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Financial Results for the Six Months Ended September 30, 2023  
( With Notes to the Unaudited Consolidated Financial Statements )

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Sumitomo Life Insurance Company announces financial results for the six months ended September 30, 2023.

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The Financial Results are summarized English translations of the original disclosure in Japanese.

# 1. Unaudited Consolidated Financial Statements

## a. Unaudited Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2023	As of September 30, 2023
<b>ASSETS:</b>		
Cash and deposits	1,565,736	1,504,616
Call loans	847,388	424,916
Monetary claims bought	407,646	329,653
Money held in trust	14,990	18,803
Securities	33,598,005	36,228,909
Loans	3,175,130	3,447,128
Tangible fixed assets	598,313	660,124
Intangible fixed assets	234,084	237,967
Due from agents	151	114
Reinsurance receivables	12,480	10,202
Other assets	1,588,901	1,758,526
Net defined benefit assets	35,837	35,874
Deferred tax assets	588,114	545,846
Allowance for possible loan losses	(4,373)	(4,671)
<b>Total assets</b>	<b>42,662,408</b>	<b>45,198,013</b>
<b>LIABILITIES:</b>		
Policy reserves and other reserves	35,233,129	36,362,555
Reserve for outstanding claims	169,352	185,263
Policy reserves	34,848,109	35,935,277
Policyholders' dividend reserves	215,667	242,013
Reinsurance payables	12,643	29,750
Corporate bonds	428,417	331,833
Other liabilities	5,361,612	6,623,330
Payables under repurchase agreements	3,110,297	4,151,135
Other	2,251,315	2,472,194
Net defined benefit liabilities	4,133	6,063
Reserve for price fluctuation	849,771	885,084
Deferred tax liabilities	5	13
Deferred tax liabilities for land revaluation	12,466	11,609
<b>Total liabilities</b>	<b>41,902,180</b>	<b>44,250,239</b>
<b>NET ASSETS:</b>		
Foundation funds	-	50,000
Reserve for redemption of foundation funds	639,000	639,000
Reserve for revaluation	2	2
Surplus	155,000	123,422
Total funds, reserve and surplus	794,002	812,424
Net unrealized gains (losses) on available-for-sale securities	5,564	146,728
Deferred gains (losses) on derivatives under hedge accounting	(13,063)	(37,864)
Land revaluation differences	(59,645)	(58,715)
Foreign currency translation adjustments	28,216	80,161
Remeasurements of defined benefit plans	5,005	4,889
Total accumulated other comprehensive income	(33,921)	135,199
Non-controlling interests	147	148
<b>Total net assets</b>	<b>760,227</b>	<b>947,773</b>
<b>Total liabilities and net assets</b>	<b>42,662,408</b>	<b>45,198,013</b>

## b. Unaudited Consolidated Statements of Income

(Millions of Yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Ordinary income	2,304,218	2,163,244
Insurance premiums and other	1,310,974	1,280,096
Investment income	934,594	839,004
Interest, dividends and other income	482,249	542,446
Gains on money held in trust	1,196	2,374
Gains on trading securities	-	15,033
Gains on sales of securities	170,832	55,230
Investment gains on separate accounts	-	43,501
Other ordinary income	58,648	44,142
Ordinary expenses	2,209,660	2,098,987
Benefits and other payments	1,070,323	1,087,162
Claims paid	287,800	292,679
Annuity payments	203,515	201,977
Benefits payments	263,023	228,083
Surrender benefits	285,523	248,910
Provision for policy reserves and other reserves	494,797	460,210
Provision for reserve for outstanding claims	39,244	11,144
Provision for policy reserves	455,537	449,053
Provision for interest on policyholders' dividend reserves	14	12
Investment expenses	323,168	217,646
Interest expenses	11,240	27,530
Losses on trading securities	54,680	-
Losses on sales of securities	75,872	51,301
Losses on valuation of securities	2,397	2,911
Investment losses on separate accounts	32,056	-
Operating expenses	237,788	249,418
Other ordinary expenses	83,583	84,550
Ordinary profit	94,558	64,256
Extraordinary gains	12	185
Gains on disposals of fixed assets	12	185
Extraordinary losses	45,748	36,078
Losses on disposals of fixed assets	67	71
Impairment losses	1,685	128
Provision for reserve for price fluctuation	43,418	35,312
Payments to social responsibility reserve	577	565
Surplus (loss) before income taxes	48,822	28,363
Income taxes		
Current	1,254	1,741
Deferred	1,205	1,038
Total income taxes	2,460	2,779
Net surplus (loss)	46,362	25,584
Net surplus (loss) attributable to non-controlling interests	3	2
Net surplus (loss) attributable to the Parent Company	46,358	25,582

### c. Unaudited Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net surplus (loss)	46,362	25,584
Other comprehensive income (loss)	(1,164,829)	169,028
Net unrealized gains (losses) on available-for-sale securities	(1,236,191)	137,625
Deferred gains (losses) on derivatives under hedge accounting	(9,752)	(24,800)
Land revaluation differences	-	837
Foreign currency translation adjustments	69,864	41,607
Remeasurements of defined benefit plans	(704)	(116)
Share of other comprehensive income (loss) of associates under the equity method	11,955	13,875
Comprehensive income (loss)	(1,118,466)	194,613
Comprehensive income (loss) attributable to the Parent Company	(1,118,470)	194,611
Comprehensive income (loss) attributable to non-controlling interests	3	2

## d. Unaudited Consolidated Statements of Cash Flows

(Millions of Yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
I Cash flows from operating activities:		
Surplus (loss) before income taxes	48,822	28,363
Depreciation	23,560	24,372
Impairment losses	1,685	128
Amortization of goodwill	3,847	4,081
Increase (Decrease) in reserve for outstanding claims	66,075	11,720
Increase (Decrease) in policy reserves	601,859	503,991
Provision for interest on policyholders' dividend reserves	14	12
Increase (Decrease) in allowance for possible loan losses	(181)	(26)
Increase (Decrease) in net defined benefit liabilities	1,045	1,731
Increase (Decrease) in reserve for price fluctuation	43,418	35,312
Interest, dividends and other income	(482,249)	(542,446)
Losses (Gains) on securities	(16,096)	(59,170)
Interest expenses	11,240	27,530
Losses (Gains) on tangible fixed assets	43	(129)
Others, net	(180,246)	(92,446)
Subtotal	122,839	(56,973)
Interest, dividends and other income received	503,536	529,018
Interest paid	(9,986)	(27,521)
Policyholders' dividends paid	(30,856)	(30,733)
Others, net	(577)	(565)
Income taxes (paid) refund	(20,150)	19,978
Net cash provided by operating activities	564,804	433,202
II Cash flows from investing activities:		
Net decrease (increase) in deposits	(275,477)	16,777
Purchase of monetary claims bought	(455,493)	(1,097,605)
Proceeds from sales and redemption of monetary claims bought	279,452	1,170,371
Purchase of money held in trust	(2,647)	(1,439)
Purchase of securities	(3,308,645)	(3,840,648)
Proceeds from sales and redemption of securities	3,405,824	2,670,439
Loans made	(497,607)	(525,555)
Proceeds from collection of loans	405,813	356,477
Others, net	78,495	893,846
Total investment activities ( II a)	(370,284)	(357,337)
[ I + II a]	[194,519]	[75,865]
Purchase of tangible fixed assets	(44,392)	(70,425)
Proceeds from sales of tangible fixed assets	330	1,323
Others, net	(8,159)	(11,295)
Net cash used in investing activities	(422,505)	(437,734)
III Cash flows from financing activities:		
Redemption of corporate bonds	-	(99,480)
Proceeds from issuance of foundation funds	-	50,000
Others, net	32,676	(1,074)
Net cash provided by (used in) financing activities	32,676	(50,554)
IV Effect of foreign exchange rate changes on cash and cash equivalents	26,147	10,739
V Net increase (decrease) in cash and cash equivalents	201,123	(44,347)
VI Cash and cash equivalents at the beginning of the period	297,861	546,546
VII Cash and cash equivalents at the end of the period	498,985	502,199

