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## Dividends Policy

### Fundamental Concepts regarding Policyholder Dividends on Individual Life Insurance and Individual Annuities

In line with its management philosophy, “Peace of Mind, Forever,” Meiji Yasuda will maintain stable management as a mutual company, with the aim of securing financial soundness over the medium to long term so that the Company remains capable of continuing with the steady payout of policyholder dividends.

#### 1. Features of Policyholder Dividends Paid by a Mutual Company

Mutual companies typically offer insurance with dividends, a type of product designed to return a portion of surplus to policyholders, who act as mutual members supporting said companies. Through this framework, insurance premiums paid by policyholders are settled on an after-the-fact basis. Drawing on these features, we will continue with the steady payout of policyholder dividends by utilizing surplus created via a variety of management efforts. At the same time, we will accumulate internal reserves as we aim to secure funds for investment aimed at achieving future growth while ensuring our preparedness for the occurrence of incidents that go beyond usually predictable risk.

#### 2. Methods for the Payout of Policyholder Dividends

We will utilize two primary methods for the payout of policyholder dividends as presented below.

##### (1) Regular Dividends

For all policyholders enrolled in insurance with dividends, we will pay policyholder dividends in a steady manner after setting aside a portion of annual surplus to secure reserves to support our future ability to pay insurance claims and benefits.

##### (2) MY Mutual Dividends

For policyholders who have made a particular contribution to the accumulation of Meiji Yasuda’s internal reserves over a long period of time, we will utilize a portion of internal reserves to additionally pay MY Mutual Dividends, in line with the degree of their contribution.

#### 3. The Payout of Policyholder Dividends Aligned with the Level of Financial Soundness

Our “Management Policy Aligned with the Level of Financial Soundness” clearly defines how we align our approach to the payout of policyholder dividends with the level of financial soundness as outlined below.

##### (1) ESR\*: 165% or more (target range)

We will deliver a stable stream of policyholder dividends. If the level of ESR is expected to be well in excess of 220%, we will consider and implement the additional payout of policyholder dividends.

##### (2) ESR: 120 % to less than 165%

We will consider and implement risk mitigation and other measures to ensure the steady payout of policyholder dividends.

##### (3) ESR: Less than 120%

We will prioritize securing reserves to maintain soundness while considering, for example, the downward revision of the level of policyholder dividends.

\* Economic Solvency Ratio: An economic value-based indicator that shows an insurer's financial soundness in terms of whether it has secured sufficient capital relative to its total risk exposure. Our methods for calculating ESR could be revised in the future in light of developments in domestic discussions regarding the introduction of economic value-based solvency regulations. If such revisions take place, we will revise the level of ESR set forth in this policy.

#### **4. Meiji Yasuda's Initiatives regarding Policyholder Dividends**

We will undertake the following initiatives regarding the payout of policyholder dividends.

##### **(1) Maintaining Stability**

We will continue with the steady payout of policyholder dividends by securing stable profit and ongoing improvement in corporate value over the medium to long term.

##### **(2) Securing Fairness**

We will secure fairness in the payout of policyholder dividends by aligning the level of dividends with the degree of the policyholders' contribution to annual surplus and internal reserves.

##### **(3) Improving Plainness**

We will strive to provide easy-to-understand explanations regarding our concepts on and frameworks supporting policyholder dividends to secure the understanding of policyholders.