

May 24, 2019

Financial Results for the Fiscal Year Ended March 31, 2019

Meiji Yasuda Life Insurance Company (President: Akio Negishi) announces financial results for the fiscal year ended March 31, 2019.

« 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	
	2018	2019
ASSETS:		
Cash and deposits	646,020	1,287,537
Call loans	90,000	90,000
Monetary claims bought	214,730	212,307
Money held in trust	13,076	21,669
Securities	33,128,510	33,403,624
Loans	5,276,491	5,019,827
Tangible fixed assets	915,808	912,057
Land	614,975	618,014
Buildings	287,061	280,168
Leased assets	787	711
Construction in progress	5,273	5,221
Other tangible fixed assets	7,710	7,941
Intangible fixed assets	485,067	467,182
Software	60,733	55,131
Goodwill	143,246	132,965
Other intangible fixed assets	281,087	279,086
Due from agents	1,569	1,578
Reinsurance receivables	121,167	164,308
Other assets	518,444	428,437
Net defined benefit assets	113,534	91,988
Deferred tax assets	2,375	2,994
Customers' liabilities under acceptances and guarantees	21,727	22,563
Allowance for possible loan losses	(5,100)	(5,361)
Total assets	41,543,423	42,120,715

1. Unaudited Consolidated Balance Sheets (continued)

	(Millions of Yen)	
	As of March 31	
	2018	2019
LIABILITIES:		
Policy reserves and other reserves	34,871,021	35,321,301
Reserve for outstanding claims	735,955	738,628
Policy reserves	33,901,297	34,339,715
Policyholders' dividend reserves	233,768	242,957
Due to agents	2,931	2,937
Reinsurance payables	1,199	1,187
Bonds payable	482,356	589,098
Other liabilities	891,457	1,012,377
Net defined benefit liabilities	6,328	6,995
Reserve for contingent liabilities	1	1
Reserve for price fluctuation	685,414	816,962
Deferred tax liabilities	377,710	281,498
Deferred tax liabilities for land revaluation	79,522	79,370
Acceptances and guarantees	21,727	22,563
Total liabilities	37,419,670	38,134,293
NET ASSETS:		
Foundation funds	260,000	260,000
Reserve for redemption of foundation funds	620,000	670,000
Reserve for revaluation	452	452
Surplus	504,951	499,135
Total funds, reserve and surplus	1,385,404	1,429,588
Net unrealized gains on available-for-sale securities	2,583,926	2,442,225
Deferred unrealized gains on derivatives under hedge accounting	35,881	41,253
Land revaluation differences	118,189	117,898
Foreign currency translation adjustments	(27,485)	(44,976)
Remeasurements of defined benefit plans	23,861	(273)
Total accumulated other comprehensive income	2,734,374	2,556,127
Non-controlling interests	3,974	705
Total net assets	4,123,752	3,986,421
Total liabilities and net assets	41,543,423	42,120,715

2. Unaudited Consolidated Statements of Income

(Millions of Yen)

	Years ended March 31	
	2018	2019
ORDINARY INCOME:	4,117,073	4,182,501
Insurance premiums and other	3,024,398	3,081,385
Investment income	958,785	980,255
Interest, dividends and other income	832,383	872,291
Gains on money held in trust	23	—
Gains on sales of securities	27,554	16,595
Gains on redemption of securities	59,184	76,949
Foreign exchange gains	—	8,186
Reversal of allowance for possible loan losses	270	—
Other investment income	2,010	2,408
Investment gains on separate accounts	37,356	3,824
Other ordinary income	133,890	120,860
ORDINARY EXPENSES:	3,746,883	3,791,882
Benefits and other payments	2,428,801	2,424,510
Claims paid	765,271	725,847
Annuity payments	647,404	616,446
Benefit payments	508,026	523,719
Surrender benefits	421,909	464,349
Other refunds	86,188	94,147
Provision for policy reserves and other reserves	436,630	465,714
Provision for reserve for outstanding claims	19,170	13,631
Provision for policy reserves	417,353	451,985
Provision for interest on policyholders' dividend reserves	106	97
Investment expenses	238,776	261,599
Interest expenses	32,897	33,866
Losses on money held in trust	—	183
Losses on sales of securities	38,219	39,925
Losses on valuation of securities	8,816	17,893
Losses on redemption of securities	4,307	5,075
Losses on derivative financial instruments	110,895	130,990
Foreign exchange losses	8,679	—
Provision for allowance for possible loan losses	—	779
Depreciation of real estate for non-insurance business	10,300	10,210
Other investment expenses	24,660	22,675
Operating expenses	461,670	468,136
Other ordinary expenses	181,004	171,920
Ordinary profit	370,190	390,618

