

[Unofficial translation]



MY INNOVATION
2020
MEIJI YASUDA
3-year program

Financial Results for the Nine Months Ended December 31, 2019 (Summary)

**February 14, 2020
Meiji Yasuda Life Insurance Company**

1

Insurance premiums and base profit of Meiji Yasuda Group and Meiji Yasuda Life decreased. Overseas insurance business and other businesses continues to maintain high profitability led by StanCorp Financial Group, Inc.

- Insurance premiums of Meiji Yasuda Group (hereafter, the Group) amounted ¥2,131.9 billion decreased by 7.6% year on year, due to sales decline of foreign currency denominated products with a single lump-sum premium of Meiji Yasuda Life (hereafter, the Company).
- Base profit of the Group amounted ¥414.1 billion decreased by 12.5% year on year due to the decline of gains on redemption of securities and reduction of insurance premium rate of group life insurance of the Company. Base profit of the overseas insurance business and other businesses increased 7.9% year on year led by StanCorp Financial Group, Inc.(hereafter StanCorp), continues to maintain high profitability.

2

Maintained superior financial soundness throughout strengthening of financial basis.

- Consolidated and non-consolidated solvency margin ratio stood above 1,000%.
- Consolidated solvency margin ratio stood at 1,103.3% increased by 63.2pts compared with the end of FY2018, maintained superior financial soundness.

3

Business outlook on insurance premiums of the Group and the Company are changed to “decrease” and base profit of the Group and the Company are changed to “increase” . (Base profit of the Group and the Company are projected to hit a record high for a third consecutive year)

- The outlook on insurance premiums is revised downward to “decrease” from “flat” forecasted in 1st Half of FY2019 financial report, due to sales decline of foreign currency denominated products with a single lump-sum premium.
- The outlook on base profit is revised upward to “increase” from “flat” forecasted in 1st Half of FY2019 financial report, due to the increase of foreign fixed income fund dividends and others. Base profit of the Group and the Company are projected to hit a record high for a third consecutive year.

II. Results of Meiji Yasuda Group

Insurance Premiums of the Group, Base Profit of the Group and Consolidated Solvency Margin Ratio

- Insurance premiums of the Group amounted ¥2,131.9 billion decreased by 7.6% year on year, due to sales decline of foreign currency denominated products with a single lump-sum premium of the Company.
- Base profit of the Group amounted ¥414.1 billion decreased by 12.5% year on year, due to decline of base profit of the Company. Base profit of StanCorp increased 9.1% year on year exceeds our business plan, continues to maintain high profitability.
- Consolidated solvency margin ratio stood at 1,103.3% and increased by 63.2 pts year on year.

■ Insurance premiums of the Group

(billions of yen)

	FY2019 3Q	Change	FY2018 3Q
Insurance premiums of the Group ^{*1}	2,131.9	-7.6%	2,306.3
Meiji Yasuda Life (non-consolidated)	1,895.9	-8.4%	2,070.0
Overseas insurance business and other businesses ^{*2}	235.9	-0.1%	236.3
StanCorp	217.6	-0.1%	217.9

■ Base profit of the Group

(billions of yen)

	FY2019 3Q	Change	FY2018 3Q
Base profit of the Group ^{*3}	414.1	-12.5%	473.4
Meiji Yasuda Life (non-consolidated)	370.3	-14.5%	433.0
Overseas insurance business and other businesses ^{*2}	50.7	+7.9%	47.0
StanCorp ^{*4}	37.7	+9.1%	34.5

■ Consolidated solvency margin ratio

(%)

	End of FY2019 3Q	Change	End of FY2018
Consolidated solvency margin ratio	1,103.3	+63.2 ^{pts}	1,040.1
Meiji Yasuda Life (non-consolidated)	1,033.0	+49.7 ^{pts}	983.3

*1 Insurance premiums of the Group is "Insurance premiums and other" in the Consolidated Statements of Income.

*2 Excluding domestic life insurance business. The third quarter business results of consolidated overseas subsidiaries and affiliates are their nine months results from January to September.

*3 Base profit of the Group is the total of Base profit of Meiji Yasuda Life and pretax profit of the consolidated subsidiaries and affiliates, which capital gains/losses are deducted (for affiliates shares of affiliates accounted for under the equity method), and internal group transactions of the Group is partially eliminated.

