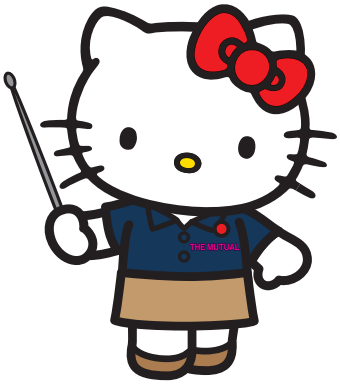
2025 ANNUAL REPORT

YEAR ENDED MARCH 31, 2025



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FUKOKU MUTUAL LIFE
INSURANCE COMPANY

THE MUTUAL Declaration

Fukoku Life was founded in 1923 as a mutual company based on policyholder-oriented principles. These principles have been passed down through our enduring management philosophy of protecting the interests of policyholders, and in our customer-centered values.

Fukoku Life is the only life insurance company in Japan that has maintained a mutual structure since its establishment. We have done so because of the appeal that the ethos underlying mutual insurance has always held for Fukoku management. Our organization's principles are based on mutual support provided by policyholders, while our policyholder-centric approach derives from a spirit of mutual aid.

As a mutual company, we are a go-between, bringing together people who share mutual sentiments, while also protecting their thoughts and feelings. Bringing people together requires empathy. This leads to trust and, finally, peace of mind, which we deliver through face-to-face interaction.

Empathy, connection, and mutual support are the foundations on which are based the motto of THE MUTUAL, our aspirations for the next generation of mutual aid, and our goal to become a mutual organization. Since life insurance is a lifelong, even intergenerational, promise to our customers, it is a never-ending job. Based on the spirit of mutual assistance, we will continue to stand by our customers and forever keep our promises to them.

November 22, 2023
Fukoku Mutual Life Insurance Company

Contents

THE MUTUAL Declaration 0

Management Principle of Fukoku Life 2

History 4

A Heritage of Dual Origins 6

Message from the President 8

Management Differentiation 12

Medium-term Management Plan (FY2025–2027) 14

Review of Operations in Fiscal 2024 16

- Business Performance 16
- Financial Soundness and Profitability (Non-consolidated) 18
- Environmental Protection Initiatives 20
- Contribution to Society 22
- Contributing to a Sustainable Society 24
- Initiatives for the Respect of Human Rights 25
- Business Management System 26

Non-consolidated Financial Statements 28

Consolidated Financial Statements 52

Corporate Organization 83

Corporate Information 84

Management Principle of Fukoku Life

THE MUTUAL

The only life insurance company in Japan that has maintained a mutual company structure since its establishment

Our founding spirit

Policyholder-oriented principles

Management philosophy

- Protecting the interests of our policyholders
- Contributing to society
- Helping our employees achieve personal fulfillment

Values



Code of conduct

Our customers

- Consistently apply customer-centered values
- Always act in an honorable and upright manner

Our communities

- Continue to emphasize the importance of life insurance
- Facilitate the achievement of a brighter future

Our employees

- Remain willing to act without fear of failure
- Respect each other and pursue growth as a team

Business policies

- Further strengthen our management base and provide our customers with stability and security
- Contribute to the realization of a sustainable society as a mutual company engaged in the life insurance business
- Increase employee job satisfaction through human resource development based on customer-centered values

Motto and company DNA

Valuing quality over quantity

Communication logo

人と人の間に
フコク生命
THE MUTUAL

Empathy, connection, and mutual support are the foundations on which are based the motto of THE MUTUAL, our aspirations for the next generation of mutual aid, and our evolution into a mutual organization.

Vision

Be Japan's best mutual life insurer in terms of customer satisfaction

Management strategy

Target differentiation in all business areas

Medium-term management plan: THE MUTUAL ACT 2027

- For Fukoku Life to continue as is
- What only Fukoku Life can offer

Initiatives targeting growth through asset management and insurance

⇨We will work to further raise interest margins and undertake the medium- to long-term challenge of improving insurance income

Stakeholder-specific initiatives

⇨Based on employee opinions, we will predict individual stakeholder expectations and aim to take steps that will yield coordinated improvement in CS and ES.

