

June 17, 2024

Financial Results for the Fiscal Year Ended March 31, 2024
(With Notes to the Unaudited Consolidated Financial Statements)

Sumitomo Life Insurance Company announces financial results for the fiscal year ended March 31, 2024.

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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 March 31, 2024
ASSETS:		
Cash and deposits	1,565,736	1,102,612
Call loans	847,388	834,182
Monetary claims bought	407,646	479,404
Money held in trust	14,990	24,345
Securities	33,568,041	38,852,266
Loans	3,175,130	3,322,067
Tangible fixed assets	598,313	660,619
Land	385,089	432,346
Buildings	198,570	206,170
Lease assets	2,128	7,592
Construction in progress	5,169	6,427
Other tangible fixed assets	7,355	8,082
Intangible fixed assets	234,084	693,863
Software	38,591	45,261
Goodwill	40,085	490,405
Other intangible fixed assets	155,407	158,197
Due from agents	151	113
Reinsurance receivables	12,480	32,601
Other assets	1,588,901	1,821,437
Net defined benefit assets	35,837	108,311
Deferred tax assets	588,114	282,554
Allowance for possible loan losses	(4,373)	(4,486)
Total assets	42,632,444	48,209,893
LIABILITIES:		
Policy reserves and other reserves	35,233,129	37,723,230
Reserve for outstanding claims	169,352	228,310
Policy reserves	34,848,109	37,281,381
Policyholders' dividend reserves	215,667	213,538
Reinsurance payables	12,643	21,144
Corporate bonds	428,417	539,766
Other liabilities	5,361,612	7,216,973
Payables under repurchase agreements	3,110,297	4,760,283
Payables under securities borrowing transactions	67,438	-
Other	2,183,877	2,456,689
Net defined benefit liabilities	4,133	2,440
Accrued retirement benefits for directors	-	1
Reserve for price fluctuation	849,771	908,100
Deferred tax liabilities	5	964
Deferred tax liabilities for land revaluation	12,466	12,430
Total liabilities	41,902,180	46,425,050
NET ASSETS:		
Foundation funds	-	50,000
Reserve for redemption of foundation funds	639,000	639,000
Reserve for revaluation	2	2
Surplus	125,036	229,119
Total funds, reserve and surplus	764,039	918,122
Net unrealized gains (losses) on available-for-sale securities	5,564	864,260
Deferred gains (losses) on derivatives under hedge accounting	(13,063)	(36,360)
Land revaluation differences	(59,645)	(56,600)
Foreign currency translation adjustments	28,216	38,740
Remeasurements of defined benefit plans	5,005	57,188
Total accumulated other comprehensive income	(33,921)	867,227
Non-controlling interests	147	(507)
Total net assets	730,264	1,784,843
Total liabilities and net assets	42,632,444	48,209,893

b. Unaudited Consolidated Statements of Income

(Millions of Yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Ordinary income	4,222,291	4,378,769
Insurance premiums and other	2,583,077	2,644,206
Investment income	1,542,012	1,643,252
Interest, dividends and other income	964,997	1,132,162
Gains on money held in trust	287	2,861
Gains on trading securities	-	31,917
Gains on sales of securities	361,890	148,786
Gains on redemption of securities	2,076	3,559
Foreign exchange gains	77,386	192,241
Other investment income	135,375	14,270
Investment gains on separate accounts	-	117,452
Other ordinary income	97,200	91,311
Ordinary expenses	4,182,932	4,260,978
Benefits and other payments	2,161,551	2,303,512
Claims paid	597,894	597,207
Annuity payments	424,618	432,351
Benefits payments	519,679	480,481
Surrender benefits	553,709	557,210
Other refunds	65,648	236,261
Provision for policy reserves and other reserves	546,040	764,409
Provision for reserves for outstanding claims	5,945	15,223
Provision for policy reserves	540,067	749,160
Provision for interest on policyholders' dividend reserves	26	25
Investment expenses	816,509	501,233
Interest expenses	32,319	55,551
Losses on trading securities	68,513	-
Losses on sales of securities	377,965	137,691
Losses on valuation of securities	8,618	5,712
Losses on redemption of securities	1,221	445
Losses on derivative financial instruments	235,685	229,103
Provision for allowance for possible loan losses	84	39
Depreciation of real estate for investments	8,954	9,758
Other investment expenses	76,842	62,931
Investment losses on separate accounts	6,304	-
Operating expenses	478,930	507,797
Other ordinary expenses	179,901	184,025
Ordinary profit	39,358	117,791
Extraordinary gains	124,317	107,212
Gains on disposals of fixed assets	1,920	1,528
Gains on step acquisitions	-	105,684
Reversal of reserve for price fluctuation	122,397	-
Extraordinary losses	3,946	59,796
Losses on disposals of fixed assets	775	575
Impairment losses	2,471	180
Provision for reserve for price fluctuation	-	58,328
Payments to social responsibility reserve	699	711
Surplus (loss) before income taxes	159,730	165,208
Income taxes		
Current	8,404	(11,607)
Deferred	31,326	12,612
Total income taxes	39,730	1,004
Net surplus	119,999	164,203
Net surplus attributable to non-controlling interests	6	7
Net surplus attributable to the Parent Company	119,992	164,196

c. Unaudited Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Net surplus	119,999	164,203
Other comprehensive income (loss)	(946,534)	898,104
Net unrealized gains (losses) on available-for-sale securities	(1,005,446)	855,230
Deferred gains (losses) on derivatives under hedge accounting	(10,061)	(23,297)
Foreign currency translation adjustments	57,026	14,404
Remeasurements of defined benefit plans	6,072	52,182
Share of other comprehensive income (loss) of associates under the equity method	5,873	(416)
Comprehensive income (loss)	(826,535)	1,062,308
Comprehensive income (loss) attributable to the Parent Company	(826,542)	1,062,300
Comprehensive income (loss) attributable to non-controlling interests	6	7

d. Unaudited Consolidated Statements of Cash Flows

(Millions of Yen)

