

## Meiji Yasuda Life Acquires Midsize U.S. Life Insurer—No Impact on Rating

The following is Japan Credit Rating Agency, Ltd. (JCR)'s opinion on the fact that Meiji Yasuda Life Insurance Company ("Meiji Yasuda Life"; security code: -) has reached agreements with the parties concerned on the acquisition procedures for Banner Life Insurance Company ("Banner Life") and related companies.

- (1) Meiji Yasuda Life announced today that it has reached an agreement on the acquisition of Banner Life and related companies, which mainly operate personal insurance and pension risk transfer businesses in the U.S., with its parent company, Legal & General Group plc ("L&G"), a UK-based financial services group, as part of their strategic business alliance. The acquisition is expected to be completed in the second half of FY2025 (from October 2025 to March 2026). The total acquisition amount will be USD 2.28 billion (about 352.2 billion yen), which will be funded entirely by fund in hand.
- (2) In its 10-year plan "MY Mutual Way 2030," Meiji Yasuda Life Group has set a policy of expanding overseas insurance business, and this acquisition is part of its efforts in line with this policy. The acquisition will increase the probability of achieving the target of 100 billion yen in core profit from overseas insurance and other businesses, and it has redefined the target as approximately 25% of the Group's core profit, or approximately 170 billion yen by 2030, as an ideal state to aim for. JCR believes that the inclusion of personal insurance and pension risk transfer businesses, which are different from the group insurance business mainly handled by StanCorp Financial Group, Inc., will strengthen the U.S. business and contribute to diversification of revenue sources by diversifying the business base. Given that the Group plans to proceed with collaboration with L&G, JCR will pay attention to the future developments of the overseas insurance business.
- (3) Meiji Yasuda Life Group is in a strong financial position as measured by ESR and other indicators, and JCR believes that the impact of this acquisition on its financial base will be limited. JCR also believes that the Group's strategic investments are carried out with discipline under a capital policy that emphasizes soundness. With addition of this acquisition to the acquisition of American Heritage Life Insurance Company announced in August 2024, the Group has been expanding its overseas insurance business, particularly in the U.S. The importance of global and group-wide ERM has further increased, and JCR will watch for whether the Group can establish an appropriate governance structure.

Tomohiro Miyao, Kota Matsuzawa

### <Reference>

Issuer: Meiji Yasuda Life Insurance Company

Long-term Issuer Rating: AA      Outlook: Stable

### Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan  
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

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