[Unofficial translation]

May 26, 2025

Meiji Yasuda Life Insurance Company

Disclosure of Group Surplus as of March 31, 2025

Meiji Yasuda Life Insurance Company (“Meiji Yasuda Life”, President: Hideki Nagashima) is disclosing its “Group Surplus” results as of March 31, 2025.

We disclose Group Surplus as an indicator of enterprise value, based on the recent discussion regarding solvency regulations for Internationally Active Insurance Groups(“IAIGs”) and new economic value-based solvency regulations in Japan (Note 1,2). Group Surplus is the value of net assets, calculated with the economic value of assets and liabilities.

The Group Surplus as of March 31, 2025 was 11,270 billion yen, an increase of 610 billion yen or 5.7% compared to the previous year. Please refer to Appendix 1 for the status of Group Surplus and Appendix 2 for calculation methodology of Group Surplus.

(Note 1) The International Association of Insurance Supervisors (“IAIS”) will implement ICS as a solvency regulation for IAIGs from 2025. In Japan as well, a new regulation for domestic companies will be introduced from 2025.

(Note 2) Based on the introduction of the new regulation, the measurement methods for ESR indicators have been changed from FY2024.

The status of Group Surplus

Results of Group Surplus and Movement analysis

- The Group Surplus was ¥11,270 billion, having increased 5.7% year-on-year. (Figure1)
  The Surplus of Meiji Yasuda Life increased 3.8% year-on-year. (Table)
  The Surplus of StanCorp Financial Group (“StanCorp”) increased 28.7% year-on-year. (Table)
- Though the decline of Japanese stocks had a negative impact, value of new business and the rise in Japanese interest rates contributed positively.(Figure2)

Figure1 : Results of Group Surplus (Billions of yen)

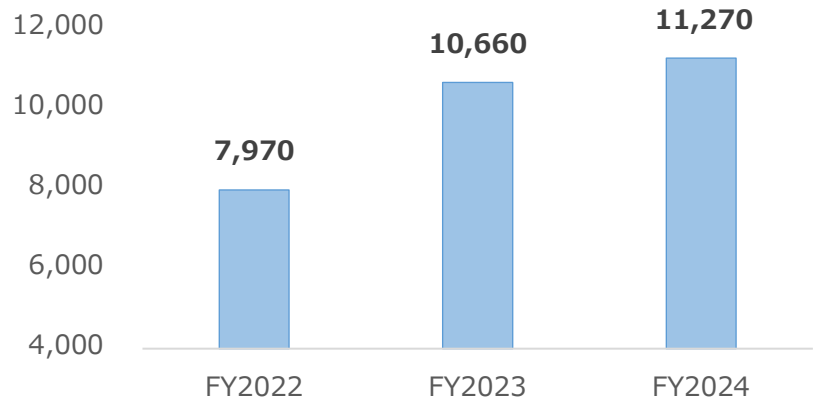


Figure2 : Movement analysis (Billions of yen)

