

Financial Results Summary for the 1st Quarter of FY2023 Ended June 30, 2023

August 9, 2023

Meiji Yasuda Life Insurance Company



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Insurance Premiums of the Group JPY771.4 billion

Decreased by JPY105.2 billion, -12.0% year-on-year

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

Base Profit of the Group JPY88.2 billion

Increased by JPY6.3 billion, +7.7% year-on-year

- Mainly due to increase of base profit at StanCorp, major U.S. subsidiary, resulting from decrease in claim payments, while decreased at Meiji Yasuda Life due to higher hedging costs.

On-Balance Sheet Capital JPY4,239.8 billion Consolidated Solvency Margin Ratio 1,030.0%

Decreased by JPY8.1 billion from the end of FY2022

Increased by 19.3 pts from the end of FY2022

- Maintaining solid financial soundness in both indicators

Outlook for FY2023

- Decrease in insurance premiums and flat in base profit on both consolidated and non-consolidated basis (No change from previous report of FY2022)

1. Insurance Premiums of the Group

■ Insurance Premiums of the Group

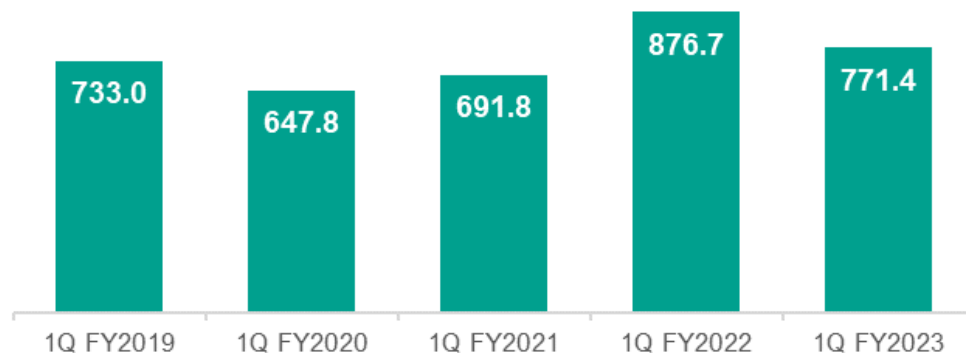
(billions of JPY)

	1Q FY2022	1Q FY2023	Change
Insurance premiums of the Group ^{*1}	876.7	771.4	-12.0%
Meiji Yasuda Life	767.0	647.0	-15.6%
Overseas insurance business and other businesses ^{*2}	109.7	124.3	+13.4%
StanCorp	98.2	112.6	+14.7%

- Insurance premiums of the Group decreased by 12.0% year-on-year, mainly due to sales decrease of single premium foreign currency-denominated products at Meiji Yasuda Life
- StanCorp increased by 14.7% year-on-year in sales, mainly due to high persistency rate of core group insurance business.

■ Trend of Insurance Premiums of the Group

(billions of JPY)



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

^{*2} ‘Overseas insurance business and other businesses’ include consolidated businesses, which are not life insurance business, such as Meiji Yasuda General Insurance Co.Ltd in addition to overseas insurance business. The accounting period for consolidated overseas subsidiaries and affiliates is from January 1 to March 31, 2023.

2. Base Profit of the Group

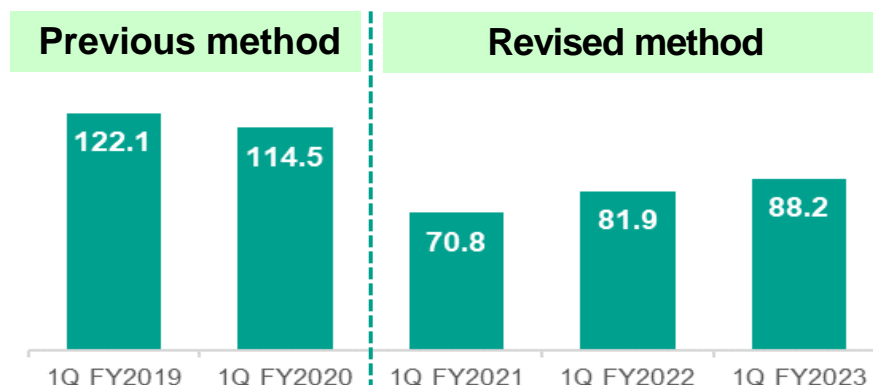
■ Base Profit of the Group

(billions of JPY)

	1Q FY2022	1Q FY2023	Change
Base profit of the Group ^{*1}	81.9	88.2	+7.7%
Meiji Yasuda Life	82.7	77.6	-6.2%
Overseas insurance business and other businesses ^{*2}	5.6	17.2	+205.6%
StanCorp	1.8	12.6	+584.9%

■ Trend of Base Profit of the Group ^{*3}

(billions of JPY)



- Base profit of the Group increased by 7.7% year-on-year due to increase in profit mainly due to decrease in claim payments and others at major U.S. subsidiary StanCorp.
- Base profit of Meiji Yasuda Life decreased by 6.2% year-on-year mainly due to increase in hedging costs.

