



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, 2022 and 2023, 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, 2022 and 2023, 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, 2023 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, 2023

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
	2022	2023	2023
ASSETS:			
Cash and deposits			
Cash	¥ 53	¥ 5	\$ 0
Deposits	786,458	1,305,220	9,774
Subtotal	786,511	1,305,226	9,774
Call loans	40,004	90,000	674
Monetary claims bought	182,781	171,153	1,281
Money held in trust	157,609	119,533	895
Securities (*1, *2, *3, *5)			
National government bonds	16,542,101	16,414,388	122,926
Local government bonds	271,069	265,056	1,984
Corporate bonds	2,097,467	2,009,302	15,047
Domestic stocks	4,642,538	4,695,958	35,167
Foreign securities	12,187,473	12,448,233	93,224
Other securities	1,307,576	1,210,460	9,065
Subtotal	37,048,227	37,043,400	277,416
Loans (*6, *7)			
Policy loans	191,312	175,665	1,315
Industrial and consumer loans	3,742,356	3,721,667	27,871
Subtotal	3,933,668	3,897,333	29,186
Tangible fixed assets (*8, *15)			
Land	610,451	606,719	4,543
Buildings	247,333	241,955	1,811
Construction in progress	8,537	16,474	123
Other tangible fixed assets	3,016	2,571	19
Subtotal	869,340	867,720	6,498
Intangible fixed assets			
Software	56,849	56,944	426
Other intangible fixed assets	34,206	39,943	299
Subtotal	91,056	96,888	725
Reinsurance receivables	940	1,944	14
Other assets			
Accounts receivable	191,825	109,985	823
Prepaid expenses	8,097	8,736	65
Accrued income	110,661	129,181	967
Money on deposit	12,801	13,140	98
Deposits for futures transactions	1,345	14,861	111
Margins on futures transactions	257	352	2
Derivative financial instruments	54,687	76,321	571
Cash collaterals pledged for financial instruments	552,578	174,311	1,305
Suspense	10,156	9,003	67
Other assets	7,688	6,898	51
Subtotal	950,099	542,792	4,064
Prepaid pension cost	105,512	117,262	878
Customers' liabilities under acceptances and guarantees	5,473	5,743	43
Allowance for possible loan losses	(10,518)	(11,731)	(87)
Total assets	¥ 44,160,706	¥ 44,247,267	\$ 331,365

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

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2023	2023
LIABILITIES:			
Policy reserves and other reserves			
Reserve for outstanding claims (*17)	¥ 135,242	¥ 139,325	\$ 1,043
Policy reserves (*17)	33,069,484	33,497,956	250,864
Policyholders' dividend reserves (*9)	281,323	288,339	2,159
Subtotal	33,486,050	33,925,622	254,067
Reinsurance payables	698	722	5
Bonds payable (*10)	640,735	640,735	4,798
Other liabilities			
Payables under repurchase agreements	238,405	330,630	2,476
Payables under securities borrowing transactions	3,454,623	3,789,618	28,380
Borrowings (*11)	200,000	271,600	2,033
Income taxes payable	—	19,047	142
Accounts payable	85,016	42,189	315
Accrued expenses	37,382	39,361	294
Deferred income	2,690	2,820	21
Deposits received	32,483	32,456	243
Guarantee deposits received	34,281	32,479	243
Margins on futures transactions	272	179	1
Derivative financial instruments	504,701	167,208	1,252
Cash collaterals received for financial instruments	18,347	79,525	595
Asset retirement obligations	3,459	3,529	26
Suspense receipts	2,281	3,024	22
Subtotal	4,613,945	4,813,669	36,049
Reserve for price fluctuation	869,373	1,072,330	8,030
Deferred tax liabilities	241,432	395	2
Deferred tax liabilities for land revaluation (*15)	78,954	78,178	585
Acceptances and guarantees	5,473	5,743	43
Total liabilities	39,936,663	40,537,397	303,582
NET ASSETS:			
Foundation funds	150,000	100,000	748
Reserve for redemption of foundation funds	830,000	880,000	6,590
Reserve for revaluation	452	452	3
Surplus	412,715	315,738	2,364
Reserve for future losses	12,963	13,419	100
Other surplus	399,752	302,319	2,264
Reserve for fund redemption	90,000	70,000	524
Fund for price fluctuation allowance	29,764	29,764	222
Reserve for promotion of social welfare project	536	774	5
Reserve for business infrastructure	70,000	10,000	74
Reserve for reduction entry of real estate	25,643	25,101	187
Unappropriated surplus	183,807	166,680	1,248
Total funds, reserve and surplus	1,393,168	1,296,191	9,707
Net unrealized gains (losses) on available-for-sale securities	2,704,190	2,320,146	17,375
Deferred unrealized gains (losses) on derivatives under hedge accounting	4,795	(28,011)	(209)
Land revaluation differences (*15)	121,889	121,544	910
Total unrealized gains, revaluation reserves and adjustments	2,830,875	2,413,678	18,075
Total net assets	4,224,043	3,709,870	27,783
Total liabilities and net assets	¥ 44,160,706	¥ 44,247,267	\$ 331,365

Meiji Yasuda Life Insurance Company

Non-consolidated Statements of Income

Years ended March 31	Millions of Yen		Millions of U.S. Dollars	
	2022	2023	2022	2023
ORDINARY INCOME:				
Insurance premiums and other				
Insurance premiums	¥ 2,440,413	¥ 3,194,937	\$ 23,926	
Reinsurance revenue	3,175	8,755	65	
Subtotal	2,443,588	3,203,693	23,992	
Investment income (*2)				
Interest, dividends and other income	888,380	988,501	7,402	
Interest on deposits	516	6,137	45	
Interest and dividends on securities	769,858	855,613	6,407	
Interest on loans	59,457	59,579	446	
Rent revenue from real estate	38,987	43,971	329	
Other interest and dividends	19,559	23,199	173	
Gains on money held in trust	2,807	2,335	17	
Gains on sales of securities	113,521	343,043	2,569	
Gains on redemption of securities	69,499	170,717	1,278	
Foreign exchange gains	133,050	33,925	254	
Other investment income	130	454	3	
Investment gains on separate accounts	9,658	—	—	
Subtotal	1,217,048	1,538,977	11,525	
Other ordinary income				
Income from annuity riders	12,559	11,451	85	
Income from deferred benefits	35,397	29,064	217	
Reversal of accrued retirement benefits	11,198	11,749	87	
Other ordinary income	8,414	8,464	63	
Subtotal	67,569	60,729	454	
Total ordinary income	¥ 3,728,206	¥ 4,803,400	\$ 35,972	

