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## Financial Results for the Three Months Ended June 30, 2021

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Meiji Yasuda Life Insurance Company (Hideki Nagashima, President and Group CEO)  
announces financial results for the Three Months ended June 30, 2021.

### 《Contents》

1. Unaudited Consolidated Balance Sheets	P1
2. Unaudited Consolidated Statements of Income	P3
3. Unaudited Consolidated Statements of Comprehensive Income	P4
4. Notes to the Unaudited Consolidated Financial Statements	P5

**Note:**

This document is a translation from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## 1. Unaudited Consolidated Balance Sheets

(Millions of Yen)

	As of Mar. 31, 2021	As of Jun. 30, 2021
<b>ASSETS:</b>		
Cash and deposits	1,210,322	1,325,019
Call loans	90,000	90,000
Monetary claims bought	264,184	251,348
Money held in trust	170,522	172,724
Securities	37,097,578	37,352,086
Loans	4,937,975	4,947,494
Tangible fixed assets	908,371	909,034
Intangible fixed assets	402,441	419,599
Due from agents	1,560	993
Reinsurance receivables	152,211	162,607
Other assets	601,097	635,857
Net defined benefit assets	126,976	140,357
Deferred tax assets	2,180	2,381
Customers' liabilities under acceptances and guarantees	19,215	8,919
Allowance for possible loan losses	(6,837)	(6,809)
<b>Total assets</b>	<b>45,977,802</b>	<b>46,411,614</b>

# 1. Unaudited Consolidated Balance Sheets (continued)

(Millions of Yen)

	As of Mar. 31, 2021	As of Jun. 30, 2021
<b>LIABILITIES:</b>		
Policy reserves and other reserves	36,266,398	36,756,655
Reserve for outstanding claims	708,582	747,531
Policy reserves	35,297,785	35,626,400
Policyholders' dividend reserves	260,030	382,723
Due to agents	3,628	4,259
Reinsurance payables	802	1,018
Bonds payable	666,866	668,644
Other liabilities	3,175,679	3,188,980
Net defined benefit liabilities	8,317	8,822
Reserve for price fluctuation	851,195	855,650
Deferred tax liabilities	378,208	393,503
Deferred tax liabilities for land revaluation	79,003	78,994
Acceptances and guarantees	19,215	8,919
<b>Total liabilities</b>	<b>41,449,317</b>	<b>41,965,448</b>
<b>NET ASSETS:</b>		
Foundation funds	250,000	250,000
Reserve for redemption of foundation funds	730,000	730,000
Reserve for revaluation	452	452
Surplus	515,259	365,656
<b>Total funds, reserve and surplus</b>	<b>1,495,712</b>	<b>1,346,109</b>
Net unrealized gains on available-for-sale securities	2,959,118	2,967,980
Deferred unrealized gains on derivatives under hedge accounting	28,261	31,647
Land revaluation differences	118,183	121,990
Foreign currency translation adjustments	(89,185)	(45,442)
Remeasurements of defined benefit plans	15,714	23,248
<b>Total accumulated other comprehensive income</b>	<b>3,032,091</b>	<b>3,099,423</b>
Non-controlling interests	681	633
<b>Total net assets</b>	<b>4,528,485</b>	<b>4,446,165</b>
<b>Total liabilities and net assets</b>	<b>45,977,802</b>	<b>46,411,614</b>

## 2. Unaudited Consolidated Statements of Income

(Millions of Yen)

	Three months ended Jun. 30	
	2020	2021
<b>ORDINARY INCOME:</b>	939,065	987,320
Insurance premiums and other	647,859	691,884
Investment income	264,495	270,643
Interest, dividends and other income	203,950	219,239
Gains on money held in trust	—	1,035
Gains on sales of securities	15,116	15,918
Investment gains on separate accounts	23,511	11,343
Other ordinary income	26,710	24,792
<b>ORDINARY EXPENSES:</b>	891,264	944,243
Benefits and other payments	613,923	640,715
Claims paid	159,263	170,192
Annuity payments	156,198	155,985
Benefit payments	148,486	148,884
Surrender benefits	123,246	136,723
Provision for policy reserves and other reserves	42,574	79,552
Provision for policy reserves	42,552	79,537
Provision for interest on policyholders' dividend reserves	21	15
Investment expenses	79,175	59,236
Interest expenses	8,476	12,013
Losses on money held in trust	951	—
Losses on sales of securities	2,234	2,636
Losses on valuation of securities	14,121	5,791
Operating expenses	116,272	125,169
Other ordinary expenses	39,319	39,568
Ordinary profit	47,800	43,077
Extraordinary gains	17	0
Gains on disposals of fixed assets	17	0
Reversal for reserve for contingent liabilities	0	—
Extraordinary losses	10,515	7,103
Losses on disposals of fixed assets	780	2,227
Impairment losses	2,062	237
Provision for reserve for price fluctuation	4,160	4,429
Contributions for promotion of social welfare project	186	210
Other extraordinary losses	3,326	—
Surplus before income taxes and non-controlling interests	37,303	35,973
Income taxes	4,330	2,365
Current	2,056	(13)
Deferred	2,274	2,379
Net surplus	32,972	33,608
Net surplus attributable to non-controlling interests	13	12
Net surplus attributable to the Parent Company	32,958	33,595