2. Unaudited Consolidated Statements of Income (continued)

	(Millions of Yen)	
	Years ended March 31	
	2018	2019
Extraordinary gains	1,678	2,758
Gains on disposals of fixed assets	1,678	2,758
Reversal of reserve for contingent liabilities	0	—
Extraordinary losses	110,515	136,852
Losses on disposals of fixed assets	1,827	1,590
Impairment losses	896	1,204
Provision for reserve for contingent liabilities	—	0
Provision for reserve for price fluctuation	107,196	131,553
Losses on reduction entry of real estate	—	1,931
Contributions for promotion of social welfare project	553	565
Other extraordinary losses	40	6
Surplus before income taxes and non-controlling interests	261,353	256,525
Income taxes	(4,621)	25,539
Current	58,604	58,212
Deferred	(63,225)	(32,673)
Net surplus	265,974	230,985
Net surplus attributable to non-controlling interests	935	1,406
Net surplus attributable to the Parent Company	265,038	229,579

3. Unaudited Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	Years ended March 31	
	2018	2019
Net surplus	265,974	230,985
Other comprehensive income (loss)	35,923	(177,940)
Net unrealized gains (losses) on available-for-sale securities	36,425	(140,068)
Deferred unrealized gains (losses) on derivatives under hedge accounting	(3,761)	5,372
Foreign currency translation adjustments	(19,061)	(10,701)
Remeasurements of defined benefit plans	8,339	(24,130)
Share of other comprehensive income (loss) of associates accounted for under the equity method	13,980	(8,412)
Comprehensive income (loss)	301,898	53,045
Comprehensive income (loss) attributable to the Parent Company	300,965	51,623
Comprehensive income (loss) attributable to non-controlling interests	932	1,421

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				1,216	1,216
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

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

(Millions of Yen)

Year ended March 31, 2018

	Funds, reserves and surplus				
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus	Total funds, reserves and surplus
Beginning balance	310,000	520,000	452	514,726	1,345,179
Changes in the fiscal year					
Issuance of foundation funds	50,000				50,000
Additions to policyholders' dividend reserves				(169,815)	(169,815)
Additions to reserve for redemption of foundation funds		100,000			100,000
Payment of interest on foundation funds				(1,846)	(1,846)
Net surplus attributable to the Parent Company				265,038	265,038
Redemption of foundation funds	(100,000)				(100,000)
Reversal of reserve for fund redemption				(100,000)	(100,000)
Reversal of land revaluation differences				(1,163)	(1,163)
Changes in equity attributable to the Parent Company arising from transactions with non-controlling interests				(133)	(133)
Increase due to merger				235	235
Increase (decrease) in accumulated other comprehensive income due to change in US tax rate				(2,091)	(2,091)
Net changes, excluding funds, reserves and surplus					
Net changes in the fiscal year	(50,000)	100,000	—	(9,774)	40,225
Ending balance	260,000	620,000	452	504,951	1,385,404

	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	2,542,572	39,643	117,025	(19,750)	15,701	2,695,192	3,974	4,044,345
Changes in the fiscal year								
Issuance of foundation funds								50,000
Additions to policyholders' dividend reserves								(169,815)
Additions to reserve for redemption of foundation funds								100,000
Payment of interest on foundation funds								(1,846)
Net surplus attributable to the Parent Company								265,038
Redemption of foundation funds								(100,000)
Reversal of reserve for fund redemption								(100,000)
Reversal of land revaluation differences								(1,163)
Changes in equity attributable to the Parent Company arising from transactions with non-controlling interests								(133)
Increase due to merger								235
Increase (decrease) in accumulated other comprehensive income due to change in US tax rate								(2,091)
Net changes, excluding funds, reserves and surplus	41,354	(3,761)	1,163	(7,734)	8,159	39,181	0	39,181
Net changes in the fiscal year	41,354	(3,761)	1,163	(7,734)	8,159	39,181	0	79,406
Ending balance	2,583,926	35,881	118,189	(27,485)	23,861	2,734,374	3,974	4,123,752

