

# Financial Summary for the 3rd Quarter of FY2022 Ended December 31, 2022

February 10, 2023

Meiji Yasuda life Insurance Company



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**Insurance premium  
of the Group  
JPY2,868.8 billion**

**Increased by JPY795.4 billion (+38.4%) year-on-year**

- Mainly due to sales increase in single premium foreign currency-denominated products at Meiji Yasuda Life and increase of insurance premiums at StanCorp.

**Base profit of the Group  
JPY285.9 billion**

**Decreased by JPY1.8 billion (-0.6%) year-on-year**

- Mainly due to increase of claim payments related to COVID-19 despite increase of interest and dividends at Meiji Yasuda Life.

**On-balance sheet capital  
JPY4,218.2 billion  
Consolidated solvency  
margin ratio  
947.6%**

**Increased by JPY79.5 billion from the end of FY2021**

**Decreased by 187.9 pts from the end of FY2021**

- Maintaining solid financial soundness in both indicators.

**Business outlook for  
FY2022**

- An increase in insurance premiums of the Group and a decrease in base profit of the Group year-on-year (No change from the previous report for the 1st half of FY2022).

### 1. Insurance Premiums of the Group

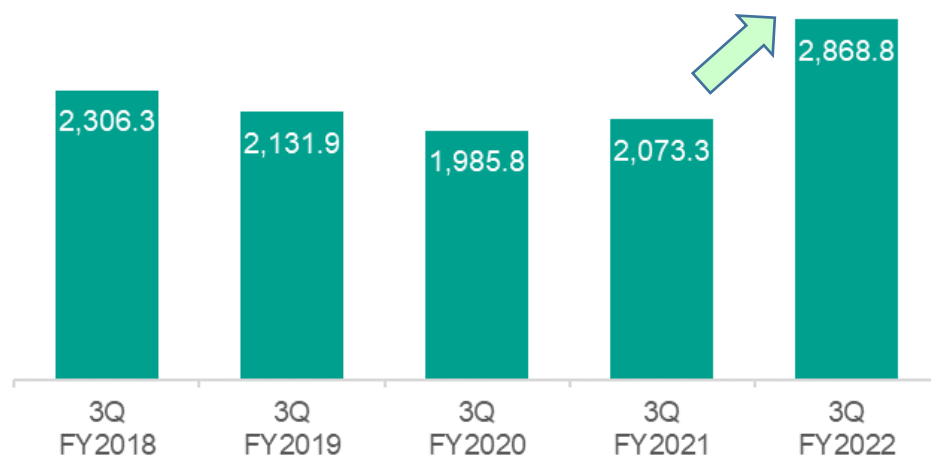
#### ■ Insurance premiums of the Group

(billion of JPY)

	3Q FY2021	3Q FY2022	Change
Insurance premiums of the Group <sup>*1</sup>	2,073.3	2,868.8	+38.4%
Meiji Yasuda Life	1,806.9	2,484.8	+37.5%
Overseas insurance business and other businesses <sup>*2</sup>	266.3	383.9	+44.1%
StanCorp	249.3	349.4	+40.1%

#### ■ Trend of insurance premiums

(billion of JPY)



- Insurance premiums of the Group increased by 38.4% year-on-year to JPY2,868.8 billion.
- This was mainly due to sales increase of single premium foreign currency-denominated products at Meiji Yasuda Life and increase of insurance premiums at StanCorp.

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

\*2 The sum of overseas insurance business and domestic business except for domestic life insurance business. The accounting period for consolidated overseas subsidiaries and affiliates is from January 1 to September 30, 2022.

