



Independent Auditor's Report

To the Board of Directors of Meiji Yasuda Life Insurance Company :

Report on the Audit of the Financial Statements

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, 2023 and 2024, 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, 2023 and 2024, 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.

Fee-related Information

Fee-related information is described in the auditor's report on the consolidated financial statements.

Convenience Translation

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2024 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.

Michitaka Shishido
Designated Engagement Partner
Certified Public Accountant

Takanobu Miwa
Designated Engagement Partner
Certified Public Accountant

Hiroki Kobayashi
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
August 5, 2024

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
	2023	2024	2024
ASSETS:			
Cash and deposits			
Cash	¥ 5	¥ 6	\$ 0
Deposits	1,305,220	701,729	4,634
Subtotal	1,305,226	701,735	4,634
Call loans	90,000	220,000	1,453
Monetary claims bought	171,153	160,302	1,058
Money held in trust	119,533	114,117	753
Securities (*1, *2, *3, *5)			
National government bonds	16,414,388	16,457,328	108,693
Local government bonds	265,056	254,739	1,682
Corporate bonds	2,009,302	2,006,932	13,254
Domestic stocks	4,695,958	6,762,598	44,664
Foreign securities	12,448,233	13,849,768	91,471
Other securities	1,210,460	1,201,378	7,934
Subtotal	37,043,400	40,532,745	267,701
Loans (*6, *7)			
Policy loans	175,665	163,870	1,082
Industrial and consumer loans	3,721,667	3,717,579	24,553
Subtotal	3,897,333	3,881,450	25,635
Tangible fixed assets (*8, *14)			
Land	606,719	606,594	4,006
Buildings	241,955	250,449	1,654
Construction in progress	16,474	26,736	176
Other tangible fixed assets	2,571	3,369	22
Subtotal	867,720	887,149	5,859
Intangible fixed assets			
Software	56,944	63,496	419
Other intangible fixed assets	39,943	38,800	256
Subtotal	96,888	102,296	675
Reinsurance receivables	1,944	1,250	8
Other assets			
Accounts receivable	109,985	151,908	1,003
Prepaid expenses	8,736	9,969	65
Accrued income	129,181	153,895	1,016
Money on deposit	13,140	13,544	89
Deposits for futures transactions	14,861	16,044	105
Margins on futures transactions	352	522	3
Derivative financial instruments	76,321	46,740	308
Cash collaterals pledged for financial instruments	174,311	208,795	1,379
Suspense	9,003	5,576	36
Other assets	6,898	6,124	40
Subtotal	542,792	613,121	4,049
Prepaid pension cost	117,262	145,858	963
Customers' liabilities under acceptances and guarantees	5,743	5,063	33
Allowance for possible loan losses	(11,731)	(9,510)	(62)
Total assets	¥ 44,247,267	¥ 47,355,580	\$ 312,763

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

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2023	2024	2024
LIABILITIES:			
Policy reserves and other reserves			
Reserve for outstanding claims (*16)	¥ 139,325	¥ 149,056	\$ 984
Policy reserves (*16)	33,497,956	34,018,043	224,675
Policyholders' dividend reserves (*9)	288,339	289,545	1,912
Subtotal	33,925,622	34,456,645	227,571
Reinsurance payables	722	632	4
Bonds payable (*10)	640,735	640,735	4,231
Other liabilities			
Payables under repurchase agreements	330,630	257,631	1,701
Payables under securities borrowing transactions	3,789,618	3,658,338	24,161
Borrowings (*11)	271,600	271,600	1,793
Income taxes payable	19,047	7,901	52
Accounts payable	42,189	84,128	555
Accrued expenses	39,361	49,473	326
Deferred income	2,820	7,709	50
Deposits received	32,456	36,578	241
Guarantee deposits received	32,479	32,924	217
Margins on futures transactions	179	194	1
Derivative financial instruments	167,208	312,160	2,061
Cash collaterals received for financial instruments	79,525	41,338	273
Asset retirement obligations	3,529	3,086	20
Suspense receipts	3,024	2,635	17
Subtotal	4,813,669	4,765,701	31,475
Reserve for price fluctuation	1,072,330	1,128,202	7,451
Deferred tax liabilities	395	679,664	4,488
Deferred tax liabilities for land revaluation (*14)	78,178	77,509	511
Acceptances and guarantees	5,743	5,063	33
Total liabilities	40,537,397	41,754,153	275,768
NET ASSETS:			
Foundation funds	100,000	50,000	330
Reserve for redemption of foundation funds	880,000	930,000	6,142
Reserve for revaluation	452	452	2
Surplus	315,738	283,231	1,870
Reserve for future losses	13,419	13,853	91
Other surplus	302,319	269,378	1,779
Reserve for fund redemption	70,000	40,000	264
Fund for price fluctuation allowance	29,764	29,764	196
Reserve for promotion of social welfare project	774	693	4
Reserve for business infrastructure	10,000	10,000	66
Reserve for reduction entry of real estate	25,101	24,578	162
Unappropriated surplus	166,680	164,342	1,085
Total funds, reserve and surplus	1,296,191	1,263,684	8,346
Net unrealized gains (losses) on available-for-sale securities	2,320,146	4,282,331	28,283
Deferred unrealized gains (losses) on derivatives under hedge accounting	(28,011)	(68,811)	(454)
Land revaluation differences (*14)	121,544	124,222	820
Total unrealized gains, revaluation reserves and adjustments	2,413,678	4,337,741	28,648
Total net assets	3,709,870	5,601,426	36,995
Total liabilities and net assets	¥ 44,247,267	¥ 47,355,580	\$ 312,763

Meiji Yasuda Life Insurance Company
Non-consolidated Statements of Income

Years ended March 31	Millions of Yen		Millions of
	2023	2024	U.S. Dollars
			2024
ORDINARY INCOME:			
Insurance premiums and other			
Insurance premiums	¥ 3,194,937	¥ 2,817,213	\$ 18,606
Reinsurance revenue	8,755	10,032	66
Subtotal	3,203,693	2,827,246	18,672
Investment income (*2)			
Interest, dividends and other income	988,501	1,160,750	7,666
Interest on deposits	6,137	15,127	99
Interest and dividends on securities	855,613	1,008,516	6,660
Interest on loans	59,579	64,054	423
Rent revenue from real estate	43,971	44,616	294
Other interest and dividends	23,199	28,436	187
Gains on money held in trust	2,335	1,068	7
Gains on trading securities	—	47	0
Gains on sales of securities	343,043	313,022	2,067
Gains on redemption of securities	170,717	43,636	288
Foreign exchange gains	33,925	264,090	1,744
Reversal of allowance for possible loan losses	—	2,205	14
Other investment income	454	568	3
Investment gains on separate accounts	—	76,610	505
Subtotal	1,538,977	1,861,999	12,297
Other ordinary income			
Income from annuity riders	11,451	12,351	81
Income from deferred benefits	29,064	24,819	163
Reversal of accrued retirement benefits	11,749	28,595	188
Other ordinary income	8,464	8,621	56
Subtotal	60,729	74,387	491
Total ordinary income	¥ 4,803,400	¥ 4,763,633	\$ 31,461

