

June 16, 2026

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Financial Results for the Fiscal Year Ended March 31, 2026  
( With Notes to the Unaudited Consolidated Financial Statements )

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Sumitomo Life Insurance Company announces financial results for the fiscal year ended March 31, 2026.

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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, 2025	As of March 31, 2026
<b>Assets:</b>		
Cash and deposits	1,326,363	1,463,735
Call loans	1,152,304	763,400
Monetary claims bought	550,257	549,312
Money held in trust	62,022	94,102
Securities	38,197,797	40,951,784
Loans	3,559,146	3,733,551
Tangible fixed assets	667,974	654,049
Land	436,865	430,039
Buildings	197,710	203,424
Lease assets	13,321	9,427
Construction in progress	10,811	3,658
Other tangible fixed assets	9,265	7,499
Intangible fixed assets	617,302	676,799
Software	56,301	64,193
Goodwill	335,193	325,194
Other intangible fixed assets	225,807	287,411
Due from agents	145	253
Reinsurance receivables	51,250	77,027
Other assets	2,062,225	2,184,918
Net defined benefit assets	182,882	313,456
Deferred tax assets	436,981	121,997
Allowance for possible loan losses	(5,583)	(6,963)
<b>Total assets</b>	<b>48,861,070</b>	<b>51,577,425</b>
<b>Liabilities:</b>		
Policy reserves and other reserves	39,468,291	40,869,543
Reserve for outstanding claims	234,773	273,312
Policy reserves	39,022,438	40,380,874
Policyholders' dividend reserves	211,078	215,356
Reinsurance payables	73,582	67,638
Corporate bonds	550,123	850,410
Other liabilities	6,186,424	6,140,866
Payables under repurchase agreements	3,725,641	3,254,870
Other	2,460,782	2,885,996
Net defined benefit liabilities	2,731	2,482
Accrued retirement benefits for directors	1	2
Reserve for price fluctuation	931,700	919,433
Deferred tax liabilities	21,246	21,695
Deferred tax liabilities for land revaluation	12,738	12,660
<b>Total liabilities</b>	<b>47,246,838</b>	<b>48,884,732</b>
<b>Net assets:</b>		
Foundation funds	50,000	50,000
Reserve for redemption of foundation funds	639,000	639,000
Reserve for revaluation	2	2
Surplus	213,424	170,089
Total funds, reserve and surplus	902,427	859,092
Net unrealized gains (losses) on available-for-sale securities	561,899	1,621,161
Deferred gains (losses) on derivatives under hedge accounting	(65,609)	(97,561)
Land revaluation differences	(46,740)	(43,190)
Foreign currency translation adjustments	141,501	161,780
Remeasurements of defined benefit plans	99,680	177,786
Net unrealized gains (losses) on policy reserves and other reserves of foreign subsidiaries	21,692	14,244
Total accumulated other comprehensive income	712,424	1,834,220
Non-controlling interests	(619)	(619)
<b>Total net assets</b>	<b>1,614,231</b>	<b>2,692,693</b>
<b>Total liabilities and net assets</b>	<b>48,861,070</b>	<b>51,577,425</b>

## b. Unaudited Consolidated Statements of Income

(Millions of Yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Ordinary income	5,209,036	5,974,185
Insurance premiums and other	3,401,839	3,760,326
Investment income	1,709,574	2,099,209
Interest, dividends and other income	1,274,628	1,330,234
Gains on money held in trust	1,391	3,692
Gains on trading securities	129,391	165,696
Gains on sales of securities	273,733	340,250
Gains on redemption of securities	10,799	10,302
Foreign exchange gains	-	128,231
Other investment income	19,629	23,923
Investment gains on separate accounts	-	96,877
Other ordinary income	97,622	114,649
Ordinary expenses	5,141,399	5,967,527
Benefits and other payments	2,579,865	3,206,309
Claims paid	645,772	698,173
Annuity payments	477,362	518,304
Benefits payments	576,426	633,782
Surrender benefits	670,868	787,081
Other refunds	209,434	568,967
Provision for policy reserves and other reserves	940,779	1,155,256
Provision for reserves for outstanding claims	10,493	32,323
Provision for policy reserves	930,082	1,122,335
Provision for interest on policyholders' dividend reserves	203	597
Investment expenses	773,541	708,762
Interest expenses	71,186	90,203
Losses on sales of securities	260,581	436,007
Losses on valuation of securities	8,345	26,486
Losses on redemption of securities	701	1,226
Losses on derivative financial instruments	227,255	24,161
Foreign exchange losses	69,667	-
Provision for allowance for possible loan losses	801	526
Depreciation of real estate for investments	10,051	10,465
Other investment expenses	111,490	119,683
Investment losses on separate accounts	13,460	-
Operating expenses	654,260	695,679
Other ordinary expenses	192,952	201,518
Ordinary profit	67,637	6,657
Extraordinary gains	17	16,419
Gains on disposals of fixed assets	17	4,153
Reversal of reserve for price fluctuation	-	12,266
Extraordinary losses	39,777	2,339
Losses on disposals of fixed assets	4,606	954
Impairment losses	10,839	688
Provision for reserve for price fluctuation	23,600	-
Payments to social responsibility reserve	731	696
Surplus (loss) before income taxes	27,877	20,737
Income taxes		
Current	68,387	62,471
Deferred	(88,003)	(67,437)
Total income taxes	(19,616)	(4,966)
Net surplus (loss)	47,493	25,704
Net surplus (loss) attributable to non-controlling interests	(284)	(144)
Net surplus (loss) attributable to the Parent Company	47,778	25,848

### c. Unaudited Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Net surplus	47,493	25,704
Other comprehensive income (loss)	(138,890)	1,118,161
Net unrealized gains (losses) on available-for-sale securities	(264,643)	1,059,998
Deferred gains (losses) on derivatives under hedge accounting	(29,249)	(31,951)
Land revaluation differences	(404)	-
Foreign currency translation adjustments	98,968	22,869
Remeasurements of defined benefit plans	42,493	78,105
Net unrealized gains (losses) on policy reserves and other reserves of foreign subsidiaries	8,988	(5,697)
Share of other comprehensive income (loss) of associates under the equity method	4,956	(5,163)
Comprehensive income (loss)	(91,396)	1,143,865
Comprehensive income (loss) attributable to the Parent Company	(91,030)	1,144,095
Comprehensive income (loss) attributable to non-controlling interests	(365)	(229)