### 2. Base Profit of the Group

#### ■ Base profit of the Group

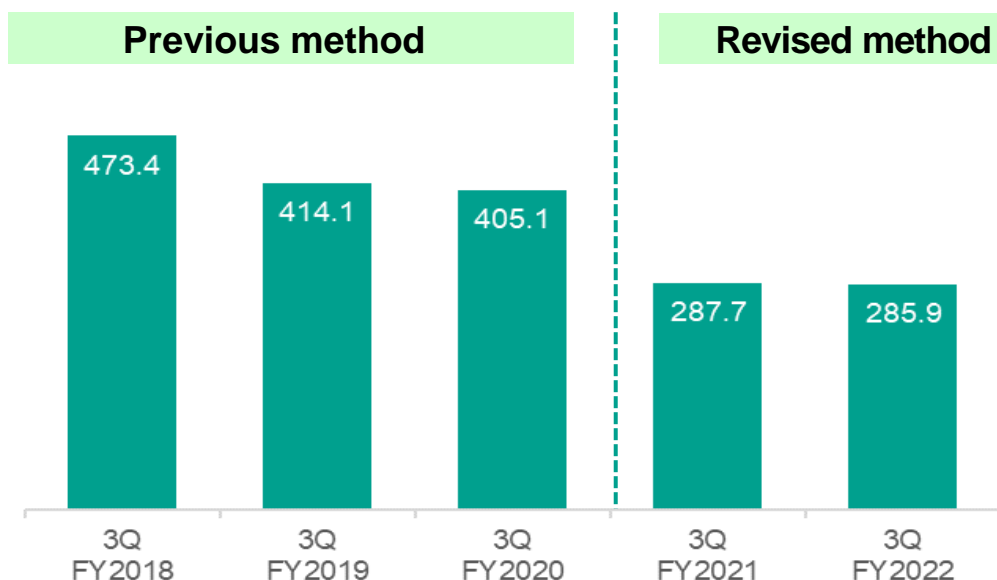
(billion of JPY)

	3Q FY2021	3Q FY2022	Change
Base profit of the Group <sup>*1*2</sup>	287.7	285.9	-0.6%
Meiji Yasuda Life	265.4	256.6	-3.3%
Overseas insurance business and other businesses <sup>*3</sup>	29.8	36.2	+21.8%
StanCorp	19.5	26.9	+37.7%

- Base profit of the Group decreased by 0.6% year-on-year to JPY285.9 billion due to increase of claim payments related to COVID-19 despite increase of interest and dividends at Meiji Yasuda Life.
- Base profit of StanCorp increased by 37.7% year-on-year due to favorable asset management business and decrease in claim payments related to COVID-19.

#### ■ Trend of base profit<sup>\*2</sup>

(billion of JPY)



<sup>\*1</sup> Base profit of the Group is the total of base profit of Meiji Yasuda Life and pretax profit (excluding capital gains/losses and others) of the consolidated subsidiaries and affiliates attributable to the Group, where internal group transactions are partially eliminated.

<sup>\*2</sup> The calculation method for base profit was revised in FY2022 to include currency hedge costs and exclude gains/losses on cancellation of investment trusts, gains/losses on currency fluctuations for redemption of securities and gains/losses on reinsurance. Following this change, figures for 3Q FY2021 and FY2022 are calculated by the revised method, and figures for 3Q FY2018, FY2019 and FY2020 are by the previous method, respectively.

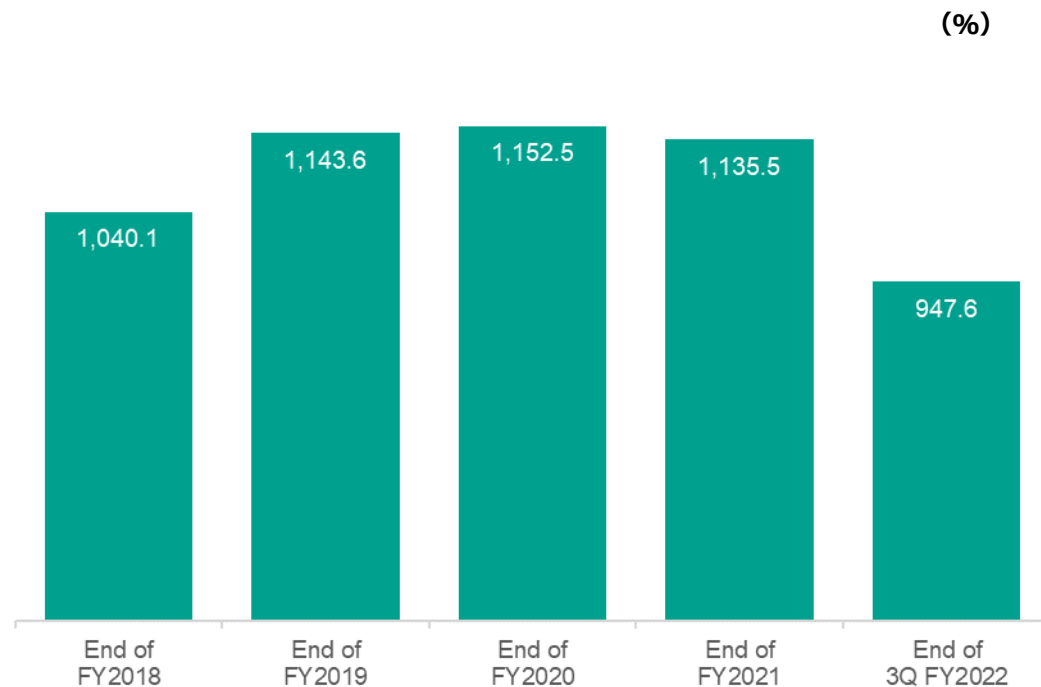
<sup>\*3</sup> Excluding domestic life insurance business. The accounting period for consolidated overseas subsidiaries and affiliates is from January 1 to September 30, 2022.