*4 Due to the change in management method of financial accounting, the calculation method of base profit of StanCorp is changed to the accounting base reflected the effect of purchase accounting from FY2019. Base profit of StanCorp in nine months ended December 31, 2018 is 36.4 billion yen if same accounting base of FY2019 is applied. (Base profit of the Group amounted ¥475.3 billion)

III. Results of Meiji Yasuda Life (Non-Consolidated)

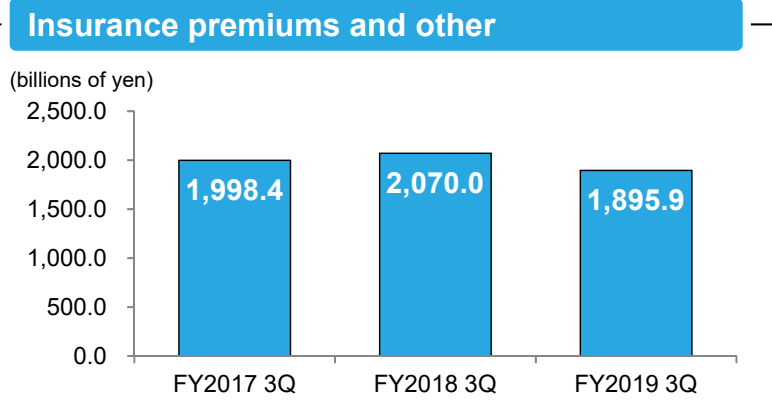
1. Insurance Premiums and Other, Annualized New Premiums and Annualized Premiums in Force

- Insurance premiums and other of the Company amounted ¥1,895.9 billion, decreased by 8.4% year-on-year due to such the sales decline of the foreign currency denominated single premium insurance products.
 - As for agency distribution channel, the level premium products amounted ¥924.5 billion, increased by 1.4% year-on-year due to the contribution of “Best Style Health Cash Back” launched in April 2019.

■ Breakdown of Insurance premiums and other

	FY2019 3Q	Change	FY2018 3Q
Insurance premiums and other	1,895.9	-8.4%	2,070.0
Individual life insurance and annuities	1,218.0	-12.6%	1,394.0
Agency distribution channel	1,009.3	-4.8%	1,059.9
Level premium products	924.5	+1.4%	911.6
Single premium products	84.7	-42.9%	148.3
Bancassurance channel	180.8	-41.0%	306.3
Group life insurance and group pensions	649.6	+0.3%	647.7

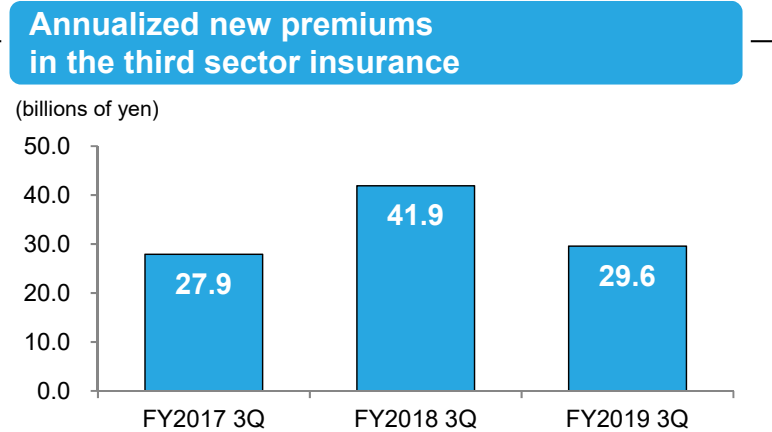
(billions of yen)



■ Annualized new premiums (individual life insurance and individual annuities)

	FY2019 3Q	Change	FY2018 3Q
Annualized new premiums	76.0	-28.2%	105.9
Agency distribution channel	66.7	-25.2%	89.1
Bancassurance channel	7.8	-48.3%	15.0
Third-sector insurance	29.6	-29.4%	41.9

(billions of yen)



* Third-sector insurance includes benefits related to medical insurance, living benefits and premium payment waiver.

