

# **Financial Results Summary for the 1<sup>st</sup> Quarter of 2020 Ended In June 30, 2020**

**August 7, 2020  
Meiji Yasuda Life Insurance Company**

## We continue to respond to the wide spread of COVID-19 in various ways

### Our Customer

○ For delivering peace of mind, we support our customers as below:

- Extend the grace period of insurance premiums, and allow partial payments for unpaid premium
- Interest rate exemption for new policy loans
- Pay the accidental death/disability benefit in the case of death/disability due to COVID-19
- Pay hospital benefit or hospital indemnity benefit even for self-isolation period, based on the condition of submitting medical certificates etc.

### Our Local Community

“Supporting my home town donation” (¥520 million )

- “Donation to my home town” via networking employees and companies to regional organizations/associations etc. asking support due to COVID-19

Donation to “Ashinaga Foundation” (¥100 million)

- Donation to support orphans who are facing difficulties in their lives due to COVID-19

Donations to Tokyo and Osaka (¥100 million)

- Donated ¥50 million each to a foundation with COVID-19 safety measures in Tokyo and Osaka as part of community support

Signed a special sponsorship agreement with J. League

- Signed a special sponsorship agreement with J.League to support the resumption of J.League/J.Club activities and make new collaborative efforts between MY and J.League which will empower communities to overcome COVID-19

Promotion of “roadside station” wellness for all project

- In June, we agreed to jointly promote the “roadside station” wellness for all project and provide support for COVID-19 prevention measures

## Employee

### Efforts to prevent COVID-19 infection

### Setting of “MY Style: Activities and Manners”

- Work-from-Home in non-essential business lines and working in shift in essential business lines
- Installing the COVID-19 contact-confirming application (COCOA) to corporate smartphones (MY Phone) lent to all sales-advisors and recommending the application installation to executives and staffs
- As a unified infection prevention measure for the entire company, we are promoting temperature measurement before coming to the office, visiting customers based on the appointment in advance, and wearing masks or face shields, etc.

## ■ Reschedule management plan

In FY2020, through the single-year management plan “Always by Your Side!”, we will prioritize the certain execution of core businesses such as payment of insurance benefits, and the establishment of a system that can provide after-sales follow-up services to customers even in the COVID-19.

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

#### Management Target

Setting KPIs measuring progress of follow-up services as management targets with no performance targets. Also, operating through confirmation indicators measuring those processes and verification indicators measuring management quality, etc.

#### Essential Policies

#### Promotion of Customer-Oriented Initiatives

#### Additional efforts under COVID-19

#### Implementation of Four Major Reforms in Advance

- Secure and careful execution of paying claims benefit
- Dedicated follow-up services to customers
- Establishing no-physical-contact infrastructure
- Initiatives regarding two major projects and contribution to society
- Partial implementation of Four Major Reforms in Advance planned during “MY Mutual Way Phase I”

## The status of applications and claim payments for special treatment

### ■ The application status for special treatment

	Until the end of April	May	June	Total
The number of extension of the premium grace period	Approx. 4,000	Approx. 4,000	Approx. 2,000	Approx. 10,000
The number of new policy loans with interest rate exemption	Approx. 42,000	Approx. 25,000	Approx. 18,000	Approx. 86,000

### ■ The status of claim payment

\* millions of yen

		Until the end of April	May	June	Total
Death benefits	The number of claims	2	19	27	48
	Amount *	Approx. 5.8	Approx. 100	Approx. 160	Approx. 270
	Accidental death benefits	The number of claims	3	6	9
		Amount *	Approx. 3.05	Approx. 20	Approx. 20
Hospitalization benefits	The number of claims	16	92	264	372
	Amount *	Approx. 2.92	Approx. 10	Approx. 80	Approx. 100

### **1** Progress of the Special After-Sales Service Program “Always by Your Side!”

- In FY2020, through the newly established special after sales service program “Always by Your Side !”, we will promote our business that thoroughly follow-up with customers with no performance targets and make sure to execute our core business such as claim payment on the premise of ensuring the safety of customers and employees
- There have been steady progress on the management targets in this special program such as number of customer contacts by Sales-advisors and Number of Sales advisors