## d. Unaudited Consolidated Statements of Cash Flows

(Millions of Yen)

	Year ended March 31, 2025	Year ended March 31, 2026
<b>I Cash flows from operating activities:</b>		
Surplus (loss) before income taxes	27,877	20,737
Depreciation of real estate for investments	10,051	10,465
Depreciation	47,664	50,142
Impairment losses	10,839	688
Amortization of goodwill	30,706	31,809
Increase (Decrease) in reserve for outstanding claims	2,285	26,901
Increase (Decrease) in policy reserves	909,315	1,304,174
Provision for interest on policyholders' dividend reserves	203	597
Increase (Decrease) in allowance for possible loan losses	673	1,426
Increase (Decrease) in net defined benefit liabilities	(13,533)	(20,950)
Increase (Decrease) in reserve for price fluctuation	23,600	(12,266)
Interest, dividends and other income	(1,274,628)	(1,330,234)
Losses (Gains) on securities	(93,117)	(90,437)
Interest expenses	71,186	90,203
Foreign exchange losses (gains)	70,723	(124,346)
Losses (Gains) on tangible fixed assets	592	(3,387)
Investment losses (gains) under the equity method	(3,180)	(1,262)
Decrease (Increase) in due from agents	(19)	(108)
Decrease (Increase) in reinsurance receivables	(18,501)	(25,794)
Decrease (Increase) in other assets (excluding those related to investing and financing activities)	35,846	(35,278)
Increase (Decrease) in reinsurance payables	(6,896)	(5,221)
Increase (Decrease) in other liabilities (excluding those related to investing and financing activities)	(156,799)	(20,156)
Others, net	272,961	28,744
Subtotal	(52,148)	(103,552)
Interest, dividends and other income received	1,339,209	1,365,699
Interest paid	(72,163)	(86,593)
Policyholders' dividends paid	(61,018)	(61,601)
Others, net	(731)	(696)
Income taxes refund (paid)	(29,940)	(56,847)
Net cash provided by operating activities	1,123,207	1,056,409
<b>II Cash flows from investing activities:</b>		
Net decrease (increase) in deposits	(187,624)	(65,094)
Purchase of monetary claims bought	(3,614,957)	(2,995,953)
Proceeds from sales and redemption of monetary claims bought	3,539,990	2,990,714
Purchase of money held in trust	(39,957)	(32,835)
Proceeds from sales of money held in trust	3,368	4,076
Purchase of securities	(10,135,479)	(11,233,032)
Proceeds from sales and redemption of securities	11,265,618	10,403,514
Loans made	(576,877)	(611,404)
Proceeds from collection of loans	489,420	423,435
Others, net	(1,939,730)	(195,080)
Total investment activities ( II a)	(1,196,227)	(1,311,659)
[ I + II a]	[(73,020)]	[(255,250)]
Purchase of tangible fixed assets	(29,897)	(25,507)
Proceeds from sales of tangible fixed assets	148	18,488
Acquisition of businesses	-	(12,810)
Others, net	(12,393)	(23,207)
Net cash used in investing activities	(1,238,369)	(1,354,696)
<b>III Cash flows from financing activities:</b>		
Proceeds from issuance of debt	105,056	16,928
Repayments of debt	(50,011)	(21,236)
Proceeds from issuance of corporate bonds	39,545	298,556
Redemption of corporate bonds	(39,545)	-
Payment of interest on foundation funds	(357)	(352)
Others, net	64,855	69,760
Net cash provided by (used in) financing activities	119,543	363,655
<b>IV Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>31,421</b>	<b>6,983</b>
<b>V Net increase (decrease) in cash and cash equivalents</b>	<b>35,801</b>	<b>72,352</b>
<b>VI Cash and cash equivalents at the beginning of the year</b>	<b>419,835</b>	<b>455,636</b>
<b>VII Cash and cash equivalents at the end of the year</b>	<b>455,636</b>	<b>527,989</b>

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

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
Cumulative effect due to U.S. GAAP (ASU2018-12, ASU2022-05) used for U.S. subsidiaries				5,504	5,504
Beginning balance after reflecting U.S. GAAP (ASU2018-12, ASU2022-05) used for U.S. subsidiaries	50,000	639,000	2	234,624	923,626
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				47,778	47,778
Reversal of land revaluation differences				(10,264)	(10,264)
Net changes, excluding funds, reserve and surplus					
Net changes in the fiscal year	-	-	-	(21,199)	(21,199)
Ending balance	50,000	639,000	2	213,424	902,427

	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	Net unrealized gains (losses) on policy reserves and other reserves of foreign subsidiaries	Total accumulated other comprehensive income (loss)		
Beginning balance	864,260	(36,360)	(56,600)	38,740	57,188	-	867,227	(507)	1,784,843
Cumulative effect due to U.S. GAAP (ASU2018-12, ASU2022-05) used for U.S. subsidiaries	(38,963)					12,704	(26,259)		(20,755)
Beginning balance after reflecting U.S. GAAP (ASU2018-12, ASU2022-05) used for U.S. subsidiaries	825,296	(36,360)	(56,600)	38,740	57,188	12,704	840,968	(507)	1,764,087
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									47,778
Reversal of land revaluation differences									(10,264)
Net changes, excluding funds, reserve and surplus	(263,397)	(29,249)	9,860	102,760	42,492	8,988	(128,544)	(112)	(128,656)
Net changes in the fiscal year	(263,397)	(29,249)	9,860	102,760	42,492	8,988	(128,544)	(112)	(149,856)
Ending balance	561,899	(65,609)	(46,740)	141,501	99,680	21,692	712,424	(619)	1,614,231

