	\$ 1,909

Consolidated Statements of Comprehensive Income

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Net surplus	¥ 207,929	¥230,985	\$ 1,910
Other comprehensive income (loss) (Note 23)	(472,354)	(177,940)	(4,340)
Net unrealized gains (losses) on available-for-sale securities	(452,092)	(140,068)	(4,154)
Deferred unrealized gains (losses) on derivatives under hedge accounting	3,933	5,372	36
Foreign currency translation adjustments	(8,446)	(10,701)	(77)
Remeasurements of defined benefit plans	(22,545)	(24,130)	(207)
Share of other comprehensive income (loss) of associates accounted for under the equity method	6,795	(8,412)	62
Comprehensive income (loss)	¥(264,425)	¥ 53,045	\$(2,429)
Comprehensive income (loss) attributable to the Parent Company	(264,505)	51,623	(2,430)
Comprehensive income (loss) attributable to non-controlling interests	80	1,421	0

Consolidated Statements of Changes in Net Assets

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

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 translation 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

Year ended March 31, 2020 (Millions of Yen)

	Funds, reserves and surplus					Accumulated other comprehensive income (loss)							Total net assets
	Foundation funds (Note 19)	Reserve for redemption of foundation funds (Note 19)	Reserve for revaluation	Surplus	Total funds, reserves and surplus	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Beginning balance	¥260,000	¥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
Changes in the fiscal year													
Issuance of foundation funds	50,000				50,000								50,000
Additions to policyholders' dividend reserves (Note 16)				(169,630)	(169,630)								(169,630)
Additions to reserve for redemption of foundation funds		60,000			60,000								60,000
Payment of interest on foundation funds				(918)	(918)								(918)
Net surplus attributable to the Parent Company				207,848	207,848								207,848
Redemption of foundation funds	(60,000)				(60,000)								(60,000)
Reversal of reserve for fund redemption				(60,000)	(60,000)								(60,000)
Reversal of land revaluation differences				(522)	(522)								(522)
Net changes, excluding funds, reserves and surplus						(449,222)	3,933	522	(4,520)	(22,545)	(471,831)	(4)	(471,836)
Net changes in the fiscal year	(10,000)	60,000	—	(23,222)	26,777	(449,222)	3,933	522	(4,520)	(22,545)	(471,831)	(4)	(445,059)
Ending balance	¥250,000	¥730,000	¥452	¥475,912	¥1,456,365	¥1,993,002	¥45,187	¥118,421	¥(49,497)	¥(22,818)	¥2,084,295	¥700	¥3,541,362

Consolidated Statements of Changes in Net Assets (continued)

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

Year ended March 31, 2020

(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	\$2,389	\$6,156	\$ 4	\$4,586	\$13,135	\$22,440	\$379	\$1,083	\$(413)	\$ (2)	\$23,487	\$6	\$36,629
Changes in the fiscal year													
Issuance of foundation funds	459				459								459
Additions to policyholders' dividend reserves (Note 16)				(1,558)	(1,558)								(1,558)
Additions to reserve for redemption of foundation funds		551			551								551
Payment of interest on foundation funds				(8)	(8)								(8)
Net surplus attributable to the Parent Company				1,909	1,909								1,909
Redemption of foundation funds	(551)				(551)								(551)
Reversal of reserve for fund redemption				(551)	(551)								(551)
Reversal of land revaluation differences				(4)	(4)								(4)
Net changes, excluding funds, reserves and surplus						(4,127)	36	4	(41)	(207)	(4,335)	0	(4,335)
Net changes in the fiscal year	(91)	551	—	(213)	246	(4,127)	36	4	(41)	(207)	(4,335)	0	(4,089)
Ending balance	\$2,297	\$6,707	\$ 4	\$4,372	\$13,382	\$18,312	\$415	\$1,088	\$(454)	\$(209)	\$19,151	\$6	\$32,540

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
	2020	2019	
I Cash flows from operating activities			
Surplus before income taxes and non-controlling interests	¥ 232,256	¥ 256,525	\$ 2,134
Depreciation of real estate for non-insurance business	10,226	10,210	93
Depreciation	43,525	44,147	399
Impairment losses	2,428	1,204	22
Amortization of goodwill	7,645	7,745	70
Increase (Decrease) in reserve for outstanding claims	(7,617)	13,571	(69)
Increase (Decrease) in policy reserves	361,070	552,611	3,317
Provision for interest on policyholders' dividend reserves	89	97	0
Increase (Decrease) in allowance for possible loan losses	1,392	260	12
Increase (Decrease) in net defined benefit liabilities	177	2,904	1
Increase (Decrease) in reserve for contingent liabilities	(0)	0	(0)
Increase (Decrease) in reserve for price fluctuation	16,658	131,553	153
Interest, dividends, and other income	(936,932)	(872,291)	(8,609)
Losses (Gains) on securities	177,238	(138,094)	1,628
Interest expenses	44,740	33,866	411
Foreign exchange losses (gains)	5,498	(13,715)	50
Losses (Gains) on tangible fixed assets	1,678	(994)	15
Investment losses (gains) on equity method	(4,249)	(3,638)	(39)
Decrease (Increase) in due from agents	(35)	(9)	(0)
Decrease (Increase) in reinsurance receivables	1,154	1,805	10
Decrease (Increase) in other assets (excluding those related to investing and financing activities)	(56,814)	80,572	(522)
Increase (Decrease) in due to agents	808	58	7
Increase (Decrease) in reinsurance payables	(222)	(11)	(2)
Increase (Decrease) in other liabilities (excluding those related to investing and financing activities)	65,339	12,012	600
Others, net	(220)	(10,290)	(2)
Subtotal	(34,161)	110,101	(313)
Interest, dividends, and other income received	983,116	911,560	9,033
Interest paid	(41,895)	(34,255)	(384)
Policyholders' dividends paid	(166,720)	(176,676)	(1,531)
Income taxes paid	(63,203)	(67,371)	(580)
Net cash provided by operating activities	677,135	743,358	6,221
II Cash flows from investing activities			
Net decrease (increase) in deposits	(9,422)	(16,421)	(86)
Purchase of monetary claims bought	(5,500)	(12,400)	(50)
Proceeds from sales and redemption of monetary claims bought	13,261	14,724	121
Purchase of money held in trust	—	(8,300)	—
Purchase of securities	(5,552,359)	(4,509,597)	(51,018)
Proceeds from sales and redemption of securities	4,243,843	3,962,251	38,995
Loans extended	(1,157,755)	(1,230,885)	(10,638)
Proceeds from collection of loans	1,246,619	1,472,996	11,454
Net increase (decrease) in cash collateral under securities borrowing / lending transactions	535,699	159,433	4,922
Total investment activities (IIa)	(685,613)	(168,198)	(6,299)
[I + IIa]	(8,477)	575,159	(77)
Purchase of tangible fixed assets	(17,129)	(20,054)	(157)
Proceeds from sales of tangible fixed assets	47	4,278	0
Purchase of intangible fixed assets	(27,694)	(33,305)	(254)
Others, net	(1,082)	(535)	(9)
Net cash used in investing activities	(731,470)	(217,816)	(6,721)
III Cash flows from financing activities			
Proceeds from issuance of bonds payable	79,460	106,014	730
Proceeds from issuance of foundation funds	50,000	50,000	459
Redemption of foundation funds	(60,000)	(50,000)	(551)
Payment of interest on foundation funds	(918)	(1,171)	(8)
Acquisition of stock of subsidiaries without change in scope of consolidation	—	(2,498)	—
Others, net	3,498	(524)	32
Net cash provided by financing activities	72,040	101,820	661
IV Effect of foreign exchange rate changes on cash and cash equivalents	(1,496)	(72)	(13)
V Net increase (decrease) in cash and cash equivalents	16,207	627,289	148
VI Cash and cash equivalents at the beginning of the year	1,347,470	720,180	12,381
VII Increase (decrease) in cash and cash equivalents due to split with subsidiaries	(70,580)	—	(648)
VIII Cash and cash equivalents at the end of the year (Note 3)	¥1,293,097	¥1,347,470	\$11,881

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, 2020, which was ¥108.83 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, 2019 and 2020, respectively. The consolidated subsidiaries as of March 31, 2020 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, 2019 and 2020 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 9 and 9 as of March 31, 2019 and 2020, respectively. The affiliates accounted for by the equity method as of March 31, 2020 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:

- Trading securities are stated at market value at the balance sheet date. The cost of sales is determined by the moving average method.
- Held-to-maturity debt securities are stated at amortized cost using the moving average method and the amortization is calculated using the straight-line method.
- 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,” issued by the Japanese Institute of Certified Public Accountants (JICPA). The cost of sales is determined by the moving average method and the amortization of discount/premium is calculated using the straight-line method.
- 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” issued by the JICPA.

(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 ASBJ Statement No. 10, “Accounting Standard for Financial Instruments”. 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,” issued by the JICPA.

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, 2019 and 2020 amounted to ¥93 million and ¥183 million (U.S. \$1 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, 2019 and 2020 were as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Cash and deposits	¥1,246,447	¥1,287,537	\$11,453
Time deposits (over 3 months)	(44,926)	(35,504)	(412)
Call loans	90,000	90,000	826
Money held in trust (matured within 3 months)	1,200	5,000	11
Securities (matured within 3 months from the date of acquisition)	377	437	3
Cash and cash equivalents	1,293,097	1,347,470	11,881

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 ASBJ Statement No. 10, “Accounting Standard for Financial Instruments”. 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		
	2020			2019			2020		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Cash and deposits	¥ 1,246,447	¥ 1,246,447	¥ —	¥ 1,287,537	¥ 1,287,537	¥ —	\$ 11,453	\$ 11,453	\$ —
Available-for-sale securities (CDs)	32,995	32,995	—	33,998	33,998	—	303	303	—
Monetary claims bought	204,335	217,514	13,179	212,307	225,616	13,309	1,877	1,998	121
Held-to-maturity debt securities	192,270	205,449	13,179	197,980	211,289	13,309	1,766	1,887	121
Available-for-sale securities	12,064	12,064	—	14,327	14,327	—	110	110	—
Money held in trust	15,166	15,166	—	21,669	21,669	—	139	139	—
Available-for-sale securities	15,166	15,166	—	21,669	21,669	—	139	139	—
Securities	33,792,528	36,135,945	2,343,417	32,932,586	35,411,027	2,478,440	310,507	332,040	21,532
Trading securities	1,733,941	1,733,941	—	1,601,661	1,601,661	—	15,932	15,932	—
Held-to-maturity debt securities	3,966,078	4,700,997	734,919	4,160,730	4,983,463	822,733	36,442	43,195	6,752
Policy-reserve-matching bonds	8,923,833	10,532,331	1,608,498	8,057,811	9,713,518	1,655,706	81,997	96,777	14,779
Available-for-sale securities	19,168,675	19,168,675	—	19,112,383	19,112,383	—	176,134	176,134	—
Loans	4,913,456	5,134,958	221,502	5,019,827	5,292,784	272,957	45,147	47,183	2,035
Policy loans	233,382	233,382	—	242,958	242,958	—	2,144	2,144	—
Industrial and consumer loans	4,680,073	4,901,575	221,502	4,776,869	5,049,826	272,957	43,003	45,038	2,035
Allowance for possible loan losses ⁽¹⁾	(5,452)	—	—	(4,033)	—	—	(50)	—	—
	4,908,003	5,134,958	226,955	5,015,794	5,292,784	276,990	45,097	47,183	2,085
Bonds payable	668,563	658,399	(10,164)	589,098	616,693	27,595	6,143	6,049	(93)
Payables under repurchase agreements	73,233	73,233	—	58,266	58,266	—	672	672	—
Payables under securities borrowing transactions	1,133,523	1,133,523	—	552,716	552,716	—	10,415	10,415	—
Derivative financial instruments ⁽²⁾	25,793	25,793	—	46,533	46,533	—	237	237	—
Hedge accounting is not applied	(25,475)	(25,475)	—	(2,131)	(2,131)	—	(234)	(234)	—
Hedge accounting is applied	51,269	51,269	—	48,664	48,664	—	471	471	—

(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 the ASBJ Statement No. 10, "Accounting Standard for Financial Instruments" is calculated in the same method shown in "Securities."

Monetary claims bought

Fair value of monetary claims bought deemed as securities transactions based on the ASBJ Statement No. 10, "Accounting Standard for Financial Instruments" 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 ¥471,037 million and ¥230,521 million (U.S. \$2,118 million) as of March 31, 2019 and 2020, respectively. Impairment losses on the unlisted stocks and others were ¥0 million and ¥287 million (U.S. \$2 million) for the years ended March 31, 2019 and 2020, 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 ¥(10,376) million and ¥(32,957) million (U.S. \$(302) million) for the years ended March 31, 2019 and 2020, respectively.

Held-to-maturity debt securities

No held-to-maturity debt securities were sold during the year ended March 31, 2019 and 2020, 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		
	2020			2019			2020		
	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	¥3,416,075	¥4,070,853	¥654,778	¥3,581,847	¥4,317,920	¥736,072	\$31,389	\$37,405	\$6,016
2) Corporate bonds	438,346	512,962	74,616	467,140	547,364	80,224	4,027	4,713	685
3) Others	288,620	307,556	18,936	297,929	317,752	19,822	2,652	2,826	173
Total	4,143,041	4,891,372	748,331	4,346,917	5,183,037	836,120	38,068	44,945	6,876
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	2,798	(1)	25	25	(0)
3) Others	12,506	12,275	(231)	8,993	8,917	(76)	114	112	(2)
Total	15,306	15,074	(232)	11,793	11,716	(76)	140	138	(2)

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 ¥50,733 million and ¥285,843 million (U.S. \$2,626 million) resulting in total gains on sales of ¥800 million and ¥12,913 million (U.S. \$118 million) for the years ended March 31, 2019 and 2020, respectively. There were no total losses on sales for the year ended March 31, 2019. Total losses on sales were ¥25 million (U.S. \$0 million) for the year ended March 31, 2020. Disposition of policy-reserve-matching bonds due to

considerable deterioration of the issuer's credit standing amounted to ¥1,128 million (U.S. \$10 million) resulting in the losses on sales of ¥104 million (U.S. \$0 million) for the year ended March 31, 2020.

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		
	2020			2019			2020		
	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	¥7,474,934	¥9,023,047	¥1,548,113	¥7,492,896	¥9,127,506	¥1,634,610	\$68,684	\$82,909	\$14,225
2) Corporate bonds	17,156	21,193	4,037	30,344	34,303	3,959	157	194	37
3) Others	678,166	746,731	68,565	493,842	511,581	17,739	6,231	6,861	630
Total	8,170,256	9,790,973	1,620,716	8,017,082	9,673,392	1,656,309	75,073	89,965	14,892
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	643,382	634,664	(8,717)	—	—	—	5,911	5,831	(80)
2) Corporate bonds	1,853	1,829	(24)	—	—	—	17	16	(0)
3) Others	108,340	104,864	(3,476)	40,728	40,125	(603)	995	963	(31)
Total	753,576	741,358	(12,218)	40,728	40,125	(603)	6,924	6,812	(112)

Available-for-sale securities

Disposition of available-for-sale securities amounted to ¥1,088,252 million and ¥383,871 million (U.S. \$3,527 million) resulting in total gains on sales of ¥15,794 million and ¥7,572 million (U.S. \$69 million) and total losses of ¥39,925 million and ¥6,854 million (U.S. \$62 million) for the

years ended March 31, 2019 and 2020, 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		
	2020			2019			2020		
	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	¥ 1,188,129	¥ 2,991,591	¥1,803,462	¥ 1,478,135	¥ 3,835,843	¥2,357,708	\$ 10,917	\$ 27,488	\$16,571
(2) Bonds	4,679,713	5,044,576	364,862	4,861,369	5,299,063	437,693	43,000	46,352	3,352
1) National & local government bonds	3,068,475	3,356,362	287,886	3,188,231	3,533,547	345,316	28,195	30,840	2,645
2) Corporate bonds	1,611,238	1,688,213	76,975	1,673,138	1,765,515	92,377	14,805	15,512	707
(3) Others	8,441,204	9,175,518	734,313	6,012,079	6,712,864	700,785	77,563	84,310	6,747
Total	14,309,047	17,211,685	2,902,637	12,351,583	15,847,770	3,496,187	131,480	158,152	26,671
Securities whose balance sheet amount does not exceed the acquisition or amortized costs									
(1) Domestic stocks	410,410	363,092	(47,317)	196,093	173,524	(22,569)	3,771	3,336	(434)
(2) Bonds	217,042	213,582	(3,460)	60,165	59,715	(450)	1,994	1,962	(31)
1) National & local government bonds	24,226	24,038	(188)	—	—	—	222	220	(1)
2) Corporate bonds	192,816	189,544	(3,271)	60,165	59,715	(450)	1,771	1,741	(30)
(3) Others	1,534,974	1,440,542	(94,432)	3,188,739	3,101,368	(87,371)	14,104	13,236	(867)
Total	2,162,427	2,017,217	(145,209)	3,444,999	3,334,608	(110,390)	19,869	18,535	(1,334)

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 ¥11,546 million and ¥87,915 million (U.S. \$807 million) for the years ended March 31, 2019 and 2020, respectively.

c. Maturity analysis of monetary claims and securities with maturities

As of March 31,	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
Deposits	¥1,287,385	¥ —	¥ —	¥ —	¥ —	¥ —
Monetary claims bought	—	—	—	—	—	212,307
Money held in trust	5,000	—	—	—	—	—
Loans*	472,783	656,974	679,859	594,924	751,319	1,620,634
Securities						
Held-to-maturity debt securities	166,788	371,590	398,958	552,343	521,576	2,146,673
Policy-reserve-matching bonds	—	68,957	190,309	72,345	838,067	6,888,130
Available-for-sale securities with maturities	562,525	2,121,525	1,734,143	670,326	2,312,293	6,050,737
Total	2,494,482	3,219,048	3,003,271	1,889,939	4,423,256	16,918,482

As of March 31,	Millions of Yen						Millions of U.S. Dollars					
	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	¥1,246,351	¥ —	¥ —	¥ —	¥ —	¥ —	\$11,452	\$ —	\$ —	\$ —	\$ —	\$ —
Monetary claims bought	—	—	—	—	—	204,335	—	—	—	—	—	1,877
Money held in trust	1,200	—	—	—	—	—	11	—	—	—	—	—
Loans*	403,449	743,755	646,028	629,480	801,957	1,454,718	3,707	6,834	5,936	5,784	7,368	13,366
Securities	954,351	2,644,935	1,708,658	1,602,203	4,348,451	15,815,896	8,769	24,303	15,700	14,722	39,956	145,326
Held-to-maturity debt securities	183,178	369,534	412,282	625,102	275,617	2,097,563	1,683	3,395	3,788	5,743	2,532	19,273
Policy-reserve-matching bonds	7,404	111,669	12,556	79,308	1,407,162	7,305,731	68	1,026	115	728	12,929	67,129
Available-for-sale securities with maturities	763,768	2,163,731	1,283,819	897,792	2,665,671	6,412,602	7,017	19,881	11,796	8,249	24,493	58,923
Total	2,605,352	3,388,691	2,354,686	2,231,684	5,150,408	17,474,950	23,939	31,137	21,636	20,506	47,325	160,571

* Bankruptcy and reorganization claims, which are expected to be unrecoverable, are not included in this table, and they were ¥374 million and ¥684 million (U.S. \$6 million) as of March 31, 2019 and 2020, 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					
	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
Payables under repurchase agreements	58,266	—	—	—	—	—
Payable under securities borrowing transactions	552,716	—	—	—	—	—
Total	610,983	—	28,363	—	—	560,735

As of March 31,	Millions of Yen						Millions of U.S. Dollars					
	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	¥ —	¥27,828	¥ —	¥ —	¥ —	¥640,735	\$ —	\$255	\$ —	\$ —	\$ —	\$5,887
Payables under repurchase agreements	73,233	—	—	—	—	—	672	—	—	—	—	—
Payable under securities borrowing transactions	1,133,523	—	—	—	—	—	10,415	—	—	—	—	—
Total	1,206,757	27,828	—	—	—	640,735	11,088	255	—	—	—	5,887

e. Fair value of derivative transactions

Hedge accounting not applied

i) Interest-rate related

Millions of Yen					Millions of U.S. Dollars			
As of March 31,	2019				2020			
	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	\$189	\$163	\$ 0	\$ 0
Receipts floating, payments fixed	6,049	6,049	—	—	158	158	—	—
Total				4				0

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

ii) Currency-related

Millions of Yen					Millions of U.S. Dollars			
As of March 31,	2019				2020			
	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				
(U.S. dollar)	160,265	—	(23)	(23)				
(Euro)	14,252	—	122	122				
(Australian dollar)	20,073	—	100	100				
(British pound)	40	—	0	0				
(Others)	1	—	(0)	(0)				
Bought	11,875	—	(24)	(24)				
(U.S. dollar)	6,577	—	3	3				
(Euro)	3,864	—	(28)	(28)				
(Australian dollar)	1,378	—	1	1				
(Others)	55	—	(0)	(0)				
Currency options								
Sold	198,628	—						
Call	[476]		1	474				
(U.S. dollar)	[476]		1	474				
Bought	178,500	—						
Put	[476]		32	(443)				
(U.S. dollar)	[476]		32	(443)				
Cross currency swaps								
Yen payments / Australian dollar receipts	154,546	154,546	(3,143)	(3,143)				
Yen payments / U.S. dollar receipts	11,740	11,740	300	300				
Total				(2,637)				

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	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	¥773,127	¥ —	¥ (596)	¥ (596)	\$7,103	\$ —	\$ (5)	\$ (5)
(U.S. dollar)	687,556	—	(4,401)	(4,401)	6,317	—	(40)	(40)
(Euro)	31,838	—	331	331	292	—	3	3
(Australian dollar)	53,582	—	3,472	3,472	492	—	31	31
(British pound)	62	—	(0)	(0)	0	—	(0)	(0)
(Others)	87	—	0	0	0	—	0	0
Bought	33,772	—	23	23	310	—	0	0
(U.S. dollar)	16,746	—	68	68	153	—	0	0
(Euro)	11,451	—	(83)	(83)	105	—	(0)	(0)
(Australian dollar)	5,523	—	38	38	50	—	0	0
(Others)	50	—	0	0	0	—	0	0
Currency options								
Sold								
Call	157,097	—			1,443	—		
(U.S. dollar)	[41]		41	0	[0]		0	0
Bought								
Put	166,178	—			1,526	—		
(U.S. dollar)	[63]		198	135	[0]		1	1
Cross currency swaps								
Yen payments / Australian dollar receipts	175,156	175,156	(19,719)	(19,719)	1,609	1,609	(181)	(181)
Yen payments / U.S. dollar receipts	7,080	7,080	881	881	65	65	8	8
Total				(19,275)				(177)

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

Millions of Yen				
As of March 31,	2019			
	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)
Bought	4,154	—	0	0
Foreign currency-denominated stock index futures				
Sold	327	—	(9)	(9)
Bought	5,444	—	72	72
Exchange-traded transactions				
Foreign currency-denominated stock index options				
Bought				
Call	60,773	382		
Total	[1,464]	[20]	453	(1,010)

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2020		2020		2020		2020	
	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	¥148,066	¥ —	¥(8,969)	¥(8,969)	\$1,360	\$—	\$(82)	\$(82)
Bought	8,943	—	231	231	82	—	2	2
Foreign currency-denominated stock index futures								
Sold	346	—	(35)	(35)	3	—	(0)	(0)
Bought	6,304	—	174	174	57	—	1	1
Exchange-traded transactions								
Foreign currency-denominated stock index options								
Bought								
Call	63,441	529			582	4		
	[1,627]	[28]	2,367	740	[14]	[0]	21	6
Total				(7,858)				(72)

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

As of March 31,	Millions of Yen			
	2019			
	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
Total				2

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2020		2020		2020		2020	
	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	¥513	¥—	¥9	¥9	\$4	\$—	\$0	\$0
Total				9				0

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

Hedge accounting applied

i) Interest-rate related

As of March 31,	Millions of Yen			
	2019			
	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	¥230,700	¥230,700	¥57,446
Fair value hedge accounting				
Interest rate swaps				
Receipts floating, payments fixed	Securities (Bonds)	57,657	54,558	—
Special hedge accounting				
Interest rate swaps				
Receipts fixed, payments floating	Loans	3,369	3,324	185
Total				57,632

As of March 31,	Millions of Yen				Millions of U.S. Dollars		
	2020		2020		2020		
	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	¥227,300	¥227,300	¥61,477	\$2,088	\$2,088	\$564
Fair value hedge accounting							
Interest rate swaps							
Receipts floating, payments fixed	Securities (Bonds)	35,437	30,266	—	325	278	—
Special hedge accounting							
Interest rate swaps							
Receipts fixed, payments floating	Loans	3,222	3,222	159	29	29	1
Total				61,637			566

ii) Currency-related

As of March 31,	Millions of Yen			
	2019			
	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	¥3,887,217	¥ —	¥ (8,600)
(U.S. dollar)		3,529,862	—	(10,393)
(Euro)		199,793	—	700
(Australian dollar)		142,408	—	980
(Others)		15,152	—	112
Deferred hedge accounting				
Cross currency swaps				
(Euro)	Foreign-currency-denominated bonds	35,575	35,575	(381)
(Australian dollar)		4,305	4,305	199
Total				(8,782)

As of March 31,	Millions of Yen				Millions of U.S. Dollars		
	2020		2020		2020		
	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	¥4,679,142	¥ —	¥(11,456)	\$42,994	\$ —	\$(105)
(U.S. dollar)		4,169,798	—	(34,142)	38,314	—	(313)
(Euro)		253,887	—	1,063	2,332	—	9
(Australian dollar)		240,977	—	20,754	2,214	—	190
(Others)		14,479	—	867	133	—	7
Deferred hedge accounting							
Cross currency swaps							
(Euro)	Foreign-currency-denominated bonds	35,575	35,575	538	326	326	4
(Australian dollar)		4,305	4,305	709	39	39	6
Total				(10,208)			(93)

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, 2019 and 2020.

iv) Bond-related

No ending balance as of March 31, 2019 and 2020.

