

[Unofficial translation]

Fiscal 2014 Financial Results (Summary)

**May 28, 2015
Meiji Yasuda Life Insurance Company**

1. Fiscal 2014 Business Performance Highlights

- Insurance premiums and other income decreased while net surplus increased compared with year-earlier period
- The overall results of insurance premiums and other income achieved the budget given the strong performance in the agency distribution channel, despite the decrease in the bancassurance channel due to the purposed tightening of the sales volume of single premium whole life insurance
- Third-sector (such as medical and nursing care insurance) annualized new premium improved significantly due to the achievement of the yearly sales target of 500,000 policies ahead of the schedule by the end of April since the launch of the main product "Best Style" in June last year
- Interest, dividends and other income enhanced due to the additional purchase of foreign currency denominated bonds, dividend increase in both domestic and foreign stocks and the depreciation of the yen against the dollar. Base profit increased for the five consecutive years and achieved record high level. Sustained positive interest surplus for the four consecutive years
- Solvency margin ratio improved due to the increase of the unrealized gains in securities as well as the internal reserves
- Increased dividend rates of individual life insurance and annuities as well as group pensions. Raised dividend rates of individual life insurance and annuities for two consecutive years
- European Embedded Value (EEV) improved significantly

2. Insurance Premiums and Other Income

○ Breakdown of insurance premium income

(billions of yen)

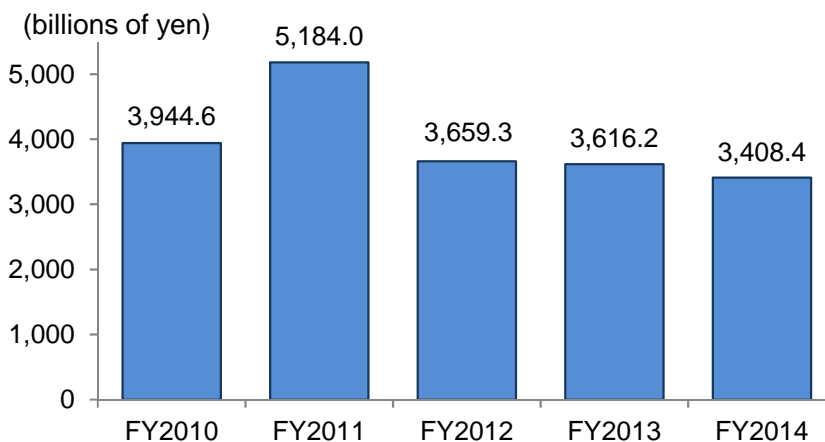
	FY2014		FY2013
		Change	
Insurance premiums and other	3,408.4	-5.7%	3,616.2
Individual life insurance and annuities	2,217.3	-7.2%	2,389.1
Agency distribution channel	1,321.7	+1.7%	1,300.1
Bancassurance channel	850.8	-18.2%	1,040.4
Group life insurance and group pensions	1,147.3	-2.8%	1,180.3

Insurance Premiums and Other Income

¥3,408.4 billion

(a year-on-year decrease by 5.7%)

- ◇ The overall results of insurance premiums and other income achieved the budget given the strong performance in the agency distribution channel, despite the decrease in the bancassurance channel due to the purposed tightening of the sales volume of single premium whole life insurance



Sales results of "Best Style"

進化する保険

ベストスタイル

- ◇ Achieved the yearly sales target of 500,000 policies ahead of the schedule by the end of April since the launch of "Best Style" in June last year

Agency Distribution Channel

¥1,321.7 billion (a year-on-year increase by 1.7%)

- ◇ Increase due to the favorable sales of "Best Style"

Bancassurance Channel

¥850.8 billion (a year-on-year decrease by 18.2%)

3. Annualized Premiums and Life Insurance in Force

○ Annualized new premiums

(individual life insurance and annuities)

	FY2014		FY2013
		Change	
Annualized new premiums	169.2	-5.4%	178.8
Agency distribution channel	95.5	+3.6%	92.2
Bancassurance channel	70.7	-15.3%	83.5
Third-sector insurance* premiums	32.6	+26.4%	25.8

* Third-sector insurance includes benefits related to medical insurance, living benefits and premium payment waiver.