- Combining top-down and bottom-up approaches



Our mission as a mutual company

- To alleviate the insurance premium burden on our customers by accelerating dividend returns

Responsibilities as an insurer

- To pay insurance claims and other obligations come what may

History

1923 — **Founding**
Fukoku Chohei Insurance Mutual Company is established as the first and only mutual insurance company for conscripts.

1945 — **Name changed**
Company name is changed to Fukoku Mutual Life Insurance Company.

1951 — **Valuing quality over quantity**
To improve quality, rather than focus on company size and number of policies sold, valuing quality becomes part of a management policy.

1961 — **Industry's highest dividends**
With the liberalization of policyholder dividends, the industry's highest dividends are offered.

1968 — **Donations for childhood cancer treatment**
Grants start being awarded to the Children's Cancer Association of Japan for pediatric cancer treatment.



1981 — **Net retention growth**
The concept of net retention growth is first introduced. It emphasizes quality over scale, as well as the need to retain and attract holders of high-quality insurance policies, while at the same time increasing renewal rates.

1983 — **Third-sector focus**
Healthcare insurance begins; the focus to date remains on third sectors, such as healthcare insurance and life benefits.

Asset bubble years — **Responsible asset management and products (late 1980s to early 1990s)**
Investment in risky assets, such as real estate and stocks, is restricted. Variable life insurance is not sold since the principle of personal responsibility has yet to take root.

2002 — **OTC sales channels**
Engages in over the counter (OTC) sales through financial institutions, mainly local credit unions. Starting in 2008, Fukokushinrai Life is expanding its OTC sales channels.

2005 — **Corporate transformation**
With a view to focusing on customer-centered values, starts corporate transformation.

2008 — **Customer-centered values**
Reconfigures management philosophy to focus on customers' values.



2011 — **Human Resources Development Department**
An HR department is set up, headed by the president. A Human Resources Development Declaration and a Basic Human Resources Development Policy are compiled, in order to develop human resources able to meet customer-centered values.

2013 — **Launch of Mirai no Tobira**
The industry's first flagship product with a rider is launched: Mirai no Tobira (Door to the Future).

2017 — **Risk taking statement changes**
Asset management risks are taken on, as interest and dividend income head to new, annual record highs (from 2018 to 2024).

2023 — **Centennial**
THE MUTUAL Declaration is unveiled—with empathy, connection, and mutual support at its core.
It represents the Company's aspirations for the next generation of mutual aid.

2024 — **New profit distribution policy**
Capital adequacy ratio and other measures of Company soundness stand improved as a result of management's emphasis on quality. The profit distribution policy is updated to emphasize dividend returns and stronger capital.
A new profit distribution policy prioritizing returns to employees is introduced, following dividend returns to policyholders.

Capitalism Mutualism

Fukoku Life has been in business for over 100 years. It rests on two building blocks. One is the capitalist philosophy of our founding president, Kaichiro Nezu, who believed in the profit-oriented management of capitalism. The second block is the mutual company vision of our second president, Yoshiteru Yoshida, who sought to protect the interests of policyholders through mutualism.



Founding president
Kaichiro Nezu
(1923 to 1940)

As a businessman, Nezu had been involved in the acquisition and restructuring of numerous companies. Although he initially rejected Yoshida's proposal to set up a new company as a mutual organization, after five years of persuasion, he finally agreed to set up just such a company.

Origin 1:
Focusing on profitability

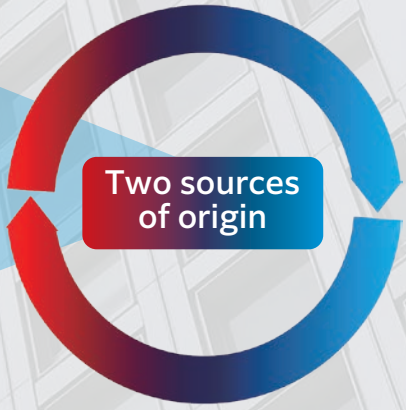
The mindset of a capitalist

The spirit of a mutual company



Second president
Yoshiteru Yoshida
(1940 to 1943)

As the de facto founder of the Company, Yoshida had policyholder-oriented principles, and was committed to running a mutual company.