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

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2023	2023
ORDINARY EXPENSES:			
Benefits and other payments			
Claims paid	¥ 554,432	¥ 643,750	\$ 4,821
Annuity payments	627,129	636,191	4,764
Benefit payments	407,398	451,704	3,382
Surrender benefits	665,564	961,467	7,200
Other refunds	96,786	110,332	826
Reinsurance premiums	2,228	1,642	12
Subtotal	2,353,540	2,805,089	21,007
Provision for policy reserves and other reserves			
Provision for reserve for outstanding claims (*3)	8,571	4,083	30
Provision for policy reserves (*3)	267,178	428,472	3,208
Provision for interest on policyholders' dividend reserves	57	50	0
Subtotal	275,807	432,606	3,239
Investment expenses (*2)			
Interest expenses	17,610	40,266	301
Losses on trading securities	–	33	0
Losses on sales of securities	65,714	59,172	443
Losses on valuation of securities	5,816	4,536	33
Losses on redemption of securities	9,326	900	6
Losses on derivative financial instruments	217,338	601,687	4,506
Provision for allowance for possible loan losses	3,538	1,267	9
Write-off of loans	–	60	0
Depreciation of real estate for non-insurance business	9,193	8,979	67
Other investment expenses	19,843	26,768	200
Investment losses on separate accounts	–	11,630	87
Subtotal	348,381	755,303	5,656
Operating expenses	376,126	398,165	2,981
Other ordinary expenses			
Deferred benefit payments	56,524	56,636	424
Taxes	32,562	37,039	277
Depreciation	31,544	30,564	228
Other ordinary expenses	5,341	4,940	36
Subtotal	125,972	129,180	967
Total ordinary expenses	3,479,829	4,520,345	33,852
Ordinary profit	¥ 248,377	¥ 283,055	\$ 2,119

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

Years ended March 31	Millions of Yen		Millions of
	2022	2023	U.S. Dollars
			2023
Extraordinary gains			
Gains on disposals of fixed assets	¥ 124	¥ 2,782	\$ 20
Gains on liquidation of subsidiaries and affiliates	–	498	3
Subtotal	124	3,280	24
Extraordinary losses			
Losses on disposals of fixed assets	6,419	3,041	22
Impairment losses (*4)	507	565	4
Impairment on stocks of subsidiaries and affiliates	16,257	1,602	12
Provision for reserve for price fluctuation	19,292	202,957	1,519
Contributions for promotion of social welfare project	1,587	1,725	12
Subtotal	44,064	209,892	1,571
Surplus before income taxes	204,437	76,444	572
Income taxes			
Current	12,909	51,860	388
Deferred	5,601	(79,562)	(595)
Total income taxes	18,510	(27,702)	(207)
Net surplus	¥ 185,926	¥ 104,146	\$ 779

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

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, 2023	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	Unappropriated surplus	Total surplus	Total funds, reserves and surplus
Beginning balance	150,000	830,000	452	12,963	90,000	29,764	536	70,000	25,643	183,807	412,715	1,393,168
Changes in the fiscal year												
Additions to policyholders' dividend reserves										(151,453)	(151,453)	(151,453)
Additions to reserve for future losses				456						(456)		
Additions to reserve for redemption of foundation funds		50,000										50,000
Payment of interest on foundation funds										(477)	(477)	(477)
Net surplus										104,146	104,146	104,146
Redemption of foundation funds	(50,000)											(50,000)
Additions to reserve for fund redemption					30,000					(30,000)		
Reversal of reserve for fund redemption					(50,000)						(50,000)	(50,000)
Additions to reserve for promotion of social welfare project							1,963			(1,963)		
Reversal of reserve for promotion of social welfare project							(1,725)			1,725		
Reversal of reserve for business infrastructure								(60,000)		60,000		
Reversal of reserve for reduction entry of real estate									(542)	542		
Reversal of land revaluation differences										807	807	807
Net changes, excluding funds, reserves and surplus												
Net changes in the fiscal year	(50,000)	50,000	—	456	(20,000)	—	237	(60,000)	(542)	(17,127)	(96,976)	(96,976)
Ending balance	100,000	880,000	452	13,419	70,000	29,764	774	10,000	25,101	166,680	315,738	1,296,191

	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	2,704,190	4,795	121,889	2,830,875	4,224,043
Changes in the fiscal year					
Additions to policyholders' dividend reserves					(151,453)
Additions to reserve for future losses					
Additions to reserve for redemption of foundation funds					50,000
Payment of interest on foundation funds					(477)
Net surplus					104,146
Redemption of foundation funds					(50,000)
Additions to reserve for fund redemption					
Reversal of reserve for fund redemption					(50,000)
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					807
Net changes, excluding funds, reserves and surplus	(384,043)	(32,807)	(344)	(417,196)	(417,196)
Net changes in the fiscal year	(384,043)	(32,807)	(344)	(417,196)	(514,172)
Ending balance	2,320,146	(28,011)	121,544	2,413,678	3,709,870

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

Year ended March 31, 2023	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	Unappropriated surplus	Total surplus	Total funds, reserves and surplus
Beginning balance	1,123	6,215	3	97	674	222	4	524	192	1,376	3,090	10,433
Changes in the fiscal year												
Additions to policyholders' dividend reserves										(1,134)	(1,134)	(1,134)
Additions to reserve for future losses				3						(3)		
Additions to reserve for redemption of foundation funds		374										374
Payment of interest on foundation funds										(3)	(3)	(3)
Net surplus										779	779	779
Redemption of foundation funds	(374)											(374)
Additions to reserve for fund redemption					224					(224)		
Reversal of reserve for fund redemption					(374)						(374)	(374)
Additions to reserve for promotion of social welfare project							14			(14)		
Reversal of reserve for promotion of social welfare project							(12)			12		
Reversal of reserve for business infrastructure								(449)		449		
Reversal of reserve for reduction entry of real estate									(4)	4		
Reversal of land revaluation differences										6	6	6
Net changes, excluding funds, reserves and surplus												
Net changes in the fiscal year	(374)	374	—	3	(149)	—	1	(449)	(4)	(128)	(726)	(726)
Ending balance	748	6,590	3	100	524	222	5	74	187	1,248	2,364	9,707

	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	20,251	35	912	21,200	31,633
Changes in the fiscal year					
Additions to policyholders' dividend reserves					(1,134)
Additions to reserve for future losses					
Additions to reserve for redemption of foundation funds					374
Payment of interest on foundation funds					(3)
Net surplus					779
Redemption of foundation funds					(374)
Additions to reserve for fund redemption					
Reversal of reserve for fund redemption					(374)
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					6
Net changes, excluding funds, reserves and surplus	(2,876)	(245)	(2)	(3,124)	(3,124)
Net changes in the fiscal year	(2,876)	(245)	(2)	(3,124)	(3,850)
Ending balance	17,375	(209)	910	18,075	27,783

Meiji Yasuda Life Insurance Company
Non-consolidated Proposed Appropriation of Surplus

Years ended March 31	Millions of Yen		Millions of
	2022	2023	U.S. Dollars
			2023
Unappropriated surplus	¥ 183,807	¥ 166,680	\$ 1,248
Reversal of voluntary surplus reserves:	542	522	3
Reversal of reserve for reduction			
entry of real estate	542	522	3
Total	184,350	167,203	1,252
Appropriation of surplus	184,350	167,203	1,252
Provision for policyholders' dividend reserves	151,453	144,240	1,080
Net surplus	32,896	22,962	171
Reserve for future losses	456	434	3
Interest on foundation funds	477	302	2
Voluntary surplus reserves:	31,963	22,225	166
Reserve for fund redemption	30,000	20,000	149
Reserve for promotion of			
social welfare project	1,963	2,225	16

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, 2023, which was ¥133.53 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.

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(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.

In addition, some sub-groups assigned for individual life insurance, individual annuities and group pensions have been abolished in the fiscal year ended March 31, 2023 as the need for risk management using policy-reserve-matching bonds is now considered highly unlikely.

The impact of this change on the non-consolidated balance sheets and the non-consolidated statements of income is immaterial.

(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

Meiji Yasuda Life Insurance Company

Notes to the Non-consolidated Financial Statements

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.

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, 2022 and 2023 amounted to ¥3 million and ¥16 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, 2022 and 2023 were as follows:

Years ended March 31	2022	2023
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, 2022 and 2023.