Year ended March 31, 2026

(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	213,424	902,427
Changes in the fiscal year					
Additions to policyholders' dividend reserves				(65,282)	(65,282)
Payment of interest on foundation funds				(352)	(352)
Net surplus attributable to the Parent Company				25,848	25,848
Reversal of land revaluation differences				(3,549)	(3,549)
Net changes, excluding funds, reserve and surplus					
Net changes in the fiscal year	-	-	-	(43,335)	(43,335)
Ending balance	50,000	639,000	2	170,089	859,092

	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	Net unrealized gains (losses) on policy reserves and other reserves of foreign subsidiaries	Total accumulated other comprehensive income (loss)		
Beginning balance	561,899	(65,609)	(46,740)	141,501	99,680	21,692	712,424	(619)	1,614,231
Changes in the fiscal year									
Additions to policyholders' dividend reserves									(65,282)
Payment of interest on foundation funds									(352)
Net surplus attributable to the Parent Company									25,848
Reversal of land revaluation differences									(3,549)
Net changes, excluding funds, reserve and surplus	1,059,262	(31,951)	3,549	20,278	78,105	(7,447)	1,121,796	(0)	1,121,796
Net changes in the fiscal year	1,059,262	(31,951)	3,549	20,278	78,105	(7,447)	1,121,796	(0)	1,078,461
Ending balance	1,621,161	(97,561)	(43,190)	161,780	177,786	14,244	1,834,220	(619)	2,692,693

## Notes to the Unaudited Consolidated Financial Statements

### Policies of Presenting the Unaudited Consolidated Financial Statements for the Fiscal Year Ended March 31, 2026

#### 1. Consolidated subsidiaries

The number of consolidated subsidiaries was 40 as of March 31, 2026.

The major subsidiaries as of March 31, 2026 are listed as follows:

Medicare Life Insurance Co., Ltd. (Japan)

AIARU Small Amount & Short Term Insurance Co., Ltd. (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, 2026.

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, 2026.

The number of affiliates under the equity method was 7 as of March 31, 2026.

The major affiliates as of March 31, 2026 are listed as follows:

Baoviet Holdings (Vietnam)

PT BNI Life Insurance (Indonesia)

Agent Insurance Group, Inc. was excluded from the scope of affiliates under the equity method, while Agent IG Holdings, Inc. was included in the scope of affiliates under the equity method, as a result of the establishment of a holding company by Agent Insurance Group, Inc. from the period ended March 31, 2026.

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, 2026

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.

Due to a decrease in the balance of the corresponding policy reserves, the previous subsection "Single premium endowment insurance (certain types of insurance are excluded)" has been merged into "Individual life insurance and individual annuity (certain types of insurance and a certain percentage of cash flows are excluded)" effective from the fiscal year ended March 31, 2026. There is no effect on profit or loss arising from this change in subsections.

The changed 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

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 ¥26 million for the fiscal year ended March 31, 2026.

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, 2026.

Assumptions used in accounting for the defined benefit plans for the fiscal year ended March 31, 2026 were primarily as follows:

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

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, 2026 were as follows:

	Millions of Yen
At the beginning of the fiscal year	265,206
Service costs	10,394
Interest costs on projected benefit obligations	5,703
Actuarial losses (gains)	4,887
Benefits paid	(18,273)

Others	101
At the end of the fiscal year	<u>268,020</u>

b) Changes in the plan assets for the fiscal year ended March 31, 2026 were as follows:

	Millions of Yen
At the beginning of the fiscal year	445,357
Expected return on plan assets	4,203
Actuarial gains (losses)	132,606
Contribution by employer	5,944
Benefits paid	(9,155)
Others	38
At the end of the fiscal year	<u>578,995</u>

c) The amounts of the defined benefit liabilities and the defined benefit assets in the consolidated balance sheet as of March 31, 2026 were determined as follows:

	Millions of Yen
Present value of funded obligations	265,538
Plan assets at fair value	<u>(578,995)</u>
Net present value of funded obligations	(313,456)
Present value of unfunded obligations	<u>2,482</u>
Net value on the balance sheet	<u>(310,974)</u>
Net defined benefit liabilities	2,482
Net defined benefit assets	<u>(313,456)</u>
Net value on the balance sheet	<u>(310,974)</u>

d) The amounts recognized in retirement benefit expenses in the consolidated statement of income for the fiscal year ended March 31, 2026 were as follows:

	Millions of Yen
Service costs	10,394
Interest costs on projected benefit obligations	5,703
Expected return on plan assets	(4,203)
Amortization of net actuarial losses (gains)	(17,844)
Others	63
Retirement benefit expenses	<u>(5,886)</u>

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, 2026 were as follows:

	Millions of Yen
Actuarial gains (losses)	109,874
Total	<u>109,874</u>

Major components of accumulated other comprehensive income (before income tax effect adjustments) as of March 31, 2026 were as follows:

	Millions of Yen
Unrecognized actuarial gains (losses)	250,057
Total	250,057

f) The plan assets

The plan assets as of March 31, 2026 were comprised as follows:

	% of total fair value of plan assets
Equity securities	63
General accounts of life insurance companies	20
Investment trusts	4
Debt securities	4
Others	9
Total	100

67% of the plan assets were the retirement benefit trusts as of March 31, 2026.

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, 2026 were as follows:

Discount rate	2.181%
Expected long-term rates of return on the plan assets	
Defined benefit pension plans	2.3%
Retirement benefit trusts	0.0%

3) Defined contribution plans

The amounts recognized as expenses for the defined contribution plans were ¥6,267 million for the fiscal year ended March 31, 2026.

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.

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 accordance with the provisions of that Paragraph, the amount of policy reserves at the end of the fiscal year ended March 31, 2026, includes additional policy reserves that are provided as follows.

For certain individual annuity contracts for which annuity payments commenced on or after April 1, 2006, the Company has deemed the commencement dates of annuity payments, etc. to be the dates of policy inception, and applied the calculation basis stipulated by the Commissioner of the 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 (after annuitization) have been used.) Accordingly, the Company has provided additional policy reserves for the difference arising from such recalculations.

