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## Financial Results for the Three Months Ended June 30, 2023

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Meiji Yasuda Life Insurance Company (Hideki Nagashima, President and Group CEO)  
announces financial results for the Three Months ended June 30, 2023.

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**Note:**

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

## 1. Unaudited Consolidated Balance Sheets

(Millions of Yen)

	As of Mar. 31, 2023	As of Jun. 30, 2023
<b>ASSETS:</b>		
Cash and deposits	1,411,205	1,214,236
Call loans	90,000	40,000
Monetary claims bought	171,153	168,508
Money held in trust	146,733	151,744
Securities	39,322,197	40,897,885
Loans	5,060,437	5,158,456
Tangible fixed assets	914,073	917,125
Intangible fixed assets	515,940	507,296
Due from agents	1,455	949
Reinsurance receivables	191,731	192,510
Other assets	730,779	990,911
Net defined benefit assets	219,115	219,124
Deferred tax assets	13,000	8,554
Customers' liabilities under acceptances and guarantees	5,743	5,240
Allowance for possible loan losses	(11,732)	(10,812)
<b>Total assets</b>	<b>48,781,836</b>	<b>50,461,731</b>

# 1. Unaudited Consolidated Balance Sheets (continued)

(Millions of Yen)

	As of Mar. 31, 2023	As of Jun. 30, 2023
<b>LIABILITIES:</b>		
Policy reserves and other reserves	38,284,928	38,671,635
Reserve for outstanding claims	926,059	930,026
Policy reserves	37,070,528	37,358,528
Policyholders' dividend reserves	288,339	383,079
Due to agents	6,866	7,600
Reinsurance payables	39,038	51,490
Bonds payable	640,735	640,735
Other liabilities	4,919,319	5,170,746
Net defined benefit liabilities	7,709	7,755
Reserve for price fluctuation	1,074,039	1,079,340
Deferred tax liabilities	36,649	345,891
Deferred tax liabilities for land revaluation	78,178	77,647
Acceptances and guarantees	5,743	5,240
<b>Total liabilities</b>	<b>45,093,208</b>	<b>46,058,082</b>
<b>NET ASSETS:</b>		
Foundation funds	100,000	100,000
Reserve for redemption of foundation funds	880,000	880,000
Reserve for revaluation	452	452
Surplus	298,693	183,866
<b>Total funds, reserve and surplus</b>	<b>1,279,146</b>	<b>1,164,319</b>
Net unrealized gains (losses) on available-for-sale securities	2,169,500	2,995,564
Deferred unrealized gains (losses) on derivatives under hedge accounting	(27,077)	(32,416)
Land revaluation differences	121,544	123,225
Foreign currency translation adjustments	82,896	89,211
Remeasurements of defined benefit plans	61,969	59,838
Unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries	—	3,277
<b>Total accumulated other comprehensive income</b>	<b>2,408,833</b>	<b>3,238,700</b>
Non-controlling interests	648	630
<b>Total net assets</b>	<b>3,688,627</b>	<b>4,403,649</b>
<b>Total liabilities and net assets</b>	<b>48,781,836</b>	<b>50,461,731</b>

## 2. Unaudited Consolidated Statements of Income

(Millions of Yen)

	Three months ended Jun. 30	
	2022	2023
<b>ORDINARY INCOME:</b>	1,324,928	1,377,639
Insurance premiums and other	876,751	771,460
Investment income	425,998	576,408
Interest, dividends and other income	223,972	270,688
Gains on money held in trust	930	466
Gains on trading securities	—	23
Gains on sales of securities	38,709	57,733
Investment gains on separate accounts	—	32,916
Other ordinary income	22,178	29,770
<b>ORDINARY EXPENSES:</b>	1,292,525	1,330,037
Benefits and other payments	830,772	749,273
Claims paid	228,224	210,314
Annuity payments	149,779	160,837
Benefit payments	168,720	167,195
Surrender benefits	250,250	185,199
Provision for policy reserves and other reserves	143,414	169,103
Provision for reserve for outstanding claims	8,630	—
Provision for policy reserves	134,770	169,091
Provision for interest on policyholders' dividend reserves	13	11
Investment expenses	141,649	223,718
Interest expenses	13,643	23,331
Losses on sales of securities	1,910	16,886
Losses on valuation of securities	5,022	287
Investment losses on separate accounts	17,779	—
Operating expenses	135,049	148,335
Other ordinary expenses	41,639	39,606
<b>Ordinary profit</b>	<b>32,403</b>	<b>47,601</b>
<b>Extraordinary losses</b>	<b>6,054</b>	<b>9,097</b>
Losses on disposals of fixed assets	389	1,480
Impairment losses	104	737
Losses on sales of stocks of subsidiaries and affiliates	—	1,109
Provision for reserve for price fluctuation	5,168	5,295
Contributions for promotion of social welfare project	391	436
Other extraordinary losses	—	38
<b>Surplus before income taxes and non-controlling interests</b>	<b>26,349</b>	<b>38,503</b>
<b>Income taxes</b>	<b>1,539</b>	<b>2,956</b>
Current	(1,781)	556
Deferred	3,320	2,400
<b>Net surplus</b>	<b>24,809</b>	<b>35,547</b>
<b>Net surplus attributable to non-controlling interests</b>	<b>10</b>	<b>11</b>
<b>Net surplus attributable to the Parent Company</b>	<b>24,799</b>	<b>35,535</b>