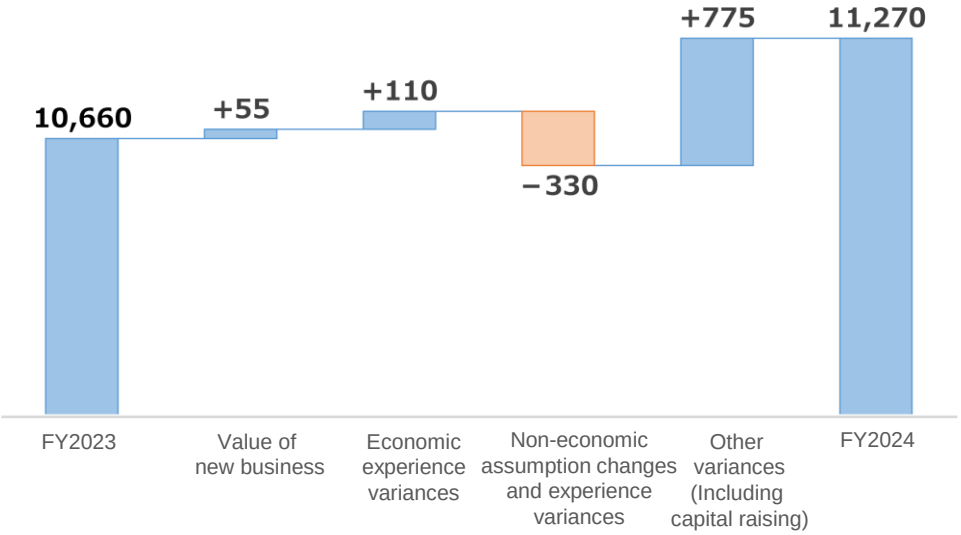


Table : Surplus of each company (Billions of yen)

	FY2023	FY2024	Difference	Change
Group Surplus	10,660	11,270	+610	+5.7%
Meiji Yasuda Life	9,740	10,110	+370	+3.8%
StanCorp (Note)	870 (613)	1,120 (710)	+250 (+97)	+28.7% (+15.8%)

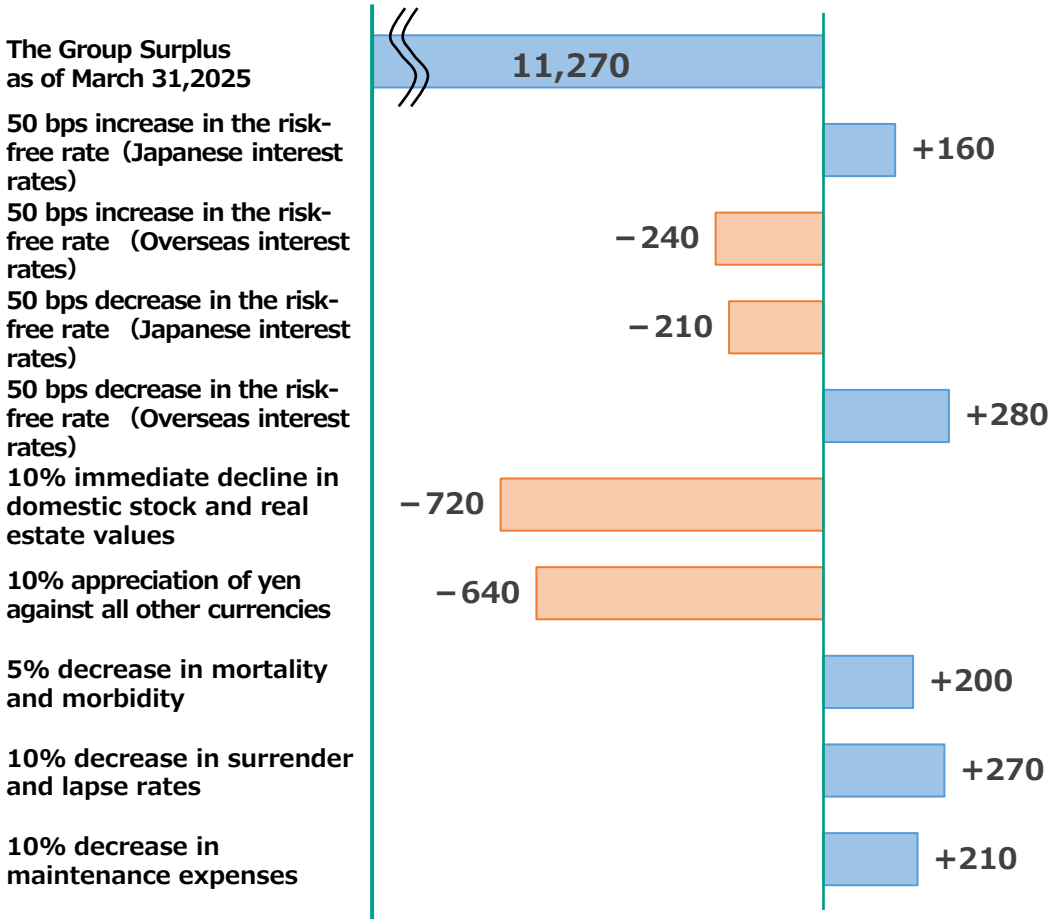
(Note) In parentheses, US dollar-based amounts are shown in millions of USD.