## e. Unaudited Consolidated Statements of Changes in Net Assets

Six months ended September 30, 2022

(Millions of Yen)

	Funds, reserve and surplus				
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus	Total funds, reserve and surplus
Beginning balance	-	639,000	2	73,458	712,461
Changes in the period					
Additions to policyholders' dividend reserves				(58,310)	(58,310)
Net surplus attributable to the Parent Company				46,358	46,358
Reversal of land revaluation differences				(142)	(142)
Net changes, excluding funds, reserve and surplus					
Net changes in the period	-	-	-	(12,094)	(12,094)
Ending balance	-	639,000	2	61,364	700,367

	Accumulated other comprehensive income (loss)						Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Deferred gains(losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)		
Beginning balance	1,015,426	(3,001)	(59,581)	(39,098)	(1,067)	912,676	141	1,625,279
Changes in the period								
Additions to policyholders' dividend reserves								(58,310)
Net surplus attributable to the Parent Company								46,358
Reversal of land revaluation differences								(142)
Net changes, excluding funds, reserve and surplus	(1,238,186)	(9,752)	142	83,815	(704)	(1,164,686)	2	(1,164,683)
Net changes in the period	(1,238,186)	(9,752)	142	83,815	(704)	(1,164,686)	2	(1,176,777)
Ending balance	(222,760)	(12,754)	(59,438)	44,716	(1,772)	(252,009)	144	448,502

Six months ended September 30, 2023

(Millions of Yen)

	Funds, reserve and surplus				
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus	Total funds, reserve and surplus
Beginning balance	-	639,000	2	155,000	794,002
Changes in the period					
Issuance of foundation funds	50,000				50,000
Additions to policyholders' dividend reserves				(57,067)	(57,067)
Net surplus attributable to the Parent Company				25,582	25,582
Reversal of land revaluation differences				(92)	(92)
Net changes, excluding funds, reserve and surplus					
Net changes in the period	50,000	-	-	(31,577)	18,422
Ending balance	50,000	639,000	2	123,422	812,424

	Accumulated other comprehensive income (loss)						Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Deferred gains(losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income (loss)		
Beginning balance	5,564	(13,063)	(59,645)	28,216	5,005	(33,921)	147	760,227
Changes in the period								
Issuance of foundation funds								50,000
Additions to policyholders' dividend reserves								(57,067)
Net surplus attributable to the Parent Company								25,582
Reversal of land revaluation differences								(92)
Net changes, excluding funds, reserve and surplus	141,164	(24,800)	930	51,944	(116)	169,121	1	169,122
Net changes in the period	141,164	(24,800)	930	51,944	(116)	169,121	1	187,545
Ending balance	146,728	(37,864)	(58,715)	80,161	4,889	135,199	148	947,773

## Notes to the Unaudited Consolidated Financial Statements

### Policies of Presenting the Unaudited Consolidated Financial Statements for the Six Months Ended September 30, 2023

#### 1. Consolidated subsidiaries

The number of consolidated subsidiaries was 27 as of September 30, 2023.

The major subsidiaries as of September 30, 2023 are listed as follows:

Medicare Life Insurance Co., Ltd. (Japan)  
Sumisei Building Management Co., Ltd. (Japan)  
Sumisei Bussan K.K. (Japan)  
Sumisei Business Service Co., Ltd. (Japan)  
Shinjuku Green Building Kanri K.K. (Japan)  
SUMISEI Harmony K.K. (Japan)  
Sumitomo Life Information Systems Co., Ltd. (Japan)  
CSS Co., Ltd. (Japan)  
SUMISEI Insurance Service Corporation (Japan)  
Izumi Life Designers Co., Ltd. (Japan)  
SUMISEI-Support & Consulting Co., Ltd. (Japan)  
INSURANCE DESIGN (Japan)  
AIARU Small Amount & Short Term Insurance Co., Ltd. (Japan)  
Sumisei Asset Management Company (Japan)  
Symetra Financial Corporation (U.S.)

The major unconsolidated subsidiary is SUMISEI-SBI Limited Partnership.

The unconsolidated subsidiaries are excluded from the scope of consolidation, because its effect is immaterial, individually and in aggregate on the consolidated total assets, revenues, net income and surplus. These exclusions from the scope of consolidation would not prevent a reasonable understanding of the consolidated financial position and the results of the group operations.

#### 2. Affiliates

The number of unconsolidated subsidiaries under the equity method was 0 as of September 30, 2023.

The number of affiliates under the equity method was 10 as of September 30, 2023.

The major affiliates as of September 30, 2023 are listed as follows:

Nippon Building Fund Management Ltd. (Japan)  
Japan Pension Navigator Co., Ltd. (Japan)  
Mycommunication Co., Ltd. (Japan)  
Agent Insurance Group, Inc. (Japan)  
Baoviet Holdings (Vietnam)  
PT BNI Life Insurance (Indonesia)  
Singapore Life Holdings Pte. Ltd. (Singapore)



The unconsolidated subsidiaries (SUMISEI-SBI Limited Partnership and others) and affiliates (Japan Pension Service Co., Ltd.) are excluded from the scope of affiliates under the equity method because its effect is immaterial, individually and in aggregate, on the consolidated net income and consolidated surplus.

3. Interim closing date of consolidated subsidiaries

The interim closing date of foreign subsidiaries is June 30, 2023. The consolidated financial statements include the accounts of the subsidiaries as of their interim closing dates, with appropriate adjustments made for material transactions between their interim closing dates and the consolidated balance sheet date.

## Notes to the Unaudited Consolidated Balance Sheet as of September 30, 2023

1. Securities held by SUMITOMO LIFE INSURANCE COMPANY ("the Company") are classified and accounted for as follows:

Trading securities are stated at the market value on the balance sheet date. The cost of these securities sold is calculated using the moving average method.

Held-to-maturity debt securities are stated at amortized cost and the cost of these securities sold is calculated using the moving average method. Amortization is calculated using the straight-line method.

Policy-reserve-matching bonds (defined in Note 2 below) are stated at amortized cost in accordance with Industry Audit Committee Report No. 21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry," issued by the Japanese Institute of Certified Public Accountants. The cost of the bonds sold is calculated using the moving average method and amortization is calculated using the straight-line method.

Investments in unconsolidated subsidiaries and affiliated companies (defined in Article 110, Paragraph 2 of the Insurance Business Act) are stated at cost.

Others classified as available-for-sale securities are stated at the market value on the balance sheet date. Stocks with no market prices are stated mainly at cost. The cost of these securities sold is calculated using the moving average method.

Certain demand deposits, monetary claims bought and securities in money held in trust deemed equivalent to investment in securities are stated using the same methods described above.

Unrealized gains and losses on available-for-sale securities are reported net of income taxes, as a separate component of net assets in the consolidated balance sheet.

2. The Company classifies debt securities held in order to match their duration to the duration of the liabilities within the corresponding subsections - segregated by type of insurance and investment policy - as policy-reserve-matching bonds in accordance with Industry Audit Committee Report No. 21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry," issued by the Japanese Institute of Certified Public Accountants.

The subsections are as follows:

Individual life insurance and individual annuity (certain types of insurance and a certain percentage of cash flows are excluded)

Primary policy of 3-year variable accumulation rate insurance with guaranteed minimum interest rates

Defined benefit corporate pension plan and new corporate pension plan (only cash flows expected within the next certain period of years are identified)

Insured contributory pension plans (only cash flows expected within the next certain period of years are identified)

Defined contribution pension plans and interest rate-setting rider by new unit account

Single premium endowment insurance (certain types of insurance are excluded)

Interest rate variable whole life insurance (single premium)

Individual life insurance and individual annuity denominated in U.S. dollars

Individual life insurance and individual annuity denominated in Australian dollars (certain types of

insurance are excluded)

3. The Company revalued certain parcels of land owned for operating use as of March 31, 2001, as permitted by the Act on Revaluation of Land.

The difference in value before and after the revaluation is directly included in net assets and presented as land revaluation differences, net of deferred tax liabilities for land revaluation in the consolidated balance sheet.

The revaluation method is stipulated in Article 3, Paragraph 3 of the Act on Revaluation of Land.

