
Financial Results for the Fiscal Year Ended March 31, 2025
(With Notes to the Unaudited Consolidated Financial Statements)

Sumitomo Life Insurance Company announces financial results for the fiscal year ended March 31, 2025.

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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, 2024	As of March 31, 2025
Assets:		
Cash and deposits	1,102,612	1,326,363
Call loans	834,182	1,152,304
Monetary claims bought	479,404	550,257
Money held in trust	24,345	62,022
Securities	38,852,266	38,197,797
Loans	3,322,067	3,559,146
Tangible fixed assets	660,619	667,974
Land	432,346	436,865
Buildings	206,170	197,710
Lease assets	7,592	13,321
Construction in progress	6,427	10,811
Other tangible fixed assets	8,082	9,265
Intangible fixed assets	617,321	622,756
Software	45,261	56,301
Goodwill	336,535	335,193
Other intangible fixed assets	235,524	231,261
Due from agents	113	145
Reinsurance receivables	32,601	51,250
Other assets	1,821,437	2,068,423
Net defined benefit assets	108,311	182,882
Deferred tax assets	273,229	433,080
Allowance for possible loan losses	(4,486)	(5,583)
Total assets	48,124,026	48,868,823
Liabilities:		
Policy reserves and other reserves	37,615,172	39,514,902
Reserve for outstanding claims	228,310	232,120
Policy reserves	37,173,323	39,071,703
Policyholders' dividend reserves	213,538	211,078
Reinsurance payables	21,144	20,051
Corporate bonds	539,766	550,123
Other liabilities	7,216,973	6,186,424
Payables under repurchase agreements	4,760,283	3,725,641
Other	2,456,689	2,460,782
Net defined benefit liabilities	2,440	2,731
Accrued retirement benefits for directors	1	1
Reserve for price fluctuation	908,100	931,700
Deferred tax liabilities	23,154	21,246
Deferred tax liabilities for land revaluation	12,430	12,738
Total liabilities	46,339,183	47,239,918
Net assets:		
Foundation funds	50,000	50,000
Reserve for redemption of foundation funds	639,000	639,000
Reserve for revaluation	2	2
Surplus	229,119	209,331
Total funds, reserve and surplus	918,122	898,333
Net unrealized gains (losses) on available-for-sale securities	864,260	602,992
Deferred gains (losses) on derivatives under hedge accounting	(36,360)	(65,609)
Land revaluation differences	(56,600)	(46,740)
Foreign currency translation adjustments	38,740	140,866
Remeasurements of defined benefit plans	57,188	99,680
Total accumulated other comprehensive income	867,227	731,190
Non-controlling interests	(507)	(619)
Total net assets	1,784,843	1,628,904
Total liabilities and net assets	48,124,026	48,868,823

b. Unaudited Consolidated Statements of Income

(Millions of Yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Ordinary income	4,378,769	5,182,591
Insurance premiums and other	2,644,206	3,375,394
Investment income	1,643,252	1,709,574
Interest, dividends and other income	1,132,162	1,274,628
Gains on money held in trust	2,861	1,391
Gains on trading securities	31,917	129,391
Gains on sales of securities	148,786	273,733
Gains on redemption of securities	3,559	10,799
Foreign exchange gains	192,241	-
Other investment income	14,270	19,629
Investment gains on separate accounts	117,452	-
Other ordinary income	91,311	97,622
Ordinary expenses	4,260,978	5,113,168
Benefits and other payments	2,303,512	2,524,816
Claims paid	597,207	645,772
Annuity payments	432,351	477,362
Benefits payments	480,481	521,377
Surrender benefits	557,210	670,868
Other refunds	236,261	209,434
Provision for policy reserves and other reserves	764,409	979,442
Provision for reserves for outstanding claims	15,223	10,493
Provision for policy reserves	749,160	968,745
Provision for interest on policyholders' dividend reserves	25	203
Investment expenses	501,233	773,541
Interest expenses	55,551	71,186
Losses on sales of securities	137,691	260,581
Losses on valuation of securities	5,712	8,345
Losses on redemption of securities	445	701
Losses on derivative financial instruments	229,103	227,255
Foreign exchange losses	-	69,667
Provision for allowance for possible loan losses	39	801
Depreciation of real estate for investments	9,758	10,051
Other investment expenses	62,931	111,490
Investment losses on separate accounts	-	13,460
Operating expenses	507,797	643,774
Other ordinary expenses	184,025	191,593
Ordinary profit	117,791	69,422
Extraordinary gains	107,212	17
Gains on disposals of fixed assets	1,528	17
Gains on step acquisitions	105,684	-
Extraordinary losses	59,796	39,777
Losses on disposals of fixed assets	575	4,606
Impairment losses	180	10,839
Provision for reserve for price fluctuation	58,328	23,600
Payments to social responsibility reserve	711	731
Surplus (loss) before income taxes	165,208	29,662
Income taxes		
Current	(11,607)	68,387
Deferred	12,612	(87,628)
Total income taxes	1,004	(19,241)
Net surplus (loss)	164,203	48,904
Net surplus (loss) attributable to non-controlling interests	7	(284)
Net surplus (loss) attributable to the Parent Company	164,196	49,189

c. Unaudited Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Net surplus	164,203	48,904
Other comprehensive income (loss)	898,104	(146,383)
Net unrealized gains (losses) on available-for-sale securities	855,230	(262,513)
Deferred gains (losses) on derivatives under hedge accounting	(23,297)	(29,249)
Land revaluation differences	-	(404)
Foreign currency translation adjustments	14,404	98,333
Remeasurements of defined benefit plans	52,182	42,493
Share of other comprehensive income (loss) of associates under the equity method	(416)	4,956
Comprehensive income (loss)	1,062,308	(97,478)
Comprehensive income (loss) attributable to the Parent Company	1,062,300	(97,113)
Comprehensive income (loss) attributable to non-controlling interests	7	(365)

d. Unaudited Consolidated Statements of Cash Flows

(Millions of Yen)

