



## **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, 2021 and 2022, 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 and 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, 2021 and 2022, 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.

### **Other Information**

The other information comprises the information included in the disclosure documents that contain or accompany the audited non-consolidated financial statements, but does not include the non-consolidated financial statements and our auditor's report thereon.

We do not perform any work on the other information as we determine such information does not exist.

### **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 with regard to 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, 2022 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 "I. Basis of Presentation" 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

Hiroki Kobayashi  
Designated Engagement Partner  
Certified Public Accountant

KPMG AZSA LLC  
Tokyo Office, Japan  
August 3, 2022

**Notes to the Reader of Independent Auditor's Report:**

This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

# Meiji Yasuda Life Insurance Company

## Non-consolidated Balance Sheets

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2022	2022
<b>ASSETS:</b>			
<b>Cash and deposits</b>			
Cash	¥ 58	¥ 53	\$ 0
Deposits	1,146,038	786,458	6,425
<b>Subtotal</b>	<b>1,146,096</b>	<b>786,511</b>	<b>6,426</b>
<b>Call loans</b>	<b>90,000</b>	<b>40,004</b>	<b>326</b>
<b>Monetary claims bought</b>	<b>264,184</b>	<b>182,781</b>	<b>1,493</b>
<b>Money held in trust</b>	<b>154,622</b>	<b>157,609</b>	<b>1,287</b>
<b>Securities (*1, *2, *3, *5)</b>			
National government bonds	15,766,989	16,542,101	135,158
Local government bonds	276,945	271,069	2,214
Corporate bonds	2,322,203	2,097,467	17,137
Domestic stocks	4,713,734	4,642,538	37,932
Foreign securities	10,854,668	12,187,473	99,578
Other securities	1,448,279	1,307,576	10,683
<b>Subtotal</b>	<b>35,382,820</b>	<b>37,048,227</b>	<b>302,706</b>
<b>Loans (*6, *7)</b>			
Policy loans	207,776	191,312	1,563
Industrial and consumer loans	3,887,946	3,742,356	30,577
<b>Subtotal</b>	<b>4,095,722</b>	<b>3,933,668</b>	<b>32,140</b>
<b>Tangible fixed assets (*8, *15)</b>			
Land	610,792	610,451	4,987
Buildings	251,647	247,333	2,020
Construction in progress	3,293	8,537	69
Other tangible fixed assets	3,417	3,016	24
<b>Subtotal</b>	<b>869,150</b>	<b>869,340</b>	<b>7,103</b>
<b>Intangible fixed assets</b>			
Software	60,371	56,849	464
Other intangible fixed assets	26,145	34,206	279
<b>Subtotal</b>	<b>86,517</b>	<b>91,056</b>	<b>743</b>
<b>Reinsurance receivables</b>	<b>884</b>	<b>940</b>	<b>7</b>
<b>Other assets</b>			
Accounts receivable	101,810	191,825	1,567
Prepaid expenses	8,462	8,097	66
Accrued income	103,524	110,661	904
Money on deposit	12,527	12,801	104
Deposits for futures transactions	1,836	1,345	10
Margins on futures transactions	94	257	2
Derivative financial instruments	59,888	54,687	446
Cash collaterals pledged for financial instruments	185,274	552,578	4,514
Suspense	5,952	10,156	82
Other assets	9,153	7,688	62
<b>Subtotal</b>	<b>488,525</b>	<b>950,099</b>	<b>7,762</b>
<b>Prepaid pension cost</b>	<b>94,314</b>	<b>105,512</b>	<b>862</b>
<b>Customers' liabilities under acceptances and guarantees</b>	<b>19,215</b>	<b>5,473</b>	<b>44</b>
<b>Allowance for possible loan losses</b>	<b>(6,837)</b>	<b>(10,518)</b>	<b>(85)</b>
<b>Total assets</b>	<b>¥ 42,685,218</b>	<b>¥ 44,160,706</b>	<b>\$ 360,819</b>

**Meiji Yasuda Life Insurance Company**  
**Non-consolidated Balance Sheets (continued)**

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2022	2022
<b>LIABILITIES:</b>			
<b>Policy reserves and other reserves</b>			
Reserve for outstanding claims (*17)	¥ 126,671	¥ 135,242	\$ 1,105
Policy reserves (*17)	32,802,306	33,069,484	270,197
Policyholders' dividend reserves (*9)	260,030	281,323	2,298
<b>Subtotal</b>	<b>33,189,008</b>	<b>33,486,050</b>	<b>273,601</b>
<b>Reinsurance payables</b>	<b>705</b>	<b>698</b>	<b>5</b>
<b>Bonds payable (*10)</b>	<b>640,735</b>	<b>640,735</b>	<b>5,235</b>
<b>Other liabilities</b>			
Payables under repurchase agreements	101,346	238,405	1,947
Payables under securities borrowing transactions	2,500,282	3,454,623	28,226
Borrowings (*11)	—	200,000	1,634
Income taxes payable	17,433	—	—
Accounts payable	44,815	85,016	694
Accrued expenses	36,639	37,382	305
Deferred income	2,699	2,690	21
Deposits received	29,929	32,483	265
Guarantee deposits received	35,328	34,281	280
Margins on futures transactions	112	272	2
Derivative financial instruments	282,409	504,701	4,123
Cash collaterals received for financial instruments	27,324	18,347	149
Asset retirement obligations	3,416	3,459	28
Suspense receipts	2,618	2,281	18
<b>Subtotal</b>	<b>3,084,355</b>	<b>4,613,945</b>	<b>37,698</b>
<b>Reserve for price fluctuation</b>	<b>850,080</b>	<b>869,373</b>	<b>7,103</b>
<b>Deferred tax liabilities</b>	<b>310,945</b>	<b>241,432</b>	<b>1,972</b>
<b>Deferred tax liabilities for land revaluation (*15)</b>	<b>79,003</b>	<b>78,954</b>	<b>645</b>
<b>Acceptances and guarantees</b>	<b>19,215</b>	<b>5,473</b>	<b>44</b>
<b>Total liabilities</b>	<b>38,174,049</b>	<b>39,936,663</b>	<b>326,306</b>
<b>NET ASSETS:</b>			
<b>Foundation funds</b>	<b>250,000</b>	<b>150,000</b>	<b>1,225</b>
<b>Reserve for redemption of foundation funds</b>	<b>730,000</b>	<b>830,000</b>	<b>6,781</b>
<b>Reserve for revaluation</b>	<b>452</b>	<b>452</b>	<b>3</b>
<b>Surplus</b>	<b>509,886</b>	<b>412,715</b>	<b>3,372</b>
<b>Reserve for future losses</b>	<b>12,424</b>	<b>12,963</b>	<b>105</b>
<b>Other surplus</b>	<b>497,461</b>	<b>399,752</b>	<b>3,266</b>
Reserve for fund redemption	140,000	90,000	735
Fund for price fluctuation allowance	29,764	29,764	243
Reserve for promotion of social welfare project	38	536	4
Reserve for business infrastructure	70,000	70,000	571
Reserve for reduction entry of real estate	26,157	25,643	209
Special reserves	2,000	—	—
Other reserves	85	—	—
Unappropriated surplus	229,416	183,807	1,501
<b>Total funds, reserve and surplus</b>	<b>1,490,339</b>	<b>1,393,168</b>	<b>11,383</b>
<b>Net unrealized gains on available-for-sale securities</b>	<b>2,874,641</b>	<b>2,704,190</b>	<b>22,094</b>
<b>Deferred unrealized gains on derivatives under hedge accounting</b>	<b>28,006</b>	<b>4,795</b>	<b>39</b>
<b>Land revaluation differences (*15)</b>	<b>118,183</b>	<b>121,889</b>	<b>995</b>
<b>Total unrealized gains, revaluation reserves and adjustments</b>	<b>3,020,830</b>	<b>2,830,875</b>	<b>23,129</b>
<b>Total net assets</b>	<b>4,511,169</b>	<b>4,224,043</b>	<b>34,512</b>
<b>Total liabilities and net assets</b>	<b>¥ 42,685,218</b>	<b>¥ 44,160,706</b>	<b>\$ 360,819</b>

# Meiji Yasuda Life Insurance Company

## Non-consolidated Statements of Income

Years ended March 31	Millions of Yen		Millions of
	2021	2022	U.S. Dollars
			2022
<b>ORDINARY INCOME:</b>			
<b>Insurance premiums and other</b>			
Insurance premiums	¥ 2,341,591	¥ 2,440,413	\$ 19,939
Reinsurance revenue	10,557	3,175	25
<b>Subtotal</b>	<b>2,352,149</b>	<b>2,443,588</b>	<b>19,965</b>
<b>Investment income (*2)</b>			
Interest, dividends and other income	840,398	888,380	7,258
Interest on deposits	764	516	4
Interest and dividends on securities	721,397	769,858	6,290
Interest on loans	62,584	59,457	485
Rent revenue from real estate	38,235	38,987	318
Other interest and dividends	17,417	19,559	159
Gains on money held in trust	1,818	2,807	22
Gains on sales of securities	97,475	113,521	927
Gains on redemption of securities	132,037	69,499	567
Foreign exchange gains	44,445	133,050	1,087
Other investment income	279	130	1
Investment gains on separate accounts	75,981	9,658	78
<b>Subtotal</b>	<b>1,192,437</b>	<b>1,217,048</b>	<b>9,944</b>
<b>Other ordinary income</b>			
Income from annuity riders	14,319	12,559	102
Income from deferred benefits	39,229	35,397	289
Reversal of accrued retirement benefits	5,408	11,198	91
Other ordinary income	8,222	8,414	68
<b>Subtotal</b>	<b>67,179</b>	<b>67,569</b>	<b>552</b>
<b>Total ordinary income</b>	<b>¥ 3,611,765</b>	<b>¥ 3,728,206</b>	<b>\$ 30,461</b>

