
Financial Results for the Nine Months Ended December 31, 2024

Meiji Yasuda Life Insurance Company (Hideki Nagashima, President and Group CEO)
announces financial results for the Nine Months Ended December 31, 2024.

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Note:

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

1. Unaudited Consolidated Balance Sheets

(Millions of Yen)

	As of Mar. 31, 2024	As of Dec. 31, 2024
ASSETS:		
Cash and deposits	903,727	1,037,568
Call loans	220,000	105,000
Monetary claims bought	160,302	153,500
Money held in trust	143,117	141,923
Securities	43,166,464	43,418,781
Loans	5,368,752	5,548,967
Tangible fixed assets	936,164	942,314
Intangible fixed assets	516,548	565,604
Due from agents	1,493	1,305
Reinsurance receivables	201,949	214,659
Other assets	826,747	855,550
Net defined benefit assets	403,432	404,261
Deferred tax assets	6,159	4,153
Customers' liabilities under acceptances and guarantees	5,063	4,766
Allowance for possible loan losses	(9,511)	(8,584)
Total assets	52,850,412	53,389,771

1. Unaudited Consolidated Balance Sheets (continued)

(Millions of Yen)

	As of Mar. 31, 2024	As of Dec. 31, 2024
LIABILITIES:		
Policy reserves and other reserves	39,463,472	40,217,492
Reserve for outstanding claims	991,828	1,068,094
Policy reserves	38,182,098	38,814,577
Policyholders' dividend reserves	289,545	334,820
Due to agents	8,053	7,512
Reinsurance payables	74,833	120,530
Bonds payable	640,735	893,150
Other liabilities	4,896,162	4,759,348
Net defined benefit liabilities	8,500	8,528
Reserve for price fluctuation	1,130,468	1,155,351
Deferred tax liabilities	762,784	664,822
Deferred tax liabilities for land revaluation	77,509	77,390
Acceptances and guarantees	5,063	4,766
Total liabilities	47,067,583	47,908,891
NET ASSETS:		
Foundation funds	50,000	—
Reserve for redemption of foundation funds	930,000	980,000
Reserve for revaluation	452	452
Surplus	250,733	156,315
Total funds, reserve and surplus	1,231,186	1,136,768
Net unrealized gains (losses) on available-for-sale securities	4,174,889	3,992,662
Deferred unrealized gains (losses) on derivatives under hedge accounting	(67,728)	(93,032)
Land revaluation differences	124,222	124,201
Foreign currency translation adjustments	146,673	160,512
Remeasurements of defined benefit plans	171,714	158,241
Unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries	1,871	1,524
Total accumulated other comprehensive income	4,551,643	4,344,111
Total net assets	5,782,829	5,480,879
Total liabilities and net assets	52,850,412	53,389,771

2. Unaudited Consolidated Statements of Income

(Millions of Yen)

	Nine months ended December 31	
	2023	2024
ORDINARY INCOME:	3,934,394	4,175,928
Insurance premiums and other	2,516,747	2,530,389
Investment income	1,327,386	1,547,261
Interest, dividends and other income	900,111	950,494
Gains on money held in trust	470	—
Gains on trading securities	47	—
Gains on sales of securities	223,821	450,071
Investment gains on separate accounts	37,278	9,277
Other ordinary income	90,261	98,277
Reversal of policy reserves	—	918
ORDINARY EXPENSES:	3,777,196	4,029,137
Benefits and other payments	2,243,235	2,622,607
Claims paid	574,461	590,994
Annuity payments	487,205	479,848
Benefit payments	477,907	520,781
Surrender benefits	627,472	796,909
Provision for policy reserves and other reserves	366,853	189
Provision for reserve for outstanding claims	—	161
Provision for policy reserves	366,820	—
Provision for interest on policyholders' dividend reserves	33	27
Investment expenses	576,357	772,271
Interest expenses	81,773	101,709
Losses on money held in trust	—	6,173
Losses on sales of securities	55,847	77,411
Losses on valuation of securities	2,448	34,337
Operating expenses	471,102	512,697
Other ordinary expenses	119,648	121,371
Ordinary profit	157,197	146,791
Extraordinary gains	—	505
Gains on liquidation of subsidiaries and affiliates	—	505
Extraordinary losses	31,129	33,359
Losses on disposals of fixed assets	5,462	4,793
Impairment losses	1,570	1,185
Losses on sales of stocks of subsidiaries and affiliates	1,109	—
Losses on liquidation of subsidiaries and affiliates	30	—
Losses on restructuring of subsidiaries and affiliates	5,014	—
Provision for reserve for price fluctuation	15,963	24,873
Contributions for promotion of social welfare project	1,861	2,507
Other extraordinary losses	116	—
Surplus before income taxes and non-controlling interests	126,068	113,937
Income taxes	12,127	7,273
Current	4,978	6,453
Deferred	7,149	819
Net surplus	113,940	106,664
Net surplus attributable to non-controlling interests	11	—
Net surplus attributable to the Parent Company	113,929	106,664