(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.

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(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;
- 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 other assets 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) 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.

(15) 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

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fulfilment 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 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).

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.

(16) Reserve for Incurred But Not Reported (IBNR) Claims

Reserve for Incurred But Not Reported (IBNR) claims is defined as a reserve for claims and benefits for which incidents prescribed in policy clauses are incurred but not reported to the Company (hereinafter “IBNR claims”). For the fiscal year ended March 31, 2022, reserve for IBNR claims is stated in the amount calculated by using the formula stipulated in the main text of Article 1, Paragraph 1 of the Ministry of Finance Notification No. 234 (hereinafter referred to as “IBNR Notification”) in 1998. For the fiscal year ended March 31, 2023, the amount of reserve for IBNR claims can no longer be calculated appropriately by using the formula stipulated in the main text of Article 1, Paragraph 1 of the IBNR Notification, due to a change in the conditions applied to policyholders eligible for hospitalization benefits for “quasi hospitalization,” which requires obtaining diagnosis of COVID-19 infection and undergoing treatment at accommodation facilities or their homes under the supervision of physicians or other specialists (hereinafter referred to as “quasi hospitalization”) during the fiscal year ended March 31, 2023. Accordingly, the Company now records the amount of such reserve by using the following method in accordance with a proviso of Article 1, Paragraph 1 of the IBNR Notification.

(Outline of Calculation Method)

The Company first deducts the amount pertaining to quasi hospitalization for policyholders other than policyholders categorized at high risk of serious symptoms (hereinafter “four categories”) from the total amount of required reserve for IBNR claims and payments of benefits and others of all fiscal years set forth in the main text of Article 1, Paragraph 1 of the IBNR Notification, and then calculates the amount of reserve for IBNR claims in the same manner as that stipulated in the main text of Article 1, Paragraph 1 of the IBNR Notification.

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The amount pertaining to quasi hospitalization for policyholders classified into the four categories used to estimate the amounts of payments pertaining to quasi hospitalization for policyholders other than policyholders classified into the four categories diagnosed on or before September 25, 2022 was estimated by multiplying the ratio of the accumulated amount of claims paid for quasi hospitalization for those aged 65 years or older (one of the four categories), to the accumulated amount of claims paid for quasi hospitalization for all four categories diagnosed on or after September 26, 2022 by the amount pertaining to quasi hospitalization for those aged 65 years or older diagnosed on or before September 25, 2022.

(17) 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".

(18) Policy acquisition costs

Policy acquisition costs are expensed when incurred.

(19) 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 ¥869,736 million and ¥957,933 million (U.S. \$7,173 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, 2022 and 2023, respectively.

(ii) Other information that contributes to the understanding of users of non-consolidated financial statements about the contents of accounting estimates

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

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Notes to the Non-consolidated Financial Statements

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 years ended March 31, 2022 and 2023, the Company recorded impairment on stocks of subsidiaries and affiliates totaling ¥16,257 million and ¥1,602 million (U.S. \$12 million), respectively, 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)

(For the year ended March 31, 2022)

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.”

(For the year ended March 31, 2023)

The Company adopted the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31: June 17, 2021; hereinafter the “Implementation Guidance”) at the beginning of the fiscal year ended March 31, 2023. In accordance with the transitional treatments set forth in Paragraph 27-2 of the Implementation Guidance, the Company adopts new accounting policies prescribed in this Implementation Guidance for the reporting of its current and future financial results, prospectively.

Accordingly, the Company has changed accounting methods for some investment trusts which had been classified as securities of which fair value is extremely difficult to determine and whose balance sheet amount had been accounted for based on acquisition costs. The balance sheet amount of these instruments is now recorded at fair value. Moreover, the Company began to disclose fair value hierarchy in line with the adoption of the Implementation Guidance.

In accordance with Paragraph 27-3 of the Implementation Guidance, notes on investment trusts as part of the fair value hierarchy of financial instruments in “VI. Financial Instruments” for the previous fiscal year have been omitted.

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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 ¥4,744,290 million and ¥4,929,389 million (U.S. \$36,915 million) as of March 31, 2022 and 2023, respectively.

*2. Securities Sold under Repurchase Agreements

Securities sold under repurchase agreements amounted to ¥236,593 million and ¥339,705 million (U.S. \$2,544 million) as of March 31, 2022 and 2023, respectively.

*3. Pledged Assets

Assets pledged as collateral were securities in the amount of ¥163 million and ¥60,173 million (U.S. \$450 million) as of March 31, 2022 and 2023, 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, 2022 and 2023 were as follows:

	Millions of Yen		Millions of U.S. Dollars
As of March 31	2022	2023	2023
Receivable	¥ 12,003	¥ 60,506	\$ 453
Payable	4,096	5,501	41

*5. Equity Securities issued by Subsidiaries and Affiliates

The total amounts of equity securities issued by subsidiaries and affiliates were ¥869,736 million and ¥957,933 million (U.S. \$7,173 million) as of March 31, 2022 and 2023, 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 ¥22,382 million and ¥22,845 million (U.S. \$171 million) as of March 31, 2022 and 2023, respectively.

The amounts of bankrupt and quasi-bankrupt loans were ¥374 million and ¥420 million (U.S. \$3 million) as of March 31, 2022 and 2023, respectively.

The amounts of loans deemed uncollectible and directly deducted from the loans in the non-consolidated balance sheet as of March 31, 2022 and 2023 were ¥3 million and ¥16 million (U.S. \$0 million) for bankrupt and quasi-bankrupt loans, respectively.

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

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Notes to the Non-consolidated Financial Statements

proceedings, and loans to borrowers of similar status.

The amounts of doubtful loans were ¥11,102 million and ¥12,508 million (U.S. \$93 million) as of March 31, 2022 and 2023, 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 enter 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, 2022 and 2023.

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 ¥10,905 million and ¥9,916 million (U.S. \$74 million) as of March 31, 2022 and 2023, 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 ¥28,413 million and ¥73,215 million (U.S. \$ 548 million) as of March 31, 2022 and 2023, respectively.

*8. Accumulated Depreciation

Accumulated depreciation of tangible fixed assets amounted to ¥456,602 million and ¥460,960 million (U.S. \$3,452 million) as of March 31, 2022 and 2023, respectively.

*9. Policyholders' Dividend Reserves

Changes in policyholders' dividend reserves for the years ended March 31, 2022 and 2023 were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2023	2023
Balance at the beginning of the fiscal year	¥ 260,030	¥ 281,323	\$ 2,106
Transfer from surplus in the previous fiscal year	178,633	151,453	1,134
Dividend payments to policyholders during the fiscal year	(157,424)	(144,508)	(1,082)
Interest accrued during the fiscal year	83	71	0
Balance at the end of the fiscal year	281,323	288,339	2,159

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Notes to the Non-consolidated Financial Statements

***10. Subordinated Bonds**

As of March 31, 2022 and 2023, 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 and 2023, 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 ¥707,095 million and ¥589,743 million (U.S. \$4,416 million) as of March 31, 2022 and 2023, 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 ¥2,831,328 million and ¥2,414,131 million (U.S. \$18,079 million) as of March 31, 2022 and 2023, respectively.

14. Contributions to the Life Insurance Policyholders Protection Corporation

The Company estimated future contributions to the Life Insurance Policyholders Protection Corporation in the amounts of ¥45,414 million and nil as of March 31, 2022 and 2023, 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 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.