**Meiji Yasuda Life Insurance Company**  
**Non-consolidated Statements of Income (continued)**

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2022	2022
<b>ORDINARY EXPENSES:</b>			
<b>Benefits and other payments</b>			
Claims paid	¥ 544,074	¥ 554,432	\$ 4,530
Annuity payments	661,573	627,129	5,124
Benefit payments	391,472	407,398	3,328
Surrender benefits	581,645	665,564	5,438
Other refunds	135,797	96,786	790
Reinsurance premiums	3,132	2,228	18
<b>Subtotal</b>	<b>2,317,695</b>	<b>2,353,540</b>	<b>19,229</b>
<b>Provision for policy reserves and other reserves</b>			
Provision for reserve for outstanding claims (*3)	2,193	8,571	70
Provision for policy reserves (*3)	292,051	267,178	2,183
Provision for interest on policyholders' dividend reserves	82	57	0
<b>Subtotal</b>	<b>294,327</b>	<b>275,807</b>	<b>2,253</b>
<b>Investment expenses (*2)</b>			
Interest expenses	14,421	17,610	143
Losses on sales of securities	62,887	65,714	536
Losses on valuation of securities	1,971	5,816	47
Losses on redemption of securities	78,895	9,326	76
Losses on derivative financial instruments	79,634	217,338	1,775
Provision for allowance for possible loan losses	729	3,538	28
Depreciation of real estate for non-insurance business	9,381	9,193	75
Other investment expenses	17,689	19,843	162
<b>Subtotal</b>	<b>265,610</b>	<b>348,381</b>	<b>2,846</b>
<b>Operating expenses</b>	<b>375,436</b>	<b>376,126</b>	<b>3,073</b>
<b>Other ordinary expenses</b>			
Deferred benefit payments	57,851	56,524	461
Taxes	32,168	32,562	266
Depreciation	31,667	31,544	257
Other ordinary expenses	5,191	5,341	43
<b>Subtotal</b>	<b>126,879</b>	<b>125,972</b>	<b>1,029</b>
<b>Total ordinary expenses</b>	<b>3,379,948</b>	<b>3,479,829</b>	<b>28,432</b>
<b>Ordinary profit</b>	<b>¥ 231,817</b>	<b>¥ 248,377</b>	<b>\$ 2,029</b>

**Meiji Yasuda Life Insurance Company**  
**Non-consolidated Statements of Income (continued)**

Years ended March 31	Millions of Yen		Millions of
	2021	2022	U.S. Dollars
			2022
<b>Extraordinary gains</b>			
Gains on disposals of fixed assets	¥ 385	¥ 124	\$ 1
Reversal of reserve for contingent liabilities	1	–	–
<b>Subtotal</b>	<b>386</b>	<b>124</b>	<b>1</b>
<b>Extraordinary losses</b>			
Losses on disposals of fixed assets	6,292	6,419	52
Impairment losses (*5)	2,262	507	4
Impairment on stocks of subsidiaries and affiliates	–	16,257	132
Provision for reserve for price fluctuation	17,600	19,292	157
Losses on reduction entry of real estate	325	–	–
Contributions for promotion of social welfare project	661	1,587	12
Other extraordinary losses (*4)	4,160	–	–
<b>Subtotal</b>	<b>31,302</b>	<b>44,064</b>	<b>360</b>
<b>Surplus before income taxes</b>	<b>200,901</b>	<b>204,437</b>	<b>1,670</b>
<b>Income taxes</b>			
Current	57,163	12,909	105
Deferred	(54,778)	5,601	45
<b>Total income taxes</b>	<b>2,385</b>	<b>18,510</b>	<b>151</b>
<b>Net surplus</b>	<b>¥ 198,516</b>	<b>¥ 185,926</b>	<b>\$ 1,519</b>



**Meiji Yasuda Life Insurance Company**  
**Non-consolidated Statements of Changes in Net Assets**

Year ended March 31, 2021														Millions of Yen
	Funds, reserves and surplus													
	Surplus													
	Other surplus													
	Foundation funds	Reserve for redemption of foundation funds	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
Beginning 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
Changes in the fiscal year														
Additions to policyholders' dividend reserves												(148,874)	(148,874)	(148,874)
Additions to reserve for future losses				449								(449)		
Payment of interest on foundation funds												(757)	(757)	(757)
Net surplus												198,516	198,516	198,516
Redemption of foundation funds														
Additions to reserve for fund redemption					50,000							(50,000)		
Reversal of reserve for fund redemption														
Additions to reserve for promotion of social welfare project							610					(610)		
Reversal of reserve for promotion of social welfare project							(661)					661		
Reversal of reserve for business infrastructure								(30,000)				30,000		
Reversal of reserve for reduction entry of real estate									(544)			544		
Reversal of land revaluation differences												238	238	238
Net changes, excluding funds, reserves and surplus														
Net changes in the fiscal year	—	—	—	449	50,000	—	(50)	(30,000)	(544)	—	—	29,269	49,122	49,122
Ending balance	250,000	730,000	452	12,424	140,000	29,764	38	70,000	26,157	2,000	85	229,416	509,886	1,490,339

	Unrealized gains (losses), revaluation reserve and adjustments				
	Net unrealized gains (losses) on 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	1,950,825	45,187	118,421	2,114,434	3,555,650
Changes in the fiscal year					
Additions to policyholders' dividend reserves				(148,874)	
Additions to reserve for future losses					
Payment of interest on foundation funds				(757)	
Net surplus				198,516	
Redemption of foundation funds					
Additions to reserve for fund redemption					
Reversal of reserve for fund redemption					
Additions to reserve for promotion of social welfare project					
Reversal of reserve for promotion of social welfare project					
Reversal of reserve for business infrastructure					
Reversal of reserve for reduction entry of real estate					
Reversal of land revaluation differences				238	
Net changes, excluding funds, reserves and surplus	923,815	(17,181)	(238)	906,395	906,395
Net changes in the fiscal year	923,815	(17,181)	(238)	906,395	955,518
Ending balance	2,874,641	28,006	118,183	3,020,830	4,511,169

**Meiji Yasuda Life Insurance Company**  
**Non-consolidated Statements of Changes in Net Assets (continued)**

Year ended March 31, 2022														Millions of Yen
	Funds, reserves and surplus													
	Surplus													
	Other surplus													
	Foundation funds	Reserve for redemption of foundation funds	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
Beginning balance	250,000	730,000	452	12,424	140,000	29,764	38	70,000	26,157	2,000	85	229,416	509,886	1,490,339
Changes in the fiscal year														
Additions to policyholders' dividend reserves												(178,633)	(178,633)	(178,633)
Additions to reserve for future losses				539								(539)		
Additions to reserve for redemption of foundation funds		100,000												100,000
Payment of interest on foundation funds												(757)	(757)	(757)
Net surplus												185,926	185,926	185,926
Redemption of foundation funds	(100,000)													(100,000)
Additions to reserve for fund redemption					50,000							(50,000)		
Reversal of reserve for fund redemption					(100,000)								(100,000)	(100,000)
Additions to reserve for promotion of social welfare project							2,085					(2,085)		
Reversal of reserve for promotion of social welfare project							(1,587)					1,587		
Additions to reserve for reduction entry of real estate									31			(31)		
Reversal of reserve for reduction entry of real estate									(545)			545		
Reversal of special reserves										(2,000)		2,000		
Reversal of other reserves											(85)	85		
Reversal of land revaluation differences												(3,706)	(3,706)	(3,706)
Net changes, excluding funds, reserves and surplus														
Net changes in the fiscal year	(100,000)	100,000	—	539	(50,000)	—	498	—	(513)	(2,000)	(85)	(45,609)	(97,170)	(97,170)
Ending balance	150,000	830,000	452	12,963	90,000	29,764	536	70,000	25,643	—	—	183,807	412,715	1,393,168

	Unrealized gains (losses), revaluation reserve and adjustments				
	Net unrealized gains (losses) on 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	2,874,641	28,006	118,183	3,020,830	4,511,169
Changes in the fiscal year					
Additions to policyholders' dividend reserves					(178,633)
Additions to reserve for future losses					
Additions to reserve for redemption of foundation funds					100,000
Payment of interest on foundation funds					(757)
Net surplus					185,926
Redemption of foundation funds					(100,000)
Additions to reserve for fund redemption					
Reversal of reserve for fund redemption					(100,000)
Additions to reserve for promotion of social welfare project					
Reversal of reserve for promotion of social welfare project					
Additions to reserve for reduction entry of real estate					
Reversal of reserve for reduction entry of real estate					
Reversal of special reserves					
Reversal of other reserves					
Reversal of land revaluation differences					(3,706)
Net changes, excluding funds, reserves and surplus	(170,450)	(23,210)	3,706	(189,955)	(189,955)
Net changes in the fiscal year	(170,450)	(23,210)	3,706	(189,955)	(287,125)
Ending balance	2,704,190	4,795	121,889	2,830,875	4,224,043