The status of Group Surplus

Sensitivity analysis

・The Group Surplus will fluctuate due to changes in the investment environment, such as the risk-free rate, and non-economic assumptions, such as mortality and morbidity. Figure 3 shows these sensitivity when the assumptions are changed.

Figure3 : Group Surplus sensitivity (Billions of yen)



<Reference> Investment environment in FY 2024

・The investment environment in FY 2024 is as follows.

	End of FY2024	Difference From FY 2023
10-year JGB rate	1.485%	+0.760%
20-year JGB rate	2.233%	+0.736%
30-year JGB rate	2.528%	+0.709%
Nikkei 225	35,617.56yen	▲4,751.88yen
TOPIX	2,658.73point	▲109.89point
10-year US Treasury rate	4.205%	+0.005%
Yen/ Dollar Exchange rate	149.52	▲1.89

Appendix 2

Calculation methodology of Group Surplus

1. Definition of Group Surplus

Group Surplus is an indicator of enterprise value, currently under discussion in Insurance Capital Standard (ICS) and Japanese economic value-based solvency regulations. Meiji Yasuda's Group Surplus is defined as the total of the Surplus of Meiji Yasuda Life Insurance Company and its subsidiaries and affiliated companies, including StanCorp, Pacific Guardian Life Insurance Company and Meiji Yasuda General Insurance Co., Ltd.. The definition of Surplus of each company is as follows.

・Meiji Yasuda Life

The covered business is all life insurance business of Meiji Yasuda Life, effective as of the end of the period.

The Surplus of Meiji Yasuda Life is defined as "Economic value of in-force business" plus "Unrealized gains or losses on assets" plus "Statutory Net Asset and others". Please refer to "2. Methodology and assumptions for Meiji Yasuda Life" for more details.

・StanCorp (wholly-owned subsidiary)

The covered business is all life insurance business and asset management business of StanCorp.

The Surplus of StanCorp is defined as "Economic value of in-force business" plus "Unrealized gains or losses on assets" plus "Statutory Net Asset and others". StanCorp's Surplus is calculated as of December 31, 2024, the calculation date for consolidated financial statements. Please refer to "3. Methodology and assumptions for StanCorp" for more details.

・Pacific Guardian Life Insurance Company (wholly-owned subsidiary)

The balance sheet value of Pacific Guardian Life Insurance Company has been included in the Group Surplus as a proxy for its market value, as its contribution to the total Group Surplus is limited.

・Meiji Yasuda General Insurance Co., Ltd.

The covered business is all non-life insurance business of Meiji Yasuda General Insurance Co., Ltd., effective as of the end of the period.

The Surplus of Meiji Yasuda General Insurance Co., Ltd. is defined as "Economic value of in-force business" plus "Unrealized gains or losses on assets" plus "Statutory Net Asset and others".

・Other subsidiaries and affiliated companies

The balance sheet values of other subsidiaries and affiliated companies have been included in the Surplus as a proxy for their market values, as their contributions to the total Group Surplus is limited.

２．Methodology and assumptions for Meiji Yasuda Life

２－１．Methodology

The Surplus of Meiji Yasuda Life is defined as "Economic value of in-force business" plus "Unrealized gains or losses on assets" plus ”Statutory Net Assets and others”. The detailed calculation methodology is as follows.

（１）Economic value of in-force business

Economic value of in-force business is calculated as the present value of future profits by deducting the time value of financial options and guarantees and the risk adjustment amount.