	Year ended March 31, 2023	Year ended March 31, 2024
I Cash flows from operating activities:		
Surplus (loss) before income taxes	159,730	165,208
Depreciation of real estate for investments	8,954	9,758
Depreciation	38,442	36,220
Impairment losses	2,471	180
Amortization of goodwill	7,470	9,970
Increase (Decrease) in reserve for outstanding claims	7,789	20,169
Increase (Decrease) in policy reserves	755,023	849,702
Provision for interest on policyholders' dividend reserves	26	25
Increase (Decrease) in allowance for possible loan losses	(153)	(128)
Increase (Decrease) in net defined benefit liabilities	(4,486)	(1,701)
Increase (Decrease) in reserve for price fluctuation	(122,397)	58,328
Interest, dividends and other income	(964,997)	(1,132,205)
Losses (Gains) on securities	98,407	(142,801)
Interest expenses	32,319	55,551
Foreign exchange losses (gains)	(81,491)	(185,482)
Losses (Gains) on tangible fixed assets	(1,136)	222
Investment losses (gains) under the equity method	16,586	7,039
Losses (Gains) on step acquisitions	-	(105,684)
Decrease (Increase) in due from agents	125	47
Decrease (Increase) in reinsurance receivables	(10,527)	(19,959)
Decrease (Increase) in other assets (excluding those related to investing and financing activities)	(1,524)	(30,056)
Increase (Decrease) in reinsurance payables	(6,287)	6,628
Increase (Decrease) in other liabilities (excluding those related to investing and financing activities)	(133,121)	106,342
Others, net	291,642	222,627
Subtotal	92,866	(69,998)
Interest, dividends and other income received	1,004,892	1,120,312
Interest paid	(30,118)	(54,840)
Policyholders' dividends paid	(58,895)	(59,221)
Others, net	(699)	(711)
Income taxes paid	(52,964)	4,470
Net cash provided by operating activities	955,081	940,010
II Cash flows from investing activities:		
Net decrease (increase) in deposits	(209,419)	342,535
Purchase of monetary claims bought	(1,552,482)	(2,992,521)
Proceeds from sales and redemption of monetary claims bought	1,451,157	2,910,824
Purchase of money held in trust	(9,768)	(6,498)
Purchase of securities	(6,988,808)	(8,203,715)
Proceeds from sales and redemption of securities	8,800,634	6,527,627
Loans made	(913,355)	(855,267)
Proceeds from collection of loans	873,810	785,846
Others, net	(2,167,721)	739,615
Total investment activities (II a)	(715,954)	(751,553)
[I + II a]	[239,126]	[188,457]
Purchase of tangible fixed assets	(54,824)	(78,622)
Proceeds from sales of tangible fixed assets	3,895	5,134
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(339,342)
Others, net	(16,738)	(23,689)
Net cash used in investing activities	(783,621)	(1,188,073)
III Cash flows from financing activities:		
Proceeds from issuance of debt	50,000	-
Repayments of debt	-	(18)
Proceeds from issuance of corporate bonds	-	151,665
Redemption of corporate bonds	(84,000)	(99,480)
Proceeds from issuance of foundation funds	-	50,000
Others, net	89,920	11,130
Net cash provided by (used in) financing activities	55,920	113,297
IV Effect of foreign exchange rate changes on cash and cash equivalents	21,305	8,053
V Net increase (decrease) in cash and cash equivalents	248,685	(126,711)
VI Cash and cash equivalents at the beginning of the year	297,861	546,546
VII Cash and cash equivalents at the end of the year	546,546	419,835

e. Unaudited Consolidated Statements of Changes in Net Assets

Year ended March 31, 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	73,458	712,461
Cumulative effect due to IFRS17 used for Singapore affiliate under the equity method				(10,168)	(10,168)
Beginning balance after reflecting IFRS17 used for Singapore affiliate under the equity method	-	639,000	2	63,289	702,292
Changes in the fiscal year					
Additions to policyholders' dividend reserves				(58,310)	(58,310)
Net surplus attributable to the Parent Company				119,992	119,992
Reversal of land revaluation differences				63	63
Net changes, excluding funds, reserve and surplus					
Net changes in the fiscal year	-	-	-	61,746	61,746
Ending balance	-	639,000	2	125,036	764,039

	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
Cumulative effect due to IFRS17 used for Singapore affiliate under the equity method								(10,168)
Beginning balance after reflecting IFRS17 used for Singapore affiliate under the equity method	1,015,426	(3,001)	(59,581)	(39,098)	(1,067)	912,676	141	1,615,110
Changes in the fiscal year								
Additions to policyholders' dividend reserves								(58,310)
Net surplus attributable to the Parent Company								119,992
Reversal of land revaluation differences								63
Net changes, excluding funds, reserve and surplus	(1,009,861)	(10,061)	(63)	67,315	6,072	(946,598)	5	(946,593)
Net changes in the fiscal year	(1,009,861)	(10,061)	(63)	67,315	6,072	(946,598)	5	(884,846)
Ending balance	5,564	(13,063)	(59,645)	28,216	5,005	(33,921)	147	730,264

Year ended March 31, 2024

(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	125,036	764,039
Changes in the fiscal year					
Issuance of foundation funds	50,000				50,000
Additions to policyholders' dividend reserves				(57,067)	(57,067)
Net surplus attributable to the Parent Company				164,196	164,196
Reversal of land revaluation differences				(3,045)	(3,045)
Net changes, excluding funds, reserve and surplus					
Net changes in the fiscal year	50,000	-	-	104,083	154,083
Ending balance	50,000	639,000	2	229,119	918,122

	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	730,264
Changes in the fiscal year								
Issuance of foundation funds								50,000
Additions to policyholders' dividend reserves								(57,067)
Net surplus attributable to the Parent Company								164,196
Reversal of land revaluation differences								(3,045)
Net changes, excluding funds, reserve and surplus	858,695	(23,297)	3,045	10,523	52,182	901,149	(654)	900,495
Net changes in the fiscal year	858,695	(23,297)	3,045	10,523	52,182	901,149	(654)	1,054,578
Ending balance	864,260	(36,360)	(56,600)	38,740	57,188	867,227	(507)	1,784,843

Notes to the Unaudited Consolidated Financial Statements

Policies of Presenting the Unaudited Consolidated Financial Statements for the Fiscal Year Ended March 31, 2024

1. Consolidated subsidiaries

The number of consolidated subsidiaries was 36 as of March 31, 2024.

The major subsidiaries as of March 31, 2024 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)
PREVENT Inc. (Japan)
Symetra Financial Corporation (U.S.A.)
Singapore Life Holdings Pte. Ltd. (Singapore)

PREVENT Inc. was included in the scope of the consolidation as a result of its share acquisition in the fiscal year ended March 31, 2024.

Singapore Life Holdings Pte. Ltd. and its seven subsidiaries were included in the scope of the consolidation as a result of acquisition of its additional shares in the fiscal year ended March 31, 2024.

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 March 31, 2024.

The number of affiliates under the equity method was 7 as of March 31, 2024.

The major affiliates as of March 31, 2024 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)

One subsidiary of Singapore Life Holdings Pte. Ltd. was excluded from affiliates under the equity method due to completion of liquidation from the fiscal year ended March 31, 2024.

Singapore Life Holdings Pte. Ltd. and one subsidiary of Singapore Life Holdings Pte. Ltd. were excluded from affiliates under the equity method due to acquisition of its additional shares, resulted in being included in the scope of consolidation from the period ended March 31, 2024.

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. Fiscal year-end of consolidated subsidiaries

The fiscal year-end of foreign subsidiaries is December 31. The consolidated financial statements include the accounts of the subsidiaries as of their fiscal year-end, with appropriate adjustments made for material transactions between their fiscal year-end and the consolidated balance sheet date.

4. Goodwill on consolidation

Goodwill (including goodwill relating to affiliates) is amortized on a straight-line basis over the period up to 20 years.

However, for items that are immaterial, the total amount of goodwill is fully recognized as expenses as incurred.

Notes to the Unaudited Consolidated Balance Sheet as of March 31, 2024

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. Derivatives are stated at the fair value.
4. 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.
5. 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.
6. 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.
7. 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 ¥28 million for the fiscal year ended March 31, 2024.

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.

8. Net defined benefit liabilities are provided based on the projected benefit obligations and plan assets as of the balance sheet date.