### 3. Indicators of Soundness

#### ■ Consolidated solvency margin ratio

	End of FY2021	End of 3Q FY2022	Difference
Consolidated solvency margin ratio <sup>*1</sup>	1,135.5%	947.6%	-187.9pts

#### ■ Trend of Consolidated Solvency Margin Ratio



- Consolidated solvency margin ratio decreased from the end of FY2021 due to a decrease in unrealized gains/losses on public and corporate bonds caused by the rise in domestic and overseas interest rate.

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

## 1. Insurance Premiums and Other

### ■ Insurance premiums and other

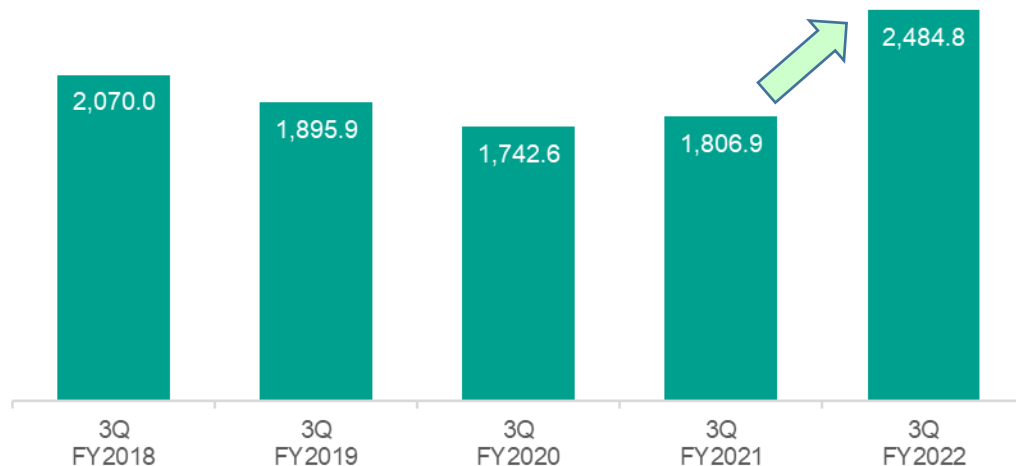
(billion of JPY)

	3Q FY2021	3Q FY2022	Change
Insurance premiums and other	1,806.9	2,484.8	+37.5%
Individual life insurance and annuities	1,198.5	1,841.6	+53.7%
Agency channel	980.2	1,307.3	+33.4%
Bancassurance channel	191.7	507.6	+164.7%
Group insurance	216.6	219.9	+1.5%
Group pensions	363.8	393.4	+8.1%

- Insurance premiums and other increased by 37.5% year-on-year to JPY2,484.8 billion.
- This was mainly due to sales increase of foreign currency-denominated single premium products of agency channel and bancassurance channel.

### ■ Trends of Insurance Premiums and other

(billion of JPY)



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

### ■ Annualized new premiums

(billion of JPY)

	3Q FY2021	3Q FY2022	Change
Annualized new premiums	77.8	127.9	+64.3%
Agency channel	67.4	97.3	+44.3%
Bancassurance channel	9.3	29.6	+216.9%
Protection-type products *1	29.9	32.7	+9.3%
Third-sector insurance premiums*2	33.2	35.0	+5.3%

### ■ Annualized premiums in force

(billion of JPY)

	End of FY2021	End of 3Q FY2022	Difference
Annualized new premiums	2,167.9	2,173.6	+ 0.3%
Protection-type products *1	609.4	614.5	+ 0.8%
Third-sector insurance premiums*2	475.0	486.0	+ 2.3%

- Annualized new premiums increased by 64.3% from 3Q FY2021 mainly due to sales increase of single premium foreign currency-denominated products and favorable sales of “Whole life medical insurance” and “Whole life cancer insurance”, which are new products in FY2022.
- Annualized new premiums increased by 0.3% from the end of FY2021 mainly due to favorable new sales growth.