### 3. Unaudited Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Three months ended Jun. 30	
	2020	2021
Net surplus	32,972	33,608
Other comprehensive income (loss)	343,473	63,524
Net unrealized gains (losses) on available-for-sale securities	368,412	9,323
Deferred unrealized gains (losses) on derivatives under hedge accounting	(2,584)	3,665
Foreign currency translation adjustments	(4,044)	40,374
Remeasurements of defined benefit plans	(47)	7,533
Share of other comprehensive income (loss) of associates accounted for under the equity method	(18,262)	2,626
Comprehensive income (loss)	376,445	97,132
Comprehensive income (loss) attributable to the Parent Company	376,432	97,119
Comprehensive income (loss) attributable to non-controlling interests	13	12

## 4. Notes to the Unaudited Consolidated Financial Statements

### Notes to the Unaudited Consolidated Balance Sheet as of June 30, 2021

#### 1. Change in significant accounting policy

MEIJI YASUDA LIFE INSURANCE COMPANY (hereafter, “the Company”) has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30) (hereafter, “Accounting Standard for Fair Value Measurement”) and others from the beginning of the first quarter of this fiscal year, and applies the new accounting policies stipulated by the Accounting Standard for Fair Value Measurement and others into the future in accordance with the transitional treatment stipulated in paragraph 19 of the Accounting Standard for Fair Value Measurement and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10).

As a result, valuation of stocks classified in available-for-sale securities with market value has been changed to be stated at fair value based on the market value at the balance sheet date, although they were stated at the average of the market value during the final month of the first quarter of the fiscal year.

#### 2. Specific accounting treatment for the preparation of the quarterly financial statements

(1) The proposed appropriation of surplus of the Company for the fiscal year ended March 31, 2021 approved at the annual meeting of the representatives of policyholders held on July 2, 2021 is reflected in the consolidated balance sheet as of June 30, 2021.

(2) Income taxes of the Company are calculated by applying a reasonably estimated effective tax rate for the full fiscal year to surplus before income taxes and non-controlling interests for the three months ended June 30, 2021. The effective tax rate is determined by estimating the effective tax rate for the full fiscal year, which includes the three months ended June 30, 2021, after taking into account the effect of deferred tax accounting.

Therefore, income taxes-deferred of the Company for the three months ended June 30, 2021 are included in the income taxes-current in the consolidated statements of income.

#### 3. Policy reserves

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 set aside in the fiscal year ended March 31, 2015 for variable life insurance contracts, and single premium endowment contracts concluded on or after September 2, 1995.
- The policy reserves set aside in the fiscal year ended March 31, 2018 for single premium individual annuity contracts concluded on or after April 2, 1998.
- The policy reserves for the difference arising from calculations of premium reserves using the expected rate of interest of 2.00% for 4 years since the fiscal year ended March 31, 2021, for individual annuity contracts concluded on or before April 1, 1999 (excluding the single premium Individual annuity policies listed above).

¥8,757 million of the reserve is set aside in the three months ended June 30, 2021. As a result, 90.1% of the required amount of the reserves is set aside as of June 30, 2021.

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

#### 4. Policyholders' Dividend Reserves

Changes in policyholders' dividend reserves for the three months ended June 30, 2021 were as follows:

	Millions of Yen
Balance at the beginning of the period	¥ 260,030
Transfer from surplus in the previous fiscal year	178,633
Dividend payments to policyholders during the period	(55,955)
Interest accrued during the period	15
Balance at the end of the period	¥ 382,723

#### 5. Redemption of Foundation Funds

The Company redeemed foundation funds on August 3, 2021 and also established for reserve for redemption of foundation funds pursuant to Article 56 of the "Insurance Business Act" in the amount of ¥100,000 million.

#### 6. Securities Lending

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥4,044,437 million as of June 30, 2021.

#### 7. Securities sold under repurchase agreements

Securities sold under repurchase agreements amounted to ¥100,932 million as of June 30, 2021.

#### 8. Subordinated Bonds

As of June 30, 2021, bonds payable in liabilities included subordinated bonds and foreign currency-denominated subordinated bonds of ¥640,735 million, and the repayments of which are subordinated to other obligations.

#### 9. Financing through a JPY denominated subordinated loan

The Company financed through a JPY denominated subordinated loan on August 2, 2021, as follows:

(1) Amount: 200,000 million yen

(2) Interest rate

- On or before August 2, 2031: Fixed rate of 0.88% per annum.
- On August 3, 2031 and thereafter: Fixed rate with step-up and a reset of every five years.

(3) Due Date

Three bank business days before August 2, 2051, however, this Loan is callable at the discretion of the Company on three bank business days before August 2, 2031 and before the corresponding date of every five years thereafter, subject to prior approval by the regulatory authority, etc.

(4) Collateral and guarantees

This loan is not secured or guaranteed, and there are no particular assets reserved for this loan.

(5) Use of funds

For general business

## Notes to the Unaudited Consolidated Statement of Income for the Three Months Ended June 30, 2021

### 1. 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 three months ended June 30, 2021, 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 statement of income.

#### (3) Details of fixed assets resulting in impairment losses

For the three months ended June 30, 2021

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	0	¥ —	¥ —	¥ —
Idle assets	4	135	101	237
Total	4	¥ 135	¥ 101	¥ 237

#### (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 1.82% for the three months ended June 30, 2021. Net realizable value is calculated based on the appraisal value with reference to “Real Estate Appraisal Standards” or the publicly announced appraisal value.

### 2. Depreciation of Fixed Assets and Amortization of Goodwill

The total amount of depreciation of tangible fixed assets and amortization of goodwill for the three months ended June 30, 2021 were ¥13,912 million and ¥1,931 million respectively.