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Management Policy Aligned with the Level of Financial Soundness

In line with its management philosophy, “Peace of Mind, Forever,” Meiji Yasuda aims to achieve stable profit and improve its corporate value while securing financial soundness and an optimal balance between growth potential and profitability. To this end, the Company will provisionally aim for an ESR of 220% while ensuring that its policyholder dividend payouts and investments align with the level of its financial soundness on an economic value basis.

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

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

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. At the same time, we will flexibly consider investment in light of the medium- to long-term outlook on soundness.

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. We will also take a restrained approach to new investment and focus on reducing existing risks.

* 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.

Note: This policy will be updated in light of developments in domestic discussions regarding the introduction of economic value-based solvency regulations, with methods for calculating ESR and other indicators possibly being subject to future revisions.