^{*1} Base profit of the Group is the total of base profit of the Company and pretax profit of the consolidated subsidiaries and affiliates, which capital gains/losses are deducted (for affiliates shares of affiliates accounted for under the equity method), and internal group transactions of the Group are partially eliminated.

^{*2} 'Overseas insurance business and other businesses' include consolidated businesses, which are not life insurance business, such as Meiji Yasuda General Insurance Co.Ltd in addition to overseas insurance business. The accounting period for consolidated overseas subsidiaries and affiliates is from January 1 to March 31, 2023

^{*3} The calculation method for base profit was revised in FY2022 to include currency hedging costs and exclude gains/losses on cancellation of investment trusts, gains/losses on currency fluctuations for redemption of securities and gains/losses on reinsurance. Following this change, figures for 1Q FY2021, 1Q FY2022 and 1Q FY2023 are calculated by the revised method.

3. Indicator of Soundness

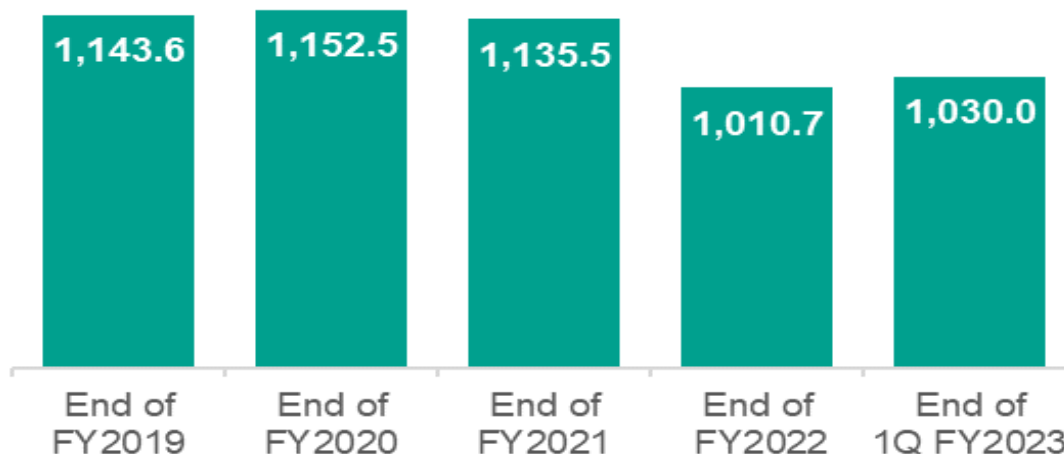
■ Consolidated Solvency Margin Ratio

	End of FY2022	End of 1Q FY2023	Difference
Consolidated Solvency Margin Ratio ^{*1}	1,010.7%	1,030.0%	+19.3pts

○ Consolidated solvency margin ratio was 1,030.0%, continuously maintaining solid soundness.

■ Trend of Consolidated Solvency Margin Ratio

(%)



^{*1} The solvency margin ratio is one of regulatory indicators displaying the soundness of insurers to determine if insurers have sufficient claims-paying ability at events that go beyond usually predictable risk. In case of failing to maintain the ratio at 200% or more, insurers are subject to a business improvement or other administrative orders issued by a supervisory authority.