### **2** Continues to maintained superior Soundness even under COVID-19

- Solvency margin ratio of the group and the company both exceeded 1,000%  
On a consolidated basis, it was 1,113.1%, maintaining the same high level as FY2019
- Real net assets amounted to ¥9,812.0 billion, increased by ¥315.3 billion compared with the end of FY2019

### **3** Insurance premiums and base profit decreased and are also projected to decrease in FY2020 both consolidated and non-consolidated basis

- Insurance premiums of the group decreased by 11.6% year-on-year. Base profit of the Group decreased by 6.2% year-on-year
- Base profit of the group (¥114.5 billion) decreased, however remains at the level for the past three years since 2017
- FY2020 business outlook of insurance premiums and base profit are projected to decrease both consolidated and non-consolidated basis

### III. Progress of the Special After-Sales Service Program “Always by Your Side!”

Item		Target In FY2020	Actual results	Target achievement rate
Number of Customer Contacts by Sales-advisors (Individual Market) *1		5.0 million	2.915 million	58.3%
Number of Customer Contacts by Sales-advisors (Corporate Market)	Insureds	2.5 million	0.106 million	4.2%
	Corporations	6,800	1,186	17.4%
Number of Sales-advisors *2		34,500 (+1,000 from last year)	33,921 (+454 from the beginning of FY2020)	98.3%

\*1 Including online communication

\*2 As of the beginning of April 2021

○Number of Customer Contacts by Sales-advisors (Individual Market) is steadily increasing to 2.915 million (target achievement rate 58.3%).

○Number of Customer Contacts by Sales-advisors (Corporate Market) started access on a full-scale from July.

○The number of Sales-advisors is steadily increasing with an increase of 454 from the beginning of FY2020.

## 1. Solvency Margin Ratio, Real Net Assets and On-balance Sheet Capital

### ■ Solvency Margin Ratio

	As of June 30, 2020		As of March 31, 2020
		Change	
Consolidated solvency margin ratio	1,113.1	-30.5 <sup>pts</sup>	1,143.6
Non-Consolidated solvency margin ratio *1	1,048.0	-21.3 <sup>pts</sup>	1,069.3
Total solvency margin (A)	7,917.1	+485.8	7,431.2
Total risk (B)	1,510.8	+120.9	1,389.9

(billions of yen,%)

\*1 Solvency margin ratio = (A)/(1/2x(B))x100

### ■ Real net assets (Non-Consolidated)

	As of June 30, 2020		As of March 31, 2020
		Change	
Real net assets	9,812.0	+315.3	9,496.6
Proportion in General account assets	24.8	+0.3 <sup>pts</sup>	24.5

(billions of yen,%)

### ■ On-balance sheet capital (Non-Consolidated)

	As of June 30, 2020		As of March 31, 2020
		Change	
On-balance sheet capital *2	3,741.5	+8.8	3,732.6

(billions of yen)

\*2 The total amount of specified internal reserves and externally financed capital.

○The solvency margin ratio decreased from the end of the previous fiscal year due to the changes in the financial environment both on a consolidated and non-consolidated basis, but both exceeded 1,000%, maintaining a high level.

▪ On a consolidated basis, we maintain a high level of soundness at 1,113.1%, the same level as the FY2019 financial results, which was the highest ever.

○Real net assets amounted to ¥9,812.0 billion, increased by ¥315.3 billion compared with the end of FY2019.

○On-balance sheet capital amounted to ¥3,741.5 billion, increased by ¥8.8 billion compared with the end of FY2019, continuing to maintain a high level of soundness.

## 2. Unrealized Gains and Breakeven Points of Domestic Stocks (Non-Consolidated)

### ■ Unrealized gains in General account investment assets

	As of		(billions of yen)
	June 30, 2020	Change	As of March 31, 2020
Unrealized gains in General account	6,027.6	425.5	5,602.1
Securities with market price <sup>*1</sup>	5,490.6	427.4	5,063.1
Domestic bonds	2,475.2	(157.1)	2,632.4
Domestic stocks	2,163.6	407.5	1,756.1
Foreign securities	792.0	136.3	655.7
Real estate	543.6	0.7	542.8

<sup>\*1</sup> 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

	As of	As of
	June 30, 2020 <sup>*2</sup>	March 31, 2020
TOPIX	Approx. 670 <sup>pts</sup>	Approx. 660 <sup>pts</sup>