**Meiji Yasuda Life Insurance Company**  
**Non-consolidated Statements of Changes in Net Assets (continued)**

Year ended March 31, 2022	Millions of U.S. Dollars													
	Funds, reserves and surplus													
	Surplus													
	Other surplus													
	Foundation funds	Reserve for redemption of foundation funds	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
Beginning balance	2,042	5,964	3	101	1,143	243	0	571	213	16	0	1,874	4,166	12,176
Changes in the fiscal year														
Additions to policyholders' dividend reserves												(1,459)	(1,459)	(1,459)
Additions to reserve for future losses				4								(4)		
Additions to reserve for redemption of foundation funds		817												817
Payment of interest on foundation funds												(6)	(6)	(6)
Net surplus												1,519	1,519	1,519
Redemption of foundation funds	(817)													(817)
Additions to reserve for fund redemption					408							(408)		
Reversal of reserve for fund redemption					(817)								(817)	(817)
Additions to reserve for promotion of social welfare project							17					(17)		
Reversal of reserve for promotion of social welfare project							(12)					12		
Additions to reserve for reduction entry of real estate									0			(0)		
Reversal of reserve for reduction entry of real estate									(4)			4		
Reversal of special reserves										(16)		16		
Reversal of other reserves											(0)	0		
Reversal of land revaluation differences												(30)	(30)	(30)
Net changes, excluding funds, reserves and surplus														
Net changes in the fiscal year	(817)	817	—	4	(408)	—	4	—	(4)	(16)	(0)	(372)	(793)	(793)
Ending balance	1,225	6,781	3	105	735	243	4	571	209	—	—	1,501	3,372	11,383

	Unrealized gains (losses), revaluation reserve and adjustments				
	Net unrealized gains (losses) on 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	23,487	228	965	24,682	36,858
Changes in the fiscal year					
Additions to policyholders' dividend reserves				(1,459)	
Additions to reserve for future losses					
Additions to reserve for redemption of foundation funds				817	
Payment of interest on foundation funds				(6)	
Net surplus				1,519	
Redemption of foundation funds				(817)	
Additions to reserve for fund redemption					
Reversal of reserve for fund redemption				(817)	
Additions to reserve for promotion of social welfare project					
Reversal of reserve for promotion of social welfare project					
Additions to reserve for reduction entry of real estate					
Reversal of reserve for reduction entry of real estate					
Reversal of special reserves					
Reversal of other reserves					
Reversal of land revaluation differences				(30)	
Net changes, excluding funds, reserves and surplus	(1,392)	(189)	30	(1,552)	(1,552)
Net changes in the fiscal year	(1,392)	(189)	30	(1,552)	(2,345)
Ending balance	22,094	39	995	23,129	34,512

# Meiji Yasuda Life Insurance Company

## Non-consolidated Proposed Appropriation of Surplus

Years ended March 31	Millions of Yen		Millions of U.S. Dollars	
	2021	2022	2022	
Unappropriated surplus	¥ 229,416	¥ 183,807	\$ 1,501	
Reversal of voluntary surplus reserves:	2,630	542	4	
Reversal of reserve for reduction entry of real estate	545	542	4	
Reversal of special reserves	2,000	—	—	
Reversal of other reserves	85	—	—	
<b>Total</b>	<b>232,046</b>	<b>184,350</b>	<b>1,506</b>	
<b>Appropriation of surplus</b>	<b>232,046</b>	<b>184,350</b>	<b>1,506</b>	
Provision for policyholders' dividend reserves	178,633	151,453	1,237	
Net surplus	53,413	32,896	268	
Reserve for future losses	539	456	3	
Interest on foundation funds	757	477	3	
Voluntary surplus reserves:	52,116	31,963	261	
Reserve for fund redemption	50,000	30,000	245	
Reserve for promotion of social welfare project	2,085	1,963	16	
Reserve for reduction entry of real estate	31	—	—	

# **Meiji Yasuda Life Insurance Company**

## **Notes to the Non-consolidated Financial Statements**

### **I. 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, 2022, which was ¥122.39 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.

### **II. 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  
As for securities of which market value is available, stocks are stated at market value at the balance sheet date. The cost of sales is determined by the moving average method. Stocks and others of which market value is not available are stated at cost using the moving average method. Unrealized gains and losses on available-for-sale securities are reported as a component of net assets in the non-consolidated balance sheets.

# **Meiji Yasuda Life Insurance Company**

## **Notes to the Non-consolidated Financial Statements**

### **(2) Money held in trust**

Money held in trust is stated at fair value.

### **(3) 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.

### **(4) Derivative transactions**

Derivative transactions are stated at fair value.

### **(5) 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.

### **(6) 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.

### **(7) 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 collateral 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 collateral and by executing guarantees.

# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

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 collateral to bankrupt borrowers and substantially bankrupt borrowers, the amount of loans exceeding the value of estimated recovery through disposal of collateral or execution of guarantees is deemed uncollectible and written off. The amount of loans written off for the years ended March 31, 2021 and 2022 amounted to ¥391 million and ¥3 million (U.S. \$0 million), respectively.

### (8) 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.

Assumptions of the Company used in accounting for the defined benefit plans for the years ended March 31, 2021 and 2022 were as follows:

Years ended March 31	2021	2022
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

No accrued retirement benefits were recognized on the liabilities due to plan assets in excess of the retirement benefit obligations as of March 31, 2021 and 2022.

### (9) Reserve for price fluctuation

Reserve for price fluctuation of the Company is calculated pursuant to Article 115 of the "Insurance Business Act".

### (10) 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.

### (11) 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;

## **Meiji Yasuda Life Insurance Company**

### **Notes to the Non-consolidated Financial Statements**

- 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.

#### **(12) 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".

#### **(13) Accounting for retirement benefits**

In the non-consolidated financial statements, methods used in accounting for unrecognized actuarial differences and unrecognized past service costs associated with retirement benefits are different from methods used in accounting for these items in the consolidated financial statements.

#### **(14) Policy reserves**

Regarding contracts for which the insurer's liability under insurance policies has started as of the end of the fiscal year, policy reserves of the Company are set aside in accordance with the methods stated in the statement of calculation procedures for insurance premiums and policy reserves (Article 4, Paragraph 2, Item 4 of the "Insurance Business Act") pursuant to Article 116, Paragraph 1 of the "Insurance Business Act", in order to prepare for future fulfillment of obligations under the insurance contracts.

Of policy reserves, insurance premium reserves are calculated by the following methods:

- a. Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Prime Minister (Notification of the Minister of Finance No. 48, 1996).
- b. Reserves for policies not subject to the standard policy reserve requirements are calculated based on the net level premium method.

In addition, if there is deemed to be a risk of being unable to fulfill future obligations in the policy reserves set aside in accordance with the statement of calculation procedures approved by the Financial Service Agency due to a significant deviation between the future cash flows estimated based on the calculation assumptions (such as the expected mortality/morbidity and the expected rate of interest) stipulated in the statement of calculation procedures and recent actual results, additional policy reserves need to be set aside pursuant to Article 69, Paragraph 5 of the "Ordinance for Enforcement of the Insurance Business Act". In accordance with this provision, the following reserves are set aside:

- The policy reserves set aside in the fiscal year ended March 31, 2015 for variable life insurance



## **Meiji Yasuda Life Insurance Company**

### **Notes to the Non-consolidated Financial Statements**

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 2 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).

The Company originally planned to set aside the above additional reserves for 4 years since the fiscal year ended March 31, 2021; however, the remaining amount totaling ¥110,814 million (U.S. \$905 million) was fully set aside in the fiscal year ended March 31, 2022, completing the accumulation of the reserves ahead of schedule.

Contingency reserves included in policy reserves are set aside in accordance with Article 116 of the “Insurance Business Act”, and Article 69, Paragraph 1, Item 3 of the “Ordinance for Enforcement of the Insurance Business Act” to cover risks that may occur in the future in order to ensure the performance of future obligations under insurance contracts.

#### **(15) 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.

#### **(16) Recognition of Insurance Premiums, Benefits and Claims, and Other Payments**

Insurance premiums of the Company are, in principle, recorded for insurance contracts for which insurance premium has been received and under which the insurer’s liability has commenced by the relevant amounts received.

Also, premiums which corresponds to the period that is not expired at the end of the fiscal year, are set aside in the policy reserves in accordance with Article 116 of the “Insurance Business Act”, and Article 69, Paragraph 1, Item 2 of the “Ordinance for Enforcement of the Insurance Business Act”.

Benefits and claims (excluding reinsurance premiums) of the Company are recorded for contracts for which amounts calculated under policy conditions have been paid in the occurrence of insured events under the policy conditions by the relevant amounts paid.

In addition, the Company recognizes outstanding claims with the amount of unpaid claims over the contracts for which payment obligation exists at the end of the fiscal year or for which incidents prescribed in policy clause already incurred but not reported to the Company, pursuant to Article 117 of the “Insurance Business Act” and Article 72 of the “Ordinance for Enforcement of the Insurance Business Act”.

#### **(17) Policy acquisition costs**

Policy acquisition costs are expensed when incurred.

# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

### (18) Significant Accounting Estimates

Significant accounting estimates that are identified pursuant to Accounting Standards for Disclosure of Accounting Estimates (ASBJ Statement No. 31), are as follows.

Impairment on stocks of subsidiaries and affiliates

- (i) Amount recorded in the non-consolidated financial statements at the end of the fiscal year  
The amounts of ¥876,895 million and ¥869,736 million (U.S. \$7,106 million) of equity securities issued by subsidiaries and affiliates are recorded in Securities of the non-consolidated balance sheets at the end of the fiscal years ended March 31, 2021 and 2022, respectively.
- (ii) Other information that contributes to the understanding of users of non-consolidated financial statements about the contents of accounting estimate  
Equity securities issued by subsidiaries and affiliates is tested for impairment based on the actual value. The actual value is, in principle, determined based on the net asset value at the end of the fiscal year. However, if necessary, the value calculated with key assumptions such as the future cash flows is used as the actual value.

Those assumptions involve a high degree of uncertainty, and may greatly affect the future cash flow estimates on the non-consolidated financial statements of the next fiscal year.