Assumptions used in accounting for the defined benefit plans for the fiscal year ended March 31, 2024 were as follows:

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

The following provide details of the retirement benefit plans.

1) Summary of the retirement benefit plans

The Company has defined benefit corporate pension plans and retirement allowance systems, which distribute a lump sum payment on retirement, as defined benefit plans, and a defined contribution pension plan as defined contribution plans.

The Company established retirement benefit trusts for certain retirement allowance systems.

As for accrued retirement benefits of certain consolidated subsidiaries, the simplified method is applied.

Certain foreign consolidated subsidiaries have defined contribution plans.

2) Defined benefit plans

- a) Changes in the defined benefit obligations for the fiscal year ended March 31, 2024 were as follows:

	Millions of Yen
At the beginning of the fiscal year	308,660
Service costs	13,270
Interest costs on projected benefit obligations	1,752
Actuarial losses (gains)	(291)
Benefits paid	(14,478)
Others	91
At the end of the fiscal year	309,005

- b) Changes in the plan assets for the fiscal year ended March 31, 2024 were as follows:

	Millions of Yen
--	-----------------

At the beginning of the fiscal year	340,364
Expected return on plan assets	2,282
Actuarial gains (losses)	72,523
Contribution by employer	5,655
Benefits paid	(6,002)
Others	51
At the end of the fiscal year	414,875

- c) The amounts of the defined benefit liabilities and the defined benefit assets in the consolidated balance sheet as of March 31, 2024 were determined as follows:

	Millions of Yen
Present value of funded obligations	306,564
Plan assets at fair value	(414,875)
Net present value of funded obligations	(108,311)
Present value of unfunded obligations	2,440
Net value on the balance sheet	(105,870)
Net defined benefit liabilities	2,440
Net defined benefit assets	(108,311)
Net value on the balance sheet	(105,870)

- d) The amounts recognized in retirement benefit expenses in the consolidated statement of income for the fiscal year ended March 31, 2024 were as follows:

	Millions of Yen
Service costs	13,270
Interest costs on projected benefit obligations	1,752
Expected return on plan assets	(2,282)
Amortization of net actuarial losses (gains)	(322)
Others	12
Retirement benefit expenses	12,430

- e) Major components of other comprehensive income and accumulated other comprehensive income

Major components of other comprehensive income (before income tax effect adjustments) for the fiscal year ended March 31, 2024 were as follows:

	Millions of Yen
Actuarial gains (losses)	72,492
Total	72,492

Major components of accumulated other comprehensive income (before income tax effect adjustments) as of March 31, 2024 were as follows:

	Millions of Yen
Unrecognized actuarial gains (losses)	79,434
Total	79,434

f) The plan assets

The plan assets as of March 31, 2024 were comprised as follows:

	% of total fair value of plan assets
Equity securities	50
General accounts of life insurance companies	28
Debt securities	5
Investment trusts	4
Others	13
Total	100

55% of the plan assets were the retirement benefit trusts as of March 31, 2024.

g) The expected long-term rate of return on the plan assets

The expected long-term rate of return on the plan assets is calculated by aggregating the weighted rates of return derived from each asset category. The expected long-term rates of return for each asset category are based primarily on various aspects of long-term prospects for the economy that include historical performance and the market environment.

h) Assumptions used in calculation

Assumptions used in accounting for the defined benefit plans for the fiscal year ended March 31, 2024 were as follows:

Discount rate	0.575%
Expected long-term rates of return on the plan assets	
Defined benefit pension plans	1.3%
Retirement benefit trusts	0.0%

3) Defined contribution plans

The amounts recognized as expenses for the defined contribution plans were ¥3,498 million for the fiscal year ended March 31, 2024.

9. Reserve for price fluctuation is calculated pursuant to Article 115 of the Insurance Business Act.

10. 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 deferred hedge method using interest rate swaps is used for hedges against interest rate fluctuations in certain policy reserves in order to appropriately control interest rate fluctuations, in accordance with Industry Audit Committee Practical Guideline No. 26, "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments in the Insurance Industry," issued by the Japanese Institute of Certified Public Accountants from the period ended March 31, 2023. 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 type of hedging instruments: interest-rate swaps, currency-swaps

The type of hedged instruments: loans

The type of hedge transactions: to fix the cash flows

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.

In determining the necessity of recognition and the amount of additional policy reserves, the Company refers to the result of the future cash flow analysis to confirm adequacy of policy reserves performed by the Appointed Actuary because future cash flows need to be estimated by using actuarial expertise in accordance with applicable laws and regulations.

Policy reserves of the consolidated foreign subsidiaries are provided pursuant to accounting principles generally accepted in the United States of America or International Financial Reporting Standards.

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 March 31, 2024, 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 accounting estimates recognized in accordance with "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No.31, March 31, 2020) are as follows:

- 1) Valuation of Goodwill

Goodwill recorded on the balance sheet at the end of fiscal year ended March 31, 2024, includes a goodwill (¥34,859 million) accompanied by the acquisition of U.S. subsidiaries.

This goodwill is recognized in the consolidated balance sheets of U.S. subsidiaries. Amortization and impairment test of the goodwill is performed by U.S. subsidiaries in accordance with the accounting alternatives allowed for private companies specified in Financial Accounting Standards Board ("FASB") Accounting Standards Codification, Topic 350, "Intangibles-Goodwill and Other".

Specifically, U.S. subsidiaries assess as to whether there are any triggering events and changes in circumstances that may indicate impairment at the entity level. If it is deemed more likely than not that the fair value of a reporting unit including goodwill is less than the carrying amount based on qualitative factors, quantitative impairment test is performed. The Company assesses the necessity of impairment on goodwill based on the results of U.S. subsidiaries' assessment.

In performing the triggering event indication and qualitative assessment, the Company assesses macroeconomic conditions, trends in the U.S. life insurance industry, operating results and future profit plans of U.S. subsidiaries, and other relevant entity-specific events. When performing the quantitative impairment test, U.S. subsidiaries will determine key assumptions such as future cash flows reflecting the insurance premiums based on prediction of future economic circumstances and the rates of paying claims, discount rate, and long-term growth rate.

An impairment loss may be recognized in the next fiscal year when relevant events and circumstances which indicate the triggering events are identified due to changes in future economic conditions that are uncertain in nature.

The Company determined that no triggering event was identified and recorded no impairment losses for the fiscal year ended March 31, 2024.

- 2) Amortization of Value of Business Acquired (VOBA) and Deferred Policy Acquisition Costs (DAC)

Other intangible fixed assets recorded on the balance sheet at the end of fiscal year ended March 31, 2024, includes Value of Business Acquired (VOBA) (¥22,816 million) accompanied by the acquisition of U.S. subsidiaries and other assets includes Deferred Policy Acquisition Costs (DAC) (¥285,518 million) of U.S. subsidiaries.

VOBA was recognized based on the actuarially estimated present value of future cash flows of

insurance policies and annuity contracts in-force as of acquisition of U.S. subsidiaries and DAC was recognized for the deferred costs that were directly related to the successful acquisition or renewal of insurance contracts after acquisition date.