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

\*2 Reflect medical benefit, living needs, premium waiver benefit and others.



## 3. Base Profit

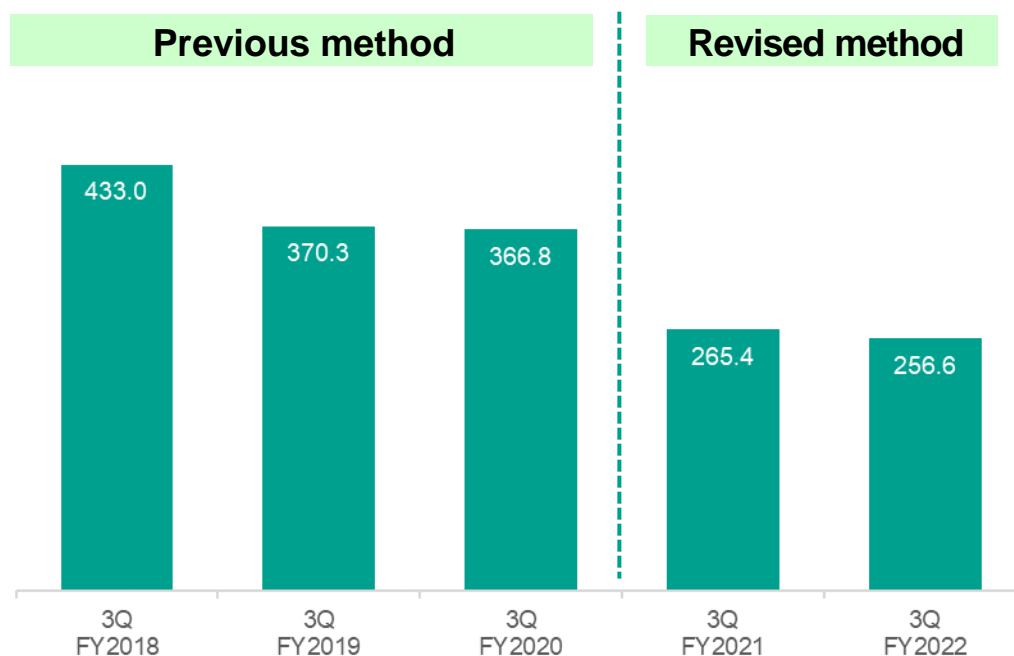
### ■ Base profit

(billion of JPY)

	3Q FY2021	3Q FY2022	Change
Base profit*	265.4	256.6	-3.3%

### ■ Trends of Base Profit \*

(billion of JPY)



○ Base profit decreased by 3.3% year-on-year to JPY256.6 billion due to increase of claim payment related to COVID-19, despite increase of interest and dividends from foreign bonds by weaker yen.

\* The calculation method for base profit was revised in FY2022 to include currency hedge costs and exclude gains/losses on cancellation of investment trusts, gains/losses on currency fluctuations for redemption of securities and gains/losses on reinsurance. Following this change, figures for 3Q FY2021 and 3Q FY2022 are calculated by the revised method, and figures for 3Q FY2018, 3Q FY2019 and 3Q FY2020 are calculated by the previous method.

## 4. Indicators of Soundness

### ■ On-balance sheet capital

(billion of JPY)

	End of FY2021	End of 3Q FY2022	Difference
On-balance sheet capital <sup>*1</sup>	4,138.7	4,218.2	+79.5

### ■ Solvency margin ratio

(billion of JPY)

	End of FY2021	End of 3Q FY2022	Difference
Solvency margin ratio <sup>*2</sup>	1,061.6%	925.5%	-136.1pts
Solvency margin total (A)	8,895.6	7,949.9	-945.6
Risk total (B)	1,675.7	1,717.9	+42.1

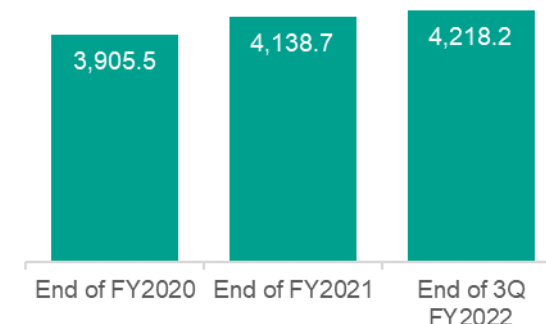
### ■ Real net assets

(billion of JPY)

	End of FY2021	End of 3Q FY2022	Difference
Real net assets	9,900.8	7,258.4	-2,642.3
Ratio for general account assets	22.8%	16.9%	-5.9pts