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

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2023	2024	2024
ORDINARY EXPENSES:			
Benefits and other payments			
Claims paid	¥ 643,750	¥ 616,544	\$ 4,072
Annuity payments	636,191	651,219	4,301
Benefit payments	451,704	427,969	2,826
Surrender benefits	961,467	957,582	6,324
Other refunds	110,332	109,971	726
Reinsurance premiums	1,642	1,107	7
Subtotal	2,805,089	2,764,394	18,257
Provision for policy reserves and other reserves			
Provision for reserve for outstanding claims (*3)	4,083	9,730	64
Provision for policy reserves (*3)	428,472	520,086	3,434
Provision for interest on policyholders' dividend reserves	50	43	0
Subtotal	432,606	529,861	3,499
Investment expenses (*2)			
Interest expenses	40,266	40,481	267
Losses on trading securities	33	—	—
Losses on sales of securities	59,172	81,824	540
Losses on valuation of securities	4,536	3,998	26
Losses on redemption of securities	900	258	1
Losses on derivative financial instruments	601,687	542,794	3,584
Provision for allowance for possible loan losses	1,267	—	—
Write-off of loans	60	—	—
Depreciation of real estate for non-insurance business	8,979	9,252	61
Other investment expenses	26,768	25,656	169
Investment losses on separate accounts	11,630	—	—
Subtotal	755,303	704,265	4,651
Operating expenses	398,165	414,139	2,735
Other ordinary expenses			
Deferred benefit payments	56,636	46,460	306
Taxes	37,039	35,233	232
Depreciation	30,564	32,767	216
Other ordinary expenses	4,940	5,499	36
Subtotal	129,180	119,960	792
Total ordinary expenses	4,520,345	4,532,622	29,936
Ordinary profit	¥ 283,055	¥ 231,010	\$ 1,525

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

Years ended March 31	Millions of Yen		Millions of
	2023	2024	U.S. Dollars
			2024
Extraordinary gains			
Gains on disposals of fixed assets	¥ 2,782	¥ 305	\$ 2
Gains on liquidation of subsidiaries and affiliates	498	—	—
Subtotal	3,280	305	2
Extraordinary losses			
Losses on disposals of fixed assets	3,041	6,246	41
Impairment losses (*4)	565	2,114	13
Impairment on stocks of subsidiaries and affiliates	1,602	—	—
Losses on sales of stocks of subsidiaries and affiliates	—	476	3
Losses on liquidation of subsidiaries and affiliates	—	30	0
Losses on reorganization of subsidiaries and affiliates	—	5,014	33
Provision for reserve for price fluctuation	202,957	55,872	369
Contributions for promotion of social welfare project	1,725	2,306	15
Subtotal	209,892	72,060	475
Surplus before income taxes	76,444	159,256	1,051
Income taxes			
Current	51,860	61,665	407
Deferred	(79,562)	(67,123)	(443)
Total income taxes	(27,702)	(5,458)	(36)
Net surplus	¥ 104,146	¥ 164,714	\$ 1,087

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

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, 2024	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	100,000	880,000	452	13,419	70,000	29,764	774	10,000	25,101	166,680	315,738	1,296,191
Changes in the fiscal year												
Additions to policyholders' dividend reserves										(144,240)	(144,240)	(144,240)
Additions to reserve for future losses				434						(434)		
Additions to reserve for redemption of foundation funds		50,000										50,000
Payment of interest on foundation funds										(302)	(302)	(302)
Net surplus										164,714	164,714	164,714
Redemption of foundation funds	(50,000)											(50,000)
Additions to reserve for fund redemption					20,000					(20,000)		
Reversal of reserve for fund redemption					(50,000)						(50,000)	(50,000)
Additions to reserve for promotion of social welfare project							2,225			(2,225)		
Reversal of reserve for promotion of social welfare project							(2,306)			2,306		
Reversal of reserve for reduction entry of real estate									(522)	522		
Reversal of land revaluation differences										(2,678)	(2,678)	(2,678)
Net changes, excluding funds, reserves and surplus												
Net changes in the fiscal year	(50,000)	50,000	—	434	(30,000)	—	(80)	—	(522)	(2,337)	(32,507)	(32,507)
Ending balance	50,000	930,000	452	13,853	40,000	29,764	693	10,000	24,578	164,342	283,231	1,263,684

	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	2,320,146	(28,011)	121,544	2,413,678	3,709,870
Changes in the fiscal year					
Additions to policyholders' dividend reserves					(144,240)
Additions to reserve for future losses					
Additions to reserve for redemption of foundation funds					50,000
Payment of interest on foundation funds					(302)
Net surplus					164,714
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 reduction entry of real estate					
Reversal of land revaluation differences					(2,678)
Net changes, excluding funds, reserves and surplus	1,962,184	(40,800)	2,678	1,924,062	1,924,062
Net changes in the fiscal year	1,962,184	(40,800)	2,678	1,924,062	1,891,555
Ending balance	4,282,331	(68,811)	124,222	4,337,741	5,601,426

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

Year ended March 31, 2024	Funds, reserves and surplus										Millions of U.S. Dollars
	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 funds, reserves and surplus
Beginning balance	660	5,812	2	88	462	196	5	66	165	1,100	8,560
Changes in the fiscal year											
Additions to policyholders' dividend reserves										(952)	(952)
Additions to reserve for future losses				2						(2)	
Additions to reserve for redemption of foundation funds		330									330
Payment of interest on foundation funds										(1)	(1)
Net surplus										1,087	1,087
Redemption of foundation funds	(330)										(330)
Additions to reserve for fund redemption					132					(132)	
Reversal of reserve for fund redemption					(330)						(330)
Additions to reserve for promotion of social welfare project							14			(14)	
Reversal of reserve for promotion of social welfare project							(15)			15	
Reversal of reserve for reduction entry of real estate									(3)	3	
Reversal of land revaluation differences										(17)	(17)
Net changes, excluding funds, reserves and surplus											
Net changes in the fiscal year	(330)	330	—	2	(198)	—	0	—	(3)	(15)	(214)
Ending balance	330	6,142	2	91	264	196	4	66	162	1,085	8,346

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	15,323	(185)	802	15,941	24,502
Changes in the fiscal year					
Additions to policyholders' dividend reserves					(952)
Additions to reserve for future losses					
Additions to reserve for redemption of foundation funds				330	
Payment of interest on foundation funds					(1)
Net surplus					1,087
Redemption of foundation funds					(330)
Additions to reserve for fund redemption					
Reversal of reserve for fund redemption					(330)
Additions to reserve for promotion of social welfare project					
Reversal of reserve for promotion of social welfare project					
Reversal of reserve for reduction entry of real estate					
Reversal of land revaluation differences					(17)
Net changes, excluding funds, reserves and surplus					
Net changes in the fiscal year	12,959	(269)	17	12,707	12,492
Ending balance	28,283	(454)	820	28,648	36,995

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

Years ended March 31	Millions of Yen		Millions of
	2023	2024	U.S. Dollars
			2024
Unappropriated surplus	¥ 166,680	¥ 164,342	\$ 1,085
Reversal of voluntary surplus reserves:	522	521	3
Reversal of reserve for reduction			
entry of real estate	522	521	3
Total	167,203	164,863	1,088
Appropriation of surplus	167,203	164,863	1,088
Provision for policyholders' dividend reserves	144,240	150,958	997
Net surplus	22,962	13,905	91
Reserve for future losses	434	454	2
Interest on foundation funds	302	145	0
Voluntary surplus reserves:	22,225	13,306	87
Reserve for fund redemption	20,000	10,000	66
Reserve for promotion of			
social welfare project	2,225	3,306	21

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, 2024, which was ¥151.41 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
Available-for-sale securities are stated at market value (e.g. quoted prices) at the balance sheet date. The cost of sales is determined by the moving average method. Stocks and others of which market value is not available are stated at cost using the moving average method. Unrealized gains and losses on available-for-sale securities are reported as a component of net assets in the non-consolidated balance sheets.