From the fiscal year ended March 31, 2026, for certain whole life insurance contracts entered into before April 1, 1996, the Company has provided additional policy reserves for the difference arising from the application of an assumed interest rate of 2.75% and the 2018 life insurance standard life table (for life insurance) as the assumed mortality rate in the calculation. There is no effect on provision for policy reserves, ordinary profit, or net surplus before income taxes, as the Company has reversed ¥379,275 million, an amount equal to the additional policy reserves, and appropriated from the contingency reserve to fund the additional policy reserves.

In determining the amount of policy reserves to be recorded, the Company refers to the result of the future cash flow analysis performed by the Appointed Actuary in accordance with applicable laws and regulations to confirm adequacy of policy reserves.

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, 2026, includes goodwill of ¥20,851 million associated with the acquisition of the U.S. subsidiaries and of ¥296,239 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, 2026.

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, 2026.

## 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, 2026, include the Value of Business Acquired (VOBA) amounting to ¥15,214 million, associated with the acquisition of the U.S. subsidiaries, and Deferred Policy Acquisition Costs (DAC), amounting to ¥335,405 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. To estimate the lives of the associated insurance contracts, 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. Symetra Financial Corporation applied FASB Accounting Standards Codification Topic 944, "Financial Services - Insurance," from the beginning of the fiscal year ended March 31, 2026.

As a result of the application, the accounting treatment for liabilities for future policy benefits, the fair value measurement of benefits with market risk, and the amortization method of deferred policy acquisition costs, among others, have been changed. In addition, certain contracts have been reclassified in connection with the application of this accounting standard.

The impact of applying the standards and guidance has been applied retrospectively, and the

cumulative effect of the change in accounting policies has been reflected in the carrying amount of net assets as of the beginning of the fiscal year ended March 31, 2025.

Consequently, compared with the amounts before the retrospective application, for the year ended March 31, 2025, each of ordinary profit and surplus (loss) before income taxes decreased by ¥1,785 million. In addition, intangible fixed assets decreased by ¥5,454 million, other assets decreased by ¥6,198 million, policy reserves and other reserves decreased by ¥46,610 million, reinsurance payables increased by ¥53,531 million, retained earnings increased by ¥4,093 million, net unrealized gains (losses) on available-for-sale securities decreased by ¥41,093 million, and net unrealized gains (losses) on policy reserves and other reserves of foreign subsidiaries increased by ¥21,692 million as of the end of the fiscal year ended March 31, 2025.

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 market by measuring Value-at-Risk (VaR) as integrated risk exposure.

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 measuring Value-at-Risk (VaR) calculated with Monte Carlo simulations, which is based on the assumptions such as probability of transition for each internal credit rating and expected recovery rate of investment and loan principal at default.

The Company manages market risk and credit risk by comparing Value-at-Risk (VaR), which is measured as integrated asset management risk exposure that combines market risk and credit risk, with the risk limit, which is calculated with consideration given to unrealized gains (losses) and realized gains (losses) on sales.

## 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, 2026.

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 (Negotiable certificates of deposit)	408,724	408,724	-
[Available-for-sale securities] *1	[408,724]	[408,724]	-
Monetary claims bought	549,312	540,198	(9,114)

	[Available-for-sale securities] *1	[459,904]	[459,904]	-
Money held in trust		94,102	94,102	-
Securities		40,162,114	37,781,204	(2,380,909)
Trading securities		3,486,929	3,486,929	-
Held-to-maturity debt securities		2,122,956	1,928,606	(194,350)
Policy-reserve-matching bonds		13,760,514	11,533,834	(2,226,680)
Investments in subsidiaries and affiliated companies		42,608	82,729	40,121
Available-for-sale securities *2		20,749,104	20,749,104	-
Loans		3,733,551		
Allowance for possible loan losses *3		(5,615)		
		<u>3,727,936</u>	<u>3,494,688</u>	<u>(233,247)</u>
Corporate bonds		850,410	804,796	(45,614)
Derivative transactions *4		(149,674)	(149,674)	-
Hedge accounting not applied		237,932	237,932	-
Hedge accounting applied		(387,607)	(387,607)	-

\*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, 2026.

a) Held-to-maturity debt securities

		Millions of Yen		
	Type	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount	Bonds	83,234	83,933	699
	Foreign securities (bonds)	756,271	816,720	60,449
Fair value does not exceed the balance sheet amount	Bonds	322,743	275,649	(47,093)
	Foreign securities (bonds)	960,707	752,302	(208,405)
	Total	2,122,956	1,928,606	(194,350)

b) Policy-reserve-matching bonds

				Millions of Yen
	Type	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount	Bonds	3,529,150	3,572,305	43,154
	Foreign securities (bonds)	185,570	189,355	3,784
Fair value does not exceed the balance sheet amount	Bonds	8,186,560	6,098,055	(2,088,505)
	Foreign securities (bonds)	1,859,232	1,674,118	(185,114)
Total		13,760,514	11,533,834	(2,226,680)

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, 2026.

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	8,617	8,701	84
	Bonds	132,769	135,776	3,006
	Stocks	1,177,320	3,771,116	2,593,795
	Foreign securities	8,012,314	8,536,580	524,265
	Foreign bonds	6,714,358	6,999,233	284,875
	Other foreign securities	1,297,956	1,537,346	239,390
	Other securities	128,387	185,336	56,948
Balance sheet amount does not exceed acquisition cost or amortized cost	Negotiable certificates of deposit	409,000	408,724	(275)
	Monetary claims bought	471,920	451,202	(20,718)
	Bonds	2,034,826	1,675,960	(358,865)
	Stocks	89,562	65,631	(23,931)
	Foreign securities	6,885,792	6,291,390	(594,402)
	Foreign bonds	6,092,851	5,597,132	(495,718)
	Other foreign securities	792,941	694,257	(98,684)
Other securities	91,818	87,313	(4,505)	
Total		19,442,330	21,617,733	2,175,402

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	143,472
Investments in partnership*2	646,197

\*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, 2026.