○ Annualized premiums from business in force

(individual life insurance and annuities)

	End of FY2014		End of FY2013
		Year-on-year change	
Annualized premiums	2,141.3	+0.8%	2,125.2
Agency distribution channel	1,526.5	+0.2%	1,524.1
Bancassurance channel	572.7	+2.3%	559.6

○ Life insurance in force (group life insurance and pensions)

	End of FY2014		End of FY2013
		Year-on-year change	
Group life insurance	111,636.1	+0.6%	111,005.9
Group pensions	7,133.6	+2.3%	6,970.5
(Meiji Yasuda Group)	8,140.9	+4.1%	7,820.7

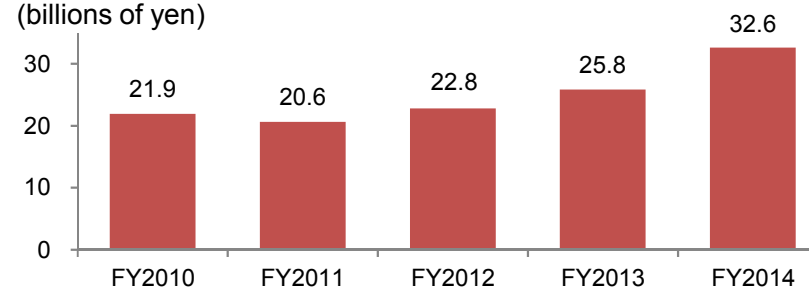
Annualized New Premiums

¥169.2 billion

(a year-on-year decrease by 5.4%)

- ◇ Agency channel achieved a year-on-year improvement
- ◇ Third-sector insurance improved significantly due to the good sales of the main product "Best Style"

(billions of yen)



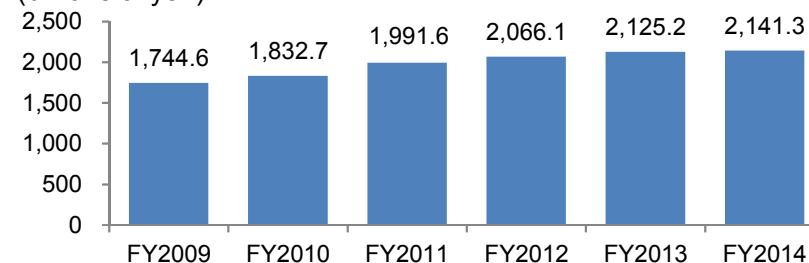
Annualized Premiums from business in force

¥2,141.3 billion

(a year-on-year increase by 0.8%)

- ◇ Achieving a sixth consecutive net increase

(billions of yen)



4. Quality Indicators of Policies(Surrender, Lapse and Persistency Rate)

○ Surrender and lapse (individual life insurance and annuities)

(billions of yen, %)

Quality Indicator

**Surrender and lapse rate
a year-on-year improvement of 0.16 pts**

◇ Ongoing improvements of surrender and lapse rate

	FY2014		FY2013
		Change	
Surrender and lapse rate	4.41	-0.16 ^{pts}	4.57
Surrendered and lapsed policies	4,090.6	-7.7%	4,431.5
Annualized premiums of surrendered and lapsed policies	70.3	0.2%	70.2

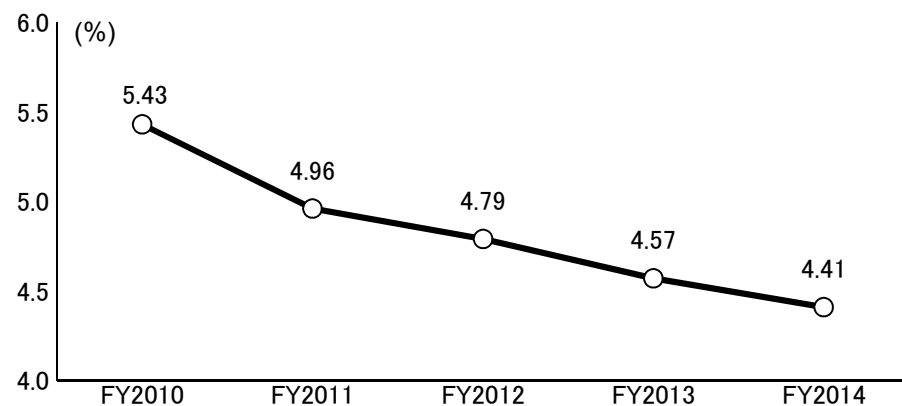
○ Persistency rate (individual life insurance and annuities)