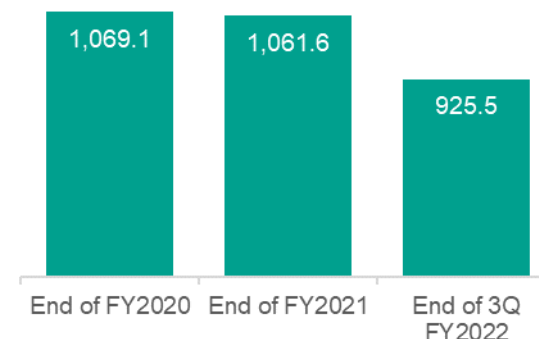
### ■ Trends of On-balance sheet capital

(billions of JPY)



### ■ Trends of Solvency Margin Ratio

(%)



<sup>\*1</sup> The total amount of specified internal reserves and externally financed capital.

<sup>\*2</sup> Solvency Margin Ratio = (A) / (1/2x (B)) x100

## 5. Unrealized Gains and Breakeven Point of Domestic Stocks

### ■ Unrealized gains in general account investment assets

(billion of JPY)

	End of FY2021	End of 3Q FY2022	Difference
Unrealized gains in general account	5,691.5	3,061.4	-2,630.1
Securities with market price <sup>*1</sup>	5,074.2	2,491.3	-2,582.8
Domestic bonds	1,624.8	203.7	-1,421.0
Domestic stocks	2,927.3	2,682.5	-244.7
Foreign securities	377.2	-440.0	-817.3
Real estate	591.9	593.4	+1.4

- Unrealized gains in general account decreased by JPY2,630.1 billion to JPY3,061.4 billion due to decrease of unrealized gains of domestic bonds and foreign securities by rise in domestic and overseas interest rate.

<sup>\*1</sup> Including securities that are deemed appropriate to be handled under the Financial Instruments and Exchange Act.

<sup>\*2</sup> Breakeven point in Nikkei 225 basis was estimated approximately JPY9,600.

### ■ Breakeven point of domestic stocks

If Meiji Yasuda's portfolio fully correlates with TOPIX.

	End of FY2021	End of 3Q FY2022 <sup>*2</sup>
TOPIX	Approx. 680pts	Approx. 690pts

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

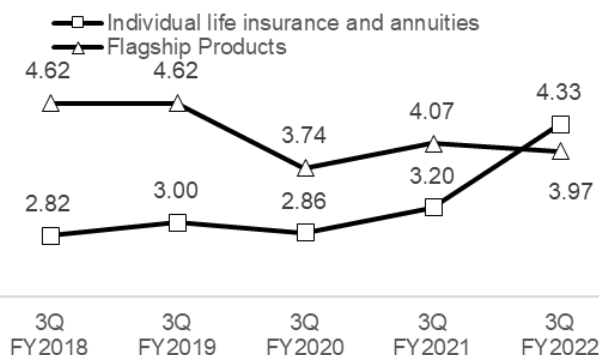
### ■ Surrender and lapse rate\*1 (individual life insurance and annuities)

	3Q FY2021	3Q FY2022	Difference
Individual life insurance and individual annuities	3.20%	4.33%	+1.13pts
Flagship products *2	4.07%	3.97%	-0.10pts

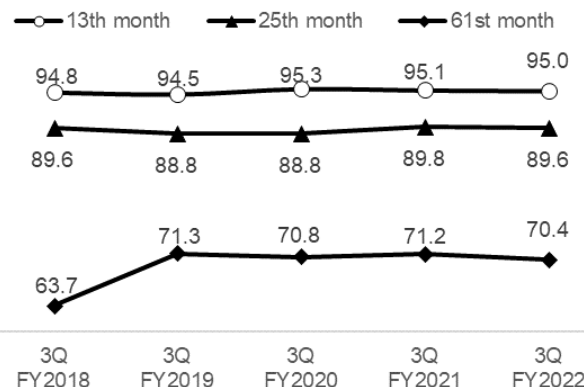
### ■ Total persistency rate\*3 (individual life insurance and annuities)

	3Q FY2021	3Q FY2022	Difference
13th month	95.1%	95.0%	-0.1pts
25th month	89.8%	89.6%	-0.2pts
61st month	71.2%	70.4%	-0.8pts

### ■ Surrender and lapse rate (%)



### ■ Total persistency rate (%)



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

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

\*2 Flagship products represent "Best Style" and "L.A.".