5. Securities Lending

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥2,322,166 million and ¥2,762,898 million (U.S. \$25,387 million) as of March 31, 2019 and 2020, respectively.

6. Securities sold under Repurchase Agreements

Securities sold under repurchase agreements amounted to ¥58,278 million and ¥75,520 million (U.S. \$693 million) as of March 31, 2019 and 2020, respectively.

7. Pledged Assets

Assets pledged as collateral were cash and deposits in the amount of ¥8 million (U.S. \$0 million) and nil, securities in the amount of ¥4,823 million and ¥30,957 million (U.S. \$284 million), and loans in the amount of ¥104,745 million and ¥113,200 million (U.S. \$1,040 million) as of March 31, 2019 and 2020, respectively.

8. Equity Securities issued by Unconsolidated Subsidiaries and Affiliates

The total amounts of equity securities issued by unconsolidated subsidiaries and affiliates were ¥174,468 million and ¥185,278 million (U.S. \$1,702 million) as of March 31, 2019 and 2020, respectively.

9. Loans

The 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 ¥25,934 million and ¥24,182 million (U.S. \$222 million) as of March 31, 2019 and 2020, respectively.

There were no loans to bankrupt borrowers as of March 31, 2019. The amounts of loans to bankrupt borrowers were ¥26 million (U.S. \$0 million) as of March 31, 2020. The amounts of loans in arrears were ¥4,265 million and ¥5,574 million (U.S. \$51 million) as of March 31, 2019 and 2020, respectively.

The amounts of loans deemed uncollectible and directly deducted from the loans in the consolidated balance sheets as of March 31, 2019 and 2020 were ¥91 million and ¥161 million (U.S. \$1 million), respectively, for loans to bankrupt borrowers, and ¥1 million and ¥22 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, 2019 and 2020, 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 ¥21,668 million and ¥18,581 million (U.S. \$170 million) as of March 31, 2019 and 2020, 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, 2019 and 2020, respectively. The amount is as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Loans	¥701	¥614	\$6

10. Loan Commitments

The amounts of loan commitments outstanding were ¥87,902 million and ¥107,007 million (U.S. \$983 million) as of March 31, 2019 and 2020, respectively.

11. Fair Value of Investment and Rental Properties

The carrying amounts of investment and rental properties were ¥581,588 million and ¥577,696 million (U.S. \$5,308 million), and their fair values were ¥782,819 million and ¥837,523 million (U.S. \$7,695 million) as of March 31, 2019 and 2020, 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 ¥447,080 million and ¥465,710 million (U.S. \$4,279 million) as of March 31, 2019 and 2020, 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, 2019 and 2020, 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, 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, 2020

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	1	¥565	¥ 906	¥1,471
Idle assets	9	98	858	957
Total	10	663	1,764	2,428

For the year ended March 31, 2020

Asset group	Millions of U.S. Dollars		
	Land	Buildings	Total
Real estate for non-insurance business	\$5	\$ 8	\$13
Idle assets	0	7	8
Total	6	16	22

(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 1.90% and 1.89% for the years ended March 31, 2019 and 2020, 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, 2019 and 2020 were as follows:

Years ended March 31,	2020	2019
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, 2019 and 2020 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Balance at the beginning of the fiscal year	¥337,440	¥352,805	\$3,100
Service costs	9,679	10,356	88
Interest cost on retirement benefit obligations	4,955	4,875	45
Actuarial losses (gains) recognized	11,106	(4,266)	102
Benefits paid	(20,570)	(25,177)	(189)
Past service costs	(9,764)	(47)	(89)
Others	(771)	(1,106)	(7)
Balance at the end of the fiscal year	332,076	337,440	3,051

c. Changes in the plan assets for the years ended March 31, 2019 and 2020 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Balance at the beginning of the fiscal year	¥422,433	¥460,011	\$3,881
Expected return on plan assets	7,455	7,824	68
Actuarial gains (losses) recognized	(31,759)	(36,605)	(291)
Contributions by employer	2,344	3,714	21
Benefits paid	(9,849)	(11,469)	(90)
Others	(747)	(1,042)	(6)
Balance at the end of the fiscal year	389,876	422,433	3,582

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, 2019 and 2020 were determined as follows:

	Millions of Yen		Millions of U.S. Dollars
As of March 31,	2020	2019	2020
Present value of funded retirement benefit obligations	¥323,182	¥329,650	\$2,969
Plan assets at fair value	(389,876)	(422,433)	(3,582)
Net present value of funded retirement benefit obligations	(66,693)	(92,782)	(612)
Present value of non-funded retirement benefit obligations	8,893	7,790	81
Net balance on the consolidated balance sheet	(57,799)	(84,992)	(531)
Consists of:			
Defined benefit liabilities	8,229	6,995	75
Defined benefit assets	(66,029)	(91,988)	(606)

e. The amounts recognized in retirement benefit expenses in the consolidated statements of income for the years ended March 31, 2019 and 2020 were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2020	2019	2020
Service costs	¥9,679	¥10,356	\$88
Interest cost on retirement benefit obligations	4,955	4,875	45
Expected return on plan assets	(7,455)	(7,824)	(68)
Amortization of net actuarial losses (gains)	4,134	(571)	37
Amortization of net past service costs	(1,806)	(865)	(16)
Others	110	91	1
Retirement benefit expenses	9,617	6,062	88

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, 2019 and 2020 were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2020	2019	2020
Actuarial gains (losses)	¥(38,724)	¥(32,873)	\$(355)
Past service costs	7,957	(817)	73
Total	(30,767)	(33,691)	(282)

Major components of total accumulated other comprehensive income (before income tax effect adjustments) for the years ended March 31, 2019 and 2020 were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2020	2019	2020
Unrecognized actuarial gains (losses)	¥(41,676)	¥(2,952)	\$(382)
Unrecognized past service costs	10,551	2,593	96
Total	(31,125)	(358)	(285)

g. Plan assets

Plan assets as of March 31, 2019 and 2020 were comprised as follows:

	% of total fair value of plan assets	
As of March 31,	2020	2019
Debt securities	7.2%	7.3%
Stocks	25.6%	32.3%
General account of life insurance companies	32.9%	31.0%
Jointly invested assets	24.8%	22.5%
Investment trusts	2.1%	3.1%
Cash and deposits	1.7%	0.9%
Others	5.7%	2.9%
Total	100.0%	100.0%

Plan assets include the retirement benefit trusts. The amounts of the retirement benefit trusts were 45.2% and 40.8% of total plan assets as of March 31, 2019 and 2020, 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, 2019 and 2020 were as follows:

Years ended March 31,	2020	2019
Discount rate		
Domestic	0.9%	0.9%
Overseas	3.3 to 3.4%	4.3 to 4.4%
Expected long-term rate of return on plan assets		
Domestic		
Defined benefit corporate pension plans	2.0%	2.0%
Retirement benefit trusts	0.0%	0.0%
Overseas	3.7 to 7.3%	3.9 to 7.3%

(3) Defined contribution plans

The amounts recognized as expenses for the defined contribution pension plans were ¥3,953 million and ¥3,954 million (U.S. \$36 million) for the years ended March 31, 2019 and 2020, respectively.

15. Deferred Taxes

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

	Millions of Yen		Millions of U.S. Dollars
As of March 31,	2020	2019	2020
Deferred tax assets	¥815,988	¥764,906	\$7,497
Valuation allowance for deferred tax assets	(9,576)	(8,396)	(87)
Subtotal	806,412	756,510	7,409
Deferred tax liabilities	(860,113)	(1,035,013)	(7,903)
Net deferred tax assets (liabilities)	(53,701)	(278,503)	(493)

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

	Millions of Yen		Millions of U.S. Dollars
As of March 31,	2020	2019	2020
Deferred tax assets			
Policy reserves and other reserves	¥451,356	¥436,003	\$4,147
Reserve for price fluctuation	232,952	228,319	2,140
Deferred tax liabilities:			
Net unrealized gains on available-for-sale securities	745,115	916,966	6,846

(2) The statutory tax rates were 27.96% and 27.96% for the years ended March 31, 2019 and 2020, 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,	2020	2019
Policyholders' dividend reserves	(16.98)%	(17.82)%

16. Policyholders' Dividend Reserves

Changes in policyholders' dividend reserves for the years ended March 31, 2019 and 2020 were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2020	2019	2020
Balance at the beginning of the fiscal year	¥242,957	¥233,768	\$2,232
Transfer from surplus in the previous fiscal year	169,630	185,731	1,558
Dividend payments to policyholders during the fiscal year	(166,720)	(176,676)	(1,531)
Interest accrued during the fiscal year	121	134	1
Balance at the end of the fiscal year	245,988	242,957	2,260

17. Subordinated Bonds

As of March 31, 2019 and 2020, bonds payable in liabilities included subordinated bonds and foreign currency-denominated subordinated bonds of ¥560,735 million and ¥640,735 million (U.S. \$5,887 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. \$459 million) pursuant to Article 60 of the "Insurance Business Act" in the years ended March 31, 2019 and 2020, respectively.

The Company redeemed foundation funds and also established for reserve for redemption of foundation funds pursuant to Article 56 of the "Insurance Business Act" in the amount of ¥50,000 million and ¥60,000 million (U.S. \$551 million) as of March 31, 2019 and 2020, 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 ¥825,371 million and ¥810,928 million (U.S. \$7,451 million) as of March 31, 2019 and 2020, 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 ¥47,718 million and ¥47,627 million (U.S. \$437 million) as of March 31, 2019 and 2020, 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, 2019 and 2020 were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2020	2019	2020
Net unrealized gains on available-for-sale securities:			
Amount arising during the fiscal year	¥(680,854)	¥(184,383)	\$ (6,256)
Reclassification adjustments	47,436	(6,840)	435
Before income tax effect adjustments	(633,417)	(191,223)	(5,820)
Income tax effects	181,325	51,154	1,666
Net unrealized gains on available-for-sale securities	(452,092)	(140,068)	(4,154)
Deferred unrealized gains (losses) on derivatives under hedge accounting:			
Amount arising during the fiscal year	¥ 9,576	¥ 11,354	\$ 87
Reclassification adjustments	(4,115)	(3,897)	(37)
Before income tax effect adjustments	5,460	7,457	50
Income tax effects	(1,526)	(2,085)	(14)
Deferred unrealized gains (losses) on derivatives under hedge accounting	3,933	5,372	36
Foreign currency translation adjustments:			
Amount arising during the fiscal year	¥ (8,446)	¥ (10,701)	\$ (77)
Reclassification adjustments	—	—	—
Before income tax effect adjustments	(8,446)	(10,701)	(77)
Income tax effects	—	—	—
Foreign currency translation adjustments	(8,446)	(10,701)	(77)
Remeasurements of defined benefit plans:			
Amount arising during the fiscal year	¥ (30,316)	¥ (28,867)	\$ (278)
Reclassification adjustments	(450)	(4,823)	(4)
Before income tax effect adjustments	(30,767)	(33,691)	(282)
Income tax effects	8,222	9,560	75
Remeasurements of defined benefit plans	(22,545)	(24,130)	(207)
Share of other comprehensive income of affiliates accounted for by the equity method:			
Amount arising during the year	¥ 7,400	¥ (8,191)	\$ 67
Reclassification adjustments	(604)	(220)	(5)
Share of other comprehensive income of affiliates accounted for by the equity method	6,795	(8,412)	62
Total other comprehensive income	(472,354)	(177,940)	(4,340)

24. Subsequent Events**Appropriation of surplus**

The proposed appropriation of surplus of the Company for the year ended March 31, 2020 was approved as planned at the annual meeting of the representatives of policyholders held on July 2, 2020.

**Independent Auditor's Report**

To the Board of Directors of Meiji Yasuda Life Insurance Company:

Opinion

We have audited the accompanying consolidated financial statements of Meiji Yasuda Life Insurance Company ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheets as at March 31, 2019 and 2020, 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 notes, comprising a summary of significant accounting policies, other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2019 and 2020, and its consolidated financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise

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professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2020 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.



Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Takuji Kanai
Designated Engagement Partner
Certified Public Accountant

Yukio Kumaki
Designated Engagement Partner
Certified Public Accountant

Koki Minowa
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
August 5, 2020

Non-consolidated Balance Sheets

Meiji Yasuda Life Insurance Company

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
ASSETS:			
Cash and deposits (Note 3)			
Cash	¥ 94	¥ 149	\$ 0
Deposits	1,205,392	1,147,565	11,075
Subtotal	1,205,486	1,147,715	11,076
Call loans	90,000	90,000	826
Monetary claims bought (Note 3)	204,335	212,307	1,877
Money held in trust	13,966	16,669	128
Securities (Notes 2, 3, 4, 5, 6, and 7)			
National government bonds	14,745,920	14,346,841	135,494
Local government bonds	307,445	372,091	2,825
Corporate bonds	2,381,604	2,373,171	21,883
Domestic stocks	3,526,761	4,243,360	32,406
Foreign securities	10,359,492	9,702,141	95,189
Other securities	1,119,976	1,144,574	10,291
Subtotal	32,441,200	32,182,181	298,090
Loans (Notes 2, 3, 8, and 9)			
Policy loans	229,759	239,335	2,111
Industrial and consumer loans	3,875,676	3,984,470	35,612
Subtotal	4,105,435	4,223,805	37,723
Tangible fixed assets (Notes 2, 11, and 12)			
Land	603,348	603,904	5,543
Buildings	253,361	258,110	2,328
Construction in progress	4,249	4,329	39
Other tangible fixed assets	3,680	4,012	33
Subtotal	864,639	870,356	7,944
Intangible fixed assets			
Software	63,215	47,640	580
Other intangible fixed assets	25,701	40,848	236
Subtotal	88,916	88,489	817
Due from agents	0	0	0
Reinsurance receivables	1,368	1,189	12
Other assets			
Accounts receivable	113,266	95,809	1,040
Prepaid expenses	7,460	5,906	68
Accrued income	104,675	105,150	961
Money on deposit	11,895	10,079	109
Deposits for futures transactions	3,538	2,355	32
Margins on futures transactions	7,973	26	73
Derivative financial instruments (Note 3)	104,904	73,754	963
Cash collaterals pledged for financial instruments	46,024	17,391	422
Suspense	3,698	3,256	33
Other assets	10,040	10,254	92
Subtotal	413,476	323,984	3,799
Prepaid pension cost (Note 14)	88,906	86,903	816
Customers' liabilities under acceptances and guarantees	19,888	22,563	182
Allowance for possible loan losses	(6,754)	(5,361)	(62)
Total assets	¥39,530,866	¥39,260,805	\$363,235

Non-consolidated Balance Sheets (continued)

Meiji Yasuda Life Insurance Company

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
LIABILITIES:			
Policy reserves and other reserves			
Reserve for outstanding claims (Notes 15 and 25)	¥ 124,477	¥ 130,411	\$ 1,143
Policy reserves (Notes 15 and 25)	32,510,255	32,248,774	298,725
Policyholders' dividend reserves (Note 16)	245,988	242,957	2,260
Subtotal	32,880,721	32,622,143	302,129
Reinsurance payables	842	1,065	7
Bonds payable (Notes 2, 3 and 17)	640,735	560,735	5,887
Other liabilities			
Payables under repurchase agreements (Notes 3 and 5)	73,233	58,266	672
Payables under securities borrowing transactions (Notes 3 and 4)	1,133,523	552,716	10,415
Income taxes payable	5,479	13,615	50
Accounts payable	59,299	52,073	544
Accrued expenses	30,960	30,149	284
Deferred income	2,662	2,681	24
Deposits received	27,984	26,073	257
Guarantee deposits received	36,014	35,589	330
Margins on futures transactions	374	—	3
Derivative financial instruments (Note 3)	81,478	27,674	748
Cash collaterals received for financial instruments	48,971	82,313	449
Asset retirement obligations	3,354	3,288	30
Suspense receipts	4,362	3,710	40
Subtotal	1,507,699	888,152	13,853
Reserve for contingent liabilities (Note 18)	1	1	0
Reserve for price fluctuation	832,480	815,975	7,649
Deferred tax liabilities (Note 19)	13,636	239,296	125
Deferred tax liabilities for land revaluation	79,210	79,370	727
Acceptances and guarantees	19,888	22,563	182
Total liabilities	35,975,215	35,229,303	330,563
NET ASSETS:			
Foundation funds (Note 20)	250,000	260,000	2,297
Reserve for redemption of foundation funds (Note 20)	730,000	670,000	6,707
Reserve for revaluation	452	452	4
Surplus	460,763	491,675	4,233
Reserve for future losses	11,975	11,463	110
Other surplus	448,787	480,212	4,123
Reserve for fund redemption	90,000	98,000	826
Fund for price fluctuation allowance	29,764	29,764	273
Reserve for promotion of social welfare project	89	35	0
Reserve for business infrastructure	100,000	100,000	918
Reserve for reduction entry of real estate	26,702	26,940	245
Special reserves	2,000	2,000	18
Other reserves	85	85	0
Unappropriated surplus	200,146	223,386	1,839
Total funds, reserve and surplus	1,441,216	1,422,128	13,242
Net unrealized gains on available-for-sale securities	1,950,825	2,450,220	17,925
Deferred unrealized gains on derivatives under hedge accounting	45,187	41,253	415
Land revaluation differences	118,421	117,898	1,088
Total unrealized gains, revaluation reserves and adjustments	2,114,434	2,609,372	19,428
Total net assets	3,555,650	4,031,501	32,671
Total liabilities and net assets	¥39,530,866	¥39,260,805	\$363,235

Non-consolidated Statements of Income

Meiji Yasuda Life Insurance Company

Years ended March 31,	Millions of Yen		Millions of
	2020	2019	U.S. Dollars
ORDINARY INCOME:			
Insurance premiums and other			
Insurance premiums	¥2,588,757	¥2,769,643	\$23,787
Reinsurance revenue	4,598	1,236	42
Subtotal	2,593,355	2,770,879	23,829
Investment income (Note 24)			
Interest, dividends and other income	871,621	807,260	8,009
Interest on deposits	1,893	999	17
Interest and dividends on securities	746,415	677,845	6,858
Interest on loans	67,105	74,234	616
Rent revenue from real estate	38,805	37,991	356
Other interest and dividends	17,399	16,190	159
Gains on money held in trust	46	—	0
Gains on sales of securities	19,233	15,762	176
Gains on redemption of securities	89,915	76,650	826
Foreign exchange gains	—	8,185	—
Other investment income	255	125	2
Investment gains on separate accounts	—	3,824	—
Subtotal	981,072	911,810	9,014
Other ordinary income			
Income from annuity riders	13,797	16,217	126
Income from deferred benefits	43,653	52,178	401
Reversal of reserve for outstanding claims (Note 25)	5,933	—	54
Reversal of accrued retirement benefits	2,002	9,455	18
Other ordinary income	8,008	7,670	73
Subtotal	73,396	85,522	674
Total ordinary income	3,647,824	3,768,212	33,518
ORDINARY EXPENSES:			
Benefits and other payments			
Claims paid	604,727	637,897	5,556
Annuity payments	627,305	614,555	5,764
Benefit payments	402,708	395,524	3,700
Surrender benefits	548,700	463,306	5,041
Other refunds	105,969	89,249	973
Reinsurance premiums	4,021	4,897	36
Subtotal	2,293,433	2,205,432	21,073
Provision for policy reserves and other reserves			
Provision for reserve for outstanding claims (Note 25)	—	15,301	—
Provision for policy reserves (Note 25)	261,480	450,211	2,402
Provision for interest on policyholders' dividend reserves (Note 16)	89	97	0
Subtotal	261,570	465,609	2,403
Investment expenses (Note 24)			
Interest expenses	14,262	12,572	131
Losses on money held in trust	—	184	—
Losses on sales of securities	6,295	37,527	57
Losses on valuation of securities	104,134	17,708	956
Losses on redemption of securities	32,134	4,983	295
Losses on derivative financial instruments	135,662	130,169	1,246
Foreign exchange losses	18,188	—	167
Provision for allowance for possible loan losses	1,503	341	13
Write-down of loans	393	—	3
Depreciation of real estate for non-insurance business	9,609	9,516	88
Other investment expenses	16,292	14,132	149
Investment losses on separate accounts	19,948	—	183
Subtotal	358,424	227,135	3,293

Non-consolidated Statements of Income (continued)

Meiji Yasuda Life Insurance Company

Years ended March 31,	Millions of Yen		Millions of
	2020	2019	U.S. Dollars
Operating expenses (Note 26)	362,017	357,421	3,326
Other ordinary expenses			
Deferred benefit payments	71,474	78,698	656
Taxes	29,327	27,606	269
Depreciation	29,492	28,125	270
Other ordinary expenses	6,620	4,660	60
Subtotal	136,914	139,090	1,258
Total ordinary expenses	3,412,360	3,394,689	31,354
Ordinary profit	235,464	373,522	2,163
Extraordinary gains			
Gains on disposals of fixed assets	—	2,409	—
Reversal of reserve for contingent liabilities	0	—	0
Subtotal	0	2,409	0
Extraordinary losses			
Losses on disposals of fixed assets	1,679	1,547	15
Impairment losses (Note 13)	2,245	1,204	20
Provision for reserve for contingent liabilities	—	0	—
Provision for reserve for price fluctuation	16,504	131,380	151
Losses on reduction entry of real estate	4	1,931	0
Contributions for promotion of social welfare project	510	565	4
Subtotal	20,944	136,629	192
Surplus before income taxes	214,520	239,302	1,971
Income taxes (Note 28)			
Current	47,883	52,912	439
Deferred	(33,522)	(36,140)	(308)
Total income taxes	14,361	16,771	131
Net surplus	¥ 200,159	¥ 222,530	\$ 1,839

