

May 22, 2020

Financial Results for the Fiscal Year Ended March 31,2020

Meiji Yasuda Life Insurance Company (President: Akio Negishi) announces financial results for the fiscal year ended March 31, 2020.

«Contents»

1. Unaudited Consolidated Balance Sheets	P1
2. Unaudited Consolidated Statements of Income	P3
3. Unaudited Consolidated Statements of Comprehensive Income	P5
4. Unaudited Consolidated Statements of Changes in Net Assets	P6
5. Unaudited Consolidated Statements of Cash Flows	P8

Notes:

1. The Financial Results are summarized English translations of the original disclosure in Japanese.
2. Notes to the Unaudited Consolidated Financial Statements are not included in these translations.
The Financial Results with Notes to the Unaudited Consolidated Financial Statements are scheduled to be announced later.

1. Unaudited Consolidated Balance Sheets

	(Millions of Yen)	
	As of March 31	
	2019	2020
ASSETS:		
Cash and deposits	1,287,537	1,246,447
Call loans	90,000	90,000
Monetary claims bought	212,307	204,335
Money held in trust	21,669	15,166
Securities	33,403,624	34,023,049
Loans	5,019,827	4,913,456
Tangible fixed assets	912,057	905,204
Land	618,014	617,250
Buildings	280,168	274,919
Leased assets	711	469
Construction in progress	5,221	4,828
Other tangible fixed assets	7,941	7,737
Intangible fixed assets	467,182	442,229
Software	55,131	69,106
Goodwill	132,965	123,595
Other intangible fixed assets	279,086	249,527
Due from agents	1,578	1,612
Reinsurance receivables	164,308	161,038
Other assets	428,437	529,429
Net defined benefit assets	91,988	66,029
Deferred tax assets	2,994	2,762
Customers' liabilities under acceptances and guarantees	22,563	19,888
Allowance for possible loan losses	(5,361)	(6,754)
Total assets	42,120,715	42,613,896

1. Unaudited Consolidated Balance Sheets (continued)

	(Millions of Yen)	
	As of March 31	
	2019	2020
LIABILITIES:		
Policy reserves and other reserves	35,321,301	35,817,626
Reserve for outstanding claims	738,628	723,195
Policy reserves	34,339,715	34,848,442
Policyholders' dividend reserves	242,957	245,988
Due to agents	2,937	3,707
Reinsurance payables	1,187	964
Bonds payable	589,098	668,563
Other liabilities	1,012,377	1,584,263
Net defined benefit liabilities	6,995	8,229
Reserve for contingent liabilities	1	1
Reserve for price fluctuation	816,962	833,615
Deferred tax liabilities	281,498	56,462
Deferred tax liabilities for land revaluation	79,370	79,210
Acceptances and guarantees	22,563	19,888
Total liabilities	38,134,293	39,072,534
NET ASSETS:		
Foundation funds	260,000	250,000
Reserve for redemption of foundation funds	670,000	730,000
Reserve for revaluation	452	452
Surplus	499,135	475,912
Total funds, reserve and surplus	1,429,588	1,456,365
Net unrealized gains on available-for-sale securities	2,442,225	1,993,002
Deferred unrealized gains on derivatives under hedge accounting	41,253	45,187
Land revaluation differences	117,898	118,421
Foreign currency translation adjustments	(44,976)	(49,497)
Remeasurements of defined benefit plans	(273)	(22,818)
Total accumulated other comprehensive income	2,556,127	2,084,295
Non-controlling interests	705	700
Total net assets	3,986,421	3,541,362
Total liabilities and net assets	42,120,715	42,613,896

2. Unaudited Consolidated Statements of Income

	(Millions of Yen)	
	Years ended March 31	
	2019	2020
ORDINARY INCOME:	4,182,501	4,073,384
Insurance premiums and other	3,081,385	2,911,826
Investment income	980,255	1,051,103
Interest, dividends and other income	872,291	936,932
Gains on money held in trust	—	47
Gains on sales of securities	16,595	20,486
Gains on redemption of securities	76,949	90,742
Foreign exchange gains	8,186	—
Other investment income	2,408	2,895
Investment gains on separate accounts	3,824	—
Other ordinary income	120,860	110,454
ORDINARY EXPENSES:	3,791,882	3,819,847
Benefits and other payments	2,424,510	2,515,851
Claims paid	725,847	694,334
Annuity payments	616,446	629,047
Benefit payments	523,719	532,584
Surrender benefits	464,349	549,892
Other refunds	94,147	109,991
Provision for policy reserves and other reserves	465,714	264,233
Provision for reserve for outstanding claims	13,631	—
Provision for policy reserves	451,985	264,143
Provision for interest on policyholders' dividend reserves	97	89
Investment expenses	261,599	397,021
Interest expenses	33,866	44,740
Losses on money held in trust	183	—
Losses on sales of securities	39,925	6,983
Losses on valuation of securities	17,893	104,319
Losses on redemption of securities	5,075	32,140
Losses on derivative financial instruments	130,990	133,638
Foreign exchange losses	—	18,187
Provision for allowance for possible loan losses	779	1,818
Write-down of loans	—	393
Depreciation of real estate for non-insurance business	10,210	10,226
Other investment expenses	22,675	24,624
Investment losses on separate accounts	—	19,948
Operating expenses	468,136	476,964
Other ordinary expenses	171,920	165,776
Ordinary profit	390,618	253,536