1. Insurance Premiums and Other

■ Insurance Premiums and Other

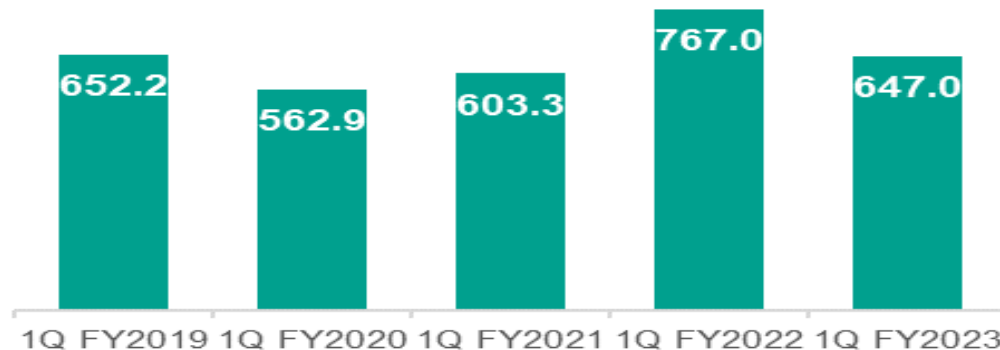
(billions of JPY)

	1Q FY2022	1Q FY2023	Change
Insurance premiums and other	767.0	647.0	-15.6%
Individual life insurance and annuities	512.0	429.7	-16.1%
Agency channel	401.3	349.8	-12.8%
Bancassurance channel	100.9	70.1	-30.5%
Group insurance	73.2	74.6	+1.9%
Group pensions	172.1	132.0	-23.3%

- Insurance premiums and other decreased by 15.6% year-on-year to JPY 647.0 billions mainly due to sales decrease of single premium foreign currency-denominated products.

■ Trend of Insurance Premiums and Other

(billions of JPY)



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

■ Annualized New Premiums

(Individual Life Insurance and Annuities)

(billions of JPY)

	1Q FY2022	1Q FY2023	Change
Annualized new premiums	35.9	27.7	-22.7%
Agency channel	30.0	23.6	-21.4%
Bancassurance channel	5.6	3.8	-32.1%
Annualized new premiums for protection-type products ^{*1}	11.5	10.3	-10.7%
Annualized new premiums for third-sector insurance ^{*2}	12.1	11.1	-8.5%

■ Annualized Premiums in Force

(Individual Life Insurance and Annuities)

(billions of JPY)

	End of FY2022	End of 1Q FY2023	Change
Annualized premiums in force	2,170.5	2,174.5	+0.2%
Annualized premiums in force for protection-type products ^{*1}	615.0	615.1	+0.0%
Annualized premiums in force for third-sector insurance premiums ^{*2}	488.7	490.5	+0.4%

- Annualized new premiums decreased by 22.7% year-on-year mainly due to sales decrease single premium foreign currency-denominated products.
- Annualized premiums in force secured a higher standard than the end of FY2022.

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

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

3. Base Profit

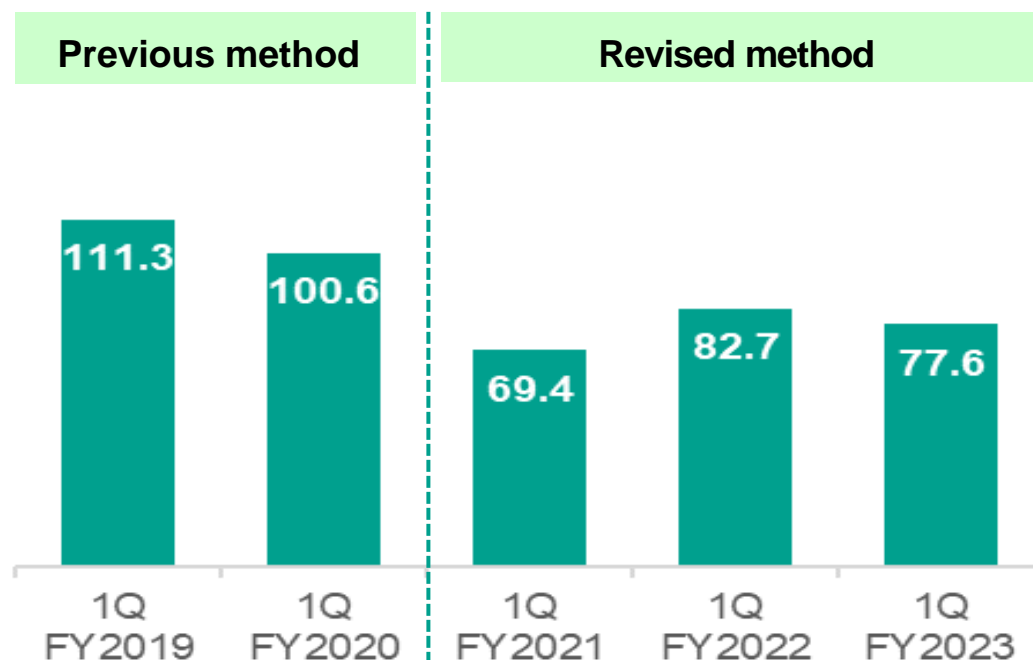
■ Base Profit

(billions of JPY)

	1Q FY2022	1Q FY2023	Change
Base Profit	82.7	77.6	-6.2%

■ Trend of Base Profit *

(billions of JPY)



- Base profit decreased by 6.2% year-on-year to JPY77.6 billion, mainly due to higher hedging costs, despite higher interest, dividends and other income from foreign bonds resulting from weaker yen.