3. Unaudited Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Nine months ended December 31	
	2023	2024
Net surplus	113,940	106,664
Other comprehensive income (loss)	1,024,487	(207,510)
Net unrealized gains (losses) on available-for-sale securities	957,985	(189,366)
Deferred unrealized gains (losses) on derivatives under hedge accounting	(42,047)	(25,882)
Foreign currency translation adjustments	100,118	3,450
Remeasurements of defined benefit plans	(6,022)	(13,472)
Share of other comprehensive income (loss) of associates accounted for under the equity method	14,453	17,761
Comprehensive income (loss)	1,138,427	(100,846)
Comprehensive income (loss) attributable to the Parent Company	1,138,416	(100,846)
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 December 31, 2024

1. Specific Accounting Treatment for the Preparation of the Quarterly Financial Statements

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 nine months ended December 31, 2024. The effective tax rate is determined by estimating the effective tax rate for the full fiscal year, which includes the nine months ended December 31, 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 nine months ended December 31, 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”). 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 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 nine months ended December 31, 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	(105,710)
Interest accrued during the period	27
Balance at the end of the period	¥ 334,820

5. Redemption of Foundation Funds

Having redeemed foundation funds totaling ¥50,000 million in the nine months ended December 31, 2024, 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.”.

6. Securities Lending

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥5,619,856 million as of December 31, 2024.

7. Securities Sold under Repurchase Agreements

Securities sold under repurchase agreements amounted to ¥256,073 million as of December 31, 2024.

8. Subordinated Bonds

As of December 31, 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 December 31, 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

- a. 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

From April 1, 2024, to September 30, 2024

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

Consideration for the acquisition: U.S. \$575 million

Acquisition costs: U.S. \$575 million

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

(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. \$1,320 million
Securities:	U.S. \$570 million
Total liabilities:	U.S. \$744 million
Policy reserves and other reserves:	U.S. \$562 million

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

i) Amount of goodwill recorded
 U.S. \$268 million

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. \$57million	1 year

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

- b. On August 14, 2024, StanCorp, a consolidated subsidiary of the Company, entered into an agreement with The Allstate Corporation to acquire all shares issued by two subsidiaries, including an insurance subsidiary engaged in group insurance business. These companies will become wholly-owned subsidiaries of StanCorp upon the transfer of the shares. Premised on the approval of relevant authorities in Japan and the United States, this transfer is expected to be completed around March to June 2025.

StanCorp recognizes this transfer 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 companies to be acquired and the content of their business
 Name of the companies to be acquired American Heritage Life Insurance Company
 American Heritage Service Company

Content of their business

Group insurance business and Related
administrative services business

ii) Main reasons for the business combination

This business combination is aimed at enabling StanCorp to achieve further growth in the group insurance business through the strengthening of its business foundation and the streamlining of its operations.

(2) Acquisition costs of the companies to be acquired and their breakdown

Acquisition price: U.S. \$2,000 million

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

Notes to the Unaudited Consolidated Statement of Income for the Nine Months Ended December 31, 2024

1. Impairment of Fixed Assets

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

(1) Method for grouping the assets

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

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

(2) Description of impairment losses recognized

For the nine months ended December 31, 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 consolidated statement of income.

(3) Details of fixed assets resulting in impairment losses

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	1	¥ 218	¥ 889	¥ 1,107
Idle assets	1	39	37	77
Total	2	¥ 258	¥ 927	¥ 1,185

(4) Calculation method of recoverable amounts

The recoverable amounts of real estate for non-insurance business are determined at net realizable value or value in use. The recoverable amounts for idle assets are net realizable value. Value in use is mainly determined as the estimated net future cash flows, reflecting the volatility risk, discounted at 1.77% for the nine months ended December 31, 2024. Net realizable value is calculated based on the appraisal value with reference to "Real Estate Appraisal Standards" or the

publicly announced appraisal value.

2. Depreciation of Fixed Assets and Amortization of Goodwill

The total amount of depreciation of tangible fixed assets and amortization of goodwill were ¥53,098 million and ¥17,230 million respectively for the nine months ended December 31, 2024.