	Year ended March 31, 2024	Year ended March 31, 2025
I Cash flows from operating activities:		
Surplus (loss) before income taxes	165,208	29,662
Depreciation of real estate for investments	9,758	10,051
Depreciation	36,220	46,305
Impairment losses	180	10,839
Amortization of goodwill	9,970	30,706
Increase (Decrease) in reserve for outstanding claims	20,169	2,641
Increase (Decrease) in policy reserves	849,702	954,021
Provision for interest on policyholders' dividend reserves	25	203
Increase (Decrease) in allowance for possible loan losses	(128)	673
Increase (Decrease) in net defined benefit liabilities	(1,701)	(13,533)
Increase (Decrease) in reserve for price fluctuation	58,328	23,600
Interest, dividends and other income	(1,132,205)	(1,274,628)
Losses (Gains) on securities	(142,801)	(93,117)
Interest expenses	55,551	71,186
Foreign exchange losses (gains)	(185,482)	70,723
Losses (Gains) on tangible fixed assets	222	592
Investment losses (gains) under the equity method	7,039	(3,180)
Losses (Gains) on step acquisitions	(105,684)	-
Decrease (Increase) in due from agents	47	(19)
Decrease (Increase) in reinsurance receivables	(19,959)	(18,501)
Decrease (Increase) in other assets (excluding those related to investing and financing activities)	(30,056)	(16,291)
Increase (Decrease) in reinsurance payables	6,628	(246)
Increase (Decrease) in other liabilities (excluding those related to investing and financing activities)	106,342	(156,799)
Others, net	222,627	272,961
Subtotal	(69,998)	(52,148)
Interest, dividends and other income received	1,120,312	1,339,209
Interest paid	(54,840)	(72,163)
Policyholders' dividends paid	(59,221)	(61,018)
Others, net	(711)	(731)
Income taxes refund (paid)	4,470	(29,940)
Net cash provided by operating activities	940,010	1,123,207
II Cash flows from investing activities:		
Net decrease (increase) in deposits	342,535	(187,624)
Purchase of monetary claims bought	(2,992,521)	(3,614,957)
Proceeds from sales and redemption of monetary claims bought	2,910,824	3,539,990
Purchase of money held in trust	(6,498)	(39,957)
Proceeds from sales of money held in trust	-	3,368
Purchase of securities	(8,203,715)	(10,135,479)
Proceeds from sales and redemption of securities	6,527,627	11,265,618
Loans made	(855,267)	(576,877)
Proceeds from collection of loans	785,846	489,420
Others, net	739,615	(1,939,730)
Total investment activities (II a)	(751,553)	(1,196,227)
[I + II a]	[188,457]	[(73,020)]
Purchase of tangible fixed assets	(78,622)	(29,897)
Proceeds from sales of tangible fixed assets	5,134	148
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(339,342)	-
Others, net	(23,689)	(12,393)
Net cash used in investing activities	(1,188,073)	(1,238,369)
III Cash flows from financing activities:		
Proceeds from issuance of debt	-	105,056
Repayments of debt	(18)	(50,011)
Proceeds from issuance of corporate bonds	151,665	39,545
Redemption of corporate bonds	(99,480)	(39,545)
Proceeds from issuance of foundation funds	50,000	-
Payment of interest on foundation funds	-	(357)
Others, net	11,130	64,855
Net cash provided by (used in) financing activities	113,297	119,543
IV Effect of foreign exchange rate changes on cash and cash equivalents	8,053	31,421
V Net increase (decrease) in cash and cash equivalents	(126,711)	35,801
VI Cash and cash equivalents at the beginning of the year	546,546	419,835
VII Cash and cash equivalents at the end of the year	419,835	455,636

e. Unaudited Consolidated Statements of Changes in Net Assets

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

Year ended March 31, 2025

(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	50,000	639,000	2	229,119	918,122
Changes in the fiscal year					
Additions to policyholders' dividend reserves				(58,355)	(58,355)
Payment of interest on foundation funds				(357)	(357)
Net surplus attributable to the Parent Company				49,189	49,189
Reversal of land revaluation differences				(10,264)	(10,264)
Net changes, excluding funds, reserve and surplus					
Net changes in the fiscal year	-	-	-	(19,788)	(19,788)
Ending balance	50,000	639,000	2	209,331	898,333

	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	864,260	(36,360)	(56,600)	38,740	57,188	867,227	(507)	1,784,843
Changes in the fiscal year								
Additions to policyholders' dividend reserves								(58,355)
Payment of interest on foundation funds								(357)
Net surplus attributable to the Parent Company								49,189
Reversal of land revaluation differences								(10,264)
Net changes, excluding funds, reserve and surplus	(261,267)	(29,249)	9,860	102,126	42,492	(136,037)	(112)	(136,149)
Net changes in the fiscal year	(261,267)	(29,249)	9,860	102,126	42,492	(136,037)	(112)	(155,938)
Ending balance	602,992	(65,609)	(46,740)	140,866	99,680	731,190	(619)	1,628,904

Notes to the Unaudited Consolidated Financial Statements

Policies of Presenting the Unaudited Consolidated Financial Statements for the Fiscal Year Ended March 31, 2025

1. Consolidated subsidiaries

The number of consolidated subsidiaries was 38 as of March 31, 2025.

The major subsidiaries as of March 31, 2025 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 (The U.S.)
Singapore Life Holdings Pte. Ltd. (Singapore)

Two subsidiaries of Symetra Financial Corporation were included in the scope of the consolidation as a result of its establishment in the period ended March 31, 2025.

The major unconsolidated subsidiary is SUMISEI-SBI Limited Partnership.

The unconsolidated subsidiaries are excluded from the scope of consolidation because their individual and aggregate effects are immaterial on the consolidated total assets, revenues, net income, and surplus. These exclusions do not impede a reasonable understanding of the consolidated financial position and the results of the group's operations.

2. Affiliates

The number of the unconsolidated subsidiaries under the equity method was 0 as of March 31, 2025.

The number of affiliates under the equity method was 7 as of March 31, 2025.

The major affiliates as of March 31, 2025 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)

The unconsolidated subsidiaries (SUMISEI-SBI Limited Partnership and others) are excluded from the scope of affiliates under the equity method because their effects are immaterial, both individually and in aggregate, on consolidated net income and consolidated surplus.