Pursuant to the Article, the Company used the publicly announced appraisal value with certain adjustments (detailed in Article 2, Paragraph 1 of the Order for Enforcement of the Act on Revaluation of Land (the "Order")) and appraisal value (detailed in Article 2, Paragraph 5 of the Order) for the revaluation.

4. Tangible fixed assets owned by the Company are depreciated as follows:

- 1) Buildings

Calculated using the straight-line method.

- 2) Lease assets related to financial leases where ownership is not transferred

Calculated using the straight-line method over the lease period.

- 3) Other tangible fixed assets

Calculated using the declining-balance method.

5. The Company's assets and liabilities denominated in foreign currencies, except for investments in unconsolidated subsidiaries and affiliates, are translated into Japanese yen at the exchange rate on the balance sheet date. Investments in unconsolidated subsidiaries and affiliates are translated into Japanese yen at the exchange rates on the dates of acquisition.

6. The Company's allowance for possible loan losses is provided pursuant to its standards for self-assessment of asset quality and internal rules for write-offs of loans and allowance for possible loan losses. For loans to borrowers that are legally bankrupt ("bankrupt borrowers") and for loans to borrowers that are not yet legally bankrupt but substantially bankrupt ("substantially bankrupt borrowers"), an allowance is provided based on the total amount of the loans after deduction of charge-offs and any amounts expected to be collected through disposal of collaterals and execution of guarantees. For loans to borrowers that are likely to become bankrupt ("borrowers likely to become bankrupt"), an allowance is provided at the amount deemed necessary based on an overall solvency assessment, net of the expected collection through disposal of collaterals and execution of guarantees. For the other loans, an allowance is provided by multiplying the claim amount by an anticipated default rate calculated based on the Company's actual default experience for a certain period in the past. All loans are assessed based on the Company's standards for the self-assessment of asset quality and the assessment results are reviewed by a department independent of the department that performs and is responsible for the self-assessment. The allowance for possible loan losses is provided based on the assessment results.

For loans to bankrupt borrowers and substantially bankrupt borrowers, the amount of loans exceeding the value of estimated recovery through disposal of collaterals and execution of guarantees is deemed uncollectible and written off. The amount of loans written off amounted to ¥30 million for the period ended September 30, 2023.

An allowance for possible loan losses of the consolidated subsidiaries is provided mainly pursuant to their standards for self-assessment of asset quality and internal rules for write-offs of loans and allowance for possible loan losses which each consolidated subsidiary sets and maintains consistently with those of the Company.

7. Net defined benefit liabilities are provided based on the projected benefit obligations and plan assets as of March 31, 2024.

Assumptions used in accounting for the defined benefit plans for the period ended September 30, 2023 were mainly as follows:

Method of attributing benefits to period of service	Benefits formula basis
Amortization period for actuarial losses (Commencing in the following fiscal year after they are incurred)	8 years
Amortization period for past service costs	3 years

8. Under accounting principles generally accepted in Japan ("Japanese GAAP"), the deferred hedge method and the fair value hedge method are fundamental hedge accounting methods allowed.

Under the fair value hedge method, which is allowed only when available-for-sale securities are hedged items, hedging instruments' gains and losses on changes in the fair value are recognized in earnings together with hedged items' corresponding gains and losses attributable to risks being hedged.

In addition, for certain derivative instruments, exceptional hedge accounting methods are allowed under Japanese GAAP as follows:

Assets and liabilities denominated in foreign currencies and hedged by foreign exchange forward contracts and currency swaps are allowed to be translated at the foreign exchange rates stipulated in the forward contract agreements and the currency swap agreements. Accordingly, the foreign exchange forward contracts and the currency swaps used as hedging instruments are not recognized as an asset or liability measured at the fair value either on initial recognition or subsequent reporting dates (the allocation method).

Interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not remeasured at the fair value, but the net amounts paid or received under the swap agreements are recognized and included in interest expense or income of the hedged items (the exceptional method). The Company mainly adopts the fair value hedge method and the allocation method to hedge foreign currency risks of assets and liabilities denominated in foreign currencies.

The Company also adopts the exceptional method to hedge interest rate risk primarily of floating rate loans.

Hedge effectiveness is assessed by comparing the cumulative changes in the fair values or cash flows of the hedged items and the hedging instruments.

The hedging relationships included in the scope of applying the "Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (ASBJ Practical Solutions No.40, March 17, 2022) are

subject to the exceptional treatment of this Practical Solutions. The detail of the hedging relationships which apply the treatment are as follows:

Hedging method: the exceptional method (including the allocation method)

The variety of hedging instruments: interest-rate swaps, currency-swaps

The variety of hedged instruments: loans

The variety of hedge transactions: to fix the cash flows

9. Derivatives are stated at the fair value.
10. Reserve for price fluctuation is calculated pursuant to Article 115 of the Insurance Business Act.
11. National and local consumption taxes are accounted for using the tax-excluded method. Non-deductible consumption taxes are recognized as expenses for the fiscal year, except for those relating to purchases of depreciable fixed assets which are not charged to expense but deferred as other assets and amortized over a five-year period on the straight-line basis pursuant to the Corporation Tax Act.
12. Policy reserves of the Company are calculated and accumulated by the method in accordance with the statement of calculation procedures for insurance premiums and policy reserves (Article 4, Paragraph 2, Item 4 of the Insurance Business Act) pursuant to Article 116 of the Insurance Business Act to prepare for future performance of future obligations under its insurance contracts.  
Premium reserves, one of the components of policy reserves, are calculated, based on the Article 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 1 of the Ordinance for Enforcement of the Insurance Business Act according to the following methods:
  - 1) For contracts which are subject to the standard policy reserve requirements, premium reserves are calculated using the method stipulated by the Commissioner of Financial Services Agency (Ministry of Finance Notification No. 48 in 1996).
  - 2) For contracts which are not subject to the standard policy reserve requirements, premium reserves are calculated using the net level premium method.The Company adopted its accounting policy for premium reserves for existing individual annuity contracts whose annuity payments commenced on or after April 1, 2006, effective from the fiscal year ended March 31, 2007, as follows:  
For individual annuity contracts which commenced on or after April 1, 2006, the Company has regarded their commencement dates of annuity payments as the contract dates, and applied the calculation basis stipulated by the Commissioner of Financial Services Agency (Ministry of Finance Notification No. 48 in 1996). (For the contracts which annuity payments commenced during fiscal year of 2006, assumed mortality rates on the 2007 life insurance standard life table have been used.)  
Unearned premiums are accumulated as policy reserves pursuant to Article 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 2 of the Ordinance for Enforcement of the Insurance Business Act.  
Contingency reserves, one of the components of policy reserves, are accumulated pursuant to Article 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 3 of the Ordinance for Enforcement of the Insurance Business Act to ensure performing future obligations under its insurance contracts.

Additional policy reserves need to be recognized based on Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act if the policy reserves set aside pursuant to Article 69, Paragraphs 1, 2 and 4 of the Ordinance for Enforcement of the Insurance Business Act are found to be likely insufficient to cover the performance of the future obligations due to a large deviation in the estimated future cash flows based on the statement of calculation procedures with assumed incidents rates, interest rates and others, compared to recent actual results.

Policy reserves of the consolidated foreign subsidiaries are provided pursuant to accounting principles generally accepted in the U.S.

13. Regarding reserve for incurred but not reported (IBNR) claims for individual life insurance and individual annuity contracts, the Company recognized claims with which incidents prescribed in policy clauses already incurred but were not reported to the Company. After May 8, 2023, the Company ceased the special treatment of paying hospitalized benefits to those who were diagnosed with COVID-19 and recovering at designated hotels or home under medical observations (hereafter "deemed hospitalization"). As a result, the Company calculated the relevant reserve for IBNR claims at the end of the fiscal year using the proviso, instead of the main clause of Article 1, Paragraph 1 of Ministry of Finance Notification No. 234 in 1998 ("IBNR Notification"), because the reserve amount could not be calculated at an appropriate level based on the main clause of that article due to ending of the special treatment described above.