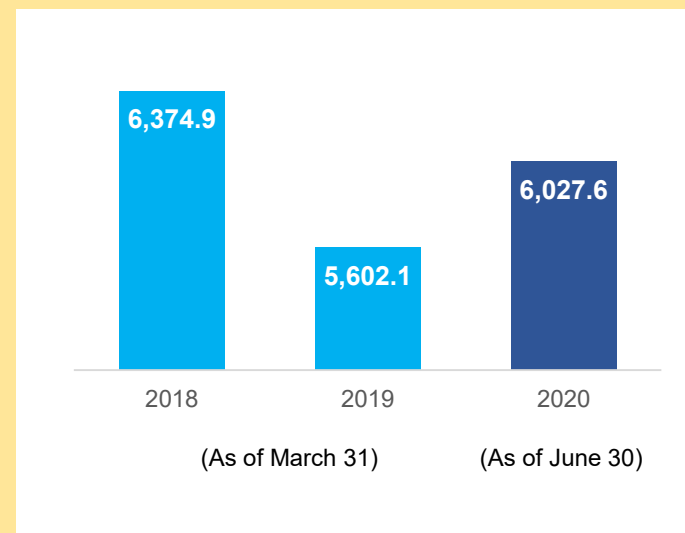
<sup>\*2</sup> Breakeven point of domestic stocks is estimated approximately ¥9,500 (Nikkei 225 basis).

○ Unrealized gains in General account investment assets amounted to ¥6,027.6 billion, increased by ¥425.5 billion compared with the end of FY2019.

○ Unrealized gains of domestic stocks amounted to ¥2,163.6 billion at the average of the market value, increased by ¥407.5 billion due to rising stock prices.

### ■ Unrealized gains

(billions of yen)





## 3. Quality Indicators of Policies (Total Persistency Rate)

### ■ Total persistency rate \*1 (individual life insurance and individual annuities)

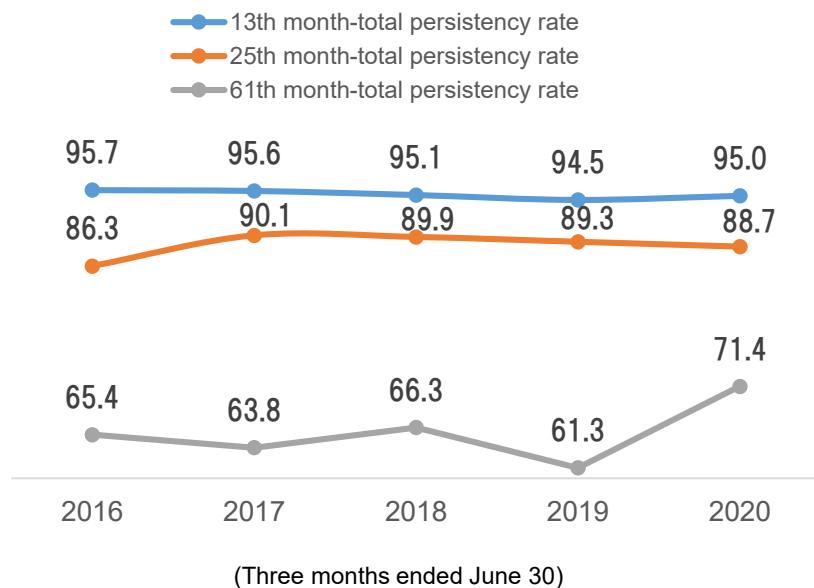
(%)

	Three months ended June 30, 2020	Change	Three months ended June 30, 2019
13th month-total persistency rate	95.0	+0.5 <sup>pts</sup>	94.5
25th month-total persistency rate	88.7	-0.6 <sup>pts</sup>	89.3
61th month-total persistency rate	71.4	+10.1 <sup>pts</sup>	61.3

\*1 The calculation of total persistency rate is based on the amount of policies in force

### ■ Total persistency rate

(%)



○ Total persistency rate which indicates policy quality, remains favorable.

- Maintained high levels in both 13th and 25th months, and improved significantly in 61st month.