（ａ）Present value of future profits

Present value of future profits is calculated without considering factors that have asymmetric impacts on future profits with respect to changes in economic assumptions. For this reason, the present value of future profits includes the intrinsic value of financial options and guarantees, such as policyholders’ dividends, but does not include the time value of financial options and guarantees, which is calculated separately. Future renewals of group insurance business are included. The discount rate is evaluated by adding the spread adjustment to the risk-free rate, taking Japanese economic value-based solvency regulations into consideration.

（ｂ）Time value of financial options and guarantees

A variety of financial options and guarantees embedded in insurance contracts may have asymmetric impacts on future profits depending on underlying economic assumptions. The value of financial options and guarantees is calculated using a stochastic approach based on economic assumptions consistent with the market value of traded options.

The time value of financial options and guarantees is calculated as the difference between the deterministic present value of future profits and the average of the present value of future profits calculated using the stochastic approach.

Meiji Yasuda Life considered the options and guarantees of “Policyholder dividends”, “Variable product minimum guarantees”, “Interest-rate-sensitive-product minimum guaranteed crediting rates” and “Policyholder behavior” in calculating the time value of financial options and guarantees.

（ｃ）Risk Adjustment

To cover inherent uncertainties in the cash flows related to insurance obligations, 3% of the present value of future required capital is used as the risk adjustment amount.

（２）Unrealized gains or losses on assets

Regardless of the valuation method on the statutory balance sheet, assets are marked to market when possible and the unrealized gains or losses of the assets are calculated. Held-to-maturity debt securities, policy-reserve-matching bonds, loans, real estates and other assets are marked to market and unrealized gains or losses are recognized.

（３）Statutory Net Assets and others

"Statutory Net Assets and others" is defined as net assets on the statutory balance sheet, plus internal reserves in liabilities including price fluctuation reserve and contingency reserve, plus externally procured funds such as subordinated debt, minus expected amount of Surplus that will be disbursed outside the company.

２－２．Assumptions

（１）Economic assumptions

（ａ）Risk-free rate

The Japanese government bond, US treasury and Australian government bond yields at the valuation date are used as the reference rate.

（ｂ）Discount rate

It is set for each segment corresponding to the cash flow period.

	Setting of discount rate
First segment （0～30year）	The spread adjustment is added to the spot rate (risk-free rate, calculated using the government bond) of government bond in the same currency of the liabilities. The spread adjustment is set based on Japanese economic value-based solvency regulations.
Second segment （31～60year）	Ultimate Forward Rate (UFR) is set, and the extrapolation starts at the end of year 30. Using the Smith-Wilson method, the forward rates are extrapolated from the 31st year onwards to the UFR over a period of 30 years.
Third segment （61year～）	The spread adjustment is added to UFR.

The main spot rates used are as follows.

Term	JPY		USD		AUD	
	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025
1 year	0.048%	0.642%	5.018%	3.978%	4.080%	3.746%
2 year	0.188%	0.834%	4.570%	3.853%	3.715%	3.649%
3 year	0.199%	0.903%	4.349%	3.838%	3.575%	3.664%
5 year	0.359%	1.110%	4.177%	3.918%	3.573%	3.821%
10 year	0.729%	1.515%	4.145%	4.211%	3.962%	4.419%
20 year	1.551%	2.293%	4.533%	4.701%	4.304%	4.941%
30 year	1.916%	2.642%	4.240%	4.586%	4.411%	5.187%
UFR	3.800%	2.900%	3.800%	3.800%	3.800%	3.800%

（２）Non-economic assumptions

Premiums, operating expenses, insurance benefits and claims, surrender benefits, tax, and other cash flows are projected based on best estimate assumptions set for each product type, considering past and recent experience and expected future experience.

（ａ）Operating expenses

Operating expense assumptions are derived from Meiji Yasuda Life’s experience.

The future inflation rate is assumed to be 1.1% p.a. until the 30th year based on the break-even inflation rate incorporated in the 10-year inflation-indexed bond, and for the 31st year and thereafter, it is assumed to gradually increase to 2% (the inflation rate incorporated in the Ultimate Forward

Rate) in the 60th year .

