
Financial Results for the Three Months Ended June 30, 2024

Meiji Yasuda Life Insurance Company (Hideki Nagashima, President and Group CEO)
announces financial results for the Three Months ended June 30, 2024.

《Contents》

1. Unaudited Consolidated Balance Sheets	P1
2. Unaudited Consolidated Statements of Income	P3
3. Unaudited Consolidated Statements of Comprehensive Income	P4
4. Notes to the Unaudited Consolidated Financial Statements	P5

Note:

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

1. Unaudited Consolidated Balance Sheets

(Millions of Yen)

	As of Mar. 31, 2024	As of Jun. 30, 2024
ASSETS:		
Cash and deposits	903,727	862,707
Call loans	220,000	170,000
Monetary claims bought	160,302	157,976
Money held in trust	143,117	131,693
Securities	43,166,464	44,194,927
Loans	5,368,752	5,489,846
Tangible fixed assets	936,164	939,244
Intangible fixed assets	516,548	617,881
Due from agents	1,493	989
Reinsurance receivables	201,949	233,000
Other assets	826,747	884,487
Net defined benefit assets	403,432	405,488
Deferred tax assets	6,159	8,336
Customers' liabilities under acceptances and guarantees	5,063	4,791
Allowance for possible loan losses	(9,511)	(9,477)
Total assets	52,850,412	54,091,891

1. Unaudited Consolidated Balance Sheets (continued)

(Millions of Yen)

	As of Mar. 31, 2024	As of Jun. 30, 2024
LIABILITIES:		
Policy reserves and other reserves	39,463,472	40,285,664
Reserve for outstanding claims	991,828	1,128,118
Policy reserves	38,182,098	38,769,425
Policyholders' dividend reserves	289,545	388,120
Due to agents	8,053	10,463
Reinsurance payables	74,833	106,157
Bonds payable	640,735	640,735
Other liabilities	4,896,162	5,137,337
Net defined benefit liabilities	8,500	8,971
Reserve for price fluctuation	1,130,468	1,136,157
Deferred tax liabilities	762,784	820,713
Deferred tax liabilities for land revaluation	77,509	77,402
Acceptances and guarantees	5,063	4,791
Total liabilities	47,067,583	48,228,395
NET ASSETS:		
Foundation funds	50,000	50,000
Reserve for redemption of foundation funds	930,000	930,000
Reserve for revaluation	452	452
Surplus	250,733	130,287
Total funds, reserve and surplus	1,231,186	1,110,740
Net unrealized gains (losses) on available-for-sale securities	4,174,889	4,336,636
Deferred unrealized gains (losses) on derivatives under hedge accounting	(67,728)	(91,906)
Land revaluation differences	124,222	124,232
Foreign currency translation adjustments	146,673	213,553
Remeasurements of defined benefit plans	171,714	167,568
Net unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries	1,871	2,671
Total accumulated other comprehensive income	4,551,643	4,752,756
Total net assets	5,782,829	5,863,496
Total liabilities and net assets	52,850,412	54,091,891

2. Unaudited Consolidated Statements of Income

(Millions of Yen)

	Three months ended Jun. 30	
	2023	2024
ORDINARY INCOME:	1,377,639	1,504,933
Insurance premiums and other	771,460	886,427
Investment income	576,408	584,049
Interest, dividends and other income	270,688	298,807
Gains on money held in trust	466	72
Gains on trading securities	23	—
Gains on sales of securities	57,733	81,271
Investment gains on separate accounts	32,916	11,415
Other ordinary income	29,770	34,457
ORDINARY EXPENSES:	1,330,037	1,462,781
Benefits and other payments	749,273	958,387
Claims paid	210,314	223,127
Annuity payments	160,837	158,557
Benefit payments	167,195	184,015
Surrender benefits	185,199	296,948
Provision for policy reserves and other reserves	169,103	37,025
Provision for policy reserves	169,091	37,016
Provision for interest on policyholders' dividend reserves	11	9
Investment expenses	223,718	232,216
Interest expenses	23,331	33,063
Losses on sales of securities	16,886	26,090
Losses on valuation of securities	287	1,714
Operating expenses	148,335	168,811
Other ordinary expenses	39,606	66,339
Ordinary profit	47,601	42,152
Extraordinary losses	9,097	8,983
Losses on disposals of fixed assets	1,480	2,580
Impairment losses	737	—
Losses on sales of stocks of subsidiaries and affiliates	1,109	—
Provision for reserve for price fluctuation	5,295	5,593
Contributions for promotion of social welfare project	436	810
Other extraordinary losses	38	—
Surplus before income taxes and non-controlling interests	38,503	33,169
Income taxes	2,956	2,502
Current	556	(1,048)
Deferred	2,400	3,550
Net surplus	35,547	30,667
Net surplus attributable to non-controlling interests	11	—
Net surplus attributable to the Parent Company	35,535	30,667