■ Annualized premiums in force (individual life insurance and individual annuities)

	End of FY2019 3Q	Change	End of FY2018
Annualized premiums	2,237.3	-1.3%	2,265.6

(billions of yen)

III. Results of Meiji Yasuda Life (Non-Consolidated)

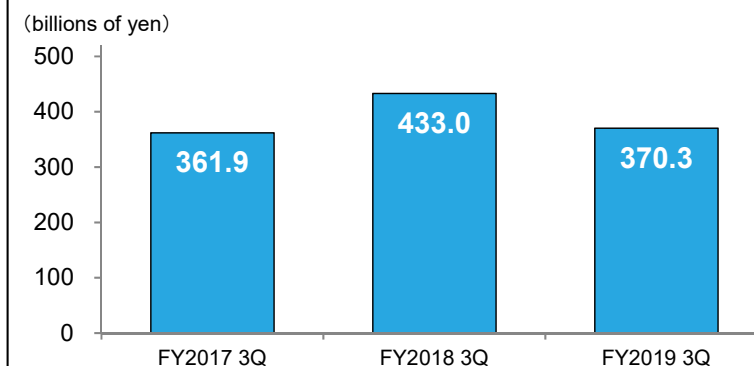
2. Base Profit

- Base profit amounted ¥370.3 billion decreased by 14.5% year on year due to the decline of gains on redemption of securities and reduction of insurance premium rate of group life insurance of the Company.

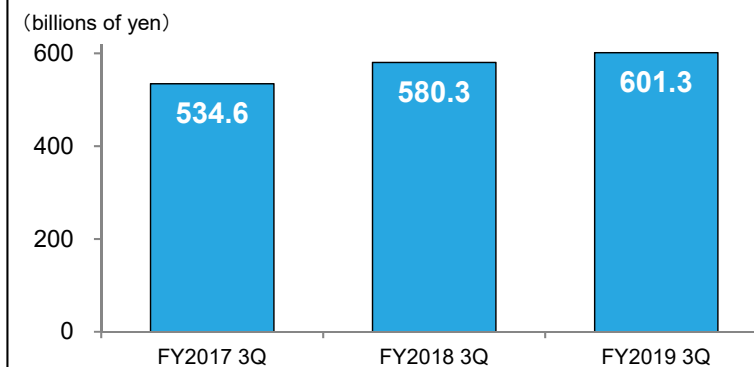
■ Base profit and others

	FY2019 3Q	Change	(billions of yen)
			FY2018 3Q
Base profit	370.3	-14.5%	433.0
Interest and dividends income	601.3	+3.6%	580.3

Base profit



Interest and dividends income



III. Results of Meiji Yasuda Life (Non-Consolidated)

3. Solvency Margin Ratio, Real Net Assets and On-balance Core Capital

- Solvency margin ratio stood at 1,033.0%, improved by 49.7pts compared with the end of FY2018.
- On-balance core capital amounted ¥3,059.3 billion, increased by ¥140.5 billion compared with the end of FY2018, due to the increase of the internal reserves and the issuance of the JPY denominated subordinated notes.

■ Solvency margin ratio

(billions of yen, %)

	End of FY2019 3Q	Change	End of FY2018
Solvency margin ratio*1	1,033.0	+49.7 ^{pts}	983.3
Total solvency margin (A)	8,206.1	+392.3	7,813.8
Total risk (B)	1,588.7	(0.4)	1,589.1

*1 Solvency margin ratio = $(A)/(1/2 \times (B)) \times 100$

■ Real net assets

(billions of yen, %)

	End of FY2019 3Q	Change	End of FY2018
Real net assets	10,485.8	+292.7	10,193.0
Proportion in General account assets	26.4	-0.1 ^{pts}	26.5

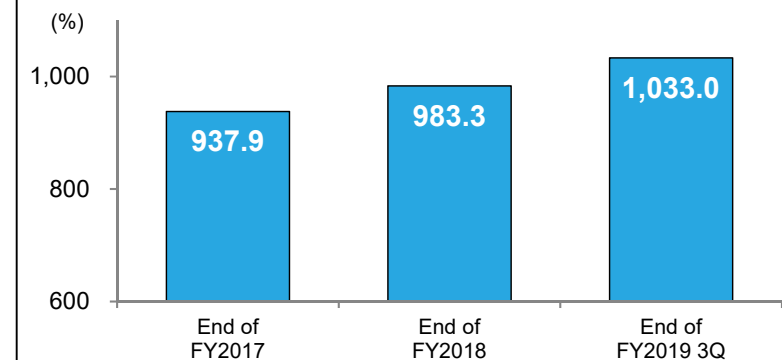
■ On-balance core capital

(billions of yen)

