

November 26, 2015

Financial Results for the Six Months Ended September 30, 2015

Meiji Yasuda Life Insurance Company (President: Akio Negishi) announces financial results for the Six Months ended September 30, 2015.

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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	As of September 30, 2015
ASSETS:		
Cash and deposits	240,038	223,218
Call loans	368,000	456,000
Monetary claims bought	229,523	225,118
Securities	29,256,897	29,057,496
Loans	5,076,391	5,043,988
Tangible fixed assets	932,531	927,358
Intangible fixed assets	64,183	66,246
Due from agents	1,647	987
Reinsurance receivables	675	833
Other assets	317,794	291,951
Net defined benefit assets	74,345	87,279
Deferred tax assets	1,779	2,315
Customers' liabilities under acceptances and guarantees	20,848	20,858
Allowance for possible loan losses	(5,034)	(4,998)
Total assets	36,579,624	36,398,654

1. Unaudited Consolidated Balance Sheets (continued)

(Millions of Yen)

	As of March 31, 2015	As of September 30, 2015
LIABILITIES:		
Policy reserves and other reserves	30,592,941	31,196,478
Reserve for outstanding claims	114,465	113,350
Policy reserves	30,225,061	30,766,442
Policyholders' dividend reserves	253,414	316,684
Due to agents	9	9
Reinsurance payables	804	1,077
Other liabilities	700,186	398,370
Net defined benefit liabilities	1,084	1,112
Accrued retirement benefits for directors and executive officers	92	82
Reserve for contingent liabilities	2	6
Reserve for price fluctuation	492,907	504,140
Deferred tax liabilities	504,535	373,039
Deferred tax liabilities for land revaluation	85,877	85,579
Acceptances and guarantees	20,848	20,858
Total liabilities	32,399,288	32,580,754
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	414,887
Total funds, reserve and surplus	1,202,986	1,145,340
Net unrealized gains (losses) on available-for-sale securities	2,838,597	2,528,843
Deferred unrealized gains (losses) on derivatives under hedge accounting	15,456	11,004
Land revaluation differences	118,988	118,982
Foreign currency translation adjustments	22,894	20,305
Remeasurements of defined benefit plans	(22,862)	(10,680)
Total accumulated other comprehensive income	2,973,074	2,668,455
Non-controlling interests	4,274	4,104
Total net assets	4,180,335	3,817,899
Total liabilities and net assets	36,579,624	36,398,654

2. Unaudited Consolidated Statements of Income

(Millions of Yen)

	Six months ended September 30	
	2014	2015
ORDINARY INCOME:	2,442,357	2,279,623
Insurance premiums and other	1,818,110	1,824,630
Investment income	554,601	406,218
Interest, dividends and other income	334,541	344,214
Gains on money held in trust	0	0
Gains on sales of securities	156,199	7,542
Investment gains on separate accounts	40,596	—
Other ordinary income	69,644	48,774
ORDINARY EXPENSES:	2,214,209	2,125,433
Benefits and other payments	1,349,630	1,178,973
Claims paid	338,297	284,214
Annuity payments	404,367	341,645
Benefit payments	225,869	215,027
Surrender benefits	220,403	229,638
Provision for policy reserves and other reserves	547,784	540,867
Provision for policy reserves	547,549	540,707
Provision for interest on policyholders' dividend reserves	234	159
Investment expenses	42,758	114,478
Interest expenses	1,648	1,626
Losses on sales of securities	13	1,806
Losses on valuation of securities	17	7,751
Investment losses on separate accounts	—	27,765
Operating expenses	183,295	193,173
Other ordinary expenses	90,740	97,941
Ordinary profit	<u>228,148</u>	<u>154,189</u>
Extraordinary gains	764	103
Gains on disposals of fixed assets	764	103
Extraordinary losses	98,449	14,005
Losses on disposals of fixed assets	1,018	1,645
Impairment losses	1,113	754
Provision for reserve for contingent liabilities	0	4
Provision for reserve for price fluctuation	94,270	11,228
Contributions for promotion of social welfare project	372	373
Other extraordinary losses	1,673	—
Surplus before income taxes and non-controlling interests	<u>130,463</u>	<u>140,287</u>
Income taxes	15,695	15,875
Current	80,425	25,742
Deferred	(64,729)	(9,867)
Net surplus	<u>114,767</u>	<u>124,412</u>
Net surplus attributable to non-controlling interests	27	127
Net surplus attributable to the Parent Company	<u>114,739</u>	<u>124,284</u>

3. Unaudited Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Six months ended September 30	
	2014	2015
Net surplus	114,767	124,412
Other comprehensive income (loss)	334,281	(304,406)
Net unrealized gains (losses) on available-for-sale securities	322,742	(309,283)
Deferred unrealized gains (losses) on derivatives under hedge accounting	5,870	(4,451)
Land revaluation differences	—	208
Foreign currency translation adjustments	(1,570)	750
Remeasurements of defined benefit plans	11,099	12,176
Share of other comprehensive income (loss) of associates accounted for under the equity method	(3,860)	(3,807)
Comprehensive income	449,049	(179,994)
Comprehensive income attributable to the Parent Company	449,021	(180,119)
Comprehensive income (loss) attributable to non-controlling interests	28	124

