

Financial Results Summary for the 1st Quarter of FY2022 Ended June 30, 2022

August 9, 2022

Meiji Yasuda Life Insurance Company



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Insurance Premiums of the Group 876.7 billion JPY

Increased by 184.8 billion JPY, +26.7% year-on-year

- Mainly due to sales increase of single premium foreign currency-denominated products at Meiji Yasuda Life.

Base Profit of the Group 81.9 billion JPY

Increased by 11.0 billion JPY, +15.7% year-on-year

- Mainly due to increase of interest and dividends from foreign public and corporate bonds by weaker yen.

On-Balance Sheet Capital 4,156.1 billion JPY

Increased by 17.4 billion JPY from the end of FY2021

Consolidated Solvency Margin Ratio 1,075.6%

Decreased by 59.9 pts from the end of FY2021

- Maintaining solid financial soundness in both indicators

Outlook for FY2022

- Increase in insurance premiums and flat in base profit on both consolidated and non-consolidated basis (No change from previous report of FY2021)

1. Insurance Premiums of the Group

■ Insurance Premiums of the Group

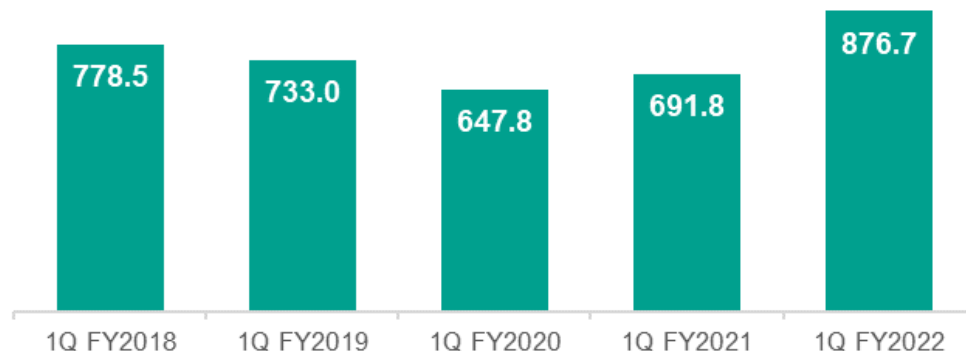
(billions of JPY)

	1Q FY2021	1Q FY2022	Change
Insurance premiums of the Group ^{*1}	691.8	876.7	+26.7%
Meiji Yasuda Life	603.3	767.0	+27.1%
Overseas insurance business and other businesses ^{*2}	88.5	109.7	+23.9%
StanCorp	82.0	98.2	+19.7%

- Insurance premiums of the Group increased by 26.7% year-on-year mainly due to sales increase of single premium foreign currency-denominated products at Meiji Yasuda Life and new sales growth of group insurance business at StanCorp and others.

■ Trend of Insurance Premiums of the Group

(billions of JPY)



*1 Insurance premiums of the Group is “Insurance premiums and other” in the consolidated statements of income.

*2 The sum of overseas insurance business and domestic business except for domestic life insurance business. The accounting period for consolidated overseas subsidiaries and affiliates is from January 1 to March 31, 2022.

2. Base Profit of the Group

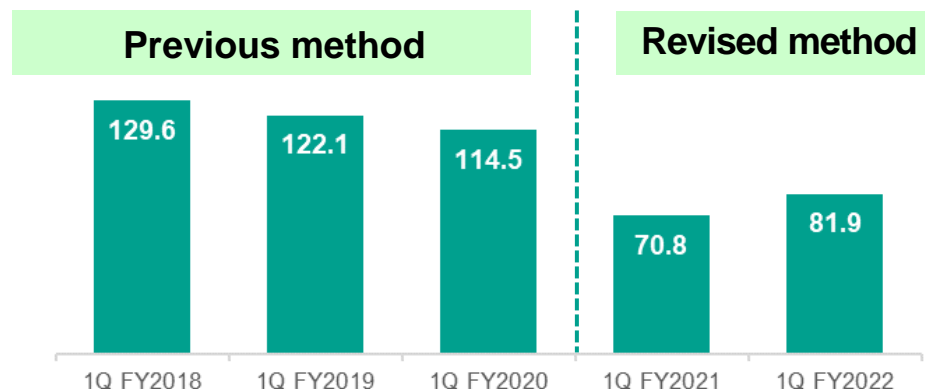
■ Base Profit of the Group

(billions of JPY)