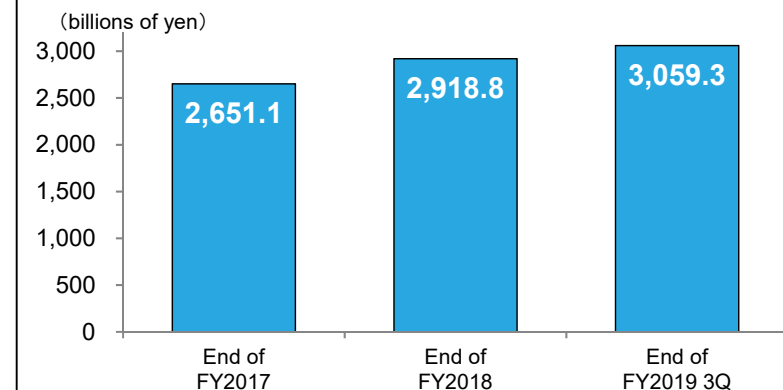
	End of FY2019 3Q	Change	End of FY2018
On-balance core capital*2	3,059.3	+140.5	2,918.8

*2 The sum of contingency reserve, reserve for price fluctuation, reserve for redemption of foundation funds and accounting surplus, and external financing capital

Solvency margin ratio



On-balance core capital



III. Results of Meiji Yasuda Life (Non-Consolidated)

4. Quality Indicators of Policies (Surrender, Lapse and Partial Surrender Rate, and Total Persistency Rate)

○ 13th and 25th month-total persistency rates both maintained high level.

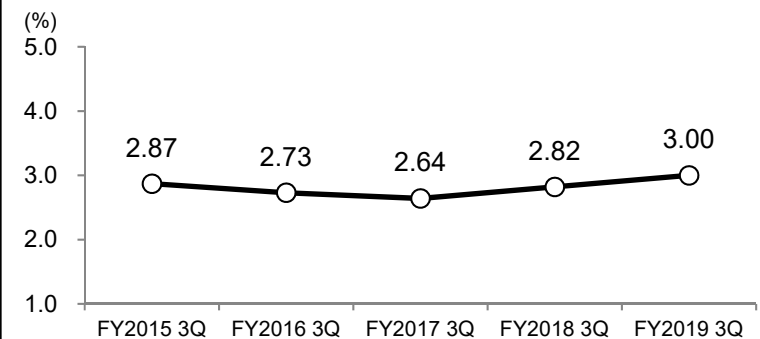
■ Surrender, lapse and partial surrender rate *1 (individual life insurance and individual annuities)

	FY2019 3Q	Change	FY2018 3Q
Surrender, lapse and partial surrender rate	3.00	+0.18 ^{pts}	2.82

*1 Surrender, lapse and partial surrender rate represents the proportion of surrendered, lapsed and partial surrendered policies to policies in force at the beginning of the fiscal year. The rate is calculated based on annualized premiums from business in force.

(%)

Surrender, lapse and partial surrender rate



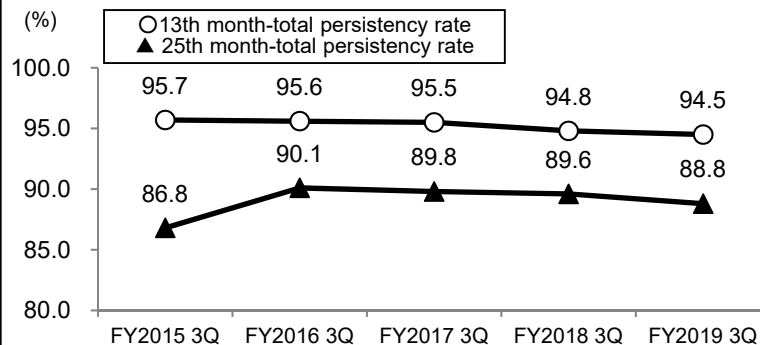
■ Total persistency rate *2 (individual life insurance and individual annuities)

	FY2019 3Q	Change	FY2018 3Q
13th month-total persistency rate	94.5	-0.3 ^{pts}	94.8
25th month-total persistency rate	88.8	-0.8 ^{pts}	89.6

*2 The calculation of total persistency rate is based on the amount of policies in force.