Origin 2:
Protecting our policyholders' interests

Beliefs of first president Kaichiro Nezu

Motto and company DNA

Valuing quality over quantity

Beliefs of second president Yoshiteru Yoshida

Values

Customer-centered values

THE MUTUAL ACT 2027

We will pursue our medium-term management plan THE MUTUAL ACT 2027, which began in fiscal 2025, as a means of achieving our management vision of being the top life insurance company in terms of customer satisfaction.

A Heritage of Dual Origins

Fukoku Life is the only life insurance company in Japan that has maintained a mutual company structure since its establishment.

Life insurance is a highly public business based on the spirit of mutual aid and is closely related to the lives of the people. As a company engaged in the business of life insurance, our management philosophy requires us to protect the interests of policyholders. We thus believe that a mutual structure—one in which each policyholder is a member of the organization—is the format that best represents the beliefs of our management.

We will continue to honor these two origin sources and pursue sustainable growth to protect our customers. Life insurance is a lifelong, even multigenerational promise to our customers, making it a never-ending responsibility. Based on the spirit of mutual assistance, we will continue to stand by our customers and keep our promises to them for all time.



Third president
Ataru Kobayashi
(1953-1951)

Notable events during his tenure

Maintain a mutual company structure (Related to origin 2)

Need to accumulate capital (Related to origin 1)

Our Company has always taken pride in being a mutual organization. After WW II, we asked the authorities to amend legislation so that our former company (involved in conscript insurance) could continue as a mutual life insurance company without having to be dissolved. The request was approved, thus making our Company the only one in Japan that has maintained a mutual company structure since its founding.

To help jumpstart Japan's postwar economic recovery and achieve economic independence, we implemented a form of asset management that emphasized the public nature of life insurance, and the proportion of stocks in our total assets rose to over 50%.



Former head office building



Fourth president
Jiro Satake
(1951-1953)

Notable events during his tenure

Valuing quality over quantity (Related to origin 1)

Satake believed that the development of a company lies in the nurturing of quality human resources. He thus adopted a management policy that values quality more than quantity.

Based on the position that the collateral strength of insurance policies should be reinforced, we pursued efficient asset management and business rationalization so as to streamline our business management.



President Satake's inaugural address



Fifth president
Takeomi Mori
(1953-1971)

Notable events during his tenure

Grants for pediatric cancer treatment (Related to origin 2)

Based on the theory that, when a company does well, the profits should be given back to society, in 1968 Fukoku Life began its financial support for pediatric cancer treatment. Grants were given to the Children's Cancer Association of Japan and, by 1983, the Company had donated ¥1 billion.



A donation is given to the Children's Cancer Association of Japan.



Sixth president
Tetsuo Furuya
(1971-1991)

Notable events during his tenure

Responsible asset management (Related to origin 1)

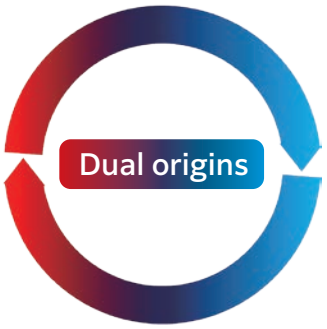
Decision not to sell variable insurance (Related to origin 2)

In the belief that asset management should not be constricted by insurance policies, we have continue to treat insurance sales and asset management as separate interests.

Interestingly, in the context of our head office building—which was completed in 1980—we believe that, as a company looking after the assets of numerous policyholders, we should keep the portion of the edifice that we use to a minimum and rent out the rest. To this day, most of the building is used for investment purposes.

During Japan's asset bubble, we discouraged investment in stocks and real estate, in the belief that investing in assets that are clearly overvalued runs contrary to protecting the interests of policyholders. Moreover, we refrained from selling variable insurance, claiming that such insurance—which forces policyholders to bear risks—is contrary to the basic principles of safety, profitability, and certainty.

Origin 1:
Focusing on profitability



Origin 2:
Protecting our policyholders' interests



Seventh president
Takashi Kobayashi
(1991-1998)

Notable events during his tenure
Fukoku Life Charity Concerts launched
(Related to origin 2)

We believe that, while fostering sound management, we must also bear in mind our obligation to create new traditions through ingenuity and effort. One result is the launching of the Fukoku Life Charity Concerts on the occasion of the 70th anniversary of our founding. By the end of fiscal year 2024, some 312 concerts had been held, making them one of the Company's traditions.