In addition, in the fiscal year ended March 31, 2022, the Company recorded impairment on stocks of subsidiaries and affiliates totaling ¥16,257 million (U.S. \$132 million) as part of extraordinary losses due to a considerable decline in the actual value of equity securities issued by some affiliates, whose financial position has deteriorated or whose ability to generate future cash flows has declined with no likelihood of recovery. The amount of this loss is based on the difference between the acquisition cost of each equity security and its actual value.

### (Changes in accounting policies)

The Company adopted the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30: July 4, 2019) and other relevant standards at the beginning of the fiscal year ended March 31, 2022. In accordance with the transitional treatments set forth 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), the Company adopts new accounting policies prescribed in the “Accounting Standard for Fair Value Measurement” and other relevant standards for the reporting of its current and future financial results, prospectively.

Accordingly, the valuation of stocks included in available-for-sale securities with fair value, is conducted using the fair value method based on closing market prices at the end of the fiscal year, whereas these stocks were valued at the average of the market price during the final month of each fiscal year.

Moreover, the Company began to disclose fair value hierarchy in line with the adoption of the “Accounting Standard for Fair Value Measurement. However, in accordance with transitional treatment set forth in Paragraph 7-4 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19: July 4, 2019), the Company omitted the disclosure for the fiscal year ended March 31, 2021.

# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

### III. Notes to Balance Sheets

#### \*1. Securities Lending

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥4,054,328 million and ¥4,744,290 million (U.S. \$38,763 million) as of March 31, 2021 and 2022, respectively.

#### \*2. Securities Sold under Repurchase Agreements

Securities sold under repurchase agreements amounted to ¥100,242 million and ¥236,593 million (U.S. \$1,933 million) as of March 31, 2021 and 2022, respectively.

#### \*3. Pledged Assets

Assets pledged as collateral were securities in the amount of ¥35,394 million and ¥163 million (U.S. \$1 million) as of March 31, 2021 and 2022, respectively.

#### 4. Receivable from and Payable to Subsidiaries and Affiliates

The total amounts receivable from and payable to subsidiaries and affiliates as of March 31, 2021 and 2022 were as follows:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2022	2022
Receivable	¥ 15,063	¥12,003	\$ 98
Payable	4,307	4,096	33

#### \*5. Equity Securities issued by Subsidiaries and Affiliates

The total amounts of equity securities issued by subsidiaries and affiliates were ¥876,895 million and ¥869,736 million (U.S. \$7,106 million) as of March 31, 2021 and 2022, respectively.

#### \*6. Loans

The amounts of risk-monitored loans, which comprised (1) bankrupt and quasi-bankrupt loans, (2) doubtful loans, (3) loans in arrears for three months or longer and (4) restructured loans, were ¥16,430 million and ¥22,382 million (U.S. \$182 million) as of March 31, 2021 and 2022, respectively.

The amounts of bankrupt and quasi-bankrupt loans were ¥373 million and ¥374 million (U.S. \$3 million) as of March 31, 2021 and 2022, respectively.

The amounts of loans deemed uncollectible and directly deducted from the loans in the non-consolidated balance sheet as of March 31, 2021 and 2022 were ¥391 million and ¥3 million (U.S. \$0 million) for bankrupt and quasi-bankrupt loans, respectively.

## Meiji Yasuda Life Insurance Company

### Notes to the Non-consolidated Financial Statements

Bankrupt and quasi-bankrupt loans 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.

The amounts of doubtful loans were ¥4,416 million and ¥11,102 million (U.S. \$90 million) as of March 31, 2021 and 2022, respectively.

Doubtful loans are loans with a high probability of failure in the receipt of principal or interest under terms of the loan agreement due to the borrower's deteriorated financial status and/or business performance even though the borrower has yet to be in the state of bankruptcy. These loans do not include bankrupt and quasi-bankrupt loans.

There were no loans in arrears for three months or longer as of March 31, 2021 and 2022, 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. These loans do not include bankrupt and quasi-bankrupt loans or doubtful loans.

The amounts of restructured loans were ¥11,640 million and ¥10,905 million (U.S. \$89 million) as of March 31, 2021 and 2022, 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 bankrupt and quasi-bankrupt loans, doubtful loans, or loans in arrears for three months or longer.

#### \*7. Loan Commitments

The amounts of loan commitments outstanding were ¥58,645 million and ¥28,413 million (U.S. \$232 million) as of March 31, 2021 and 2022, respectively.

#### \*8. Accumulated Depreciation

Accumulated depreciation of tangible fixed assets amounted to ¥454,861 million and ¥456,602 million (U.S. \$3,730 million) as of March 31, 2021 and 2022, respectively.

#### \*9. Policyholders' Dividend Reserves

Changes in policyholders' dividend reserves for the years ended March 31, 2021 and 2022 were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2022	2022
Balance at the beginning of the fiscal year	¥ 245,988	¥ 260,030	\$ 2,124
Transfer from surplus in the previous fiscal year	148,874	178,633	1,459
Dividend payments to policyholders during the fiscal year	(134,950)	(157,424)	(1,286)

## Meiji Yasuda Life Insurance Company

### Notes to the Non-consolidated Financial Statements

Interest accrued during the fiscal year	117	83	0
Balance at the end of the fiscal year	260,030	281,323	2,298

#### **\*10. Subordinated Bonds**

As of March 31, 2021 and 2022, bonds payable in liabilities are subordinated bonds and foreign currency-denominated subordinated bonds, respectively, and the repayments of which are subordinated to other obligations.

#### **\*11. Subordinated Borrowings**

As of March 31, 2022, borrowings in liabilities consist of subordinated borrowings, and the repayments of which are subordinated to other obligations.

#### **12. Separate Accounts**

The total amounts of assets held in separate accounts defined in Article 118, Paragraph 1 of the “Insurance Business Act” were ¥719,161 million and ¥707,095 million (U.S. \$5,777 million) as of March 31, 2021 and 2022, respectively. The amounts of separate account liabilities were the same as these figures.

#### **13. 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 ¥3,021,283 million and ¥2,831,328 million (U.S. \$23,133 million) as of March 31, 2021 and 2022, respectively.

#### **14. Contributions to the Life Insurance Policyholders Protection Corporation**

The Company estimated future contributions to the Life Insurance Policyholders Protection Corporation in the amount of ¥45,929 million and ¥45,414 million (U.S. \$371 million) as of March 31, 2021 and 2022, respectively, pursuant to Article 259 of the “Insurance Business Act”.

These contributions are recognized as operating expenses when contributed.

#### **\*15. 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

# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

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.

### 16. 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.

### \*17. Reinsurance

As of March 31, 2021 and 2022, 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 ¥17 million and ¥19 million (U.S. \$0 million), respectively.

As of March 31, 2021 and 2022, 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 ¥17,999 million and ¥18,826 million (U.S. \$153 million), respectively.

## IV. Notes to Statements of Income

### 1. 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, 2021 and 2022 were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2022	2022
Total income	¥ 23,726	¥ 26,326	\$ 215
Total expenses	38,348	40,121	327

# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

### \*2. Investment Income and Expenses

Major components of gains on sales of securities were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2022	2022
Domestic bonds including national government bonds	¥ 2,620	¥ 1,585	\$ 12
Domestic stocks	60,070	87,339	713
Foreign securities	34,526	22,258	181

Major components of losses on sales of securities were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2022	2022
Domestic bonds including national government bonds	¥ 36,021	¥ 16,714	\$ 136
Domestic stocks	5,489	12,311	100
Foreign securities	21,376	36,689	299

Major components of losses on valuation of securities were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2022	2022
Domestic stocks	¥ 1,971	¥ 3,545	\$ 28
Foreign securities	-	-	-

Losses on derivative financial instruments included net valuation loss of ¥67,830 million for the year ended March 31, 2021, and included net valuation gain of ¥143,003 million (U.S. \$1,168 million) for the year ended March 31, 2022.

# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

### \*3. 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, 2021 and 2022 were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2022	2022
Provision for (reversal of) reinsurance recoverable on outstanding claims	¥ 0	¥ 1	\$ 0
Provision for (reversal of) reinsurance recoverable on policy reserves	(10,661)	826	6

### \*4. Other Extraordinary Losses

Other extraordinary losses recorded in the fiscal year ended March 31, 2021 are mainly as follows and due to the declaration of a COVID-19 state of emergency by the Japanese government:

- (1) Compensation for sales agents due to self-restraint of face-to-face business activity
- (2) Cancellation costs of outsourcing system development

### \*5. 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, 2021 and 2022, 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.



# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

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

For the year ended March 31, 2021

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	3	¥625	¥1,415	¥2,040
Idle assets	6	129	91	221
Total	9	755	1,507	2,262

For the year ended March 31, 2022

Asset group	Number of properties impaired	Millions of Yen			
		Land	Buildings	Other intangible fixed assets	Total
Real estate for non-insurance business	0	¥ —	¥ —	¥ —	¥ —
Idle assets	8	310	194	3	507
Total	8	310	194	3	507

For the year ended March 31, 2022

Asset group	Millions of U.S. Dollars			
	Land	Buildings	Other intangible fixed assets	Total
Real estate for non-insurance business	\$ —	\$ —	\$ —	\$ —
Idle assets	2	1	0	4
Total	2	1	0	4

### (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 1.87% and 1.82% for the years ended March 31, 2021 and 2022, respectively. Net realizable value is calculated based on the appraisal value with reference to “Real Estate Appraisal Standards” or the publicly announced appraisal value.

# **Meiji Yasuda Life Insurance Company**

## **Notes to the Non-consolidated Financial Statements**

### **V. Notes to Statements of Changes in Net Assets**

#### **1. 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.

Having redeemed foundation funds totaling ¥100,000 million (U.S. \$817 million) in the fiscal year ended March 31, 2022, the Company has transferred reserves for fund redemption of the same amount to reserve for redemption of foundation funds as defined under Article 56 of the “Insurance Business Act.”