3. Unaudited Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Three months ended Jun. 30	
	2023	2024
Net surplus	35,547	30,667
Other comprehensive income (loss)	825,864	201,103
Net unrealized gains (losses) on available-for-sale securities	825,744	159,282
Deferred unrealized gains (losses) on derivatives under hedge accounting	(5,693)	(24,664)
Foreign currency translation adjustments	1,180	62,149
Remeasurements of defined benefit plans	(2,130)	(4,146)
Share of other comprehensive income (loss) of associates accounted for under the equity method	6,764	8,482
Comprehensive income (loss)	861,411	231,770
Comprehensive income (loss) attributable to the Parent Company	861,400	231,770
Comprehensive income (loss) attributable to non-controlling interests	11	—

4. Notes to the Unaudited Consolidated Financial Statements

Basis for preparing unaudited consolidated financial statements

1. Consolidated subsidiaries

(1) Change of scope of consolidated subsidiaries

Anthem Life Insurance Company, Anthem Life & Disability Insurance Company and Greater Georgia Life Insurance Company are newly included in the scope of consolidated subsidiaries as of June 30, 2024.

(2) The number of consolidated subsidiaries changed to 21.

Notes to the Unaudited Consolidated Balance Sheet as of June 30, 2024

1. Specific accounting treatment for the preparation of the quarterly financial statements

(1) The proposed appropriation of surplus of the Company for the fiscal year ended March 31, 2024 approved at the annual meeting of the representatives of policyholders held on July 2, 2024 is reflected in the consolidated balance sheet as of June 30, 2024.

(2) Income taxes of the Company are calculated by applying a reasonably estimated effective tax rate for the full fiscal year to surplus before income taxes and non-controlling interests for the three months ended June 30, 2024. The effective tax rate is determined by estimating the effective tax rate for the full fiscal year, which includes the three months ended June 30, 2024, after taking into account the effect of deferred tax accounting.

However, if the results calculated by applying the effective tax rate are significantly unreasonable, income taxes of the Company are calculated by applying the statutory tax rate.

Therefore, income taxes-deferred of the Company for the three months ended June 30, 2024 are included in the income taxes-current in the consolidated statements of income.

2. Policy reserves

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

- The policy reserves set aside in the fiscal year ended March 31, 2015 for 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.

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

3. Reserve for Incurred But Not Reported (IBNR) Claims

Reserve for Incurred But Not Reported (IBNR) claims is defined as a reserve for claims and benefits for which incidents prescribed in policy clauses are incurred but not reported to the Company (hereinafter “IBNR claims”). For the fiscal year ended March 31, 2022, reserve for IBNR claims is stated in the amount calculated by using the formula stipulated in the main text of Article 1, Paragraph 1 of the Ministry of Finance Notification No. 234 (hereinafter referred to as “IBNR Notification”) in 1998. For the three months ended June 30, 2024, the amount of reserve for IBNR claims can no longer be calculated appropriately by using the formula stipulated in the main text of Article 1, Paragraph 1 of the IBNR Notification, due to the termination of special measures of paying hospitalization benefits for “quasi hospitalization,” which requires obtaining diagnosis of COVID-19 infection and undergoing treatment at accommodation facilities or their homes under the supervision of physicians or other specialists (hereinafter referred to as “quasi hospitalization”) on May 8, 2023. Accordingly, the Company now records the amount of such reserve by using the following method in accordance with a proviso of Article 1, Paragraph 1 of the IBNR Notification.

(Outline of Calculation Method)

The Company first deducts the amount pertaining to quasi hospitalization from the total amount of required reserve for IBNR claims and payments of benefits and others of all fiscal years set forth in the main text of Article 1, Paragraph 1 of the IBNR Notification, and then calculates the amount of reserve for IBNR claims in the same manner as that stipulated in the main text of Article 1, Paragraph 1 of the IBNR Notification.