Non-consolidated Statements of Changes in Net Assets

Meiji Yasuda Life Insurance Company

Year ended March 31, 2019 (Millions of Yen)

	Funds, reserves and surplus											Unrealized gains (losses), revaluation reserve and adjustments							
	Surplus																		
	Other surplus																		
	Foundation funds (Note 20)	Reserve for redemption of foundation funds (Note 20)	Reserve for revaluation	Reserve for future losses	Reserve for fund redemption	Fund for price fluctuation allowance	Reserve for promotion of social welfare project	Reserve for business infrastructure	Reserve for reduction entry of real estate	Special reserves	Other reserves	Unappropriated surplus	Total surplus	Total funds, reserves and surplus	Net unrealized gains (losses) available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Total unrealized gains (losses), revaluation reserve and adjustments	Total net assets
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 (Notes 16 and 19)												(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

Year ended March 31, 2020 (Millions of Yen)

	Funds, reserves and surplus											Unrealized gains (losses), revaluation reserve and adjustments							
	Surplus																		
	Other surplus																		
	Foundation funds (Note 20)	Reserve for redemption of foundation funds (Note 20)	Reserve for revaluation	Reserve for future losses	Reserve for fund redemption	Fund for price fluctuation allowance	Reserve for promotion of social welfare project	Reserve for business infrastructure	Reserve for reduction entry of real estate	Special reserves	Other reserves	Unappropriated surplus	Total surplus	Total funds, reserves and surplus	Net unrealized gains (losses) available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Total unrealized gains (losses), revaluation reserve and adjustments	Total net assets
Beginning 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
Changes in the fiscal year																			
Issuance of foundation funds	50,000												50,000						50,000
Additions to policyholders' dividend reserves (Notes 16 and 19)												(169,630)	(169,630)	(169,630)					(169,630)
Additions to reserve for future losses				512								(512)							
Additions to reserve for redemption of foundation funds		60,000											60,000						60,000
Payment of interest on foundation funds												(918)	(918)	(918)					(918)
Net surplus												200,159	200,159	200,159					200,159
Redemption of foundation funds	(60,000)												(60,000)						(60,000)
Additions to reserve for fund redemption					52,000								(52,000)						
Reversal of reserve for fund redemption					(60,000)								(60,000)	(60,000)					(60,000)
Additions to reserve for promotion of social welfare project							564						(564)						
Reversal of reserve for promotion of social welfare project							(510)						510						
Additions to reserve for reduction entry of real estate								306					(306)						
Reversal of reserve for reduction entry of real estate								(544)					544						
Reversal of land revaluation differences												(522)	(522)	(522)					(522)
Net changes, excluding funds, reserves and surplus														(499,394)	3,933	522	(494,938)	(494,938)	
Net changes in the fiscal year	(10,000)	60,000	—	512	(8,000)	—	53	—	(238)	—	—	(23,239)	(30,912)	19,087	(499,394)	3,933	522	(494,938)	(475,850)
Ending balance	¥250,000	¥730,000	¥452	¥11,975	¥90,000	¥29,764	¥89	¥100,000	¥26,702	¥2,000	¥85	¥200,146	¥460,763	¥1,441,216	¥1,950,825	¥45,187	¥118,421	¥2,114,434	¥3,555,650

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

Meiji Yasuda Life Insurance Company

Year ended March 31, 2020 (Millions of U.S. Dollars)

	Funds, reserves and surplus											Unrealized gains (losses), revaluation reserve and adjustments							
	Surplus																		
	Other surplus																		
	Foundation funds (Note 20)	Reserve for redemption of foundation funds (Note 20)	Reserve for revaluation	Reserve for future losses	Reserve for fund redemption	Fund for price fluctuation allowance	Reserve for promotion of social welfare project	Reserve for business infrastructure	Reserve for reduction entry of real estate	Special reserves	Other reserves	Unappropriated surplus	Total surplus	Total funds, reserves and surplus	Net unrealized gains (losses) available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Total unrealized gains (losses), revaluation reserve and adjustments	Total net assets
Beginning balance	\$2,389	\$6,156	\$ 4	\$105	\$900	\$273	\$0	\$918	\$247	\$ 18	\$ 0	\$2,052	\$4,517	\$13,067	\$22,514	\$379	\$1,083	\$23,976	\$37,044
Changes in the fiscal year																			
Issuance of foundation funds	459												459						459
Additions to policyholders' dividend reserves (Notes 16 and 19)												(1,558)	(1,558)	(1,558)					(1,558)
Additions to reserve for future losses				4								(4)							
Additions to reserve for redemption of foundation funds		551											551						551
Payment of interest on foundation funds												(8)	(8)	(8)					(8)
Net surplus												1,839	1,839	1,839					1,839
Redemption of foundation funds	(551)												(551)						(551)
Additions to reserve for fund redemption					477								(477)						
Reversal of reserve for fund redemption					(551)								(551)	(551)					(551)
Additions to reserve for promotion of social welfare project							5						(5)						
Reversal of reserve for promotion of social welfare project							(4)						4						
Additions to reserve for reduction entry of real estate								2					(2)						
Reversal of reserve for reduction entry of real estate								(5)					5						
Reversal of land revaluation differences												(4)	(4)	(4)					(4)
Net changes, excluding funds, reserves and surplus														(4,588)	36	4	(4,547)	(4,547)	
Net changes in the fiscal year	(91)	551	—	4	(73)	—	0	—	(2)	—	—	(213)	(284)	175	(4,588)	36	4	(4,547)	(4,372)
Ending balance	\$2,297	\$6,707	\$ 4	\$110	\$826	\$273	\$0	\$918	\$245	\$ 18	\$ 0	\$1,839	\$4,233	\$13,242	\$17,925	\$415	\$1,088	\$19,428	\$32,671

Non-consolidated Proposed Appropriation of Surplus

Meiji Yasuda Life Insurance Company

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Unappropriated surplus	¥200,146	¥223,386	\$1,839
Reversal of voluntary surplus reserves:			
Reversal of reserve for reduction entry of real estate	544	544	5
Total	200,691	223,931	1,844
Appropriation of surplus	200,691	223,931	1,844
Provision for policyholders' dividend reserves	148,874	169,630	1,367
Net surplus	51,816	54,300	476
Reserve for future losses	449	512	4
Interest on foundation funds	757	918	6
Voluntary surplus reserves:	50,610	52,870	465
Reserve for fund redemption	50,000	52,000	459
Reserve for promotion of social welfare project	610	564	5
Reserve for reduction entry of real estate	—	306	—

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, 2020, which was ¥108.83 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," issued by the Japanese Institute of Certified Public Accountants (JICPA). 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" issued by the JICPA.

(3) Derivative transactions

Derivative transactions are stated at fair value.

(4) Method of hedge accounting

Methods of hedge accounting are in accordance with the ASBJ Statement No. 10, "Accounting Standard for Financial Instruments". 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," issued by the JICPA.

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, 2019 and 2020 amounted to ¥93 million and ¥183 million (U.S. \$1 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, 2019 and 2020, 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 ASBJ Statement No. 10, "Accounting Standard for Financial Instruments". 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		
	2020			2019			2020		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Cash and deposits	¥ 1,205,486	¥ 1,205,486	¥ —	¥ 1,147,715	¥ 1,147,715	¥ —	\$ 11,076	\$ 11,076	\$ —
Available-for-sale securities (CDs)	32,995	32,995	—	33,998	33,998	—	303	303	—
Monetary claims bought	204,335	217,514	13,179	212,307	225,616	13,309	1,877	1,998	121
Held-to-maturity debt securities	192,270	205,449	13,179	197,980	211,289	13,309	1,766	1,887	121
Available-for-sale securities	12,064	12,064	—	14,327	14,327	—	110	110	—
Money held in trust	13,966	13,966	—	16,669	16,669	—	128	128	—
Available-for-sale securities	13,966	13,966	—	16,669	16,669	—	128	128	—
Securities	31,548,038	33,890,160	2,342,122	31,003,951	33,480,771	2,476,819	289,883	311,404	21,520
Trading securities	743,989	743,989	—	775,564	775,564	—	6,836	6,836	—
Held-to-maturity debt securities	3,943,062	4,676,686	733,623	4,138,098	4,959,211	821,112	36,231	42,972	6,741
Policy-reserve-matching bonds	8,923,833	10,532,331	1,608,498	8,057,811	9,713,518	1,655,706	81,997	96,777	14,779
Available-for-sale securities	17,937,152	17,937,152	—	18,032,477	18,032,477	—	164,818	164,818	—
Loans	4,105,435	4,303,647	198,212	4,223,805	4,498,906	275,100	37,723	39,544	1,821
Policy loans	229,759	229,759	—	239,335	239,335	—	2,111	2,111	—
Industrial and consumer loans	3,875,676	4,073,888	198,212	3,984,470	4,259,571	275,100	35,612	37,433	1,821
Allowance for possible loan losses ^(*)	(5,452)	—	—	(4,033)	—	—	(50)	—	—
	4,099,982	4,303,647	203,665	4,219,772	4,498,906	279,133	37,673	39,544	1,871
Bonds payable	640,735	629,271	(11,463)	560,735	587,971	27,236	5,887	5,782	(105)
Payables under repurchase agreements	73,233	73,233	—	58,266	58,266	—	672	672	—
Payables under securities borrowing transactions	1,133,523	1,133,523	—	552,716	552,716	—	10,415	10,415	—
Derivative financial instruments ^(**)	23,425	23,425	—	46,079	46,079	—	215	215	—
Hedge accounting is not applied	(27,843)	(27,843)	—	(2,585)	(2,585)	—	(255)	(255)	—
Hedge accounting is applied	51,269	51,269	—	48,664	48,664	—	471	471	—

(*) 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 the ASBJ Statement No. 10, "Accounting Standard for Financial Instruments" is calculated in the same method shown in "Securities."

Monetary claims bought

Fair value of monetary claims bought deemed as securities transactions based on the ASBJ Statement No. 10, "Accounting Standard for Financial Instruments" 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, 2019 and 2020 were as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Unlisted stocks and others	¥893,162	¥1,178,229	\$8,206
Equity securities issued by subsidiaries and affiliates	847,921	881,663	7,791

Impairment losses on the unlisted stocks and others except for equity securities issued by subsidiaries and affiliates were ¥0 million and ¥287 million (U.S. \$2 million) for the years ended March 31, 2019 and 2020, 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 ¥(10,376) million and ¥(32,957) million (U.S. \$(302) million) for the years ended March 31, 2019 and 2020, respectively.

Held-to-maturity debt securities

No held-to-maturity debt securities were sold during the year ended March 31, 2019 and 2020, 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		
	2020			2019			2020		
	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	¥3,397,566	¥4,051,049	¥653,483	¥3,563,208	¥4,297,660	¥734,452	\$31,219	\$37,223	\$6,004
2) Corporate bonds	438,346	512,962	74,616	467,140	547,364	80,224	4,027	4,713	685
3) Others	288,620	307,556	18,936	297,929	317,752	19,822	2,652	2,826	173
Total	4,124,533	4,871,569	747,035	4,328,278	5,162,778	834,499	37,898	44,763	6,864
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	2,798	(1)	25	25	(0)
3) Others	8,000	7,768	(231)	5,000	4,924	(75)	73	71	(2)
Total	10,800	10,567	(232)	7,800	7,723	(76)	99	97	(2)

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 ¥50,733 million and ¥285,843 million (U.S. \$2,626 million) resulting in total gains on sales of ¥800 million and ¥12,913 million (U.S. \$118 million) for the years ended March 31, 2019 and 2020, respectively. There were no total losses on sales for the year ended March 31, 2019. Total losses on sales were ¥25 million (U.S. \$0 million) for the year ended March 31, 2020. Disposition of policy-reserve-matching bonds due to

considerable deterioration of the issuer's credit standing amounted to ¥1,128 million (U.S. \$10 million) resulting in the losses on sales of ¥104 million (U.S. \$0 million) for the year ended March 31, 2020.

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		
	2020			2019			2020		
	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	¥7,474,934	¥9,023,047	¥1,548,113	¥7,492,896	¥9,127,506	¥1,634,610	\$68,684	\$82,909	\$14,225
2) Corporate bonds	17,156	21,193	4,037	30,344	34,303	3,959	157	194	37
3) Others	678,166	746,731	68,565	493,842	511,581	17,739	6,231	6,861	630
Total	8,170,256	9,790,973	1,620,716	8,017,082	9,673,392	1,656,309	75,073	89,965	14,892
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	643,382	634,664	(8,717)	—	—	—	5,911	5,831	(80)
2) Corporate bonds	1,853	1,829	(24)	—	—	—	17	16	(0)
3) Others	108,340	104,864	(3,476)	40,728	40,125	(603)	995	963	(31)
Total	753,576	741,358	(12,218)	40,728	40,125	(603)	6,924	6,812	(112)

Available-for-sale securities

Disposition of available-for-sale securities amounted to ¥891,891 million and ¥286,600 million (U.S. \$2,633 million) resulting in total gains on sales of ¥14,962 million and ¥6,320 million (U.S. \$58 million) and total losses of ¥37,527 million and ¥6,166 million (U.S. \$56 million) for the years ended March 31, 2019 and 2020, 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		
	2020			2019			2020		
	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	¥ 1,188,129	¥ 2,991,591	¥1,803,462	¥ 1,478,135	¥ 3,835,843	¥2,357,708	\$ 10,917	\$ 27,488	\$16,571
(2) Bonds	4,655,016	5,019,411	364,394	4,839,378	5,276,532	437,153	42,773	46,121	3,348
1) National & local government bonds	3,057,771	3,345,513	287,741	3,167,226	3,512,009	344,783	28,096	30,740	2,643
2) Corporate bonds	1,597,245	1,673,898	76,652	1,672,152	1,764,522	92,370	14,676	15,380	704
(3) Others	7,448,981	8,131,550	682,568	5,759,780	6,451,371	691,590	68,446	74,717	6,271
Total	13,292,127	16,142,552	2,850,425	12,077,294	15,563,746	3,486,452	122,136	148,328	26,191
Securities whose balance sheet amount does not exceed the acquisition or amortized costs									
(1) Domestic stocks	410,410	363,092	(47,317)	196,093	173,524	(22,569)	3,771	3,336	(434)
(2) Bonds	217,042	213,582	(3,460)	49,321	49,065	(255)	1,994	1,962	(31)
1) National & local government bonds	24,226	24,038	(188)	—	—	—	222	220	(1)
2) Corporate bonds	192,816	189,544	(3,271)	49,321	49,065	(255)	1,771	1,741	(30)
(3) Others	1,368,766	1,276,951	(91,814)	2,374,142	2,311,136	(63,005)	12,577	11,733	(843)
Total	1,996,218	1,853,626	(142,591)	2,619,557	2,533,726	(85,830)	18,342	17,032	(1,310)

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 ¥11,361 million and ¥87,730 million (U.S. \$806 million) for the years ended March 31, 2019 and 2020, respectively.

c. Maturity analysis of monetary claims and securities with maturities

As of March 31,	Millions of Yen					
	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
Deposits	¥1,147,565	¥ —	¥ —	¥ —	¥ —	¥ —
Monetary claims bought	—	—	—	—	—	212,307
Loans*	443,009	604,622	648,901	574,134	710,617	1,002,811
Securities	677,302	2,389,931	2,092,797	1,118,538	3,442,754	14,853,441
Held-to-maturity debt securities	166,788	369,907	395,511	548,735	515,916	2,138,438
Policy-reserve-matching bonds	—	68,957	190,309	72,345	838,067	6,888,130
Available-for-sale securities with maturities	510,513	1,951,066	1,506,976	497,457	2,088,770	5,826,872
Total	2,267,877	2,994,553	2,741,699	1,692,673	4,153,371	16,068,560

As of March 31,	Millions of Yen						Millions of U.S. Dollars					
	2020						2020					
	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	¥1,205,392	¥ —	¥ —	¥ —	¥ —	¥ —	\$11,075	\$ —	\$ —	\$ —	\$ —	\$ —
Monetary claims bought	—	—	—	—	—	204,335	—	—	—	—	—	1,877
Loans*	376,133	693,967	607,674	610,688	766,712	819,816	3,456	6,376	5,583	5,611	7,045	7,532
Securities	891,693	2,430,711	1,527,391	1,358,427	4,124,543	15,499,407	8,193	22,334	14,034	12,482	37,898	142,418
Held-to-maturity debt securities	183,178	366,145	408,820	621,364	269,849	2,090,904	1,683	3,364	3,756	5,709	2,479	19,212
Policy-reserve-matching bonds	7,404	111,669	12,556	79,308	1,407,162	7,305,731	68	1,026	115	728	12,929	67,129
Available-for-sale securities with maturities	701,110	1,952,896	1,106,015	657,753	2,447,531	6,102,771	6,442	17,944	10,162	6,043	22,489	56,076
Total	2,473,219	3,124,678	2,135,065	1,969,115	4,891,255	16,523,558	22,725	28,711	19,618	18,093	44,943	151,829

* Bankruptcy and reorganization claims, which are expected to be unrecoverable, are not included in this table, and they were ¥374 million and ¥684 million (U.S. \$6 million) as of March 31, 2019 and 2020, 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					
	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
Bonds payable	¥ —	¥ —	¥ —	¥ —	¥ —	¥560,735
Payables under repurchase agreements	58,266	—	—	—	—	—
Payable under securities borrowing transactions	552,716	—	—	—	—	—
Total	610,983	—	—	—	—	560,735

As of March 31,	Millions of Yen						Millions of U.S. Dollars					
	2020						2020					
	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	¥ —	¥ —	¥ —	¥ —	¥ —	¥640,735	\$ —	\$ —	\$ —	\$ —	\$ —	\$5,887
Payables under repurchase agreements	73,233	—	—	—	—	—	672	—	—	—	—	—
Payable under securities borrowing transactions	1,133,523	—	—	—	—	—	10,415	—	—	—	—	—
Total	1,206,757	—	—	—	—	640,735	11,088	—	—	—	—	5,887

e. Fair value of derivative transactions

Hedge accounting not applied

i) Interest-rate related

As of March 31,	Millions of Yen			
	2019			
	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
Total				4

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	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	¥900	¥900	¥0	¥0	\$8	\$8	\$0	\$0
Total				0				0

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

ii) Currency-related

As of March 31,	Millions of Yen			
	2019			
	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
(U.S. dollar)	160,265	—	(23)	(23)
(Euro)	14,252	—	122	122
(Australian dollar)	20,073	—	100	100
(British pound)	40	—	0	0
(Others)	1	—	(0)	(0)
Bought	11,875	—	(24)	(24)
(U.S. dollar)	6,577	—	3	3
(Euro)	3,864	—	(28)	(28)
(Australian dollar)	1,378	—	1	1
(Others)	55	—	(0)	(0)
Currency options				
Sold				
Call	198,628	—	1	474
(U.S. dollar)	[476]	—	1	474
Bought				
Put	178,500	—	32	(443)
(U.S. dollar)	[476]	—	32	(443)
Cross currency swaps				
Yen payments / Australian dollar receipts	154,546	154,546	(3,143)	(3,143)
Yen payments / U.S. dollar receipts	11,740	11,740	300	300
Total				(2,637)

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	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	¥773,127	¥ —	¥ (596)	¥ (596)	\$7,103	\$ —	\$ (5)	\$ (5)
(U.S. dollar)	687,556	—	(4,401)	(4,401)	6,317	—	(40)	(40)
(Euro)	31,838	—	331	331	292	—	3	3
(Australian dollar)	53,582	—	3,472	3,472	492	—	31	31
(British pound)	62	—	(0)	(0)	0	—	(0)	(0)
(Others)	87	—	0	0	0	—	0	0
Bought	33,772	—	23	23	310	—	0	0
(U.S. dollar)	16,746	—	68	68	153	—	0	0
(Euro)	11,451	—	(83)	(83)	105	—	(0)	(0)
(Australian dollar)	5,523	—	38	38	50	—	0	0
(Others)	50	—	0	0	0	—	0	0
Currency options								
Sold								
Call	157,097	—			1,443	—		
(U.S. dollar)	[41]	—	41	0	[0]	—	0	0
Put	157,097	—			1,443	—		
(U.S. dollar)	[41]	—	41	0	[0]	—	0	0
Bought								
Put	166,178	—			1,526	—		
(U.S. dollar)	[63]	—	198	135	[0]	—	1	1
Call	166,178	—			1,526	—		
(U.S. dollar)	[63]	—	198	135	[0]	—	1	1
Cross currency swaps								
Yen payments / Australian dollar receipts	175,156	175,156	(19,719)	(19,719)	1,609	1,609	(181)	(181)
Yen payments / U.S. dollar receipts	7,080	7,080	881	881	65	65	8	8
Total			(19,275)	(177)				

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			
	2019			
	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)
Bought	4,154	—	0	0
Foreign currency-denominated stock index futures				
Sold	327	—	(9)	(9)
Bought	5,444	—	72	72
Total				45

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	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	¥148,066	¥—	¥(8,969)	¥(8,969)	\$1,360	\$—	\$(82)	\$(82)
Bought	8,943	—	231	231	82	—	2	2
Foreign currency-denominated stock index futures								
Sold	346	—	(35)	(35)	3	—	(0)	(0)
Bought	6,304	—	174	174	57	—	1	1
Total				(8,598)				(79)

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

iv) Bond-related

As of March 31,	Millions of Yen			
	2019			
	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
Total				2

As of March 31,	Millions of Yen				Millions of U.S. Dollars			
	2020				2020			
	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	¥513	¥—	¥9	¥9	\$4	\$—	\$0	\$0
Total				9				0

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

Hedge accounting applied

i) Interest-rate related

As of March 31,	Millions of Yen			
	2019			
	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	¥230,700	¥230,700	¥57,446
Special hedge accounting				
Interest rate swaps				
Receipts fixed, payments floating	Loans	3,369	3,324	185
Total				57,632

As of March 31,	Millions of Yen				Millions of U.S. Dollars		
	2020				2020		
	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	¥227,300	¥227,300	¥61,477	\$2,088	\$2,088	\$564
Special hedge accounting							
Interest rate swaps							
Receipts fixed, payments floating	Loans	3,222	3,222	159	29	29	1
Total				61,637			566

ii) Currency-related

As of March 31,	Millions of Yen				Millions of U.S. Dollars		
	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
	2019				2020		
Fair value hedge accounting							
Foreign currency forward contracts							
Sold	Foreign-currency-denominated bonds	¥3,887,217	¥ —	¥ (8,600)	\$42,994	\$ —	\$(105)
(U.S. dollar)		3,529,862	—	(10,393)	38,314	—	(313)
(Euro)		199,793	—	700	2,332	—	9
(Australian dollar)		142,408	—	980	2,214	—	190
(Others)		15,152	—	112	133	—	7
Deferred hedge accounting							
Cross currency swaps	Foreign-currency-denominated bonds	35,575	35,575	(381)	326	326	4
(Euro)							
(Australian dollar)		4,305	4,305	199	39	39	6
Total				(8,782)			(93)

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, 2019 and 2020.

iv) Bond-related

No ending balance as of March 31, 2019 and 2020.