Meiji Yasuda Life Insurance Company

Notes to the Non-consolidated Financial Statements

(2) Money held in trust

Money held in trust is stated at fair value.

(3) Policy-reserve-matching bonds

The Company classifies bonds held with the aim of matching the duration to outstanding insurance liabilities within the sub-groups (categorized by insurance type, investment policy and other factors) of individual life insurance, individual annuities and group pensions as policy-reserve-matching bonds in accordance with the Industry Audit Committee Report No.21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry" issued by the JICPA.

In addition, some sub-groups assigned for individual life insurance, individual annuities and group pensions were subdivided into new-subgroups in the fiscal year ended March 31, 2024 due to changes in asset management policies for new insurance policies.

This change has no impact on the non-consolidated balance sheets and the non-consolidated statements of income.

(4) Derivative transactions

Derivative transactions are stated at fair value.

(5) Tangible fixed assets

Tangible fixed assets owned by the Company are depreciated as follows:

- a. Buildings
Calculated using the straight-line method.
- b. Other tangible fixed assets
Calculated using the declining-balance method.

Tangible fixed assets are presented at cost, net of accumulated depreciation and impairment losses.

(6) Software

Capitalized software for internal use owned by the Company (included in intangible fixed assets in the non-consolidated balance sheets) is amortized using the straight-line method over the estimated useful lives.

(7) Allowance for possible loan losses

Allowance for possible loan losses of the Company is provided pursuant to its standards for self-assessment of asset quality and internal rules for write-offs of loans and allowance for possible loan losses.

For loans to borrowers that are legally bankrupt (hereafter, "bankrupt borrowers") and for loans to borrowers that are not yet legally bankrupt but substantially bankrupt (hereafter, "substantially bankrupt borrowers"), an allowance is provided based on the total amounts of the loans after deduction of charge-offs and any amounts expected to be collected through the disposal of collateral and the execution of guarantees.

Meiji Yasuda Life Insurance Company

Notes to the Non-consolidated Financial Statements

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, 2023 and 2024 amounted to ¥16 million and ¥13 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, 2023 and 2024 were as follows:

Years ended March 31	2023	2024
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, 2023 and 2024.

(9) Reserve for price fluctuation

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

(10) Foreign currency translation

Assets and liabilities denominated in foreign currencies, except for equity securities issued by subsidiaries and affiliates, are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Equity securities issued by subsidiaries and affiliates are translated into Japanese yen at the exchange rates on the dates of acquisition.

(11) Method of hedge accounting

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Notes to the Non-consolidated Financial Statements

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 JICPA Industry Audit Committee Practical Guideline No. 26, "Accounting and Auditing Treatments related to Application of Accounting Standard for Financial Instruments in the Insurance Industry."

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 fulfillment of obligations under the insurance contracts.

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Notes to the Non-consolidated Financial Statements

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 single premium endowment contracts concluded on or after September 2, 1995.
- The policy reserves set aside in the fiscal year ended March 31, 2018 for single premium individual annuity contracts concluded on or after April 2, 1998.
- The policy reserves for the difference arising from calculations of premium reserves using the expected rate of interest of 2.00% for 2 years since the fiscal year ended March 31, 2021, for individual annuity contracts concluded on or before April 1, 1999 (excluding the single premium Individual annuity policies listed above).
- The policy reserves set aside in the fiscal years ended March 31, 2015 and 2024 for variable life insurance contracts.

In addition to policy reserves set aside for variable life insurance contracts in the fiscal year ended March 31, 2015, the Company set aside policy reserves in the amount of ¥64,721 million (U.S. \$427 million) in the fiscal year ended March 31, 2024 for these contracts. As a result, ordinary income and surplus before income taxes and non-controlling interests each decreased by ¥64,721 million (U.S. \$427 million).

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”). 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 Ministry of Finance Notification No. 234 (hereinafter referred to as “IBNR Notification”) in 1998, due to the May 8, 2023 termination of special treatments applied for payments of hospitalization and other benefits to policyholders in such status as “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”). 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

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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.

In addition, at the end of the fiscal year ended March 31, 2023, the Company deducted the amount pertaining to quasi hospitalization for policyholders other than those categorized at high risk of serious symptoms, instead of deducting the amount pertaining to quasi hospitalization. However, due to the termination of special treatments applied to hospitalization benefits for quasi hospitalization in the fiscal year ended March 31, 2024, the Company revised the above method and deducted the amount pertaining to quasi hospitalization.

(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 correspond 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

The amounts of ¥957,933 million and ¥1,104,962 million (U.S. \$7,297 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, 2023 and 2024, respectively.

Equity securities issued by subsidiaries and affiliates is tested for impairment based on the actual value. The actual value is, in principle, determined based on the net asset value at the end of the fiscal year. However, if necessary, the value calculated with key assumptions such as the future cash flows is used as the actual value.

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Those assumptions involve a high degree of uncertainty and may greatly affect the future cash flow estimates to be formulated in the next fiscal year.

In addition, in the fiscal years ended March 31, 2023, the Company recorded impairment on stocks of subsidiaries and affiliates totaling ¥1,602 million, as part of extraordinary losses due to a considerable decline in the actual value of equity securities issued by some affiliates, whose financial position has deteriorated or whose ability to generate future cash flows has declined with no likelihood of recovery. The amount of this loss is based on the difference between the acquisition cost of each equity security and its actual value. In the fiscal year ended March 31, 2024, the Company recorded no impairment on stocks of subsidiaries and affiliates as the result of the impairment test.

(Changes in accounting policies)

(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.

III. Notes to Balance Sheets

***1. Securities Lending**

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥4,929,389 million and ¥5,657,341 million (U.S. \$37,364 million) as of March 31, 2023 and 2024, respectively.

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

Securities sold under repurchase agreements amounted to ¥339,705 million and ¥264,703 million (U.S. \$1,748 million) as of March 31, 2023 and 2024, respectively.

***3. Pledged Assets**

Assets pledged as collateral were securities in the amount of ¥60,173 million and ¥380,015 million (U.S. \$2,509 million) as of March 31, 2023 and 2024, respectively.

4. Receivable from and Payable to Subsidiaries and Affiliates

Meiji Yasuda Life Insurance Company

Notes to the Non-consolidated Financial Statements

The total amounts receivable from and payable to subsidiaries and affiliates as of March 31, 2023 and 2024 were as follows:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2023	2024	2024
Receivable	¥ 60,506	¥ 72,347	\$ 477
Payable	5,501	4,702	31

*5. Equity Securities issued by Subsidiaries and Affiliates

The total amounts of equity securities issued by subsidiaries and affiliates were ¥957,933 million and ¥1,104,962 million (U.S. \$7,297 million) as of March 31, 2023 and 2024, 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 ¥22,845 million and ¥21,510 million (U.S. \$142 million) as of March 31, 2023 and 2024, respectively.

The amounts of bankrupt and quasi-bankrupt loans were ¥420 million and ¥405 million (U.S. \$2 million) as of March 31, 2023 and 2024, respectively.

The amounts of loans deemed uncollectible and directly deducted from the loans in the non-consolidated balance sheet as of March 31, 2023 and 2024 were ¥16 million and ¥13 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 fillings for the commencement of bankruptcy, corporate reorganization or civil rehabilitation proceedings, and loans to borrowers of similar status.