(%)

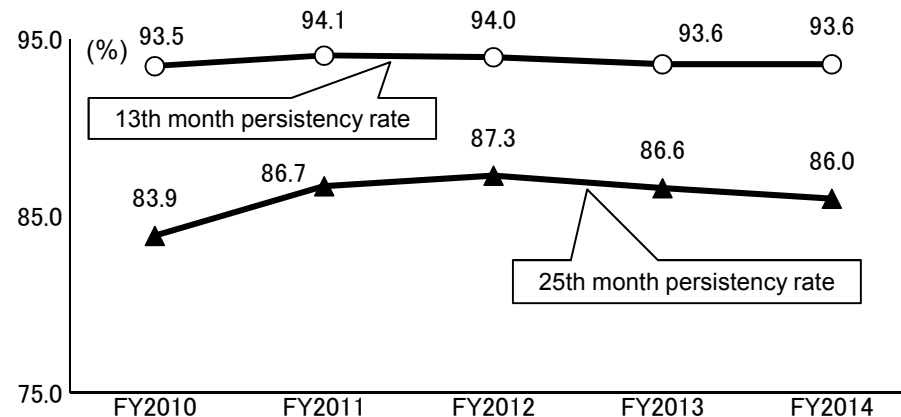
	FY2014		FY2013
		Change	
13th month persistency rate	93.6	0.0 ^{pts}	93.6
25th month persistency rate	86.0	-0.6 ^{pts}	86.6

Note: The calculation of persistency rate is based on the policy amounts.

Graph 1: Surrender and lapse rate



Graph 2: Persistency rate



5. Net Investment Income

○ Net investment income

(billions of yen)

	FY2014		FY2013
		Change	
General account			
Investment income	945.3	19.2	926.0
Interest, dividends and other income	698.1	30.5	667.6
Gains on sales of securities	186.1	(34.3)	220.5
Investment expenses	95.8	(14.1)	109.9
Losses on sales of securities	0.3	(27.6)	27.9
Losses on valuation of securities	0.3	(1.4)	1.7
Domestic stocks	0.0	0.0	0.0
Net investment income (general account)	849.4	33.3	816.0
Net investment income (separate account)	83.8	31.0	52.7
Net investment income (total)	933.2	64.4	868.8

Interest, dividends and other income

¥698.1 billion

(a year-on-year increase by ¥30.5 billion)

- ◇ Rise in interest, dividends and other income attributed to the additional purchase of foreign currency denominated bonds responding to market environment, dividend increase in stocks and the depreciation of the yen against the dollar
- ◇ Gains on sales of securities decreased due to the self-restraint in the replacing of available-for-sale securities with the purchase of domestic bonds for policy-reserve-matching

<Reference> Investment environment for the fiscal 2014

	End of FY2014		End of FY2013
		Year-on-year change	
TOPIX	1,543.11	340.22	1,202.89
Nikkei 225 (yen)	19,206.99	4,379.16	14,827.83
10-year JGBs (%)	0.400	(0.240)	0.640
Dollar/yen exchange rate	120.17	17.25	102.92
Euro/yen exchange rate	130.32	(11.33)	141.65

6. Base profit

○ Base profit and others

	FY2014		FY2013
		Change	
Base profit (A)	506.3	45.9	460.4
Interest surplus	168.6	49.2	119.3
Expense profit	44.8	(8.6)	53.5
Excl. market value changes in pension asset *1	49.7	(11.0)	60.7
Mortality profit	292.8	5.3	287.5
Capital gains/losses (B)	114.3	(19.1)	133.4
Temporary gains/losses (C) *2	(236.7)	(64.6)	(172.1)
Ordinary profit (A+B+C)	383.8	(37.8)	421.6

(billions of yen)