A Fukoku Life Charity Concert



Eighth president
Tomofumi Akiyama
(1998-2010)

Notable events during his tenure
Autonomous, independent mutual company
With customer-centered values
(Related to origin 2)

The unprecedented life insurance crisis, which entailed a series of bankruptcies, was a challenging time for Fukoku Life. Akiyama, who was at the helm of the Company at the time, was impressed by the strength of our top sales people and became determined to pursue an independent course that it stuck to —sound management— and did not get carried away in the bubble economy. Since then, we have revised our management philosophy and made the customer our core focus.




Chiba New Town Head Office completed in June 2000.



Ninth president
Teruyoshi Yoneyama
(2010-2025)

Notable events during his tenure
Risk-taking statement changes (Related to origin 1)
THE MUTUAL: next-generation mutual aid (Related to origin 2)
New profit distribution policy (Related to origin 1)

Based on the idea that the main responsibility of an insurance company is making sure that insurance claims are paid, no matter what, we have strengthened our on-balance capital.

Once we had a sufficient capital base, we changed our risk-taking statement to allow us to pursue more asset management risks. As these efforts further bolstered our financial soundness, we announced a new profit distribution policy in fiscal 2024.



THE MUTUAL Fund



THE MUTUAL+


Vegetable Crayons



Tenth president
Takehiko Watabe
(from 2025)

Aiming to Be Japan's Best Mutual Life Insurer

THE MUTUAL ACT 2027

Message from the President

Aiming to Be Japan's Best Mutual Life Insurer

—By enhancing our soundness and profitability, we hope to be regarded as No. 1 in the industry by customers, communities, society, and our employees—

My name is Takehiko Watabe, and I was appointed president in April 2025. I would like to express my sincere gratitude for your continued patronage.

As the head of the only insurance company in Japan that has remained a mutual company since its founding, I will work to make Fukoku Life the best mutual life insurance company for our key stakeholders: customers, local communities, society at large, and our employees.

Fukoku Life Insurance was founded in 1923 by its second president, Yoshiteru Yoshida, who was a top salesman at a joint-stock life insurance company. Yoshida had a desire to build a mutual company with interests devoted exclusively to its policyholders.

Yoshida's repeated requests that well-known railroad magnate, Kaichiro Nezu, found such a company succeeded, and Nezu became the Company's first president. However, his management style was thoroughly capitalist and focused on profits; Yoshida, meanwhile, had a passion for mutual assistance.

Reflecting the ideas of both Nezu and Yoshida, Fukoku Life has taken risks when necessary and enhanced its profitability through differentiation strategies. At the same time, it has remained conscious of the public nature of insurance and focused on steadily fulfilling its mission as a mutual company.

For Fukoku Life to remain true to its original driving force, all employees must be aware not only of the origins of Fukoku Life's business, but also of the passion that has been passed down since the Company's founding. Nezu's ideas are firmly rooted in the Company motto: Value quality over quantity. Meanwhile, Yoshida's ideas are the basis of both our customer-centered values and the concept of THE MUTUAL, which takes into consideration mutual assistance for the next generations.

That said, if Fukoku Life Insurance, which has a history spanning more than 100 years, is to sustain its core values in this ever-changing society, the Company must embrace change. THE MUTUAL ACT 2027, our current medium-term management plan, which began this fiscal year, was formulated with this need in mind.

Aiming to be the best mutual life insurer

Management at Fukoku Life emphasizes quality rather than size, and this has stood the Company in good stead. In the late 1990s and early 2000s, a life insurance crisis occurred. As a result, a string of corporate bankruptcies occurred in the industry, following a reckless pursuit of expansion that incurred staggering losses.

Despite this, the Company survived; it stuck to sound management and did not get carried away in the bubble economy. We owe our survival then to the fact that we value quality over quantity. In the wake of the global financial crisis, the Great East Japan Earthquake and, more recently, the COVID-19 pandemic, we have strengthened our business soundness, ensuring that we are able to pay insurance claims and meet other obligations, come what may. As a result, in fiscal 2023, our on-balance capital for the first time exceeded ¥1 trillion.

In order to put the principle of valuing quality over quantity into practice, we must go on either the defensive or offensive, as required.