The Company excluded the amounts which were related to deemed hospitalization from the reserve for IBNR claims and benefit payments for all fiscal years stipulated by the main clause of Article 1, Paragraph 1 of the IBNR Notification, and then calculated the reserve for IBNR claims using the same calculation method as the main clause of Article 1, Paragraph 1 of the IBNR Notification.

As for the previous fiscal year-end, the Company excluded the amounts of reserve for IBNR claims and benefit payments which were related to deemed hospitalization, except for those with high risks of severity. However, due to cessation of the special treatment of hospitalized benefits for deemed hospitalization for the period ended September 30, 2023, the Company revised the calculation method as it could exclude the amounts related to deemed hospitalization.

14. Capitalized software for internal use owned by the Company (included in intangible fixed assets) is amortized using the straight-line method over the estimated useful lives.
15. The corporate income taxes and inhabitant taxes of the Company for the period are calculated based on the assumption of provisions to policyholders' dividend reserves and payments of interest on foundation funds due to appropriation of surplus in the current fiscal year.

16. Fair value of financial instruments and matters concerning fair value of financial instruments and breakdown by input level:

1) Fair value of financial instruments

The following table shows the carrying amounts in the consolidated balance sheet, the fair values and their differences of financial instruments as of September 30, 2023.

The amounts shown in the following tables do not include stocks with no market prices and investments in partnership. Cash and deposits (except Negotiable certificates of deposit), Call loans, Payables under repurchase agreements and Payables under securities borrowing transactions are not included in the following tables since they are mostly short-term, and their fair values approximate their book values.

	Millions of Yen		
	Balance sheet amount	Fair value	Difference
Cash and deposits	534,558	534,558	—
(Negotiable certificates of deposit)			
[Available-for-sale securities] *1	[534,558]	[534,558]	—
Monetary claims bought	329,653	327,595	(2,058)
[Available-for-sale securities] *1	[224,137]	[224,137]	—
Money held in trust	18,803	18,803	—
Securities	35,654,417	35,565,046	(89,371)
Trading securities	1,090,382	1,090,382	—
Held-to-maturity debt securities	1,864,207	2,062,063	197,855
Policy-reserve-matching bonds	13,634,065	13,355,351	(278,713)
Investments in unconsolidated subsidiaries and affiliated companies	51,968	43,455	(8,513)
Available-for-sale securities *2	19,013,793	19,013,793	—
Loans	3,447,128		
Allowance for possible loan losses *3	(3,997)		
	3,443,131	3,271,262	(171,868)
Corporate bonds	331,833	323,496	(8,336)
Derivative transactions *4	(506,810)	(506,810)	—
Hedge accounting not applied	(2,361)	(2,361)	—
Hedge accounting applied	(504,448)	(504,448)	—

\*1 Available-for-sale securities are shown in [ ].

\*2 The amount of the investment trusts applied net asset value as fair value is included in accordance with Item 24-3 and 24-9 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Application Guidance of Corporate Accounting standards, No. 31 (17 June 2021, revised on)).

\*3 The allowance for possible loan losses earmarked for loans is deducted from the carrying amount of loans.

\*4 Debits and credits arising from derivative transactions are netted, and the net credit positions are shown in ( ).

Note 1: Matters related to securities, including certain deposits regarded as securities pursuant to “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10)

The following tables show the carrying amounts in the consolidated balance sheet, the fair values and their differences of held-to-maturity debt securities and policy-reserve-matching bonds as of September 30, 2023.

a) Held-to-maturity debt securities

Millions of Yen				
	Type	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount	Bonds	222,023	234,513	12,489
	Foreign securities (bonds)	1,315,800	1,511,474	195,674
Fair value does not exceed the balance sheet amount	Bonds	136,384	130,464	(5,919)
	Foreign securities (bonds)	190,000	185,610	(4,389)
Total		1,864,207	2,062,063	197,855

b) Policy-reserve-matching bonds

Millions of Yen				
	Type	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount	Bonds	7,662,242	8,336,822	674,579
	Foreign securities (bonds)	41,780	43,274	1,494
Fair value does not exceed the balance sheet amount	Bonds	4,386,644	3,681,061	(705,583)
	Foreign securities (bonds)	1,543,397	1,294,193	(249,204)
Total		13,634,065	13,355,351	(278,713)



The following table shows the acquisition costs or amortized costs, the carrying amounts in the consolidated balance sheet and their differences of available-for-sale securities as of September 30, 2023.

c) Available-for-sale securities

		Millions of Yen		
	Type	Acquisition cost or amortized cost	Balance sheet amount	Difference
Balance sheet amount exceeds acquisition cost or amortized cost	Negotiable certificates of deposit	—	—	—
	Monetary claims bought	44,895	47,024	2,129
	Bonds	469,402	512,690	43,288
	Stocks	1,145,865	2,554,459	1,408,594
	Foreign securities	3,462,573	3,736,995	274,421
	Foreign bonds	2,601,920	2,750,665	148,745
	Other foreign securities	860,653	986,330	125,676
	Other securities	123,347	155,879	32,532
Balance sheet amount does not exceed acquisition cost or amortized cost	Negotiable certificates of deposit	534,600	534,558	(41)
	Monetary claims bought	184,267	177,113	(7,154)
	Bonds	2,241,606	1,907,101	(334,505)
	Stocks	169,684	147,498	(22,185)
	Foreign securities	11,109,226	9,824,838	(1,284,388)
	Foreign bonds	9,875,737	8,852,018	(1,023,719)
	Other foreign securities	1,233,489	972,819	(260,669)
	Other securities	194,306	174,329	(19,977)
Total		19,679,776	19,772,489	92,713

Note 2: Consolidated balance sheet amounts of stocks with no market prices and investments in partnership are as follows:

These amounts are not included in the tables disclosed in "1) Fair value of financial instruments:"

	Millions of Yen
	Balance sheet amount
Stocks with no market prices* <sup>1</sup>	166,310
Investments in partnership* <sup>2</sup>	408,181

\*1 Unlisted securities are included in stocks with no market prices.

\*2 Investments in partnership includes those for Limited Partnerships. In accordance with Item 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Application Guidance of Corporate Accounting standards, No. 31 (17 June 2021, revised on)), these amounts are not included in fair value disclosure.

2) Matters concerning fair value of financial instruments and breakdown by input level

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of the input used in the fair value measurement.

Level 1: Fair value determined based on the (unadjusted) quoted price in an active market for the same asset or liability

Level 2: Fair value determined based on directly or indirectly observable inputs other than Level 1 inputs

Level 3: Fair value determined based on significant unobservable inputs

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument is classified to the lowest priority level of fair value measurement in which each input belongs.

a) Financial assets and liabilities at the fair value on the consolidated balance sheets

Millions of Yen				
	Fair value			
	Level 1	Level 2	Level 3	Total
Negotiable certificates of deposit	—	534,558	—	534,558
Monetary claims bought	—	75,140	148,996	224,137
Money held in trust	—	—	18,803	18,803
Securities	6,647,600	11,499,562	1,511,412	19,658,576
Trading securities	684,056	402,894	3,431	1,090,382
Available for sale securities	5,963,544	11,096,668	1,507,980	18,568,193
National government bonds	1,050,395	—	—	1,050,395
Local government bonds	—	39,924	—	39,924
Corporate bonds	—	1,329,304	167	1,329,471
Domestic stocks	2,690,393	11,564	—	2,701,958
Foreign securities	2,107,386	9,512,601	1,507,813	13,127,801
Foreign bonds	1,707,121	8,595,200	1,300,361	11,602,683
Other foreign securities	400,265	917,400	207,451	1,525,117
Other securities	115,368	203,272	—	318,641
Loans	—	—	128,635	128,635
Derivative transactions	671	199,024	12,343	212,039
Currency-related	—	85,191	663	85,854
Interest-rate related	—	26,076	—	26,076
Stock-related	321	84,016	11,680	96,019
Other	349	3,739	—	4,089

Total assets	6,648,272	12,308,286	1,820,192	20,776,750
Derivative transactions	1,956	716,627	266	718,850
Currency-related	—	651,477	—	651,477
Interest-rate related	—	59,029	—	59,029
Stock-related	1,468	5,981	266	7,716
Other	487	139	—	627
Total liabilities	1,956	716,627	266	718,850

Net asset value of investment trusts is not included in the table above in accordance with Item 24-3 and 24-9 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (Application Guidance of Corporate Accounting standards, No. 31(17 June 2021, revised on)).