VOBA and DAC are amortized over the lives of the associated insurance contracts with the amortization rates based on estimated future gross profits. To estimate future gross profits, U.S. subsidiaries set assumptions as to persistency rates, mortality rates and so on.

Additional amortization of VOBA and DAC could be recognized in the next fiscal year due to change in uncertain economic condition.

16. Following accounting standards and guidance are those issued but not yet applied.

• Financial Services - Insurance (Topic 944) (ASU No. 2018-12, ASU No. 2022-05)

1) Overview

The amendments are mainly designed to make improvements of the measurement liabilities related to long-duration insurance contracts.

2) Effective date

The standards and guidance will be effective in U.S. subsidiaries from the end of the fiscal year ended December 31, 2025.

3) Impact of applying the standards and guidance

The impact of applying the standards and guidance is currently under assessment.

17. The Company has applied "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022) at the beginning of the fiscal year ended March 31, 2024 in the consolidated financial statements, with the transition method stipulated in the proviso, Article 20-3 of "Accounting Standard for Current Income Taxes."

Regarding corporation tax/inhabitant tax etc. which are taxable on incomes, although the Company had recognized amounts calculated according to tax laws in net surplus, with the application of the standard, the Company has recognized such taxes in net surplus, funds/reserves etc., and accumulated other comprehensive income, depending on the transactions which are sources of the taxes. Especially, regarding taxes recognized in accumulated other comprehensive income, when the attributable transactions are recycled to net surplus, the Company will recycle the taxes to net surplus. When transactions which are sources of taxes are related to funds/reserves etc. or accumulated other comprehensive income, in addition to net surplus, and the calculation of the taxes imposed on funds/reserve etc. or accumulated other comprehensive income is practically difficult, the Company has recognized the taxes in net surplus.

Consequently, for the fiscal year ended March, 31, 2024 in the consolidated financial statements, "Income taxes" decreased by ¥25,985 million, "Net surplus attributable to the Parent Company" increased by the equal amount, and "Net unrealized gains on available-for-sale securities" in "Accumulated other comprehensive income" decreased by the equal amount.

18. Qualitative information on financial instruments, fair value of financial instruments and matters concerning fair value of financial instruments and breakdown by input level:

1) Qualitative information on financial instruments

The Company applies Asset and Liability Management (ALM) considering characteristics of life insurance liabilities to enhance soundness and profitability of investment returns in mid-to-long term by diversified investments mainly in assets denominated in yen such as bonds and loans, and in stocks within allowable risk limits. In addition, the Company utilizes derivative instruments primarily in order to hedge the risks of fluctuation of values of assets or liabilities.

Major components of the Company's financial instruments and associated risks are as follows:

Domestic bonds are exposed to market risk, which arises from the fluctuation of interest rates and other market indicators, and credit risk of issuers. Domestic and foreign stocks are exposed to market risk, which arises from the fluctuation of stock prices and foreign exchange rates, and credit risk of issuers. Foreign bonds are exposed to market risk, which arises from the fluctuation of interest rates, foreign exchange rates and other market indicators, and credit risk of issuers. Loans, mainly to domestic companies, are exposed to credit risk, which arises from deterioration of the financial condition of counterparties. They are also exposed to market risk since certain loans, similarly to bonds, change the fair values by fluctuation of interest rates although no active secondary markets exist.

The Company utilizes foreign currency forward contracts, currency options and currency swaps to hedge foreign currency risks of assets and liabilities denominated in foreign currencies, futures trading, forwards trading and options to hedge market risks of stocks, bond futures, options and interest rate swaptions to hedge market risks of fixed rate assets relating to the fluctuation of interest rates, and interest rate swaps to hedge interest fluctuation risks of floating rate assets. Gains and losses on certain foreign currency forward contracts to hedge foreign currency risks mainly of foreign securities are accounted for under hedge accounting. The deferred hedge method using interest rate swaps is used for hedges against interest rate fluctuations in certain policy reserves in order to appropriately control interest rate fluctuations, in accordance with Industry Audit Committee Practical Guideline No. 26, "Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators," issued by the Japanese Institute of Certified Public Accountants from the period ended March 31, 2022. The hedge effectiveness is regularly assessed by comparing fluctuations in the fair value of hedged items and hedging instruments.

Gains and losses on certain interest rate swaps used for hedging interest rate risks mainly of floating rate loans are accounted for under hedge accounting. The hedge effectiveness is regularly assessed by comparing fluctuations in cash flows of hedge items and hedging instruments.

When foreign currency forward contracts and currency swaps meet the criteria for applying the allocation method or when interest rate swap transactions meet the criteria for applying the exceptional method, hedge effectiveness is not assessed, according to accounting principles.

The risk management department maintains asset risk management in accordance with Risk Management Policy established by the board of directors. In addition, the Company strives to enhance risk assessment and management quantitatively and comprehensively by defining the framework of risk management about market risk and credit risk of financial instruments and concrete risk management processes pursuant to related rules. Moreover, the risk management department maintains effective risk management structures by independently monitoring whether trading departments operate in compliance with related policies and rules. The board of directors makes decisions in response to the reports of risk management situations.

In order to manage market risk, the Company assesses and analyzes sensitivities of existing financial instruments to changes in interest rates, foreign exchange rates, stock prices and other market indicators by comparing Value-at-Risk (VaR) as integrated risk exposure with the limit for market risk, which is calculated with consideration given to unrealized gains (losses) and realized gains (losses) on sales.

In order to manage credit risk, the Company assesses financial assets such as loans by using internal credit ratings corresponding to financial conditions of security issuers or counterparties of loans when the Company makes investments, and regularly reviews these ratings. Moreover, the Company manages credit risk by comparing Value-at-Risk (VaR) calculated with Monte Carlo simulations, which are based on the assumptions such as probability of transition for each internal credit rating and expected recovery rate at default, with the limit for credit risk.

2) 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 March 31, 2024.

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 and Payables under repurchase agreements 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	254,952	254,952	—
(Negotiable certificates of deposit)			
[Available-for-sale securities]*1	[254,952]	[254,952]	—
Monetary claims bought	479,404	475,173	(4,231)
[Available-for-sale securities]*1	[377,300]	[377,300]	—
Money held in trust	24,345	24,345	—
Securities	38,269,218	38,162,559	(106,658)
Trading securities	2,392,119	2,392,119	—
Held-to-maturity debt securities	2,055,291	2,219,178	163,887
Policy-reserve-matching bonds	13,834,827	13,561,628	(273,198)
Investments in unconsolidated subsidiaries and affiliated companies	41,397	44,050	2,652
Available-for-sale securities*2	19,945,582	19,945,582	—
Loans	3,322,067		
Allowance for possible loan losses*3	(4,017)		
	3,318,049	3,174,378	(143,671)
Corporate bonds	539,766	530,644	(9,122)
Derivative transactions*4	(393,095)	(393,095)	—
Hedge accounting not applied	12,753	12,753	—
Hedge accounting applied	(405,848)	(405,848)	—

*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 March 31, 2024.