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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, 2022 and 2023, 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 ¥19 million and ¥23 million (U.S. \$0 million), respectively.

As of March 31, 2022 and 2023, 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 ¥18,826 million and ¥13,458 million (U.S. \$100 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, 2022 and 2023 were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2023	2023
Total income	¥ 26,326	¥ 27,380	\$ 205
Total expenses	40,121	42,707	319

*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
	2022	2023	2023
Domestic bonds including national government bonds	¥ 1,585	¥ 22,532	\$ 168
Domestic stocks	87,339	55,499	415
Foreign securities	22,258	263,819	1,975

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

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2023	2023
Domestic bonds including national government bonds	¥ 16,714	¥ 133	\$ 1
Domestic stocks	12,311	2,126	15
Foreign securities	36,689	56,912	426

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

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2023	2023
Domestic stocks	¥ 3,545	¥ 4,536	\$ 33

Losses on derivative financial instruments included net valuation gain of ¥143,003 million and ¥376,689 million (U.S. \$2,821 million) for the years ended March 31, 2022 and 2023, respectively.

*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, 2022 and 2023 were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2023	2023
Provision for (reversal of) reinsurance recoverable on outstanding claims	¥ 1	¥ 3	\$ 0
Provision for (reversal of) reinsurance recoverable on policy reserves	826	(5,367)	(40)

*4. 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, 2022 and 2023, 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.

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Notes to the Non-consolidated Financial Statements

(3) Details of fixed assets resulting in impairment losses

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, 2023

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non- insurance business	0	¥ —	¥ —	¥ —
Idle assets	5	255	309	565
Total	5	255	309	565

For the year ended March 31, 2023

Asset group	Millions of U.S. Dollars		
	Land	Buildings	Total
Real estate for non-insurance business	\$ —	\$ —	\$ —
Idle assets	1	2	4
Total	1	2	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 1.82% and 1.73% for the years ended March 31, 2022 and 2023, respectively. Net realizable value is calculated based on the appraisal value with reference to “Real Estate Appraisal Standards” or the publicly announced appraisal value.

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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 and ¥50,000 million (U.S. \$374 million) in the fiscal years ended March 31, 2022 and 2023, respectively, 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 years ended March 31, 2022 and 2023, 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		
	2022		
	Balance sheet amount	Fair value	Difference
Deposits	¥ 12,998	¥ 12,998	¥ —
Available-for-sale securities (CDs)	12,998	12,998	—
Monetary claims bought	182,781	191,256	8,475
Held-to-maturity debt securities	175,607	184,082	8,475
Available-for-sale securities	7,173	7,173	—
Money held in trust	157,609	157,609	—
Trading securities	4,608	4,608	—
Available-for-sale securities	153,000	153,000	—
Securities	36,123,020	37,436,007	1,312,986
Trading securities	603,904	603,904	—
Held-to-maturity debt securities	3,516,872	4,041,503	524,630
Policy-reserve-matching bonds	12,578,485	13,366,841	788,355
Available-for-sale securities	19,423,758	19,423,758	—
Loans	3,933,668	4,058,304	124,635
Policy loans	191,312	191,312	—
Industrial and consumer loans	3,742,356	3,866,991	124,635
Allowance for possible loan losses (*1)	(9,167)	—	—
	3,924,501	4,058,304	133,803
Bonds payable	640,735	655,629	14,894
Borrowings	200,000	197,260	(2,740)
Derivative financial instruments (*2)	(450,013)	(450,013)	—
Hedge accounting is not applied	(89,490)	(89,490)	—
Hedge accounting is applied	(360,523)	(360,523)	—

(*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.

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Notes to the Non-consolidated Financial Statements

The amount of stocks and others of which market value is not available, as reported in the non-consolidated balance sheets, was ¥910,127 million as of March 31, 2022. Of this, the amount of stocks of subsidiaries and affiliates was ¥869,736 million. The amount of investments in capital partnerships reported in the non-consolidated balance sheets totaled ¥15,079 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 for the year ended March 31, 2022.

Meiji Yasuda Life Insurance Company

Notes to the Non-consolidated Financial Statements

As of March 31	Millions of Yen			Millions of U.S. Dollars		
	2023			2023		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Deposits	¥ 11,999	¥ 11,999	¥ —	\$ 89	\$ 89	\$ —
Available-for-sale securities (CDs)	11,999	11,999	—	89	89	—
Monetary claims bought	171,153	175,564	4,410	1,281	1,314	33
Held-to-maturity debt securities	165,258	169,668	4,410	1,237	1,270	33
Available-for-sale securities	5,895	5,895	—	44	44	—
Money held in trust	119,533	119,533	—	895	895	—
Trading securities	4,544	4,544	—	34	34	—
Available-for-sale securities	114,988	114,988	—	861	861	—
Securities	36,125,159	36,587,541	462,381	270,539	274,002	3,462
Trading securities	461,933	461,933	—	3,459	3,459	—
Held-to-maturity debt securities	3,320,294	3,716,928	396,634	24,865	27,835	2,970
Policy-reserve-matching bonds	13,838,014	13,906,096	68,081	103,632	104,142	509
Stocks of subsidiaries and affiliates	98,991	96,657	(2,333)	741	723	(17)
Available-for-sale securities	18,405,926	18,405,926	—	137,841	137,841	—
Loans	3,897,333	3,954,672	57,338	29,186	29,616	429
Policy loans	175,665	175,665	—	1,315	1,315	—
Industrial and consumer loans	3,721,667	3,779,006	57,338	27,871	28,300	429
Allowance for possible loan losses (*1)	(10,292)	—	—	(77)	—	—
	3,887,041	3,954,672	67,630	29,109	29,616	506
Bonds payable	640,735	632,941	(7,793)	4,798	4,740	(58)
Borrowings	271,600	252,096	(19,503)	2,033	1,887	(146)
Derivative financial instruments (*2)	(90,887)	(90,887)	—	(680)	(680)	—
Hedge accounting is not applied	(24,914)	(24,914)	—	(186)	(186)	—
Hedge accounting is applied	(65,973)	(65,973)	—	(494)	(494)	—

(*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 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31: June 17, 2021), 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 amount of stocks and others of which market value is not available, as reported in the non-consolidated balance sheets, was ¥894,593 million (U.S. \$6,699 million) as of March 31, 2023. Of this, the amount of stocks of subsidiaries and affiliates was ¥858,941 million (U.S. \$ 6,432 million). The amount of investments in capital partnerships reported in the non-consolidated balance sheets totaled ¥23,646 million (U.S. \$177 million) as of March 31, 2023.

Impairment losses on unlisted stocks and others of which market value is not available and investments in capital partnerships were ¥2,676 million (U.S. \$20 million) for the year ended March 31, 2023.