The consolidated balance sheet amount of these investment trusts was ¥445,600 million as of September 30, 2023.

The reconciliation between the beginning and ending balance is below:

	Millions of Yen
	Net asset value of investment trusts
Beginning balance	335,133
Gains (losses) for the period/ other comprehensive income	46,443
Recorded to gains (losses) for the period *1	1,121
Recorded to other comprehensive income *2	45,321
Net amount of purchase, sale, issuance and settlement, etc.	64,023
The amount of the investment trusts applied net asset value as fair value in the earnings of the period	—
The amount of the investment trusts not applied net asset value as fair value in the earnings of the period	—
Ending balance	445,600
Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date among the amount recognized in the earnings of the period	—

\*1 Included in "Investment income" and "Investment expenses" of the consolidated statements of income.

\*2 Included in "Net unrealized gains (losses) on available-for-sale securities" under "Other comprehensive income (loss)." of the consolidated statements of comprehensive income.

These investment trusts with the restrictions of redemption mainly consisted of the investment trusts with the restriction that voluntary cancellation is not permitted, and the consolidated balance sheet amount of these investment trusts was ¥346,832 million as of September 30, 2023.

b) Financial assets and liabilities which are not stated at the fair value on the consolidated balance sheet

Millions of Yen				
	Fair value			Total
	Level 1	Level 2	Level 3	
Monetary claims bought	—	—	103,457	103,457
Securities	10,292,022	5,166,838	2,009	15,460,870
Held-to-maturity debt securities	158,128	1,903,935	—	2,062,063
National government bonds	158,128	—	—	158,128
Local government bonds	—	16,299	—	16,299
Corporate bonds	—	190,550	—	190,550
Foreign securities	—	1,697,085	—	1,697,085
Foreign bonds	—	1,697,085	—	1,697,085
Policy-reserve-matching bonds	10,132,932	3,220,409	2,009	13,355,351
National government bonds	10,132,932	—	—	10,132,932
Local government bonds	—	125,090	—	125,090
Corporate bonds	—	1,759,860	—	1,759,860
Foreign securities	—	1,335,458	2,009	1,337,468
Foreign bonds	—	1,335,458	2,009	1,337,468
Investments in unconsolidated subsidiaries and affiliated companies	961	42,493	—	43,455
Loans	—	16,727	3,125,900	3,142,627
Total assets	10,292,022	5,183,565	3,231,367	18,706,955
Corporate bonds	—	323,496	—	323,496
Total liabilities	—	323,496	—	323,496

(Note 1) Description of the valuation techniques and inputs used to measure fair value

Assets

1) Monetary claims bought

As for securitized products of monetary claims bought, the fair values are based on the values deemed as market prices obtained by the reasonable estimate such as those obtained from financial information vendors and brokers and are categorized as Level 3 since significant valuation inputs are unobservable.

As for monetary claims bought other than those described above, when the present values of the expected future cash flows are considered to be fair values, those other monetary claims bought are categorized as Level 3 since the discount rate and other significant valuation inputs are unobservable and as Level 2 when those inputs are observable.

2) Money held in trust

As for money held in trust, the fair value is determined based on each component of trust properties quoted by the financial institutions from which these securities were purchased, and classified into Level 3 since significant valuation inputs are unobservable.

### 3) Securities

As for securities for which unadjusted quoted prices in active markets are available, those securities are categorized as Level 1 which includes mainly stocks and national government bonds.

In the case the markets are inactive even if the quoted prices are available, those securities are categorized as Level 2, which includes mainly local government bonds and corporate bonds.

When the quoted prices are not available, market values are measured at the present value of the expected future cash flows and others. When making these assessments, we maximize the use of relevant observable inputs and the main inputs include such as government bond yields, prepayments rates, credit spreads, default rates, loss given default rates. When significant unobservable valuation inputs are used, those securities are categorized as level 3.

For investment trusts which do not have market price, the company applied net asset value of these investment trusts as fair value if there are no material restrictions on cancellation as the company is required to compensate market participant for the cancellation. The fair value is categorized as Level 2 or Level 3 based on the level of the major components of these investment trusts.

### 4) Loans

As for general loans, the fair values are measured, for each category of the loans determined according to the types, internal ratings and terms of the loans, by discounting the total amount of principal and interest and others at the discount rate that reflects market interest rates and other factors such as credit risks. When significant unobservable valuation inputs are used, those loans are categorized as level 3.

As for policy loans, the book value is deemed as the fair value since the fair value approximates the book value, considering that the loan amount is limited within surrender value with no contractual maturity and given their estimated repayment period and interest rate terms, and those loans are categorized as level 3.

## Liabilities

### 1) Corporate bonds

As for Corporate bonds, quoted prices in inactive markets are considered to be fair values and those bonds are categorized as level 2.

## Derivative Transactions

Derivative transactions that can be measured at unadjusted quoted prices in active markets are categorized as Level 1, which includes such transactions as bonds futures and stocks futures.

However, since most derivative transactions are over-the-counter transactions and there are no quoted market prices, market values are measured using valuation techniques such as the discounted cash flow method and the Black-Scholes model, depending on the type of transaction and the maturity period. The main inputs which are used in those valuation techniques include interest rate, currency rate, volatility and others. When unobservable inputs are not used or impact of unobservable inputs are not material, transactions are categorized as Level 2, which mainly includes such transactions as plain vanilla interest rate swaps and foreign exchange forwards. When significant unobservable inputs are used, transactions are categorized as Level 3, which includes transactions such as stock option transactions.

Since currency swaps contracts subject to the allocation method are treated as an integral part of the hedged foreign currency denominated loans and bonds payable, their fair value is included in the fair value of hedged loans and bonds payable in the

table above. In addition, since interest rate swaps subject to the special hedge accounting are treated as an integral part of the hedged loan, their fair value is included in the fair value of hedged loans in the table above.

(Note 2) Information about financial assets and liabilities measured and stated on the consolidated balance sheet at fair value and classified in Level 3

1) Quantitative information about significant unobservable input\*1

Category	Valuation technique	Significant unobservable inputs	Range
Loans	Discounted cash flow	Discount rate	6.05%-7.35%

\*1 The non-adjusted inputs from third parties are not included.

2) Reconciliation between the beginning and ending balance, and net unrealized gains (losses) recognized in the earnings for the period ended September 30, 2023

	Millions of Yen					
	Monetary claims bought	Money held in trust	Securities	Loans	Derivative transactions*4	Total
Beginning balance	153,716	14,990	1,126,664	123,140	5,156	1,423,668
Gains (losses) for the period/ other comprehensive income	(5,226)	2,373	107,537	(566)	(5,042)	99,075
Recorded to gains (losses) for the period *1	2	2,373	106,241	(566)	(5,042)	103,009
Recorded to other comprehensive income *2	(5,229)	-	1,295	-	-	(3,933)
Net amount of purchase, sale, issuance and settlement, etc.	506	1,439	268,661	6,060	11,963	288,632
Transfer to Level 3 *3	-	-	8,549	-	-	8,549
Transfer from Level 3	-	-	-	-	-	-
Ending balance	148,996	18,803	1,511,412	128,635	12,077	1,819,925
Net unrealized gains (losses) on financial assets and liabilities held at consolidated balance sheet date among the amount	-	-	3	(13,771)	(5,435)	(19,203)

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recognized in the  
earnings of the  
period

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- \*1 Principally included in "Investment income" and "Investment expenses" of the consolidated statements of income.
- \*2 Included in "Net unrealized gains (losses) on available-for-sale securities" under "Other comprehensive income (loss)" of the consolidated statements of comprehensive income.
- \*3 Those are the transfers from Level 1 or 2 to Level 3, due to changes in observability of valuation inputs which are used in fair value measurements. The transfer was made at the beginning of the fiscal year.
- \*4 Debits and credits arising from derivative transactions are netted, and the net credit positions are shown in ( ).

