

---

## Financial Results for the Three Months Ended June 30, 2016

---

Meiji Yasuda Life Insurance Company (President: Akio Negishi) announces financial results for the Three Months ended June 30, 2016.

«Contents»

1. Unaudited Consolidated Balance Sheets	P1
2. Unaudited Consolidated Statements of Income	P3
3. Unaudited Consolidated Statements of Comprehensive Income	P4
4. Notes to the Unaudited Consolidated Financial Statements	P5

Notes:

This document is a translation from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## 1. Unaudited Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2016	As of June 30, 2016
<b>ASSETS:</b>		
Cash and deposits	481,381	603,319
Call loans	90,000	90,000
Monetary claims bought	223,659	218,829
Securities	30,624,492	30,103,718
Loans	5,634,123	5,527,400
Tangible fixed assets	930,595	927,342
Intangible fixed assets	527,144	518,965
Due from agents	1,831	1,039
Reinsurance receivables	115,877	115,100
Other assets	480,002	574,164
Net defined benefit assets	37,298	38,120
Deferred tax assets	2,485	2,058
Customers' liabilities under acceptances and guarantees	20,854	20,858
Allowance for possible loan losses	(5,457)	(5,425)
Total assets	<u>39,164,289</u>	<u>38,735,492</u>

## 1. Unaudited Consolidated Balance Sheets (continued)

(Millions of Yen)

	As of March 31, 2016	As of June 30, 2016
<b>LIABILITIES:</b>		
Policy reserves and other reserves	33,790,403	34,043,203
Reserve for outstanding claims	707,333	701,046
Policy reserves	32,842,168	33,000,862
Policyholders' dividend reserves	240,902	341,294
Due to agents	2,835	2,819
Reinsurance payables	832	959
Bonds payable	293,445	292,946
Other liabilities	478,051	355,240
Net defined benefit liabilities	12,447	12,342
Accrued retirement benefits for directors and executive officers	82	82
Reserve for contingent liabilities	1	1
Reserve for price fluctuation	522,116	414,825
Deferred tax liabilities	329,406	244,276
Deferred tax liabilities for land revaluation	82,137	82,127
Acceptances and guarantees	20,854	20,858
<b>Total liabilities</b>	<b>35,532,618</b>	<b>35,469,683</b>
<b>NET ASSETS:</b>		
Foundation funds	260,000	260,000
Reserve for redemption of foundation funds	470,000	470,000
Reserve for revaluation	452	452
Surplus	506,083	373,270
<b>Total funds, reserve and surplus</b>	<b>1,236,536</b>	<b>1,103,723</b>
Net unrealized gains on available-for-sale securities	2,291,022	2,046,620
Deferred unrealized gains on derivatives under hedge accounting	38,659	59,249
Land revaluation differences	119,894	119,969
Foreign currency translation adjustments	(26,190)	(40,448)
Remeasurements of defined benefit plans	(32,200)	(27,001)
<b>Total accumulated other comprehensive income</b>	<b>2,391,186</b>	<b>2,158,390</b>
Non-controlling interests	3,947	3,695
<b>Total net assets</b>	<b>3,631,671</b>	<b>3,265,809</b>
<b>Total liabilities and net assets</b>	<b>39,164,289</b>	<b>38,735,492</b>

## 2. Unaudited Consolidated Statements of Income

(Millions of Yen)

	2015.1Q	2016.1Q
<b>ORDINARY INCOME:</b>	1,216,221	981,487
Insurance premiums and other	978,751	777,425
Investment income	206,953	179,321
Interest, dividends and other income	164,158	159,289
Gains on money held in trust	0	—
Gains on sales of securities	282	3,336
Investment gains on separate accounts	14,507	—
Other ordinary income	30,516	24,740
<b>ORDINARY EXPENSES:</b>	1,153,439	1,048,166
Benefits and other payments	632,954	565,776
Claims paid	145,160	145,359
Annuity payments	174,426	160,925
Benefit payments	118,272	124,279
Surrender benefits	121,896	113,905
Provision for policy reserves and other reserves	319,166	153,771
Provision for policy reserves	319,055	153,725
Provision for interest on policyholders' dividend reserves	111	45
Investment expenses	49,698	181,310
Interest expenses	833	6,889
Losses on sales of securities	498	686
Losses on valuation of securities	6,214	125,492
Investment losses on separate accounts	—	22,683
Operating expenses	91,849	98,280
Other ordinary expenses	59,770	49,026
Ordinary profit (loss)	62,781	(66,679)
Extraordinary gains	0	107,271
Gains on disposals of fixed assets	0	1
Reversal of reserve for price fluctuation	—	107,270
Extraordinary losses	5,372	915
Losses on disposals of fixed assets	934	258
Impairment losses	329	354
Provision for reserve for contingent liabilities	3	0
Provision for reserve for price fluctuation	3,834	—
Contributions for promotion of social welfare project	270	300
Other extraordinary losses	—	1
Surplus before income taxes and non-controlling interests	57,409	39,676
Income taxes	6,402	4,453
Current	(38)	131
Deferred	6,364	4,585
Net surplus	51,045	35,090
Net surplus attributable to non-controlling interests	1	20
Net surplus attributable to the Parent Company	51,043	35,070

### 3. Unaudited Consolidated Statements of Comprehensive Income

(Millions of Yen)