* The calculation method for base profit was revised in FY2022 to include currency hedging costs and exclude gains/losses on cancellation of investment trusts, gains/losses on currency fluctuations for redemption of securities and gains/losses on reinsurance. Following this change, figures for 1Q FY2021, 1Q FY2022 and 1Q FY2023 are calculated by the revised method.

4. Indicators of Soundness

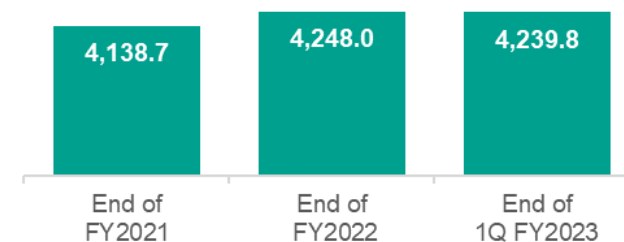
■ On-Balance Sheet Capital

(billions of JPY)

	End of FY2022	End of 1Q FY2023	Difference
On-balance sheet capital *	4,248.0	4,239.8	-8.1

■ Trend of On-Balance Sheet Capital

(billions of JPY)



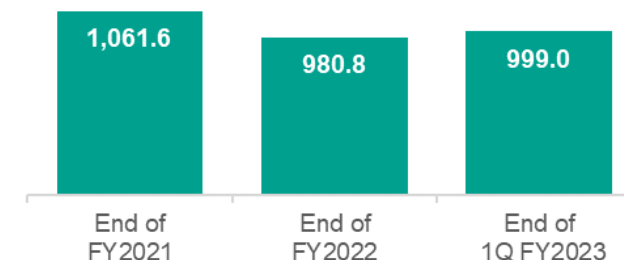
■ Solvency Margin Ratio

(%)

	End of FY2022	End of 1Q FY2023	Difference
Solvency margin ratio	980.8%	999.0%	+18.2pts
Solvency margin total	8,567.5	9,549.7	+982.2
Risk total	1,746.9	1,911.7	+164.8

■ Trend of Solvency Margin Ratio

(%)



■ Real Net Assets

(billions of JPY)

	End of FY2022	End of 1Q FY2023	Difference
Real net assets	8,614.8	9,670.4	+1,055.6
Ratio to general account assets	19.7%	21.4%	+1.7pts

* Total amount of specified internal reserves and externally financed capital.

5. Unrealized Gains and Break-even Point of Domestic Stocks

■ Unrealized Gains in General Account Assets

(billions of JPY)

	End of FY2022	End of 1Q FY2023	Difference
Unrealized gains in general account assets	4,320.8	5,497.3	+1,176.4
Securities with market price ^{*1}	3,686.2	4,794.0	+1,107.7
Domestic bonds	752.7	795.0	+42.3
Domestic stocks	2,958.2	3,694.9	+736.7
Foreign securities	-70.2	185.1	+255.3
Real estate	615.8	621.8	+6.0

- Unrealized gains in general account assets increased by JPY1,176.4 billion from the end of FY2022 to JPY5,497.3 billion, mainly due to increase of unrealized gains on domestic stocks and foreign securities by rise in domestic and overseas stock prices and weaker yen.

■ Break-even Point of Domestic Stocks

If Meiji Yasuda's portfolio fully correlates with TOPIX.

	End of FY2022	End of 1Q FY2023 ^{*2}
TOPIX	Approx. 690pts	Approx. 670pts

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

^{*2} Break-even point based on Nikkei 225: approximately JPY9,700.