### **VI. 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.

Derivatives are mainly used for 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.

## **Meiji Yasuda Life Insurance Company**

### **Notes to the Non-consolidated Financial Statements**

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 price fluctuation risk and other market risks, 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.

# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

### 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, their fair values and the differences between them, were as presented in the following table. In addition, notes for cash are omitted. Moreover, the Company omitted notes for deposits other than CDs; payables under repurchase agreements; and payables under securities borrowing transactions, based on the assumption that the fair value of these instruments approximates book value due to short-term nature of their contracts.

As of March 31	Millions of Yen		
	2021		
	Balance sheet amount	Fair value	Difference
Deposits	¥ 52,995	¥ 52,995	¥ —
Available-for-sale securities (CDs)	52,995	52,995	—
Monetary claims bought	264,184	273,558	9,374
Held-to-maturity debt securities	185,473	194,847	9,374
Available-for-sale securities	78,711	78,711	—
Money held in trust	154,622	154,622	—
Available-for-sale securities	154,622	154,622	—
Securities	34,457,723	36,412,393	1,954,670
Trading securities	678,573	678,573	—
Held-to-maturity debt securities	3,730,239	4,365,466	635,227
Policy-reserve-matching bonds	10,648,522	11,967,965	1,319,442
Available-for-sale securities	19,400,388	19,400,388	—
Loans	4,095,722	4,270,550	174,827
Policy loans	207,776	207,776	—
Industrial and consumer loans	3,887,946	4,062,774	174,827
Allowance for possible loan losses (*1)	(5,580)	—	—
	4,090,142	4,270,550	180,407
Bonds payable	640,735	667,457	26,722
Derivative financial instruments (*2)	(222,521)	(222,521)	—
Hedge accounting is not applied	(34,100)	(34,100)	—
Hedge accounting is applied	(188,420)	(188,420)	—

(\*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.

(\*3) 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 amount of the unlisted stocks and others reported in the non-consolidated balance sheet was ¥925,096 million as of March 31, 2021. Of this, the amount of stocks of subsidiaries and affiliates was ¥ 876,895 million. Impairment losses on the unlisted stocks and others were ¥470 million for the year ended March 31, 2021.

# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

As of March 31	Millions of Yen			Millions of U.S. Dollars		
	2022			2022		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Deposits	¥ 12,998	¥ 12,998	¥ —	\$ 106	\$ 106	\$—
Available-for-sale securities (CDs)	12,998	12,998	—	106	106	—
Monetary claims bought	182,781	191,256	8,475	1,493	1,562	69
Held-to-maturity debt securities	175,607	184,082	8,475	1,434	1,504	69
Available-for-sale securities	7,173	7,173	—	58	58	—
Money held in trust	157,609	157,609	—	1,287	1,287	—
Trading securities	4,608	4,608	—	37	37	—
Available-for-sale securities	153,000	153,000	—	1,250	1,250	—
Securities	36,123,020	37,436,007	1,312,986	295,146	305,874	10,727
Trading securities	603,904	603,904	—	4,934	4,934	—
Held-to-maturity debt securities	3,516,872	4,041,503	524,630	28,734	33,021	4,286
Policy-reserve-matching bonds	12,578,485	13,366,841	788,355	102,773	109,215	6,441
Available-for-sale securities	19,423,758	19,423,758	—	158,703	158,703	—
Loans	3,933,668	4,058,304	124,635	32,140	33,158	1,018
Policy loans	191,312	191,312	—	1,563	1,563	—
Industrial and consumer loans	3,742,356	3,866,991	124,635	30,577	31,595	1,018
Allowance for possible loan losses (*1)	(9,167)	—	—	(74)	—	—
	3,924,501	4,058,304	133,803	32,065	33,158	1,093
Bonds payable	640,735	655,629	14,894	5,235	5,356	121
Borrowings	200,000	197,260	(2,740)	1,634	1,611	(22)
Derivative financial instruments (*2)	(450,013)	(450,013)	—	(3,676)	(3,676)	—
Hedge accounting is not applied	(89,490)	(89,490)	—	(731)	(731)	—
Hedge accounting is applied	(360,523)	(360,523)	—	(2,945)	(2,945)	—

(\*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.

(\*3) In accordance with Paragraph 5 of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19: March 31, 2020) and Paragraph 27 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31: July 4, 2019), unlisted stocks and others of which market value is not available are not included in securities presented in the above table concerning the fair value of financial instruments and the table concerning the fair value hierarchy of financial instruments. Investments in capital partnerships are similarly excluded from the table for the same reason.

The amounts of stocks and others of which market value is not available, as reported in the non-consolidated balance sheets, were ¥910,127 million (U.S. \$7,436 million) as of March 31, 2022. Of this, the amounts of stocks of subsidiaries and affiliates were ¥869,736 million (U.S. \$7,106 million). The amounts of investments in capital partnerships reported in the non-consolidated balance sheets totaled ¥15,079 million (U.S. \$123 million) as of March 31, 2022.

Impairment losses on unlisted stocks and others of which market value is not available and investments in capital partnerships were ¥17,798 million (U.S. \$145 million) for the year ended March 31, 2022.

# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

Notes:

### a. Maturity analysis of monetary claims and securities with maturities

As of March 31	Millions of Yen					
	2021					
	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 (CDs)	¥ 52,995	¥ —	¥ —	¥ —	¥ —	¥ —
Monetary claims bought	69,990	—	—	—	—	194,194
Loans*	448,649	690,800	684,759	515,897	832,754	714,835
Securities	1,333,499	2,053,792	1,126,637	2,180,727	4,645,887	15,536,263
Held-to-maturity debt securities	187,689	390,526	548,700	451,853	84,419	2,064,249
Policy-reserve-matching bonds	1,149	112,823	27,687	312,772	2,025,835	8,168,253
Available-for-sale securities with maturities	1,144,660	1,550,442	550,249	1,416,101	2,535,632	5,303,759
Total	1,905,133	2,744,593	1,811,397	2,696,624	5,478,642	16,445,293

As of March 31	Millions of Yen						Millions of U.S. Dollars					
	2022						2022					
	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 (CDs)	¥ 12,998	¥ —	¥ —	¥ —	¥ —	¥ —	\$ 106	\$ —	\$ —	\$ —	\$ —	\$ —
Monetary claims bought	—	—	—	—	—	182,781	—	—	—	—	—	1,493
Loans*	469,069	643,739	703,885	499,596	782,609	636,617	3,832	5,259	5,751	4,082	6,394	5,201
Securities	1,006,231	1,615,586	1,492,586	2,920,707	6,592,326	15,267,880	8,221	13,200	12,195	23,863	53,863	124,747
Held-to-maturity debt securities	175,720	409,276	621,409	249,875	563,843	1,496,745	1,435	3,344	5,077	2,041	4,606	12,229
Policy-reserve-matching bonds	112,780	16,879	80,807	695,584	2,295,505	9,376,927	921	137	660	5,683	18,755	76,615
Available-for-sale securities with maturities	717,730	1,189,430	790,369	1,975,247	3,732,977	4,394,208	5,864	9,718	6,457	16,138	30,500	35,903
Total	1,488,300	2,259,325	2,196,472	3,420,304	7,374,936	16,087,279	12,160	18,460	17,946	27,945	60,257	131,442

## Meiji Yasuda Life Insurance Company

### Notes to the Non-consolidated Financial Statements

(\*) Bankruptcy and reorganization claims, which are expected to be unrecoverable, are not included in this table, and they were ¥249 million and ¥6,837 million (U.S. \$55 million) as of March 31, 2021 and 2022, respectively.

(\*) Policy loans are not included because they have no defined maturity dates.

#### b. Maturity analysis of bonds payable and borrowings

As of March 31	Millions of Yen					
	2021					
	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
Total	—	—	—	—	—	640,735

As of March 31	Millions of Yen						Millions of U.S. Dollars					
	2022						2022					
	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	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,235
Borrowings	—	—	—	—	—	200,000	—	—	—	—	—	1,634
Total	—	—	—	—	—	840,735	—	—	—	—	—	6,869

# **Meiji Yasuda Life Insurance Company**

## **Notes to the Non-consolidated Financial Statements**

### **3. Fair value hierarchy of financial instruments**

Fair values of financial instruments are classified into three different levels of fair value hierarchy, defined as follows, in accordance with the observability and significance of input used in fair value measurements.

Level 1: Fair value measured at (unadjusted) quoted prices in active markets for the same assets or liabilities

Level 2: Fair value calculated by using directly or indirectly observable input other than Level 1

Level 3: Fair value calculated using significant unobservable input

In addition, multiple inputs that exert a significant impact on calculation results may be used in fair value measurements. In such cases, the Company classifies the fair value of assets and liabilities into the level with lowest priority among the levels to which each input belongs in terms of fair value measurement.



# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

### (1) Financial assets and liabilities whose balance sheet amounts are presented at fair value

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	Fair value				Fair value			
Category	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Deposits (CDs)	¥ —	¥ 12,998	¥ —	¥ 12,998	\$ —	\$ 106	\$ —	\$ 106
Monetary claims bought	—	7,173	—	7,173	—	58	—	58
Available-for-sale securities	—	7,173	—	7,173	—	58	—	58
Money held in trust	—	157,609	—	157,609	—	1,287	—	1,287
Trading securities	—	4,608	—	4,608	—	37	—	37
Available-for-sale securities	—	153,000	—	153,000	—	1,250	—	1,250
Securities	8,842,575	7,861,648	156,786	16,861,010	72,249	64,234	1,281	137,764
Trading securities	311,546	145,098	—	456,645	2,545	1,185	—	3,731
National & local government bonds	138,073	—	—	138,073	1,128	—	—	1,128
Corporate bonds	—	75,936	—	75,936	—	620	—	620
Domestic stocks	59,140	—	—	59,140	483	—	—	483
Other	114,331	69,162	—	183,493	934	565	—	1,499
Available-for-sale securities	8,531,029	7,716,549	156,786	16,404,365	69,703	63,048	1,281	134,033
National & local government bonds	2,271,963	121,976	—	2,393,940	18,563	996	—	19,559
Corporate bonds	—	1,618,583	—	1,618,583	—	13,224	—	13,224
Domestic stocks	4,486,044	2,408	—	4,488,452	36,653	19	—	36,673
Other	1,773,021	5,973,581	156,786	7,903,389	14,486	48,807	1,281	64,575
Derivative financial instruments	363	54,324	—	54,687	2	443	—	446
Currency related	—	13,386	—	13,386	—	109	—	109
Interest rate related	—	40,937	—	40,937	—	334	—	334
Stock related	363	—	—	363	2	—	—	2
Bond related	—	—	—	—	—	—	—	—
Total assets	8,842,938	8,093,753	156,786	17,093,479	72,252	66,130	1,281	139,664
Derivative financial instruments	80	504,620	—	504,701	0	4,123	—	4,123
Currency related	—	477,599	—	477,599	—	3,902	—	3,902
Interest rate related	—	27,021	—	27,021	—	220	—	220
Stock related	80	—	—	80	0	—	—	0
Bond related	—	—	—	—	—	—	—	—
Total liabilities	80	504,620	—	504,701	0	4,123	—	4,123

(\*) The above table does not include investment trusts subject to transitional treatment in accordance with Paragraph 26 of the "Implementation Guidance

## Meiji Yasuda Life Insurance Company

### Notes to the Non-consolidated Financial Statements

on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31: July 4, 2019). The value of such investment trusts, which are recognized as financial assets on the non-consolidated balance sheet, amounts to ¥3,166,652 million (U.S. \$25,873 million).

#### (2) Financial assets and liabilities whose balance sheet amounts are not presented at fair value

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	Fair value				Fair value			
Category	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥ —	¥ 181,774	¥ 2,308	¥ 184,082	\$ —	\$ 1,485	\$ 18	\$ 1,504
Held-to-maturity debt securities	—	181,774	2,308	184,082	—	1,485	18	1,504
Securities	15,760,892	1,644,446	3,004	17,408,344	128,775	13,436	24	142,236
Held-to-maturity debt securities	3,354,771	683,726	3,004	4,041,503	27,410	5,586	24	33,021
National & local government bonds	3,354,771	174,058	—	3,528,830	27,410	1,422	—	28,832
Corporate bonds	—	420,506	—	420,506	—	3,435	—	3,435
Other	—	89,161	3,004	92,166	—	728	24	753
Policy-reserve-matching bonds	12,406,120	960,720	—	13,366,841	101,365	7,849	—	109,215
National & local government bonds	12,076,749	—	—	12,076,749	98,674	—	—	98,674
Corporate bonds	—	36,800	—	36,800	—	300	—	300
Other	329,371	923,919	—	1,253,291	2,691	7,548	—	10,240
Loans	—	—	4,058,304	4,058,304	—	—	33,158	33,158
Policy loans	—	—	191,312	191,312	—	—	1,563	1,563
Industrial and consumer loans	—	—	3,866,991	3,866,991	—	—	31,595	31,595
Total assets	15,760,892	1,826,221	4,063,617	21,650,731	128,775	14,921	33,202	176,899
Bonds payable	—	655,629	—	655,629	—	5,356	—	5,356
Borrowings	—	197,260	—	197,260	—	1,611	—	1,611
Total liabilities	—	852,889	—	852,889	—	6,968	—	6,968

Notes:

a. Explanations on valuation methods and inputs used in fair value measurements

(i) Deposits, monetary claims bought, money held in trust and securities

Regarding deposits, monetary claims bought, and money held in trust and securities, the fair values of these instruments are classified into

## **Meiji Yasuda Life Insurance Company**

### **Notes to the Non-consolidated Financial Statements**

Level 1 when unadjusted quoted prices are available from active markets. This includes mainly listed stocks and government bonds. When publicly announced quoted prices are only available from inactive markets, the Company classifies the fair value of instruments into Level 2. This includes mainly negotiable deposits, local government bonds and corporate bonds.

When quoted prices are unavailable, the Company measures the fair value of instruments based on theoretical prices calculated by discounting the net future cash flows to the present value, or the value at the end of fiscal year based on data provided by pricing vendors or transactional counterparts. In the course of the above valuation process, the Company utilizes observable inputs as much as possible. When significant unobservable inputs are used in its fair value measurement, the Company classifies the fair value into Level 3.

#### **(ii) Derivative financial instruments**

With regard to derivative financial instruments, the Company classifies their fair values into Level 1 when unadjusted quoted prices from active markets are available. This includes mainly stock index futures and bond futures.

However, most derivative financial instruments are traded over the counter and, accordingly, publicly announced quoted prices for these instruments are unavailable. Because of this, the fair value of foreign exchange contracts is stated at theoretical prices based on the TTM, WM Reuters rate or discount rate at the balance sheet date, while the fair value of currency swaps, interest rate swaps and other similar derivative financial instruments is stated at value based on data provided by pricing vendors. The fair values of the above instruments are classified into Level 2.

Since instruments subject to the allocation method for currency swaps are treated as an integral part of the hedged foreign currency denominated loans and bonds payable, their fair values are included in the fair values of the relevant loans and bonds payable. Moreover, since instruments subject to special hedge accounting treatment for interest rate swaps are treated as an integral part of the hedged foreign currency denominated loans, their fair values are included in the fair values of the relevant loans.

#### **(iii) Loans**

The fair values of industrial and consumer loans are, in principle, stated at value calculated by discounting the net future cash flows to the present value utilizing unobservable input. Accordingly, the Company classifies their fair values into Level 3.

The fair values of loans to bankrupt borrowers, substantially bankrupt borrowers and borrowers with high possibility of bankruptcy, are stated at value calculated by deducting the estimated amount of loan losses from the book value of loans before direct write-off.

As credit exposure for policy loans without specific repayment periods is limited to the amount of the cash surrender value, the Company regards the book value as the fair value with the assumption that the fair value approximates the book value considering factors such as projected repayment period and interest condition. Accordingly, the fair values of these loans are classified into Level 3.

#### **(iv) Bonds payable**

**Meiji Yasuda Life Insurance Company**  
**Notes to the Non-consolidated Financial Statements**

The fair values of bonds issued by the Company are stated at value at the end of fiscal year based on data provided by pricing vendors. The fair values of bonds issued by the Company are classified into Level 2.

(v) Borrowings

The fair values of borrowings by the Company are stated at value at the end of fiscal year based on data provided by pricing vendors regarding bonds being issued under the backing of the relevant borrowings. The fair values of these instruments are classified into Level 2.

## Meiji Yasuda Life Insurance Company

### Notes to the Non-consolidated Financial Statements

b. Information regarding financial assets and liabilities whose balance sheet amounts are stated at fair value and classified into Level 3

(i) Quantitative information regarding significant unobservable inputs

Available-for-sales securities classified under monetary claims bought and available-for-sale securities classified under securities include instruments whose fair values are classified into Level 3. However, these instruments are not included in the above table as they are valued based on unadjusted prices provided by third parties.

(ii) Reconciliation from the beginning balance to the ending balance and net unrealized gains and losses recognized in the statement of income

	Millions of Yen			Millions of U.S. Dollars		
	Monetary claims bought	Securities	Total	Monetary claims bought	Securities	Total
	Available-for- sale securities	Available-for- sale securities Other		Available-for- sale securities	Available-for- sale securities Other	
Balance at the beginning of the fiscal year	¥ 8,721	¥ 162,617	¥ 171,338	\$ 71	\$ 1,328	\$ 1,399
Profit (loss), net unrealized gains and losses or foreign currency translation adjustments for the period						
Included in net unrealized gains (losses) on available-for-sale securities	(1,547)	4,463	2,915	(12)	36	23
Bought, sold, issued and settled						
Bought	—	36,741	36,741	—	300	300
Sold	—	(32,631)	(32,631)	—	(266)	(266)
Transferred to Level 3 fair value (*)	(7,173)	(14,404)	(21,577)	(58)	(117)	(176)
Balance at the end of the fiscal year	—	156,786	156,786	—	1,281	1,281

(\*) Indicating transfer from Level 3 fair value to Level 2 fair value due to newly available observable data. This transfer is carried out at the end of the fiscal year.

(iii) Explanation of fair value measurement process

When quoted prices provided by third parties are used in fair value measurement, the Company verifies the appropriateness of such prices in a proper manner via, for example, confirming valuation techniques and inputs used and comparing fair values with those of similar financial instruments. Verification results are reported to departments in charge of risk management. In this way, the Company ensures the appropriateness of its fair value measurement policies and procedures.

**Meiji Yasuda Life Insurance Company**  
**Notes to the Non-consolidated Financial Statements**

(iv) Explanation of impacts on fair value due to changes in significant unobservable inputs

The explanation is omitted because unadjusted quoted prices provided by third parties are used as significant unobservable inputs.

# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

### VII. Securities

#### 1. Trading securities

The unrealized valuation gains (losses) on trading securities included in profits (losses) amounted to ¥45,148 million and ¥(17,083) million (U.S. \$139 million) for the years ended March 31, 2021 and 2022, respectively.