a) Held-to-maturity debt securities

Millions of Yen				
	Type	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount	Bonds	213,533	225,974	12,440
	Foreign securities (bonds)	1,315,800	1,492,302	176,502
Fair value does not exceed the balance sheet amount	Bonds	135,958	128,668	(7,290)
	Foreign securities (bonds)	390,000	372,233	(17,766)
Total		2,055,291	2,219,178	163,887

b) Policy-reserve-matching bonds

Millions of Yen				
	Type	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount	Bonds	7,557,941	8,216,365	658,424
	Foreign securities (bonds)	309,190	318,600	9,410
Fair value does not exceed the balance sheet amount	Bonds	4,502,750	3,730,276	(772,473)
	Foreign securities (bonds)	1,464,946	1,296,385	(168,560)
Total		13,834,827	13,561,628	(273,198)

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 March 31, 2024.

c) Available-for-sale securities

Millions of Yen				
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	Type	Acquisition cost or amortized cost	Balance sheet amount	Difference
	Negotiable certificates of deposit	—	—	—
Balance sheet	Monetary claims bought	38,221	39,199	978
amount exceeds	Bonds	454,960	484,884	29,924
acquisition cost	Stocks	1,167,967	2,943,123	1,775,155
or amortized cost	Foreign securities	5,835,302	6,273,331	438,028
	Foreign bonds	4,731,027	4,975,002	243,975
	Other foreign securities	1,104,275	1,298,329	194,053
	Other securities	202,671	259,734	57,063
	Negotiable certificates of deposit	255,000	254,952	(47)
Balance sheet	Monetary claims bought	348,822	338,101	(10,721)
amount does not	Bonds	2,121,973	1,796,578	(325,394)
exceed	Stocks	155,360	129,502	(25,857)
acquisition cost	Foreign securities	8,759,567	7,919,233	(840,333)
or amortized cost	Foreign bonds	7,571,880	6,922,661	(649,219)
	Other foreign securities	1,187,686	996,572	(191,113)
	Other securities	153,005	139,194	(13,811)
	Total	19,492,851	20,577,835	1,084,983

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 "2) Fair value of financial instruments:"

	Millions of Yen
	Balance sheet amount
Stocks with no market prices*1	128,402
Investments in partnership*2	454,645

*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.

Note 3: Maturity analysis of monetary claims, securities with maturities, corporate bonds and other liabilities

Scheduled redemptions of monetary claims, securities with maturities and corporate bonds as of March 31, 2024.

	Millions of Yen			
	Within 1 year	Over 1 year to 5 years	Over 5 years to 10 years	Over 10 years

Negotiable certificates of deposit	255,000	—	—	—
Monetary claims bought	236,052	223	309	252,543
Securities	1,095,430	5,013,577	9,261,006	15,534,252
Held-to-maturity debt securities	215,941	381,711	487,277	976,974
Policy-reserve-matching bonds	121,447	1,672,357	4,429,210	7,631,879
Available-for-sale securities	758,042	2,959,509	4,344,518	6,925,398
Loans*	297,416	632,782	714,435	1,400,623
Corporate bonds	33,909	—	59,114	297,030

*The table above excludes certain financial instruments for which estimation of the value of recovery is impracticable, such as loans to borrowers that are legally or substantially bankrupt and borrowers likely to become bankrupt, and those without maturities.

3) 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	—	254,952	—	254,952
Monetary claims bought	—	235,977	141,323	377,300
Money held in trust	—	—	24,345	24,345
Securities	7,603,914	12,545,346	1,597,996	21,747,257
Trading securities	1,227,630	1,095,044	69,445	2,392,119
Available for sale securities	6,376,283	11,450,302	1,528,551	19,355,137
National government bonds	1,006,709	—	—	1,006,709
Local government bonds	—	39,667	—	39,667
Corporate bonds	—	1,235,085	—	1,235,085
Domestic stocks	3,068,076	4,548	—	3,072,625
Foreign securities	2,140,240	9,947,323	1,528,551	13,616,115

Foreign bonds	1,679,300	8,945,905	1,272,359	11,897,565
Other foreign securities	460,939	1,001,418	256,191	1,718,550
Other securities	161,256	223,676	—	384,933
Loans	—	—	122,421	122,421
Derivative transactions	2,080	188,333	10,370	200,784
Currency-related	—	53,152	171	53,323
Interest-rate related	—	28,245	—	28,245
Stock-related	1,814	95,573	10,199	107,587
Other	265	11,362	—	11,628
Total assets	7,605,994	13,224,610	1,896,456	22,727,061
Derivative transactions	252	592,401	1,226	593,879
Currency-related	—	521,004	899	521,904
Interest-rate related	—	64,273	—	64,273
Stock-related	252	6,512	326	7,091
Other	—	610	—	610
Total liabilities	252	592,401	1,226	593,879

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 ¥590,444 million as of March 31, 2024.

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	61,852
Recorded to gains (losses) for the period*1	4,431
Recorded to other comprehensive income*2	57,421
Net amount of purchase, sale, issuance and settlement, etc.	193,458
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	590,444
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 ¥408,797 million as of March 31, 2024.

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	—	—	97,872	97,872
Securities	10,286,617	5,536,234	2,006	15,824,857
Held-to-maturity debt securities	156,558	2,062,620	—	2,219,178
National government bonds	156,558	—	—	156,558
Local government bonds	—	16,097	—	16,097
Corporate bonds	—	181,986	—	181,986
Foreign securities	—	1,864,536	—	1,864,536
Foreign bonds	—	1,864,536	—	1,864,536
Policy-reserve-matching bonds	10,128,793	3,430,828	2,006	13,561,628
National government bonds	10,128,793	—	—	10,128,793
Local government bonds	—	128,290	—	128,290
Corporate bonds	—	1,689,557	—	1,689,557
Foreign securities	—	1,612,980	2,006	1,614,986
Foreign bonds	—	1,612,980	2,006	1,614,986
Investments in unconsolidated subsidiaries and affiliated companies	1,264	42,785	—	44,050
Loans	—	15,965	3,035,991	3,051,956
Total assets	10,286,617	5,552,200	3,135,869	18,974,687
Corporate bonds	—	530,644	—	530,644
Total liabilities	—	530,644	—	530,644

(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 by discounting the total amount of principal and interest and others at interest rates based on the discount rate reflecting such as expected loss by categories according to the types, internal ratings and terms of the loans and bills discounted. When significant unobservable valuation inputs are used, those securities 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*1

Category	Valuation technique	Significant unobservable inputs	Range
Loans	Discounted cash flow	Discount rate	6.15%-7.45%

*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 March 31, 2024

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	(9,933)	2,868	142,079	814	(14,523)	121,305
Recorded to gains (losses) for the period*1	2	2,868	124,208	814	(14,523)	113,371
Recorded to other comprehensive income*2	(9,935)	—	17,870	—	—	7,934
Net amount of purchase, sale, issuance and settlement, etc.	(2,460)	6,485	323,341	(1,534)	18,511	344,344
Transfer to Level 3*3	—	—	5,911	—	—	5,911
Transfer from Level 3	—	—	—	—	—	—
Ending balance	141,323	24,345	1,597,996	122,421	9,143	1,895,230
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	—	—	(0)	(12,102)	(10,252)	(22,355)

*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.