3. Fiscal year-end of consolidated subsidiaries

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

4. Goodwill on consolidation

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

However, for immaterial items, the total amount of goodwill is fully recognized as an expense when incurred.

Notes to the Unaudited Consolidated Balance Sheet as of March 31, 2025

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 primarily 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 the 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 business 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 subsidiaries and affiliates, are translated into Japanese yen at the exchange rate on the balance sheet date. Investments in 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 ¥27 million for the fiscal year ended March 31, 2025.

An allowance for possible loan losses of the consolidated subsidiaries is provided primarily 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 March 31, 2025.

Assumptions used in accounting for the defined benefit plans for the fiscal year ended March 31, 2025 were primarily 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 provides 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, 2025 were as follows:

	Millions of Yen
At the beginning of the fiscal year	309,005
Service costs	12,936
Interest costs on projected benefit obligations	1,825
Actuarial losses (gains)	(41,348)
Benefits paid	(17,370)
Others	158
At the end of the fiscal year	265,206

b) Changes in the plan assets for the fiscal year ended March 31, 2025 were as follows:

	Millions of Yen
At the beginning of the fiscal year	414,875
Expected return on plan assets	2,636
Actuarial gains (losses)	30,531
Contribution by employer	5,839
Benefits paid	(8,512)
Others	(12)
At the end of the fiscal year	445,357

c) The amounts of the defined benefit liabilities and the defined benefit assets in the consolidated balance sheet as of March 31, 2025 were determined as follows:

	Millions of Yen
Present value of funded obligations	262,474
Plan assets at fair value	(445,357)
Net present value of funded obligations	(182,882)
Present value of unfunded obligations	2,731
Net value on the balance sheet	(180,151)
Net defined benefit liabilities	2,731
Net defined benefit assets	(182,882)
Net value on the balance sheet	(180,151)

d) The amounts recognized in retirement benefit expenses in the consolidated statement of income for the fiscal year ended March 31, 2025 were as follows:

	Millions of Yen
Service costs	12,936
Interest costs on projected benefit obligations	1,825
Expected return on plan assets	(2,636)
Amortization of net actuarial losses (gains)	(11,136)
Others	164
Retirement benefit expenses	1,153

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, 2025 were as follows:

	Millions of Yen
Actuarial gains (losses)	60,749
Total	60,749

Major components of accumulated other comprehensive income (before income tax effect adjustments) as of March 31, 2025 were as follows:

	Millions of Yen
Unrecognized actuarial gains (losses)	140,182
Total	140,182

f) The plan assets

The plan assets as of March 31, 2025 were comprised as follows:

	% of total fair value of plan assets
Equity securities	52
General accounts of life insurance companies	26
Debt securities	4
Investment trusts	4
Others	14
Total	100

59% of the plan assets were the retirement benefit trusts as of March 31, 2025.

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, 2025 were as follows:

Discount rate	2.181%
Expected long-term rates of return on the plan assets	
Defined benefit pension plans	1.4%
Retirement benefit trusts	0.0%

3) Defined contribution plans

The amounts recognized as expenses for the defined contribution plans were ¥6,009 million for the fiscal year ended March 31, 2025.

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 primarily adopts the fair value hedge method and the allocation method to hedge foreign currency risks of assets and liabilities denominated in foreign currencies.

In addition, 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.

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.

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 U.S. 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 (hereafter "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.

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 the fiscal year ended March 31, 2025, includes goodwill of ¥29,972 million associated with the acquisition of the U.S. subsidiaries and of ¥305,220 million associated with the acquisition of the Singapore subsidiaries.

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

Specifically, the U.S. subsidiaries assess whether there are any triggering events or 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, a quantitative impairment test is performed. The Company assesses the necessity of impairment on goodwill in accordance with Japanese GAAP based on the results of the U.S. subsidiaries' assessment.

In performing the identification of triggering events and qualitative assessment, the Company considers macroeconomic conditions, trends in the U.S. life insurance industry, the operating results and future profit plans of the U.S. subsidiaries, including whether there is any deterioration in such plans, and other relevant entity-specific events and circumstances. When performing the quantitative impairment test, the U.S. subsidiaries determine key assumptions such as future cash flows reflecting the insurance premiums, the rates of paying claims, discount rate, long-term growth rate, etc. based on predictions of future economic circumstances.

An impairment loss may be recognized in the next fiscal year when relevant events and circumstances that indicate 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, 2025.

Goodwill associated with the acquisition of the Singapore subsidiaries is recognized in the Company's consolidated balance sheet. The Company performs amortization using the straight-line method and conducts impairment testing in accordance with Japanese GAAP.

Impairment testing is conducted when events or changes in circumstances that may indicate impairment are identified. In such cases, the Company determines whether to recognize an impairment loss and measures the amount of the loss.

In performing the identification of triggering events, the Company considers the business environment surrounding the Singapore subsidiaries, the operating results and future profit plans of the Singapore subsidiaries including whether there is any deterioration in such plans, whether there has been a significant decline in the fair value of the asset group including goodwill, and other relevant entity-specific events and circumstances.

If any triggering event is identified, the Company estimates the future cash flows expected to be

generated from the asset group including goodwill and compares the total amount of such cash flows with the book value to determine whether an impairment loss should be recognized.

If it is determined that an impairment loss should be recognized, the recoverable amount of the asset group including goodwill is calculated, and the difference between the carrying amount and the recoverable amount is recognized as an impairment loss.

In calculating the recoverable amount, the Company determines key assumptions such as projected business cash flows reflecting actuarial assumptions including insurance premium income and claim payment ratios based on forecasts of future economic conditions and the prospects of newly acquired contracts, as well as the discount rate.

An impairment loss may be recognized in the next fiscal year when relevant events and changes in circumstances that indicate 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, 2025.

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 the fiscal year ended March 31, 2025, include the Value of Business Acquired (VOBA) amounting to ¥23,032 million, associated with the acquisition of the U.S. subsidiaries, and Deferred Policy Acquisition Costs (DAC), amounting to ¥361,629 million, related to the U.S. subsidiaries.