4. Securities Lending

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥2,322,166 million and ¥2,762,898 million (U.S. \$25,387 million) as of March 31, 2019 and 2020, respectively.

5. Securities sold under Repurchase Agreements

Securities sold under repurchase agreements amounted to ¥58,278 million and ¥75,520 (U.S. \$693 million) as of March 31, 2019 and 2020, respectively.

6. Pledged Assets

Assets pledged as collateral were securities in the amount of ¥3,187 million and ¥29,285 million (U.S. \$269 million) as of March 31, 2019 and 2020, respectively.

7. Equity Securities issued by Subsidiaries and Affiliates

The total amounts of equity securities issued by subsidiaries and affiliates were ¥881,663 million and ¥847,921 million (U.S. \$7,791 million) as of March 31, 2019 and 2020, respectively.

8. Loans

The 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 ¥18,955 million and ¥18,048 million (U.S. \$165 million) as of March 31, 2019 and 2020, respectively.

There were no loans to bankrupt borrowers as of March 31, 2019. The amounts of loans to bankrupt borrowers were ¥26 million (U.S. \$0 million) as of March 31, 2020. The amounts of loans in arrears were ¥3,943 million and ¥5,091 million (U.S. \$46 million) as of March 31, 2019 and 2020, respectively.

The amounts of loans deemed uncollectible and directly deducted from the loans in the non-consolidated balance sheets as of March 31, 2019 and 2020 were ¥91 million and ¥161 million (U.S. \$1 million), respectively, for loans to bankrupt borrowers, and ¥1 million and ¥22 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, 2019 and 2020, 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 ¥15,012 million and ¥12,930 million (U.S. \$118 million) as of March 31, 2019 and 2020, 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 ¥65,181 million and ¥74,610 million (U.S. \$685 million) as of March 31, 2019 and 2020, respectively.

10. Fair Value of Investment and Rental Properties

The carrying amounts of investment and rental properties were ¥568,568 million and ¥565,200 million (U.S. \$5,193 million), and their fair values were ¥759,655 million and ¥812,735 million (U.S. \$7,467 million) as of March 31, 2019 and 2020, 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 ¥436,021 million and ¥453,045 million (U.S. \$4,162 million) as of March 31, 2019 and 2020, 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, 2019 and 2020, 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, 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, 2020

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	1	¥565	¥ 906	¥1,471
Idle assets	7	98	674	773
Total	8	663	1,581	2,245

For the year ended March 31, 2020

Asset group	Millions of U.S. Dollars		
	Land	Buildings	Total
Real estate for non-insurance business	\$5	\$ 8	\$13
Idle assets	0	6	7
Total	6	14	20

(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 1.90% and 1.89% for the years ended March 31, 2019 and 2020, 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, 2019 and 2020 were as follows:

Years ended March 31,	2020	2019
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, 2019 and 2020 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Balance at the beginning of the fiscal year	¥273,446	¥281,135	\$2,512
Service costs	9,461	10,148	86
Interest cost on retirement benefit obligations	2,461	2,530	22
Actuarial losses (gains) recognized	1,022	2,552	9
Benefits paid	(18,158)	(22,920)	(166)
Past service costs	(9,764)	—	(89)
Balance at the end of the fiscal year	258,468	273,446	2,374

c. Changes in the plan assets for the years ended March 31, 2019 and 2020 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Balance at the beginning of the fiscal year	¥360,723	¥394,232	\$3,314
Expected return on plan assets	3,398	3,487	31
Actuarial gains (losses) recognized	(36,429)	(31,217)	(334)
Contributions by employer	2,183	3,588	20
Benefits paid	(7,586)	(9,367)	(69)
Balance at the end of the fiscal year	322,289	360,723	2,961

d. The amount of the retirement benefit obligations and the plan assets, and the amount of the accrued retirement benefits and the prepaid pension cost recognized in the non-consolidated balance sheets as of March 31, 2019 and 2020 were determined as follows:

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Present value of funded retirement benefit obligations	¥257,471	¥272,480	\$2,365
Plan assets at fair value	(322,289)	(360,723)	(2,961)
Net present value of funded retirement benefit obligations	(64,817)	(88,243)	(595)
Present value of non-funded retirement benefit obligations	997	965	9
Unrecognized actuarial losses (gains)	(35,633)	(2,214)	(327)
Unrecognized past service costs	10,547	2,588	96
Accrued retirement benefits (Prepaid pension cost)	(88,906)	(86,903)	(816)

e. The amounts recognized in retirement benefit expenses in the non-consolidated statements of income for the years ended March 31, 2019 and 2020 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Service costs	¥ 9,461	¥10,148	\$86
Interest cost on retirement benefit obligations	2,461	2,530	22
Expected return on plan assets	(3,398)	(3,487)	(31)
Amortization of net actuarial losses (gains)	4,034	(639)	37
Amortization of net past service costs	(1,805)	(866)	(16)
Retirement benefit expenses	10,752	7,685	98

f. Plan assets

Plan assets as of March 31, 2019 and 2020 were comprised as follows:

As of March 31,	% of total fair value of plan assets	
	2020	2019
Debt securities	7.5%	7.7%
Stocks	30.7%	37.5%
General account of life insurance companies	30.4%	27.8%
Jointly invested assets	20.1%	19.3%
Investment trusts	2.6%	3.6%
Cash and deposits	2.0%	0.9%
Others	6.6%	3.2%
Total	100.0%	100.0%

Plan assets include the retirement benefit trusts. The amounts of the retirement benefit trusts were 52.9% and 49.4% of total plan assets as of March 31, 2019 and 2020, 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, 2019 and 2020 were as follows:

Years ended March 31,	2020	2019
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 ¥1,018 million and ¥992 million (U.S. \$9 million) for the years ended March 31, 2019 and 2020, respectively.

15. Reinsurance

As of March 31, 2019 and 2020, 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 ¥318 million and ¥17 million (U.S. \$0 million), respectively.

As of March 31, 2019 and 2020, 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 ¥28,250 million and ¥28,660 million (U.S. \$263 million), respectively.

16. Policyholders’ Dividend Reserves

Changes in policyholders’ dividend reserves for the years ended March 31, 2019 and 2020 were as follows:

Years ended March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Balance at the beginning of the fiscal year	¥242,957	¥233,768	\$2,232
Transfer from surplus in the previous fiscal year	169,630	185,731	1,558
Dividend payments to policyholders during the fiscal year	(166,720)	(176,676)	(1,531)
Interest accrued during the fiscal year	121	134	1
Balance at the end of the fiscal year	245,988	242,957	2,260

17. Subordinated Bonds

As of March 31, 2019 and 2020, 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
	2020	2019	2020
Deferred tax assets	¥775,829	¥730,103	\$7,128
Valuation allowance for deferred tax assets	(4,447)	(4,139)	(40)
Subtotal	771,382	725,964	7,087
Deferred tax liabilities	(785,018)	(965,260)	(7,213)
Net deferred tax assets (liabilities)	(13,636)	(239,296)	(125)

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

As of March 31,	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Deferred tax assets			
Policy reserves and other reserves	¥428,745	¥413,482	\$3,939
Reserve for price fluctuation	232,761	228,146	2,138
Deferred tax liabilities			
Net unrealized gains on available-for-sale securities	735,416	916,612	6,757

(2) The statutory tax rates were 27.96% and 27.96% for the years ended March 31, 2019 and 2020, 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,	2020	2019
Policyholders’ dividend reserves	(18.38)%	(19.10)%

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. \$459 million) pursuant to Article 60 of the “Insurance Business Act” in the years ended March 31, 2019 and 2020, respectively.

The Company redeemed foundation funds and also established for reserve for redemption of foundation funds pursuant to Article 56 of the “Insurance Business Act” in the amount of ¥50,000 million and ¥60,000 million (U.S. \$551 million) as of March 31, 2019 and 2020, 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 ¥2,609,825 million and ¥2,114,887 million (U.S. \$19,432 million) as of March 31, 2019 and 2020, 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 ¥825,371 million and ¥810,928 million (U.S. \$7,451 million) as of March 31, 2019 and 2020, 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, 2019 and 2020 were as follows:

	Millions of Yen		Millions of U.S. Dollars
As of March 31,	2020	2019	2020
Monetary receivable	¥2,310	¥2,530	\$21
Monetary payable	3,686	4,460	33

24. Investment Income and Expenses

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

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2020	2019	2020
Domestic bonds including national government bonds	¥9,928	¥ 1,705	\$91
Domestic stocks	4,388	3,287	40
Foreign securities	4,916	10,769	45

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

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2020	2019	2020
Domestic bonds including national government bonds	¥ 553	¥ 78	\$ 5
Domestic stocks	205	488	1
Foreign securities	5,536	36,960	50

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

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2020	2019	2020
Domestic stocks	¥72,590	¥11,361	\$667
Foreign securities	30,432	6,142	279

Loss on derivative financial instruments included net valuation gain of ¥23,151 million for the year ended March 31, 2019 and net valuation loss of ¥156,021 million (U.S. \$1,433 million) for the year ended March 31, 2020.

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, 2019 and 2020 were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2020	2019	2020
Provision for (reversal of) reinsurance recoverable on outstanding claims	¥(300)	¥ 262	\$(2)
Provision for (reversal of) reinsurance recoverable on policy reserves	410	5,014	3

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 ¥47,718 million and ¥47,627 million (U.S. \$437 million) as of March 31, 2019 and 2020, 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, 2019 and 2020 were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31,	2020	2019	2020
Total income	¥26,314	¥18,957	\$241
Total expenses	36,918	38,849	339

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, 2020 was approved as planned at the annual meeting of the representatives of policyholders held on July 2, 2020.



Independent Auditor's Report

To the Board of Directors of Meiji Yasuda Life Insurance Company:

Opinion

We have audited the accompanying non-consolidated financial statements of Meiji Yasuda Life Insurance Company ("the Company"), which comprise the non-consolidated balance sheets as at March 31, 2019 and 2020, 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 notes, comprising a summary of significant accounting policies, other explanatory information.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019 and 2020, and its financial performance for the years then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit Committee for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the non-consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Convenience Translation

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2020 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.



Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.




Takuji Kanai
Designated Engagement Partner
Certified Public Accountant




Yukio Kumaki
Designated Engagement Partner
Certified Public Accountant




Koki Minowa
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
August 5, 2020

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Assets

Loans Categorized by Internal Classification of Borrowers

(Millions of Yen)		
As of March 31,	2020	2019
Loans to legally bankrupt and substantially bankrupt borrowers	409	438
Loans to borrowers with high possibility of bankruptcy	4,709	3,504
Loans with collection risk	13,109	15,225
Subtotal	18,227	19,168
Proportion of total loans (%)	0.26	0.29
Normal loans	6,960,483	6,623,904
Total	6,978,710	6,643,073

- 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,	2020	2019
Loans to bankrupt borrowers	26	—
Loans in arrears	5,091	3,943
Loans in arrears for three months or longer	—	—
Restructured loans	12,930	15,012
Total	18,048	18,955
Non-performing loans/total loans (%)	0.44	0.45

- 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 ¥91 million for loans to bankrupt borrowers and ¥1 million for loans in arrears as of March 31, 2019; and ¥161 million for loans to bankrupt borrowers and ¥22 million for loans in arrears as of March 31, 2020.
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,	2020		2019	
	Amount	% of total value of loans	Amount	% of total value of loans
Not Classified	6,957,460	99.7	6,627,868	99.8
Class II	20,936	0.3	15,031	0.2
Class III	312	0.0	172	0.0
Class IV	—	—	—	—
Subtotal of II-IV	21,249	0.3	15,204	0.2
Total	6,978,710	100.0	6,643,073	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,	2020		2019	
	Amount	% of total value of loans	Amount	% of total value of loans
(A) Total solvency margin	7,431,277		7,813,804	
① Foundation funds	1,287,358		1,247,299	
② Reserve for price fluctuation	832,480		815,975	
③ Contingency reserves	787,642		710,714	
④ General allowance for possible loan losses	1,483		1,089	
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)	2,438,301		3,060,911	
⑥ Unrealized gains on land × 85% (100% in case of losses)	461,418		400,514	
⑦ Excess of continued Zillmerized reserve	870,776		909,388	
⑧ Qualifying subordinated debt	640,735		560,735	
⑨ Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—		—	
⑩ Deductions	—		—	
⑪ Other (tax effect adjustment)	111,080		107,176	
(B) Total amount of risk $\sqrt{((12)+(13))^2+(14)+(15)+(16))^2+(17)}$	1,389,912		1,589,199	
⑫ Insurance risk	121,334		120,996	
⑬ Third-sector insurance risk	74,178		69,193	
⑭ Assumed interest rate risk	141,076		146,472	
⑮ Minimum guarantee risk	7,345		11,035	
⑯ Investment risk	1,196,544		1,385,352	
⑰ Business management risk	30,809		34,660	
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	1,069.3		983.3	

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

As of March 31,	2020	2019
Real net assets	9,496,691	10,193,061
Ratio of real net assets to general account assets (%)	24.5	26.5

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

As of March 31,	2020	2019
Real net assets after deducting unrealized gains and losses on held-to-maturity debt securities and policy-reserve-matching bonds	7,141,389	7,702,931

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 (Total of General and Separate Accounts)

As of March 31,	2020		2019	
	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	743,989	(32,957)	775,564	(10,376)
General account	—	—	—	—
Separate account	743,989	(32,957)	775,564	(10,376)

Fair Value of Securities (Total of General and Separate Accounts)

• Securities with Fair Value (excluding trading securities)

As of March 31,	2020					2019				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity debt securities	4,135,333	4,882,136	746,803	747,035	(232)	4,336,078	5,170,501	834,422	834,499	(76)
Policy-reserve-matching bonds	8,923,833	10,532,331	1,608,498	1,620,716	(12,218)	8,057,811	9,713,518	1,655,706	1,656,309	(603)
Stocks of subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	15,288,346	17,996,179	2,707,833	2,850,425	(142,591)	14,696,852	18,097,473	3,400,621	3,486,452	(85,830)
Domestic bonds	4,872,059	5,232,993	360,934	364,394	(3,460)	4,888,700	5,325,598	436,897	437,153	(255)
Domestic stocks	1,598,539	3,354,683	1,756,144	1,803,462	(47,317)	1,674,228	4,009,367	2,335,139	2,357,708	(22,569)
Foreign securities	7,920,182	8,505,333	585,150	646,961	(61,810)	7,293,609	7,870,746	577,137	628,368	(51,231)
Foreign bonds	7,083,149	7,622,208	539,058	567,541	(28,483)	6,502,084	6,928,152	426,067	470,907	(44,840)
Foreign stocks and others	837,033	883,125	46,091	79,419	(33,327)	791,524	942,594	151,069	157,461	(6,391)
Other securities	835,520	844,140	8,620	34,726	(26,106)	775,212	826,765	51,552	62,130	(10,578)
Monetary claims bought	11,184	12,064	880	880	—	13,236	14,327	1,090	1,090	—
Negotiable deposits	33,000	32,995	(4)	0	(4)	34,000	33,998	(1)	0	(1)
Money held in trust	17,859	13,966	(3,892)	—	(3,892)	17,864	16,669	(1,194)	—	(1,194)
Total	28,347,512	33,410,647	5,063,135	5,218,177	(155,042)	27,090,742	32,981,493	5,890,750	5,977,261	(86,510)
Domestic bonds	16,848,098	19,480,539	2,632,441	2,644,645	(12,203)	16,450,708	19,341,072	2,890,364	2,890,621	(256)
Domestic stocks	1,598,539	3,354,683	1,756,144	1,803,462	(47,317)	1,674,228	4,009,367	2,335,139	2,357,708	(22,569)
Foreign securities	8,811,040	9,466,805	655,765	721,284	(65,518)	7,927,511	8,528,002	600,490	652,400	(51,910)
Foreign bonds	7,974,006	8,583,680	609,673	641,864	(32,190)	7,135,987	7,585,407	449,420	494,939	(45,518)
Foreign stocks and others	837,033	883,125	46,091	79,419	(33,327)	791,524	942,594	151,069	157,461	(6,391)
Other securities	835,520	844,140	8,620	34,726	(26,106)	775,212	826,765	51,552	62,130	(10,578)
Monetary claims bought	203,455	217,514	14,059	14,059	—	211,216	225,616	14,400	14,400	—
Negotiable deposits	33,000	32,995	(4)	0	(4)	34,000	33,998	(1)	0	(1)
Money held in trust	17,859	13,966	(3,892)	—	(3,892)	17,864	16,669	(1,194)	—	(1,194)

Note: Includes securities that are deemed appropriate to handle under the Financial Instruments and Exchange Act.

• Held-to-Maturity Debt Securities

As of March 31,	(Millions of Yen)					
	2020			2019		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	4,124,533	4,871,569	747,035	4,328,278	5,162,778	834,499
Domestic bonds	3,835,912	4,564,012	728,099	4,030,348	4,845,025	814,676
Foreign bonds	96,349	102,106	5,756	99,949	106,462	6,512
Monetary claims bought	192,270	205,449	13,179	197,980	211,289	13,309
Securities whose fair value does not exceed the balance sheet amount	10,800	10,567	(232)	7,800	7,723	(76)
Domestic bonds	2,800	2,798	(1)	2,800	2,798	(1)
Foreign bonds	8,000	7,768	(231)	5,000	4,924	(75)
Monetary claims bought	—	—	—	—	—	—

• Policy-Reserve-Matching Bonds

As of March 31,	(Millions of Yen)					
	2020			2019		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	8,170,256	9,790,973	1,620,716	8,017,082	9,673,392	1,656,309
Domestic bonds	7,492,090	9,044,241	1,552,150	7,528,858	9,167,649	1,638,791
Foreign bonds	678,166	746,731	68,565	488,223	505,742	17,518
Securities whose fair value does not exceed the balance sheet amount	753,576	741,358	(12,218)	40,728	40,125	(603)
Domestic bonds	645,235	636,493	(8,741)	—	—	—
Foreign bonds	108,340	104,864	(3,476)	40,728	40,125	(603)

• Available-for-Sale Securities

As of March 31,	(Millions of Yen)					
	2020			2019		
	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	13,292,127	16,142,552	2,850,425	12,077,294	15,563,746	3,486,452
Domestic bonds	4,655,016	5,019,411	364,394	4,839,378	5,276,532	437,153
Domestic stocks	1,188,129	2,991,591	1,803,462	1,478,135	3,835,843	2,357,708
Foreign securities	6,857,142	7,504,104	646,961	5,222,294	5,850,663	628,368
Other securities	577,654	612,381	34,726	509,250	571,381	62,130
Monetary claims bought	11,184	12,064	880	13,236	14,327	1,090
Negotiable deposits	3,000	3,000	0	15,000	15,000	0
Money held in trust	—	—	—	—	—	—
Securities whose balance sheet amount does not exceed the acquisition or amortized costs	1,996,218	1,853,626	(142,591)	2,619,557	2,533,726	(85,830)
Domestic bonds	217,042	213,582	(3,460)	49,321	49,065	(255)
Domestic stocks	410,410	363,092	(47,317)	196,093	173,524	(22,569)
Foreign securities	1,063,040	1,001,229	(61,810)	2,071,315	2,020,083	(51,231)
Other securities	257,866	231,759	(26,106)	265,962	255,384	(10,578)
Monetary claims bought	—	—	—	—	—	—
Negotiable deposits	30,000	29,995	(4)	19,000	18,998	(1)
Money held in trust	17,859	13,966	(3,892)	17,864	16,669	(1,194)

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

As of March 31,	(Millions of Yen)	
	2020	2019
Held-to-maturity debt securities	—	—
Policy-reserve-matching bonds	—	—
Stocks of subsidiaries and affiliates	847,921	881,663
Available-for-sale securities	45,098	295,993
Unlisted domestic stocks	27,725	27,452
Unlisted foreign stocks	4,126	257,126
Other foreign securities	531	596
Others	12,714	10,818
Total	893,020	1,177,656

Fair Value of Money Held in Trust (Total of General and Separate Accounts)

As of March 31,	(Millions of Yen)							
	2020				2019			
	Balance sheet amount	Fair value	Net gains/losses		Balance sheet amount	Fair value	Net gains/losses	
Money held in trust	13,966	13,966	—	—	16,669	16,669	—	—
			Gains	Losses			Gains	Losses

Money Held in Trust for Investment

Not applicable.

Money Held in Trust for Maturity, for Policy Reserve Matching and for Other Purposes

As of March 31,	(Millions of Yen)							
	2020				2019			
	Book value	Fair value	Net gains/losses		Book value	Fair value	Net gains/losses	
Held-to-maturity	—	—	—	—	—	—	—	—
Policy reserve matching	—	—	—	—	—	—	—	—
Other purposes	17,859	13,966	(3,892)	—	17,864	16,669	(1,194)	—
			Gains	Losses			Gains	Losses

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 (Total of General and Separate Accounts)

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 a type of contract that mandates the mutual provision of collateral by transactional participants based on market conditions and risks (e.g. Credit Support Annex), 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.

(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.

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

(Millions of Yen)

As of March 31,	2020							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	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	—	—	—	—	—	—	900	900	—	—	—	—	—	700	700
Average interest rate in receipt (%)	—	—	—	—	—	—	0.15	0.15	—	—	—	—	—	0.41	0.41
Average interest rate in payment (%)	—	—	—	—	—	—	(0.04)	(0.04)	—	—	—	—	—	0.01	0.01

◆ Currency-Related

(Millions of Yen)

As of March 31,	2020				2019			
	Notional amount/ contract value	Fair value	Net gains (losses)	Notional amount/ contract value	Fair value	Net gains (losses)		
OTC								
Foreign currency forward contracts								
Sold								
(U.S. dollar)	773,127	—	(596)	(596)	194,632	—	199	
(Australian dollar)	687,556	—	(4,401)	(4,401)	160,265	—	(23)	
(Euro)	53,582	—	3,472	3,472	20,073	—	100	
(Others)	31,838	—	331	331	14,252	—	122	
Bought	149	—	0	0	41	—	0	
(U.S. dollar)	33,772	—	23	23	11,875	—	(24)	
(Euro)	16,746	—	68	68	6,577	—	3	
(Australian dollar)	11,451	—	(83)	(83)	3,864	—	(28)	
(Others)	5,523	—	38	38	1,378	—	1	
(U.S. dollar)	50	—	0	0	55	—	(0)	
Currency options								
Sold								
Call	157,097	—			198,628	—		
(U.S. dollar)	[41]		41	0	[476]		1	
	157,097	—			198,628	—		
	[41]		41	0	[476]		1	
Bought								
Put	166,178	—			178,500	—		
(U.S. dollar)	[63]		198	135	[476]		32	
	166,178	—			178,500	—		
	[63]		198	135	[476]		32	
Currency swaps								
Yen payments/Australian dollar receipts	175,156	175,156	(19,719)	(19,719)	154,546	154,546	(3,143)	
Yen payments/U.S. dollar receipts	7,080	7,080	881	881	11,740	11,740	300	
Total								
				(19,275)			(2,637)	

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 [].