4. Policyholders’ Dividend Reserves

Changes in policyholders’ dividend reserves for the three months ended June 30, 2024 were as follows:

	Millions of Yen
Balance at the beginning of the period	¥ 289,545
Transfer from surplus in the previous fiscal year	150,958
Dividend payments to policyholders during the period	(52,392)
Interest accrued during the period	9
Balance at the end of the period	¥ 388,120

5. Redemption of Foundation Funds

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.

6. Securities Lending

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥6,176,531 million as of June 30, 2024.

7. Securities sold under repurchase agreements

Securities sold under repurchase agreements amounted to ¥265,013 million as of June 30, 2024.

8. Subordinated Bonds

As of June 30, 2024, bonds payable in liabilities consisted entirely of subordinated bonds and foreign currency-denominated subordinated bonds, the repayments of which are subordinated to other obligations.

9. Subordinated Borrowing

As of June 30, 2024, other liabilities in liabilities included subordinated borrowing of ¥271,600 million, and the repayments of which are subordinated to other obligations.

10. Business combination

StanCorp Financial Group, Inc. (hereinafter, "StanCorp"), a consolidated subsidiary of the Company, acquired all shares issued by three subsidiaries of Elevance Health, Inc. on April 1, 2024. These acquired companies are engaged in group insurance business. StanCorp also signed an agreement with Elevance Health, Inc. to form a sales alliance leveraging customer bases possessed by both companies.

StanCorp recognizes this acquisition of shares as a business acquisition in accordance with Topic 805 "Business Combinations" announced by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Details follow.

(1) Overview of business combination

i) Name of the acquired companies and the content of the acquired business

Name of the acquired companies	Anthem Life Insurance Company Anthem Life & Disability Insurance Company Greater Georgia Life Insurance Company
Content of the acquired business	Group insurance business

ii) Main reasons for the business combination

This business combination was aimed at enabling StanCorp to achieve further growth in the group insurance business through the strengthening of its customer base, the streamlining of its operations and other positive effects afforded by the acquisition.

iii) Date of the business combination

April 1, 2024

iv) Legal form of the business combination

Acquisition of shares

v) Name of acquired companies after the business combination

Anthem Life Insurance Company
Anthem Life & Disability Insurance Company
Greater Georgia Life Insurance Company

vi) Voting rights acquired

100%

vii) Main reason for determining the controlling company

Having acquired majority stakes in the acquired companies, StanCorp, a consolidated subsidiary of the Company, has a full control of their decision-making bodies.

(2) Period for which the operating results of the acquired business were included in the consolidated financial statements

As the Company used the acquiree's balance sheet as of the date of business combination, the operating results of the acquired business are not included in the consolidated financial statements.

(3) Acquisition costs of the acquired businesses and their breakdown

Consideration for the acquisition: U.S. \$576 million

Acquisition costs: U.S. \$576 million

In addition, the consideration for the sales alliance agreement will amount to U.S. \$220 million.

Note: The above amounts are not finalized and based on estimates.

(4) Main component of acquisition-related expenses and their amount

Advisory fees and others: U.S. \$23 million

(5) Amount of assets received and liabilities assumed at the date of business combination and their breakdown

Total assets: U.S. \$1,324 million

Securities: U.S. \$570 million

Total liabilities: U.S. \$748 million

Policy reserves and other reserves: U.S. \$566 million

Note: The above amounts are not finalized and based on estimates.

(6) Amount of goodwill recorded, reasons for recording goodwill and amortization method and period

i) Amount of goodwill recorded

U.S. \$268 million

Note: The above amount is not finalized and based on an estimate.

ii) Reasons for recording goodwill

Goodwill is recognized based on the expected profitability in excess of fair value as a result of strengthening the customer base and streamlining operations in StanCorp's group insurance business.

iii) Amortization method and period

Straight-line method: 10 years

(7) Amount of assets allocated to other intangible fixed assets other than goodwill, their breakdown by primary type, and weighted average amortization periods for the entirety of these assets and each primary type

Primary type	Amount	Amortization period
Value of Business Acquired (VOBA)	U.S. \$61million	1 year

Note: The above amount is not finalized and based on an estimate.

In addition, the price of the sales alliance agreement and its weighted average amortization period are as follows.

Primary type	Amount	Amortization period
Value of new policies to be obtained via the sales alliance agreement	U.S. \$220 million	20 years

Notes to the Unaudited Consolidated Statement of Income for the Three Months Ended June 30, 2024

1. Depreciation of Fixed Assets and Amortization of Goodwill

The total amount of depreciation of tangible fixed assets and amortization of goodwill were ¥16,125 million and ¥5,414 million respectively for the three months ended June 30, 2024.