	1Q FY2021	1Q FY2022	Change
Base profit of the Group ^{*1 *2}	70.8	81.9	+15.7%
Meiji Yasuda Life	69.4	82.7	+19.2%
Overseas insurance business and other businesses ^{*3}	7.4	5.6	-24.5%
StanCorp	3.7	1.8	-50.8%

■ Trend of Base Profit of the Group ^{*2}

(billions of JPY)



- Base profit of the group increased by 15.7% year-on-year mainly due to increase of interest and dividends of foreign public and corporate bonds by weaker yen at Meiji Yasuda Life.
- Base profit of StanCorp decreased by 50.8% year-on-year due to increase of claim payment related to COVID-19.

^{*1} 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.

^{*2} The calculation method for base profit was revised in FY2022 to include currency hedge costs and exclude gains/losses on cancellation of investment trusts, gains/losses on currency fluctuations for redemption of securities and gains/losses on reinsurance. Following this change, figures for 1Q FY2021 and FY2022 are calculated by the revised method, and figures for 1Q FY2018, FY2019 and FY2020 are by the previous method, respectively.

^{*3} The sum of overseas insurance business and domestic business except for domestic life insurance business. The accounting period for consolidated overseas subsidiaries and affiliates is from January 1 to March 31, 2022

3. Indicator of Soundness

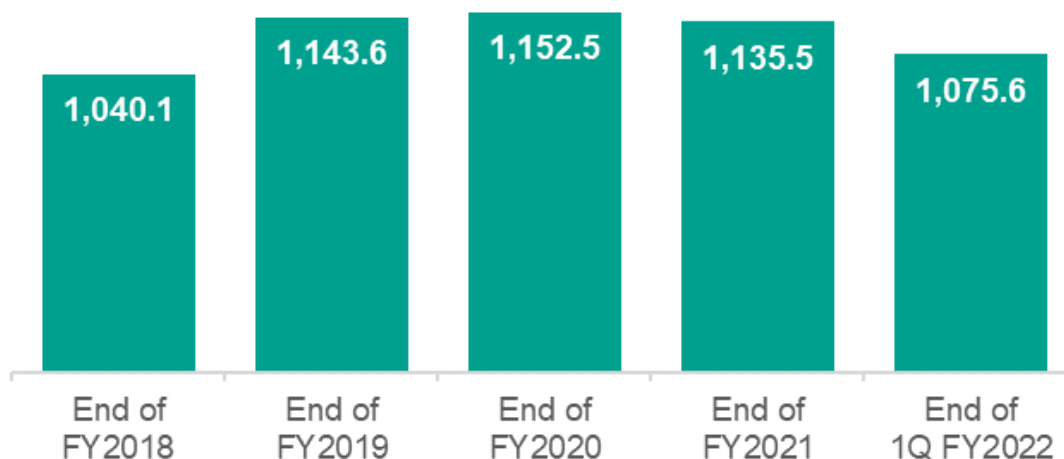
■ Consolidated Solvency Margin Ratio

	End of FY2021	End of 1Q FY2022	Difference
Consolidated Solvency Margin Ratio *	1,135.5%	1,075.6%	-59.9pts

○ Consolidated solvency margin ratio was 1,075.6%, continuously maintaining solid financial soundness.

■ Trend of Consolidated Solvency Margin Ratio

(%)



* The solvency margin ratio is one of regulatory indicators displaying the soundness of insurers to determine if insurers have sufficient claims-paying ability at events that go beyond usually predictable risk. In case of failing to maintain the ratio at 200% or more, insurers are subject to a business improvement or other administrative orders issued by a supervisory authority.