In recent years, we have been working to strengthen our profitability, mainly through asset management, by taking risks backed by robust capital. We



Takehiko Watabe

President and Chief Executive Officer

have been highly praised for engaging in differentiated asset management by, for example, curbing investments in ultra-long-term government bonds with low yields amid Japan's unprecedented easy money policy, and by significantly reducing currency hedging before the United States began to tighten its monetary policy.

Based on this track record, our credit ratings—which indicate our ability to pay insurance claims—were upgraded by three rating agencies in 2023 and one such agency in 2025. Notably, the US agency Standard & Poor's has given the Company the highest rating of Prime (AAA) in terms of capital and profitability.

Our desire to become the best mutual life insurance company requires that we provide our customers with overwhelmingly cost-effective products and services through substantial dividend returns and consultative sales. We must also proactively promote initiatives based on a spirit of mutual assistance to our local communities and to society, while at the same time earning trust. Further, we need to have in place industry-leading salary standards and working conditions. To achieve these ends, it is essential that we further enhance our financial soundness and profitability, and I believe it is my duty as president to make sure these goals come to fruition.

Insurance business in a mutual company

Life insurance is a highly public business that is closely related to people's lives. Article 1 of Japan's Insurance Business Act refers to the public nature of the insurance business, meaning that policyholders are to be protected.

Since our founding, we have had a management philosophy stipulating the need to protect the interests of our policyholders. We see the mutual company structure as the best format for putting our ideas into practice, since there are no shareholders and each policyholder is a member of our organization. Life insurance protects customers' contracts for their entire lives, and mutual companies focus on the interests of their policyholders, who are paid dividends.

As a mutual company, we connect people wishing to help one another, linking people's thoughts and protecting their lives. Our role requires empathy which, in turn, creates trust and leads to peace of mind. We are committed to holding face-to-face meetings to deliver this peace of mind.

We remain flexible, of course, in our response to requests from customers still reluctant to meet face-to-face. With the pandemic not yet far behind us, we make every effort to understand these customer perspectives by using IT and digital technologies, to effectively combine the real and digital worlds.

Medium-term management plan —THE MUTUAL ACT 2027—

Through our current medium-term management plan—The Mutual Act 2027—launched in fiscal 2025, we are seeking to achieve Fukoku Life's management vision of becoming the top insurance company in terms of customer satisfaction.

To this end, we are planning two basic initiatives. One is the use of asset management and insurance, to propel us along a path to growth. The second is the deepening of empathy, connections, and support involving customers, local communities, society, and our employees, which we aim to achieve through stakeholder-specific initiatives.

1. Initiatives targeting growth through asset management and insurance

To become the best mutual life insurance company, further raise dividend returns, and enhance employee benefits, it is essential that we see profit growth. Fukoku Life plans to achieve this by focusing on the domestic life insurance business, rather than acquiring overseas insurance companies or expanding into other industries.

Asset management and insurance will enable us to grow, further improving our outstanding profitability through risk-taking backed by strong capital. Specifically, we aim to boost interest income through risk-taking in the area of asset management. By using those funds for investments such as expanded advertising and systems investment, our consulting sales will become more sophisticated as our insurance income improves.

Should we be successful in leveraging our robust capital base and raising the profitability and productivity of our insurance income, greater growth in the domestic market will result. We believe that increased profitability and productivity will enable us to accelerate dividend returns, and offer our employees even better conditions. The result will be a virtuous cycle, with the potential for new risk-taking and sources of growth.

2. Stakeholder-specific initiatives

Since Fukoku Life is not a joint-stock company, its main stakeholders are its customers, local communities, society, and our employees. We are aiming to attain premium satisfaction for all our stakeholders by means of bottom-up measures primarily designed by young and mid-career employees.

First, with our customers in mind, we are introducing the concept of Fukoku Life Fans and, based on other business formats, we are fostering love for Fukoku, providing opportunities for clients to share their excitement with our staff.

Second, for local communities and society, we have decided to promote the creation of communities that deepen ties with children, based on the belief that Fukoku Life and children go hand in hand.

Third, we believe that our employees drive customer satisfaction, since an enterprise with high customer satisfaction cannot but be well liked by its staff. Based on the idea that it is important for employees and, by extension, their families to be happy, we are working to become the top life insurance employer.