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,	2020						2019					
	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	61,637	(10,208)	—	—	—	51,428	57,632	(8,782)	—	—	—	48,850
Hedge accounting not applied	0	(19,275)	(8,598)	9	—	(27,864)	4	(2,637)	45	2	—	(2,585)
Total	61,637	(29,483)	(8,598)	9	—	23,564	57,637	(11,419)	45	2	—	46,264

Note: Gains and losses on derivative transactions where fair value hedge accounting is applied included loss attributable to currency-related transactions totaling ¥8,600 million as of March 31, 2019 and loss attributable to currency-related transactions totaling ¥11,456 million as of March 31, 2020. 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,	2020			2019		
	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	900	900	0	700	700	4
Total			0			4

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

◆ Stock-Related

As of March 31,	2020			2019			(Millions of Yen)	
	Notional amount/ contract value		Net gains (losses)	Notional amount/ contract value		Net gains (losses)		
	Over 1 year	Fair value		Over 1 year	Fair value		Over 1 year	Fair value
Exchange-traded transactions								
Yen stock index futures								
Sold	148,066	—	(8,969)	(8,969)	2,672	—	(18)	(18)
Bought	8,943	—	231	231	4,154	—	0	0
Foreign currency-denominated stock index futures								
Sold	346	—	(35)	(35)	327	—	(9)	(9)
Bought	6,304	—	174	174	5,444	—	72	72
Total			(8,598)					45

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

◆ Bond-Related

As of March 31,	2020			2019			(Millions of Yen)	
	Notional amount/ contract value		Net gains (losses)	Notional amount/ contract value		Net gains (losses)		
	Over 1 year	Fair value		Over 1 year	Fair value		Over 1 year	Fair value
Exchange-traded transactions								
Foreign bond index futures								
Bought	513	—	9	9	123	—	2	2
Total			9					2

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

(3) Transactions Where Hedge Accounting is Applied

◆ Interest-rate Related

As of March 31,	2020			2019			(Millions of Yen)	
	Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value		
	Over 1 year	Fair value		Over 1 year	Fair value		Over 1 year	Fair value
Deferred hedge accounting	Interest rate swaps Receipts fixed, payments floating	Insurance liabilities	227,300	227,300	61,477	230,700	230,700	57,446
Special hedge accounting	Interest rate swaps Receipts fixed, payments floating	Loans	3,222	3,222	159	3,369	3,324	185
Total			61,637		57,632			

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

As of March 31,	2020							2019							(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	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		
															Number of stocks	Total balance sheet value
Receipts fixed, payments floating swap																
Notional amount	—	6,500	8,122	10,100	12,400	193,400	230,522	45	6,300	6,800	11,124	12,300	197,500	234,069		
Average interest rate in receipt (%)	—	1.68	1.74	1.83	2.13	1.86	1.86	1.60	1.56	1.75	1.73	2.05	1.87	1.86		
Average interest rate in payment (%)	—	(0.01)	0.10	0.01	(0.01)	(0.02)	(0.02)	0.07	0.01	(0.00)	0.14	0.00	0.00	0.01		

◆ Currency-Related

As of March 31,	2020			2019			(Millions of Yen)	
	Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value		
	Over 1 year	Fair value		Over 1 year	Fair value		Over 1 year	Fair value
Fair value hedge accounting	Foreign currency forward contracts	Foreign-currency-denominated bonds						
	Sold		4,679,142	—	(11,456)	3,887,217	—	(8,600)
	(U.S. dollar)		4,169,798	—	(34,142)	3,529,862	—	(10,393)
	(Euro)		253,887	—	1,063	199,793	—	700
	(Australian dollar)		240,977	—	20,754	142,408	—	980
	(Others)		14,479	—	867	15,152	—	112
Deferred hedge accounting	Cross currency swaps	Foreign-currency-denominated bonds						
	(Euro)		35,575	35,575	538	35,575	35,575	(381)
	(Australian dollar)		4,305	4,305	709	4,305	4,305	199
Total			(10,208)		(8,782)			

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.

With regard to stocks that are strategically held by the Company, Meiji Yasuda Life periodically verifies each holding individually to confirm the appropriateness of the purpose of such holding and its economic rationality. Should a stockholding fail this verification, the Company then considers divestment if there is no justification for maintaining the holding solely for the purpose of 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 performed by the Board of Directors and other bodies employing the medium- to long-term perspective regarding the appropriateness of the purposes of the holding in light of the execution of joint business or the enhancement of transactional relationships. This also entails a close examination of the economic rationale for such holdings. In addition, the Company confirmed via verification conducted in June 2020 the appropriateness of all such stockholdings in light of their purposes and economic rationality.

(2) Number of Stocks and Their Balance Sheet Value

	Number of stocks	Total balance sheet value	(Millions of Yen)
Unlisted stocks	11	6,499	
Other stocks	1	46,241	

Increase in Number of Shares of Specific Stocks

	Number of stocks	Total acquisition price associated with the increase in the number of shares	Reasons for the increase	(Millions of Yen)
Unlisted stocks	1	78	Enhancement of a structure for health improvement services and the development of new services	

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, 2020

(Thousand Shares, Millions of Yen)			
Stock	Number of shares	Balance sheet amount	Purpose
Talanx AG	12,493	46,241	Ongoing stockholding to maintain a strategic partnership aimed at promoting international collaboration in the insurance business in growing markets, with the aim of collecting information and nurturing human resources associated with supporting global expansion

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, with the aim of collecting information and nurturing human resources associated with supporting global expansion

4. Investment Securities Held Solely for Investment

(Millions of Yen)										
As of and years ended March 31,	2020					2019				
	Balance sheet amount	Dividends received	Gains/Losses on sales	Valuation gains/losses Unrealized gains/losses	Impairment losses	Balance sheet amount	Dividends received	Gains/Losses on sales	Valuation gains/losses Unrealized gains/losses	Impairment losses
Unlisted stocks	25,678	942	817	326	(83)	27,536	1,653	760	783	(0)
Others	3,371,852	107,815	3,557	1,759,950	(82,649)	4,038,079	106,509	2,052	2,341,850	(11,361)

Components of Ordinary Profit (Base Profit)

(Millions of Yen)		
Years ended March 31,	2020	2019
Base income ①	3,670,182	3,748,005
Insurance premiums and other	2,593,355	2,770,879
Insurance premiums	2,588,757	2,769,643
Investment income (Note 1)	961,792	888,082
Interest, dividends and other income	871,621	807,260
Other ordinary income (Note 1)	73,396	85,522
Other base income	41,638	3,520
Base expenses ②	3,078,527	3,158,348
Benefits and other payments	2,293,433	2,205,432
Claims paid	604,727	637,897
Annuity payments	627,305	614,555
Benefit payments	402,708	395,524
Surrender benefits	548,700	463,306
Other refunds	105,969	89,249
Provision for policy reserves and other reserves (Note 1)	155,730	415,198
Investment expenses (Note 1)	92,641	41,205
Operating expenses	362,017	357,421
Other ordinary expenses	136,914	139,090
Other base expenses	37,789	—
Base profit	A (①-②)	591,655

(Millions of Yen)		
Years ended March 31,	2020	2019
Capital income ③	57,023	23,948
Gains on money held in trust	—	—
Gains on trading securities	—	—
Gains on sales of securities	19,233	15,762
Gains on derivative financial instruments	—	—
Foreign exchange gains	—	8,185
Other capital income	37,789	—
Capital expenses ④	305,871	189,109
Losses on money held in trust	254	397
Losses on trading securities	—	—
Losses on sales of securities	6,295	37,527
Losses on valuation of securities	104,134	17,708
Losses on derivative financial instruments	135,662	130,169
Foreign exchange losses	18,188	—
Other capital expenses	41,337	3,307
Capital gains/losses	B (③-④)	(248,848)
Total of base profit and capital gains/losses	A+B	342,806
Temporary income ⑤	—	—
Reversal of contingency reserves	—	—
Reversal of specific allowance for possible loan losses	—	—
Other temporary income	—	—
Temporary expenses ⑥	107,342	50,974
Provision for contingency reserves	76,927	18,926
Provision for specific allowance for possible loan losses	1,109	562
Provision for specific allowance for possible overseas loan losses	—	—
Write-off of doubtful accounts	393	—
Other temporary expenses (Note 2)	28,911	31,484
Temporary gains/losses	C (⑤-⑥)	(107,342)
Ordinary profit	A+B+C	235,464

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,	2020	2019
Base profit	A	591.6
Interest surplus	318.6	273.2
Mortality profit	252.6	275.4
Expense profit	20.4	40.8
Capital gains/losses	B	(248.8)
Temporary gains/losses	C	(107.3)
Ordinary profit	D (=A+B+C)	235.4
Extraordinary gains/losses, income taxes	E	(35.3)
Unappropriated surplus	F (=D+E)	200.1

Performance Indicators

Performance Indicators for Main Business Annualized Premiums and Number of Policies

(1) Policies in Force

• Annualized Premiums

As of March 31,	(Millions of Yen)			
	2020		2019	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	1,606,212	99.4	1,616,274	102.2
Individual annuities	620,574	95.6	649,391	97.0
Total	2,226,786	98.3	2,265,666	100.6
Medical insurance, living benefits and others	445,274	103.1	432,067	107.5

• Number of Policies

As of March 31,	(Millions of Yen)			
	2020		2019	
	Number of policies	YOY change (%)	Number of policies	YOY change (%)
Individual life insurance	9,925,024	101.8	9,751,539	102.8
Individual annuities	2,438,892	96.3	2,533,037	96.9
Total	12,363,916	100.6	12,284,576	101.6

(2) New Policies

• Annualized Premiums

Years ended March 31,	(Millions of Yen)			
	2020		2019	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	102,976	74.6	138,101	113.0
Individual annuities	2,174	67.4	3,226	56.2
Total	105,150	74.4	141,328	110.4
Medical insurance, living benefits and others	39,945	73.5	54,350	126.9

• Number of Policies

Years ended March 31,	(Millions of Yen)			
	2020		2019	
	Number of policies	YOY change (%)	Number of policies	YOY change (%)
Individual life insurance	1,154,044	101.3	1,138,770	102.4
Individual annuities	12,670	65.7	19,278	61.0
Total	1,166,714	100.7	1,158,048	101.3

- Notes: 1. Annualized premiums are calculated by multiplying the amount of premium payments for twelve months by a coefficient determined by payment frequency.
(For policies with a single lump-sum payment, the amount is calculated by dividing total premiums by years contracted).
2. Figures for medical insurance, living benefits and others represent annualized premiums paid for coverage under medical insurance (hospitalization benefits and surgery benefits), living benefits (benefits under coverage for specified diseases and nursing care) and benefits subject to premium payment waiver (including premium payment waiver for those who suffer from specified diseases or require nursing care; excluding waivers for those who become disabled).
3. In (2) new policies, annualized premiums include net increase in premiums resulting from conversion of policies, coverage revision and rider changes.
The number of policies includes the number of policies subject to such conversion, revision or changes.

Insurance Amount of Policies in Force and New Policies

(1) Policies in Force

As of March 31,	(Millions of Yen)			
	2020		2019	
	Amount	YOY change (%)	Amount	YOY change (%)
Individual life insurance	58,213,980	94.9	61,358,372	95.0
Individual annuities	12,853,671	95.9	13,406,522	96.0
Subtotal	71,067,652	95.1	74,764,894	95.2
Group life insurance	116,334,881	100.4	115,815,673	101.6
Total	187,402,533	98.3	190,580,568	99.0
Group pensions	7,786,493	101.2	7,691,335	101.1

- Notes: 1. Figures for individual annuities represent the expected future value of accumulated capital of policies written prior to payout at pension eligibility and policy reserves of policies written after pension payout.
2. Figures for group pensions represent the amount of policy reserves.

(2) New Policies

Years ended March 31,	(Millions of Yen)							
	2020				2019			
	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	1,871,832	(807,094)	1,064,738	79.8	2,195,058	(861,564)	1,333,494	92.8
Individual annuities	62,092	(119)	61,973	66.1	93,942	(255)	93,686	57.4
Subtotal	1,933,925	(807,213)	1,126,711	78.9	2,289,001	(861,820)	1,427,180	89.2
Group life insurance	464,141	—	464,141	65.4	709,377	—	709,377	31.2
Total	2,398,067	(807,213)	1,590,853	74.5	2,998,378	(861,820)	2,136,558	55.1
Group pensions	9	—	9	71.9	13	—	13	81.0

- Notes: 1. Net increase from conversion includes net increase due to coverage revision and rider changes.
2. Figures for new policies and net increase from conversion in individual annuities represent planned annuity value at the start of annuity payments.
3. The figures for new policies in group pensions represent insurance premiums from the first payment.

Insurance Amount of Policies in Force and New Policies by Product Type
Individual Life Insurance

	Policies in force (as of March 31, 2020)				New policies (year ended March 31, 2020)			
	Number of policies	% of policies	Amount (Millions of Yen)	% of policies	Number of policies	% of policies	Amount (Millions of Yen)	% of policies
Mortality insurance	8,296,065	83.6	55,488,302	95.3	[855,362]	[74.1]	[5,707,561]	[94.9]
					538,750	46.7	1,567,929	26.1
Whole life insurance	1,060,710	10.7	6,047,639	10.4	[1,510]	[0.1]	[9,980]	[0.2]
					1,510	0.1	9,980	0.2
Whole life insurance with living benefits	78,786	0.8	116,341	0.2	[2,309]	[0.2]	[292]	[0.0]
					2,309	0.2	292	0.0
Whole life insurance whose period of premium payments has finished	31,622	0.3	103,052	0.2	—	—	—	—
					—	—	—	—
Single premium special whole life insurance	829,971	8.4	5,358,025	9.2	[3,479]	[0.3]	[23,953]	[0.4]
					3,479	0.3	23,953	0.4
Whole life insurance (denominated by designated currencies)	212,287	2.1	468,566	0.8	[125,106]	[10.8]	[191,623]	[3.2]
					125,106	10.8	191,623	3.2
Lump-sum whole-life insurance with periodic benefits	4,509	0.0	35,045	0.1	—	—	—	—
					—	—	—	—
Increasing whole life insurance	291,097	2.9	2,085,994	3.6	—	—	—	—
					—	—	—	—
Whole life insurance with term rider	454,209	4.6	3,517,232	6.0	—	—	—	—
					—	—	—	—
Wealth accumulation whole life insurance with floating interest	645,604	6.5	8,310,413	14.3	[925]	[0.1]	[17,474]	[0.3]
					—	—	—	—
Comprehensive protection insurance with combined policies	1,995,621	20.1	22,069,807	37.9	[474,227]	[41.1]	[5,134,718]	[85.4]
					158,607	13.7	1,012,804	16.8
Term life insurance	509,162	5.1	2,523,928	4.3	[34,914]	[3.0]	[99,305]	[1.7]
					34,914	3.0	99,305	1.7
Increasing term life insurance	22,124	0.2	743,613	1.3	[1,158]	[0.1]	[15,611]	[0.3]
					1,158	0.1	15,611	0.3
Term life insurance with coverage for specified diseases	1,592,492	16.0	2,308,152	4.0	[150,849]	[13.1]	[211,303]	[3.5]
					150,849	13.1	211,303	3.5
Variable insurance (whole-life type)	49,710	0.5	458,423	0.8	—	—	—	—
					—	—	—	—
Whole life insurance for surviving spouses with term rider	29,465	0.3	255,994	0.4	—	—	—	—
					—	—	—	—
Whole life hospitalization insurance	84,769	0.9	490,891	0.8	[67]	[0.0]	[244]	[0.0]
					—	—	—	—
Medical and nursing care insurance	403,927	4.1	187,487	0.3	[60,818]	[5.3]	[3,039]	[0.1]
					60,818	5.3	3,039	0.1
Term rider	[95,981]	—	400,580	0.7	[2]	—	[16]	[0.0]
					[2]	—	16	0.0
Others	[3,356]	—	7,111	0.0	—	—	—	—
					—	—	—	—

	Policies in force (as of March 31, 2020)				New policies (year ended March 31, 2020)			
	Number of policies	% of policies	Amount (Millions of Yen)	% of policies	Number of policies	% of policies	Amount (Millions of Yen)	% of policies
Hybrid insurance	363,707	3.7	1,577,571	2.7	[34,838]	[3.0]	[145,835]	[2.4]
					34,838	3.0	145,835	2.4
Endowment insurance	109,438	1.1	590,444	1.0	[8,403]	[0.7]	[55,043]	[0.9]
					8,403	0.7	55,043	0.9
Endowment insurance (denominated by designated currencies)	124,117	1.3	370,600	0.6	[26,425]	[2.3]	[90,724]	[1.5]
					26,425	2.3	90,724	1.5
Endowment insurance with term rider	71,544	0.7	206,241	0.4	—	—	—	—
					—	—	—	—
Endowment insurance with term rider with living benefits	25,579	0.3	217,736	0.4	[10]	[0.0]	[68]	[0.0]
					10	0.0	68	0.0
Term life insurance with living benefits	6,803	0.1	64,318	0.1	—	—	—	—
					—	—	—	—
Child insurance with annuity for child	26,226	0.3	98,643	0.2	—	—	—	—
					—	—	—	—
Term rider with living benefits	[17,533]	—	29,587	0.1	—	—	—	—
					—	—	—	—
Pure endowment insurance	1,265,252	12.7	1,148,106	2.0	[263,844]	[22.9]	[158,068]	[2.6]
					263,844	22.9	158,068	2.6
Wealth accumulation insurance with death/accident benefits for women	926,935	9.3	441,602	0.8	[243,971]	[21.1]	[111,511]	[1.9]
					243,971	21.1	111,511	1.9
Child insurance	308,392	3.1	682,695	1.2	[19,873]	[1.7]	[46,556]	[0.8]
					19,873	1.7	46,556	0.8
Child insurance with educational endowment	29,925	0.3	17,445	0.0	—	—	—	—
					—	—	—	—
Policy aggregation rider	[608,048]	—	6,363	0.0	—	—	—	—
					—	—	—	—
Total	9,925,024	100.0	58,213,980	100.0	[1,154,044]	[100.0]	[6,011,465]	[100.0]
					837,432	72.6	1,871,832	31.1

Notes: 1. Figures presented in [] of each line item for new policies in the year ended March 31, 2020 include policies subject to conversion, coverage revision and rider changes.
2. Total number of policies does not include the number of riders presented in [].

Individual Annuities

	Policies in force (as of March 31, 2020)		New policies (year ended March 31, 2020)	
	Number of policies	Amount	Number of policies	Amount
Whole life annuities with term life insurance	3,388	4,388	—	—
Individual annuities	2,345,032	12,540,067	12,617	61,748
Variable individual annuities	274	798	—	—
Variable individual annuities (that assure planned annuity value)	84,621	263,049	—	—
Annuity type payment rider attached to life insurance policies	2,860	10,242	53	344
Income protection rider	1,262	7,286	—	—
Whole life or fixed-term annuity rider with disability income benefit	622	8,158	—	—
Whole life annuity rider with disability income benefit	783	15,820	—	—
Whole life nursing care annuity rider	50	437	—	—
Others	(790)	3,421	—	—
Total	2,438,892	12,853,671	12,670	62,092

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, 2020)		New policies (year ended March 31, 2020)	
	Number of policies	Amount	Number of policies	Amount
Group term life insurance	12,656,708	54,973,933	109,015	276,173
Comprehensive group term life insurance for employees	4,927,294	14,604,627	46,540	77,130
Group credit life insurance	11,746,300	46,617,006	5,287	110,837
Consumer group credit life insurance	4,225	2,084	—	—
Group whole life insurance	952	3,296	—	—
Life insurance for disability support	(41,011)	25,638	—	—
Annuity type payment rider attached to group term life insurance	18,559	108,293	—	—
Total	29,354,038	116,334,881	160,842	464,141

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, 2020)		New policies (year ended March 31, 2020)	
	Number of policies	Amount	Number of policies	Amount
Corporate pensions	648	456	—	—
New corporate pensions	8,277,916	451,664	—	—
Corporate pensions with individual contribution	3,173,823	3,599,547	—	—
National pension fund insurance	—	—	—	—
Employees' pension fund insurance	243,168	134,683	—	—
Group pure endowment insurance	—	131,409	—	—
Defined contribution pension plans (corporate)	—	111,960	—	8
Defined contribution pension plans (individual)	—	10,121	—	—
Defined benefit corporate pension plans (contract-type)	—	1,815,880	—	0
Defined benefit corporate pension plans (fund-type)	—	1,530,768	—	—
Total	11,695,555	7,786,493	—	9

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, 2020)		New policies (year ended March 31, 2020)	
	Number of policies	Amount	Number of policies	Amount
Asset formation insurance and asset formation annuities				
Asset formation saving insurance	43,847	139,729	414	64
Asset formation for home acquisition insurance	3,737	12,372	59	4
Asset formation benefit saving insurance	8,683	1,305	1,087	47
Asset formation annuities	753	1,549	—	—
Asset formation wealth accumulation annuities	26,175	56,039	360	11
Subtotal	83,195	210,996	1,920	127
Medical life insurance	1,064,286	3,122	21,341	19
Disability income insurance	111,513	7,193	15,971	841
Reinsurance underwritten	—	—	—	—

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,	2020	2019
Death coverage		
Death protection due to illness/accidents		
Individual life insurance	57,065,874	60,307,303
Individual annuities	3,472	3,894
Group life insurance	116,226,587	115,703,429
Group pensions	—	—
Total (including others)	173,295,933	176,046,584
Death protection due to accidents		
Individual life insurance	[9,868,881]	[10,661,157]
Individual annuities	[116,659]	[123,177]
Group life insurance	[5,971,895]	[6,069,637]
Group pensions	[—]	[—]
Total (including others)	[15,957,437]	[16,882,079]
Death protection due to other causes		
Individual life insurance	—	—
Individual annuities	[—]	[—]
Group life insurance	[41,405]	[42,527]
Group pensions	[—]	[—]
Total (including others)	—	—
Pure endowment		
Maturity and living benefits		
Individual life insurance	1,148,106	1,051,068
Individual annuities	10,928,275	11,499,744
Group life insurance	5,652	5,531
Group pensions	—	—
Total (including others)	12,119,067	12,594,948
Annuities		
Individual life insurance	[47,223]	[49,862]
Individual annuities	[1,483,430]	[1,542,168]
Group life insurance	[15,319]	[15,841]
Group pensions	[—]	[—]
Total (including others)	[1,549,664]	[1,611,704]
Others		
Individual life insurance	—	—
Individual annuities	1,921,923	1,902,883
Group life insurance	102,641	106,712
Group pensions	7,786,493	7,691,335
Total (including others)	9,985,022	9,875,577
Hospitalization coverage		
Hospitalization due to accidents		
Individual life insurance	[36,327]	[33,823]
Individual annuities	[536]	[583]
Group life insurance	[3,930]	[3,996]
Group pensions	[—]	[—]
Total (including others)	[43,918]	[41,519]
Hospitalization due to illness		
Individual life insurance	[36,094]	[33,540]
Individual annuities	[531]	[578]
Group life insurance	[—]	[—]
Group pensions	[—]	[—]
Total (including others)	[39,748]	[37,235]

	(Millions of Yen)	
As of March 31,	2020	2019
Hospitalization due to other causes		
Individual life insurance	[24,276]	[28,744]
Individual annuities	[998]	[1,074]
Group life insurance	[29]	[30]
Group pensions	[—]	[—]
Total (including others)	[25,304]	[29,849]

Notes: 1. Figures in [] 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,	2020	2019
Disability coverage		
Individual life insurance	[3,423,018]	[3,690,645]
Individual annuities	[20,128]	[21,591]
Group life insurance	[3,247,146]	[3,268,788]
Group pensions	[—]	[—]
Total (including others)	[6,690,292]	[6,981,024]
Surgery coverage		
Individual life insurance	[8,227,174]	[8,078,872]
Individual annuities	[101,965]	[109,978]
Group life insurance	[—]	[—]
Group pensions	[—]	[—]
Total (including others)	[8,329,139]	[8,188,850]