#### 2. Held-to-maturity debt securities

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, are shown in the following table. Among the held-to-maturity debt securities, disposition of securities due to considerable deterioration of the issuer's credit standing amounted to ¥4,887 million resulting in losses on sales of ¥112 million for the year ended March 31, 2021. In addition, no held-to-maturity debt securities were sold during the year ended March 31, 2022.

As of March 31	Millions of Yen						Millions of U.S. Dollars		
	2021			2022			2022		
	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	¥ 3,227,182	¥ 3,793,137	¥ 565,954	¥ 3,060,237	¥ 3,528,830	¥ 468,592	\$ 25,003	\$ 28,832	\$ 3,828
2) Corporate bonds	410,714	475,162	64,447	367,284	420,506	53,221	3,000	3,435	434
3) Others	266,823	281,115	14,292	243,957	255,791	11,833	1,993	2,089	96
Total	3,904,720	4,549,415	644,694	3,671,479	4,205,128	533,648	29,998	34,358	4,360
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	—	—	—	—	—	—	—	—	—
2) Corporate bonds	2,991	2,991	(0)	—	—	—	—	—	—
3) Others	8,000	7,906	(93)	21,000	20,457	(542)	171	167	(4)
Total	10,991	10,898	(93)	21,000	20,457	(542)	171	167	(4)

(\*) This table includes financial instruments that are deemed appropriate to be treated as securities under the "Financial Instruments and Exchange Act".

# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

### 3. Policy-reserve-matching bonds

Disposition of policy-reserve-matching bonds amounted to ¥786,256 million and ¥477,685 million (U.S. \$3,902 million) resulting in total gains on sales of ¥6,220 million and ¥13,234 million (U.S. \$108 million) for the years ended March 31, 2021 and 2022, respectively. Total losses on sales were ¥35,679 million and ¥17,048 million (U.S. \$139 million) for the years ended March 31, 2021 and 2022, respectively. The carrying amounts in the non-consolidated balance sheets of policy-reserve-matching bonds by security type are 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		
	2021			2022			2022		
	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	¥ 7,637,948	¥ 8,953,434	¥ 1,315,486	¥ 7,165,711	¥ 8,224,240	¥ 1,058,528	\$ 58,548	\$ 67,196	\$ 8,648
2) Corporate bonds	17,038	20,443	3,405	13,686	16,322	2,635	111	133	21
3) Others	631,053	682,972	51,918	429,681	439,836	10,154	3,510	3,593	82
Total	8,286,040	9,656,850	1,370,809	7,609,080	8,680,399	1,071,318	62,170	70,924	8,753
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	1,926,000	1,905,510	(20,489)	4,055,209	3,852,508	(202,700)	33,133	31,477	(1,656)
2) Corporate bonds	336	333	(2)	21,976	20,477	(1,498)	179	167	(12)
3) Others	436,146	405,271	(30,874)	892,220	813,455	(78,764)	7,289	6,646	(643)
Total	2,362,482	2,311,115	(51,367)	4,969,405	4,686,441	(282,963)	40,603	38,291	(2,311)



# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

### 4. Available-for-sale securities

Disposition of available-for-sale securities amounted to ¥1,359,485 million and ¥1,831,922 million (U.S. \$14,967 million) resulting in total gains on sales of ¥91,255 million and ¥100,286 million (U.S. \$819 million) and total losses of ¥27,096 million and ¥48,666 million (U.S. \$397 million) for the years ended March 31, 2021 and 2022, 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 are shown in the following table.

As of March 31	Millions of Yen						Millions of U.S. Dollars		
	2021			2022			2022		
	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	¥ 1,408,942	¥ 4,410,200	¥ 3,001,258	¥ 1,344,535	¥ 4,299,196	¥ 2,954,661	\$ 10,985	\$ 35,127	\$ 24,141
(2) Bonds	4,495,430	4,828,182	332,752	3,317,908	3,572,944	255,036	27,109	29,193	2,083
1) National & local government bonds	2,862,000	3,099,231	237,231	2,094,205	2,282,670	188,464	17,110	18,650	1,539
2) Corporate bonds	1,633,430	1,728,950	95,520	1,223,702	1,290,274	66,571	9,998	10,542	543
(3) Others	7,009,004	7,779,831	770,826	6,246,580	7,089,323	842,742	51,038	57,924	6,885
Total	12,913,377	17,018,214	4,104,837	10,909,023	14,961,464	4,052,440	89,133	122,244	33,110
Securities whose balance sheet amount does not exceed the acquisition or amortized costs									
(1) Domestic stocks	160,982	139,151	(21,831)	216,603	189,255	(27,347)	1,769	1,546	(223)
(2) Bonds	104,911	103,472	(1,439)	448,563	439,578	(8,984)	3,665	3,591	(73)
1) National & local government bonds	20,165	20,034	(130)	112,648	111,269	(1,378)	920	909	(11)
2) Corporate bonds	84,746	83,437	(1,309)	335,914	328,308	(7,605)	2,744	2,682	(62)
(3) Others	2,517,830	2,425,878	(91,951)	4,269,985	4,006,632	(263,353)	34,888	32,736	(2,151)
Total	2,783,724	2,668,501	(115,222)	4,935,152	4,635,467	(299,684)	40,323	37,874	(2,448)

(\*) 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 ¥1,501 million and ¥2,004 million (U.S. \$16 million) for the years ended March 31, 2021 and 2022, respectively.

**Meiji Yasuda Life Insurance Company**  
**Notes to the Non-consolidated Financial Statements**

**VIII. Derivative Transactions**

**1. Hedge accounting not applied**

**(1) Interest-rate related**

As of March 31	Millions of Yen			
	2021			
	Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Interest rate swaps				
Receipts fixed, payments floating	¥ 87,000	¥ 87,000	¥ (1,320)	¥ (1,320)
Total				(1,320)

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	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	¥ 116,300	¥ 116,300	¥ (3,405)	¥ (3,405)	\$ 950	\$ 950	\$ (27)	\$ (27)
Total				(3,405)				(27)

(\*) Net gains (losses) represent the fair values.

# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

### (2) Currency-related

As of March 31	Millions of Yen			
	Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Foreign currency forward contracts				
Sold	¥ 898,760	¥ —	¥ (40,836)	¥ (40,836)
(U.S. dollar)	821,769	—	(38,179)	(38,179)
(Euro)	22,427	—	64	64
(Australian dollar)	54,482	—	(2,721)	(2,721)
(Others)	80	—	(0)	(0)
Bought	5,775	—	31	31
(U.S. dollar)	3,502	—	35	35
(Euro)	1,536	—	(2)	(2)
(Australian dollar)	712	—	(2)	(2)
(Others)	24	—	0	0
Cross currency swaps				
Receipts foreign currency, payments yen				
(Australian dollar)	78,660	78,660	7,315	7,315
(U.S. dollar)	8,280	8,280	507	507
Total				(32,982)

# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	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	¥ 1,134,865	¥ —	¥ (82,880)	¥ (82,880)	\$ 9,272	\$ —	\$ (677)	\$ (677)
(U.S. dollar)	904,313	—	(73,420)	(73,420)	7,388	—	(599)	(599)
(Euro)	114,601	—	(3,178)	(3,178)	936	—	(25)	(25)
(Australian dollar)	115,613	—	(6,282)	(6,282)	944	—	(51)	(51)
(Others)	337	—	1	1	2	—	0	0
Bought	249,356	—	4,373	4,373	2,037	—	35	35
(U.S. dollar)	164,709	—	4,400	4,400	1,345	—	35	35
(Euro)	35,252	—	(45)	(45)	288	—	(0)	(0)
(Australian dollar)	49,051	—	18	18	400	—	0	0
(Others)	341	—	(0)	(0)	2	—	(0)	(0)
Currency options								
Sold								
Call	493,358	—			4,031	—		
[907]			14,900	(13,993)	[7]		121	(114)
(U.S. dollar)	493,358	—	14,900	(13,993)	4,031	—	121	(114)
[907]					[7]			
Bought								
Put	444,806	—			3,634	—		
[907]			77	(830)	[7]		0	(6)
(U.S. dollar)	444,806	—			3,634	—		
[907]			77	(830)	[7]		0	(6)
Cross currency swaps								
Receipts foreign currency, payments yen								
(Australian dollar)	93,320	93,320	5,170	5,170	762	762	42	42
(U.S. dollar)	38,400	38,400	1,792	1,792	313	313	14	14
Total				(86,367)				(705)

(\*) 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.

(\*) Option fees are shown in [ ].

**Meiji Yasuda Life Insurance Company**  
**Notes to the Non-consolidated Financial Statements**

**(3) Stock-related**

As of March 31	Millions of Yen			
	Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions				
Yen Stock index futures				
Sold	¥ 2,140	¥ —	¥ (67)	¥ (67)
Bought	4,656	—	33	33
Foreign currency-denominated stock index futures				
Sold	539	—	(1)	(1)
Bought	4,840	—	32	32
Yen stock index option				
Bought				
Put	99,981	—		
	[302]	—	214	(88)
<b>Total</b>				<b>(91)</b>

**Meiji Yasuda Life Insurance Company**  
**Notes to the Non-consolidated Financial Statements**

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2022				2022			
	Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/con- tract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions								
Yen Stock index futures								
Sold	¥ 1,580	¥ —	¥ (35)	¥ (35)	\$ 12	\$ —	\$ (0)	\$ (0)
Bought	4,159	—	201	201	33	—	1	1
Foreign currency-denominated stock index futures								
Bought	4,117	—	116	116	33	—	0	0
Total				282				2

(\*) Net gains (losses) represent the difference between the option fees and the fair values for option transactions.

(\*) Option fees are shown in [ ].

**(4) Bond-related**

As of March 31	Millions of Yen			
	2021			
	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	¥ 803	¥ —	¥ (8)	¥ (8)
Total				(8)

(\*) Net gains (losses) represent the fair values.