3) Explanation about the fair value valuation process

The company has implemented policies and procedures regarding the fair value measurement by the risk management department and front divisions and others purchase and measure the fair values. The risk management department and others verify the reasonableness of the fair value valuation models, the inputs used, and the appropriateness of the classified fair value level of the calculated fair value. The results of verification are reported to the risk management department every quarter to ensure the appropriateness of the policies and procedures regarding the fair value measurement. When measuring the fair values, the valuation models which most appropriately reflect the nature, characteristics and risks of each asset. When quoted prices obtained from third parties are used as fair value, their validity is verified taking appropriate methods such as confirming the valuation techniques and inputs used and comparing with the fair value of similar financial instruments.

4) Description of the sensitivity of the fair value to changes in significant unobservable inputs

Discount rate

Discount rate is a rate reflected on the uncertainty of cash flow and the liquidity of financial instruments. A significant increase (decrease) in discount rate generally causes a significant decrease (increase) in fair value.

17. As of September 30, 2023, the note of the fair value of investment and rental properties was omitted since there were no significant changes in the balance sheet amounts and the fair values of investment and rental properties from the end of the previous fiscal year.
18. Of claims pursuant to the Insurance Business Act, the aggregate amount of claims against bankrupt or de facto bankrupt borrowers, doubtful claims, past due claims (3 months or more) and restructured claims were ¥668 million as of September 30, 2023. The details are as follows:  
The amount of claims against bankrupt or de facto bankrupt borrowers was nil and doubtful claims was ¥668 million as of September 30, 2023. The amount of claims deemed uncollectible and directly deducted from the claims in the consolidated balance sheet was ¥16 million, which was claims against bankrupt or de facto bankrupt borrowers.  
Claims against bankrupt or de facto bankrupt borrowers represent claims held against borrowers who have been declared insolvent or in a substantially similar condition, on the grounds of the

commencement of bankruptcy or restructuring proceedings, filing for the proceedings of rehabilitation of other similar legal proceedings. Doubtful claims are those against borrowers who have not yet failed but their financial condition business performance have deteriorated, with a high possibility that the principal and interest on these claims will not be received as per agreement, excluding claims against bankrupt or de facto bankrupt borrowers.

The amount of past due claims (3 months or more) was nil as of September 30, 2023.

Past due claims (3 months or more) represent claims on which payments of principal or interest are past due over three months from the day following the contractual due date. Past due claims (3 months or more) do not include claims classified as claims against bankrupt or de facto bankrupt borrowers or doubtful claims.

The amount of restructured claims was nil as of September 30, 2023.

Restructured claims represent claims which have been restructured to provide relief to the borrowers by reducing or waiving interest payments, by rescheduling repayments of principal or payments of interest, or by waiving claims for borrowers in order to support their recovery from financial difficulties. Restructured claims do not include claims classified as claims against bankrupt or de facto bankrupt borrowers, doubtful claims or past due claims (3 months or more).

19. The total amount of assets held in separate accounts defined in Article 118 of the Insurance Business Act was ¥823,693 million as of September 30, 2023. The total amount of separate account liabilities was the same as this.

20. Changes in policyholders' dividend reserves for the period ended September 30, 2023 were as follows:

	Millions of Yen
At the beginning of the fiscal year	215,667
Transfer from surplus in the previous fiscal year	57,067
Dividend payments to policyholders during the period	30,733
Interest accrued during the period	12
At the end of the period	242,013

21. Assets pledged as collateral were securities in the amount of ¥4,745,677 million, loans in the amount of ¥727,870 million and cash and deposits in the amount of ¥1,429 million as of September 30, 2023.
22. The Company had entered into an agreement with Aviva Group Holdings Limited (hereinafter "Aviva") to acquire Aviva's stake in Singapore Life Holdings Pte. Ltd. (hereinafter "Singlife") in the period ended September 30, 2023.  
The Company increased its investment in Singlife through a capital injection of ¥19,833 million on November 7, 2023.
23. The Company offered foundation funds in the amount of ¥50,000 million pursuant to Article 60 of the Insurance Business Act in the period ended September 30, 2023.
24. Securities loaned under security lending agreements amounted to ¥4,682,180 million as of September 30, 2023.



25. Securities borrowed under borrowing agreements can be sold or pledged as collateral. The fair value of the securities which were not sold or pledged as collateral was ¥117 million, and none of the securities was pledged as collateral as of September 30, 2023.
26. The amount of loan commitments outstanding was ¥38,410 million as of September 30, 2023.
27. The amount of corporate bonds in liabilities included ¥297,030 million of subordinated bonds and foreign currency-denominated subordinated bonds, the repayments of which are subordinated to other obligations, as of September 30, 2023.
28. Other liabilities included subordinated debt of ¥170,000 million, the repayments of which are subordinated to other obligations, and payables under securities borrowing transactions of ¥22,109 million as of September 30, 2023.
29. Other assets and other liabilities included assets and liabilities related to the modified coinsurance in U.S. subsidiary of ¥696,732 million and ¥624,583 million, respectively.
30. For certain transactions of modified coinsurance entered into by a domestic consolidated subsidiary that do not involve cash settlements, amounts received under the reinsurance contracts as part of amounts equivalent to policy acquisition costs related to direct insurance contracts are recorded as reinsurance revenue while the same amounts are recorded as unamortized ceded premium commissions in reinsurance receivable account and are amortized over the period of the reinsurance contracts.

## Notes to the Unaudited Consolidated Statement of Income for the Six Months Ended September 30, 2023

1. The Company in principle recognizes insurance premiums when the premiums, which are measured at the amounts to be received, are received and the responsibility on the insurance contract is commenced.
2. The Company recognizes claims paid (except Reinsurance premiums) when incidents prescribed in policy clause are incurred and these claims are paid at the amounts to be paid.  
The Company recognizes outstanding claims with the amount of unpaid claims over the contracts for which payment obligation exists at the year end or for which incidents prescribed in policy clause already incurred but not reported to the Company, pursuant to Article 117 of the Insurance Business Act and Article 72 of the Ordinance for Enforcement of the Insurance Business Act.
3. The details of the Company's impairment losses on fixed assets were as follows:

Accumulated impairment losses on fixed assets are directly reduced from amounts of their respective assets.

### 1) Method for grouping the assets

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

The Company treats real estates for investment and idle assets as an independent asset group for the impairment test.

### 2) Description of impairment losses

For the period ended September 30, 2023, the Company recognized impairment losses on real estates for investment that experienced the deterioration of profitability and on the idle assets that experienced the decline in the fair value. For these assets, the Company reduced the carrying amounts to the recoverable amounts, and recognized impairment losses as extraordinary losses in the consolidated statement of income.

### 3) Breakdown of impairment losses for the period ended September 30, 2023

Asset Group	Asset Category	Millions of Yen
Real estates for investment, etc.	Land and buildings, etc.	122
Idle assets, etc.	Land and buildings, etc.	0
Total		122

### 4) The recoverable amounts

The recoverable amounts of real estates for investment are determined at net realizable value or value in use. The recoverable amounts for idle assets are determined at net realizable value. Net realizable value is calculated based on an estimated selling value, appraisal value based on the Real Estate Appraisal Standards, or publicly announced value. Value in use is determined as the estimated net future cash flows discounted at 5.0%.

## Notes to the Unaudited Consolidated Statement of Cash Flows for the Six Months Ended September 30, 2023

1. In the consolidated statement of cash flows, cash and cash equivalents are comprised of cash on hand, deposits (except deposits bearing interest of the Company and domestic consolidated subsidiaries), and short-term investment securities of foreign consolidated subsidiaries.
2. Reconciliation of cash and deposits in the consolidated balance sheet to cash and cash equivalents in the consolidated statement of cash flows as of September 30, 2023 was as follows:

	Millions of Yen
Cash and deposits	1,504,616
Deposits bearing interest of the Company and domestic consolidated subsidiaries	(1,002,417)
Cash and cash equivalents	502,199

3. Others in Cash flows from investing activities are mainly comprised of net cash flows from short-term investing activities and settlements of derivative financial instruments.
4. Others in Cash flows from financing activities are mainly comprised of proceeds from financing activities by the subsidiary in U.S.