VOBA is recognized based on the actuarially estimated present value of future cash flows from insurance policies and annuity contracts in force at the time of acquisition of the U.S. subsidiaries.

DAC is recognized for the deferred costs that are directly related to the successful acquisition or renewal of insurance contracts after the 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, the U.S. subsidiaries set assumptions regarding persistency rates, mortality rates and other relevant factors. Additionally, changes in uncertain economic conditions may result in additional amortization of VOBA and DAC in the next fiscal year.

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 primarily 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 the 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. 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 tables show the balance sheet amounts in the consolidated balance sheet, the fair values and their differences of financial instruments as of March 31, 2025.

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 excluded 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	358,799	358,799	-
(Negotiable certificates of deposit)			
[Available-for-sale securities] *1	[358,799]	[358,799]	-
Monetary claims bought	550,257	543,828	(6,429)
[Available-for-sale securities] *1	[454,936]	[454,936]	-
Money held in trust	62,022	62,022	-
Securities	37,524,949	36,284,194	(1,240,754)
Trading securities	2,932,785	2,932,785	-
Held-to-maturity debt securities	1,984,527	1,970,692	(13,835)
Policy-reserve-matching bonds	13,915,721	12,682,565	(1,233,156)
Investments in subsidiaries and affiliated companies	45,614	51,851	6,237
Available-for-sale securities *2	18,646,299	18,646,299	-
Loans	3,559,146		
Allowance for possible loan losses *3	(5,064)		
	3,554,081	3,345,092	(208,989)
Corporate bonds	550,123	530,524	(19,598)
Derivative transactions *4	40,808	40,808	-
Hedge accounting not applied	132,632	132,632	-

Hedge accounting applied	(91,824)	(91,824)	-
*1 Available-for-sale securities are shown in [].			
*2 The investment trusts for which net asset value is regarded as fair value 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) are included in the above table.			
*3 The allowance for possible loan losses earmarked for loans is deducted from the balance sheet 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 balance sheet 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, 2025.

a) Held-to-maturity debt securities

Millions of Yen				
	Type	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount	Bonds	120,034	124,818	4,784
	Foreign securities (bonds)	1,061,500	1,162,411	100,911
Fair value does not exceed the balance sheet amount	Bonds	237,993	214,165	(23,828)
	Foreign securities (bonds)	565,000	469,296	(95,703)
Total		1,984,527	1,970,692	(13,835)

b) Policy-reserve-matching bonds

Millions of Yen				
	Type	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount	Bonds	6,185,250	6,434,151	248,900
	Foreign securities (bonds)	194,629	199,033	4,403
Fair value does not exceed the balance sheet amount	Bonds	5,866,794	4,545,953	(1,320,840)
	Foreign securities (bonds)	1,669,047	1,503,426	(165,620)
Total		13,915,721	12,682,565	(1,233,156)

The following table shows the acquisition costs or amortized costs, the balance sheet amounts in the consolidated balance sheet and their differences of available-for-sale securities as of March 31, 2025.

c) Available-for-sale securities

		Millions of Yen		
	Type	Acquisition cost or amortized cost	Balance sheet amount	Difference
Balance sheet amount exceeds acquisition cost or amortized cost	Negotiable certificates of deposit	-	-	-
	Monetary claims bought	18,006	18,264	257
	Bonds	269,518	272,564	3,045
	Stocks	1,188,331	2,855,672	1,667,341
	Foreign securities	5,712,133	6,009,035	296,901
	Foreign bonds	4,792,640	4,919,873	127,232
	Other foreign securities	919,493	1,089,161	169,668
	Other securities	111,361	161,962	50,601
Balance sheet amount does not exceed acquisition cost or amortized cost	Negotiable certificates of deposit	359,000	358,799	(200)
	Monetary claims bought	450,885	436,672	(14,213)
	Bonds	2,110,622	1,651,834	(458,788)
	Stocks	185,894	153,555	(32,338)
	Foreign securities	8,161,121	7,397,999	(763,121)
	Foreign bonds	7,226,604	6,604,863	(621,741)
	Other foreign securities	934,516	793,136	(141,380)
	Other securities	156,185	143,673	(12,512)
Total		18,723,062	19,460,036	736,973

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

The amounts are excluded in the table in "2) Fair value of financial instruments:"

	Millions of Yen
	Balance sheet amount
Stocks with no market prices *1	133,639
Investments in partnership *2	539,208

*1 Stocks with no market prices includes unlisted securities.

*2 Investments in partnership includes those for Limited Partnerships. In accordance with Paragraph 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement (Application Guidance of Corporate Accounting standards, No. 31)", 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, 2025.

	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	359,000	-	-	-
Monetary claims bought	320,053	228	316	243,642
Securities	1,145,103	5,747,406	7,592,455	15,775,589
Held-to-maturity debt securities	311,895	91,146	640,986	906,967
Policy-reserve-matching bonds	240,628	2,704,079	3,331,967	7,802,184
Available-for-sale securities	592,580	2,952,181	3,619,501	7,066,438
Loans *	230,801	834,449	790,872	1,384,946
Corporate bonds *	-	-	103,625	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 sheet

Millions of Yen				
	Fair value			Total
	Level 1	Level 2	Level 3	
Negotiable certificates of deposit	-	358,799	-	358,799
Monetary claims bought	-	319,935	135,001	454,936
Money held in trust	-	-	62,022	62,022
Securities	7,214,211	11,980,747	1,580,302	20,775,261
Trading securities	2,002,560	814,928	115,296	2,932,785
Available-for-sale securities	5,211,650	11,165,818	1,465,006	17,842,475
National government bonds	852,175	-	-	852,175
Local government bonds	-	29,217	-	29,217
Corporate bonds	-	1,043,006	-	1,043,006
Domestic stocks	3,009,228	-	-	3,009,228
Foreign securities	1,266,087	9,890,617	1,465,006	12,621,711
Foreign bonds	989,289	9,259,552	1,275,895	11,524,736
Other foreign securities	276,798	631,065	189,110	1,096,975
Other securities	84,159	202,976	-	287,135
Loans	-	-	123,668	123,668
Derivative transactions	629	306,521	15,867	323,019
Currency-related	-	82,257	4,563	86,820
Interest-rate-related	-	19,171	-	19,171
Stock-related	477	203,817	11,304	215,599
Other	152	1,274	-	1,426
Total assets	7,214,841	12,966,004	1,916,862	22,097,708
Derivative transactions	2,348	279,670	191	282,211
Currency-related	-	152,909	-	152,909
Interest-rate-related	-	101,394	-	101,394
Stock-related	1,910	17,724	191	19,826
Other	438	7,642	-	8,080
Total liabilities	2,348	279,670	191	282,211

The investment trusts for which net asset value is regarded as fair value 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) are not included in the above table.