（b）Policyholders' dividends

Policyholders' dividend rates are set based on current dividend policy, and the projected dividend rate is dynamically linked to each market-consistent risk neutral scenario.

３．Methodology and assumptions for StanCorp

３－１．Methodology

The Surplus of StanCorp is defined as "Economic value of in-force business" plus "Unrealized gains or losses on assets" plus ”Statutory Net Assets and others”. The detailed calculation methodology is as follows.

（１）Economic value of in-force business

Economic value of in-force business is calculated as the present value of future profits by deducting the time value of financial options and guarantees and the risk adjustment amount.

（ａ）Present value of future profits

Present value of future profits is calculated without considering factors that have asymmetric impacts on future profits with respect to changes in economic assumptions. For this reason, the present value of future profits includes the intrinsic value of financial options and guarantees, such as policyholders’ dividends, but does not include the time value of financial options and guarantees, which is calculated separately. Future renewals of group insurance business are included.The discount rate is calculated based on economic assumptions and currently held assets.

Please refer to “３－２．Assumptions（１）Economic assumptions ” for details of the discount rate.

（ｂ）Time value of financial options and guarantees

A variety of financial options and guarantees embedded in insurance contracts may have asymmetric impacts on future profits depending on underlying economic assumptions. The value of financial options and guarantees is calculated using a stochastic approach based on economic assumptions consistent with the market value of traded options.

The time value of financial options and guarantees is calculated as the difference between the deterministic present value of future profits and the average of the present value of future profits calculated using stochastic approach.

The options and guarantees of “Minimum guaranteed crediting rates” and “Policyholder behavior” were considered in calculating the time value of financial options and guarantees.

（ｃ）Risk Adjustment

To cover inherent uncertainties in the cash flows related to insurance obligations, 3% of the present value of future required capital is used as the risk adjustment amount.

（２）Unrealized gains or losses on assets

Regardless of the valuation method on the statutory balance sheet, assets are marked to market when possible and the unrealized gains or losses of the assets are calculated. Loans, real estates and other assets are marked to market and unrealized gains or losses are recognized.

（３）Statutory Net Assets and others

"Statutory Net Assets and others" is equal to net assets on the statutory balance sheet.

3－2．Assumptions

（1）Economic assumptions

（a）Risk-free rate

The risk-free rate used in the calculation of the present value of future profits is based on the USD swap yield curve.

The risk-free rates used are as follows.

Term	**December 31, 2023**	**December 31, 2024**
1 year	4.76%	4.18%
2 year	4.07%	4.09%
3 year	3.75%	4.07%
5 year	3.52%	4.02%
10 year	3.46%	4.07%
20 year	3.47%	4.10%
30 year	3.31%	3.93%
50 year	-	3.55%

（b）Discount rate

The risk discount rate is set for each product considering currently held assets. The risk discount rate is determined by applying a constant portfolio spread for each product, the own spread, to the risk-free rates. The own spread is set such that the discount curve aligns the portfolio asset inflows with their market values. The own spreads as of December 31, 2024 ranges from 1.34% to 2.05%, and ranged from 1.95% to 2.95% as of December 31, 2023.

（2）Non-economic assumptions

Premium, operating expense, benefits and claims, cash surrender value, premium tax, and other cash flows are projected applying the best estimate assumptions, by product which reflect past, current and expected future experience. Dynamic assumptions are used for calculating the time value of options and guarantees for the individual and group annuity business.

The future inflation rate for maintenance expenses is assumed to be 2.0% p.a., based on the Federal Reserve Board’s long term inflation targets and inflation rates implied from inflation linked bonds.

（3）Exchange rate

The Surplus of StanCorp is calculated in its local currency and converted into JPY using the following rate:

	December 31, 2023	**December 31, 2024**
USD 1.00	JPY 141.83	JPY 158.18