Base profit

¥506.3 billion

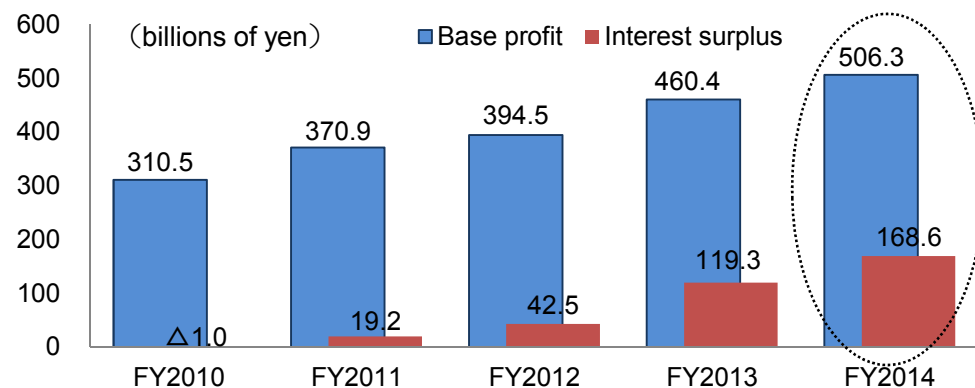
(a year-on-year increase by 10.0%)

- ◇ Increased for the five consecutive years and achieved record high level due to rise in interest, dividends and other income
- ◇ Sustained positive interest surplus for the four consecutive years

(*1) Expense profit excluding amortization expenses of accumulated actuarial gains and losses related to pension assets

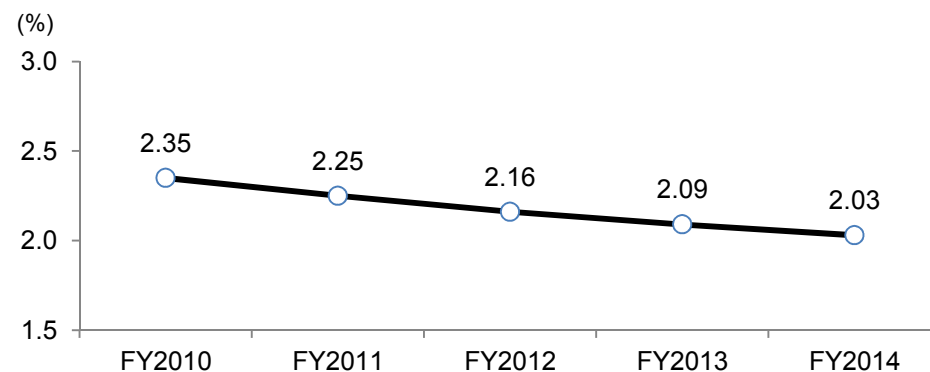
(*2) Including provision for (reversal of) contingency reserves and provision for policy reserves and other reserves

Graph 3: Interest surplus



Note: "△" in graph represents negative interest surplus

Graph 4: Average assumed rate



7. Solvency Margin Ratio, Real Net Assets and Unrealized Gains

○ Solvency margin ratio

	End of FY2014		End of FY2013
		Year-on-year change	
Solvency margin ratio*	1,041.0	95.5 ^{pts}	945.5
Total solvency margin (A)	7,190.6	1,661.4	5,529.2
Total risk (B)	1,381.4	211.8	1,169.5

* Solvency margin ratio = (A)/(1/2x(B))x100

Solvency Margin Ratio

1,041.0%

(a year-on-year increase by 95.5 pts)

◇ Exceeded 1,000% due to the increase of the unrealized gains in securities

○ Real net assets

	End of FY2014		End of FY2013
		Year-on-year change	
Real net assets	8,899.3	2,461.2	6,438.0
Ratio in general account investment assets	25.0	5.8 ^{pts}	19.2

Unrealized Gains

(in general account investment assets)

¥5,618.2 billion

(a year-on-year increase by ¥2,163.6 billion)

◇ Retained over ¥5 trillion unrealized gains due to the rising stock price, domestic and overseas interest rates decline and the depreciation of the yen against the dollar. Reached record high since Meiji Yasuda Life's inauguration

○ Unrealized gains in general account investment assets

	End of FY2014		End of FY2013
		Year-on-year change	
Unrealized gains in general account investment assets	5,618.2	2,163.6	3,454.5
Securities with market price*	5,276.7	2,106.2	3,170.4
Domestic bonds	1,673.5	567.9	1,105.5
Domestic stocks	2,417.2	955.4	1,461.7
Foreign securities	1,137.1	568.0	569.0

* Including securities that are deemed appropriate to handle under the Financial Instruments and Exchange Act.