Note: Figures in [] 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,	2020	2019
Mortality insurance		
Whole life insurance	14,203,530	14,422,640
Whole life insurance with term rider	3,517,232	4,117,467
Wealth accumulation whole life insurance with floating interest	8,328,228	11,543,590
Comprehensive protection insurance with combined policies	22,069,807	20,721,039
Whole life hospitalization insurance	490,891	759,248
Term insurance	5,575,694	5,573,032
Total (including others)	55,488,302	58,572,986
Hybrid insurance		
Endowment insurance	961,045	946,905
Endowment insurance with term rider	423,977	544,883
Term life insurance with living benefits	64,318	73,689
Total (including others)	1,577,571	1,734,317
Pure endowment insurance		
Wealth accumulation insurance with death/accident benefits for women	441,602	366,885
Child insurance	682,695	649,333
Total (including others)	1,148,106	1,051,068

	(Millions of Yen)	
As of March 31,	2020	2019
Annuities		
Individual annuities	12,853,671	13,406,522
Rider coverage for accidents and illness		
Accidental death benefit rider	1,030,622	1,223,468
Rider for injuries	7,116,219	7,455,172
Hospitalization rider due to accidents	1,391	1,647
Hospitalization rider due to illness	34,145	31,768
Hospitalization rider due to lifestyle-related diseases	1,054	1,281
Hospitalization rider due to cancer	690	860
Hospitalization rider for female-specific critical illness	4,382	5,033
Home care rider (post-hospitalization)	11,588	14,294
Rider for specific injuries	73,218	73,700

	(Number of Policies)	
Surgery rider	2,674,139	2,618,165
Rider for protection against cancer	3,242,852	3,586,704
Advanced medical care rider	2,426,068	2,349,704
Serious disease rider with ongoing coverage	1,583,107	2,020,484
New nursing care rider	797,242	759,118

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,	2020	2019
Mortality insurance		
Whole life insurance	623,989	643,435
Whole life insurance with term rider	50,402	57,914
Wealth accumulation whole life insurance with floating interest	119,426	141,023
Comprehensive protection insurance with combined policies	391,122	349,935
Whole life hospitalization insurance	19,811	25,042
Term insurance	187,244	194,334
Total (including others)	1,446,873	1,464,850
Hybrid insurance		
Endowment insurance	62,940	57,794
Endowment insurance with term rider	6,841	8,549
Term life insurance with living benefits	913	1,042
Total (including others)	75,134	72,926
Pure endowment insurance		
Wealth accumulation insurance with death/accident benefits for women	44,476	37,940
Child insurance	33,536	32,047
Total (including others)	84,204	78,497
Annuities		
Individual annuities	620,574	649,391

Performance Indicators for Insurance Policies

Rate of Change of Policies in Force

Years ended March 31,	(%)	
	2020	2019
Individual life insurance	(5.1)	(5.0)
Individual annuities	(4.1)	(4.0)
Group life insurance	0.4	1.6
Group pensions	1.2	1.1

Average Insured Amount per New Policy and Policy in Force (Individual Life Insurance)

Years ended March 31,	(Thousands of Yen)	
	2020	2019
New policy	2,235	2,495
Policy in force	5,865	6,292

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,	(%)	
	2020	2019
Individual life insurance	3.1	3.4
Individual annuities	0.5	0.7
Group life insurance	0.4	0.6

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,	(%)	
	2020	2019
Individual life insurance	4.7	4.5
Individual annuities	2.1	2.3
Group life insurance	0.0	0.1

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)

Year ended March 31, 2020		Year ended March 31, 2019	
93,476		92,701	

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, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
6.41	6.28	5.52	5.24

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,	2020		2019	
	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	0.15	0.14	0.18	0.17
Disability	0.24	0.09	0.27	0.10
Hospitalization due to accidents	4.91	156.54	5.07	168.18
Hospitalization due to illness	52.66	1,353.00	52.02	1,419.50
Hospitalization due to lifestyle-related diseases	54.12	1,577.58	53.17	1,575.50
Surgery for illness and injuries	104.10		96.11	
Surgery for lifestyle-related diseases	46.28		44.45	

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, 2020		Year ended March 31, 2019	
14.0		12.9	

The Number of Major Insurance Companies that Accepted Reinsurance Agreements

Year ended March 31, 2020		Year ended March 31, 2019	
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, 2020		Year ended March 31, 2019	
96.4		95.6	

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,	(%)	
	2020	2019
A or higher	98.9	99.0
BBB or higher	1.1	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, 2020		Year ended March 31, 2019	
972		542	

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,	(%)	
	2020	2019
Ratio of benefits paid under third-sector insurance	31.5	31.8
Medical coverage (for illness)	41.0	39.9
Cancer coverage	46.8	46.5
Nursing care coverage	13.6	15.3
Others	16.1	17.4

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

As of March 31,	(Millions of Yen)	
	2020	2019
Insurance claims	80,723	82,383
Death insurance claims	65,303	66,690
Insurance claims for accidents	705	795
Insurance claims for disabilities	14,185	13,619
Insurance claims upon maturity	415	711
Others	113	567
Annuity payments	1,736	2,690
Benefit payments	26,221	24,394
Surrender benefits	15,044	20,024
Other refunds	275	327
Deferred benefit payments	476	590
Total	124,477	130,411

Policy Reserves

As of March 31,	(Millions of Yen)	
	2020	2019
Policy reserves (excluding contingency reserves)		
Individual life insurance	15,945,919	15,892,839
General account	15,899,562	15,837,491
Separate account	46,357	55,348
Individual annuities	7,647,670	7,604,718
General account	7,400,191	7,312,316
Separate account	247,479	292,402
Group life insurance	130,196	134,493
General account	130,196	134,493
Separate account	—	—
Group pensions	7,786,493	7,691,335
General account	7,296,034	7,223,695
Separate account	490,458	467,640
Others	212,332	214,672
General account	212,332	214,672
Separate account	—	—
Subtotal	31,722,612	31,538,060
General account	30,938,317	30,722,668
Separate account	784,295	815,391
Contingency reserves	787,642	710,714
Total	32,510,255	32,248,774
General account	31,725,959	31,433,383
Separate account	784,295	815,391

Breakdown of Policy Reserves

	(Millions of Yen)				
	Premium reserves	Unearned premiums	Refund reserves	Contingency reserves	Total
As of March 31, 2020	30,952,671	769,941	—	787,642	32,510,255
As of March 31, 2019	30,748,259	789,800	—	710,714	32,248,774

Policy Reserves for Individual Life Insurance and Individual Annuities Policy Reserve Accumulation Method and Ratio

As of March 31,	2020		2019
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	226,199	2.75 – 5.00
Years ended March 31, 1982 to 1986	690,880	2.75 – 6.00
Years ended March 31, 1987 to 1991	2,572,189	2.75 – 6.00
Years ended March 31, 1992 to 1996	3,871,317	1.00 – 5.50
Years ended March 31, 1997 to 2001	1,226,453	1.00 – 3.75
Years ended March 31, 2002 to 2006	648,871	0.55 – 2.35
Years ended March 31, 2007 to 2011	2,969,148	0.55 – 1.85
Year ended March 31, 2012	2,760,035	0.71 – 1.50
Year ended March 31, 2013	1,454,274	0.45 – 1.50
Year ended March 31, 2014	1,349,399	0.45 – 1.50
Year ended March 31, 2015	1,283,977	0.35 – 1.09
Year ended March 31, 2016	1,405,207	0.44 – 1.05
Year ended March 31, 2017	932,134	0.25 – 1.00
Year ended March 31, 2018	720,552	0.25 – 3.46
Year ended March 31, 2019	659,516	0.25 – 3.91
Year ended March 31, 2020	529,594	0.25 – 3.32

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)

As of March 31,	(Millions of Yen)	
	2020	2019
Policy reserves (general account)	31,900	26,706

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 (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, 2020, the Company did not identify a need for provision for contingency reserves (based on the results of stress tests) and additional policy reserves (based on the results of liability adequacy tests). In line with in-house rules, the soundness and validity of testing methods, such as those used for establishing risk frequency ratios, are doublechecked 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, 2020							
Balance at the beginning of the fiscal year	196,132	16,538	26,195	2,751	336	1,003	242,957
Transfer from surplus in the previous fiscal year	24,492	5,236	111,090	23,611	(0)	5,199	169,630
Interest accrued during the fiscal year	87	1	1	0	0	0	89
Other increases	31	—	—	—	—	—	31
Dividend payments to policyholders during the fiscal year	17,840	926	119,331	23,427	37	5,157	166,720
Balance at the end of the fiscal year	202,903	20,849	17,956	2,935	299	1,044	245,988
	[172,233]	[13,767]	[13,839]	[—]	[285]	[1]	[200,127]
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]

Note: Balance at the end of the fiscal year figures in [] 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, 2020			
Allowance for possible loan losses			
General allowance for possible loan losses	1,089	1,483	394
Specific allowance for possible loan losses	4,271	5,270	998
Specific allowance for possible overseas loan losses	—	—	—
Reserve for contingent liabilities	1	1	(0)
Reserve for price fluctuation	815,975	832,480	16,504
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

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,	2020	2019
Individual life insurance	1,350,867	1,514,578
Lump-sum payment	303,294	499,420
Annual payment	238,389	243,573
Biannual payment	4,490	4,695
Monthly payment	804,693	766,889
Individual annuities	330,034	350,877
Lump-sum payment	1,461	1,286
Annual payment	48,107	53,046
Biannual payment	485	563
Monthly payment	279,980	295,980
Group life insurance	285,933	303,441
Group pensions	587,792	565,551
Total (including others)*	2,588,757	2,769,643

* 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,		2020	2019
Individual life insurance	First-year premiums	422,460	636,536
Individual annuities	Premiums for the second year and beyond	1,258,441	1,228,918
	Subtotal	1,680,901	1,865,455
Group life insurance	First-year premiums	1,574	3,405
	Premiums for the second year and beyond	284,359	300,035
	Subtotal	285,933	303,441
Group pensions	First-year premiums	149	159
	Premiums for the second year and beyond	587,642	565,391
	Subtotal	587,792	565,551
Total (including others)*	First-year premiums	424,749	640,805
	Premiums for the second year and beyond	2,164,008	2,128,838
	Total	2,588,757	2,769,643
	Growth rate (%)	(6.5)	1.9

* 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, 2020						Year ended March 31, 2019
	Individual life insurance	Individual annuities	Group life insurance	Group pensions	Asset formation insurance annuities	Other insurance	Total	Total
Claims paid:	433,271	493	132,963	36,573	972	452	604,727	637,897
Death insurance claims	264,371	445	118,915	—	—	446	384,180	378,712
Insurance claims for accidents	2,091	12	444	—	16	—	2,564	2,933
Insurance claims for disabilities	35,077	22	13,387	—	—	5	48,492	47,642
Insurance claims upon maturity	131,730	13	—	36,573	955	—	169,273	208,406
Others	—	—	215	—	—	0	216	201
Annuity payments	6,515	386,110	16,602	213,903	4,174	—	627,305	614,555
Benefit payments:	140,666	14,745	445	243,852	620	2,378	402,708	395,524
Death benefits	42,949	12,684	6	3,151	259	19	59,071	55,624
Hospitalization benefits	28,797	865	258	—	—	1,736	31,657	33,370
Surgery benefits	13,462	769	—	—	—	351	14,584	14,972
Disability benefits	687	5	93	—	15	—	801	903
Survivor benefits	14,294	376	—	—	345	—	15,016	17,653
Lump-sum benefits	—	—	47	238,900	—	—	238,948	234,117
Others	40,474	43	40	1,800	—	270	42,629	38,883
Surrender benefits	445,498	71,159	—	15,886	16,155	0	548,700	463,306

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

	Year ended March 31, 2020							Year ended March 31, 2019
	Individual life insurance	Individual annuities	Group life insurance	Group pensions	Asset formation insurance annuities	Other insurance	Total	Total
Claims paid:	139,141	85	47,165	4	1,894	1,407	189,696	219,851
Death insurance claims	46,666	73	43,405	—	—	1,395	91,539	102,200
Insurance claims for accidents	575	5	200	—	4	—	784	846
Insurance claims for disabilities	24,356	7	3,542	—	—	9	27,914	25,788
Insurance claims upon maturity	67,544	—	—	4	1,890	—	69,438	90,996
Others	—	—	18	—	—	3	21	21
Annuity payments	5,326	781,959	58,748	5,581,084	13,842	—	6,440,959	6,569,526
Benefit payments:	1,442,714	23,440	4,361	704,734	237	42,236	2,217,722	2,351,823
Death benefits	13,400	2,838	436	3,577	84	37	20,372	19,517
Hospitalization benefits	351,931	8,710	3,590	—	—	30,091	394,322	399,048
Surgery benefits	167,506	8,490	—	—	—	5,229	181,225	180,593
Disability benefits	435	9	149	—	2	—	595	638
Survivor benefits	59,313	2,458	—	—	151	—	61,922	73,360
Lump-sum benefits	—	—	136	701,153	—	—	701,289	681,232
Others	850,129	935	50	4	—	6,879	857,997	997,435

Depreciation

		(Millions of Yen)				
		Acquisition cost	Current-year depreciation	Accumulated depreciation	Ending balance	Accumulated depreciation ratio (%)
Year ended March 31, 2020						
Tangible fixed assets		303,343	8,761	192,830	110,512	63.6
Buildings		285,527	7,384	178,434	107,092	62.5
Others		17,816	1,376	14,395	3,420	80.8
Intangible fixed assets		112,657	20,686	49,683	62,974	44.1
Others		218	44	96	122	44.1
Total		416,219	29,492	242,610	173,609	58.3
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

Operating Expenses

		(Millions of Yen)	
Years ended March 31,		2020	2019
Marketing promotion expenses		127,840	132,775
Marketing administration expenses		52,994	53,487
General and administration expenses		181,182	171,158
Total		362,017	357,421

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 ¥3,419 million and ¥3,413 million in the years ended March 31, 2019 and March 31, 2020, respectively.

Taxes

Years ended March 31,	(Millions of Yen)	
	2020	2019
National tax	17,423	15,927
Consumption tax	15,301	13,616
Special local corporate tax	1,894	2,075
Revenue stamp tax	209	227
Registration and license tax	1	3
Other national taxes	16	5
Local tax	11,904	11,678
Local consumption tax	4,221	3,670
Corporate enterprise tax	4,540	4,972
Fixed asset tax	2,641	2,549
Real estate acquisition tax	4	4
Business office tax	495	481
Other local taxes	0	0
Total	29,327	27,606

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, 2020							
Bonds payable	—	—	—	—	—	640,735	640,735
Payables under repurchase agreements	73,233	—	—	—	—	—	73,233
Payables under securities borrowing transactions	1,133,523	—	—	—	—	—	1,133,523
Total	1,206,757	—	—	—	—	640,735	1,847,492
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

Reference: Average Interest Rates of Bonds

As of March 31,	(%)	
	2020	2019
Bonds payable (denominated in yen)	1.05	1.11
Bonds payable (denominated in foreign currencies)	5.17	5.17

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, 2019	As of September 30, 2019	As of December 31, 2019	As of March 31, 2020
Insurance premiums and other	652,269	1,300,818	1,895,946	2,593,355
Base profit	111,391	285,463	370,332	591,655

Investment Performance Indicators

Breakdown of Invested Assets (General Account)

As of March 31,	2020		2019	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	1,273,366	3.3	1,213,857	3.2
Receivables under resale agreements	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—
Monetary claims bought	204,335	0.5	212,307	0.6
Trading account securities	—	—	—	—
Money held in trust	13,966	0.0	16,669	0.0
Securities	31,697,210	81.8	31,406,617	81.7
Domestic bonds	17,209,032	44.4	16,887,605	43.9
Domestic stocks	3,447,155	8.9	4,135,309	10.8
Foreign securities	10,168,944	26.3	9,530,906	24.8
Foreign bonds	8,513,065	22.0	7,562,054	19.7
Foreign stocks and others	1,655,879	4.3	1,968,851	5.1
Other securities	872,076	2.3	852,795	2.2
Loans	4,105,435	10.6	4,223,805	11.0
Policy loans	229,759	0.6	239,335	0.6
Industrial and consumer loans	3,875,676	10.0	3,984,470	10.4
Real estate	860,958	2.2	866,343	2.3
Deferred tax assets	—	—	—	—
Others	585,883	1.5	516,478	1.3
Allowance for possible loan losses	(6,754)	(0.0)	(5,361)	(0.0)
Total	38,734,402	100.0	38,450,719	100.0
Assets denominated in foreign currencies	10,605,449	27.4	9,556,503	24.9

Note: Real estate reflects the total value of land, buildings and construction in progress.

Increase (Decrease) by Asset Type (General Account)

Years ended March 31,	(Millions of Yen)	
	2020	2019
Cash, deposits and call loans	59,509	660,476
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary claims bought	(7,972)	(2,423)
Trading account securities	—	—
Money held in trust	(2,702)	6,592
Securities	290,592	409,888
Domestic bonds	321,427	(130,680)
Domestic stocks	(688,154)	(328,785)
Foreign securities	638,038	689,160
Foreign bonds	951,010	733,290
Foreign stocks and others	(312,972)	(44,130)
Other securities	19,281	180,194
Loans	(118,370)	(283,564)
Policy loans	(9,575)	(9,925)
Industrial and consumer loans	(108,794)	(273,639)
Real estate	(5,384)	(2,555)
Deferred tax assets	—	—
Others	69,404	(41,724)
Allowance for possible loan losses	(1,392)	(260)
Total	283,683	746,429
Assets denominated in foreign currencies	1,048,945	1,032,149

Note: Real estate reflects the total value of land, buildings and construction in progress.

Investment Returns (General Account)

Years ended March 31,	(%)	
	2020	2019
Cash, deposits and call loans	0.01	0.09
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary claims bought	1.54	1.60
Trading account securities	—	—
Money held in trust	0.23	(1.28)
Securities	2.01	2.10
Domestic bonds	1.63	1.61
Domestic stocks	2.89	5.50
Foreign securities	2.57	2.32
Foreign bonds	2.01	2.27
Foreign stocks and others	5.04	2.51
Loans	1.54	1.67
Industrial and consumer loans	1.39	1.52
Real estate	2.03	2.15
Total	1.78	1.92
Overseas investments	2.45	2.26

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)

Years ended March 31,	(Millions of Yen)			
	2020		2019	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	1,052,790	2.9	896,952	2.5
Receivables under resale agreements	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—
Monetary claims bought	206,653	0.6	214,006	0.6
Trading account securities	—	—	—	—
Money held in trust	17,864	0.0	14,949	0.0
Securities	28,675,220	79.3	27,934,549	78.7
Domestic bonds	16,565,393	45.8	16,652,607	46.9
Domestic stocks	1,773,035	4.9	1,807,782	5.1
Foreign securities	9,480,034	26.2	8,783,361	24.7
Foreign bonds	7,740,798	21.4	6,944,499	19.6
Foreign stocks and others	1,739,236	4.8	1,838,861	5.2
Loans	4,146,497	11.5	4,409,073	12.4
Industrial and consumer loans	3,912,777	10.8	4,164,432	11.7
Real estate	871,073	2.4	872,772	2.5
Total	36,176,620	100.0	35,508,071	100.0
Overseas investments	10,347,349	28.6	9,493,352	26.7

Notes: 1. Average balances are calculated based on book value.
2. Overseas investments include assets denominated in yen.

Investment Income (General Account)

Years ended March 31,	(Millions of Yen)	
	2020	2019
Interest, dividends and other income	871,621	807,260
Gains on securities products	—	—
Gains on money held in trust	46	—
Gains on trading securities	—	—
Gains on sales of securities	19,233	15,762
Gains on redemption of securities	89,915	76,650
Gains on derivative financial instruments	—	—
Foreign exchange gains	—	8,185
Reversal of allowance for possible loan losses	—	—
Other investment income	255	125
Total	981,072	907,985

Investment Expenses (General Account)

Years ended March 31,	(Millions of Yen)	
	2020	2019
Interest expenses	14,262	12,572
Losses on securities products	—	—
Losses on money held in trust	—	184
Losses on trading securities	—	—
Losses on sales of securities	6,295	37,527
Losses on valuation of securities	104,134	17,708
Losses on redemption of securities	32,134	4,983
Losses on derivative financial instruments	135,662	130,169
Foreign exchange losses	18,188	—
Provision for allowance for possible loan losses	1,503	341
Redemption of loans	393	—
Depreciation of real estate for non-insurance business	9,609	9,516
Other investment expenses	16,292	14,132
Total	338,476	227,135

Interest, Dividends and Other Income (General Account)

Years ended March 31,	(Millions of Yen)	
	2020	2019
Interest on deposits	1,893	999
Interest and dividends on securities	746,415	677,845
Interest on domestic bonds	267,346	270,926
Dividends on domestic stocks	109,165	108,058
Interest and dividends on foreign securities	354,297	281,518
Interest on loans	67,105	74,234
Rent on real estate	38,805	37,991
Total (including others)	871,621	807,260

Attribution Analysis of Interest, Dividends and Other Income (General Account)

Years ended March 31,	(Millions of Yen)					
	2020			2019		
	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	64,360	15,199	49,160	38,301	38,954	(653)
Securities	68,570	17,972	50,597	36,374	31,933	4,441
Loans	(7,129)	(4,420)	(2,708)	(4,877)	(3,273)	(1,604)
Real estate	814	(73)	888	1,815	(360)	2,176

Gains on Sales of Securities (General Account)

Years ended March 31,	(Millions of Yen)	
	2020	2019
Domestic bonds and others	9,928	1,705
Domestic stocks and others	4,388	3,287
Foreign securities	4,916	10,769
Total (including others)	19,233	15,762

Losses on Sales of Securities (General Account)

Years ended March 31,	(Millions of Yen)	
	2020	2019
Domestic bonds and others	553	78
Domestic stocks and others	205	488
Foreign securities	5,536	36,960
Total (including others)	6,295	37,527

Losses on Valuation of Securities (General Account)

Years ended March 31,	(Millions of Yen)	
	2020	2019
Domestic bonds and others	—	—
Domestic stocks and others	72,590	11,361
Foreign securities	30,432	6,142
Total (including others)	104,134	17,708

Balance of Securities (General Account)

As of March 31,	(Millions of Yen)			
	2020		2019	
	Amount	(%)	Amount	(%)
Government bonds	14,579,276	46.0	14,201,573	45.2
Municipal bonds	306,157	1.0	366,541	1.2
Corporate bonds	2,323,598	7.3	2,319,491	7.4
Public entity bonds	368,886	1.2	376,544	1.2
Domestic stocks	3,447,155	10.9	4,135,309	13.2
Foreign securities	10,168,944	32.1	9,530,906	30.3
Foreign bonds	8,513,065	26.9	7,562,054	24.1
Foreign stocks and others	1,655,879	5.2	1,968,851	6.3
Other securities	872,076	2.8	852,795	2.7
Total	31,697,210	100.0	31,406,617	100.0

Breakdown of Municipal Bonds by Region

As of March 31,	(Millions of Yen)	
	2020	2019
Hokkaido	4,589	5,589
Tohoku	—	300
Kanto	114,554	132,000
Chubu	38,348	43,647
Kinki	85,387	97,084
Chugoku	7,159	14,078
Shikoku	—	—
Kyushu	31,206	32,487
Others	24,911	41,351
Total	306,157	366,541

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, 2020							
Securities	891,693	2,430,711	1,527,391	1,358,427	4,124,543	21,364,442	31,697,210
Government bonds	169,363	1,380,322	933,770	735,115	1,869,795	9,490,909	14,579,276
Municipal bonds	9,090	100	5,293	35,740	189,514	66,419	306,157
Corporate bonds	62,812	174,659	125,222	159,914	412,529	1,388,459	2,323,598
Domestic stocks	—	—	—	—	—	3,447,155	3,447,155
Foreign securities	646,259	873,609	462,896	422,654	1,645,690	6,117,834	10,168,944
Foreign bonds	646,068	873,609	462,896	422,654	1,645,690	4,462,146	8,513,065
Foreign stocks and others	191	—	—	—	—	1,655,688	1,655,879
Other securities	4,168	2,020	208	5,002	7,012	853,663	872,076
Monetary claims bought	—	—	—	—	—	204,335	204,335
Negotiable deposits	32,995	—	—	—	—	—	32,995
Money held in trust	—	—	—	—	—	13,966	13,966
Total	924,689	2,430,711	1,527,391	1,358,427	4,124,543	21,582,744	31,948,508
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