(%)

Total persistency rate



III. Results of Meiji Yasuda Life (Non-Consolidated)

5. Unrealized Gains and Breakeven Points of Domestic Stocks

- Unrealized gains in General account investment assets totaled ¥6,662.4 billion.
(¥287.4 billion increase compared with the end of FY2018)
- Unrealized gains of securities with market price increased due to the rise of domestic stock prices.
(¥290.3 billion increase compared with the end of FY2018)
- Breakeven Points of domestic stocks is estimated approximately 680pts on the TOPIX basis.

■ Unrealized gains in General account investment assets

	End of FY2019 3Q	Change	(billions of yen) End of FY2018
Unrealized gains in General account	6,662.4	287.4	6,374.9
Securities with market price* ¹	6,181.1	290.3	5,890.7
Domestic bonds	2,811.4	(78.9)	2,890.3
Domestic stocks	2,568.3	233.2	2,335.1
Foreign securities	698.8	98.3	600.4
Real estate	473.9	2.7	471.1

*1 Including securities that are deemed appropriate to handle under the Financial Instruments and Exchange Act.

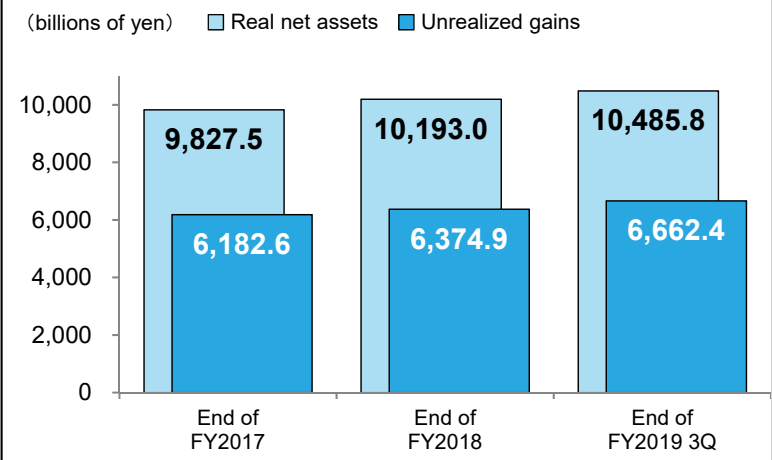
■ Breakeven Points of domestic stocks

Breakeven Points indicate the level of TOPIX at which unrealized gains and losses cancel out on domestic stocks held if the Company's portfolio and the market indices fully correlate.

	End of FY2019 3Q* ²	End of FY2018
TOPIX	Approx. 680 ^{pts}	Approx. 670 ^{pts}

*2 Breakeven point of domestic stocks is estimated approximately ¥9,300 (Nikkei 225 basis).

Unrealized gains



IV. Results of StanCorp(Reference)

Insurance Premiums and Other, Equivalent Amount of Base Profit and Net Income of StanCorp

- Insurance premiums and other of StanCorp amounted ¥217.6 billion, stood at the same level year on year in Japanese Yen basis due to the effects of exchange rate. The amount was increased on a local currency basis due to the steady results of the group insurance business. ^{*1}
- Equivalent amount of base profit and net income of StanCorp increased significantly. Base profit amounted ¥37.7 billion(increased by 9.1% year on year) and net income amounted ¥24.3 billion (increased by 16.7% year on year), due to the improvement of claim rate of group insurance business.

■ Insurance premiums and other, equivalent amount of base profit and net income^{*2}

	FY2019 3Q		FY2018 3Q
		Change	
Insurance premiums and other	217.6	-0.1%	217.9
Equivalent amount of base profit ^{*3}	37.7	+9.1%	34.5
Net income ^{*4}	24.3	+16.7%	20.8

※Exchange rates are ¥113.57 to U.S. \$1 (the end of September 2018) in FY2018 3Q and ¥107.92 to U.S. \$1 (the end of September 2019) in FY2019 3Q.

^{*1} Insurance premiums and other increase by 5.1%, equivalent amount of base profit increased by 14.9%, net income increased by 22.8% on a local currency basis (year-on-year)

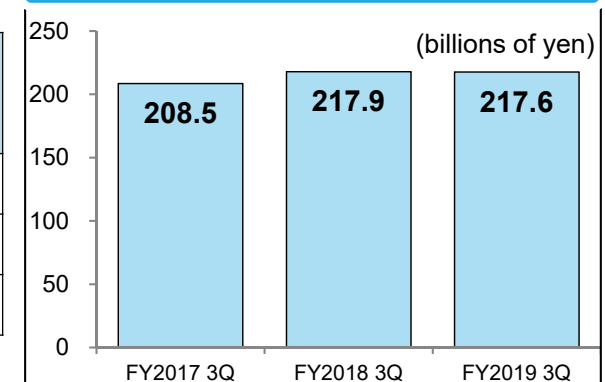
^{*2} The end of the third quarter of StanCorp is September 30, 2019. Business results of StanCorp are added up corresponding to its 9 months results from January to September, 2019.