## 2. Solvency Margin Ratio on a Consolidated Basis

(Millions of Yen)

	As of March 31, 2023	As of September 30, 2023
Solvency margin gross amount (A)	3,597,472	3,748,115
Foundation funds and others	548,883	595,472
Reserve for price fluctuation	849,771	885,084
Contingency reserve	756,736	770,104
Unusual contingency reserve	—	—
General allowance for possible loan losses	4,123	4,416
(Net unrealized gains (losses) on available-for-sale securities (before income tax effect adjustments) and deferred gains (losses) on derivatives under hedge accounting (before income tax effect adjustments)) × 90% (Multiplied by 100% if losses)	32,194	196,139
Net unrealized gains on real estate × 85% (Multiplied by 100% if losses)	140,574	138,959
Total amount of unrecognized actuarial gains (losses) and unrecognized past service costs	6,942	6,780
Excess of continued Zillmerized reserve	779,854	776,898
Qualifying subordinated debt	566,510	467,030
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—	—
Deduction clause	(196,176)	(201,993)
Others	108,056	109,222
Total amount of risk $\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2 + R_4 + R_6}$ (B)	1,059,629	1,353,458
Insurance risk $R_1$	99,759	104,510
General insurance risk $R_5$	—	—
Large disaster risk $R_6$	0	0
Third-sector insurance risk $R_8$	95,565	100,618
Insurance risk of small-amount, short-term insurer $R_9$	9	9
Risk of assumed yield $R_2$	175,797	179,708
Minimum guarantee risk $R_7^{\text{※}}$	8,134	8,979
Investment risk $R_3$	832,861	1,118,525
Operational risk $R_4$	24,242	30,247
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	679.0%	553.8%

※ The standard method is used for the calculation of the amount equivalent to minimum guarantee risk.

Note: The amounts and figures in the table above are calculated based on Article 130 of the Insurance Business Act, Article 86-2 and Article 88 of the Ordinance for Enforcement of the Insurance Business Act and Financial Services Agency Public Notice No.23 of 2011.

### 3. Non-Consolidated Financial Information (General Account)

#### a. Overall Composition of Investments (General Account)

(Millions of Yen, %)

	As of March 31, 2023		As of September 30, 2023	
	Amount	% of total	Amount	% of total
Cash, deposits and call loans	2,076,849	6.0	1,566,373	4.3
Monetary claims bought	407,646	1.2	329,510	0.9
Money held in trust	14,990	0.0	18,803	0.1
Investments in securities	28,225,231	81.7	30,209,754	83.7
Domestic bonds	14,976,500	43.3	14,555,047	40.3
Domestic stocks	2,322,637	6.7	2,907,389	8.1
Foreign securities	10,582,451	30.6	12,304,443	34.1
Foreign bonds	8,370,096	24.2	9,514,204	26.4
Other foreign securities	2,212,355	6.4	2,790,239	7.7
Other securities	343,641	1.0	442,872	1.2
Loans	2,198,274	6.4	2,332,426	6.5
Policy loans	234,873	0.7	230,360	0.6
Industrial and consumer loans	1,963,401	5.7	2,102,065	5.8
Real estate	588,024	1.7	646,292	1.8
Investment property	403,356	1.2	470,793	1.3
Deferred tax assets	493,008	1.4	450,394	1.2
Other assets	547,963	1.6	545,664	1.5
Allowance for possible loan losses	(867)	(0.0)	(777)	(0.0)
Total	34,551,122	100.0	36,098,442	100.0
Foreign currency denominated assets	9,754,013	28.2	11,167,623	30.9

Note: Real estate is recorded as the sum total of land, buildings and construction in progress.

## b. Fair Value Information of Securities (General Account)

### (1) Net Valuation Gains and Losses on Trading Securities

(Millions of Yen)

	As of March 31, 2023		As of September 30, 2023	
	Balance sheet amount	Net Valuation gains (losses) included in statement of income	Balance sheet amount	Net Valuation gains (losses) included in statement of income
Trading securities	14,990	28	18,803	1,824

Note: The table above includes money held in trust for trading.

### (2) Fair Value Information of Securities (Except for Trading Securities)

(Millions of Yen)

	As of March 31, 2023					As of September 30, 2023				
	Book value	Fair value	Net gains (losses)	Gains	Losses	Book value	Fair value	Net gains (losses)	Gains	Losses
Held-to-maturity debt securities	1,531,156	1,729,570	198,413	198,537	(124)	1,735,442	1,934,242	198,799	204,147	(5,347)
Policy-reserve-matching bonds	13,192,905	13,610,612	417,707	975,068	(557,360)	13,622,653	13,344,581	(278,071)	676,073	(954,145)
Investments in subsidiaries and affiliated companies	53,077	45,626	(7,451)	-	(7,451)	53,077	43,455	(9,622)	122	(9,744)
Available-for-sale securities	12,881,722	13,250,150	368,428	1,303,032	(934,604)	13,943,582	14,460,820	517,237	1,750,586	(1,233,349)
Domestic bonds	3,025,881	2,833,870	(192,011)	34,902	(226,913)	2,575,099	2,287,929	(287,169)	41,265	(328,435)
Domestic stocks	1,065,125	2,118,405	1,053,280	1,084,853	(31,573)	1,315,493	2,701,753	1,386,259	1,408,444	(22,185)
Foreign securities	7,703,747	7,207,489	(496,257)	160,382	(656,640)	8,971,716	8,382,376	(589,340)	266,214	(855,554)
Foreign bonds	6,159,486	5,788,664	(370,822)	95,914	(466,736)	6,877,573	6,423,226	(454,346)	140,538	(594,885)
Other foreign securities	1,544,260	1,418,824	(125,435)	64,468	(189,903)	2,094,143	1,959,150	(134,993)	125,676	(260,669)
Other securities	248,157	251,419	3,261	19,658	(16,396)	317,653	330,209	12,555	32,532	(19,977)
Monetary claims bought	296,510	296,712	201	3,236	(3,034)	229,019	223,994	(5,025)	2,129	(7,154)
Negotiable certificates of deposit	542,300	542,253	(46)	-	(46)	534,600	534,558	(41)	-	(41)
Others	-	-	-	-	-	-	-	-	-	-
Total	27,658,862	28,635,959	977,097	2,476,638	(1,499,540)	29,354,756	29,783,099	428,343	2,630,930	(2,202,586)
Domestic bonds	15,168,512	15,536,037	367,524	1,016,901	(649,376)	14,842,217	14,532,200	(310,016)	724,318	(1,034,334)
Domestic stocks	1,065,964	2,118,958	1,052,994	1,084,853	(31,858)	1,316,333	2,702,714	1,386,381	1,408,566	(22,185)
Foreign securities	10,337,417	9,890,578	(446,838)	351,989	(798,828)	12,114,932	11,459,422	(655,509)	463,383	(1,118,893)
Foreign bonds	8,740,918	8,426,680	(314,237)	287,521	(601,758)	9,968,551	9,457,779	(510,771)	337,707	(848,479)
Other foreign securities	1,596,499	1,463,897	(132,601)	64,468	(197,069)	2,146,381	2,001,643	(144,738)	125,676	(270,414)
Other securities	248,157	251,419	3,261	19,658	(16,396)	317,653	330,209	12,555	32,532	(19,977)
Monetary claims bought	296,510	296,712	201	3,236	(3,034)	229,019	223,994	(5,025)	2,129	(7,154)
Negotiable certificates of deposit	542,300	542,253	(46)	-	(46)	534,600	534,558	(41)	-	(41)
Others	-	-	-	-	-	-	-	-	-	-

Note: 1. The table above includes securities that are deemed appropriate as securities under the Financial Instruments and Exchange Act in Japan.