2. Unaudited Consolidated Statements of Income (continued)

	(Millions of Yen)	
	Years ended March 31	
	2019	2020
Extraordinary gains	2,758	46
Gains on disposals of fixed assets	2,758	45
Reversal of reserve for contingent liabilities	—	0
Extraordinary losses	136,852	21,326
Losses on disposals of fixed assets	1,590	1,723
Impairment losses	1,204	2,428
Provision for reserve for contingent liabilities	0	—
Provision for reserve for price fluctuation	131,553	16,658
Losses on reduction entry of real estate	1,931	4
Contributions for promotion of social welfare project	565	510
Other extraordinary losses	6	—
Surplus before income taxes and non-controlling interests	256,525	232,256
Income taxes	25,539	24,327
Current	58,212	56,111
Deferred	(32,673)	(31,784)
Net surplus	230,985	207,929
Net surplus attributable to non-controlling interests	1,406	80
Net surplus attributable to the Parent Company	229,579	207,848

3. Unaudited Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	Years ended March 31	
	2019	2020
Net surplus	230,985	207,929
Other comprehensive income (loss)	(177,940)	(472,354)
Net unrealized gains (losses) on available-for-sale securities	(140,068)	(452,092)
Deferred unrealized gains (losses) on derivatives under hedge accounting	5,372	3,933
Foreign currency translation adjustments	(10,701)	(8,446)
Remeasurements of defined benefit plans	(24,130)	(22,545)
Share of other comprehensive income (loss) of associates accounted for under the equity method	(8,412)	6,795
Comprehensive income (loss)	53,045	(264,425)
Comprehensive income (loss) attributable to the Parent Company	51,623	(264,505)
Comprehensive income (loss) attributable to non-controlling interests	1,421	80

4. Unaudited Consolidated Statements of Changes in Net Assets

(Millions of Yen)

Year ended March 31, 2020

	Funds, reserves and surplus				
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus	Total funds, reserves and surplus
Beginning balance	260,000	670,000	452	499,135	1,429,588
Changes in the fiscal year					
Issuance of foundation funds	50,000				50,000
Additions to policyholders' dividend reserves				(169,630)	(169,630)
Additions to reserve for redemption of foundation funds		60,000			60,000
Payment of interest on foundation funds				(918)	(918)
Net surplus attributable to the Parent Company				207,848	207,848
Redemption of foundation funds	(60,000)				(60,000)
Reversal of reserve for fund redemption				(60,000)	(60,000)
Reversal of land revaluation differences				(522)	(522)
Net changes, excluding funds, reserves and surplus					
Net changes in the fiscal year	(10,000)	60,000	—	(23,222)	26,777
Ending balance	250,000	730,000	452	475,912	1,456,365

	Accumulated other comprehensive income (loss)						Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance	2,442,225	41,253	117,898	(44,976)	(273)	2,556,127	705	3,986,421
Changes in the fiscal year								
Issuance of foundation funds								50,000
Additions to policyholders' dividend reserves								(169,630)
Additions to reserve for redemption of foundation funds								60,000
Payment of interest on foundation funds								(918)
Net surplus attributable to the Parent Company								207,848
Redemption of foundation funds								(60,000)
Reversal of reserve for fund redemption								(60,000)
Reversal of land revaluation differences								(522)
Net changes, excluding funds, reserves and surplus	(449,222)	3,933	522	(4,520)	(22,545)	(471,831)	(4)	(471,836)
Net changes in the fiscal year	(449,222)	3,933	522	(4,520)	(22,545)	(471,831)	(4)	(445,059)
Ending balance	1,993,002	45,187	118,421	(49,497)	(22,818)	2,084,295	700	3,541,362

4. Unaudited Consolidated Statements of Changes in Net Assets

(Millions of Yen)

Year ended March 31, 2019

	Funds, reserves and surplus				
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus	Total funds, reserves and surplus
Beginning balance	260,000	620,000	452	504,951	1,385,404
Changes in the fiscal year					
Issuance of foundation funds	50,000				50,000
Additions to policyholders' dividend reserves				(185,731)	(185,731)
Additions to reserve for redemption of foundation funds		50,000			50,000
Payment of interest on foundation funds				(1,171)	(1,171)
Net surplus attributable to the Parent Company				229,579	229,579
Redemption of foundation funds	(50,000)				(50,000)
Reversal of reserve for fund redemption				(50,000)	(50,000)
Reversal of land revaluation differences				290	290
Changes in equity attributable to the Parent Company arising from transactions with non-controlling interests				1216	1216
Net changes, excluding funds, reserves and surplus					
Net changes in the fiscal year	—	50,000	—	(5,816)	44,183
Ending balance	260,000	670,000	452	499,135	1,429,588