The consolidated balance sheet amount of these investment trusts was ¥803,823 million as of March 31, 2025.

The reconciliation between the beginning and ending balances is below:

	Millions of Yen
	Net asset value of investment trusts
Beginning balance	590,444
Gains (losses) for the period/ other comprehensive income	9,841
Recorded to gains (losses) for the period *1	(1,972)
Recorded to other comprehensive income *2	11,813
Net amount of purchase, sale, issuance and settlement, etc.	203,538
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	803,823
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 ¥566,225 million as of March 31, 2025.

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	-	-	88,891	88,891
Securities	9,530,016	5,173,093	1,999	14,705,109
Held-to-maturity debt securities	132,561	1,838,131	-	1,970,692
National government bonds	132,561	-	-	132,561
Local government bonds	-	13,807	-	13,807
Corporate bonds	-	192,614	-	192,614
Foreign securities	-	1,631,708	-	1,631,708
Foreign bonds	-	1,631,708	-	1,631,708
Policy-reserve-matching bonds	9,396,663	3,283,902	1,999	12,682,565
National government bonds	9,396,663	-	-	9,396,663
Local government bonds	-	114,582	-	114,582
Corporate bonds	-	1,468,859	-	1,468,859
Foreign securities	-	1,700,461	1,999	1,702,460
Foreign bonds	-	1,700,461	1,999	1,702,460
Investments in subsidiaries and affiliated companies	792	51,059	-	51,851
Loans	-	15,333	3,206,090	3,221,424
Total assets	9,530,016	5,188,427	3,296,981	18,015,425
Corporate bonds	-	530,524	-	530,524
Total liabilities	-	530,524	-	530,524

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

Assets

1) Monetary claims bought

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

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

2) Money held in trust

As for money held in trust, the fair value is determined based on each component of trust

properties quoted by the financial institutions from which these securities were purchased, and classified into Level 3 since significant valuation inputs are unobservable.

3) Securities

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

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

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

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

4) Loans

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

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

Liabilities

1) Corporate bonds

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

Derivative Transactions

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

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

Since currency swaps contracts subject to the allocation method are treated as an integral part of the hedged foreign currency denominated loans and bonds payable, their fair value is included in the fair value of hedged loans and bonds payable in the tables 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 inputs *1

Category	Valuation technique	Significant unobservable inputs	Range
Loans	Discounted cash flow	Discount rate	3.04%-7.85%

*1 The non-adjusted inputs from third parties are excluded.

2) Reconciliation between the beginning and ending balances, and net unrealized gains (losses) recognized in the earnings for the period ended March 31, 2025

	Millions of Yen					
	Monetary claims bought	Money held in trust	Securities	Loans	Derivative transactions *4	Total
Beginning balance	141,323	24,345	1,597,996	122,421	9,143	1,895,230
Gains (losses) for the period/ other comprehensive income	(4,219)	480	(26,180)	198	(13,792)	(43,513)
Recorded to gains (losses) for the period *1	0	480	(2,854)	198	(13,792)	(15,968)
Recorded to other comprehensive income *2	(4,219)	-	(23,325)	-	-	(27,545)
Net amount of purchase, sale, issuance and settlement, etc.	(2,102)	37,197	(1,180)	1,048	20,324	55,287
Transfer to Level 3 *3	-	-	19,677	-	-	19,677
Transfer from Level 3	-	-	(10,010)	-	-	(10,010)
Ending balance	135,001	62,022	1,580,302	123,668	15,675	1,916,670
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	-	-	402	(13,298)	(12,858)	(25,755)

*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 the 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

The discount rate reflects the uncertainty of cash flow and the liquidity of financial instruments. A significant increase (or decrease) in the discount rate generally results in a significant decrease (or increase) in fair value.

18. The carrying amount for investment and rental properties was ¥482,695 million, and its fair value was ¥647,627 million as of March 31, 2025. The Company owns office buildings and land in Tokyo and other areas, with fair values primarily based on appraisals conducted by qualified external appraisers. Asset retirement obligations for certain investment and rental properties were recorded as other liabilities in the amounts of ¥1,453 million as of March 31, 2025.
19. 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 ¥4,286 million as of March 31, 2025. The details are as follows:
 The amount of claims against bankrupt or de facto bankrupt borrowers was nil and doubtful claims was ¥665 million as of March 31, 2025. The amount of claims deemed uncollectible and directly deducted from the claims in the consolidated balance sheet was ¥13 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 ¥221 million as of March 31, 2025.

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 ¥3,399 million as of March 31, 2025. 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).

20. Accumulated depreciation of tangible fixed assets amounted to ¥439,148 million as of March 31, 2025.

21. The total amount of assets held in separate accounts defined in Article 118 of the Insurance Business Act was ¥847,107 million as of March 31, 2025. The total amount of separate account liabilities was the same as this.

22. Changes in policyholders' dividend reserves for the fiscal year ended March 31, 2025 were as follows:

	Millions of Yen
At the beginning of the fiscal year	213,538
Transfer from surplus in the previous fiscal year	58,355
Dividend payments to policyholders during the fiscal year	61,018
Interest accrued during the fiscal year	203
At the end of the fiscal year	211,078

23. Total amount of investments in unconsolidated subsidiaries and affiliates was ¥195,851 million as of March 31, 2025.

24. Assets pledged as collateral were securities in the amount of ¥4,564,559 million, loans in the amount of ¥948,513 million and cash and deposits in the amount of ¥1,397 million as of March 31, 2025.