4. Unaudited Consolidated Statements of Cash Flows

(Millions of Yen)

	Six months ended September 30	
	2014	2015
I. Cash flows from operating activities		
Surplus before income taxes and non-controlling interests	130,463	140,287
Depreciation	10,610	10,608
Impairment losses	1,113	754
Increase (Decrease) in reserve for outstanding claims	(6,707)	(1,124)
Increase (Decrease) in policy reserves	547,566	540,660
Provision for interest on policyholders' dividend reserves	234	159
Increase (Decrease) in allowance for possible loan losses	(311)	(36)
Increase (Decrease) in net defined benefit liabilities	12	45
Increase (Decrease) in accrued retirement benefits for directors and executive officers	(73)	(9)
Increase (Decrease) in reserve for price fluctuation	94,270	11,228
Interest, dividends, and other income	(334,541)	(344,214)
Losses (Gains) on securities	(298,420)	40,370
Interest expenses	1,648	1,626
Losses (Gains) on tangible fixed assets	268	1,540
Others, net	9,136	(110,868)
Subtotal	155,270	291,028
Interest, dividends, and other income received	364,917	375,993
Interest paid	(1,479)	(1,508)
Policyholders' dividends paid	(103,622)	(116,960)
Income taxes paid	(90,196)	(65,768)
Net cash provided by operating activities	324,889	482,784

4. Unaudited Consolidated Statements of Cash Flows (continued)

(Millions of Yen)

	Six months ended September 30	
	2014	2015
II. Cash flows from investing activities		
Net decrease (increase) in deposits	(356)	(10,021)
Purchase of monetary claims bought	(10,100)	(10,800)
Proceeds from sales and redemption of monetary claims bought	12,763	15,187
Purchase of securities	(2,368,089)	(1,377,218)
Proceeds from sales and redemption of securities	2,351,802	1,073,278
Loans extended	(604,918)	(485,859)
Proceeds from collection of loans	606,628	518,418
Increase (Decrease) in payables under securities borrowing transactions	(419,220)	(127,100)
Total investment activities (IIa)	(431,490)	(404,114)
[I + IIa]	(106,600)	78,669
Purchase of tangible fixed assets	(6,097)	(5,960)
Proceeds from sales of tangible fixed assets	2,226	714
Purchase of intangible fixed assets	(4,985)	(8,606)
Others, net	(566)	(1,351)
Net cash used in investing activities	(440,913)	(419,318)
III. Cash flows from financing activities		
Proceeds from issuance of debt	101	—
Repayments of debt	(293)	—
Proceeds from issuance of foundation funds	60,000	—
Redemption of foundation funds	(60,000)	—
Payment of interest on foundation funds	(2,572)	(2,101)
Others, net	(255)	(294)
Net cash provided by (used in) financing activities	(3,019)	(2,395)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	(584)	289
V. Net increase (decrease) in cash and cash equivalents	(119,628)	61,358
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 period	336,656	640,403

5. Unaudited Consolidated Statements of Changes in Net Assets

(Millions of Yen)

Six months ended September 30, 2014

	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 period					
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				114,739	114,739
Redemption of foundation funds	(60,000)				(60,000)
Reversal of reserve for fund redemption				(60,000)	(60,000)
Reversal of land revaluation differences				852	852
Net changes, excluding funds, reserves and surplus					
Net changes in the period	—	60,000	—	(105,073)	(45,073)
Ending balance	260,000	470,000	452	329,774	1,060,227

	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 period								
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								114,739
Redemption of foundation funds								(60,000)
Reversal of reserve for fund redemption								(60,000)
Reversal of land revaluation differences								852
Net changes, excluding funds, reserves and surplus	323,621	5,870	(852)	(6,317)	11,106	333,428	(227)	333,201
Net changes in the period	323,621	5,870	(852)	(6,317)	11,106	333,428	(227)	288,127
Ending balance	2,063,404	6,814	105,199	890	(54,955)	2,121,354	4,016	3,185,598

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

(Millions of Yen)

Six months ended September 30, 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	470,000	452	472,533	1,202,986
Changes in the period					
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				124,284	124,284
Reversal of land revaluation differences				214	214
Net changes, excluding funds, reserves and surplus					
Net changes in the period	—	—	—	(57,646)	(57,646)
Ending balance	260,000	470,000	452	414,887	1,145,340

	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	2,838,597	15,456	118,988	22,894	(22,862)	2,973,074	4,274	4,180,335
Changes in the period								
Additions to policyholders' dividend reserves								(180,044)
Payment of interest on foundation funds								(2,101)
Net surplus attributable to the Parent Company								124,284
Reversal of land revaluation differences								214
Net changes, excluding funds, reserves and surplus	(309,753)	(4,451)	(5)	(2,588)	12,181	(304,618)	(170)	(304,789)
Net changes in the period	(309,753)	(4,451)	(5)	(2,588)	12,181	(304,618)	(170)	(362,435)
Ending balance	2,528,843	11,004	118,982	20,305	(10,680)	2,668,455	4,104	3,817,899