### 3. Unaudited Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Three months ended Jun. 30	
	2022	2023
Net surplus	24,809	35,547
Other comprehensive income (loss)	(302,800)	825,864
Net unrealized gains (losses) on available-for-sale securities	(317,211)	825,744
Deferred unrealized gains (losses) on derivatives under hedge accounting	(27,785)	(5,693)
Foreign currency translation adjustments	40,611	1,180
Remeasurements of defined benefit plans	(2,021)	(2,130)
Share of other comprehensive income (loss) of associates accounted for under the equity method	3,605	6,764
Comprehensive income (loss)	(277,990)	861,411
Comprehensive income (loss) attributable to the Parent Company	(278,001)	861,400
Comprehensive income (loss) attributable to non-controlling interests	10	11

## 4. Notes to the Unaudited Consolidated Financial Statements

### Basis for preparing unaudited consolidated financial statements

#### 1. Affiliates

##### (1) Change of scope of the equity method

PT Avrist Assurance and its 2 subsidiaries have been excluded from the scope of the equity method as of June 30, 2023, due to the sales of its shares.

##### (2) The number of affiliates accounted for by the equity method changed to 7.

#### 2. Amortization of goodwill

Goodwill recorded by a U.S. subsidiary was previously amortized on the straight-line basis over 20 years. However, since the U.S. subsidiary is now allowed to select the method of amortization based on FASB Accounting Standards Codification Topic 350 "Intangibles-Goodwill and Other", the Company changed the method of amortization to the straight-line method over 10 years from this fiscal year.

Accordingly, compared to the previous method, for the three months ended June 30, 2023, ordinary profit and surplus before income taxes and non-controlling interests both decreased by ¥2,387 million.

### Notes to the Unaudited Consolidated Balance Sheet as of June 30, 2023

#### 1. Change in significant accounting policy

##### (1) Certain overseas consolidated subsidiaries adopted FASB Accounting Standards Codification 326 Financial Instruments - Credit Loss

Effective January 1, 2023, certain overseas consolidated subsidiaries have adopted FASB Accounting Standards Codification 326 "Financial Instruments - Credit Loss" to change the measurement method of financial instruments by recognizing the impairment of financial assets using current expected credit loss model.

This change in accounting policy has been applied retroactively and the cumulative effects of the change in accounting policy is reflected in the beginning balance of the book value of net assets for the three months ended June 30, 2023.

Accordingly, for the three months ended June 30, 2023, the beginning balance of securities decreased by ¥269 million, loans decreased by ¥6,672 million, reinsurance receivables decreased by ¥929 million, deferred tax assets increased by ¥1,753 million, other liabilities increased by ¥414 million, retained earnings decreased by ¥6,532 million.

##### (2) Certain affiliates accounted for by the equity method have applied IFRS 9 Financial Instruments and IFRS 17 Insurance Contracts

Certain affiliates accounted for by the equity method have applied IFRS 9 Financial Instruments and IFRS 17 Insurance Contracts from the beginning of the first quarter of this fiscal year.

This change in accounting policy has been applied retroactively and the cumulative effects of the change in accounting policy is reflected in the beginning balance of the book value of net assets for the three months ended June 30, 2023.

Accordingly, for the three months ended June 30, 2023, the beginning balance of securities

increased by ¥4,715 million, retained earnings increased by ¥2,393 million, net unrealized gains on available-for-sale securities decreased by ¥1,836 million, unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries increased by ¥4,157 million.