2. Book values of stocks, etc. without quoted market price are excluded from the table above.

**Book values of stocks, etc. without quoted market price are as follows:**

(Millions of Yen)

	As of March 31, 2023	As of September 30, 2023
Investments in subsidiaries and affiliated companies	789,941	794,466
Available-for-sale securities	198,522	227,856
Domestic stocks	21,414	22,819
Foreign stocks	34,558	34,558
Others	142,548	170,478
Total	988,463	1,022,322

**c. Fair Value Information of Money held in trust (General Account)**

(Millions of Yen)

	As of March 31, 2023					As of September 30, 2023				
	Balance sheet amount	Fair value	Net gains (losses)	Gains	Losses	Balance sheet amount	Fair value	Net gains (losses)	Gains	Losses
Money held in trust	14,990	14,990	-	-	-	18,803	18,803	-	-	-

**Money held in trust for trading**

(Millions of Yen)

	As of March 31, 2023		As of September 30, 2023	
	Balance sheet amount	Net Valuation gains (losses) included in statement of income	Balance sheet amount	Net Valuation gains (losses) included in statement of income
Money held in trust for trading	14,990	28	18,803	1,824

**Money held in trust except for trading**

No money held in trust except for trading as of March 31, 2023 and September 30, 2023.

## d. Fair Value Information of Derivative Transactions (General Account)

### (1) Net Gains and Losses on Derivatives

(Millions of Yen)

	As of March 31, 2023						As of September 30, 2023					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	4,015	(200,674)	-	-	-	(196,659)	(14,831)	(463,099)	-	-	-	(477,931)
Hedge accounting not applied	1,147	(200,021)	(3,833)	-	(1,129)	(203,836)	(464)	(108,091)	(2,002)	(34)	(875)	(111,467)
Total	5,163	(400,696)	(3,833)	-	(1,129)	(400,496)	(15,295)	(571,191)	(2,002)	(34)	(875)	(589,398)

Notes: Net gains (losses) from derivatives with hedge accounting (fair value hedge method) applied, and net gains (losses) from derivatives with hedge accounting not applied are recorded on the statement of income.

Net gains (losses) from derivatives with hedge accounting (fair value hedge method) applied amounted to loss of ¥229,955 million and loss of ¥454,154 million as of March 31, 2023 and September 30, 2023, respectively.

### (2) Interest-related

(Millions of Yen)

Type	As of March 31, 2023				As of September 30, 2023			
	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)
Over-the-counter transactions								
Interest rate swaps								
Receipts fixed, payments floating	264,235	253,210	(12,010)	(12,010)	320,722	315,705	(38,661)	(38,661)
Receipts floating, payments fixed	100,147	100,147	17,173	17,173	112,185	112,185	23,366	23,366
Total				5,163				(15,295)

Note: Net gains (losses) represent the fair values.

#### (Reference)

#### Interest rate swaps by contractual maturity dates

[As of September 30, 2023]

(Millions of Yen, %)

	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years	Total
Notional amount (receipts fixed, payments floating)	5,017	505	2,000	700	-	312,500	320,722
Average fixed rate (receipt)	0.64	0.17	0.71	0.83	-	0.85	0.84
Average floating rate (payment)	0.60	0.24	0.37	0.30	-	(0.05)	(0.04)
Notional amount (receipts floating, payments fixed)	-	-	44,874	-	67,311	-	112,185
Average fixed rate (payment)	-	-	1.83	-	2.39	-	2.17
Average floating rate (receipt)	-	-	6.77	-	7.26	-	7.06



### (3) Currency-related

(Millions of Yen)

Type	As of March 31, 2023				As of September 30, 2023			
	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)
Over-the-counter transactions								
Foreign currency forward contracts								
Sold	8,298,542	702,883	(482,097)	(482,097)	6,039,879	518,103	(633,603)	(633,603)
(U.S. dollar)	4,959,945	663,063	(292,026)	(292,026)	4,500,274	424,877	(514,934)	(514,934)
(Euro)	2,131,914	-	(176,149)	(176,149)	1,006,782	-	(85,762)	(85,762)
(Australian dollar)	926,262	27,290	(14,634)	(14,634)	458,507	80,802	(29,301)	(29,301)
Bought	3,522,443	-	54,000	54,000	970,906	-	73,856	73,856
(U.S. dollar)	1,697,147	-	10,407	10,407	709,230	-	45,444	45,444
(Euro)	1,336,183	-	47,926	47,926	261,676	-	28,412	28,412
(Australian dollar)	396,207	-	(5,848)	(5,848)	-	-	-	-
Currency options								
Sold								
Call	83,200	-			-	-		
[678]			256	422	[ - ]		-	-
(U.S. dollar)	83,200	-			-	-		
[678]			256	422	[ - ]		-	-
Bought								
Call	-	-			75,000	-		
[ - ]			-	-	[357]		543	185
(U.S. dollar)	-	-			75,000	-		
[ - ]			-	-	[357]		543	185
Put	914,650	-			120,000	-		
[3,933]			1,632	(2,301)	[597]		119	(477)
(U.S. dollar)	914,650	-			120,000	-		
[3,933]			1,632	(2,301)	[597]		119	(477)
Currency swaps	37,806	35,351	(7,039)	(7,039)	42,962	40,507	(13,965)	(13,965)
(U.S. dollar)	35,351	35,351	(6,634)	(6,634)	40,507	40,507	(13,250)	(13,250)
(Euro)	2,454	-	(405)	(405)	2,454	-	(715)	(715)
Total				(437,016)				(574,004)

Notes: 1. Option fees are shown in [ ].

2. Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under foreign currency forward contracts and currency swaps and are reported in yen amounts in the balance sheets, those foreign currency forward contracts and currency swaps are excluded from the table above.

3. Net gains (losses) represent the fair values for foreign currency forward contracts and currency swaps, and the difference between the option fees and the fair values for currency options.

#### (4) Stock-related

(Millions of Yen)

Type	As of March 31, 2022				As of September 30, 2023			
	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)
Exchange-traded transactions								
Stock index futures								
Bought	-	-	-	-	22,671	-	(597)	(597)
Over-the-counter transactions								
Stock index options								
Sold								
Call	40,000 [1,046]	-	390	656	- [ - ]	-	-	-
Bought								
Put	547,130 [4,936]	-	446	(4,489)	254,995 [1,678]	-	274	(1,404)
Total				(3,833)				(2,002)

Notes: 1. Option fees are shown in [ ].

2. Net gains (losses) represent the fair values for stock index futures and the difference between the option fees and the fair values for stock index options.

#### (5) Bond-related

(Millions of Yen)

Type	As of March 31, 2022				As of September 30, 2023			
	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)
Exchange-traded transactions								
Bond futures								
Bought	-	-	-	-	3,803	-	(34)	(34)
Total				-				(34)

Note: Net gains (losses) represent the fair values.

#### (6) Others

(Millions of Yen)

Type	As of March 31, 2023				As of September 30, 2023			
	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)	Notional amount/ contract value	Over 1 year	Fair value	Net gains (losses)
Over-the-counter transactions								
Multi-asset index options								
Sold								
Call	97,881 [291]	-	182	108	97,677 [228]	-	139	88
Bought								
Call	186,144 [4,144]	-	2,905	(1,238)	230,415 [4,703]	-	3,739	(964)
Total				(1,129)				(875)

Notes: 1. Option fees are shown in [ ].

2. Net gains (losses) represent the difference between the option fees and the fair values.

## e. Disclosed Claims Based on Insurance Business Act

(Millions of Yen, %)

	As of March 31, 2023	As of September 30, 2023
Claims against bankrupt and quasi-bankrupt obligors	-	-
Claims with collection risk	783	668
Claims that are overdue for 3 months or more	-	-
Claims with repayment relaxation	-	-
Subtotal	783	668
[Percentage]	[0.01]	[0.01]
Claims against normal obligors	6,211,212	7,038,809
Total	6,211,996	7,039,478

- Notes: 1. Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.
2. Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered. (Excludes the claims listed in Note 1)
3. Loans that are overdue for three months or more are loans for which payment of principal or interest is delayed for three months or more from the day following the contracted payment date. (Excludes the claims listed in Note 1 and 2)
4. Claims with repayment relaxation are arrangements that are advantageous to the debtor, such as interest rate reduction and exemption, interest payment deferment, principal repayment deferment, debt waiver, etc., for the purpose of rebuilding or supporting the debtor (Excluding items mentioned in Note from 1 to 3 above).
5. Claims against normal obligors are all other loans.