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

## 7. Claim Payments Related to COVID-19

### ■ Cases of claim payments (from April 1 to December 31, 2022)

(number of cases)

	FY2020	FY2021	3Q FY2022	Total
<b>Total</b>	<b>8,580</b>	<b>70,856</b>	<b>584,721</b>	<b>664,157</b>
Death benefits	525	1,162	1,027	2,714
Hospitalization benefits <sup>*1</sup>	8,055	69,694	583,694	661,443

### ■ Amount of claim payments (from April 1 to December 31, 2022)

(billion of JPY)

	FY2020	FY2021	3Q FY2022	Total
<b>Total</b>	<b>4.14</b>	<b>15.32</b>	<b>53.10</b>	<b>72.57</b>
Death benefits	3.15	8.29	5.81	17.26
Hospitalization benefits <sup>*1</sup>	0.98	7.02	47.29	55.30

- Claim payments related to COVID-19 significantly increased in both number of cases and amount because of the rapid increase of patients under the 6<sup>th</sup> and 7<sup>th</sup> wave.

<sup>\*1</sup> We paid hospitalization benefits to policyholders who had been diagnosed with COVID-19 infection and undergone treatment at their homes, defining their status as “quasi hospitalization” upon the provision of a certificate issued by a physician or medical institution with regard to the period of said treatment.<sup>\*2</sup> Those payments were below;  
in FY2020: 5,145 cases, JPY0.51 billion  
in FY2021: 64,743 cases, JPY6.16 billion  
In FY2022: 581,907 cases, JPY46.89 billion<sup>\*3</sup>

<sup>\*2</sup> Claims based on “quasi hospitalization” were limited to 4 categories regarded as “potentially severe cases” since September 26, 2022.

<sup>\*3</sup> Cumulative amounts at the end of 3Q FY2022.

### Insurance Premiums, Base Profit and Net Income of StanCorp

#### ■ Insurance premiums, base profit and net income<sup>\*1, 2</sup>

(billion of JPY)

	3Q FY2021	3Q FY2022	Change <sup>*3</sup>
Insurance premiums and other	249.3	349.4	+40.1%
Base profit equivalents <sup>*4</sup>	19.5	26.9	+37.7%
Net income	11.0	13.9	+26.8%

\*1 StanCorp's 3Q results from January to September 2022 are reflected in the Group's 3rd results from April to December 2022 because of the difference of accounting period.

\*2 Exchange rates of JPY111.92 (as of the end of September 2021) and JPY144.81 (as of the end of September 2022) per USD are applied to 3Q FY2021 and 3Q FY2022, respectively.

\*3 Change is calculated based on JPY. Change based on USD is +8.3% in insurance premium and other, and +6.4% in base profit equivalents.

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

- Insurance premiums and other increased by 40.1% year-on-year to JPY349.4 billion due to new sales growth and favorable renewal rate of existing group insurance policies.
- Base profit equivalents and net income increased year-on-year due to favorable asset management business and decrease in claim payments related to COVID-19.

## Business Outlook for FY2022

### ■ Outlook for insurance premiums of the Group (billions of JPY)

	FY2022 Outlook <sup>*1</sup>	Change	FY2021 actual
Insurance premiums of the Group <sup>*2</sup>	Approx. 3,500.0	Increase (+25%)	2,809.8
Meiji Yasuda Life	Approx. 3,020.0	Increase (+24%)	2,443.5
StanCorp	Approx. 430.0	Increase (+25%)	343.0

### ■ Outlook for revised base profit of the Group (billions of JPY)

	FY2022 Outlook <sup>*1</sup>	Change	FY2021 actual
Base profit of the Group <sup>*3</sup>	Approx. 380.0	Decrease (-16%)	451.8
Meiji Yasuda Life	Approx. 350.0	Decrease (-20%)	436.6
StanCorp	Approx. 35.0	Increase (+56%)	22.5

<sup>\*1</sup> Outlook is based on our current information and reasonable assumption. Actual financial results may be different from this outlook due to various factors.

<sup>\*2</sup> Insurance premiums of the Group represent “Insurance premiums and other” in the consolidated statements of income.

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

- Business outlook for FY2022 has not changed from the report of the 1st half of FY2022.
- Insurance premiums of the Group are expected to increase due to favorable new sales of foreign currency-denominated products, exceeding JPY3 trillion since FY2018.
- Base profit of the Group are expected to decrease due to increase in claim payments related to COVID-19, higher reserving costs for standard policy reserves, and higher hedging costs related to foreign exchange rates.