The amounts of doubtful loans were ¥12,508 million and ¥11,832 million (U.S. \$78 million) as of March 31, 2023 and 2024, 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, 2023 and 2024.

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 ¥9,916 million and ¥9,272 million (U.S. \$61 million) as of March 31, 2023 and 2024, 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

Meiji Yasuda Life Insurance Company

Notes to the Non-consolidated Financial Statements

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 ¥73,215 million and ¥55,445 million (U.S. \$366 million) as of March 31, 2023 and 2024, respectively.

*8. Accumulated Depreciation

Accumulated depreciation of tangible fixed assets amounted to ¥460,960 million and ¥471,079 million (U.S. \$3,111 million) as of March 31, 2023 and 2024, respectively.

*9. Policyholders' Dividend Reserves

Changes in policyholders' dividend reserves for the years ended March 31, 2023 and 2024 were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2023	2024	2024
Balance at the beginning of the fiscal year	¥ 281,323	¥ 288,339	\$ 1,904
Transfer from surplus in the previous fiscal year	151,453	144,240	952
Dividend payments to policyholders during the fiscal year	(144,508)	(143,093)	(945)
Interest accrued during the fiscal year	71	58	0
Balance at the end of the fiscal year	288,339	289,545	1,912

*10. Subordinated Bonds

As of March 31, 2023 and 2024, 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, 2023 and 2024, 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 ¥589,743 million and ¥607,204 million (U.S. \$4,010 million) as of March 31, 2023 and 2024, 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 ¥2,414,131 million and ¥4,338,194 million (U.S. \$28,651 million) as of March 31, 2023 and 2024,

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Notes to the Non-consolidated Financial Statements

respectively.

*14. 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.

15. 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.

*16. Reinsurance

As of March 31, 2023 and 2024, 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 ¥23 million and ¥13 million (U.S. \$0 million), respectively.

As of March 31, 2023 and 2024, 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 ¥13,458 million and ¥4,955 million (U.S. \$32 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, 2023 and 2024 were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2023	2024	2024
Total income	¥ 27,380	¥ 38,108	\$251
Total expenses	42,707	45,081	297

Meiji Yasuda Life Insurance Company

Notes to the Non-consolidated Financial Statements

*2. Investment Income and Expenses

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

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2023	2024	2024
Domestic bonds including national government bonds	¥ 22,532	¥ 18,154	\$ 119
Domestic stocks	55,499	59,682	394
Foreign securities	263,819	234,335	1,547

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

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2023	2024	2024
Domestic bonds including national government bonds	¥ 133	¥ 502	\$ 3
Domestic stocks	2,126	14,417	95
Foreign securities	56,912	66,518	439

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

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2023	2024	2024
Domestic stocks	¥ 4,536	¥ 93	\$ 0
Foreign securities	—	3,904	25

Losses on derivative financial instruments included net valuation gain of ¥376,689 million and ¥121,909 million (U.S. \$805 million) for the years ended March 31, 2023 and 2024, 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, 2023 and 2024 were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2023	2024	2024
Provision for (reversal of) reinsurance recoverable on outstanding claims	¥ 3	¥ (9)	\$ (0)
Provision for (reversal of) reinsurance recoverable on policy reserves	(5,367)	(8,502)	(56)

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Notes to the Non-consolidated Financial Statements

***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, 2023 and 2024, 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, 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, 2024

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	1	¥ 529	¥ 869	¥ 1,399
Idle assets	7	377	337	714
Total	8	906	1,207	2,114

For the year ended March 31, 2024

Asset group	Millions of U.S. Dollars		
	Land	Buildings	Total
Real estate for non-insurance business	\$ 3	\$ 5	\$ 9
Idle assets	2	2	4
Total	5	7	13

(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 1.73% and 1.71% for the years ended March 31, 2023 and 2024, 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 ¥50,000 million and ¥50,000 million (U.S. \$330 million) in the fiscal years ended March 31, 2023 and 2024, 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 as well as foreign currency denominated bonds payable issued by the Company; 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 issued by the Company 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, 2023 and 2024, 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		
	Balance sheet amount	Fair value	Difference
Deposits	¥ 11,999	¥ 11,999	¥ —
Available-for-sale securities (CDs)	11,999	11,999	—
Monetary claims bought	171,153	175,564	4,410
Held-to-maturity debt securities	165,258	169,668	4,410
Available-for-sale securities	5,895	5,895	—
Money held in trust	119,533	119,533	—
Trading securities	4,544	4,544	—
Available-for-sale securities	114,988	114,988	—
Securities	36,125,159	36,587,541	462,381
Trading securities	461,933	461,933	—
Held-to-maturity debt securities	3,320,294	3,716,928	396,634
Policy-reserve-matching bonds	13,838,014	13,906,096	68,081
Stocks of subsidiaries and affiliates	98,991	96,657	(2,333)
Available-for-sale securities	18,405,926	18,405,926	—
Loans	3,897,333	3,954,672	57,338
Policy loans	175,665	175,665	—
Industrial and consumer loans	3,721,667	3,779,006	57,338
Allowance for possible loan losses (*1)	(10,292)	—	—
	3,887,041	3,954,672	67,630
Bonds payable	640,735	632,941	(7,793)
Borrowings	271,600	252,096	(19,503)
Derivative financial instruments (*2)	(90,887)	(90,887)	—
Hedge accounting is not applied	(24,914)	(24,914)	—
Hedge accounting is applied	(65,973)	(65,973)	—

(*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.

Meiji Yasuda Life Insurance Company

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 ¥894,593 million as of March 31, 2023. Of this, the amount of stocks of subsidiaries and affiliates was ¥858,941 million. The amount of investments in capital partnerships reported in the non-consolidated balance sheets totaled ¥23,646 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 for the year ended March 31, 2023.

As of March 31	Millions of Yen			Millions of U.S. Dollars		
	2024			2024		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Deposits	¥ 16,995	¥ 16,995	¥—	\$ 112	\$ 112	\$ —
Available-for-sale securities (CDs)	16,995	16,995	—	112	112	—
Monetary claims bought	160,302	155,836	(4,466)	1,058	1,029	(29)
Held-to-maturity debt securities	155,385	150,919	(4,466)	1,026	996	(29)
Available-for-sale securities	4,916	4,916	—	32	32	—
Money held in trust	114,117	114,117	—	753	753	—
Available-for-sale securities	114,117	114,117	—	753	753	—
Securities	39,464,593	39,028,755	(435,838)	260,647	257,768	(2,878)
Trading securities	513,558	513,558	—	3,391	3,391	—
Held-to-maturity debt securities	3,086,357	3,360,296	273,939	20,384	22,193	1,809
Policy-reserve-matching bonds	14,751,534	14,067,870	(683,663)	97,427	92,912	(4,515)
Stocks of subsidiaries and affiliates	98,991	72,876	(26,114)	653	481	(172)
Available-for-sale securities	21,014,152	21,014,152	—	138,789	138,789	—
Loans	3,881,450	3,905,640	24,189	25,635	25,795	159
Policy loans	163,870	163,870	—	1,082	1,082	—
Industrial and consumer loans	3,717,579	3,741,769	24,189	24,553	24,712	159
Allowance for possible loan losses (*1)	(7,996)	—	—	(52)	—	—
	3,873,454	3,905,640	32,185	25,582	25,795	212
Bonds payable	640,735	641,039	304	4,231	4,233	2
Borrowings	271,600	256,279	(15,320)	1,793	1,692	(101)
Derivative financial instruments (*2)	(265,420)	(265,420)	—	(1,752)	(1,752)	—
Hedge accounting is not applied	(15,570)	(15,570)	—	(102)	(102)	—
Hedge accounting is applied	(249,849)	(249,849)	—	(1,650)	(1,650)	—

(*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) and Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31), 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.