## Insurance Premiums of the Group and Base Profit of the Group

### ■ Insurance Premiums of the Group

	Three months ended June 30, 2020		(billions of yen) Three months ended June 30, 2019
		Change	
Insurance premiums of the Group* <sup>1</sup>	647.8	-11.6%	733.0
Meiji Yasuda Life (non-consolidated)	562.9	-13.7%	652.2
Overseas insurance business and other businesses* <sup>2</sup>	84.9	+5.2%	80.7
StanCorp	78.1	+6.2%	73.5

○ Insurance premiums of the group amounted to ¥647.8 billion, decreased by 11.6% year on year.

▪ StanCorp increased by 6.2% year-on-year, but the decrease of the company affects the group.

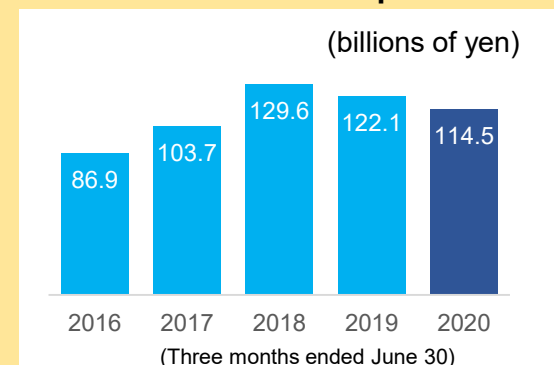
○ Base profit of the group amounted to ¥114.5 billion, decreased by 6.2% year-on-year due to the decrease of the company.

○ Base profit of the group decreased, but maintained the level for the past three years since FY2017.

### ■ Base Profit of the Group

	Three months ended June 30, 2020		(billions of yen) Three months ended June 30, 2019
		Change	
Base profit of the Group* <sup>3</sup>	114.5	-6.2%	122.1
Meiji Yasuda Life (non-consolidated)	100.6	-9.6%	111.3
Overseas insurance business and other businesses* <sup>2</sup>	16.0	-7.5%	17.3
StanCorp	12.1	-4.7%	12.7

### ■ Base Profit of the Group



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

\*2 Excluding domestic life insurance business. The end of period for consolidated overseas subsidiaries and affiliates are March 31, 2020.

\*3 Base profit of the Group is the total of Base profit of the Company 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 are partially eliminated.

## 1. Insurance Premiums and Other, Annualized New Premiums and Life Insurance from Business in Force

### ■ Breakdown of insurance premiums and other

(billions of yen)

	Three months ended June 30, 2020	Change	Three months ended June 30, 2019
Insurance premiums and other	562.9	-13.7%	652.2
Individual life insurance and annuities	367.0	-10.6%	410.4
Agency distribution channel	308.8	-9.0%	339.3
Bancassurance channel	48.5	-20.2%	60.8
Group life insurance and group pensions	184.2	-20.8%	232.5

### ■ Breakdown of annualized new premiums

(billions of yen)

	Three months ended June 30, 2020	Change	Three months ended June 30, 2019
Annualized new premiums	15.6	-35.9%	24.3
Agency distribution channel	13.2	-37.4%	21.2
Bancassurance channel	2.0	-26.6%	2.7
Third-sector insurance <sup>*1</sup>	5.8	-38.5%	9.5

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

(billions of yen)

	As of June 30, 2020	Change	As of March 31, 2020
Annualized premiums	2210.8	-0.7%	2,226.7
Third-sector insurance <sup>*1</sup>	444.4	-0.2%	445.2

○ Insurance premiums and other amounted to ¥562.9 billion, decreased by 13.7% year-on-year.

- individual life insurance and individual annuities decreased 10.6% year-on-year. The decrease in both agency distribution channel and bancassurance channel are mainly due to the effect of self-restraint of sales activities because of the declaration of a state of emergency.
- Group life insurance and group pensions premiums decreased 20.8% year-on-year. Mainly due to a decline from the large-scale policy premium in the same period of the previous year.

○ Annualized new premiums decreased by 35.9% year-on-year due to refraining from sales activities because of the declaration of a state of emergency.

<sup>\*1</sup> Including medical insurance benefits, living payout benefit and waiver of premium benefits, etc.

