

May 26, 2016

Financial Results for the Fiscal Year Ended March 31, 2016

Meiji Yasuda Life Insurance Company (President: Akio Negishi) announces financial results for the fiscal year ended March 31, 2016.

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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	
	2015	2016
ASSETS:		
Cash and deposits	240,038	481,381
Call loans	368,000	90,000
Monetary claims bought	229,523	223,659
Securities	29,256,897	30,624,492
Loans	5,076,391	5,634,123
Tangible fixed assets	932,531	930,595
Land	621,684	617,463
Buildings	301,346	306,647
Leased assets	—	87
Construction in progress	6,045	1,667
Other tangible fixed assets	3,454	4,728
Intangible fixed assets	64,183	527,144
Software	37,788	50,821
Goodwill	—	158,679
Other intangible fixed assets	26,394	317,643
Due from agents	1,647	1,831
Reinsurance receivables	675	115,877
Other assets	317,794	480,002
Net defined benefit assets	74,345	37,298
Deferred tax assets	1,779	2,485
Customers' liabilities under acceptances and guarantees	20,848	20,854
Allowance for possible loan losses	(5,034)	(5,457)
Total assets	36,579,624	39,164,289

1. Unaudited Consolidated Balance Sheets (continued)

(Millions of Yen)

	As of March 31	
	2015	2016
LIABILITIES:		
Policy reserves and other reserves	30,592,941	33,790,403
Reserve for outstanding claims	114,465	707,333
Policy reserves	30,225,061	32,842,168
Policyholders' dividend reserves	253,414	240,902
Due to agents	9	2,835
Reinsurance payables	804	832
Bonds payable	—	293,445
Other liabilities	700,186	478,051
Net defined benefit liabilities	1,084	12,447
Accrued retirement benefits for directors and executive officers	92	82
Reserve for contingent liabilities	2	1
Reserve for price fluctuation	492,907	522,116
Deferred tax liabilities	504,535	329,406
Deferred tax liabilities for land revaluation	85,877	82,137
Acceptances and guarantees	20,848	20,854
Total liabilities	32,399,288	35,532,618
NET ASSETS:		
Foundation funds	260,000	260,000
Reserve for redemption of foundation funds	470,000	470,000
Reserve for revaluation	452	452
Surplus	472,533	506,083
Total funds, reserve and surplus	1,202,986	1,236,536
Net unrealized gains (losses) on available-for-sale securities	2,838,597	2,291,022
Deferred unrealized gains (losses) on derivatives under hedge accounting	15,456	38,659
Land revaluation differences	118,988	119,894
Foreign currency translation adjustments	22,894	(26,190)
Remeasurements of defined benefit plans	(22,862)	(32,200)
Total accumulated other comprehensive income	2,973,074	2,391,186
Non-controlling interests	4,274	3,947
Total net assets	4,180,335	3,631,671
Total liabilities and net assets	36,579,624	39,164,289

2. Unaudited Consolidated Statements of Income

(Millions of Yen)

	Years ended March 31	
	2015	2016
ORDINARY INCOME:	4,599,843	4,276,540
Insurance premiums and other	3,431,497	3,381,621
Investment income	1,030,435	788,747
Interest, dividends and other income	698,484	690,493
Gains on money held in trust	0	0
Gains on sales of securities	186,293	8,505
Gains on redemption of securities	58,075	88,701
Foreign exchange gains	—	154
Reversal of allowance for possible loan losses	2,875	—
Other investment income	899	892
Investment gains on separate accounts	83,806	—
Other ordinary income	137,909	106,171
ORDINARY EXPENSES:	4,213,375	3,977,433
Benefits and other payments	2,607,548	2,312,168
Claims paid	642,721	569,516
Annuity payments	849,963	696,036
Benefit payments	430,363	412,172
Surrender benefits	453,264	455,478
Other refunds	231,236	178,963
Provision for policy reserves and other reserves	955,765	900,587
Provision for reserve for outstanding claims	—	1,866
Provision for policy reserves	955,304	898,470
Provision for interest on policyholders' dividend reserves	461	251
Investment expenses	97,982	182,088
Interest expenses	3,368	6,288
Losses on sales of securities	365	1,967
Losses on valuation of securities	300	12,791
Losses on redemption of securities	—	37
Losses on derivative financial instruments	71,082	107,329
Foreign exchange losses	144	—
Provision for allowance for possible loan losses	—	664
Depreciation of real estate for non-insurance business	9,737	9,732
Other investment expenses	12,982	14,320
Investment losses on separate accounts	—	28,956
Operating expenses	361,559	372,229
Other ordinary expenses	190,519	210,360
Ordinary profit	386,468	299,107