19. The carrying amount for investment and rental properties was ¥469,084 million, and its fair value was ¥622,640 million as of March 31, 2024. The Company owns office buildings and land in Tokyo and other areas, the fair value of which is mainly based on appraisals by qualified external appraisers. Asset retirement obligations for certain investment and rental properties were established as other liabilities in the amount of ¥1,436 million as of March 31, 2024.
20. 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 ¥585 million as of March 31, 2024. The details are as follows:

The amount of claims against bankrupt or de facto bankrupt borrowers was nil and doubtful claims was ¥585 million as of March 31, 2024. The amount of claims deemed uncollectible and directly deducted from the claims in the consolidated balance sheet was ¥15 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 March 31, 2024.

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 March 31, 2024. 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).

21. Accumulated depreciation of tangible fixed assets amounted to ¥423,931 million as of March 31, 2024.
22. The total amount of assets held in separate accounts defined in Article 118 of the Insurance Business Act was ¥881,798 million as of March 31, 2024. The total amount of separate account liabilities was the same as this.
23. Changes in policyholders' dividend reserves for the fiscal year ended March 31, 2024 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 fiscal year	59,221
Interest accrued during the fiscal year	25
At the end of the fiscal year	213,538

24. Total amount of investments in unconsolidated subsidiaries and affiliates was ¥187,476 million as of March 31, 2024.
25. Assets pledged as collateral were securities in the amount of ¥5,429,574 million, loans in the amount of ¥773,250 million and cash and deposits in the amount of ¥10,837 million as of March 31, 2024.
26. Consolidation as a result of acquisition

1) Overview of business combination

a) Name and business of the acquired company

Company name: Singapore Life Holdings Pte. Ltd. ("Singlife")

Business: insurance and insurance related business*1

*1 Singlife is a holding company and its subsidiaries operate the business.

b) Purpose of the acquisition

The Company has prioritized Singapore as one of the most prospective markets in its business

strategies in Asia, and supported Singlife's business expansion, as a strategic investor which has been involved in management in a long term since the Company's initial investment in 2019.

Singlife has had strength in its business model utilizing digital technologies since its establishment, successfully expanded its business as exemplified in its acquisition of Aviva's business in Singapore, and has grown into one of the major insurance companies in Singapore which currently offers variety of products with broad range of sales channels.

Singlife has also been developing business in Philippines as its business expansion in Asia. Based on both aspects of successful achievements and potential further growth and friendly relationships the Company and Singlife have built up, the Company has eventually decided to make Singlife a subsidiary.

c) Date of business combination

December 31, 2023 (Deemed acquisition date)

d) Legal form of business combination

Share purchases with cash contribution

e) Name of the acquired company after combination

Singapore Life Holdings Pte. Ltd.

f) The Company's ownership percentage after completion of the transaction

Ownership right before the combination	26.47%
Additional ownership acquired on the date of business combination	73.53%
Ownership after the acquisition	100.00%

g) Controlling company

The Company holds more than a 50% stake in Singlife and, therefore, controls the decision-making body of Singlife.

2) Accounting period for which earnings of the acquired company are included in the consolidated statement of income

As the Company used the acquiree's consolidated balance sheet as of the date of business combination, the earnings of the acquired company are not included in the consolidated statement of income.

3) Acquisition cost and breakdown

Fair values of stocks owned right before business combination	¥126,937 million
Consideration paid in cash for additional acquisition	¥378,489 million
Total	¥505,426 million

4) Difference between acquisition cost and book value under equity method

Gains on step acquisitions ¥105,684 million

5) Cost related to acquisition

Fees to outside advisors, etc. ¥3,494 million

6) Allocation of acquisition cost

a) The amounts of assets acquired and liabilities assumed at the date of business combination

Total assets ¥1,335,651 million

Securities included in the above "Total assets" ¥1,213,740 million

Total liabilities ¥1,286,431 million

Policy reserves and others included in the above "Total liabilities" ¥1,176,396 million

b) Amount of recognized goodwill, reason to recognize goodwill, and amortization methods and amortization period

1. Amount of recognized goodwill

¥445,546 million

2. Reason to recognize goodwill

The acquisition cost calculated based on the acquiree's projected future profit as of the date of business acquisition exceeded the net amounts of assets acquired and liabilities assumed.

At the end of the fiscal year ended March 31, 2024, identification and fair value valuation of recognizable assets and liabilities on the date of business combination are still in progress, and allocation of the acquisition cost is not yet finalized, the Company has applied tentative accounting treatments with reasonable information currently obtainable.

Therefore, the company has not recognized intangible assets etc., and tentatively recognized the difference between the acquisition cost and the net amount of assets acquired and liabilities assumed as goodwill.

Accordingly, amortization methods and amortization period are currently under discussions.

7) The pro forma effect on consolidated financial results on the assumption that the business combination had been completed at the beginning of the fiscal year ended March 31, 2024.

Ordinary income ¥417,594 million

Ordinary loss ¥2,918 million

Net loss attributable to the Parent Company ¥4,501 million

The ordinary income, ordinary loss and net loss attributable to the Parent Company above are calculated based on the amounts on the Singlife's financial statements for the fiscal year ended December 31, 2023.

The calculation does not include amortization of goodwill and intangible assets, because allocation of the acquisition is not yet finalized.

These amounts do not represent the actual figures, which were calculated assuming that the business combination had been completed at the beginning of the fiscal year ended March 31, 2024.

This pro forma financial information is unaudited.

27. 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 March 31, 2024.

28. The company plans a premature repayment of the subordinated debt of ¥50,000 million with special

provisions that subordinate the fulfilment of obligation on the debt to all other debt obligations on June 21, 2024.

29. Securities loaned under security lending agreements amounted to ¥5,188,107 million as of March 31, 2024.
30. 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 ¥37 million, and none of the securities was pledged as collateral as of March 31, 2024.
31. The amount of loan commitments outstanding was ¥22,331 million as of March 31, 2024.
32. The amount of corporate bonds in liabilities included ¥506,019 million of subordinated bonds and foreign currency-denominated subordinated bonds with special provisions that subordinate the fulfilment of obligations on the bonds to all other debt obligations as of March 31, 2024.
33. Other liabilities included subordinated debts of ¥170,000 million with special provisions that subordinate the fulfilment of obligations on the debts to all other debt obligations as of March 31, 2024.
34. Other assets and other liabilities included assets and liabilities related to the modified coinsurance in U.S. subsidiary of ¥667,754 million and ¥609,211 million, respectively.
35. 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.
36. The company and some consolidated subsidiaries in Japan, which adopted the Group Tax Sharing System, processed and disclosed corporate tax and local corporate tax, and Tax Effect Accounting, based on "the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Practical Issues Task Force No.42, August 12, 2021).