25. The business combination with Singapore Life Holdings Pte. Ltd. on December 31, 2023 was tentatively accounted for at the end of the previous fiscal year, but was finalized in the period ended March 31, 2025. As a result, the provisional goodwill amount of ¥455,546 million decreased by ¥153,869 million to ¥301,676 million.

At the end of the previous fiscal year, goodwill and policy reserves decreased by ¥153,869 million and ¥108,058 million, respectively, and intangible assets increased by ¥77,326 million.

26. Securities loaned under security lending agreements amounted to ¥4,717,355 million as of March 31, 2025.

27. 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 ¥921 million, and none of the securities was pledged as collateral as of March 31, 2025.
28. The amount of loan commitments outstanding was ¥28,593 million as of March 31, 2025.
29. The amount of corporate bonds in liabilities included ¥511,106 million of subordinated bonds and foreign currency-denominated subordinated bonds, the repayments of which are subordinated to other obligations, as of March 31, 2025.
30. Other liabilities included subordinated debt of ¥220,000 million, the repayments of which are subordinated to other obligations, as of March 31, 2025.
31. Other assets and other liabilities included assets and liabilities related to the modified coinsurance in the U.S. subsidiary of ¥715,622 million and ¥642,748 million, respectively.
32. 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.
33. The company and some consolidated subsidiaries in Japan, which adopt the Group Tax Sharing System, process and disclose 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).

34. Deferred tax assets/liabilities as of March 31, 2025 were recognized as follows:

	Millions of Yen
Deferred tax assets	953,138
Valuation allowance for deferred tax assets	(19,847)
Subtotal	933,291
Deferred tax liabilities	(521,456)
Net deferred tax assets	411,834

Major components of deferred tax assets/liabilities as of March 31, 2025 were as follows:

	Millions of Yen
Deferred tax assets:	
Policy reserves and other reserves	492,509
Reserve for price fluctuation	269,035
Deferred tax liabilities:	
Net unrealized gains on available-for-sale securities	(308,330)

Following the enactment of "Act for Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025), the statutory effective tax rate applied in deferred tax accounting has been revised. The rate of 27.96% is applied to temporary differences expected to reverse during the period from April 1, 2025 to March 31, 2026. The rate of 28.88% is applied to temporary differences expected to recover or settle on or after April 1, 2026.

The actual effective income tax rate was (64.8)% for the fiscal year ended March 31, 2025. Major components in the difference with the statutory effective income tax rate of 27.96% as of March 31, 2025 were as follows:

Effects of changes in the statutory income tax rate	(66.7)%
Policyholders' dividend reserves	(61.5)%
Amortization of goodwill and related items	34.3 %

Due to tax rate revision, as of March 31, 2025, deferred tax assets increased by ¥9,389 million and income taxes – deferred and Net unrealized gains on available-for-sale securities decreased by ¥19,795 million and ¥9,799 million, respectively.

Notes to the Unaudited Consolidated Statement of Income for the Fiscal Year Ended March 31, 2025

1. The Company generally recognizes insurance premiums when they are received, measured at the amounts received, and when the obligations under the insurance contract commence.
2. The Company reclassifies insurance revenues of Singapore Life Pte. Ltd., which applies International Financial Reporting Standards "Insurance Contracts" (IFRS 17), to "Insurance premiums and other. "
3. The Company recognizes claims paid (excluding reinsurance premiums) when incidents prescribed in the 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 clauses 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.
4. 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 estate held 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, 2025, the Company recognized impairment losses on real estates for investment, etc., that experienced the deterioration of profitability and on idle assets, etc., that experienced a decline in 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 statements of income.

3) Breakdown of impairment losses for the fiscal year ended March 31, 2025

Asset Group	Asset Category	Millions of Yen
Idle assets, etc.	Land and buildings, etc.	10,784
Total		10,784

4) The recoverable amounts

The recoverable amounts of real estate held for investment, etc., are determined at net realizable value or value in use. The recoverable amounts for idle assets, etc., are determined at net realizable value. Net realizable value is calculated based on estimated selling value, appraisal value founded 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, 2025

1. The components of other comprehensive income for the fiscal year ended March 31, 2025 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	(370,049)
Reclassification adjustments	24,690
Before income tax effect adjustments	(345,359)
Income taxes and Income tax effects	82,845
Net unrealized gains (losses) on available-for-sale securities	(262,513)
Deferred gains (losses) on derivatives under hedge accounting:	
Amount arising during the fiscal year	(46,940)
Reclassification adjustments	8,491
Before income tax effect adjustments	(38,449)
Income taxes and Income tax effects	9,200
Deferred gains (losses) on derivatives under hedge accounting	(29,249)
Land revaluation differences:	
Amount arising during the fiscal year	—
Reclassification adjustments	—
Before income tax effect adjustments	—
Income taxes and Income tax effects	(404)
Land revaluation differences	(404)
Foreign currency translation adjustments:	
Amount arising during the fiscal year	98,333
Reclassification adjustments	—
Before income tax effect adjustments	98,333
Income taxes and Income tax effects	—
Foreign currency translation adjustments	98,333
Remeasurements of defined benefit plans:	
Amount arising during the fiscal year	71,886
Reclassification adjustments	(11,136)
Before income tax effect adjustments	60,749
Income taxes and Income tax effects	(18,256)
Remeasurements of defined benefit plans	42,493
Share of other comprehensive income of associates under the equity method:	
Amount arising during the year	5,013

Reclassification adjustments	(57)
Share of other comprehensive income of associates under the equity method	4,956
Total other comprehensive income (loss)	(146,383)

Notes to the Unaudited Consolidated Statement of Cash Flows for the Fiscal Year Ended March 31, 2025

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, 2025 was as follows:

	Millions of Yen
Cash and deposits	1,326,363
Deposits bearing interest of the Company and domestic consolidated subsidiaries	(870,726)
Cash and cash equivalents	455,636

3. Others, net in Cash flows from investing activities primarily consist of net cash flows from short-term investing activities and settlements of derivative financial instruments.
4. Others, net in Cash flows from financing activities primarily consist of issuances and repayments of funding agreements from financing activities by the subsidiary in the U.S.