	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	409,000	-	-	-
Monetary claims bought	336,055	233	323	233,532
Securities	1,038,121	6,827,890	6,886,717	16,535,876
Held-to-maturity debt securities	43,829	177,012	793,334	1,032,404
Policy-reserve-matching bonds	420,592	3,220,613	2,393,838	7,942,699
Available-for-sale securities	573,699	3,430,264	3,699,544	7,560,772
Loans*	230,212	1,048,894	809,977	1,295,731
Corporate bonds	66,979	-	39,140	596,218

\*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			
	Level 1	Level 2	Level 3	Total
Negotiable certificates of deposit	-	408,724	-	408,724
Monetary claims bought	-	335,766	124,137	459,904
Money held in trust	-	-	94,102	94,102
Securities	8,633,302	13,091,391	1,406,119	23,130,812
Trading securities	2,335,410	973,678	177,841	3,486,929
Available-for-sale securities	6,297,891	12,117,713	1,228,277	19,643,882
National government bonds	866,839	-	-	866,839
Local government bonds	-	6,751	-	6,751
Corporate bonds	-	938,146	-	938,146
Domestic stocks	3,836,542	205	-	3,836,747
Foreign securities	1,554,867	10,963,448	1,228,277	13,746,593
Foreign bonds	1,024,595	10,545,697	1,026,073	12,596,366
Other foreign securities	530,271	417,751	202,204	1,150,227
Other securities	39,642	209,161	-	248,804
Loans	-	-	110,351	110,351
Derivative transactions	365	382,026	10,605	392,997
Currency-related	-	41,647	-	41,647
Interest-rate-related	-	25,343	-	25,343
Stock-related	363	307,156	10,605	318,125
Other	2	7,877	-	7,880
Total assets	8,633,667	14,217,908	1,745,316	24,596,892
Corporate bonds	-	41,423	-	41,423
Derivative transactions	1,609	540,872	189	542,671
Currency-related	-	365,529	-	365,529
Interest-rate-related	-	137,483	-	137,483
Stock-related	634	27,719	189	28,542
Other	975	10,140	-	11,116
Total liabilities	1,609	582,296	189	584,095

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 ¥1,105,222 million as of March 31, 2026.

The reconciliation between the beginning and ending balances is below:

	Millions of Yen
	Net asset value of investment trusts
Beginning balance	803,823
Gains (losses) for the period/ other comprehensive income	85,954
Recorded to gains (losses) for the period *1	29,470
Recorded to other comprehensive income *2	56,484
Net amount of purchase, sale, issuance and settlement, etc.	215,443
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	1,105,222
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 ¥779,061 million as of March 31, 2026.

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

	Millions of Yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	-	-	80,294	80,294
Securities	8,442,284	5,102,885	-	13,545,170
Held-to-maturity debt securities	127,312	1,801,294	-	1,928,606
National government bonds	127,312	-	-	127,312
Local government bonds	-	10,969	-	10,969
Corporate bonds	-	221,301	-	221,301
Foreign securities	-	1,569,022	-	1,569,022
Foreign bonds	-	1,569,022	-	1,569,022

Policy-reserve-matching bonds	8,314,350	3,219,483	-	11,533,834
National government bonds	8,314,350	-	-	8,314,350
Local government bonds	-	109,455	-	109,455
Corporate bonds	-	1,246,554	-	1,246,554
Foreign securities	-	1,863,473	-	1,863,473
Foreign bonds	-	1,863,473	-	1,863,473
Investments in subsidiaries and affiliated companies	622	82,107	-	82,729
Loans	-	17,321	3,367,016	3,384,337
<b>Total assets</b>	<b>8,442,284</b>	<b>5,120,206</b>	<b>3,447,310</b>	<b>17,009,801</b>
Corporate bonds	-	763,372	-	763,372
<b>Total liabilities</b>	<b>-</b>	<b>763,372</b>	<b>-</b>	<b>763,372</b>

(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, fair values are determined based on quoted prices in inactive markets or on values measured using observable inputs, 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	6.15%-7.15%

\*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, 2026

	Millions of Yen					
	Monetary claims bought	Money held in trust	Securities	Loans	Derivative transactions *5	Total
Beginning balance	135,001	62,022	1,580,302	123,668	15,675	1,916,670
Gains (losses) for the period/ other comprehensive income	(6,674)	1,158	51,578	4,647	(13,687)	37,022
Recorded to gains (losses) for the period*1	0	1,158	85,923	4,647	(13,687)	78,042
Recorded to other comprehensive income*2	(6,674)	-	(34,345)	-	-	(41,019)
Net amount of purchase, sale, issuance and settlement, etc.	(4,189)	30,921	(188,918)	(17,964)	8,428	(171,723)
Transfer to Level 3 *3	-	-	42,602	-	-	42,602
Transfer from Level 3 *4	-	-	(79,445)	-	-	(79,445)
Ending balance	124,137	94,102	1,406,119	110,351	10,416	1,745,127
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	-	-	(1,917)	(8,515)	(9,724)	(20,157)

\*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 Those are the transfers from Level 3 to Level 1 or 2, 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.

\*5 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 Company applies 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 ¥476,591 million, and its fair value was ¥662,186 million as of March 31, 2026. 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 ¥1,077 million as of March 31, 2026.

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 ¥5,544 million as of March 31, 2026. The details are as follows:

The amount of claims against bankrupt or de facto bankrupt borrowers was nil and doubtful claims were ¥461 million as of March 31, 2026. The amount of claims deemed uncollectible and directly deducted from the claims in the consolidated balance sheet was ¥12 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 and 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 ¥1,929 million as of March 31, 2026.

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 ¥3,153 million as of March 31, 2026. 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 ¥438,790 million as of March 31, 2026.
21. The Company's total amounts deducted from the original acquisition cost of the qualified properties were ¥2,826 million.
22. The total amount of assets held in separate accounts defined in Article 118 of the Insurance Business Act was ¥912,272 million as of March 31, 2026. The total amount of separate account liabilities was the same as this.