Meiji Yasuda Life Insurance Company
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 ¥1,039,135 million (U.S. \$6,863 million) as of March 31, 2024. Of this, the amount of stocks of subsidiaries and affiliates was ¥1,005,971 million (U.S. \$6,644 million). The amount of investments in capital partnerships reported in the non-consolidated balance sheets totaled ¥29,016 million (U.S. \$191 million) as of March 31, 2024.

The amount of impairment losses on unlisted stocks and others of which market value is not available and investments in capital partnerships was ¥5 million (U.S. \$0 million) for the year ended March 31, 2024.

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

Notes:

a. Maturity analysis of monetary claims and securities with maturities

As of March 31	Millions of Yen					
	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
Deposits (CDs)	¥ 11,999	¥ —	¥ —	¥ —	¥ —	¥ —
Monetary claims bought	—	—	—	—	—	171,153
Loans*	451,385	718,223	575,753	616,785	744,293	606,898
Securities	684,652	1,243,688	2,316,101	3,109,664	6,617,253	14,999,356
Held-to-maturity debt securities	217,271	548,665	451,881	83,913	559,970	1,458,591
Policy-reserve-matching bonds	3,467	32,933	254,377	1,040,326	2,911,125	9,595,784
Available-for-sale securities with maturities	463,912	662,089	1,609,843	1,985,424	3,146,157	3,944,980
Total	1,148,037	1,961,911	2,891,855	3,726,450	7,361,547	15,777,408

As of March 31	Millions of Yen						Millions of U.S. Dollars					
	2024						2024					
	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)	¥ 16,995	¥—	¥—	¥—	¥—	¥—	\$ 112	\$ —	\$ —	\$ —	\$ —	\$ —
Monetary claims bought	—	—	—	—	—	160,302	—	—	—	—	—	1,058
Loans*	437,791	751,193	584,642	636,969	743,668	555,382	2,891	4,961	3,861	4,206	4,911	3,668
Securities	441,406	1,440,771	3,069,660	3,162,383	6,240,297	15,847,592	2,915	9,515	20,273	20,886	41,214	104,666
Held-to-maturity debt securities	193,355	621,455	249,891	20,105	575,871	1,425,678	1,277	4,104	1,650	132	3,803	9,416
Policy-reserve-matching bonds	17,459	67,926	635,280	1,494,365	3,016,494	9,520,008	115	448	4,195	9,869	19,922	62,875
Available-for-sale securities with maturities	230,591	751,390	2,184,488	1,647,912	2,647,931	4,901,905	1,522	4,962	14,427	10,883	17,488	32,375
Total	896,193	2,191,964	3,654,302	3,799,352	6,983,966	16,563,277	5,918	14,477	24,135	25,093	46,126	109,393

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

(*) Bankruptcy and reorganization claims, which are expected to be unrecoverable, are not included in this table, and they were ¥8,326 million and ¥7,932 million (U.S. \$52 million) as of March 31, 2023 and 2024, 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					
	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
Bonds payable	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 640,735
Borrowings	—	—	—	—	—	271,600
Total	—	—	—	—	—	912,335

As of March 31	Millions of Yen						Millions of U.S. Dollars					
	2024						2024					
	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	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,231
Borrowings	—	—	—	—	—	271,600	—	—	—	—	—	1,793
Total	—	—	—	—	—	912,335	—	—	—	—	—	6,025

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

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

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

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

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

As of March 31	2023			
Category	Fair value			
	Level 1	Level 2	Level 3	Total
Deposits (CDs)	¥ —	¥ 11,999	¥ —	¥ 11,999
Monetary claims bought	—	5,895	—	5,895
Available-for-sale securities	—	5,895	—	5,895
Money held in trust	—	119,533	—	119,533
Trading securities	—	4,544	—	4,544
Available-for-sale securities	—	114,988	—	114,988
Securities	9,029,554	9,441,612	75,719	18,546,886
Trading securities	299,182	160,784	1,965	461,933
National & local government bonds	109,129	—	—	109,129
Corporate bonds	—	54,701	—	54,701
Domestic stocks	102,088	—	—	102,088
Other	87,964	106,083	1,965	196,013
Available-for-sale securities	8,730,372	9,280,827	73,753	18,084,953
National & local government bonds	1,765,441	115,961	—	1,881,403
Corporate bonds	—	1,574,267	—	1,574,267
Domestic stocks	4,497,426	2,045	—	4,499,471
Other	2,467,504	7,588,553	73,753	10,129,811
Derivative financial instruments	1,504	74,816	—	76,321
Currency related	—	45,481	—	45,481
Interest rate related	—	29,269	—	29,269
Stock related	328	—	—	328
Bond related	1,176	65	—	1,241
Total assets	9,031,059	9,653,856	75,719	18,760,635
Derivative financial instruments	177	167,030	—	167,208
Currency related	—	107,748	—	107,748
Interest rate related	—	59,070	—	59,070
Stock related	46	—	—	46
Bond related	130	211	—	342
Total liabilities	177	167,030	—	167,208

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

(*) 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-consolidated balance sheets is ¥320,972 million. Adjustments for such investment trusts from the beginning balance to the ending balance are as presented in the following table.

Millions of Yen	
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
Balance at the beginning of the fiscal year	¥ 247,723
Profit (loss) or net unrealized gains (losses) for the period	
Recognized as net unrealized gains (losses) on available-for-sale securities	2,744
Bought, sold and redeemed	
Bought	73,458
Sold	(2,954)
Balance at the end of the fiscal year	320,972

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

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2024				2024			
	Fair value				Fair value			
Category	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Deposits (CDs)	¥—	¥ 16,995	¥—	¥ 16,995	\$—	\$ 112	\$—	\$ 112
Monetary claims bought	—	4,916	—	4,916	—	32	—	32
Available-for-sale securities	—	4,916	—	4,916	—	32	—	32
Money held in trust	—	114,117	—	114,117	—	753	—	753
Available-for-sale securities	—	114,117	—	114,117	—	753	—	753
Securities	11,337,844	9,656,539	73,830	21,068,214	74,881	63,777	487	139,146
Trading securities	345,825	167,733	—	513,558	2,284	1,107	—	3,391
National & local government bonds	130,966	—	—	130,966	864	—	—	864
Corporate bonds	—	75,362	—	75,362	—	497	—	497
Domestic stocks	112,745	—	—	112,745	744	—	—	744
Other	102,113	92,370	—	194,484	674	610	—	1,284
Available-for-sale securities	10,992,019	9,488,805	73,830	20,554,655	72,597	62,669	487	135,754
National & local government bonds	1,706,137	110,246	—	1,816,384	11,268	728	—	11,996
Corporate bonds	—	1,576,482	—	1,576,482	—	10,412	—	10,412
Domestic stocks	6,553,623	2,207	—	6,555,831	43,283	14	—	43,298
Other	2,732,258	7,799,868	73,830	10,605,957	18,045	51,514	487	70,047
Derivative financial instruments	739	46,000	—	46,740	4	303	—	308
Currency related	—	26,879	—	26,879	—	177	—	177
Interest rate related	—	18,956	—	18,956	—	125	—	125
Stock related	241	—	—	241	1	—	—	1
Bond related	498	164	—	662	3	1	—	4
Total assets	11,338,584	9,838,569	73,830	21,250,984	74,886	64,979	487	140,353
Derivative financial instruments	80	312,080	—	312,160	0	2,061	—	2,061
Currency related	—	225,047	—	225,047	—	1,486	—	1,486
Interest rate related	—	86,914	—	86,914	—	574	—	574
Stock related	5	—	—	5	0	—	—	0
Bond related	75	118	—	193	0	0	—	1
Total liabilities	80	312,080	—	312,160	0	2,061	—	2,061