2. Unaudited Consolidated Statements of Income (continued)

	(Millions of Yen)	
	Years ended March 31	
	2015	2016
Extraordinary gains	5,978	2,615
Gains on disposals of fixed assets	5,965	2,614
Reversal of reserve for contingent liabilities	12	0
Extraordinary losses	28,133	40,160
Losses on disposals of fixed assets	5,582	6,589
Impairment losses	6,344	3,807
Provision for reserve for price fluctuation	11,562	29,209
Losses on reduction entry of real estate	2,413	—
Contributions for promotion of social welfare project	552	553
Other extraordinary losses	1,678	—
Surplus before income taxes and non-controlling interests	364,312	261,561
Income taxes	98,564	46,934
Current	119,746	54,641
Deferred	(21,181)	(7,706)
Net surplus	265,747	214,627
Net surplus attributable to non-controlling interests	344	528
Net surplus attributable to the Parent Company	265,402	214,099

3. Unaudited Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Years ended March 31	
	2015	2016
Net surplus	265,747	214,627
Other comprehensive income (loss)	1,178,038	(580,454)
Net unrealized gains (losses) on available-for-sale securities	1,097,249	(546,805)
Deferred unrealized gains (losses) on derivatives under hedge accounting	14,511	23,203
Land revaluation differences	5,884	2,506
Foreign currency translation adjustments	5,827	(36,574)
Remeasurements of defined benefit plans	43,135	(9,501)
Share of other comprehensive income (loss) of associates accounted for under the equity method	11,430	(13,283)
Comprehensive income	1,443,786	(365,827)
Comprehensive income attributable to the Parent Company	1,443,499	(366,188)
Comprehensive income (loss) attributable to non-controlling interests	286	361

4. Unaudited Consolidated Statements of Cash Flows

(Millions of Yen)

	Years ended March 31	
	2015	2016
I. Cash flows from operating activities		
Surplus before income taxes and non-controlling interests	364,312	261,561
Depreciation of real estate for non-insurance business	9,737	9,732
Depreciation	20,913	21,647
Impairment losses	6,344	3,807
Increase (Decrease) in reserve for outstanding claims	(5,715)	1,944
Increase (Decrease) in policy reserves	955,329	898,283
Provision for interest on policyholders' dividend reserves	461	251
Increase (Decrease) in allowance for possible loan losses	(3,101)	423
Increase (Decrease) in net defined benefit liabilities	20	67
Increase (Decrease) in accrued retirement benefits for directors and executive officers	(90)	(9)
Increase (Decrease) in reserve for contingent liabilities	(12)	(0)
Increase (Decrease) in reserve for price fluctuation	11,562	29,209
Interest, dividends, and other income	(698,484)	(690,493)
Losses (Gains) on securities	(529,202)	168,606
Interest expenses	3,368	6,288
Foreign exchange losses (gains)	94	29
Losses (Gains) on tangible fixed assets	2,032	3,523
Investment losses (gains) on equity method	(2,005)	(1,920)
Decrease (Increase) in due from agents	(3)	49
Decrease (Increase) in reinsurance receivables	2,227	(173)
Decrease (Increase) in other assets (excluding those related to investing and financing activities)	(41,561)	(89,689)
Increase (Decrease) in due to agents	(8)	8
Increase (Decrease) in reinsurance payables	(2,225)	28
Increase (Decrease) in other liabilities (excluding those related to investing and financing activities)	79,426	(53,926)
Others, net	(3,889)	24,571
Subtotal	169,530	593,820
Interest, dividends, and other income received	740,485	738,937
Interest paid	(3,328)	(3,283)
Policyholders' dividends paid	(175,209)	(192,857)
Income taxes paid	(150,147)	(123,357)
Net cash provided by operating activities	581,329	1,013,259

4. Unaudited Consolidated Statements of Cash Flows (continued)

(Millions of Yen)