23. Changes in policyholders' dividend reserves for the fiscal year ended March 31, 2026 were as follows:

	Millions of Yen
At the beginning of the fiscal year	211,078
Transfer from surplus in the previous fiscal year	65,282
Dividend payments to policyholders during the fiscal year	61,601
Interest accrued during the fiscal year	597
At the end of the fiscal year	215,356

24. Total amount of investments in unconsolidated subsidiaries and affiliates was ¥217,891 million as of March 31, 2026.

25. Assets pledged as collateral were securities in the amount of ¥4,369,205 million, loans in the amount of ¥1,039,969 million and cash and deposits in the amount of ¥2,464 million as of March 31, 2026.

26. Business combination as a result of acquisition

Symetra Life Insurance Company, the U.S. subsidiary of the Company, acquired in-force blocks of group life and disability insurance business from Dearborn Life Insurance Company, a subsidiary of Health Care Service Corporation, under a reinsurance contract effective October 1, 2025.

This transaction is accounted for as an acquisition of a business in accordance with FASB Accounting Standards Codification Topic 805 "Business Combinations."

- 1) Overview of business combination

- a) Name and business of the counterparty

Company name: Dearborn Life Insurance Company

Business acquired: group life and disability insurance business

- b) Purpose of the acquisition

This acquisition is aimed at enhancing market presence in the U.S. group life and disability insurance sectors, which are expected to experience future growth, as well as at improving profitability and operational efficiency.

- 2) Accounting period for which earnings of the acquired business are included in the consolidated financial statements

From October 1, 2025 to December 31, 2025

3) Acquisition cost and breakdown

Consideration for the acquisition of in-force blocks \$664 million

Total \$664 million

4) Main component of acquisition-related expenses and their amount

Advisory fees, etc. \$1 million

5) Allocation of acquisition cost

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

Total assets \$664 million

Intangible fixed assets included in the above "Total assets" \$618 million

Total liabilities \$582 million

Policy reserves and other reserves included in the above "Total liabilities" \$526 million

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

1. Amount of recognized goodwill

\$53 million

2. Reason to recognize goodwill

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

3. Amortization period

10 years using the straight-line method

27. On June 29, 2026, the Company plans to redeem subordinated corporate bonds of ¥30,000 million before the repayment due date, the repayment of which is subordinated to other obligations.
28. On February 2, 2026, Singapore Life Holdings Pte. Ltd. obtained a foreign currency-denominated borrowing of 550 million Singapore dollars. Additionally, on February 24, 2026, Singapore Life Holdings Pte. Ltd. redeemed a foreign currency-denominated subordinated bond of 550 million Singapore dollars before the repayment due date, the repayment of which was subordinated to other obligations.
29. Securities loaned under security lending agreements amounted to ¥5,198,768 million as of March 31, 2026.
30. Securities borrowed under borrowing agreements can be sold or pledged as collateral. The fair value of the securities which were not sold or pledged as collateral was ¥31 million, and none of the securities was pledged as collateral as of March 31, 2026.
31. The amount of loan commitments outstanding was ¥32,819 million as of March 31, 2026.
32. The amount of corporate bonds in liabilities included ¥693,434 million of subordinated bonds and foreign currency-denominated subordinated bonds, the repayments of which are subordinated to other obligations, as of March 31, 2026.

33. Other liabilities included subordinated debt of ¥220,000 million, the repayments of which are subordinated to other obligations, as of March 31, 2026.
34. Other assets and other liabilities included assets and liabilities related to the modified coinsurance in the U.S. subsidiary of ¥683,962 million and ¥620,422 million, respectively.
35. For certain transactions of modified coinsurance entered into by a domestic consolidated subsidiary that do not involve cash settlements, amounts received under the reinsurance contracts as part of amounts equivalent to policy acquisition costs related to direct insurance contracts are recorded as reinsurance revenue while the same amounts are recorded as unamortized ceded premium commissions in reinsurance receivable account and are amortized over the period of the reinsurance contracts.
36. The Company and some consolidated subsidiaries in Japan, which 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).

37. Deferred tax assets/liabilities as of March 31, 2026 were recognized as follows:

	Millions of Yen
Deferred tax assets	1,080,413
Valuation allowance for deferred tax assets	(34,431)
Subtotal	1,045,982
Deferred tax liabilities	(945,680)
Net deferred tax assets	100,301

Major components of deferred tax assets/liabilities as of March 31, 2026 were as follows:

	Millions of Yen
Deferred tax assets:	
Policy reserves and other reserves	527,230
Reserve for price fluctuation	265,481
Deferred tax liabilities:	
Net unrealized gains on available-for-sale securities	(645,835)

The actual effective income tax rate was (23.9)% for the fiscal year ended March 31, 2026. Major components in the difference with the statutory effective income tax rate of 27.96% as of March 31, 2026 were as follows:

Policyholders' dividend reserves	(93.2)%
Amortization of goodwill	39.6%

## Notes to the Unaudited Consolidated Statement of Income for the Fiscal Year Ended March 31, 2026

1. The Company generally recognizes insurance premiums when they are received, measured at the amounts collected, 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 present the premium amounts collected in "Insurance premiums and other."
3. The Company recognizes claims paid (excluding reinsurance premiums) when incidents specified in the policy clauses occur, and these claims are paid at the amounts due. The Company also recognizes outstanding claims for the amount of unpaid claims related to contracts for which a payment obligation exists as of year-end or for incidents specified in the policy clauses that have already occurred but have not yet been reported to the Company, in accordance with 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, 2026, the Company recognized impairment losses on real estate held for investment that experienced a deterioration in profitability, as well as on idle assets 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, 2026

Asset Group	Asset Category	Millions of Yen
Real estates held for investment, etc.	Land and buildings, etc.	57
Idle assets, etc.	Land and buildings, etc.	609
Total		667

### 4) The recoverable amounts

The recoverable amounts of real estate held for investment are determined at net realizable value or value in use. The recoverable amounts for idle assets are determined at net realizable value. Net

realizable value is calculated based on estimated selling value, appraisal value according to 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, 2026

1. The components of other comprehensive income for the fiscal year ended March 31, 2026 were as follows:

Reclassification adjustments, income taxes and income tax effects relating to other comprehensive income were as follows:

	Millions of Yen
<hr/>	
Net unrealized gains (losses) on available-for-sale securities:	
Amount arising during the fiscal year	1,358,289
Reclassification adjustments	112,892
Before income tax effect adjustments	1,471,181
Income taxes and Income tax effects	(411,183)
Net unrealized gains (losses) on available-for-sale securities	1,059,998
<hr/>	
Deferred gains (losses) on derivatives under hedge accounting:	
Amount arising during the fiscal year	(54,220)
Reclassification adjustments	6,511
Before income tax effect adjustments	(47,708)
Income taxes and Income tax effects	15,757
Deferred gains (losses) on derivatives under hedge accounting	(31,951)
<hr/>	
Foreign currency translation adjustments:	
Amount arising during the fiscal year	22,869
Reclassification adjustments	-
Before income tax effect adjustments	22,869
Income taxes and Income tax effects	-
Foreign currency translation adjustments	22,869
<hr/>	
Remeasurements of defined benefit plans:	
Amount arising during the fiscal year	127,718
Reclassification adjustments	(17,844)
Before income tax effect adjustments	109,874
Income taxes and Income tax effects	(31,769)
Remeasurements of defined benefit plans	78,105
<hr/>	
Net unrealized gains (losses) on policy reserves and other reserves of foreign subsidiaries:	
Amount arising during the fiscal year	(7,093)
Reclassification adjustments	(118)
Before income tax effect adjustments	(7,212)
Income taxes and Income tax effects	1,514

Net unrealized gains (losses) on policy reserves and other reserves of foreign subsidiaries	(5,697)
<hr/>	
Share of other comprehensive income of associates under the equity method:	
Amount arising during the year	(5,091)
Reclassification adjustments	(71)
Share of other comprehensive income of associates under the equity method	(5,163)
<hr/>	
Total other comprehensive income (loss)	1,118,161

**Notes to the Unaudited Consolidated Statement of Cash Flows for the Fiscal Year Ended March 31, 2026**

1. For the purpose of presenting the consolidated statements of cash flows, cash and cash equivalents consist 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, 2026 was as follows:

	Millions of Yen
Cash and deposits	1,463,735
Deposits bearing interest of the Company and domestic consolidated subsidiaries	(935,746)
Cash and cash equivalents	527,989

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. Non-Consolidated Financial Information

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

(Millions of Yen, %)

	As of March 31, 2025		As of March 31, 2026	
	Amount	% of total	Amount	% of total
Cash, deposits and call loans	2,048,398	5.7	1,753,481	4.7
Monetary claims bought	550,257	1.5	549,312	1.5
Money held in trust	62,022	0.2	94,102	0.3
Investments in securities	29,706,486	82.4	31,136,559	84.3
Domestic bonds	14,022,145	38.9	13,517,397	36.6
Domestic stocks	3,215,077	8.9	4,040,557	10.9
Foreign securities	12,011,504	33.3	13,123,924	35.5
Foreign bonds	8,744,574	24.3	9,287,667	25.1
Other foreign securities	3,266,929	9.1	3,836,256	10.4
Other securities	457,759	1.3	454,679	1.2
Loans	2,069,452	5.7	2,060,390	5.6
Policy loans	218,059	0.6	210,661	0.6
Industrial and consumer loans	1,851,393	5.1	1,849,729	5.0
Real estate	644,133	1.8	635,342	1.7
Investment property	480,382	1.3	473,725	1.3
Deferred tax assets	356,340	1.0	92,781	0.3
Other assets	595,334	1.7	614,891	1.7
Allowance for possible loan losses	(906)	(0.0)	(869)	(0.0)
Total	36,031,519	100.0	36,935,992	100.0
Foreign currency denominated assets	10,484,519	29.1	11,533,805	31.2

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, 2025		As of March 31, 2026	
	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	62,022	(933)	94,102	(279)

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, 2025					As of March 31, 2026				
	Book value	Fair value	Net gains (losses)	Net gains (losses)		Book value	Fair value	Net gains (losses)	Net gains (losses)	
				Gains	Losses				Gains	Losses
Held-to-maturity debt securities	1,855,593	1,858,670	3,076	104,174	(101,098)	1,989,157	1,826,762	(162,394)	61,107	(223,501)
Policy-reserve-matching bonds	13,840,880	12,616,182	(1,224,698)	253,298	(1,477,996)	13,629,353	11,425,755	(2,203,597)	46,938	(2,250,536)
Investments in subsidiaries and affiliated companies	43,459	51,851	8,392	8,392	-	43,359	82,729	39,370	39,370	-
Available-for-sale securities	12,007,747	13,080,871	1,073,123	1,986,442	(913,318)	12,027,079	14,396,179	2,369,099	3,109,966	(740,867)
Domestic bonds	2,268,686	1,815,847	(452,838)	2,066	(454,905)	2,013,725	1,660,669	(353,056)	1,027	(354,083)
Domestic stocks	1,374,169	3,008,954	1,634,784	1,667,123	(32,338)	1,266,881	3,836,741	2,569,859	2,593,790	(23,931)
Foreign securities	7,269,451	7,136,696	(132,755)	266,393	(399,149)	7,636,727	7,757,489	120,761	458,115	(337,354)
Foreign bonds	5,415,442	5,254,397	(161,044)	96,724	(257,769)	5,545,829	5,525,884	(19,944)	218,725	(238,669)
Other foreign securities	1,854,009	1,882,298	28,288	169,668	(141,380)	2,090,898	2,231,604	140,706	239,390	(98,684)
Other securities	267,547	305,636	38,088	50,601	(12,512)	220,206	272,649	52,443	56,948	(4,505)
Monetary claims bought	468,892	454,936	(13,955)	257	(14,213)	480,538	459,904	(20,633)	84	(20,718)
Negotiable certificates of deposit	359,000	358,799	(200)	-	(200)	409,000	408,724	(275)	-	(275)
Others	-	-	-	-	-	-	-	-	-	-
Total	27,747,681	27,607,575	(140,106)	2,352,307	(2,492,413)	27,688,949	27,731,426	42,477	3,257,383	(3,214,905)
Domestic bonds	14,474,984	12,956,531	(1,518,452)	254,223	(1,772,676)	13,870,454	11,480,691	(2,389,762)	44,839	(2,434,602)
Domestic stocks	1,374,843	3,009,747	1,634,903	1,667,242	(32,338)	1,267,455	3,837,363	2,569,908	2,593,839	(23,931)
Foreign securities	10,802,413	10,521,924	(280,489)	379,983	(660,472)	11,441,295	11,272,092	(169,202)	561,671	(730,873)
Foreign bonds	8,905,618	8,588,566	(317,052)	202,040	(519,092)	9,307,611	8,958,381	(349,230)	282,959	(632,189)
Other foreign securities	1,896,795	1,933,357	36,562	177,942	(141,380)	2,133,683	2,313,711	180,027	278,711	(98,684)
Other securities	267,547	305,636	38,088	50,601	(12,512)	220,206	272,649	52,443	56,948	(4,505)
Monetary claims bought	468,892	454,936	(13,955)	257	(14,213)	480,538	459,904	(20,633)	84	(20,718)
Negotiable certificates of deposit	359,000	358,799	(200)	-	(200)	409,000	408,724	(275)	-	(275)
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, 2025	As of March 31, 2026
Investments in subsidiaries and affiliated companies	1,300,067	1,453,691
Available-for-sale securities	316,482	376,553
Domestic stocks	21,614	21,156
Foreign stocks	34,558	34,558
Others	260,308	320,837
Total	1,616,550	1,830,244