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

(*) 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-consolidated balance sheets is ¥459,496 million (U.S. \$3,034 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, 2024	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	¥ 320,972	\$ 2,119
Profit (loss) or net unrealized gains (losses) for the period		
Recognized as net unrealized gains (losses) on available-for-sale securities	50,145	331
Bought, sold and redeemed		
Bought	91,730	605
Sold	(3,352)	(22)
Balance at the end of the fiscal year	459,496	3,034

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 ¥459,496 million (U.S. \$3,034 million).

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

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

Millions of Yen				
As of March 31	2023			
Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥ —	¥ 169,056	¥ 612	¥ 169,668
Held-to-maturity debt securities	—	169,056	612	169,668
Securities	15,589,518	2,127,164	2,999	17,719,682
Held-to-maturity debt securities	3,094,795	619,133	2,999	3,716,928
National & local government bonds	3,094,795	167,952	—	3,262,747
Corporate bonds	—	373,489	—	373,489
Other	—	77,691	2,999	80,691
Policy-reserve-matching bonds	12,398,065	1,508,031	—	13,906,096
National & local government bonds	12,017,358	—	—	12,017,358
Corporate bonds	—	44,057	—	44,057
Other	380,706	1,463,973	—	1,844,680
Stocks of subsidiaries and affiliates	96,657	—	—	96,657
Loans	—	—	3,954,672	3,954,672
Policy loans	—	—	175,665	175,665
Industrial and consumer loans	—	—	3,779,006	3,779,006
Total assets	15,589,518	2,296,220	3,958,284	21,844,023
Bonds payable	—	632,941	—	632,941
Borrowings	—	252,096	—	252,096
Total liabilities	—	885,037	—	885,037

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Notes to the Non-consolidated Financial Statements

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2024				2024			
	Fair value				Fair value			
Category	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥—	¥ 150,919	¥—	¥ 150,919	\$ —	\$ 996	\$—	\$ 996
Held-to-maturity debt securities	—	150,919	—	150,919	—	996	—	996
Securities	14,883,345	2,617,699	—	17,501,044	98,298	17,288	—	115,587
Held-to-maturity debt securities	2,790,357	569,939	—	3,360,296	18,429	3,764	—	22,193
National & local government bonds	2,790,357	158,484	—	2,948,842	18,429	1,046	—	19,475
Corporate bonds	—	340,678	—	340,678	—	2,250	—	2,250
Other	—	70,775	—	70,775	—	467	—	467
Policy-reserve-matching bonds	12,020,110	2,047,760	—	14,067,870	79,387	13,524	—	92,912
National & local government bonds	11,575,551	—	—	11,575,551	76,451	—	—	76,451
Corporate bonds	—	39,747	—	39,747	—	262	—	262
Other	444,559	2,008,013	—	2,452,572	2,936	13,262	—	16,198
Stocks of subsidiaries and affiliates	72,876	—	—	72,876	481	—	—	481
Loans	—	—	3,905,640	3,905,640	—	—	25,795	25,795
Policy loans	—	—	163,870	163,870	—	—	1,082	1,082
Industrial and consumer loans	—	—	3,741,769	3,741,769	—	—	24,712	24,712
Total assets	14,883,345	2,768,619	3,905,640	21,557,604	98,298	18,285	25,795	142,379
Bonds payable	—	641,039	—	641,039	—	4,233	—	4,233
Borrowings	—	256,279	—	256,279	—	1,692	—	1,692
Total liabilities	—	897,319	—	897,319	—	5,926	—	5,926

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.

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

(iii) Loans

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

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

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

(iv) Bonds payable

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 years ended March 31, 2023 and 2024, 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

Millions of Yen

For the year ended March 31, 2023	Securities	Securities	Total
	Trading securities	Available-for-sale securities	
	Other	Other	
Balance at the beginning of the fiscal year	¥ —	¥ 156,786	¥ 156,786
Profit (loss) or net unrealized gains (losses)			
Recognized in losses on trading securities	(34)	—	(34)
Recognized in net unrealized gains (losses) on available-for-sale securities	—	(7,963)	(7,963)
Bought, sold, issued and settled			
Bought	2,000	5,374	7,374
Sold	—	(80,444)	(80,444)
Balance at the end of the fiscal year	1,965	73,753	75,719
Net unrealized gains (losses) recorded on financial assets and liabilities held at the non-consolidated balance sheet date and included in the non-consolidated statement of income	(34)	—	(34)

Meiji Yasuda Life Insurance Company
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For the year ended March 31, 2024	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	¥ 1,965	¥ 73,753	¥ 75,719	\$ 12	\$ 487	\$ 500
Profit (loss) or net unrealized gains (losses)						
Recognized in gains on trading securities	34	—	34	0	—	0
Recognized in net unrealized gains (losses) on available-for-sale securities	—	5,785	5,785	—	38	38
Bought, sold, issued and settled, etc.						
Sold	(2,000)	—	(2,000)	(13)	—	(13)
Redeemed	—	(5,709)	(5,709)	—	(37)	(37)
Balance at the end of the fiscal year	—	73,830	73,830	—	487	487
Net unrealized gains (losses) recorded on financial assets and liabilities held at the non-consolidated balance sheet date and included in the non-consolidated statement of income	—	—	—	—	—	—

(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 ¥(14,874) million and ¥53,029 million (U.S. \$350 million) for the years ended March 31, 2023 and 2024, 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, 2023 and 2024.

As of March 31	Millions of Yen						Millions of U.S. Dollars		
	2023			2024			2024		
	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	¥ 2,906,394	¥ 3,262,747	¥ 356,353	¥ 2,702,323	¥ 2,948,842	¥ 246,519	\$ 17,847	\$ 19,475	\$ 1,628
2) Corporate bonds	331,288	369,732	38,444	298,747	325,388	26,641	1,973	2,149	175
3) Others	164,508	172,544	8,035	126,785	129,794	3,008	837	857	19
Total	3,402,191	3,805,024	402,833	3,127,855	3,404,025	276,169	20,658	22,482	1,823
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	—	—	—	—	—	—	—	—	—
2) Corporate bonds	3,761	3,756	(4)	15,437	15,289	(147)	101	100	(0)
3) Others	79,600	77,815	(1,784)	98,450	91,901	(6,548)	650	606	(43)
Total	83,361	81,572	(1,788)	113,887	107,191	(6,696)	752	707	(44)

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

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Notes to the Non-consolidated Financial Statements