2. Solvency Margin Ratio on a Consolidated Basis

(Millions of Yen)

	As of March 31, 2024	As of March 31, 2025
Solvency margin gross amount (A)	4,848,929	4,771,052
Foundation funds and others	309,911	284,360
Reserve for price fluctuation	908,100	931,700
Contingency reserve	773,900	824,189
Unusual contingency reserve	—	—
General allowance for possible loan losses	4,215	5,300
(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)	1,055,840	737,526
Net unrealized gains on real estate × 85% (Multiplied by 100% if losses)	143,511	170,828
Total amount of unrecognized actuarial gains (losses) and unrecognized past service costs	79,434	140,182
Excess of continued Zillmerized reserve	787,136	785,525
Qualifying subordinated debt	618,695	668,695
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculation	—	—
Deduction clause	(170,265)	(176,684)
Others	338,447	399,427
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)	1,492,488	1,502,788
Insurance risk R_1	109,343	116,471
General insurance risk R_5	873	1,141
Large disaster risk R_6	1,366	1,746
Third-sector insurance risk R_8	111,448	119,868
Insurance risk of small-amount, short-term insurer R_9	9	11
Risk of assumed yield R_2	181,913	182,736
Minimum guarantee risk R_7^{\ast}	9,577	13,754
Investment risk R_3	1,249,530	1,251,640
Operational risk R_4	33,281	33,747
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	649.7%	634.9%

※ 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.

The figures as of March 31, 2024, are based on the finalized accounting for the business combination with Singapore Life Holdings Pte. Ltd.

3. Non-Consolidated Financial Information

a. Overall Composition of Investments (General Account)

(Millions of Yen, %)

	As of March 31, 2024		As of March 31, 2025	
	Amount	% of total	Amount	% of total
Cash, deposits and call loans	1,474,957	3.9	2,048,398	5.7
Monetary claims bought	479,404	1.3	550,257	1.5
Money held in trust	24,345	0.1	62,022	0.2
Investments in securities	31,789,069	85.0	29,706,486	82.4
Domestic bonds	14,420,176	38.6	14,022,145	38.9
Domestic stocks	3,279,944	8.8	3,215,077	8.9
Foreign securities	13,560,063	36.3	12,011,504	33.3
Foreign bonds	10,020,877	26.8	8,744,574	24.3
Other foreign securities	3,539,186	9.5	3,266,929	9.1
Other securities	528,885	1.4	457,759	1.3
Loans	2,164,509	5.8	2,069,452	5.7
Policy loans	226,775	0.6	218,059	0.6
Industrial and consumer loans	1,937,734	5.2	1,851,393	5.1
Real estate	643,568	1.7	644,133	1.8
Investment property	468,707	1.3	480,382	1.3
Deferred tax assets	208,307	0.6	356,340	1.0
Other assets	597,969	1.6	595,334	1.7
Allowance for possible loan losses	(804)	(0.0)	(906)	(0.0)
Total	37,381,328	100.0	36,031,519	100.0
Foreign currency denominated assets	12,080,542	32.3	10,484,519	29.1

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, 2024		As of March 31, 2025	
	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	24,345	2,044	62,022	(933)

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, 2024					As of March 31, 2025				
	Book value	Fair value	Net gains (losses)	Gains	Losses	Book value	Fair value	Net gains (losses)	Gains	Losses
Held-to-maturity debt securities	1,926,606	2,092,804	166,198	184,790	(18,592)	1,855,593	1,858,670	3,076	104,174	(101,098)
Policy-reserve-matching bonds	13,799,326	13,527,225	(272,100)	667,808	(939,909)	13,840,880	12,616,182	(1,224,698)	253,298	(1,477,996)
Investments in subsidiaries and affiliated companies	43,624	44,050	425	425	-	43,459	51,851	8,392	8,392	-
Available-for-sale securities	13,740,636	15,113,583	1,372,947	2,268,171	(895,224)	12,007,747	13,080,871	1,073,123	1,986,442	(913,318)
Domestic bonds	2,468,761	2,174,180	(294,580)	27,573	(322,154)	2,268,686	1,815,847	(452,838)	2,066	(454,905)
Domestic stocks	1,323,271	3,072,377	1,749,105	1,774,963	(25,857)	1,374,169	3,008,954	1,634,784	1,667,123	(32,338)
Foreign securities	8,950,882	8,835,843	(115,038)	407,593	(522,632)	7,269,451	7,136,696	(132,755)	266,393	(399,149)
Foreign bonds	6,658,920	6,540,941	(117,978)	213,539	(331,518)	5,415,442	5,254,397	(161,044)	96,724	(257,769)
Other foreign securities	2,291,962	2,294,902	2,939	194,053	(191,113)	1,854,009	1,882,298	28,288	169,668	(141,380)
Other securities	355,676	398,928	43,251	57,063	(13,811)	267,547	305,636	38,088	50,601	(12,512)
Monetary claims bought	387,043	377,300	(9,743)	978	(10,721)	468,892	454,936	(13,955)	257	(14,213)
Negotiable certificates of deposit	255,000	254,952	(47)	-	(47)	359,000	358,799	(200)	-	(200)
Others	-	-	-	-	-	-	-	-	-	-
Total	29,510,192	30,777,663	1,267,470	3,121,196	(1,853,726)	27,747,681	27,607,575	(140,106)	2,352,307	(2,492,413)
Domestic bonds	14,714,757	14,314,687	(400,069)	694,259	(1,094,329)	14,474,984	12,956,531	(1,518,452)	254,223	(1,772,676)
Domestic stocks	1,324,111	3,073,642	1,749,531	1,775,389	(25,857)	1,374,843	3,009,747	1,634,903	1,667,242	(32,338)
Foreign securities	12,473,604	12,358,151	(115,452)	593,506	(708,958)	10,802,413	10,521,924	(280,489)	379,983	(660,472)
Foreign bonds	10,138,856	10,020,464	(118,392)	399,452	(517,845)	8,905,618	8,588,566	(317,052)	202,040	(519,092)
Other foreign securities	2,334,747	2,337,687	2,939	194,053	(191,113)	1,896,795	1,933,357	36,562	177,942	(141,380)
Other securities	355,676	398,928	43,251	57,063	(13,811)	267,547	305,636	38,088	50,601	(12,512)
Monetary claims bought	387,043	377,300	(9,743)	978	(10,721)	468,892	454,936	(13,955)	257	(14,213)
Negotiable certificates of deposit	255,000	254,952	(47)	-	(47)	359,000	358,799	(200)	-	(200)
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, 2024	As of March 31, 2025
Investments in subsidiaries and affiliated companies	1,193,362	1,300,067
Available-for-sale securities	261,773	316,482
Domestic stocks	22,762	21,614
Foreign stocks	34,558	34,558
Others	204,452	260,308
Total	1,455,135	1,616,550