1. Insurance Premiums and Other

■ Insurance Premiums and Other

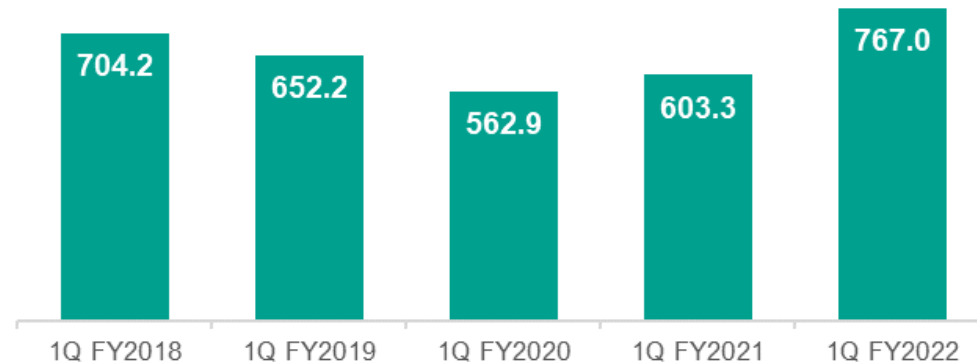
(billions of JPY)

	1Q FY2021	1Q FY2022	Change
Insurance premiums and other	603.3	767.0	+27.1%
Individual life insurance and annuities	397.1	512.0	+28.9%
Agency channel	323.6	401.3	+24.0%
Bancassurance channel	63.8	100.9	+58.0%
Group insurance	71.6	73.2	+2.2%
Group pensions	124.5	172.1	+38.2%

- Insurance premiums and other increased by 27.1% year-on-year mainly due to sales increase of single premium foreign currency-denominated products.

■ Trend of Insurance Premiums and Other

(billions of JPY)



2. Annualized New Premiums and Premiums in Force (Individual Life Insurance and Annuities)

■ Annualized New Premiums (Individual Life Insurance and Annuities)

(billions of JPY)

	1Q FY2021	1Q FY2022	Change
Annualized new premiums	27.1	35.9	+32.3%
Agency channel	23.7	30.0	+26.5%
Bancassurance channel	3.0	5.6	+82.4%
Annualized new premiums for protection-type products ^{*1}	10.0	11.5	+14.9%
Annualized new premiums for third-sector insurance ^{*2}	11.1	12.1	+9.5%

■ Annualized Premiums in Force (Individual Life Insurance and Annuities)

(billions of JPY)

	End of FY2021	End of 1Q FY2022	Change
Annualized premiums in force	2,167.9	2,170.2	+0.1%
Annualized premiums in force for protection-type products ^{*1}	609.4	610.4	+0.2%
Annualized premiums in force for third-sector insurance premiums ^{*2}	475.0	478.0	+0.6%

- Annualized new premiums (ANP) increased by 32.3% year-on-year mainly due to sales increase of single premium foreign currency-denominated products. ANP also increased by 47.3% from the same period in FY2019 before the COVID-19.
- ANP for third-sector insurance premiums increased by 9.5% year-on-year due to sales increase of new products.
- Annualized premiums in force increased by 0.1% from FYE2021.

^{*1} Consist of protection-type products (comprehensive protection insurance such as Best Style and others, medical, nursing care and others) through agency channel such as MY Link Coordinator and corporate marketing channel.

^{*2} Reflect medical benefit, living needs, premium waiver benefit and others.