3. Policy-reserve-matching bonds

Disposition of policy-reserve-matching bonds amounted to ¥308,305 million and ¥381,601 million (U.S. \$2,520 million) resulting in total gains on sales of ¥38,146 million and ¥25,298 million (U.S. \$167 million) for the years ended March 31, 2023 and 2024, respectively. Total losses on sales were ¥100 million and ¥317 million (U.S. \$2 million) for the years ended March 31, 2023 and 2024, 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		
	2023			2024			2024		
	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	¥ 7,111,410	¥ 7,868,511	¥ 757,100	¥ 6,456,305	¥ 6,884,897	¥ 428,591	\$ 42,641	\$ 45,471	\$ 2,830
2) Corporate bonds	11,050	12,853	1,802	13,577	14,869	1,291	89	98	8
3) Others	406,870	415,799	8,928	673,877	683,203	9,325	4,450	4,512	61
Total	7,529,331	8,297,163	767,832	7,143,761	7,582,969	439,208	47,181	50,082	2,900
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	4,671,106	4,148,846	(522,260)	5,606,088	4,690,653	(915,434)	37,025	30,979	(6,046)
2) Corporate bonds	34,233	31,204	(3,028)	27,325	24,877	(2,448)	180	164	(16)
3) Others	1,603,342	1,428,881	(174,461)	1,974,358	1,769,369	(204,988)	13,039	11,685	(1,353)
Total	6,308,683	5,608,932	(699,750)	7,607,772	6,484,900	(1,122,871)	50,246	42,830	(7,416)

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 ¥3,297,154 million and ¥2,752,039 million (U.S. \$18,176 million) resulting in total gains on sales of ¥304,896 million and ¥287,724 million (U.S. \$1,900 million) and total losses of ¥59,071 million and ¥81,506 million (U.S. \$538 million) for the years ended March 31, 2023 and 2024, 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		
	2023			2024			2024		
	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	¥ 1,367,463	¥ 4,341,956	¥ 2,974,493	¥ 1,534,223	¥ 6,543,269	¥ 5,009,046	\$ 10,132	\$ 43,215	\$ 33,082
(2) Bonds	2,194,095	2,365,620	171,525	1,643,023	1,771,911	128,887	10,851	11,702	851
1) National & local government bonds	1,590,523	1,717,439	126,915	1,127,541	1,205,518	77,976	7,446	7,961	515
2) Corporate bonds	603,571	648,181	44,609	515,482	566,393	50,910	3,404	3,740	336
(3) Others	4,472,469	5,018,164	545,695	6,473,005	7,660,196	1,187,190	42,751	50,592	7,840
Total	8,034,028	11,725,742	3,691,713	9,650,252	15,975,377	6,325,124	63,735	105,510	41,774
Securities whose balance sheet amount does not exceed the acquisition or amortized costs									
(1) Domestic stocks	173,764	157,515	(16,249)	14,053	12,561	(1,491)	92	82	(9)
(2) Bonds	1,137,257	1,090,049	(47,208)	1,696,259	1,620,955	(75,304)	11,203	10,705	(497)
1) National & local government bonds	167,278	163,964	(3,314)	649,956	610,865	(39,090)	4,292	4,034	(258)
2) Corporate bonds	969,979	926,085	(43,894)	1,046,303	1,010,089	(36,213)	6,910	6,671	(239)
(3) Others	5,974,304	5,565,503	(408,801)	3,845,371	3,541,287	(304,084)	25,397	23,388	(2,008)
Total	7,285,326	6,813,067	(472,258)	5,555,684	5,174,804	(380,880)	36,692	34,177	(2,515)

(*) 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. The amount of impairment losses on policy-reserve-matching bonds was ¥3,904 million (U.S. \$25 million) in the year ended March 31, 2024. The amount of impairment losses on available-for-sale securities of which market value is readily available was ¥3,462 million and ¥88 million (U.S. \$0 million) for the years ended March 31, 2023 and 2024, 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			
	2023			
	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
Total				732

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2024				2024			
	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	¥ 8,000	¥ 8,000	¥ 45	¥ 45	\$ 52	\$ 52	\$ 0	\$ 0
Total				45				0

(*) 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			
	2023			
	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)
(U.S. dollar)	10,764	—	(8)	(8)
(Euro)	6,058	—	(31)	(31)
(Australian dollar)	3,117	—	6	6
Bought	150,812	—	(8,625)	(8,625)
(U.S. dollar)	145,667	—	(8,645)	(8,645)
(Euro)	3,574	—	22	22
(Australian dollar)	1,569	—	(3)	(3)
Currency options				
Sold				
Call	1,650,751	—		
	[26,965]		26,614	350
(U.S. dollar)	1,514,851	—		
	[26,621]		26,310	310
(Euro)	135,900	—		
	[344]		303	40
Bought				
Put	1,550,549	—		
	[26,965]		9,015	(17,949)
(U.S. dollar)	1,437,698	—		
	[26,621]		8,969	(17,651)
(Euro)	112,851	—		
	[344]		46	(297)
Cross currency swaps				
Receipts foreign currency, payments yen				
(Australian dollar)	130,750	130,750	(965)	(965)
(U.S. dollar)	71,930	71,930	396	396
Total				(26,827)

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As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2024				2024			
	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	¥ 16,678	¥ —	¥ (30)	¥ (30)	\$ 110	\$ —	\$ (0)	\$ (0)
(U.S. dollar)	16,176	—	(30)	(30)	106	—	(0)	(0)
(Euro)	500	—	0	0	3	—	0	0
(Others)	1	—	0	0	0	—	0	0
Bought	55,746	—	538	538	368	—	3	3
(U.S. dollar)	47,459	—	448	448	313	—	2	2
(Euro)	2,150	—	4	4	14	—	0	0
(Australian dollar)	5,161	—	85	85	34	—	0	0
(Others)	974	—	(0)	(0)	6	—	(0)	(0)
Currency options								
Sold								
Call	1,461,497	—			9,652	—		
[23,587]			43,151	(19,563)	[155]		284	(129)
(U.S. dollar)	1,461,497	—			9,652	—		
[23,587]			43,151	(19,563)	[155]		284	(129)
Bought								
Put	1,451,547	—			9,586	—		
[23,587]			4,447	(19,139)	[155]		29	(126)
(U.S. dollar)	1,451,547	—			9,586	—		
[23,587]			4,447	(19,139)	[155]		29	(126)
Cross currency swaps								
Receipts foreign currency, payments yen								
(Australian dollar)	124,025	123,885	11,686	11,686	819	818	77	77
(U.S. dollar)	85,800	85,800	10,187	10,187	566	566	67	67
Total				(16,322)				(107)

(*) 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 [].