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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					
	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
Deposits (CDs)	¥ 12,998	¥ —	¥ —	¥ —	¥ —	¥ —
Monetary claims bought	—	—	—	—	—	182,781
Loans*	469,069	643,739	703,885	499,596	782,609	636,617
Securities	1,006,231	1,615,586	1,492,586	2,920,707	6,592,326	15,267,880
Held-to-maturity debt securities	175,720	409,276	621,409	249,875	563,843	1,496,745
Policy-reserve-matching bonds	112,780	16,879	80,807	695,584	2,295,505	9,376,927
Available-for-sale securities with maturities	717,730	1,189,430	790,369	1,975,247	3,732,977	4,394,208
Total	1,488,300	2,259,325	2,196,472	3,420,304	7,374,936	16,087,279

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Notes to the Non-consolidated Financial Statements

As of March 31	Millions of Yen						Millions of U.S. Dollars					
	2023						2023					
	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)	¥ 11,999	¥ —	¥ —	¥ —	¥ —	¥ —	\$ 89	\$ —	\$ —	\$ —	\$ —	\$ —
Monetary claims bought	—	—	—	—	—	171,153	—	—	—	—	—	1,281
Loans*	451,385	718,223	575,753	616,785	744,293	606,898	3,380	5,378	4,311	4,619	5,573	4,545
Securities	684,652	1,243,688	2,316,101	3,109,664	6,617,253	14,999,356	5,127	9,313	17,345	23,288	49,556	112,329
Held-to-maturity debt securities	217,271	548,665	451,881	83,913	559,970	1,458,591	1,627	4,108	3,384	628	4,193	10,923
Policy-reserve-matching bonds	3,467	32,933	254,377	1,040,326	2,911,125	9,595,784	25	246	1,905	7,790	21,801	71,862
Available-for-sale securities with maturities	463,912	662,089	1,609,843	1,985,424	3,146,157	3,944,980	3,474	4,958	12,056	14,868	23,561	29,543
Total	1,148,037	1,961,911	2,891,855	3,726,450	7,361,547	15,777,408	8,597	14,692	21,656	27,907	55,130	118,156

(*) Bankruptcy and reorganization claims, which are expected to be unrecoverable, are not included in this table, and they were ¥6,837 million and ¥8,326 million (U.S. \$62 million) as of March 31, 2022 and 2023, 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					
	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
Bonds payable	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 640,735
Borrowings	—	—	—	—	—	200,000
Total	—	—	—	—	—	840,735

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As of March 31	Millions of Yen						Millions of U.S. Dollars					
	2023						2023					
	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	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,798
Borrowings	—	—	—	—	—	271,600	—	—	—	—	—	2,033
Total	—	—	—	—	—	912,335	—	—	—	—	—	6,832

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.

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Notes to the Non-consolidated Financial Statements

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

Millions of Yen				
As of March 31	2022			
Category	Fair value			
	Level 1	Level 2	Level 3	Total
Deposits (CDs)	¥ —	¥ 12,998	¥ —	¥ 12,998
Monetary claims bought	—	7,173	—	7,173
Available-for-sale securities	—	7,173	—	7,173
Money held in trust	—	157,609	—	157,609
Trading securities	—	4,608	—	4,608
Available-for-sale securities	—	153,000	—	153,000
Securities	8,842,575	7,861,648	156,786	16,861,010
Trading securities	311,546	145,098	—	456,645
National & local government bonds	138,073	—	—	138,073
Corporate bonds	—	75,936	—	75,936
Domestic stocks	59,140	—	—	59,140
Other	114,331	69,162	—	183,493
Available-for-sale securities	8,531,029	7,716,549	156,786	16,404,365
National & local government bonds	2,271,963	121,976	—	2,393,940
Corporate bonds	—	1,618,583	—	1,618,583
Domestic stocks	4,486,044	2,408	—	4,488,452
Other	1,773,021	5,973,581	156,786	7,903,389
Derivative financial instruments	363	54,324	—	54,687
Currency related	—	13,386	—	13,386
Interest rate related	—	40,937	—	40,937
Stock related	363	—	—	363
Bond related	—	—	—	—
Total assets	8,842,938	8,093,753	156,786	17,093,479
Derivative financial instruments	80	504,620	—	504,701
Currency related	—	477,599	—	477,599
Interest rate related	—	27,021	—	27,021
Stock related	80	—	—	80
Bond related	—	—	—	—
Total liabilities	80	504,620	—	504,701

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Notes to the Non-consolidated Financial Statements

(*) The above table does not include investment trusts subject to transitional treatment in accordance with Paragraph 26 of the “Implementation Guidance 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 as of March 31, 2022.

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Notes to the Non-consolidated Financial Statements

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2023				2023			
	Fair value				Fair value			
Category	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Deposits (CDs)	¥ —	¥ 11,999	¥ —	¥ 11,999	\$ —	\$ 89	\$ —	\$ 89
Monetary claims bought	—	5,895	—	5,895	—	44	—	44
Available-for-sale securities	—	5,895	—	5,895	—	44	—	44
Money held in trust	—	119,533	—	119,533	—	895	—	895
Trading securities	—	4,544	—	4,544	—	34	—	34
Available-for-sale securities	—	114,988	—	114,988	—	861	—	861
Securities	9,029,554	9,441,612	75,719	18,546,886	67,621	70,707	567	138,896
Trading securities	299,182	160,784	1,965	461,933	2,240	1,204	14	3,459
National & local government bonds	109,129	—	—	109,129	817	—	—	817
Corporate bonds	—	54,701	—	54,701	—	409	—	409
Domestic stocks	102,088	—	—	102,088	764	—	—	764
Other	87,964	106,083	1,965	196,013	658	794	14	1,467
Available-for-sale securities	8,730,372	9,280,827	73,753	18,084,953	65,381	69,503	552	135,437
National & local government bonds	1,765,441	115,961	—	1,881,403	13,221	868	—	14,089
Corporate bonds	—	1,574,267	—	1,574,267	—	11,789	—	11,789
Domestic stocks	4,497,426	2,045	—	4,499,471	33,681	15	—	33,696
Other	2,467,504	7,588,553	73,753	10,129,811	18,479	56,830	552	75,861
Derivative financial instruments	1,504	74,816	—	76,321	11	560	—	571
Currency related	—	45,481	—	45,481	—	340	—	340
Interest rate related	—	29,269	—	29,269	—	219	—	219
Stock related	328	—	—	328	2	—	—	2
Bond related	1,176	65	—	1,241	8	0	—	9
Total assets	9,031,059	9,653,856	75,719	18,760,635	67,633	72,297	567	140,497
Derivative financial instruments	177	167,030	—	167,208	1	1,250	—	1,252
Currency related	—	107,748	—	107,748	—	806	—	806
Interest rate related	—	59,070	—	59,070	—	442	—	442
Stock related	46	—	—	46	0	—	—	0
Bond related	130	211	—	342	0	1	—	2
Total liabilities	177	167,030	—	167,208	1	1,250	—	1,252

(*) In accordance with Paragraph 24-7 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31: June 17, 2021), investment trusts whose fair value is deemed to coincide with net asset value per unit are not included in the above table. The amount of these investment trusts presented in the non-

Meiji Yasuda Life Insurance Company
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consolidated balance sheets is ¥320,972 million (U.S. \$2,403 million). Adjustments for such investment trusts from the beginning balance to the ending balance are as presented in the following table.

	Millions of Yen	Millions of U.S. Dollars
For the year ended March 31, 2023	Investment trusts whose fair value is deemed to coincide with net asset value per unit in accordance with Paragraph 24-3 of the Implementation Guidance on Accounting Standard for Fair Value Measurement	Investment trusts whose fair value is deemed to coincide with net asset value per unit in accordance with Paragraph 24-3 of the Implementation Guidance on Accounting Standard for Fair Value Measurement
Balance at the beginning of the fiscal year	¥ 247,723	\$ 1,855
Profit (loss) or net unrealized gains (losses) for the period		
Recognized as net unrealized gains (losses) on available-for-sale securities	2,744	20
Bought, sold and redeemed		
Bought	73,458	550
Sold	(2,954)	(22)
Balance at the end of the fiscal year	320,972	2,403

In addition, the main restrictions on surrender, etc. of investment trusts to which Paragraph 24-3 of the implementation guidance applies is the prohibition of voluntary surrender, etc., and the amount of such investment trusts recorded on the non-consolidated balance sheets was ¥320,972 million (U.S. \$2,403 million).