^{*3} Equivalent amount of base profit of StanCorp is the profit deducted temporary expenses such as capital gains/losses and increase of policy reserves from pretax profit before deducting amortization expenses of the value of in-force business and others effected by purchase accounting. ※

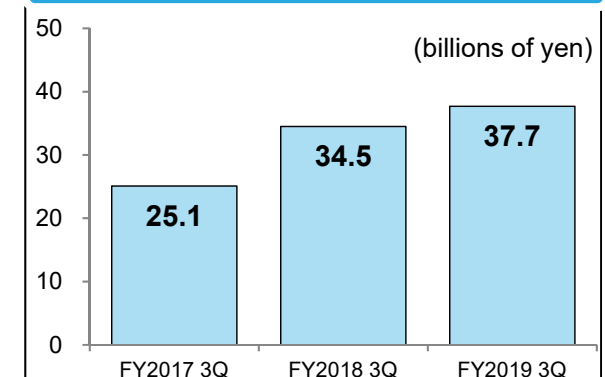
※Due to the change in management method of financial accounting, the calculation method of base profit of StanCorp changed to the accounting base reflected the effect of purchase accounting from FY2019. Base profit of StanCorp in nine months ended September 30, 2018 is ¥36.4 billion if same accounting base of FY2019 is applied

^{*4} After applying purchase accounting

Insurance Premiums and Other



Equivalent Amount of Base Profit



Business Outlook for the Year Ending March 31, 2020

- The outlook on insurance premiums is revised downward “flat” to “decrease” due to sales decline of foreign currency denominated products with a single lump-sum premium.
- The outlook on base profit is revised upward to “increase” from “flat” forecasted in 1st Half of FY2019 financial report, due to the increase of foreign fixed income fund dividends and others. Base profit of the Group and the Company are projected to hit a record high for a third consecutive year.

■ Insurance premiums of the Group Outlook

	Year ending March 31, 2020	Change	Year ended March 31, 2019 (Actual)
Insurance premiums of the Group ^{*1 *3}	Approx. 2,930.0 billion yen	Decrease	3,081.3 billion yen
Meiji Yasuda Life (non-consolidated)	Approx. 2,610.0 billion yen	Decrease	2,770.8 billion yen
StanCorp	Approx. 290.0 billion yen	Increase	286.7 billion yen

■ Base profit of the Group Outlook

	Year ending March 31, 2020	Change	Year ended March 31, 2019 (Actual)
Base profit of the Group ^{*2 *3}	Approx. 650.0 billion yen	Increase	633.8 billion yen
Meiji Yasuda Life (non-consolidated)	Approx. 610.0 billion yen	Increase	589.6 billion yen
StanCorp	Approx. 47.0 billion yen	Increase	42.5 billion yen

* Business outlook is based on current information and certain assumption that the Group determine reasonable. Actual financial result could be different from the outlook due to various factors.

*1 Insurance premiums of the Group is “Insurance premiums and other” in the Consolidated Statements of Income.

*2 Base profit of the Group is the total of Base profit of Meiji Yasuda Life and pretax profit of the consolidated subsidiaries and affiliates, which capital gains/losses are deducted (for affiliates shares of affiliates accounted for under the equity method), and internal group transactions of the Group is partially eliminated. Business results of StanCorp are added up before deducting amortization expenses of the value of in-force business and others effected by purchase accounting. ※

※ Due to the change in management method of financial accounting, the calculation method of base profit of StanCorp is changed to the accounting base reflected the effect of purchase accounting from FY2019. Base profit of StanCorp in FY2018 is 45.5 billion yen if same accounting base of FY2019 is applied. (Base profit of the Group amounted ¥636.8 billion)

*3 Predicted exchange rate used in business outlook : ¥107 to U.S. \$1.

■ Corporate value (EEV) Outlook

	As of March 31, 2020	Beginning of FY2019
Corporate value (EEV)	Approx. +6% (Annual Average)	5,426.3 billion yen