37. Deferred tax assets/liabilities as of March 31, 2024 were recognized as follows:

	Millions of Yen
Deferred tax assets	852,325
Valuation allowance for deferred tax assets	(17,412)
Subtotal	834,912
Deferred tax liabilities	(553,322)
Net deferred tax assets	281,590

Major components of deferred tax assets/liabilities as of March 31, 2024 were as follows:

	Millions of Yen
--	-----------------

Deferred tax assets:	
Policy reserves and other reserves	442,138
Reserve for price fluctuation	253,898
Deferred tax liabilities:	
Net unrealized gains on available-for-sale securities	(380,593)

The actual effective income tax rate was 0.6% for the fiscal year ended March 31, 2024. Major components in the difference with the statutory effective income tax rate of 27.96% as of March 31, 2024 were as follows:

Gains on step acquisitions	(17.9)%
Policyholders' dividend reserves	(9.9)%

38. Singapore Life Holdings Pte. Ltd. applied International Financial Reporting Standards "Insurance Contracts" (IFRS 17) at the beginning of the fiscal year ended March 31, 2024 in the consolidated financial statements.

Notes to the Unaudited Consolidated Statement of Income for the Fiscal Year Ended March 31, 2024

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 fiscal year ended March 31, 2024, 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 fiscal year ended March 31, 2024

Asset Group	Asset Category	Millions of Yen
Real estates for investment, etc.	Land and buildings, etc.	122
Idle assets, etc.	Land and buildings, etc.	41
Total		163

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 Comprehensive Income for the Fiscal Year Ended March 31, 2024

1. The components of other comprehensive income for the fiscal year ended March 31, 2024 were as follows:

Reclassification adjustments, income taxes and income tax effects relating to other comprehensive income were as follows:	Millions of Yen
Net unrealized gains (losses) on available-for-sale securities:	
Amount arising during the fiscal year	1,181,218
Reclassification adjustments	(8,442)
Before income tax effect adjustments	1,172,776
Income taxes and Income tax effects	(317,545)
Net unrealized gains (losses) on available-for-sale securities	855,230
Deferred gains (losses) on derivatives under hedge accounting:	
Amount arising during the fiscal year	(35,141)
Reclassification adjustments	3,172
Before income tax effect adjustments	(31,968)
Income taxes and Income tax effects	8,671
Deferred gains (losses) on derivatives under hedge accounting	(23,297)
Foreign currency translation adjustments:	
Amount arising during the fiscal year	14,404
Reclassification adjustments	—
Before income tax effect adjustments	14,404
Income taxes and Income tax effects	—
Foreign currency translation adjustments	14,404
Remeasurements of defined benefit plans:	
Amount arising during the fiscal year	72,815
Reclassification adjustments	(322)
Before income tax effect adjustments	72,492
Income taxes and Income tax effects	(20,310)
Remeasurements of defined benefit plans	52,182
Share of other comprehensive income of associates under the equity method:	
Amount arising during the year	8,280
Reclassification adjustments	(8,696)
Share of other comprehensive income of associates under the equity method	(416)
Total other comprehensive income	898,104

Notes to the Unaudited Consolidated Statement of Cash Flows for the Fiscal Year Ended March 31, 2024

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 March 31, 2024 was as follows:

	Millions of Yen
Cash and deposits	1,102,612
Deposits bearing interest of the Company and domestic consolidated subsidiaries	(682,776)
Cash and cash equivalents	419,835

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 March 31, 2024
Solvency margin gross amount (A)	3,597,472	4,772,386
Foundation funds and others	518,919	233,369
Reserve for price fluctuation	849,771	908,100
Contingency reserve	756,736	773,900
Unusual contingency reserve	–	–
General allowance for possible loan losses	4,123	4,215
(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	1,055,840
Net unrealized gains on real estate × 85% (Multiplied by 100% if losses)	140,574	143,511
Total amount of unrecognized actuarial gains (losses) and unrecognized past service costs	6,942	79,434
Excess of continued Zillmerized reserve	779,854	787,136
Qualifying subordinated debt	566,510	618,695
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	–	–
Deduction clause	(166,213)	(170,265)
Others	108,056	338,447
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	1,492,488
Insurance risk R_1	99,759	109,343
General insurance risk R_5	–	873
Large disaster risk R_6	0	1,366
Third-sector insurance risk R_8	95,565	111,448
Insurance risk of small-amount, short-term insurer R_9	9	9
Risk of assumed yield R_2	175,797	181,913
Minimum guarantee risk R_7^{\ast}	8,134	9,577
Investment risk R_3	832,861	1,249,530
Operational risk R_4	24,242	33,281
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	679.0%	639.5%

※ 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.

IFRS 17, which has been applied to Singapore Life Holdings Pte. Ltd. from the beginning of the fiscal year ending March 31, 2024, has been retrospectively applied to figures as of March 31, 2023.

3. Non-Consolidated Financial Information

a. Overall Composition of Investments (General Account)

(Millions of Yen, %)

	As of March 31, 2023		As of March 31, 2024	
	Amount	% of total	Amount	% of total
Cash, deposits and call loans	2,076,849	6.0	1,474,957	3.9
Monetary claims bought	407,646	1.2	479,404	1.3
Money held in trust	14,990	0.0	24,345	0.1
Investments in securities	28,225,231	81.7	31,789,069	85.0
Domestic bonds	14,976,500	43.3	14,420,176	38.6
Domestic stocks	2,322,637	6.7	3,279,944	8.8
Foreign securities	10,582,451	30.6	13,560,063	36.3
Foreign bonds	8,370,096	24.2	10,020,877	26.8
Other foreign securities	2,212,355	6.4	3,539,186	9.5
Other securities	343,641	1.0	528,885	1.4
Loans	2,198,274	6.4	2,164,509	5.8
Policy loans	234,873	0.7	226,775	0.6
Industrial and consumer loans	1,963,401	5.7	1,937,734	5.2
Real estate	588,024	1.7	643,568	1.7
Investment property	403,356	1.2	468,707	1.3
Deferred tax assets	493,008	1.4	208,307	0.6
Other assets	547,963	1.6	597,969	1.6
Allowance for possible loan losses	(867)	(0.0)	(804)	(0.0)
Total	34,551,122	100.0	37,381,328	100.0
Foreign currency denominated assets	9,754,013	28.2	12,080,542	32.3

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 March 31, 2024	
	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	24,345	2,044