5. Unaudited Consolidated Statements of Cash Flows

(Millions of Yen)

	Years ended March 31	
	2018	2019
I. Cash flows from operating activities		
Surplus before income taxes and non-controlling interests	261,353	256,525
Depreciation of real estate for non-insurance business	10,300	10,210
Depreciation	47,087	44,147
Impairment losses	896	1,204
Amortization of goodwill	7,885	7,745
Increase (Decrease) in reserve for outstanding claims	22,034	13,571
Increase (Decrease) in policy reserves	510,493	552,611
Provision for interest on policyholders' dividend reserves	106	97
Increase (Decrease) in allowance for possible loan losses	(748)	260
Increase (Decrease) in net defined benefit liabilities	(5,142)	2,904
Increase (Decrease) in reserve for contingent liabilities	(0)	0
Increase (Decrease) in reserve for price fluctuation	107,196	131,553
Interest, dividends, and other income	(832,383)	(872,291)
Losses (Gains) on securities	154,833	(138,094)
Interest expenses	32,897	33,866
Foreign exchange losses (gains)	2,409	(13,715)
Losses (Gains) on tangible fixed assets	247	(994)
Investment losses (gains) on equity method	(3,285)	(3,638)
Decrease (Increase) in due from agents	22	(9)
Decrease (Increase) in reinsurance receivables	(4,581)	1,805
Decrease (Increase) in other assets (excluding those related to investing and financing activities)	(87,514)	80,572
Increase (Decrease) in due to agents	30	58
Increase (Decrease) in reinsurance payables	383	(11)
Increase (Decrease) in other liabilities (excluding those related to investing and financing activities)	(22,442)	12,012
Others, net	(2,955)	(10,290)
Subtotal	199,122	110,101
Interest, dividends, and other income received	882,268	911,560
Interest paid	(31,836)	(34,255)
Policyholders' dividends paid	(173,157)	(176,676)
Income taxes paid	(31,051)	(67,371)
Net cash provided by operating activities	845,345	743,358

5. Unaudited Consolidated Statements of Cash Flows (continued)

(Millions of Yen)

	Years ended March 31	
	2018	2019
II. Cash flows from investing activities		
Net decrease (increase) in deposits	(1,087)	(16,421)
Purchase of monetary claims bought	(18,200)	(12,400)
Proceeds from sales and redemption of monetary claims bought	23,376	14,724
Purchase of money held in trust	(9,800)	(8,300)
Purchase of securities	(4,432,833)	(4,509,597)
Proceeds from sales and redemption of securities	3,311,315	3,962,251
Loans extended	(1,150,256)	(1,230,885)
Proceeds from collection of loans	1,267,871	1,472,996
Net increase (decrease) in cash collateral under securities borrowing / lending transactions	337,468	159,433
Total investment activities (IIa)	(672,146)	(168,198)
[I + IIa]	173,199	575,159
Purchase of tangible fixed assets	(16,909)	(20,054)
Proceeds from sales of tangible fixed assets	3,669	4,278
Purchase of intangible fixed assets	(26,115)	(33,305)
Others, net	(1,172)	(535)
Net cash used in investing activities	(712,674)	(217,816)
III. Cash flows from financing activities		
Proceeds from debt	316	—
Repayments of debt	(316)	—
Proceeds from issuance of bonds payable	99,331	106,014
Redemption of bonds payable	(28,577)	—
Proceeds from issuance of foundation funds	50,000	50,000
Redemption of foundation funds	(100,000)	(50,000)
Payment of interest on foundation funds	(1,846)	(1,171)
Acquisition of stock of subsidiaries without change in scope of consolidation	(831)	(2,498)
Others, net	(6,080)	(524)
Net cash provided by financing activities	11,995	101,820
IV. Effect of foreign exchange rate changes on cash and cash equivalents	(3,187)	(72)
V. Net increase (decrease) in cash and cash equivalents	141,479	627,289
VI. Cash and cash equivalents at the beginning of the year	577,833	720,180
VII. Increase in cash and cash equivalents due to merger with unconsolidated subsidiaries	867	—
VIII. Cash and cash equivalents at the end of the year	720,180	1,347,470