3. Base Profit

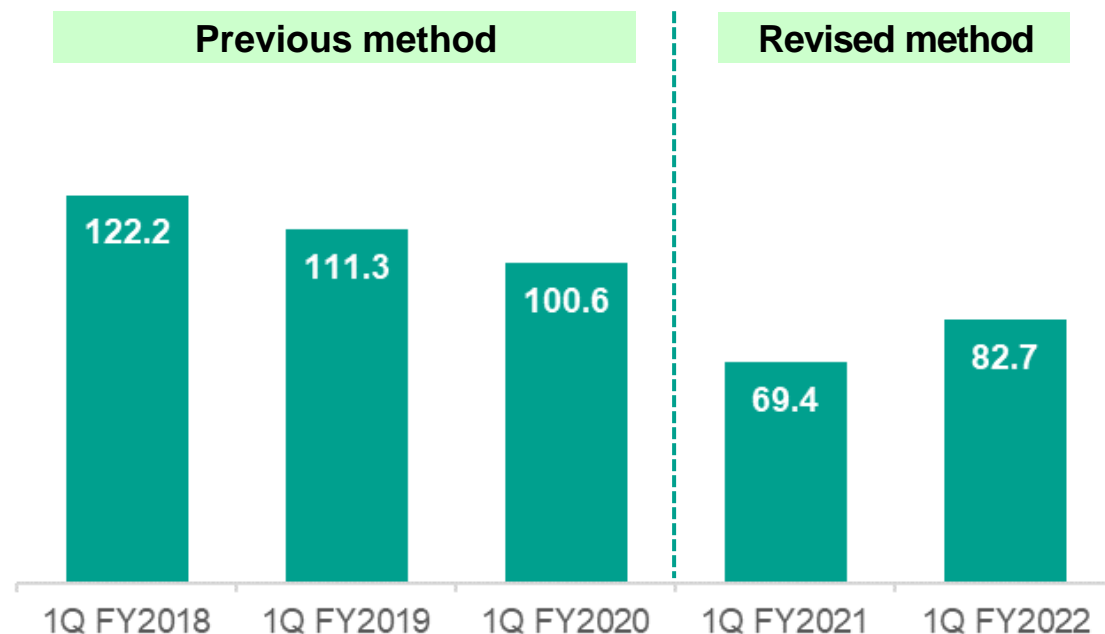
■ Base Profit

(billions of JPY)

	1Q FY2021	1Q FY2022	Change
Base Profit	69.4	82.7	+19.2%

■ Trend of Base Profit *

(billions of JPY)



- Base profit increased by 19.2% year-on-year mainly due to an increase of interest and dividends income from foreign bonds following weaker yen.

* The calculation method for base profit was revised in FY2022 to include currency hedge costs and exclude gains/losses on cancellation of investment trusts, gains/losses on currency fluctuations for redemption of securities and gains/losses on reinsurance. Following this change, figures for 1Q FY2021 and FY2022 are calculated by the revised method, and figures for 1Q FY2018, FY2019 and FY2020 are by the previous method, respectively.

4. Indicators of Soundness

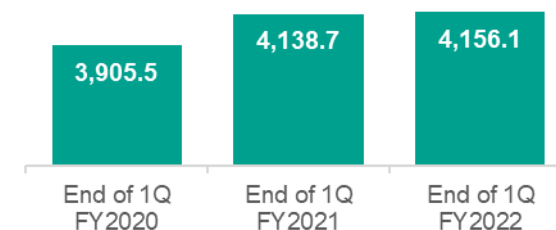
■ On-Balance Sheet Capital

(billions of JPY)

	End of FY2021	End of 1Q FY2022	Difference
On-balance sheet capital ^{*1}	4,138.7	4,156.1	+17.4

■ Trend of On-Balance Sheet Capital

(billions of JPY)



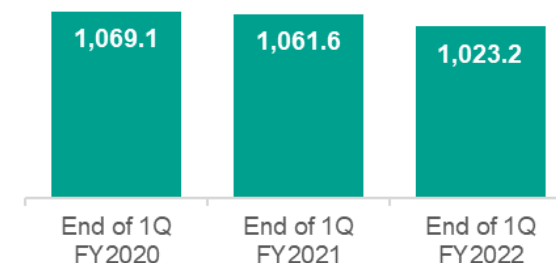
■ Solvency Margin Ratio

(billions of JPY)

	End of FY2021	End of 1Q FY2022	Difference
Solvency margin ratio ^{*2}	1,061.6%	1,023.2%	-38.4pts
Solvency margin total (A)	8,895.6	8,597.5	-298.0
Risk total (B)	1,675.7	1,680.3	+4.6

■ Trend of Solvency Margin Ratio

(%)



■ Real Net Assets

(billions of JPY)