8. Breakeven Points, Non-performing Loans, Internal Reserves and European Embedded Value

○ Breakeven Points

Breakeven Points indicate the level of Nikkei 225/TOPIX at which unrealized gains and losses cancel out on domestic stocks held if the Company's portfolio and the market indices fully correlate

	End of FY2014	End of FY2013
Nikkei 225	approx. 7,800 yen	approx. 7,800 yen
TOPIX	approx. 630 pts	approx. 630 pts

Note: The approximate breakeven points are ¥7,900 for Nikkei 225 and 640 pts for TOPIX as calculated based on the historical correlation coefficient between the Company's portfolio and stock market indices.

○ Non-performing loans

(billions of yen, %)

	End of FY2014		End of FY2013
		Year-on-year change	
Non-performing loans	19.7	(1.3)	21.0
Ratio in total loans	0.39	-0.02 ^{pts}	0.41

○ Internal reserves

(billions of yen)

	End of FY2014		End of FY2013
		Year-on-year change	
Internal reserves	2,197.0	91.5	2,105.4

Note: Internal reserves include foundation funds, reserve for redemption of foundation funds, reserve for fund redemption, fund for price fluctuation allowance, reserve for business infrastructure, contingency reserves and reserve for price fluctuation.

○ European Embedded Value (EEV)

(billions of yen)

	End of FY2014		End of FY2013
		Year-on-year change	
EEV	5,490.5	1,271.9	4,218.5

Breakeven Points

Approximately ¥7,800

◇ In the case that the Company's portfolio and Nikkei 225 fully correlate

Internal Reserves

¥2,197.0 billion

(a year-on-year increase by ¥91.5 billion)

◇ Increased internal reserves

EEV

¥5,490.5 billion

(a year-on-year increase by ¥1,271.9 billion)

◇ EEV increased significantly due to the increase of the unrealized gains in securities attributed to the rise in bond value reflecting interest rate decrease and remarkable stock price, as well as the strong sales of "Best Style"

9. Policyholder Dividends Based on Fiscal 2014 Financial Results

- Individual life insurance and annuities
 - Raised dividend rates mainly for long term policies
 - Subject policies as below
 - ① Mainly death benefit protection base policies and riders (whole life, term life riders and others)
 - ② Mainly base policies and riders (Hospitalization Benefit Rider and others) covering hospitalization benefit due to illness or disasters

【Model case】 Life Account L.A.* (yen)

Passed years	Age	Annualized premium	Fiscal 2015		Fiscal 2014
			Dividend payable	Year-on-year change	Dividend payable
6 years	40	182,256	5,895	3,074	2,821
	50	218,112	10,426	5,505	4,921
9 years	40	203,112	28,813	7,262	21,551
	50	250,872	67,877	12,983	54,894

* Male policyholder paying monthly premiums via account transfer in the following case; ¥1,000 per month credited to the L.A. account; Whole Life or Fixed-term Annuity Rider with Disability Income Benefit (basic annuity of ¥2.4 million or ¥1.2 million depending on whether the policy begins at age 40 or at age 50, respectively); Survivor Support Rider of ¥6 million Hospitalization Benefit Rider (120 days type) ¥5,000

- Group pensions
 - Raised dividend rates for each product

【Model case】 Defined benefit plan

	Fiscal 2015		Fiscal 2014
	Total dividend rates	Year-on-year change	Total dividend rates
Assumed rates + Dividend rates	2.37%	0.30 ^{pts}	2.07%
[Dividend rates]	[1.12%]		[0.82%]

- Group Life Insurance
 - Dividend rates remain unchanged

Policyholder Dividends

Raised dividend rates for individual life insurance, individual annuities and group pensions

【Individual life insurance and annuities】

- ◇ Raised dividend rates for two consecutive years centered on long term policies, given that the base profit increased for the five consecutive years and achieved record high level

【Group pensions】

- ◇ Raised dividend rates based on the track record of group pensions asset investment classification

10. Fiscal 2015 Business Outlook

(billions of yen)

	FY2015	FY2014
Insurance premiums and other	Approx. 3,090.0	3,408.4
Base profit	Approx. 450.0	506.3
	End of FY2015	End of FY2014
Corporate value (EEV) *	Approx. 4,930.0	4,675.5

* Based on the asset management environment as of the end of fiscal 2013 when the company established these targets.