No ending balance as of March 31, 2022.

**Meiji Yasuda Life Insurance Company**  
**Notes to the Non-consolidated Financial Statements**

**2. Hedge accounting applied**

**(1) Interest-rate related**

As of March 31	Millions of Yen			
	2021			
	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	¥ 411,200	¥ 408,000	¥ 46,989
Special hedge accounting				
Interest rate swaps				
Receipts fixed, payments floating	Loans	3,120	3,120	134
Total				47,124

As of March 31	Millions of Yen				Millions of U.S. Dollars		
	2022				2022		
	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	¥ 672,200	¥ 668,900	¥ 17,322	\$ 5,492	\$5,465	\$ 141
Special hedge accounting							
Interest rate swaps							
Receipts fixed, payments floating	Loans	3,018	3,018	89	24	24	0
Total				17,411			142

**Meiji Yasuda Life Insurance Company**  
**Notes to the Non-consolidated Financial Statements**

**(2) Currency-related**

As of March 31	Millions of Yen			
				2021
	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-	¥ 4,283,029	¥ —	¥ (227,340)
(U.S. dollar)	denominated bonds	3,107,080	—	(142,681)
(Euro)		259,122	—	(13,256)
(Australian dollar)		796,361	—	(67,254)
(Others)		120,465	—	(4,147)
Deferred hedge accounting				
Foreign currency forward contracts				
Sold	Foreign-currency-	42,322	—	(1,229)
(U.S. dollar)	denominated bonds	42,322	—	(1,229)
Cross currency swaps				
Receipts yen, payments foreign currency				
(U.S. dollar)		81,785	81,785	(3,188)
(Euro)	Foreign-currency-	35,575	35,575	(3,013)
(Australian dollar)	denominated bonds	12,404	12,404	(638)
Foreign currency forward contracts, etc., allocated to and/or combined with corresponding hedged items:				
Cross Currency swaps				
Receipts foreign currency, payments yen				
(U.S. dollar)	Foreign-currency-	345,735	345,735	(*)
	dominated bonds			
	payable			
Receipts yen, payments foreign currency				
(U.S. dollar)	Foreign-currency-	131,049	131,049	(*)
	dominated loans			
Total				(235,410)



**Meiji Yasuda Life Insurance Company**  
**Notes to the Non-consolidated Financial Statements**

As of March 31	Millions of Yen				Millions of U.S. Dollars		
	2022				2022		
	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-	¥ 4,558,542	—	¥ (365,831)	\$ 37,246	—	\$ (2,989)
(U.S. dollar)	denominated bonds	3,225,926	—	(237,894)	26,357	—	(1,943)
(Euro)		213,676	—	(6,309)	1,745	—	(51)
(Australian dollar)		1,033,020	—	(115,185)	8,440	—	(941)
(Others)		85,918	—	(6,441)	702	—	(52)
Deferred hedge accounting							
Foreign currency forward contracts							
Sold	Foreign-currency-	—	—	—	—	—	—
(U.S. dollar)	denominated bonds	—	—	—	—	—	—
Cross currency swaps							
Receipts yen, payments foreign currency	Foreign-currency-						
(U.S. dollar)	denominated bonds	81,785	76,594	(8,811)	668	625	(71)
(Euro)		35,575	35,575	(2,543)	290	290	(20)
(Australian dollar)		12,404	12,404	(658)	101	101	(5)
Foreign currency forward contracts, etc., allocated to and/or combined with corresponding hedged items:							
Cross Currency swaps							
Receipts foreign currency, payments yen	Foreign-currency-						
(U.S. dollar)	dominated bonds	345,735	345,735	(*)	2,824	2,824	(*)
	payable						
Receipts yen, payments foreign currency	Foreign-currency-						
(U.S. dollar)	dominated loans	131,049	131,049	(*)	1,070	1,070	(*)
Total				(377,845)			(3,087)

(\*) As foreign currency swaps which apply the currency allotment method are accounted for as combined with foreign currency-denominated bonds payable and loans as hedged items, their fair value is included in the fair value of such foreign currency-denominated bonds payable and loans.

# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

### IX. 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

##### (1) Changes in the retirement benefit Obligations

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2022	2022
Balance at the beginning of the fiscal year	¥258,468	¥253,872	\$2,074
Service costs	9,169	8,594	70
Interest cost on retirement benefit obligations	2,326	2,168	17
Actuarial losses (gains) recognized	773	2,670	21
Benefits paid	(16,866)	(16,724)	(136)
Past service costs	—	(12,981)	(106)
Balance at the end of the fiscal year	253,872	237,599	1,941

##### (2) Changes in the plan assets

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2021	2022	2022
Balance at the beginning of the fiscal year	¥322,289	¥379,540	\$3,101
Expected return on plan assets	3,264	3,505	28
Actuarial gains (losses) recognized	64,091	38,989	318
Contributions by employer	1,631	2,264	18
Benefits paid	(11,736)	(11,683)	(95)
Balance at the end of the fiscal year	379,540	412,616	3,371

**Meiji Yasuda Life Insurance Company**  
**Notes to the Non-consolidated Financial Statements**

**(3) 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**

	Millions of Yen		Millions of U.S. Dollars
<b>As of March 31</b>	<b>2021</b>	<b>2022</b>	<b>2022</b>
Present value of funded retirement benefit obligations	¥252,937	¥236,869	\$1,935
Plan assets at fair value	(379,540)	(412,616)	(3,371)
Net present value of funded retirement benefit obligations	(126,602)	(175,746)	(1,435)
Present value of non-funded retirement benefit obligations	934	729	5
Unrecognized actuarial losses (gains)	22,196	50,054	408
Unrecognized past service costs	9,156	19,449	158
Accrued retirement benefits			
(Prepaid pension cost)	(94,314)	(105,512)	(862)

**(4) The amounts recognized in retirement benefit expenses in the statements of income**

	Millions of Yen		Millions of U.S. Dollars
<b>Years ended March 31</b>	<b>2021</b>	<b>2022</b>	<b>2022</b>
Service costs	¥9,169	¥8,594	\$70
Interest cost on retirement benefit obligations	2,326	2,168	17
Expected return on plan assets	(3,264)	(3,505)	(28)
Amortization of net actuarial losses (gains)	(5,488)	(8,460)	(69)
Amortization of net past service costs	(1,390)	(2,688)	(21)
Retirement benefit expenses	1,352	(3,892)	(31)

**(5) Plan assets**

Plan assets as of March 31, 2021 and 2022 were comprised as follows:

	% of total fair value of plan assets	
<b>As of March 31</b>	<b>2021</b>	<b>2022</b>
Debt securities	5.7%	6.4%
Stocks	37.4%	41.5%
General account of life insurance companies	26.4%	23.6%
Jointly invested assets	19.8%	17.8%
Investment trusts	4.6%	4.2%
Cash and deposits	2.0%	2.0%
Others	4.2%	4.5%
Total	100.0%	100.0%

# Meiji Yasuda Life Insurance Company

## Notes to the Non-consolidated Financial Statements

Plan assets include the retirement benefit trusts. The amounts of the retirement benefit trusts were 53.8% and 56.6% of total plan assets as of March 31, 2021 and 2022, respectively.

### (6) 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.

### (7) Assumptions used in calculation

Assumptions used in accounting for the defined benefit plans for the years ended March 31, 2021 and 2022 were as follows:

<b>Years ended March 31</b>	<b>2021</b>	<b>2022</b>
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 ¥973 million and ¥1,134 million (U.S. \$9 million) for the years ended March 31, 2021 and 2022, respectively.

**Meiji Yasuda Life Insurance Company**  
**Notes to the Non-consolidated Financial Statements**

**X. Deferred Taxes**

**1. Deferred tax assets/liabilities**

	Millions of Yen		Millions of U.S. Dollars
As of March 31	2021	2022	2022
Deferred tax assets	¥ 821,795	¥859,309	\$7,021
Valuation allowance for deferred tax assets	(4,493)	(10,807)	(88)
Deferred tax liabilities	(1,128,247)	(1,089,934)	(8,905)

**2. Major components of deferred tax assets/liabilities**

Major components of deferred tax assets/liabilities were as follows:

	Millions of Yen		Millions of U.S. Dollars
As of March 31	2021	2022	2022
Deferred tax assets			
Policy reserves and other reserves	¥488,334	¥527,035	\$4,306
Reserve for price fluctuation	237,682	243,076	1,986
Deferred tax liabilities			
Net unrealized gains on available-for-sale securities	1,081,955	1,015,518	8,297

**3. The statutory tax rates**

The statutory tax rates were 27.96% and 27.96% for the years ended March 31, 2021 and 2022, 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	2021	2022
Policyholders' dividend reserves	(24.86)%	(20.63)%

**XI. Fair Value of Investment and Rental Properties**

The carrying amounts of investment and rental properties were ¥605,121 million and ¥608,568 million (U.S. \$4,972 million), and their fair values were ¥917,936 million and ¥931,370 million (U.S. \$7,609 million) as of March 31, 2021 and 2022, 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.

# **Meiji Yasuda Life Insurance Company**

## **Notes to the Non-consolidated Financial Statements**

### **XII. Subsequent Events**

#### **1. Financing through a JPY denominated subordinated loan**

The Company received financing through subordinated borrowings of ¥71,600 million on August 3, 2022, and the repayments for the borrowings are subordinated to other obligations

#### **2. Redemption of foundation funds**

The Company redeemed foundation funds on August 1, 2022 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.

#### **3. Appropriation of surplus**

The proposed appropriation of surplus of the Company for the year ended March 31, 2022 was approved as planned at the annual meeting of the representatives of policyholders held on July 5, 2022.