	End of FY2021	End of 1Q FY2022	Difference
Real net assets	9,900.8	8,909.6	-991.1
Ratio to general account assets	22.8%	20.1%	-2.7pts

^{*1} Total amount of specified internal reserves and externally financed capital

^{*2} Solvency margin ratio = (A)/(1/2*(B))*100

5. Unrealized Gains and Breakeven Point of Domestic Stocks

■ Unrealized Gains in General Account Investment Assets

(billions of JPY)

	End of FY2021	End of 1Q FY2022	Difference
Unrealized gains in general account	5,691.5	4,797.3	-894.1
Securities with market price ^{*1}	5,074.2	4,142.0	-932.2
Domestic bonds	1,624.8	1,092.4	-532.3
Domestic stocks	2,927.3	2,793.5	-133.8
Foreign securities	377.2	139.3	-237.9
Real estate	591.9	592.9	+0.9

- Unrealized gains in general account investment assets decreased by JPY894.1 billions from FYE2021 mainly due to reduced unrealized gains of both domestic bonds and foreign securities by higher interest rate domestic and overseas.

■ Breakeven Point of Domestic Stocks

If Meiji Yasuda's portfolio fully correlates with TOPIX.

	End of FY2021	End of 1Q FY2022 ^{*2}
TOPIX	Approx. 680pts	Approx. 670pts

^{*1} Include securities that are deemed appropriate to be handled as securities under the Financial Instruments and Exchange Act

^{*2} Breakeven point based on Nikkei 225: approximately JPY9,500

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

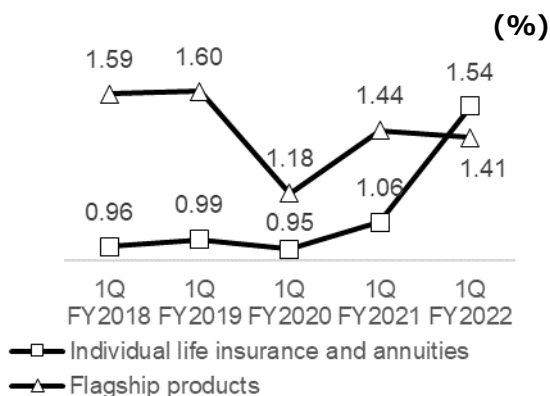
■ Surrender and Lapse Rate ^{*1} (Individual Life Insurance and Annuities)

	1Q FY2021	1Q FY2022	Difference
Individual life insurance and individual annuities	1.06%	1.54%	+0.48pts
Flagship products ^{*2}	1.44%	1.41%	-0.03pts

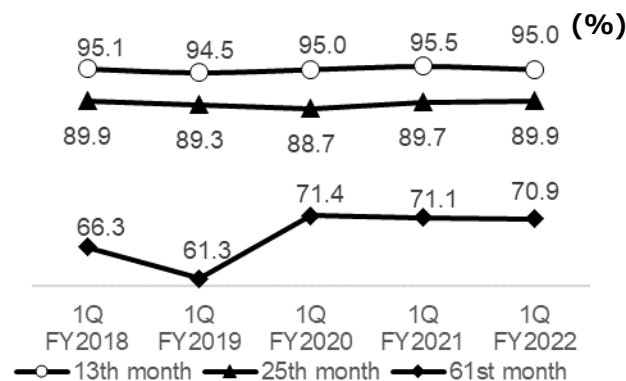
■ Total Persistency Rate ^{*3} (Individual Life Insurance and Annuities)

	1Q FY2021	1Q FY2022	Difference
13th month	95.5%	95.0%	-0.5pts
25th month	89.7%	89.9%	+0.2pts
61st month	71.1%	70.9%	-0.2pts

■ Surrender and Lapse Rate



■ Total Persistency Rate



- Surrender and lapse rate of flagship products improved year-on year and remained low while the rate of individual life insurance and annuities rose year-on-year due to increasing surrender of foreign currency-denominated insurance following weaker yen.
- The 13th, 25th and 61st total persistency rate remained at a high level, respectively.