Business Outlook

- ◇ Insurance premiums and other income is projected to decline due to the limitation of the sales volume centered on the bancassurance channel for the purpose of interest rate risk control
- ◇ Base profit is projected to decline due to the impact of the continued low interest rate as well as the end of the amortization of accumulated gains of accounting for retirement benefit occurred in fiscal 2005
- ◇ Pursuing a management goal representing both growth and profitability, "Corporate value(EEV) " is projected to increase continuously due to the improvement of the sales in protection-type product including third-sector insurance

(Reference) Statement of Operations and Surplus, Balance Sheet

○ Statement of Income (Summary)

(billions of yen)

	FY2014		FY2013
		Change	
Ordinary income (A)	4,558.6	-3.9%	4,741.2
Insurance premiums and other	3,408.4	-5.7%	3,616.2
Investment income	1,029.1	+5.1%	978.7
Ordinary expenses (B)	4,174.7	-3.4%	4,319.5
Benefits and other payments	2,596.3	+14.1%	2,276.1
Provision for policy reserves and other reserves	954.2	-31.9%	1,402.1
Investment expenses	95.8	-12.8%	109.9
Operating expenses	348.4	-1.0%	352.0
Ordinary profit (A-B)	383.8	-9.0%	421.6
Base profit	506.3	+10.0%	460.4
Extraordinary profit	(22.1)	-82.8%	(129.2)
Income taxes	96.4	+81.8%	53.0
Net surplus	265.2	+10.8%	239.3

○ Balance Sheet (Summary)

(billions of yen)

	End of FY2014		End of FY2013
		Change	
Assets	36,469.0	2,151.2	34,317.7
General account	35,613.3	2,108.7	33,504.5
Cash, deposit and call loans	507.3	114.2	393.0
Securities	28,433.4	2,004.1	26,429.3
Domestic bonds	16,566.4	(338.8)	16,905.3
Domestic stocks	4,213.4	861.1	3,352.3
Foreign securities	7,399.5	1,417.2	5,982.3
Loans	5,052.2	(84.5)	5,136.7
Separate account	855.6	42.4	813.1
Liabilities	32,288.6	927.7	31,360.9
Policy reserves and other reserves	30,526.5	931.9	29,594.6
Policy reserves	30,164.6	953.8	29,210.8
Reserve for price fluctuation	492.4	11.6	480.8
Net assets	4,180.3	1,223.5	2,956.7
Foundation funds and Reserve for redemption of foundation funds	730.0	60.0	670.0
Surplus	481.6	40.2	441.3
Net unrealized gains(losses) on available-for-sale securities	2,833.8	1,095.8	1,738.0

TOPICS①

MY Longevity Policy Checking Scheme

- ◇ "MY Longevity Policy Checking Scheme" was publicized in December, 2014 and started in April, 2015 to ensure a whole life protection
- ◇ Contact each policyholder who has reached the milestone of longevity, age 77 "Kiju", age 90 "Sotuju", age 99 "Hakuju", age 108 "Chaju" and age 111 "Koku" to check whether they have insurance claim and to keep a record of the latest contact address



長寿の国のアフターフォロー。

"Medical Style F"

- ◇ Scheduled to launch the advancing medical insurance "Medical Style F" on June 2nd

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Meiji Yasuda Life J. League

- ◇ Signed the title partner contract with the J. League
 - Sharing the view with the J. League in regards to the cultivation of Japan's sporting culture through the operation of sports club rooted in community
 - Support the J. League with "supporters across-the-board" aiming to contribute to the vitalization of the local communities and a sound upbringing for children. Since the start of the season in March, total of 40,000 of our employee and local fans filled the gymnasium and cheered for the players of the member clubs
- ◇ Signed the sponsorship deal to support all member clubs of "Meiji Yasuda Life J. League"
 - Signed sponsorship deals with all 52 member clubs of the J. League through our 3 marketing headquarters and 73 regional offices to further strengthen the bonds with customers as well as J. League's fans and supporters
- ◇ Hold football clinics for elementary school students
 - A total of 12,000 children and their parents participated in the 83 sessions of football clinics. Plan to hold various events including football clinics with J. League and football clubs in this fiscal year



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"Football clinics for elementary school students"