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,	2020	2019
Domestic bonds	1.68	1.73
Foreign bonds	3.15	3.42

Breakdown of Stocks Held by Industry (General Account)

(Millions of Yen)

As of March 31,	2020		2019	
	Amount	(%)	Amount	(%)
Fishery, agriculture & forestry	1,130	0.0	1,866	0.0
Mining	—	—	—	—
Construction	76,306	2.2	92,201	2.2
Manufacturing				
Foods	181,982	5.3	210,165	5.1
Textiles & apparels	20,660	0.6	24,862	0.6
Pulp & paper	2,598	0.1	3,563	0.1
Chemicals	332,025	9.6	368,092	8.9
Pharmaceuticals	128,861	3.7	126,452	3.1
Oil & coal products	4,430	0.1	6,302	0.2
Rubber products	8,899	0.3	13,860	0.3
Glass & ceramics products	134,835	3.9	174,653	4.2
Iron & steel	29,585	0.9	53,813	1.3
Nonferrous metals	10,069	0.3	15,158	0.4
Metal products	16,113	0.5	18,655	0.5
Machinery	173,864	5.0	226,784	5.5
Electric appliances	447,829	13.0	501,544	12.1
Transportation equipment	376,625	10.9	429,819	10.4
Precision instruments	188,575	5.5	205,869	5.0
Other products	33,003	1.0	40,394	1.0
Electric power & gas	119,531	3.5	159,065	3.8
Transportation, information & communication				
Land transportation	178,693	5.2	240,643	5.8
Marine transportation	4,819	0.1	5,928	0.1
Air transportation	4,251	0.1	6,359	0.2
Warehouse & harbor transportation services	20,349	0.6	25,628	0.6
Information & communication	32,445	0.9	34,883	0.8
Trade				
Wholesale trade	245,424	7.1	308,920	7.5
Retail trade	29,191	0.8	38,239	0.9
Finance & insurance				
Banks	237,094	6.9	322,267	7.8
Securities & commodity futures	14,028	0.4	15,267	0.4
Insurance	137,729	4.0	181,814	4.4
Other financing business	66,643	1.9	73,153	1.8
Real estate	138,095	4.0	156,012	3.8
Services	51,460	1.5	53,066	1.3
Total	3,447,155	100.0	4,135,309	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,		2020	2019
Policy loans		229,759	239,335
Policyholder loans		217,693	226,092
Premium loans		12,065	13,242
Industrial and consumer loans		3,875,676	3,984,470
(Loans for non-residents)		188,980	184,984
Corporate loans		3,718,107	3,817,428
(To domestic corporations)		3,550,126	3,663,443
Loans to governments and supranationals		11,756	21,836
Loans to public organizations		128,232	127,040
Housing loans		—	—
Consumer loans		17,472	17,927
Others		108	238
Total		4,105,435	4,223,805

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, 2020								
Floating interest rate		95,528	7,538	15,683	4,532	16,589	86,096	225,969
Fixed interest rate		227,458	602,501	553,454	593,327	717,022	955,943	3,649,707
Total		322,986	610,040	569,137	597,859	733,611	1,042,040	3,875,676
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

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,		2020		2019	
		(%)		(%)	
Large size corporations	Number of borrowers	605	54.1	630	54.9
	Loan amount	3,068,356	86.4	3,232,581	88.2
Medium size corporations	Number of borrowers	97	8.7	102	8.9
	Loan amount	19,107	0.5	20,502	0.6
Small size corporations	Number of borrowers	417	37.3	415	36.2
	Loan amount	462,662	13.0	410,360	11.2
Total	Number of borrowers	1,119	100.0	1,147	100.0
	Loan amount	3,550,126	100.0	3,663,443	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 Number of regular employees	¥1 billion or greater More than 300	¥1 billion or greater More than 50
Medium	Capital Number of regular employees	More than ¥300 million and less than ¥1 billion More than 300	More than ¥50 million and less than ¥1 billion More than 50	More than ¥50 million and less than ¥1 billion More than 100	More than ¥100 million and less than ¥1 billion More than 100
Small	Capital* Number of regular employees*	¥300 million or smaller 300 or less	¥50 million or smaller 50 or less	¥50 million or smaller 100 or less	¥100 million or smaller 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)

As of March 31,	(Millions of Yen)			
	2020		2019	
	Amount	(%)	Amount	(%)
Domestic				
Manufacturing	610,804	15.8	631,666	15.9
Foodstuffs and beverages	25,882	0.7	29,988	0.8
Textile products	5,284	0.1	5,536	0.1
Lumber and wood products	—	—	—	—
Pulp, paper, and paper products	40,199	1.0	39,106	1.0
Printing	5,434	0.1	5,540	0.1
Chemical and allied products	118,266	3.1	111,709	2.8
Petroleum refining	76,548	2.0	72,570	1.8
Ceramic, stone, and clay products	58,004	1.5	61,003	1.5
Iron and steel	119,898	3.1	110,567	2.8
Nonferrous metals and products	10,987	0.3	12,484	0.3
Fabricated metal products	3,065	0.1	2,997	0.1
General-purpose, production, and business-oriented machinery	45,388	1.2	49,336	1.2
Electrical machinery equipment and supplies	43,851	1.1	70,448	1.8
Transportation equipment	53,283	1.4	56,502	1.4
Miscellaneous manufacturing industries	4,710	0.1	3,874	0.1
Agriculture and forestry	141	0.0	372	0.0
Fishery	—	—	—	—
Mining and quarrying of stone and gravel	26	0.0	—	—
Construction	13,380	0.3	12,816	0.3
Electricity, gas, heat supply, and water	770,642	19.9	736,416	18.5
Information and communications	88,870	2.3	89,090	2.2
Transport and postal activities	280,164	7.2	290,218	7.3
Wholesale trade	664,374	17.1	746,216	18.7
Retail trade	13,947	0.4	11,927	0.3
Finance and insurance	730,700	18.9	776,787	19.5
Real estate	367,187	9.5	358,310	9.0
Goods rental and leasing	100,405	2.6	98,363	2.5
Scientific research, and professional and technical services	20,502	0.5	20,246	0.5
Hotels	1,598	0.0	1,762	0.0
Eating and drinking services	420	0.0	723	0.0
Living-related and personal services, and amusement services	2,465	0.1	3,143	0.1
Education and learning support	180	0.0	301	0.0
Medical, health care, and welfare services	477	0.0	212	0.0
Other services	2,652	0.1	2,567	0.1
Local governments	282	0.0	414	0.0
Loans for housing funds and consumer credit (with installment repayments)	17,472	0.5	17,927	0.4
Others	—	—	—	—
Subtotal	3,686,695	95.1	3,799,486	95.4
Overseas				
Governments and others	21,000	0.5	31,000	0.8
Financial institutions	14,520	0.4	14,860	0.4
Commerce, industry and others	153,460	4.0	139,124	3.5
Subtotal	188,980	4.9	184,984	4.6
Total of industrial and consumer loans	3,875,676	100.0	3,984,470	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)

As of March 31,	(Millions of Yen)			
	2020		2019	
	Amount	(%)	Amount	(%)
Capital expenditures	856,623	22.1	845,429	21.2
Operating capital	3,019,052	77.9	3,139,041	78.8

Breakdown of Loans by Region (General Account)

As of March 31,	(Millions of Yen)			
	2020		2019	
	Amount	(%)	Amount	(%)
Hokkaido	47,165	1.3	36,953	1.0
Tohoku	49,317	1.3	52,747	1.4
Kanto	2,778,432	75.7	2,866,206	75.8
Chubu	333,153	9.1	350,618	9.3
Kinki	222,227	6.1	236,734	6.3
Chugoku	44,706	1.2	48,388	1.3
Shikoku	40,820	1.1	42,693	1.1
Kyushu	153,401	4.2	147,216	3.9
Total	3,669,223	100.0	3,781,558	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)

As of March 31,	(Millions of Yen)			
	2020		2019	
	Amount	(%)	Amount	(%)
Collateral loans	11,558	0.3	12,349	0.3
Loans secured by securities	4,184	0.1	4,434	0.1
Loans secured by real estate, movable assets or aggregated foundation collateral	5,974	0.2	6,640	0.2
Loans secured by nominative claims	1,400	0.0	1,274	0.0
Guaranteed loans	61,204	1.6	65,889	1.7
Fiduciary loans	3,785,439	97.7	3,888,303	97.6
Others	17,472	0.5	17,927	0.4
Total of industrial and consumer loans	3,875,676	100.0	3,984,470	100.0
Subordinated loans	308,150	8.0	315,950	7.9

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, 2020								
Land	603,904	110	666	663	—	603,348	—	—
Buildings	258,110	13,795	1,685	1,581	16,858	253,361	436,706	63.3
Construction in progress	4,329	15,468	15,548	—	—	4,249	—	—
Other tangible fixed assets	4,012	1,358	200	—	1,489	3,680	16,339	81.6
Total of tangible fixed assets	870,356	30,732	18,101	2,245	18,348	864,639	453,045	—
Real estate for rent	557,297	14,858	8,754	1,574	9,474	553,925	259,746	—
Software	47,640	36,388	42	—	20,771	63,215	49,838	44.1
Other intangible fixed assets	40,848	27,519	42,651	—	16	25,701	136	—
Total of intangible fixed assets	88,489	63,907	42,693	—	20,787	88,916	49,974	—
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	61.9
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	80.1
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	49.0
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	—

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,	2020	2019
Real estate	860,958	866,343
For operational use	308,087	309,121
For rent	552,870	557,222
The number of buildings for rent	152 buildings	154 buildings

Gains on Disposals of Fixed Assets (General Account)

(Millions of Yen)

Years ended March 31,	2020	2019
Tangible fixed assets	—	2,363
Land	—	289
Buildings	—	0
Others	—	2,073
Intangible fixed assets	—	—
Others	—	45
Total	—	2,409
Real estate for rent	—	2,363

Losses on Disposals of Fixed Assets (General Account)

(Millions of Yen)

Years ended March 31,	2020	2019
Tangible fixed assets	1,494	1,408
Land	3	10
Buildings	1,290	1,329
Others	200	68
Intangible fixed assets	50	37
Others	134	102
Total	1,679	1,547
Real estate for rent	362	794

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, 2020					
Tangible fixed assets	406,736	9,586	260,207	146,528	64.0
Buildings	404,540	9,474	258,271	146,269	63.8
Others	2,195	111	1,935	259	88.2
Intangible fixed assets	89	4	69	19	77.8
Others	119	18	102	16	86.2
Total	406,944	9,609	260,379	146,565	64.0
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

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,	2020		2019	
	Amount	(%)	Amount	(%)
Bonds	8,754,071	78.9	7,678,631	74.4
Stocks and others	1,612,256	14.5	1,685,729	16.3
Cash, deposits and others	239,121	2.2	192,142	1.9
Subtotal	10,605,449	95.5	9,556,503	92.6

(2) Assets with value fixed in yen

(Millions of Yen)

As of March 31,	2020		2019	
	Amount	(%)	Amount	(%)
Loans	131,049	1.2	131,049	1.3
Others	100	0.0	102	0.0
Subtotal	131,149	1.2	131,151	1.3

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

As of March 31,	(Millions of Yen)			
	2020		2019	
	Amount	(%)	Amount	(%)
Loans for non-residents	153,520	1.4	166,860	1.6
Bonds (foreign bonds issued in yen)	166,166	1.5	185,514	1.8
Others	43,623	0.4	283,122	2.7
Subtotal	363,310	3.3	635,496	6.2

(4) Total of (1)+(2)+(3)

As of March 31,	(Millions of Yen)			
	2020		2019	
	Amount	(%)	Amount	(%)
Foreign securities investment and overseas loans	11,099,909	100.0	10,323,151	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, 2020								
North America	7,596,787	74.7	6,966,101	81.8	630,685	38.1	23,852	12.6
Europe	936,028	9.2	838,597	9.9	97,430	5.9	29,500	15.6
Oceania	467,731	4.6	467,731	5.5	—	—	24,607	13.0
Asia	188,086	1.8	76,882	0.9	111,204	6.7	1,020	0.5
Latin America	850,783	8.4	34,224	0.4	816,559	49.3	110,000	58.2
Middle East	—	—	—	—	—	—	—	—
Africa	—	—	—	—	—	—	—	—
Supranationals	129,527	1.3	129,527	1.5	—	—	—	—
Total	10,168,944	100.0	8,513,065	100.0	1,655,879	100.0	188,980	100.0
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

Breakdown of Foreign Currency-Denominated Assets by Currency

As of March 31,	(Millions of Yen)			
	2020		2019	
	Amount	(%)	Amount	(%)
U.S. dollar	9,350,802	88.2	8,506,148	89.0
Australian dollar	522,653	4.9	330,751	3.5
Euro	509,066	4.8	490,726	5.1
Others	222,925	2.1	228,876	2.4
Total	10,605,449	100.0	9,556,503	100.0

Investments and Loans for Public Entities (General Account)

Years ended March 31,	(Millions of Yen)	
	2020	2019
Bonds		
Government bonds	—	—
Municipal bonds	—	—
Other public entity bonds	966	1,114
Subtotal	966	1,114
Loans		
Loans for government-related agencies	756	836
Loans for other public entities	7,662	4,000
Subtotal	8,418	4,836
Total	9,385	5,950

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, 2020					
Deferred assets	6,036	597	85	2,184	4,364
Others	—	961	1,096	—	5,676
Total	—	1,558	1,181	2,184	10,040
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

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,	2020					2019				
	Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity debt securities	4,135,333	4,882,136	746,803	747,035	(232)	4,336,078	5,170,501	834,422	834,499	(76)
Policy-reserve-matching bonds	8,923,833	10,532,331	1,608,498	1,620,716	(12,218)	8,057,811	9,713,518	1,655,706	1,656,309	(603)
Stocks of subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	15,288,346	17,996,179	2,707,833	2,850,425	(142,591)	14,696,852	18,097,473	3,400,621	3,486,452	(85,830)
Domestic bonds	4,872,059	5,232,993	360,934	364,394	(3,460)	4,888,700	5,325,598	436,897	437,153	(255)
Domestic stocks	1,598,539	3,354,683	1,756,144	1,803,462	(47,317)	1,674,228	4,009,367	2,335,139	2,357,708	(22,569)
Foreign securities	7,920,182	8,505,333	585,150	646,961	(61,810)	7,293,609	7,870,746	577,137	628,368	(51,231)
Foreign bonds	7,083,149	7,622,208	539,058	567,541	(28,483)	6,502,084	6,928,152	426,067	470,907	(44,840)
Foreign stocks and others	837,033	883,125	46,091	79,419	(33,327)	791,524	942,594	151,069	157,461	(6,391)
Other securities	835,520	844,140	8,620	34,726	(26,106)	775,212	826,765	51,552	62,130	(10,578)
Monetary claims bought	11,184	12,064	880	880	—	13,236	14,327	1,090	1,090	—
Negotiable deposits	33,000	32,995	(4)	0	(4)	34,000	33,998	(1)	0	(1)
Money held in trust	17,859	13,966	(3,892)	—	(3,892)	17,864	16,669	(1,194)	—	(1,194)
Total	28,347,512	33,410,647	5,063,135	5,218,177	(155,042)	27,090,742	32,981,493	5,890,750	5,977,261	(86,510)
Domestic bonds	16,848,098	19,480,539	2,632,441	2,644,645	(12,203)	16,450,708	19,341,072	2,890,364	2,890,621	(256)
Domestic stocks	1,598,539	3,354,683	1,756,144	1,803,462	(47,317)	1,674,228	4,009,367	2,335,139	2,357,708	(22,569)
Foreign securities	8,811,040	9,466,805	655,765	721,284	(65,518)	7,927,511	8,528,002	600,490	652,400	(51,910)
Foreign bonds	7,974,006	8,583,680	609,673	641,864	(32,190)	7,135,987	7,585,407	449,420	494,939	(45,518)
Foreign stocks and others	837,033	883,125	46,091	79,419	(33,327)	791,524	942,594	151,069	157,461	(6,391)
Other securities	835,520	844,140	8,620	34,726	(26,106)	775,212	826,765	51,552	62,130	(10,578)
Monetary claims bought	203,455	217,514	14,059	14,059	—	211,216	225,616	14,400	14,400	—
Negotiable deposits	33,000	32,995	(4)	0	(4)	34,000	33,998	(1)	0	(1)
Money held in trust	17,859	13,966	(3,892)	—	(3,892)	17,864	16,669	(1,194)	—	(1,194)

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,	2020			2019		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	4,124,533	4,871,569	747,035	4,328,278	5,162,778	834,499
Domestic bonds	3,835,912	4,564,012	728,099	4,030,348	4,845,025	814,676
Foreign bonds	96,349	102,106	5,756	99,949	106,462	6,512
Monetary claims bought	192,270	205,449	13,179	197,980	211,289	13,309
Securities whose fair value does not exceed the balance sheet amount	10,800	10,567	(232)	7,800	7,723	(76)
Domestic bonds	2,800	2,798	(1)	2,800	2,798	(1)
Foreign bonds	8,000	7,768	(231)	5,000	4,924	(75)
Monetary claims bought	—	—	—	—	—	—

(2) Policy-Reserve-Matching Bonds

(Millions of Yen)

As of March 31,	2020			2019		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount	8,170,256	9,790,973	1,620,716	8,017,082	9,673,392	1,656,309
Domestic bonds	7,492,090	9,044,241	1,552,150	7,528,858	9,167,649	1,638,791
Foreign bonds	678,166	746,731	68,565	488,223	505,742	17,518
Securities whose fair value does not exceed the balance sheet amount	753,576	741,358	(12,218)	40,728	40,125	(603)
Domestic bonds	645,235	636,493	(8,741)	—	—	—
Foreign bonds	108,340	104,864	(3,476)	40,728	40,125	(603)

(3) Available-for-Sale Securities

(Millions of Yen)

As of March 31,	2020			2019		
	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	13,292,127	16,142,552	2,850,425	12,077,294	15,563,746	3,486,452
Domestic bonds	4,655,016	5,019,411	364,394	4,839,378	5,276,532	437,153
Domestic stocks	1,188,129	2,991,591	1,803,462	1,478,135	3,835,843	2,357,708
Foreign securities	6,857,142	7,504,104	646,961	5,222,294	5,850,663	628,368
Other securities	577,654	612,381	34,726	509,250	571,381	62,130
Monetary claims bought	11,184	12,064	880	13,236	14,327	1,090
Negotiable deposits	3,000	3,000	0	15,000	15,000	0
Money held in trust	—	—	—	—	—	—
Securities whose balance sheet amount does not exceed the acquisition or amortized costs	1,996,218	1,853,626	(142,591)	2,619,557	2,533,726	(85,830)
Domestic bonds	217,042	213,582	(3,460)	49,321	49,065	(255)
Domestic stocks	410,410	363,092	(47,317)	196,093	173,524	(22,569)
Foreign securities	1,063,040	1,001,229	(61,810)	2,071,315	2,020,083	(51,231)
Other securities	257,866	231,759	(26,106)	265,962	255,384	(10,578)
Monetary claims bought	—	—	—	—	—	—
Negotiable deposits	30,000	29,995	(4)	19,000	18,998	(1)
Money held in trust	17,859	13,966	(3,892)	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,	2020	2019
Held-to-maturity debt securities	—	—
Policy-reserve-matching bonds	—	—
Stocks of subsidiaries and affiliates	847,921	881,663
Available-for-sale securities	45,098	295,993
Unlisted domestic stocks	27,725	27,452
Unlisted foreign stocks	4,126	257,126
Other foreign securities	531	596
Others	12,714	10,818
Total	893,020	1,177,656

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

As of March 31,	2020					2019				
	Book value		Net gains/losses			Book value		Net gains/losses		
	Book value	Fair value	Gains	Losses	Total	Book value	Fair value	Gains	Losses	Total
Domestic bonds	16,848,098	19,480,539	2,632,441	2,644,645	(12,203)	16,450,708	19,341,072	2,890,364	2,890,621	(256)
Domestic stocks	1,598,539	3,354,683	1,756,144	1,803,462	(47,317)	1,674,228	4,009,367	2,335,139	2,357,708	(22,569)
Foreign securities	9,583,663	10,172,883	589,220	731,856	(142,636)	8,700,198	9,256,482	556,284	672,815	(116,530)
Foreign bonds	7,974,006	8,583,680	609,673	641,864	(32,190)	7,135,987	7,585,407	449,420	494,939	(45,518)
Foreign stocks and others	1,609,656	1,589,203	(20,453)	89,991	(110,445)	1,564,211	1,671,074	106,863	177,876	(71,012)
Other securities	837,059	845,690	8,631	34,737	(26,106)	776,515	828,070	51,554	62,139	(10,585)
Others	254,314	264,477	10,162	14,059	(3,896)	263,081	276,285	13,204	14,400	(1,196)
Total	29,121,675	34,118,275	4,996,600	5,228,760	(232,160)	27,864,731	33,711,278	5,846,546	5,997,685	(151,138)

Notes: 1. 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.
2. Figures above exclude ¥118,857 million, comprising unlisted domestic securities, which was posted at book value as of March 31, 2020.
3. After these exclusions, the above figures account for 98.6% and 99.6% of total securities, respectively, as of March 31, 2019 and March 31, 2020.
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)

As of March 31,	2020					2019				
	Balance sheet amount		Net gains/losses			Balance sheet amount		Net gains/losses		
	Balance sheet amount	Fair value	Gains	Losses	Total	Balance sheet amount	Fair value	Gains	Losses	Total
Money held in trust	13,966	13,966	—	—	—	16,669	16,669	—	—	—

Money Held in Trust for Investment

Not applicable.