Note: The table above includes money, etc. 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 March 31, 2024				
	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)	1,926,606	2,092,804	166,198	184,790	(18,592)
Policy-reserve-matching bonds	13,192,905	13,610,612	417,707	975,068	(557,360)	13,799,326	13,527,225	(272,100)	667,808	(939,909)
Investments in subsidiaries and affiliated companies	53,077	45,626	(7,451)	-	(7,451)	43,624	44,050	425	425	-
Available-for-sale securities	12,881,722	13,250,150	368,428	1,303,032	(934,604)	13,740,636	15,113,583	1,372,947	2,268,171	(895,224)
Domestic bonds	3,025,881	2,833,870	(192,011)	34,902	(226,913)	2,468,761	2,174,180	(294,580)	27,573	(322,154)
Domestic stocks	1,065,125	2,118,405	1,053,280	1,084,853	(31,573)	1,323,271	3,072,377	1,749,105	1,774,963	(25,857)
Foreign securities	7,703,747	7,207,489	(496,257)	160,382	(656,640)	8,950,882	8,835,843	(115,038)	407,593	(522,632)
Foreign bonds	6,159,486	5,788,664	(370,822)	95,914	(466,736)	6,658,920	6,540,941	(117,978)	213,539	(331,518)
Other foreign securities	1,544,260	1,418,824	(125,435)	64,468	(189,903)	2,291,962	2,294,902	2,939	194,053	(191,113)
Other securities	248,157	251,419	3,261	19,658	(16,396)	355,676	398,928	43,251	57,063	(13,811)
Monetary claims bought	296,510	296,712	201	3,236	(3,034)	387,043	377,300	(9,743)	978	(10,721)
Negotiable certificates of deposit	542,300	542,253	(46)	-	(46)	255,000	254,952	(47)	-	(47)
Others	-	-	-	-	-	-	-	-	-	-
Total	27,658,862	28,635,959	977,097	2,476,638	(1,499,540)	29,510,192	30,777,663	1,267,470	3,121,196	(1,853,726)
Domestic bonds	15,168,512	15,536,037	367,524	1,016,901	(649,376)	14,714,757	14,314,687	(400,069)	694,259	(1,094,329)
Domestic stocks	1,065,964	2,118,958	1,052,994	1,084,853	(31,858)	1,324,111	3,073,642	1,749,531	1,775,389	(25,857)
Foreign securities	10,337,417	9,890,578	(446,838)	351,989	(798,828)	12,473,604	12,358,151	(115,452)	593,506	(708,958)
Foreign bonds	8,740,918	8,426,680	(314,237)	287,521	(601,758)	10,138,856	10,020,464	(118,392)	399,452	(517,845)
Other foreign securities	1,596,499	1,463,897	(132,601)	64,468	(197,069)	2,334,747	2,337,687	2,939	194,053	(191,113)
Other securities	248,157	251,419	3,261	19,658	(16,396)	355,676	398,928	43,251	57,063	(13,811)
Monetary claims bought	296,510	296,712	201	3,236	(3,034)	387,043	377,300	(9,743)	978	(10,721)
Negotiable certificates of deposit	542,300	542,253	(46)	-	(46)	255,000	254,952	(47)	-	(47)
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 March 31, 2024
Investments in subsidiaries and affiliated companies	789,941	1,193,362
Available-for-sale securities	198,522	261,773
Domestic stocks	21,414	22,762
Foreign stocks	34,558	34,558
Others	142,548	204,452
Total	988,463	1,455,135

(3) Fair Value Information of Money held in trust

(Millions of Yen)

	As of March 31, 2023					As of March 31, 2024				
	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	-	-	-	24,345	24,345	-	-	-

Money held in trust for trading

(Millions of Yen)

	As of March 31, 2023		As of March 31, 2024	
	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	24,345	2,044

Money held in trust except for trading

No money held in trust except for trading as of March 31, 2023 and March 31, 2024.

c. 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 March 31, 2024					
	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)	(13,805)	(355,739)	-	-	-	(369,545)
Hedge accounting not applied	1,147	(200,021)	(3,833)	-	(1,129)	(203,836)	56	(114,666)	(2,342)	-	5,450	(111,501)
Total	5,163	(400,696)	(3,833)	-	(1,129)	(400,496)	(13,748)	(470,406)	(2,342)	-	5,450	(481,047)

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 ¥357,149 million as of March 31, 2023 and March 31, 2024, respectively.

(2) Interest-related

(Millions of Yen)

Type	As of March 31, 2023				As of March 31, 2024			
	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)	378,210	378,200	(33,873)	(33,873)
Receipts floating, payments fixed	100,147	100,147	17,173	17,173	113,557	113,557	20,124	20,124
Total				5,163				(13,748)

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

(Reference)

Interest rate swaps by contractual maturity dates

[As of March 31, 2024]

(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)	10	500	2,000	700	-	375,000	378,210
Average fixed rate (receipt)	0.86	0.16	0.71	0.83	-	0.95	0.94
Average floating rate (payment)	0.63	0.41	0.55	0.47	-	0.01	0.01
Notional amount (receipts floating, payments fixed)	-	-	45,423	68,134	-	-	113,557
Average fixed rate (payment)	-	-	1.83	2.39	-	-	2.17
Average floating rate (receipt)	-	-	6.77	7.31	-	-	7.09

(3) Currency-related

(Millions of Yen)

Type	As of March 31, 2023				As of March 31, 2024			
	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)	5,924,009	449,248	(496,468)	(496,468)
(U.S. dollar)	4,959,945	663,063	(292,026)	(292,026)	4,632,049	437,284	(381,858)	(381,858)
(Euro)	2,131,914	-	(176,149)	(176,149)	777,954	-	(55,944)	(55,944)
(Australian dollar)	926,262	27,290	(14,634)	(14,634)	439,328	-	(51,538)	(51,538)
Bought	3,522,443	-	54,000	54,000	1,383,039	1,614	30,252	30,252
(U.S. dollar)	1,697,147	-	10,407	10,407	981,910	1,614	22,013	22,013
(Euro)	1,336,183	-	47,926	47,926	234,683	-	7,270	7,270
(Australian dollar)	396,207	-	(5,848)	(5,848)	114,029	-	1,298	1,298
Currency options								
Sold								
Call	83,200	-			407,720	-		
[678]			256	422	[944]		895	49
(U.S. dollar)	83,200	-			407,720	-		
[678]			256	422	[944]		895	49
Put	-	-			130,000	-		
[-]			-	-	[392]		4	387
(U.S. dollar)	-	-			130,000	-		
[-]			-	-	[392]		4	387
Bought								
Put	914,650	-			699,040	-		
[3,933]			1,632	(2,301)	[3,869]		171	(3,697)
(U.S. dollar)	914,650	-			699,040	-		
[3,933]			1,632	(2,301)	[3,869]		171	(3,697)
Currency swaps	37,806	35,351	(7,039)	(7,039)	40,507	40,507	(15,019)	(15,019)
(U.S. dollar)	35,351	35,351	(6,634)	(6,634)	40,507	40,507	(15,019)	(15,019)
(Euro)	2,454	-	(405)	(405)	-	-	-	-
Total				(437,016)				(484,496)

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, 2023				As of March 31, 2024			
	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								
Stock index options								
Sold								
Call	40,000 [1,046]	-	390	656	- [-]	-	-	-
Bought								
Put	547,130 [4,936]	-	446	(4,489)	550,000 [2,342]	-	0	(2,342)
Total				(3,833)				(2,342)

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

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

(5) Bond-related

No Bond-related as of March 31, 2023 and March 31, 2024.

(6) Others

(Millions of Yen)

Type	As of March 31, 2023				As of March 31, 2024			
	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	90,352 [219]	-	610	(391)
Bought								
Call	186,144 [4,144]	-	2,905	(1,238)	264,444 [5,520]	-	11,362	5,842
				(1,129)				5,450

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

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

d. Disclosed Claims Based on Insurance Business Act

(Millions of Yen, %)

	As of March 31, 2023	As of March 31, 2024
Claims against bankrupt and quasi-bankrupt obligors	-	-
Claims with collection risk	783	585
Claims that are overdue for 3 months or more	-	-
Claims with repayment relaxation	-	-
Subtotal	783	585
[Percentage]	[0.01]	[0.01]
Claims against normal obligors	6,211,212	7,378,897
Total	6,211,996	7,379,482

- 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.