**(3) Fair Value Information of Money held in trust**

(Millions of Yen)

	As of March 31, 2025					As of March 31, 2026				
	Balance sheet amount	Fair value	Net gains (losses)	Net gains (losses)		Balance sheet amount	Fair value	Net gains (losses)	Net gains (losses)	
				Gains	Losses				Gains	Losses
Money held in trust	62,022	62,022	-	-	-	94,102	94,102	-	-	-

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, 2025		As of March 31, 2026	
	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	62,022	(933)	94,102	(279)

**Money held in trust except for trading**

No money held in trust except for trading as of March 31, 2025 and March 31, 2026.

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

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

(Millions of Yen)

	As of March 31, 2025						As of March 31, 2026					
	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	(47,668)	19,092	-	-	-	(28,576)	(103,587)	(215,432)	-	-	-	(319,019)
Hedge accounting not applied	-	(32,938)	(2,658)	-	(4,232)	(39,829)	-	(45,840)	(3,735)	-	2,413	(47,161)
Total	(47,668)	(13,845)	(2,658)	-	(4,232)	(68,405)	(103,587)	(261,272)	(3,735)	-	2,413	(366,181)

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 ¥7,387 million and loss of ¥256,347 million as of March 31, 2025 and March 31, 2026, respectively.

### (2) Interest-related

(Millions of Yen)

Type	As of March 31, 2025				As of March 31, 2026			
	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	381,200	380,700	(62,805)	(62,805)	380,700	380,700	(116,300)	(116,300)
Receipts floating, payments fixed	112,140	112,140	15,137	15,137	119,910	119,910	12,712	12,712
Total				(47,668)				(103,587)

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

#### (Reference)

#### Interest rate swaps by contractual maturity dates

[As of March 31, 2026]

(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)	-	2,000	700	1,000	2,000	375,000	380,700
Average fixed rate (receipt)	-	0.71	0.83	1.24	1.40	0.95	0.95
Average floating rate (payment)	-	1.59	1.51	1.36	1.39	0.67	0.68
Notional amount (receipts floating, payments fixed)	-	47,964	71,946	-	-	-	119,910
Average fixed rate (payment)	-	1.83	2.39	-	-	-	2.17
Average floating rate (receipt)	-	5.09	5.64	-	-	-	5.42

### (3) Currency-related

(Millions of Yen)

Type	As of March 31, 2025				As of March 31, 2026			
	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	5,184,922	642,321	(36,899)	(36,899)	4,577,806	741,484	(324,966)	(324,966)
(U.S. dollar)	4,203,866	642,321	(32,278)	(32,278)	3,150,380	741,484	(255,342)	(255,342)
(Euro)	738,472	-	(7,926)	(7,926)	1,100,363	-	(31,760)	(31,760)
Bought	989,312	125,599	1,749	1,749	525,447	-	29,514	29,514
(U.S. dollar)	882,387	125,599	1,959	1,959	471,821	-	29,789	29,789
Currency options								
Bought								
Put	797,500	260,000			292,500	-		
(U.S. dollar)	[7,385]		4,563	(2,822)	[3,786]		-	(3,786)
(Mexican Peso)	760,000	260,000			260,000	-		
	[5,492]		3,283	(2,208)	[2,908]		-	(2,908)
	37,500	-			32,500	-		
	[1,893]		1,279	(614)	[877]		-	(877)
Currency swaps	40,507	31,484	(15,589)	(15,589)	31,484	16,181	(15,938)	(15,938)
(U.S. dollar)	40,507	31,484	(15,589)	(15,589)	31,484	16,181	(15,938)	(15,938)
Total				(53,561)				(315,175)

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, 2025				As of March 31, 2026			
	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	599,988	200,000			200,000	-		
Put	[6,765]		4,107	(2,658)	[3,735]		-	(3,735)
Total				(2,658)				(3,735)

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, 2025 and March 31, 2026.

#### (6) Others

(Millions of Yen)

Type	As of March 31, 2025				As of March 31, 2026			
	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	59,801	-	20	96	57,943	-	125	(34)
	[116]				[91]			
Bought								
Call	251,465	-	1,274	(4,328)	263,990	-	7,872	2,447
	[5,603]				[5,424]			
Total				(4,232)				2,413

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, 2025	As of March 31, 2026
Claims against bankrupt and quasi-bankrupt obligors	-	-
Claims with collection risk	665	461
Claims that are overdue for 3 months or more	-	-
Claims with repayment relaxation	3,399	3,153
Subtotal	4,065	3,615
[Percentage]	[0.06]	[0.05]
Claims against normal obligors	6,807,188	7,286,040
Total	6,811,253	7,289,655

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