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

■ Surrender and Lapse Rate ^{*1}

(Individual Life Insurance and Annuities)

(%)

	1Q FY2022	1Q FY2023	Difference
Individual life insurance and individual annuities	1.51%	1.18%	-0.33pts
Flagship products ^{*2}	1.31%	1.38%	+0.07pts

■ Total Persistency Rate ^{*3}

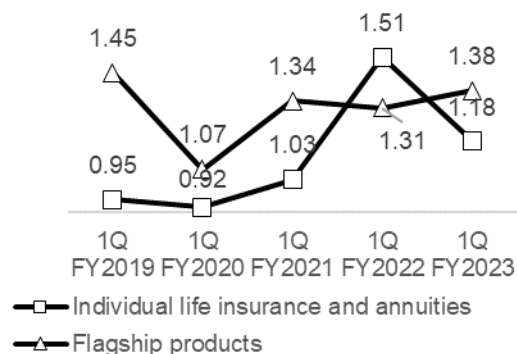
(Individual Life Insurance and Annuities)

(%)

	1Q FY2022	1Q FY2023	Difference
13th month	95.0%	94.3%	-0.7pts
25th month	89.9%	88.9%	-1.0pts
61st month	70.9%	68.2%	-2.7pts

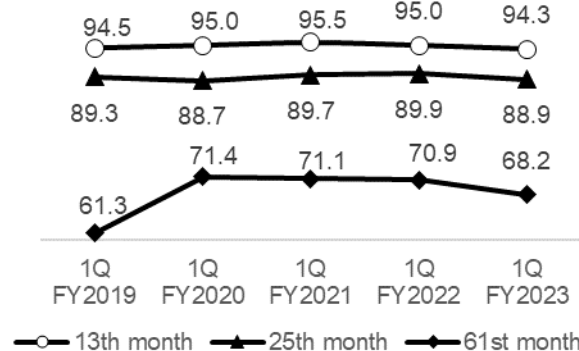
■ Surrender and Lapse Rate

(%)



■ Total Persistency Rate

(%)



- Surrender and lapse rate improved year-on-year due to decrease in surrender of foreign currency-denominated insurance. Which of flagship products also remained low.
- The 13th, 25th and 61st total persistency rate remained at a high level, respectively.

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

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

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

Insurance Premiums, Base Profit and Net Income of StanCorp

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

(billions of JPY)

	1Q FY2022	1Q FY2023	Change ^{*4}
Insurance premiums and other	98.2	112.6	+14.7%
Base profit equivalents ^{*2}	1.8	12.6	+584.9%
Net income ^{*3}	-1.5	0.6	-

^{*1} StanCorp's 1Q results from January to March 2023 are reflected in the Group's 1Q results from April to June 2023 because of the difference of accounting period.

^{*2} Base profit equivalents are based on pretax profit from which capital gains/losses, intangible asset amortization associated with purchase accounting and others are deducted.

^{*3} Figures are after amortization of goodwill from FY2023. Net income before amortization of goodwill is JPY5.3 billion.

^{*4} Change is calculated based on JPY. Change based on USD is +5.1% in insurance premium and other, and +527.7% in base profit equivalents.

※Exchange rates of JPY122.39 (as of the end of March 2022) and JPY133.53 (as of the end of March 2023) per USD are applied to 1Q FY2022 and 1Q FY2023, respectively.

- Insurance premiums and other increased to JPY112.6 billion by 14.7% year-on-year due to mainly high persistency rate of core group insurance business.
- Base profit equivalents significantly increased year-on-year due to significant decrease in claim payments related to COVID-19 and increase of asset management fee in the asset management business and so on. As a result, net income returned to profit

Business Outlook for FY2023 ^{*1}

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

	FY2023 Outlook	Change	FY2022 Actual
Insurance premiums of the Group ^{*2}	Approx. 3,350.0	Decrease (-9%)	3,670.2
Meiji Yasuda Life	Approx. 2,900.0	Decrease (-9%)	3,203.6
StanCorp	Approx. 420.0	Flat	426.4

■ Outlook for Revised Base Profit of the Group (billions of JPY)

	FY2023 Outlook	Change	FY2022 Actual
Base profit of the Group	Approx. 400.0	Flat	401.8
Meiji Yasuda Life	Approx. 370.0	Flat	371.6
StanCorp	Approx. 42.0	Increase (+17%)	35.9

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

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

- Business outlook for FY2023 has not changed from previous report of FY2022.
- Insurance premiums of the Group are expected to continue to exceed JPY3 trillion, despite decrease of insurance premium due to lower sales volume of single premium foreign currency-denominated products.
- Base profit of the Group is expected to remain flat due to high hedging costs, despite lower claim payments related to COVID-19.