## 2. Base Profit

### ■ Base profit

(billions of yen)

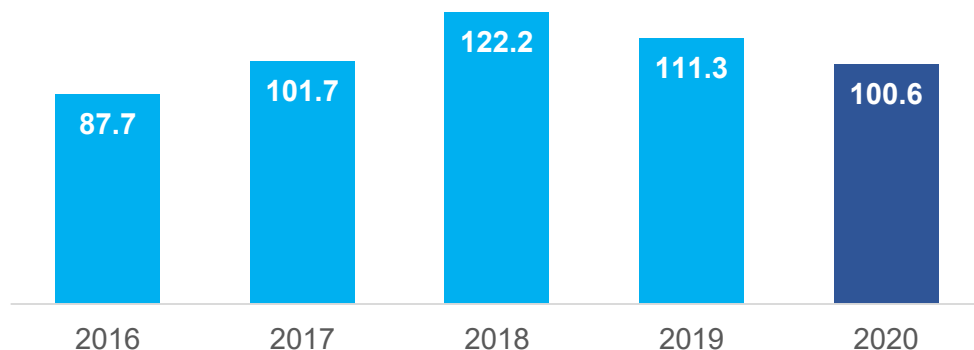
	Three months ended June 30, 2020		Three months ended June 30, 2019
		Change	
Base profit	100.6	-9.6%	111.3

○ Base profit amounted to ¥100.6 billion, decreased by 9.6% year-on-year.

- Mainly due to an increase in personnel expenses for an increase in the number of sales-advisors, etc., and a decrease in group life insurance premium due to the impact of COVID-19 on corporate activities.

### ■ Historical changes in base profit

(billions of yen)



(Three months ended June 30)

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

### ■ Insurance premiums and other, equivalent amount of base profit and net income\*1

(billions of yen)

	Three months ended June 30, 2020	Change*2	Three months ended June 30, 2019
Insurance premiums and other	78.1	+6.2%	73.5
Equivalent amount of base profit *3	12.1	-4.7%	12.7
Net income	7.8	-2.2%	8.0

\*1 The end of the first quarter of StanCorp was March 31, 2019. Business results of StanCorp were added up corresponding to its 3 months results from January to March, 2020.

\*2 In dollar terms, insurance premiums and other increased by 8.3%, equivalent amount of base profit decreased by 2.8%, net income decreased by 0.3%.

\*3 Equivalent amount of base profit of StanCorp is the profit deducted temporary expenses such as capital gains/losses and amortization expenses of intangible assets effected by purchase accounting

※Exchange rates are ¥ 110.99 to U.S. \$1 (the end of March 2019) for the first quarter of FY2019 and ¥108.83 to U.S. \$1 (the end of March 2020) for the first quarter of FY2020.

○Insurance premiums and other amounted to ¥78.1 billion, increased by 6.2% year-on-year due to favorable renewal of existing policies in the group insurance business.

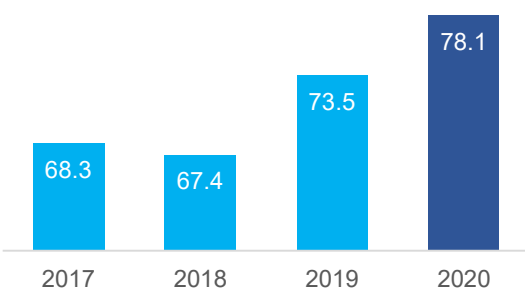
○Equivalent Amount of basic profit amounted to ¥12.1 billion, decreased by 4.7% year-on-year, due to the increase in the benefit ratio of the group insurance business and the yen's appreciation.

○As a result, net income amounted to ¥7.8 billion, decreased by 2.2% year-on-year.

○Insurance Premiums and Other and Equivalent Amount of Base Profit of StanCorp have remained strong, contributing to the Group's business performance since the acquisition of the company.

### ■ Insurance premiums and other

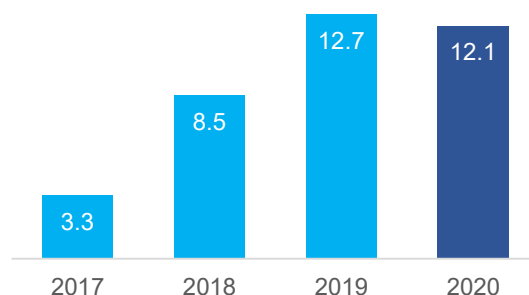
(billions of yen)



(Three months ended June 30)

### ■ Equivalent amount of base profit

(billions of yen)



(Three months ended June 30)