	Accumulated other comprehensive income (loss)							
	Net unrealized gains (losses) on available -for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasureme nts of defined benefit plans	Total accumulated other comprehensiv e income	Non- controlling interests	Total net assets
Beginning balance	2,583,926	35,881	118,189	(27,485)	23,861	2,734,374	3,974	4,123,752
Changes in the fiscal year								
Issuance of foundation funds								50,000
Additions to policyholders' dividend reserves								(185,731)
Additions to reserve for redemption of foundation funds								50,000
Payment of interest on foundation funds								(1,171)
Net surplus attributable to the Parent Company								229,579
Redemption of foundation funds								(50,000)
Reversal of reserve for fund redemption								(50,000)
Reversal of land revaluation differences								290
Changes in equity attributable to the Parent Company arising from transactions with non-controlling interests								1,216
Net changes, excluding funds, reserves and surplus	(141,701)	5,372	(290)	(17,491)	(24,134)	(178,246)	(3,268)	(181,515)
Net changes in the fiscal year	(141,701)	5,372	(290)	(17,491)	(24,134)	(178,246)	(3,268)	(137,331)
Ending balance	2,442,225	41,253	117,898	(44,976)	(273)	2,556,127	705	3,986,421

5. Unaudited Consolidated Statements of Cash Flows

(Millions of Yen)

	Years ended March 31	
	2019	2020
I. Cash flows from operating activities		
Surplus before income taxes and non-controlling interests	256,525	232,256
Depreciation of real estate for non-insurance business	10,210	10,226
Depreciation	44,147	43,525
Impairment losses	1,204	2,428
Amortization of goodwill	7,745	7,645
Increase (Decrease) in reserve for outstanding claims	13,571	(7,617)
Increase (Decrease) in policy reserves	552,611	361,070
Provision for interest on policyholders' dividend reserves	97	89
Increase (Decrease) in allowance for possible loan losses	260	1,392
Increase (Decrease) in net defined benefit liabilities	2,904	177
Increase (Decrease) in reserve for contingent liabilities	0	(0)
Increase (Decrease) in reserve for price fluctuation	131,553	16,658
Interest, dividends, and other income	(872,291)	(936,932)
Losses (Gains) on securities	(138,094)	177,238
Interest expenses	33,866	44,740
Foreign exchange losses (gains)	(13,715)	5,498
Losses (Gains) on tangible fixed assets	(994)	1,678
Investment losses (gains) on equity method	(3,638)	(4,249)
Decrease (Increase) in due from agents	(9)	(35)
Decrease (Increase) in reinsurance receivables	1,805	1,154
Decrease (Increase) in other assets (excluding those related to investing and financing activities)	80,572	(56,814)
Increase (Decrease) in due to agents	58	808
Increase (Decrease) in reinsurance payables	(11)	(222)
Increase (Decrease) in other liabilities (excluding those related to investing and financing activities)	12,012	65,339
Others, net	(10,290)	(220)
Subtotal	110,101	(34,161)
Interest, dividends, and other income received	911,560	983,116
Interest paid	(34,255)	(41,895)
Policyholders' dividends paid	(176,676)	(166,720)
Income taxes paid	(67,371)	(63,203)
Net cash provided by operating activities	743,358	677,135

5. Unaudited Consolidated Statements of Cash Flows (continued)

	(Millions of Yen)	
	Years ended March 31	
	2019	2020
II. Cash flows from investing activities		
Net decrease (increase) in deposits	(16,421)	(9,422)
Purchase of monetary claims bought	(12,400)	(5,500)
Proceeds from sales and redemption of monetary claims bought	14,724	13,261
Purchase of money held in trust	(8,300)	—
Purchase of securities	(4,509,597)	(5,552,359)
Proceeds from sales and redemption of securities	3,962,251	4,243,843
Loans extended	(1,230,885)	(1,157,755)
Proceeds from collection of loans	1,472,996	1,246,619
Net increase (decrease) in cash collateral under securities borrowing / lending transactions	159,433	535,699
Total investment activities(IIa)	(168,198)	(685,613)
[I + IIa]	575,159	(8,477)
Purchase of tangible fixed assets	(20,054)	(17,129)
Proceeds from sales of tangible fixed assets	4,278	47
Purchase of intangible fixed assets	(33,305)	(27,694)
Others, net	(535)	(1,082)
Net cash used in investing activities	(217,816)	(731,470)
III. Cash flows from financing activities		
Proceeds from issuance of bonds payable	106,014	79,460
Proceeds from issuance of foundation funds	50,000	50,000
Redemption of foundation funds	(50,000)	(60,000)
Payment of interest on foundation funds	(1,171)	(918)
Acquisition of stock of subsidiaries without change in scope of consolidation	(2,498)	—
Others, net	(524)	3,498
Net cash provided by financing activities	101,820	72,040
IV. Effect of foreign exchange rate changes on cash and cash equivalents	(72)	(1,496)
V. Net increase (decrease) in cash and cash equivalents	627,289	16,207
VI. Cash and cash equivalents at the beginning of the year	720,180	1,347,470
VII. increase (decrease) in cash and cash equivalents due to split with subsidiaries	—	(70,580)
VIII. Cash and cash equivalents at the end of the year	1,347,470	1,293,097