(3) Fair Value Information of Money held in trust

(Millions of Yen)

	As of March 31, 2024					As of March 31, 2025				
	Balance sheet amount	Fair value	Net gains (losses)	Gains	Losses	Balance sheet amount	Fair value	Net gains (losses)	Gains	Losses
Money held in trust	24,345	24,345	-	-	-	62,022	62,022	-	-	-

Note: The fair values are determined based on the values reasonably estimated by the financial institutions from which these securities were purchased.

Money held in trust for trading

(Millions of Yen)

	As of March 31, 2024		As of March 31, 2025	
	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	24,345	2,044	62,022	(933)

Money held in trust except for trading

No money held in trust except for trading as of March 31, 2024 and March 31, 2025.

c. Fair Value Information of Derivative Transactions (General Account)

(1) Net Gains and Losses on Derivatives

(Millions of Yen)

	As of March 31, 2024						As of March 31, 2025					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	(13,805)	(355,739)	-	-	-	(369,545)	(47,668)	19,092	-	-	-	(28,576)
Hedge accounting not applied	56	(114,666)	(2,342)	-	5,450	(111,501)	-	(32,938)	(2,658)	-	(4,232)	(39,829)
Total	(13,748)	(470,406)	(2,342)	-	5,450	(481,047)	(47,668)	(13,845)	(2,658)	-	(4,232)	(68,405)

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 ¥357,149 million and loss of ¥7,387 million as of March 31, 2024 and March 31, 2025, respectively.

(2) Interest-related

(Millions of Yen)

Type	As of March 31, 2024				As of March 31, 2025			
	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	378,210	378,200	(33,873)	(33,873)	381,200	380,700	(62,805)	(62,805)
Receipts floating, payments fixed	113,557	113,557	20,124	20,124	112,140	112,140	15,137	15,137
Total				(13,748)				(47,668)

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

(Reference)

Interest rate swaps by contractual maturity dates

[As of March 31, 2025]

(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)	500	2,000	700	-	3,000	375,000	381,200
Average fixed rate (receipt)	0.16	0.71	0.83	-	1.35	0.95	0.95
Average floating rate (payment)	0.99	1.11	1.05	-	1.03	0.37	0.38
Notional amount (receipts floating, payments fixed)	-	44,856	-	67,284	-	-	112,140
Average fixed rate (payment)	-	1.83	-	2.39	-	-	2.17
Average floating rate (receipt)	-	5.77	-	6.32	-	-	6.10

(3) Currency-related

(Millions of Yen)

Type	As of March 31, 2024				As of March 31, 2025			
	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	5,924,009	449,248	(496,468)	(496,468)	5,184,922	642,321	(36,899)	(36,899)
(U.S. dollar)	4,632,049	437,284	(381,858)	(381,858)	4,203,866	642,321	(32,278)	(32,278)
(Euro)	777,954	-	(55,944)	(55,944)	738,472	-	(7,926)	(7,926)
Bought	1,383,039	1,614	30,252	30,252	989,312	125,599	1,749	1,749
(U.S. dollar)	981,910	1,614	22,013	22,013	882,387	125,599	1,959	1,959
(Euro)	234,683	-	7,270	7,270	57,569	-	781	781
Currency options								
Sold								
Call	407,720	-			-	-		
[944]			895	49	[-]		-	-
(U.S. dollar)	407,720	-			-	-		
[944]			895	49	[-]		-	-
Put	130,000	-			-	-		
[392]			4	387	[-]		-	-
(U.S. dollar)	130,000	-			-	-		
[392]			4	387	[-]		-	-
Bought								
Put	699,040	-			797,500	260,000		
[3,869]			171	(3,697)	[7,385]		4,563	(2,822)
(U.S. dollar)	699,040	-			760,000	260,000		
[3,869]			171	(3,697)	[5,492]		3,283	(2,208)
(Mexican Peso)	-	-			37,500	-		
[-]			-	-	[1,893]		1,279	(614)
Currency swaps	40,507	40,507	(15,019)	(15,019)	40,507	31,484	(15,589)	(15,589)
(U.S. dollar)	40,507	40,507	(15,019)	(15,019)	40,507	31,484	(15,589)	(15,589)
Total				(484,496)				(53,561)

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, 2024				As of March 31, 2025			
	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								
Bought								
Put	550,000	-			599,988	200,000		
	[2,342]		0	(2,342)	[6,765]		4,107	(2,658)
Total				(2,342)				(2,658)

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

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

(5) Bond-related

No Bond-related as of March 31, 2024 and March 31, 2025.

(6) Others

(Millions of Yen)

Type	As of March 31, 2024				As of March 31, 2025			
	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	90,352	-	610	(391)	59,801	-	20	96
	[219]				[116]			
Bought								
Call	264,444	-	11,362	5,842	251,465	-	1,274	(4,328)
	[5,520]				[5,603]			
				5,450				(4,232)

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, 2024	As of March 31, 2025
Claims against bankrupt and quasi-bankrupt obligors	-	-
Claims with collection risk	585	665
Claims that are overdue for 3 months or more	-	-
Claims with repayment relaxation	-	3,399
Subtotal	585	4,065
[Percentage]	[0.01]	[0.06]
Claims against normal obligors	7,378,897	6,807,188
Total	7,379,482	6,811,253

- 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
5. Claims against normal obligors are all other loans.