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

Millions of Yen				
As of March 31	2022			
Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥ —	¥ 181,774	¥ 2,308	¥ 184,082
Held-to-maturity debt securities	—	181,774	2,308	184,082
Securities	15,760,892	1,644,446	3,004	17,408,344
Held-to-maturity debt securities	3,354,771	683,726	3,004	4,041,503
National & local government bonds	3,354,771	174,058	—	3,528,830
Corporate bonds	—	420,506	—	420,506
Other	—	89,161	3,004	92,166
Policy-reserve-matching bonds	12,406,120	960,720	—	13,366,841
National & local government bonds	12,076,749	—	—	12,076,749
Corporate bonds	—	36,800	—	36,800
Other	329,371	923,919	—	1,253,291
Loans	—	—	4,058,304	4,058,304
Policy loans	—	—	191,312	191,312
Industrial and consumer loans	—	—	3,866,991	3,866,991
Total assets	15,760,892	1,826,221	4,063,617	21,650,731
Bonds payable	—	655,629	—	655,629
Borrowings	—	197,260	—	197,260
Total liabilities	—	852,889	—	852,889

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Notes to the Non-consolidated Financial Statements

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2023				2023			
	Fair value				Fair value			
Category	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥ —	¥ 169,056	¥ 612	¥ 169,668	\$ —	\$ 1,266	\$ 4	\$ 1,270
Held-to-maturity debt securities	—	169,056	612	169,668	—	1,266	4	1,270
Securities	15,589,518	2,127,164	2,999	17,719,682	116,749	15,930	22	132,701
Held-to-maturity debt securities	3,094,795	619,133	2,999	3,716,928	23,176	4,636	22	27,835
National & local government bonds	3,094,795	167,952	—	3,262,747	23,176	1,257	—	24,434
Corporate bonds	—	373,489	—	373,489	—	2,797	—	2,797
Other	—	77,691	2,999	80,691	—	581	22	604
Policy-reserve-matching bonds	12,398,065	1,508,031	—	13,906,096	92,848	11,293	—	104,142
National & local government bonds	12,017,358	—	—	12,017,358	89,997	—	—	89,997
Corporate bonds	—	44,057	—	44,057	—	329	—	329
Other	380,706	1,463,973	—	1,844,680	2,851	10,963	—	13,814
Stocks of subsidiaries and affiliates	96,657	—	—	96,657	723	—	—	723
Loans	—	—	3,954,672	3,954,672	—	—	29,616	29,616
Policy loans	—	—	175,665	175,665	—	—	1,315	1,315
Industrial and consumer loans	—	—	3,779,006	3,779,006	—	—	28,300	28,300
Total assets	15,589,518	2,296,220	3,958,284	21,844,023	116,749	17,196	29,643	163,588
Bonds payable	—	632,941	—	632,941	—	4,740	—	4,740
Borrowings	—	252,096	—	252,096	—	1,887	—	1,887
Total liabilities	—	885,037	—	885,037	—	6,628	—	6,628

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

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 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.

For investment trusts without quoted prices, the Company deems their fair value to coincide with the net asset value per unit, provided there are no significant restrictions requiring the compensation of market participants for risks associated with surrender or repurchase. The Company classifies the fair value of these investment trusts into Level 2.

(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.

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

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

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.

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

In the fiscal year ended March 31, 2022, available-for-sale securities classified under monetary claims bought and available-for-sale securities classified under securities included instruments whose fair values are classified into Level 3. In the fiscal year ended March 31, 2023, trading securities and available-for-sales securities classified under securities included 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.

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

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

For the year ended March 31, 2022	Millions of Yen		
	Monetary claims bought	Securities	Total
	Available-for-sale securities	Available-for-sale securities	
		Other	
Balance at the beginning of the fiscal year	¥ 8,721	¥ 162,617	¥ 171,338
Profit (loss) or net unrealized gains (losses)			
Recognized in net unrealized gains (losses) on available-for-sale securities	(1,547)	4,463	2,915
Bought, sold, issued and settled			
Bought	—	36,741	36,741
Sold	—	(32,631)	(32,631)
Transferred from Level 3 fair value (*1)	(7,173)	(14,404)	(21,577)
Balance at the end of the fiscal year	—	156,786	156,786

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

For the year ended March 31, 2023	Millions of Yen			Millions of U.S. Dollars		
	Securities	Securities	Total	Securities	Securities	Total
	Trading securities	Available-for-sale securities		Trading securities	Available-for-sale securities	
	Other	Other		Other	Other	
Balance at the beginning of the fiscal year	¥ —	¥ 156,786	¥ 156,786	\$ —	\$ 1,174	\$ 1,174
Profit (loss) or net unrealized gains (losses)						
Recognized in losses on trading securities	(34)	—	(34)	(0)	—	(0)
Recognized in net unrealized gains (losses) on available-for-sale securities	—	(7,963)	(7,963)	—	(59)	(59)
Bought, sold, issued and settled						
Bought	2,000	5,374	7,374	14	40	55
Sold	—	(80,444)	(80,444)	—	(602)	(602)
Balance at the end of the fiscal year	1,965	73,753	75,719	14	552	567
Net unrealized gains (losses) recorded on financial assets and liabilities held at the consolidated balance sheet date and included in the consolidated statement of income (*2)	(34)	—	(34)	(0)	—	(0)

(*1) 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.

(*2) Included in losses on trading securities.

(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.

(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 ¥(17,083) million and ¥(14,874) million (U.S. \$(111) million) for the years ended March 31, 2022 and 2023, 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. In addition, no held-to-maturity debt securities were sold during the years ended March 31, 2022 and 2023.

As of March 31	Millions of Yen						Millions of U.S. Dollars		
	2022			2023			2023		
	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	¥ 3,060,237	¥ 3,528,830	¥ 468,592	¥ 2,906,394	¥ 3,262,747	¥ 356,353	\$ 21,765	\$ 24,434	\$ 2,668
2) Corporate bonds	367,284	420,506	53,221	331,288	369,732	38,444	2,481	2,768	287
3) Others	243,957	255,791	11,833	164,508	172,544	8,035	1,231	1,292	60
Total	3,671,479	4,205,128	533,648	3,402,191	3,805,024	402,833	25,478	28,495	3,016
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	—	—	—	—	—	—	—	—	—
2) Corporate bonds	—	—	—	3,761	3,756	(4)	28	28	(0)
3) Others	21,000	20,457	(542)	79,600	77,815	(1,784)	596	582	(13)
Total	21,000	20,457	(542)	83,361	81,572	(1,788)	624	610	(13)