	Years ended March 31	
	2015	2016
II. Cash flows from investing activities		
Net decrease (increase) in deposits	(5,427)	(9,985)
Purchase of monetary claims bought	(21,500)	(19,800)
Proceeds from sales and redemption of monetary claims bought	25,777	26,155
Purchase of securities	(3,365,610)	(2,485,561)
Proceeds from sales and redemption of securities	3,295,992	1,762,429
Loans extended	(1,061,804)	(1,009,828)
Proceeds from collection of loans	1,145,247	1,110,671
Net increase (decrease) in cash collateral under securities borrowing / lending transactions	(447,111)	(113,710)
Total investment activities (IIa)	(434,434)	(739,629)
[I + IIa]	146,895	273,630
Purchase of tangible fixed assets	(15,281)	(11,852)
Proceeds from sales of tangible fixed assets	11,764	15,702
Purchase of intangible fixed assets	(18,509)	(22,397)
Acquisition of stock of subsidiaries with change in scope of consolidation	—	(531,629)
Others, net	(1,249)	(2,627)
Net cash used in investing activities	(457,710)	(1,292,434)
III. Cash flows from financing activities		
Proceeds from debt	663	150
Repayments of debt	(891)	(150)
Proceeds from issuance of bonds payable	—	235,514
Proceeds from issuance of foundation funds	60,000	—
Redemption of foundation funds	(60,000)	—
Payment of interest on foundation funds	(2,572)	(2,101)
Acquisition of stock of subsidiaries without change in scope of consolidation	—	(395)
Others, net	(255)	(294)
Net cash provided by (used in) financing activities	(3,056)	232,722
IV. Effect of foreign exchange rate changes on cash and cash equivalents	2,196	(45)
V. Net increase (decrease) in cash and cash equivalents	122,759	(46,497)
VI. Cash and cash equivalents at the beginning of the year	456,284	579,044
VII. Cash and cash equivalents at the end of the year	579,044	532,547

5. Unaudited Consolidated Statements of Changes in Net Assets

(Millions of Yen)

Year ended March 31, 2015

	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	410,000	452	432,095	1,102,548
Cumulative effects of changes in accounting policies				2,752	2,752
Beginning balance after reflecting accounting policy changes	260,000	410,000	452	434,848	1,105,301
Changes in the fiscal year					
Issuance of foundation funds	60,000				60,000
Additions to policyholders' dividend reserves				(158,094)	(158,094)
Additions to reserve for redemption of foundation funds		60,000			60,000
Payment of interest on foundation funds				(2,572)	(2,572)
Net surplus attributable to the Parent Company				265,402	265,402
Redemption of foundation funds	(60,000)				(60,000)
Reversal of reserve for fund redemption				(60,000)	(60,000)
Reversal of land revaluation differences				(7,051)	(7,051)
Net changes, excluding funds, reserves and surplus					
Net changes in the fiscal year	—	60,000	—	37,684	97,684
Ending balance	260,000	470,000	452	472,533	1,202,986

	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	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Beginning balance	1,739,783	944	106,051	7,207	(66,062)	1,787,925	4,243	2,894,717
Cumulative effects of changes in accounting policies								2,752
Beginning balance after reflecting accounting policy changes	1,739,783	944	106,051	7,207	(66,062)	1,787,925	4,243	2,897,470
Changes in the fiscal year								
Issuance of foundation funds								60,000
Additions to policyholders' dividend reserves								(158,094)
Additions to reserve for redemption of foundation funds								60,000
Payment of interest on foundation funds								(2,572)
Net surplus attributable to the Parent Company								265,402
Redemption of foundation funds								(60,000)
Reversal of reserve for fund redemption								(60,000)
Reversal of land revaluation differences								(7,051)
Net changes, excluding funds, reserves and surplus	1,098,814	14,511	12,936	15,686	43,199	1,185,148	31	1,185,179
Net changes in the fiscal year	1,098,814	14,511	12,936	15,686	43,199	1,185,148	31	1,282,864
Ending balance	2,838,597	15,456	118,988	22,894	(22,862)	2,973,074	4,274	4,180,335

5. Unaudited Consolidated Statements of Changes in Net Assets (continued)

(Millions of Yen)

Year ended March 31, 2016

	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	470,000	452	472,533	1,202,986
Changes in the fiscal year					
Additions to policyholders' dividend reserves				(180,044)	(180,044)
Payment of interest on foundation funds				(2,101)	(2,101)
Net surplus attributable to the Parent Company				214,099	214,099
Reversal of land revaluation differences				1,599	1,599
Changes in equity attributable to the Parent Company arising from transactions with non-controlling interests				(2)	(2)
Net changes, excluding funds, reserves and surplus					
Net changes in the fiscal year	—	—	—	33,550	33,550
Ending balance	260,000	470,000	452	506,083	1,236,536

	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	2,838,597	15,456	118,988	22,894	(22,862)	2,973,074	4,274	4,180,335
Changes in the fiscal year								
Additions to policyholders' dividend reserves								(180,044)
Payment of interest on foundation funds								(2,101)
Net surplus attributable to the Parent Company								214,099
Reversal of land revaluation differences								1,599
Changes in equity attributable to the Parent Company arising from transactions with non-controlling interests								(2)
Net changes, excluding funds, reserves and surplus	(547,575)	23,203	906	(49,084)	(9,337)	(581,887)	(326)	(582,214)
Net changes in the fiscal year	(547,575)	23,203	906	(49,084)	(9,337)	(581,887)	(326)	(548,664)
Ending balance	2,291,022	38,659	119,894	(26,190)	(32,200)	2,391,186	3,947	3,631,671