^{*1} Surrender and lapse rate represents the rate of annualized premium of surrendered and lapsed policies to annualized premium in force at the beginning of the fiscal year.

^{*2} Flagship products represent “Best Style” and “L.A.”.

^{*3} Total persistency rate is calculated based on the amount of policies in force.

7. Claim Payments related to COVID-19

■ Cases of Claim Payments (at the end of June 2022)

(number of cases)

	FY2020	FY2021	1Q FY2022	Total
Total	8,580	70,856	122,666	202,102
Death benefits	525	1,162	219	1,906
Hospitalization benefits*	8,055	69,694	122,447	200,196

■ Amount of Claim Payments (at the end of June 2022)

(billions of JPY)

	FY2020	FY2021	1Q FY2022	Total
Total	4.14	15.32	11.57	31.03
Death benefits	3.15	8.29	1.42	12.87
Hospitalization benefits*	0.98	7.02	10.14	18.15

- Claim payments related to COVID-19 significantly increased in both number of cases and amount because of the rapid increase of patients under the 6th wave (January to June 2022).

* Hospitalization benefits paid in case of medical treatment at home based on medical certification are as follows.

FY2020: 5,145 cases, 0.51 billion yen

FY2021: 64,743 cases, 6.16 billion yen

FY2022: 121,834 cases, 10.02 billion yen

Insurance Premiums, Base Profit and Net Income of StanCorp

■ Insurance Premiums, Base Profit and Net Income ^{*1,2}

(billions of JPY)

	1Q FY2021	1Q FY2022	Change ^{*3}
Insurance premiums and other	82.0	98.2	+19.7%
Base profit equivalents ^{*4}	3.7	1.8	-50.8%
Net income	-0.1	-1.5	-

^{*1} StanCorp's 1Q results from January to March 2022 are reflected in the Group's 1Q results from April to June 2022 because of the difference of accounting period.

^{*2} Exchange rates of JPY110.71 (as of the end of March 2021) and JPY122.39 (as of the end of March 2022) per USD are applied to 1Q FY2021 and 1Q FY2022, respectively.

^{*3} Change is calculated based on JPY. Change based on USD is +8.3% in insurance premium and other, and -55.5% in base profit equivalents.

^{*4} Base profit equivalents are based on pretax profit from which capital gains/losses, intangible asset amortization associated with purchase accounting and others are deducted.

- Insurance premiums and other increased by 19.7% year-on-year due to new sales growth of core group insurance business.
- Base profit equivalents decreased by 50.8% year-on-year due to increase in claim payments related to COVID-19 and payments of group long-term disability.

Business Outlook for FY2022

■ Outlook for Insurance Premiums of the Group (billions of JPY)

	FY2022 Outlook ^{*1}	Change	FY2021 Actual
Insurance premiums of the Group ^{*2}	Approx. 3,000.0	Increase (+7%)	2,809.8
Meiji Yasuda Life	Approx. 2,590.0	Increase (+6%)	2,443.5
StanCorp	Approx. 380.0	Increase (+11%)	343.0

■ Outlook for Revised Base Profit of the Group

	FY2022 Outlook ^{*1}	Change	FY2021 Actual
Base profit of the Group ^{*3}	Approx. 450.0	Flat	451.8
Meiji Yasuda Life	Approx. 430.0	Flat	436.6
StanCorp	Approx. 37.0	Increase (+64%)	22.5

^{*1} Outlook is based on our current information and reasonable assumption. Actual financial results may be different from this outlook due to various factors.

^{*2} Insurance premiums of the Group represent "Insurance premiums and other" in the consolidated statements of income.

^{*3} Base profit of the Group is the total of base profit of Meiji Yasuda Life and pretax profit (excluding capital gains/losses and others) of the consolidated subsidiaries and affiliates attributable to the Group, where internal group transactions are partially eliminated.

- Business outlook for FY2022 has not changed from previous report of FY2021.
- Insurance premiums of the Group are expected to increase to approximately 3 trillion JPY mainly due to recovery to pre-COVID levels.
- Base profit of the Group is expected to remain flat even under the circumstance where currency hedge costs are expected to increase.