(*) 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 ¥477,685 million and ¥308,305 million (U.S. \$2,308million) resulting in total gains on sales of ¥13,234 million and ¥38,146 million (U.S. \$285 million) for the years ended March 31, 2022 and 2023, respectively. Total losses on sales were ¥17,048 million and ¥100 million (U.S. \$0 million) for the years ended March 31, 2022 and 2023, 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		
	2022			2023			2023		
	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	¥ 7,165,711	¥ 8,224,240	¥ 1,058,528	¥ 7,111,410	¥ 7,868,511	¥ 757,100	\$ 53,257	\$ 58,926	\$ 5,669
2) Corporate bonds	13,686	16,322	2,635	11,050	12,853	1,802	82	96	13
3) Others	429,681	439,836	10,154	406,870	415,799	8,928	3,047	3,113	66
Total	7,609,080	8,680,399	1,071,318	7,529,331	8,297,163	767,832	56,386	62,137	5,750
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	4,055,209	3,852,508	(202,700)	4,671,106	4,148,846	(522,260)	34,981	31,070	(3,911)
2) Corporate bonds	21,976	20,477	(1,498)	34,233	31,204	(3,028)	256	233	(22)
3) Others	892,220	813,455	(78,764)	1,603,342	1,428,881	(174,461)	12,007	10,700	(1,306)
Total	4,969,405	4,686,441	(282,963)	6,308,683	5,608,932	(699,750)	47,245	42,005	(5,240)

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 ¥1,831,922 million and ¥3,297,154 million (U.S. \$24,692 million) resulting in total gains on sales of ¥100,286 million and ¥304,896 million (U.S. \$2,283 million) and total losses of ¥48,666 million and ¥59,071 million (U.S. \$442 million) for the years ended March 31, 2022 and 2023, 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		
	2022			2023			2023		
	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	¥ 1,344,535	¥ 4,299,196	¥ 2,954,661	¥ 1,367,463	¥ 4,341,956	¥ 2,974,493	\$ 10,240	\$ 32,516	\$ 22,275
(2) Bonds	3,317,908	3,572,944	255,036	2,194,095	2,365,620	171,525	16,431	17,716	1,284
1) National & local government bonds	2,094,205	2,282,670	188,464	1,590,523	1,717,439	126,915	11,911	12,861	950
2) Corporate bonds	1,223,702	1,290,274	66,571	603,571	648,181	44,609	4,520	4,854	334
(3) Others	6,246,580	7,089,323	842,742	4,472,469	5,018,164	545,695	33,494	37,580	4,086
Total	10,909,023	14,961,464	4,052,440	8,034,028	11,725,742	3,691,713	60,166	87,813	27,647
Securities whose balance sheet amount does not exceed the acquisition or amortized costs									
(1) Domestic stocks	216,603	189,255	(27,347)	173,764	157,515	(16,249)	1,301	1,179	(121)
(2) Bonds	448,563	439,578	(8,984)	1,137,257	1,090,049	(47,208)	8,516	8,163	(353)
1) National & local government bonds	112,648	111,269	(1,378)	167,278	163,964	(3,314)	1,252	1,227	(24)
2) Corporate bonds	335,914	328,308	(7,605)	969,979	926,085	(43,894)	7,264	6,935	(328)
(3) Others	4,269,985	4,006,632	(263,353)	5,974,304	5,565,503	(408,801)	44,741	41,679	(3,061)
Total	4,935,152	4,635,467	(299,684)	7,285,326	6,813,067	(472,258)	54,559	51,022	(3,536)

(*) 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 ¥2,004 million and ¥3,462 million (U.S. \$25 million) for the years ended March 31, 2022 and 2023, 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			
	2022			
	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)
Total				(3,405)

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2023				2023			
	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	¥ 18,600	¥ 18,600	¥ 732	¥ 732	\$ 139	\$ 139	\$ 5	\$ 5
Total				732				5

(*) 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			
	2022			
	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)
(U.S. dollar)	904,313	—	(73,420)	(73,420)
(Euro)	114,601	—	(3,178)	(3,178)
(Australian dollar)	115,613	—	(6,282)	(6,282)
(Others)	337	—	1	1
Bought	249,356	—	4,373	4,373
(U.S. dollar)	164,709	—	4,400	4,400
(Euro)	35,252	—	(45)	(45)
(Australian dollar)	49,051	—	18	18
(Others)	341	—	(0)	(0)
Currency options				
Sold				
Call	493,358	—		
[907]			14,900	(13,993)
(U.S. dollar)	493,358	—		
[907]			14,900	(13,993)
Bought				
Put	444,806	—		
[907]			77	(830)
(U.S. dollar)	444,806	—		
[907]			77	(830)
Cross currency swaps				
Receipts foreign currency, payments yen				
(Australian dollar)	93,320	93,320	5,170	5,170
(U.S. dollar)	38,400	38,400	1,792	1,792
Total				(86,367)

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

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2023				2023			
	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	¥ 19,940	¥ —	¥ (33)	¥ (33)	\$ 149	\$ —	\$ (0)	\$ (0)
(U.S. dollar)	10,764	—	(8)	(8)	80	—	(0)	(0)
(Euro)	6,058	—	(31)	(31)	45	—	(0)	(0)
(Australian dollar)	3,117	—	6	6	23	—	0	0
Bought	150,812	—	(8,625)	(8,625)	1,129	—	(64)	(64)
(U.S. dollar)	145,667	—	(8,645)	(8,645)	1,090	—	(64)	(64)
(Euro)	3,574	—	22	22	26	—	0	0
(Australian dollar)	1,569	—	(3)	(3)	11	—	(0)	(0)
Currency options								
Sold								
Call	1,650,751	—			12,362	—		
	[26,965]		26,614	350	[201]		199	2
(U.S. dollar)	1,514,851	—			11,344	—		
	[26,621]		26,310	310	[199]		197	2
(Euro)	135,900	—			1,017	—		
	[344]		303	40	[2]		2	0
Bought								
Put	1,550,549	—			11,611	—		
	[26,965]		9,015	(17,949)	[201]		67	(134)
(U.S. dollar)	1,437,698	—			10,766	—		
	[26,621]		8,969	(17,651)	[199]		67	(132)
(Euro)	112,851	—			845	—		
	[344]		46	(297)	[2]		0	(2)
Cross currency swaps								
Receipts foreign currency, payments yen								
(Australian dollar)	130,750	130,750	(965)	(965)	979	979	(7)	(7)
(U.S. dollar)	71,930	71,930	396	396	538	538	2	2
Total				(26,827)				(200)

(*) Net gains (losses) on foreign currency forward contracts and cross currency swaps represent the fair values.

(*) 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			
	2022			
	Notional amount/contract 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)
Bought	4,159	—	201	201
Foreign currency-denominated stock index futures				
Bought	4,117	—	116	116
Total				282

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2023				2023			
	Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/contr act value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions								
Yen Stock index futures								
Sold	¥ —	¥ —	¥ —	¥ —	\$ —	\$ —	\$ —	\$ —
Bought	5,322	—	146	146	39	—	1	1
Foreign currency-denominated stock index futures								
Sold	2,817	—	(43)	(43)	21	—	(0)	(0)
Bought	3,716	—	177	177	27	—	1	1
Total				281				2

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

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

(4) Bond-related

No ending balance as of March 31, 2022.

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2023				2023			
	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)
Exchange-traded transactions								
Foreign bond futures								
Sold	¥ 4,575	¥ —	¥ (130)	¥ (130)	\$ 34	\$ —	\$ (0)	\$ (0)
Bought	50,723	—	1,176	1,176	379	—	8	8
OTC transactions								
OTC bond options								
Sold								
Call	10,000	—	—	—	74	—	—	—
	[153]	—	211	(57)	[1]	—	1	(0)
Bought								
Put	10,000	—	—	—	74	—	—	—
	[169]	—	65	(104)	[1]	—	0	(0)
Total				884				6

(*) Net gains (losses) on foreign bond futures represent the fair values.