	2015.1Q	2016.1Q
Net surplus	51,045	35,090
Other comprehensive income (loss)	130,124	(232,865)
Net unrealized gains (losses) on available-for-sale securities	129,583	(245,067)
Deferred unrealized gains (losses) on derivatives under hedge accounting	(2,862)	20,589
Land revaluation differences	27	—
Foreign currency translation adjustments	(153)	(8,341)
Remeasurements of defined benefit plans	6,113	5,201
Share of other comprehensive loss of associates accounted for under the equity method	(2,582)	(5,249)
Comprehensive income (loss)	181,170	(197,775)
Comprehensive income (loss) attributable to the Parent Company	181,162	(197,800)
Comprehensive income attributable to non-controlling interests	7	25

## Notes to the Unaudited Consolidated Financial Statements

### Notes to the Unaudited Consolidated Balance Sheet as of June 30, 2016

- Specific accounting treatment for the preparation of the quarterly financial statements
  - (1) The proposed appropriation of surplus of the Company for the fiscal year ended March 31, 2016 approved at the annual meeting of the representatives of policyholders held on July 5, 2016 is reflected in the consolidated balance sheet as of June 30, 2016.
  - (2) Income taxes of the Company are calculated by applying a reasonably estimated effective tax rate for the full fiscal year to surplus before income taxes and non-controlling interests for the three months ended June 30, 2016. The effective tax rate is determined by estimating the effective tax rate for the full fiscal year, which includes the three months ended June 30, 2016, after taking into account the effect of deferred tax accounting.  
Therefore, income taxes-deferred of the Company for the three months ended June 30, 2016 are included in the income taxes-current in the consolidated statements of income.
- The policy reserves of the Company include an amount to be additionally set aside as the difference arising from calculations of premium reserves using the expected rate of interest of 2.75% for individual annuity contracts concluded on or before April 1, 1996 pursuant to Article 69, Paragraph 5 of the "Ordinance for Enforcement of the Insurance Business Act". The accumulation of the amount was completed on schedule over a period of three years starting in the year ended March 31, 2008. Besides, an additional reserve corresponding to the period after the beginning of annuity payment shall be accumulated at the beginning of the payment of the above annuity contracts.

They also include an amount to be additionally set aside as the policy reserves for variable life insurance contracts, and single premium endowment contracts concluded on or after September 2, 1995 pursuant to Article 69, Paragraph 5 of the ordinance for the year ended March 31, 2015.

Policy reserves of certain overseas consolidated subsidiaries are calculated based on the each country's accounting standard, such as U.S. GAAP.

- Changes in policyholders' dividend reserves for the three months ended June 30, 2016 were as follows:

	Millions of Yen
Balance at the beginning of the period	¥ 240,902
Transfer from surplus in the previous fiscal year	165,707
Dividend payments to policyholders during the period	(65,373)
Interest accrued during the period	58
Balance at the end of the period	¥ 341,294

- In accordance with changes in the Articles of Incorporation approved at the annual meeting of the representatives of policyholders held on July 5, 2016, the Company offered foundation funds in the amount of ¥100,000 million pursuant to Article 60 of the "Insurance Business Act".

5. The Company redeemed foundation funds on August 2, 2016 and also established for reserve for redemption of foundation funds pursuant to Article 56 of the “Insurance Business Act” in the amount of ¥50,000 million as of June 30, 2016.
6. Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥1,267,965 million as of June 30, 2016.
7. Assets that can be sold or resecured are marketable securities borrowed under borrowing agreements. These assets were held without disposal totaling ¥14,288 million at fair value as of June 30, 2016.
8. As of June 30, 2016, bonds payable in liabilities included foreign currency-denominated subordinated bonds of ¥263,682 million, and the repayments of which are subordinated to other obligations.

## Notes to the Unaudited Consolidated Statement of Income for the Three Months Ended June 30, 2016

1. The details of the impairment losses on fixed assets of the Company are as follows:

(1) Method for grouping the assets

The Company groups all the fixed assets held and utilized for the Company's insurance business as one asset group for the impairment test.

For real estate for non-insurance business and idle assets, each asset is treated as an independent unit for the impairment test.

(2) Description of impairment losses recognized

For the three months ended June 30, 2016, the Company recognized impairment losses on real estate for non-insurance business that experienced a significant deterioration of profitability and on the idle assets that experienced a significant decline in fair value. For these assets, the Company reduced the carrying amount to a recoverable amount which is either fair value less costs to dispose or value-in-use, and recognized impairment losses as extraordinary losses in the consolidated statement of income.

(3) Details of fixed assets resulting in impairment losses

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	0	¥ -	¥ -	¥ -
Idle assets	4	208	138	346
Total	4	¥ 208	¥ 138	¥ 346

(4) Calculation method of recoverable amounts

The recoverable amounts of real estate for non-insurance business are determined at net realizable value or value in use. The recoverable amounts for idle assets are net realizable value. Value in use is determined as the estimated net future cash flows, reflecting the volatility risk, discounted at 1.97% for the three months ended June 30, 2016. Net realizable value is calculated based on the appraisal value with reference to "Real Estate Appraisal Standards" or the publicly announced appraisal value.

2. The total amount of depreciation of tangible fixed assets and amortization of goodwill for the three months ended June 30, 2016 were ¥10,529 million and ¥655 million respectively.