Money Held in Trust for Maturity, for Policy Reserve Matching and for Other Purposes

As of March 31,	2020					2019				
	Book value		Net gains/losses			Book value		Net gains/losses		
	Book value	Fair value	Gains	Losses	Total	Book value	Fair value	Gains	Losses	Total
Held-to-maturity	—	—	—	—	—	—	—	—	—	—
Policy reserve matching	—	—	—	—	—	—	—	—	—	—
Other purposes	17,859	13,966	(3,892)	—	(3,892)	17,864	16,669	(1,194)	—	(1,194)

Fair Value of Derivative Transactions (General Account)

(1) Breakdown of Net Gains (Losses) on Derivative Transactions (by Application and Non-Application of Hedge Accounting)

As of March 31,	2020						2019					
	Interest rate-related		Currency-related		Stock-related		Bond-related		Others		Total	
	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	61,637	(10,208)	—	—	—	51,428	57,632	(8,782)	—	—	—	48,850
Hedge accounting not applied	0	(20,724)	(8,969)	—	—	(29,694)	4	(2,742)	—	—	—	(2,737)
Total	61,637	(30,933)	(8,969)	—	—	21,734	57,637	(11,524)	—	—	—	46,112

Note: Gains and losses on derivative transactions where fair value hedge accounting is applied included loss attributable to currency-related transactions totaling ¥8,600 million as of March 31, 2019 and loss attributable to currency-related transactions totaling ¥11,456 million as of March 31, 2020. 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

As of March 31,	2020				2019			
	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	900	900	0	0	700	700	4	4
Total			0	0				4

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

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

As of March 31,	2020							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	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	—	—	—	—	—	900	900	—	—	—	—	—	700	700
Average interest rate in receipt (%)	—	—	—	—	—	0.15	0.15	—	—	—	—	—	0.41	0.41
Average interest rate in payment (%)	—	—	—	—	—	(0.04)	(0.04)	—	—	—	—	—	0.01	0.01

◆ Currency-Related

As of March 31,	2020				2019			
	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	679,417	—	(2,022)	(2,022)	166,438	—	62	62
(U.S. dollar)	652,226	—	(4,399)	(4,399)	157,950	—	(32)	(32)
(Australian dollar)	27,191	—	2,377	2,377	8,488	—	94	94
Bought	—	—	—	—	1,002	—	7	7
(U.S. dollar)	—	—	—	—	1,002	—	7	7
Currency options								
Sold	157,097	—	41	0	198,628	—	1	474
(U.S. dollar)	[41]	—	41	0	[476]	—	1	474
Bought	166,178	—	198	135	178,500	—	32	(443)
(U.S. dollar)	[63]	—	198	135	[476]	—	32	(443)
Currency swaps								
Yen payments/Australian dollar receipts	175,156	175,156	(19,719)	(19,719)	154,546	154,546	(3,143)	(3,143)
Yen payments/U.S. dollar receipts	7,080	7,080	881	881	11,740	11,740	300	300
Total			(20,724)	(20,724)				(2,742)

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,		2020			2019				
		Notional amount/ contract value		Net gains (losses)	Notional amount/ contract value		Net gains (losses)		
		Over 1 year	Fair value		Over 1 year	Fair value			
Exchange-traded transactions	Yen stock index futures Sold	148,066	—	(8,969)	(8,969)	—	—	—	—
Total		(8,969)			—			—	

Note: Net gains (losses) on yen stock index futures represent the fair values.

◆ Bond-Related

Not applicable.

(3) Transactions Where Hedge Accounting is Applied

◆ Interest-Rate Related

(Millions of Yen)

As of March 31,		2020			2019				
		Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value		
		Over 1 year	Fair value		Over 1 year	Fair value			
Deferred hedge accounting	Interest rate swaps Receipts fixed, payments floating	Insurance liabilities	227,300	227,300	61,477	230,700	230,700	57,446	
Special hedge accounting	Interest rate swaps Receipts fixed, payments floating	Loans	3,222	3,222	159	3,369	3,324	185	
Total		61,637			57,632				

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

(Millions of Yen)

As of March 31,	2020								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	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	
															Notional amount
Receipts fixed, payments floating swap															
Notional amount		—	6,500	8,122	10,100	12,400	193,400	230,522	45	6,300	6,800	11,124	12,300	197,500	234,069
Average interest rate in receipt (%)		—	1.68	1.74	1.83	2.13	1.86	1.86	1.60	1.56	1.75	1.73	2.05	1.87	1.86
Average interest rate in payment (%)		—	(0.01)	0.10	0.01	(0.01)	(0.02)	(0.02)	0.07	0.01	(0.00)	0.14	0.00	0.00	0.01

◆ Currency-Related

(Millions of Yen)

As of March 31,		2020			2019				
		Notional amount/ contract value		Fair value	Notional amount/ contract value		Fair value		
		Over 1 year	Fair value		Over 1 year	Fair value			
Fair value hedge accounting	Foreign currency forward contracts	Foreign-currency-denominated bonds	Sold	4,679,142	—	(11,456)	3,887,217	—	(8,600)
			(U.S. dollar)	4,169,798	—	(34,142)	3,529,862	—	(10,393)
			(Euro)	253,887	—	1,063	199,793	—	700
			(Australian dollar)	240,977	—	20,754	142,408	—	980
			(Others)	14,479	—	867	15,152	—	112
Deferred hedge accounting	Cross currency swaps	Foreign-currency-denominated bonds	(Euro)	35,575	35,575	538	35,575	35,575	(381)
			(Australian dollar)	4,305	4,305	709	4,305	4,305	199
			Total	(10,208)			(8,782)		

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)

As of March 31,	Net unrealized gains				
	Revaluation differences	Unrealized gains in off-balance-sheet transactions			
		Book value	Fair value		
As of March 31, 2020	542,845	197,631	345,214	615,507	960,721
As of March 31, 2019	471,193	197,268	273,924	616,057	889,981

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,	2020		2019	
	Unrealized gains	Unrealized losses	Unrealized gains	Unrealized losses
Securities	4,996,600	5,846,546	2,707,975	3,401,194
Valuation differences	2,288,625	2,445,352	542,845	471,193
Land	197,631	197,268	345,214	273,924
Revaluation differences	62,679	57,257	5,602,126	6,374,996
Unrealized gains in off-balance-sheet transactions				
Others				
Total				

Notes: 1. Figures for securities represent unrealized gains attributable to such factors as foreign currency translation adjustments of securities with market prices as well as those whose market value is extremely difficult to determine (e.g., foreign currency denominated stocks of subsidiaries and affiliates).

2. Securities include financial instruments that are deemed appropriate to handle as securities under the Financial Instruments and Exchange Act.

3. Revaluation differences of land are based on the results of fair value accounting performed by former Meiji Life Insurance Company and The Yasuda Mutual Life Insurance Company on March 31, 2000 and 2001, respectively, in accordance with the Act on Revaluation of Land. In addition, land includes land used under leasehold rights.

4. Others include unrealized gains and losses on derivative transactions. In addition, the Company applied hedge accounting to some of these transactions. The above table presents unrealized gains and losses on derivative transaction where hedge accounting (deferred hedge accounting or special hedge accounting treatment) is applied. Of those transactions, derivative transactions where fair value hedge accounting is applied posted loss attributable to currency-related transactions totaling ¥8,600 million as of March 31, 2019 and loss attributable to currency-related transactions totaling ¥11,456 million as of March 31, 2020. 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,	2020	2019
Variable individual life insurance	46,722	55,634
Variable individual annuities	252,139	294,285
Group pensions	512,065	475,451
Total	810,928	825,371

Investment Status of Separate Account Assets for Variable Individual Life Insurance and Variable Individual Annuities

In the domestic bond market, long-term yields continued their downtrend until August 2019 due to a sense of uncertainty over the outcomes of U.S.-China trade talks. However, long-term yields subsequently rose into the end of 2019 thanks mainly to progress in such talks and diminished expectations for additional monetary easing measures by the Bank of Japan (BOJ). From January 2020 until early March, long-term yields declined due to the fallout from the global outbreak of COVID-19, but then again increased because of the growing trend to bolster cash reserves. Consequently, the yield on ten-year JGBs stood at 0.005% as of March 31, 2020, up 0.1 of a percentage point compared with the end of the previous fiscal year.

In the domestic stock market, prices remained volatile and susceptible to news coverage on U.S.-China trade tension until summer. However, prices thereafter maintained an upward trajectory due to a partial agreement in U.S.-China trade talks and expectations that major economic stimulus policies would be introduced by the Japanese government, with the Nikkei average temporarily hitting the ¥24,000 mark. From late February 2020 onward, however, the global outbreak of the COVID-19 virus prompted a radical decline in stock prices, and in March, the Nikkei average temporarily fell below ¥17,000 for the first time in 40 months due to plunging crude oil prices and the enforcement of restrictions on movement in many countries. Prices then recovered somewhat reflecting expectations for government-led major economic stimulus policies to be introduced in various countries. As a result, the Nikkei average as of March 31, 2020 stood at ¥18,917, down ¥2,289 from March 31, 2019.

In the U.S. bond market, long-term yields continued downward until August 2019 mainly influenced by the future uncertainty over U.S.-China trade tension and expectations for potential interest rate reductions by the U.S. Federal Reserve Bank (FRB). However, in step with progress in U.S.-China trade talks, long-term yields rose gradually into the end of 2019. From January 2020 onward, however, long-term yields resumed their downward track amid the growing number of COVID-19 infection cases reported in China. In the period leading up to the close of the fiscal year, long-term yields fell significantly, reflecting such factors as the global outbreak of the virus and the FRB's emergency measures to cut interest rates. As a result, the yield on ten-year U.S. Treasuries dropped to 0.670% as of March 31, 2020, down 1.736 of a percentage point from a year earlier.

In the U.S. stock market, prices remained volatile and susceptible to news coverage on U.S.-China trade tension until summer. However, prices rose thereafter thanks mainly to progress in U.S.-China trade talks, the FRB's monetary easing policies and solid U.S. economic indicators, with a series of record highs being reported until mid-February 2020. Stock prices then fell significantly with the emergence of the outbreak of the COVID-19 which, in turn, prompted growing uncertainty over the economic outlook. Although prices recovered somewhat near the end of the fiscal year on expectations the U.S. government would unveil major monetary and fiscal policies, the Dow Jones Industrial Average stood at US\$21,917 on March 31, 2020, down US\$4,012 year on year.

As for foreign currency exchange rates, the global COVID-19 outbreak led to highly volatile markets from February 2020 onward. Consequently, the exchange rate as of March 31, 2020 stood at ¥108.83 to the U.S. dollar, up ¥2.16 year on year, and ¥119.55 to the euro, up ¥5.1 year on year.

Given this environment, the Company strove to secure stable returns from variable individual life insurance through diversified investment in both domestic and overseas assets. Specifically, during the fiscal year ended March 31, 2020, the Company flexibly adjusted its asset portfolio in light of changes in the prevailing market environment by, for example raising stock allocations when stock prices were rising and by decreasing them when risk aversion prevailed due to the outbreak of COVID-19.

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,	2020		2019	
	Number of policies	Amount	Number of policies	Amount
Variable life insurance (term type)	—	—	—	—
Variable life insurance (whole-life type)	49,710	458,423	50,818	470,176
Total	49,710	458,423	50,818	470,176

Note: Insurance amount of policies in force includes coverage under term rider.

Breakdown of Assets

As of March 31,	2020		2019	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	548	1.2	512	0.9
Securities	42,865	91.7	52,194	93.8
Domestic bonds	13,990	29.9	16,166	29.1
Domestic stocks	13,137	28.1	17,607	31.6
Foreign securities	15,737	33.7	18,420	33.1
Foreign bonds	4,721	10.1	5,054	9.1
Foreign stocks and others	11,015	23.6	13,365	24.0
Other securities	—	—	—	—
Loans	—	—	—	—
Others	3,309	7.1	2,926	5.3
Allowance for possible loan losses	—	—	—	—
Total	46,722	100.0	55,634	100.0

Investment Returns

Years ended March 31,	2020	2019
Interest, dividends and other income	996	1,176
Gains on sales of securities	2,911	3,700
Gains on redemption of securities	—	—
Gains on valuation of securities	4,903	6,032
Foreign exchange gains	16	25
Gains on derivative financial instruments	554	283
Other income	3	5
Losses on sales of securities	2,394	2,832
Losses on redemption of securities	—	—
Losses on valuation of securities	9,143	7,786
Foreign exchange losses	30	21
Losses on derivative financial instruments	244	255
Other expenses	1	1
Net gains (losses)	(2,429)	327

Fair Value of Securities

Gains and Losses on Valuation of Trading Securities

As of March 31,	2020		2019	
	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	42,865	(4,240)	52,194	(1,753)

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)

As of March 31,	2020						2019					
	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	—	(3)	(28)	—	—	(31)	—	(2)	(9)	—	—	(11)
Total	—	(3)	(28)	—	—	(31)	—	(2)	(9)	—	—	(11)

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

As of March 31,	(Millions of Yen)					
	2020			2019		
	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						
(U.S. dollar)	631	—	(2)	—	—	—
(Euro)	341	—	(3)	—	—	—
Bought	290	—	1	—	—	—
(U.S. dollar)	164	—	(0)	1,046	—	(2)
(Euro)	—	—	—	735	—	1
Total	164	—	(0)	310	—	(3)
			(3)			(2)

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

◆ Stock-Related

As of March 31,	(Millions of Yen)					
	2020			2019		
	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)
Bought	91	—	6	—	—	—
Foreign currency-denominated stock index futures						
Sold	346	—	(35)	—	—	—
Bought	—	—	—	1,088	—	(2)
Total			(28)			(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

As of March 31,	(Millions of Yen)			
	2020		2019	
	Number of policies	Amount	Number of policies	Amount
Variable individual annuities	84,895	263,847	91,855	298,040

Note: Insurance amount of policies in force includes the amount of general account policies written after pension payout.

Breakdown of Assets

As of March 31,	(Millions of Yen)			
	2020		2019	
	Amount	(%)	Amount	(%)
Cash, deposits and call loans	546	0.2	264	0.1
Securities	247,899	98.3	291,779	99.1
Domestic bonds	—	—	—	—
Domestic stocks	—	—	—	—
Foreign securities	—	—	—	—
Foreign bonds	—	—	—	—
Foreign stocks and others	—	—	—	—
Other securities	247,899	98.3	291,779	99.1
Loans	—	—	—	—
Others	3,693	1.5	2,242	0.8
Allowance for possible loan losses	—	—	—	—
Total	252,139	100.0	294,285	100.0

Investment Returns

Years ended March 31,	(Millions of Yen)	
	2020	2019
Interest, dividends and other income	7,127	4,577
Gains on sales of securities	0	0
Gains on redemption of securities	—	—
Gains on valuation of securities	38,087	43,459
Foreign exchange gains	—	—
Gains on derivative financial instruments	—	—
Other income	—	—
Losses on sales of securities	543	440
Losses on redemption of securities	0	—
Losses on valuation of securities	48,049	48,599
Foreign exchange losses	—	—
Losses on derivative financial instruments	—	—
Other expenses	—	—
Net gains (losses)	(3,376)	(1,002)

Fair Value of Securities

Gains and Losses on Valuation of Trading Securities

As of March 31,	(Millions of Yen)			
	2020		2019	
	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	247,899	(9,961)	291,779	(5,140)

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

As of March 31,	2020		2019	
	Number of groups	Fair value	Number of groups	Fair value
First treaty separate account	882	490,458	838	467,638
Comprehensive account	369	138,481	425	171,889
Accounts established for each investee	270	183,299	281	200,045
Dedicated accounts for each investee	309	168,677	199	95,703
Total	882	490,458	838	467,638

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, 2020

Although Meiji Yasuda Life maintained a greater allocation of foreign stocks in line with its annual investment plan, from February 2020 onward the Company took a 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, 2020, was negative 5.03%. This was attributable to negative returns recorded in domestic and foreign stocks.

	Planned figures for year ended March 31, 2020	Asset Allocations					As of March 31, 2020
		As of March 31, 2019	As of June 30, 2019	As of September 30, 2019	As of December 31, 2019	As of March 31, 2020	
Domestic bonds	28.0	29.9	30.5	31.5	27.3	31.1	
Domestic stocks	32.0	30.4	26.9	28.5	32.3	30.2	
Foreign bonds	11.0	9.2	9.7	9.4	9.6	10.6	
Foreign stocks	26.0	27.9	27.1	26.8	28.3	25.8	
Short-term funds and others	3.0	2.6	5.7	3.8	2.5	2.3	
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

As of March 31,	2020		2019	
	Fair value	(%)	Fair value	(%)
Domestic bonds	43,134	31.1	51,349	29.9
Domestic stocks	41,849	30.2	52,254	30.4
Foreign bonds	14,658	10.6	15,743	9.2
Foreign stocks	35,690	25.8	48,011	27.9
Short-term funds and others	3,148	2.3	4,530	2.6
Total	138,481	100.0	171,889	100.0

(3) Investment Performance

Years ended March 31,	2020	2019
Time-weighted return rate	(5.03)	0.54

First Treaty Separate Account (Accounts Established for Each Investee)

(1) Investment Status in the Year Ended March 31, 2020

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. 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 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 foreign currency denominated stock account, was improved in April 2019.
 2. The Company's "U.S. model" used to select stocks in the course of administering the foreign currency denominated stock account—B was improved in April 2019.
 3. The Company's "quantitative model" used to select stocks in the course of administering the yen currency denominated stock account—B, was improved in June 2019.

(2) Fair Value and Investment Performance

As of and years ended March 31,	2020		2019	
	Fair value	Time-weighted return rate (%)	Fair value	Time-weighted return rate (%)
Yen currency denominated bond account	98,638	0.18	104,216	1.89
Yen currency denominated stock account	10,894	(9.65)	13,373	(6.51)
Yen currency denominated stock account—B	18,012	(9.52)	23,295	(6.59)
Foreign currency denominated bond account	33,429	4.35	34,692	2.40
Foreign currency denominated stock account	8,508	(11.12)	10,335	9.13
Foreign currency denominated stock account—B	10,305	(13.61)	10,603	9.08
Short-term fund account	3,509	0.00	3,528	0.00
Total	183,299		200,045	

Non-performing Loans

	(Millions of Yen)	
As of March 31,	2020	2019
Loans to bankrupt borrowers	26	—
Loans in arrears	5,574	4,265
Loans in arrears for three months or longer	—	—
Restructured loans	18,581	21,668
Total	24,182	25,934
Non-performing loans/total loans (%)	0.49	0.52

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 ¥91 million for loans to bankrupt borrowers and ¥1 million for loans in arrears as of March 31, 2019; and ¥161 million for loans to bankrupt borrowers and ¥22 million for loans in arrears as of March 31, 2020.

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,	2020	2019
(A) Total solvency margin	6,979,863	7,305,541
① Foundation funds	962,753	889,822
② Reserve for price fluctuation	833,615	816,962
③ Contingency reserves	787,671	710,739
④ Catastrophe reserves	11,076	10,556
⑤ General allowance for possible loan losses	1,490	1,091
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)	2,485,574	3,048,988
⑦ Unrealized gains on land × 85% (100% in case of losses)	468,827	406,485
⑧ Total of unrecognized actuarial differences and unrecognized past service costs	(31,154)	(424)
⑨ Excess of continued Zillmerized reserve	870,776	909,388
⑩ Qualifying subordinated debt	640,735	560,735
⑪ Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—	—
⑫ Deductions	(163,332)	(156,581)
⑬ Other (tax effect adjustment)	111,829	107,777
(B) Total amount of risk $\sqrt{(\text{14}^2 + \text{15}^2 + \text{17} + \text{18})^2 + (\text{19} + \text{20} + \text{21})^2 + \text{16} + \text{22}}$	1,220,582	1,404,686
⑭ Insurance risk	164,223	162,499
⑮ General underwriting risk	1,795	1,763
⑯ Major disaster risk	482	465
⑰ Third-sector insurance risk	74,522	69,535
⑱ Insurance risk of small-amount short-term insurer	—	—
⑲ Assumed interest rate risk	141,082	146,477
⑳ Minimum guarantee risk	7,345	11,035
㉑ Investment risk	1,019,337	1,195,209
㉒ Business management risk	28,175	31,739
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	1,143.6	1,040.1

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,	2020	2019
(A) Total solvency margin	37,521	72,007
① Capital and others	23,413	58,033
② Reserve for price fluctuation	682	617
③ Contingency reserves	28	25
④ Catastrophe reserves	11,076	10,556
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)	224	995
⑦ Unrealized gains on land × 85% (100% in case of losses)	1,347	1,178
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	748	601
(B) Total amount of risk $\sqrt{(\text{13} + \text{14})^2 + (\text{15} + \text{16})^2 + \text{17} + \text{18}}$	2,536	2,747
⑬ General underwriting risk	1,795	1,763
⑭ Third-sector insurance risk	—	—
⑮ Assumed interest rate risk	5	5
⑯ Investment risk	856	1,327
⑰ Business management risk	62	71
⑱ Major disaster risk	482	465
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$ (%)	2,958.0	5,241.6

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, 2019 and March 31, 2020, 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.

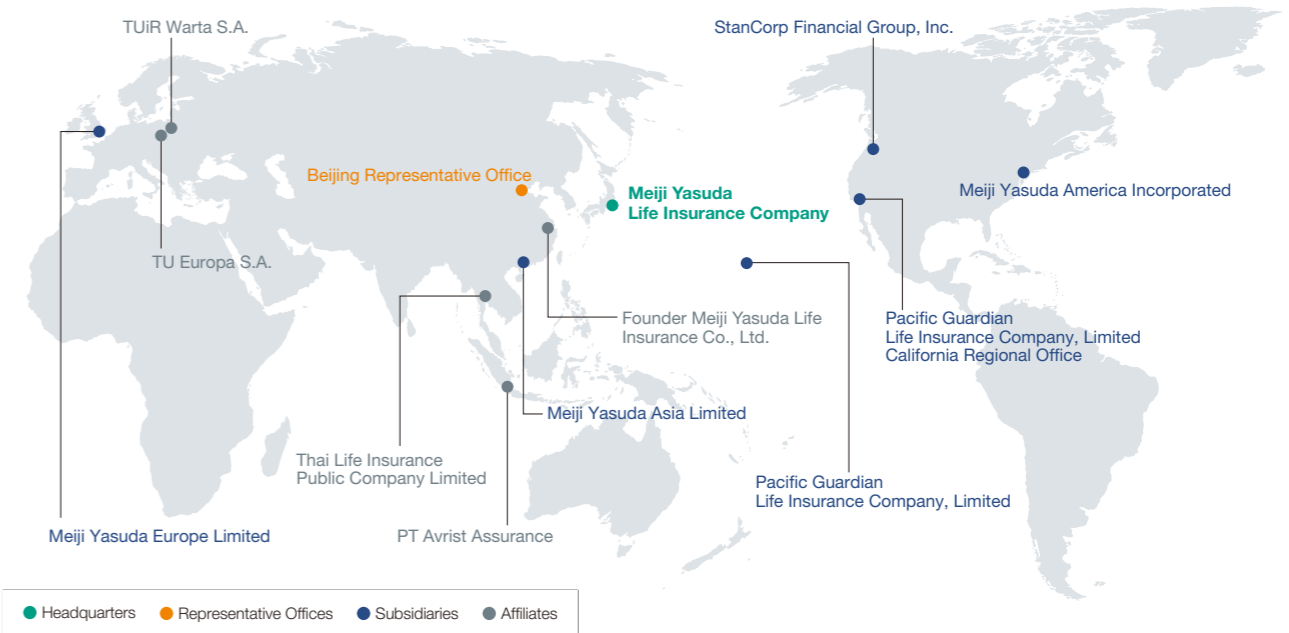
History of The Yasuda Mutual Life Insurance Company

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
	June	Launched “Iryohi Link Series,” a lineup of riders providing coverage for medical expenses
2010	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)
	March	Acquired the majority of shares in private nursing home operator Sunvenus Tachikawa Company Limited, thereby initiating the operation of nursing care facilities
2012	June	Acquired 27% of shares in TU Europa S.A. (Poland)
	July	Acquired 30% of shares in TUiR Warta S.A. (Poland)
	July	Formed a strategic partnership with Thai Life Insurance Public Company Limited (Thailand)
2013	September	Introduced “Meister Mobile” tablet terminals
	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
	April	The “Community Vitalization Project,” launched



Headquarters

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

Representative Office

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

Subsidiaries

- 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

Affiliates

- Founder Meiji Yasuda Life Insurance Co., Ltd.**
21F, Building A, Oriental Financial Plaza 1168 Century Avenue, Pudong New District, Shanghai 200122, China
- PT Avrist Assurance**
Gedung Bank Panin Senayan Lt. 3, 7, 8 Jl. Jenderal Sudirman, Jakarta 10270, Indonesia
- TU Europa S.A.**
62 Gwiaździsta Street, 53-413 Wrocław, Poland
- TUiR Warta S.A.**
85/87 Chmielna Street, 00-805 Warsaw, Poland
- Thai Life Insurance Public Company Limited**
123 Ratchadapisek Road, Din Daeng, Bangkok, 10400, Thailand