(*) Net gains (losses) on OTC bond 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

2. Hedge accounting applied

(1) Interest-rate related

As of March 31	Millions of Yen			
	2022			
	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	¥ 672,200	¥ 668,900	¥ 17,322
Special hedge accounting				
Interest rate swaps				
Receipts fixed, payments floating	Loans	3,018	3,018	89
Total				17,411

As of March 31	Millions of Yen				Millions of U.S. Dollars		
	2023				2023		
	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	¥ 875,500	¥ 872,300	¥ (30,534)	\$ 6,556	\$ 6,532	\$ (228)
Special hedge accounting							
Interest rate swaps							
Receipts fixed, payments floating	Loans	2,916	2,916	55	21	21	0
Total				(30,478)			(228)

(*) The fair values of interest rate swaps represent net gains (losses).

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

(2) Currency-related

		Millions of Yen		
As of March 31		2022		
	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-	¥ 4,558,542	¥ —	¥ (365,831)
(U.S. dollar)	denominated bonds	3,225,926	—	(237,894)
(Euro)		213,676	—	(6,309)
(Australian dollar)		1,033,020	—	(115,185)
(Others)		85,918	—	(6,441)
Deferred hedge accounting				
Cross currency swaps				
Receipts yen, payments foreign currency	Foreign-currency-			
(U.S. dollar)	denominated bonds	81,785	76,594	(8,811)
(Euro)		35,575	35,575	(2,543)
(Australian dollar)		12,404	12,404	(658)
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-			
	dominated bonds			
	payable	345,735	345,735	(*)
Receipts yen, payments foreign currency	Foreign-currency-			
(U.S. dollar)	dominated loans	131,049	131,049	(*)
Total				(377,845)

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

As of March 31	Millions of Yen				Millions of U.S. Dollars		
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	2023		2023	
				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-	¥ 3,916,592	¥ —	¥ (21,036)	\$ 29,331	\$ —	\$ (157)
(U.S. dollar)	denominated bonds	2,972,665	—	(23,342)	22,262	—	(174)
(Euro)		271,655	—	(6,396)	2,034	—	(47)
(Australian dollar)		633,474	—	8,963	4,744	—	67
(Others)		38,796	—	(261)	290	—	(1)
Deferred hedge accounting							
Cross currency swaps							
Receipts yen, payments foreign currency	Foreign-currency-						
(U.S. dollar)	denominated bonds	76,594	76,594	(12,494)	573	573	(93)
(Euro)		35,575	35,575	(1,793)	266	266	(13)
(Australian dollar)		12,404	12,404	(114)	92	92	(0)
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						
	payable	345,735	345,735	(*)	2,589	2,589	(*)
Receipts yen, payments foreign currency	Foreign-currency-						
(U.S. dollar)	dominated loans	131,049	131,049	(*)	981	981	(*)
Total				(35,438)			(265)

(*) 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
	2022	2023	2023
Balance at the beginning of the fiscal year	¥ 253,872	¥ 237,599	\$ 1,779
Service costs	8,594	9,409	70
Interest cost on retirement benefit obligations	2,168	2,138	16
Actuarial losses (gains) recognized	2,670	993	7
Benefits paid	(16,724)	(15,673)	(117)
Past service costs	(12,981)	—	—
Balance at the end of the fiscal year	237,599	234,467	1,755

(2) Changes in the plan assets

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2023	2023
Balance at the beginning of the fiscal year	¥ 379,540	¥ 412,616	\$ 3,090
Expected return on plan assets	3,505	3,578	26
Actuarial gains (losses) recognized	38,989	24,776	185
Contributions by employer	2,264	2,315	17
Benefits paid	(11,683)	(10,650)	(79)
Balance at the end of the fiscal year	412,616	432,636	3,239

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(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

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2023	2023
Present value of funded retirement benefit obligations	¥ 236,869	¥ 233,776	\$ 1,750
Plan assets at fair value	(412,616)	(432,636)	(3,239)
Net present value of funded retirement benefit obligations	(175,746)	(198,859)	(1,489)
Present value of non-funded retirement benefit obligations	729	690	5
Unrecognized actuarial losses (gains)	50,054	64,145	480
Unrecognized past service costs	19,449	16,761	125
Accrued retirement benefits			
(Prepaid pension cost)	(105,512)	(117,262)	(878)

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

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2022	2023	2023
Service costs	¥ 8,594	¥ 9,409	\$ 70
Interest cost on retirement benefit obligations	2,168	2,138	16
Expected return on plan assets	(3,505)	(3,578)	(26)
Amortization of net actuarial losses (gains)	(8,460)	(9,692)	(72)
Amortization of net past service costs	(2,688)	(2,688)	(20)
Retirement benefit expenses	(3,892)	(4,411)	(33)

(5) Plan assets

Plan assets as of March 31, 2022 and 2023 were comprised as follows:

As of March 31	% of total fair value of plan assets	
	2022	2023
Debt securities	6.4%	5.2%
Stocks	41.5%	44.4%
General account of life insurance companies	23.6%	22.7%
Jointly invested assets	17.8%	16.4%
Investment trusts	4.2%	—
Cash and deposits	2.0%	2.5%
Others	4.5%	8.8%
Total	100.0%	100.0%

Plan assets include the retirement benefit trusts. The amounts of the retirement benefit trusts were 56.6% and 58.9% of total plan assets as of March 31, 2022 and 2023, respectively.

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(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, 2022 and 2023 were as follows:

Years ended March 31	2022	2023
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 ¥1,134 million and ¥1,194 million (U.S. \$8 million) for the years ended March 31, 2022 and 2023, respectively.

X. Deferred Taxes

1. Deferred tax assets/liabilities

	Millions of Yen		Millions of U.S. Dollars
As of March 31	2022	2023	2023
Deferred tax assets	¥ 859,309	¥ 905,457	\$ 6,780
Valuation allowance for deferred tax assets	(10,807)	(6,194)	(46)
Deferred tax liabilities	(1,089,934)	(899,658)	(6,737)

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	2022	2023	2023
Deferred tax assets			
Policy reserves and other reserves	¥ 527,035	¥ 523,283	\$ 3,918
Reserve for price fluctuation	243,076	299,823	2,245
Deferred tax liabilities			
Net unrealized gains (losses) on available-for-sale securities	1,015,518	863,728	6,468

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Notes to the Non-consolidated Financial Statements

3. The statutory tax rates

The statutory tax rates were 27.96% and 27.96% for the years ended March 31, 2022 and 2023, 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	2022
Policyholders' dividend reserves	(20.63) %

Years ended March 31	2023
Policyholders' dividend reserves	(52.76) %
Increase/decrease in valuation allowance for deferred tax assets	(6.14) %
Permanent differences such as dividends received from overseas subsidiaries	(5.30) %

XI. Fair Value of Investment and Rental Properties

The carrying amounts of investment and rental properties were ¥608,568 million and ¥608,550 million (U.S. \$4,557 million), and their fair values were ¥931,370 million and ¥955,183 million (U.S. \$7,153 million) as of March 31, 2022 and 2023, 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.

XII. Subsequent Events

1. Redemption of foundation funds

The Company decided to redeem foundation funds totaling ¥50,000 million (U.S. \$374 million) on September 20, 2023 and transfer 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."

2. Appropriation of surplus

The proposed appropriation of surplus of the Company for the year ended March 31, 2023 was approved as planned at the annual meeting of the representatives of policyholders held on July 4, 2023.