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

(1) The proposed appropriation of surplus of the Company for the fiscal year ended March 31, 2023 approved at the annual meeting of the representatives of policyholders held on July 4, 2023 is reflected in the consolidated balance sheet as of June 30, 2023.

(2) Income taxes of the Company are calculated by applying a reasonably estimated effective tax rate for the full fiscal year to surplus before income taxes and non-controlling interests for the three months ended June 30, 2023. The effective tax rate is determined by estimating the effective tax rate for the full fiscal year, which includes the three months ended June 30, 2023, after taking into account the effect of deferred tax accounting.

Therefore, income taxes-deferred of the Company for the three months ended June 30, 2023 are included in the income taxes-current in the consolidated statements of income.

## 3. Policy reserves

The policy reserves of the Company which are additionally set aside pursuant to Article 69, Paragraph 5 of the “Ordinance for Enforcement of the Insurance Business Act” include the following:

- The policy reserves set aside in the fiscal year ended March 31, 2015 for variable life insurance contracts, and single premium endowment contracts concluded on or after September 2, 1995.
- The policy reserves set aside in the fiscal year ended March 31, 2018 for single premium individual annuity contracts concluded on or after April 2, 1998.
- The policy reserves for the difference arising from calculations of premium reserves using the expected rate of interest of 2.00% for 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).

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

## 4. 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 Jun 30, 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 the termination of special measures of paying 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”) on May 8, 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 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.

From the current fiscal year, the Company changed the calculation method to deduction of the amount pertaining to all quasi hospitalization instead of the deduction of the amount pertaining to quasi hospitalization for policyholders other than who are categorized at high risk of serious symptoms, due to the termination of the special measures of quasi hospitalization.

5. Policyholders' Dividend Reserves

Changes in policyholders' dividend reserves for the three months ended June 30, 2023 were as follows:

	Millions of Yen
Balance at the beginning of the period	¥ 288,339
Transfer from surplus in the previous fiscal year	144,240
Dividend payments to policyholders during the period	(49,512)
Interest accrued during the period	11
Balance at the end of the period	¥ 383,079

6. Redemption of Foundation Funds

The Company redeemed foundation funds on September 20, 2023 and also established for reserve for redemption of foundation funds pursuant to Article 56 of the "Insurance Business Act" in the amount of ¥50,000 million.

7. Securities Lending

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥5,297,102 million as of June 30, 2023.

8. Securities sold under repurchase agreements

Securities sold under repurchase agreements amounted to ¥238,281 million as of June 30, 2023.

9. Subordinated Bonds

As of June 30, 2023, bonds payable in liabilities consisted entirely of subordinated bonds and foreign currency-denominated subordinated bonds, the repayments of which are subordinated to other obligations.

10. Subordinated Borrowing

As of June 30, 2023, other liabilities in liabilities included subordinated borrowing of ¥271,600 million, and the repayments of which are subordinated to other obligations.



## Notes to the Unaudited Consolidated Statement of Income for the Three Months Ended June 30, 2023

### 1. Impairment of Fixed Assets

The details of the impairment losses on fixed assets are as follows:

#### (1) Method for grouping the assets

The Company and certain consolidated subsidiaries group all the fixed assets held and utilized mainly for the insurance business as one asset group for the impairment test.

For real estate for non-insurance business and idle assets, each asset is treated as an independent unit for the impairment test.

#### (2) Description of impairment losses recognized

For the three months ended June 30, 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 consolidated statement of income.

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

For the three months ended June 30, 2023

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	1	¥ 375	¥ 361	¥ 737
Idle assets	0	-	-	-
Total	1	¥ 375	¥ 361	¥ 737

#### (4) Calculation method of recoverable amounts

The recoverable amounts of real estate for non-insurance business are determined at net realizable value or value in use. The recoverable amounts for idle assets are net realizable value. Value in use is mainly determined as the estimated net future cash flows, reflecting the volatility risk, discounted at 1.71% for the three months ended June 30, 2023. Net realizable value is calculated based on the appraisal value with reference to "Real Estate Appraisal Standards" or the publicly announced appraisal value.

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

The total amount of depreciation of tangible fixed assets and amortization of goodwill were ¥14,996 million and ¥4,774 million respectively for the three months ended June 30, 2023.