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Notes to the Non-consolidated Financial Statements

(3) Stock-related

As of March 31	Millions of Yen			
	2023			
	Notional amount/contract 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
Foreign currency-denominated stock index futures				
Sold	2,817	—	(43)	(43)
Bought	3,716	—	177	177
Total				281

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2024				2024			
	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	¥ 4,025	¥ —	¥ 9	¥ 9	\$ 26	\$ —	\$ 0	\$ 0
Bought	6,017	—	187	187	39	—	1	1
Foreign currency-denominated stock index futures								
Bought	2,327	—	39	39	15	—	0	0
Total				236				1

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

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Notes to the Non-consolidated Financial Statements

(4) Bond-related

As of March 31	Millions of Yen			
	2023			
	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)
Bought	50,723	—	1,176	1,176
OTC transactions				
OTC bond options				
Sold				
Call	10,000	—	—	—
	[153]	—	211	(57)
Bought				
Put	10,000	—	—	—
	[169]	—	65	(104)
Total				884

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

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2024				2024			
	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								
Bond futures								
Sold	¥ 99,854	¥ —	¥ (75)	¥ (75)	\$ 659	\$ —	\$ (0)	\$ (0)
Foreign bond futures								
Bought	37,982	—	498	498	250	—	3	3
OTC transactions								
OTC bond options								
Sold								
Call	20,000	—	—	—	132	—	—	—
	[160]	—	118	42	[1]	—	0	0
Bought								
Put	20,000	—	—	—	132	—	—	—
	[184]	—	164	(20)	[1]	—	1	(0)
Total				445				2

(*) 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			
				2023
	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	¥ 875,500	¥ 872,300	¥ (30,534)
Special hedge accounting				
Interest rate swaps				
Receipts fixed, payments floating	Loans	2,916	2,916	55
Total				(30,478)

As of March 31	Millions of Yen				Millions of U.S. Dollars		
				2024			2024
	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	¥ 997,600	¥ 994,100	¥ (68,003)	\$ 6,588	\$ 6,565	\$ 449
Special hedge accounting							
Interest rate swaps							
Receipts fixed, payments floating	Loans	2,814	2,300	29	18	15	0
Total				(67,974)			(448)

(*) 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		2023		
	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-	¥ 3,916,592	¥ —	¥ (21,036)
(U.S. dollar)	denominated bonds	2,972,665	—	(23,342)
(Euro)		271,655	—	(6,396)
(Australian dollar)		633,474	—	8,963
(Others)		38,796	—	(261)
Deferred hedge accounting				
Cross currency swaps				
Receipts yen, payments foreign currency	Foreign-currency-			
(U.S. dollar)	denominated bonds	76,594	76,594	(12,494)
(Euro)		35,575	35,575	(1,793)
(Australian dollar)		12,404	12,404	(114)
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				(35,438)

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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)	2024		2024	
				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-	¥ 3,464,061	¥ —	¥ (145,572)	\$ 22,878	\$ —	\$ (961)
(U.S. dollar)	denominated bonds	2,746,141	—	(124,074)	18,137	—	(819)
(Euro)		255,506	—	(5,799)	1,687	—	(38)
(Australian dollar)		440,318	—	(14,406)	2,908	—	(95)
(Others)		22,094	—	(1,291)	145	—	(8)
Deferred hedge accounting							
Cross currency swaps							
Receipts yen, payments foreign currency	Foreign-currency-						
(U.S. dollar)	denominated bonds	76,594	59,882	(26,821)	505	395	(177)
(Euro)		35,575	31,179	(7,773)	234	205	(51)
(Australian dollar)		12,404	12,404	(1,677)	81	81	(11)
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	(*)	2,283	2,283	(*)
Receipts yen, payments foreign currency	Foreign-currency-						
(U.S. dollar)	dominated loans	131,049	120,794	(*)	865	797	(*)
Total				(181,845)			(1,201)

(*) 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.

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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
	2023	2024	2024
Balance at the beginning of the fiscal year	¥ 237,599	¥ 234,467	\$ 1,548
Service costs	9,409	9,860	65
Interest cost on retirement benefit obligations	2,138	2,110	13
Actuarial losses (gains) recognized	993	2,353	15
Benefits paid	(15,673)	(15,827)	(104)
Balance at the end of the fiscal year	234,467	232,964	1,538

(2) Changes in the plan assets

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2023	2024	2024
Balance at the beginning of the fiscal year	¥ 412,616	¥ 432,636	\$ 2,857
Expected return on plan assets	3,578	3,554	23
Actuarial gains (losses) recognized	24,776	181,745	1,200
Contributions by employer	2,315	2,331	15
Benefits paid	(10,650)	(11,000)	(72)
Balance at the end of the fiscal year	432,636	609,267	4,023

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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
	2023	2024	2024
Present value of funded retirement benefit obligations	¥ 233,776	¥ 232,305	\$ 1,534
Plan assets at fair value	(432,636)	(609,267)	(4,023)
Net present value of funded retirement benefit obligations	(198,859)	(376,961)	(2,489)
Present value of non-funded retirement benefit obligations	690	658	4
Unrecognized actuarial losses (gains)	64,145	216,372	1,429
Unrecognized past service costs	16,761	14,072	92
Accrued retirement benefits (Prepaid pension cost)	(117,262)	(145,858)	(963)

(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
	2023	2024	2024
Service costs	¥ 9,409	¥ 9,860	\$ 65
Interest cost on retirement benefit obligations	2,138	2,110	13
Expected return on plan assets	(3,578)	(3,554)	(23)
Amortization of net actuarial losses (gains)	(9,692)	(27,165)	(179)
Amortization of net past service costs	(2,688)	(2,688)	(17)
Retirement benefit expenses	(4,411)	(21,437)	(141)

(5) Plan assets

Plan assets as of March 31, 2023 and 2024 were comprised as follows:

As of March 31	% of total fair value of plan assets	
	2023	2024
Debt securities	5.2%	3.2%
Stocks	44.4%	56.2%
General account of life insurance companies	22.7%	16.3%
Jointly invested assets	16.4%	14.8%
Investment trusts	—	3.0%
Cash and deposits	2.5%	2.2%
Others	8.8%	4.3%
Total	100.0%	100.0%

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Plan assets include the retirement benefit trusts. The percentage of the retirement benefit trusts was 58.9% and 67.3% of total plan assets as of March 31, 2023 and 2024, respectively.

(6) The expected long-term rate of return on plan assets

The expected long-term rate of return on plan assets is calculated by aggregating the weighted rate of return derived from each asset category. The expected long-term rate of return for each asset category is based primarily on various aspects of long-term prospects for the economy that include historical performance and the market environment.

(7) Assumptions used in calculation

Assumptions used in accounting for the defined benefit plans for the years ended March 31, 2023 and 2024 were as follows:

Years ended March 31	2023	2024
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 ¥1,194 million and ¥1,192 million (U.S. \$7 million) for the years ended March 31, 2023 and 2024, respectively.

X. Deferred Taxes

1. Deferred tax assets/liabilities

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2023	2024	2024
Deferred tax assets	¥ 905,457	¥ 976,479	\$ 6,449
Valuation allowance for deferred tax assets	(6,194)	(7,114)	(46)
Deferred tax liabilities	(899,658)	(1,649,028)	(10,891)

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Notes to the Non-consolidated Financial Statements

2. Major components of deferred tax assets/liabilities

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

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2023	2024	2024
Deferred tax assets			
Policy reserves and other reserves	¥ 523,283	¥ 576,154	\$ 3,805
Reserve for price fluctuation	299,823	315,445	2,083
Deferred tax liabilities			
Net unrealized gains (losses) on available-for-sale securities	863,728	1,618,266	10,687

3. The statutory tax rates

The statutory tax rates were 27.96% and 27.96% for the years ended March 31, 2023 and 2024, 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	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) %

Years ended March 31	2024
Policyholders' dividend reserves	(26.24) %

XI. Fair Value of Investment and Rental Properties

The carrying amounts of investment and rental properties were ¥608,550 million and ¥632,277 million (U.S. \$4,175 million), and their fair values were ¥955,183 million and ¥997,134 million (U.S. \$6,585 million) as of March 31, 2023 and 2024, 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. The Company redeemed foundation funds on July 30, 2024 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 (U.S. \$330 million).
2. The proposed appropriation of surplus of the Company for the year ended March 31, 2024 was approved as planned at the annual meeting of the representatives of policyholders held on July 2, 2024.