Expanding dividend returns

Owing to ongoing increases in labor costs and the price of goods, it is likely to be more difficult in the future to lower insurance premiums through cost reductions. Thus, rather than simply lowering insurance premiums, it is more important that the Company generates profits and returns them as dividends, thereby reducing the insurance premium burden on customers.

Fiscal 2024 marked the 13th consecutive year of increased dividends in the individual insurance segment. For fiscal 2025, 10-year cumulative dividends for a typical policy entering its 10th year are expected to exceed 1.2 years' worth of annualized premiums.

Under our medium-term management plan, we have set a management performance metric of raising 10-year cumulative dividends for typical policies that will reach their 10th anniversary in fiscal 2027 to two years' worth of annualized premiums.

If we succeed in reaching that level, we believe we will be able to become price competitive, and that customer satisfaction and expectations for dividends will rise. We thus will continue to make raising dividend returns our top priority.

Attractive savings products

We see the winding down of deflation and the Bank of Japan's quantitative and qualitative easing policy as a positive change for Fukoku Life. In a world that once again has interest rates, it is becoming increasingly vital to support customers in building stable wealth. This can be done by reducing their insurance premium burdens through higher dividends, and by offering attractive savings-type products.

In April 2024, we raised the assumed interest rate for our Mirai Plus individual pension insurance from 0.65% per year to a maximum of 1.35% per year. Further, the assumed interest rate for the lump-sum payment, whole-life insurance Gutto Up, launched in April 2025, is 1.50% per year, the highest level in the industry for a yen-denominated, fixed-interest-rate, lump-sum payment product. Given our acumen in yen-interest savings products, we will

continue providing products and services that meet the wealth building needs of customers.

The protection gap

Due to factors such as the reconsideration of excessive insurance coverage during the deflationary period, there is now a problem. Some of the insurance taken out by customers falls short of the coverage actually needed, resulting in a widening of the protection gap. According to a survey by the Life Insurance Cultural Center, this gap has been widening year by year, and currently stands at some ¥50 million.

We believe that preparing for contingencies is particularly important for those of child-rearing age, who often are less likely to be aware of various risks. Bearing this in mind, we will continue to strengthen our face-to-face consulting services and help customers recognize the existence of protection gaps, before suggesting appropriate insurance.

Fiscal 2024 earnings

Our insurance earnings results show that sales of Fukoku Life's individual pension insurance and Fukoku Shinrai Life's single-payment whole life insurance were strong. The combined annualized premiums of both companies' new policies climbed 12.3% year on year, to mark the fourth straight year of growth.

In terms of asset management, Fukoku Life Insurance's non-consolidated interest and dividend income reached a record high for the seventh consecutive year. The combined fundamental profit (the standard measure of an insurance company's profitability) of the two companies rose 15.4% year on year, to reach a record high for the second consecutive year. Our consolidated solvency margin ratio, indicating our financial soundness, remained at a high level of 1,147.4%.

Policyholder dividends increased ¥10.1 billion, the largest increase ever for individual insurance. This reflects the desire to return greater dividends faster and more broadly to those who have remained with us over the long term.

Because life insurance is based on the spirit of mutual assistance, the insurance premiums we collect from customers are used to pay out insurance benefits. In fiscal 2024, the two companies took in a combined total of ¥772.1 billion in insurance premiums and paid out ¥508.9 billion in insurance claims, pensions, and benefits.



Human resources and customer-centered values

Life insurance-related work is a never-ending job; it is a promise to our customers that spans a lifetime and, sometimes, even generations. In order to continue keeping our promises to customers, we are focusing on creating an environment that nurtures people who will inherit our founding spirit and management philosophy.

To encourage employees not to lose sight of our core values of putting policyholders first and being a mutual company, we have marked our centenary by giving all staff a booklet titled *Our Founding Spirit*. It is a modern, re-edited version of the original text written by our second president, Yoshiteru Yoshida. The publication embodies our founding spirit and management philosophy, setting out the basics of staff behavior and attitudes to work. It is expected that all employees—present and future—will take their jobs seriously and create new value by building on the fundamentals as they put our customer-centered approach into practice.

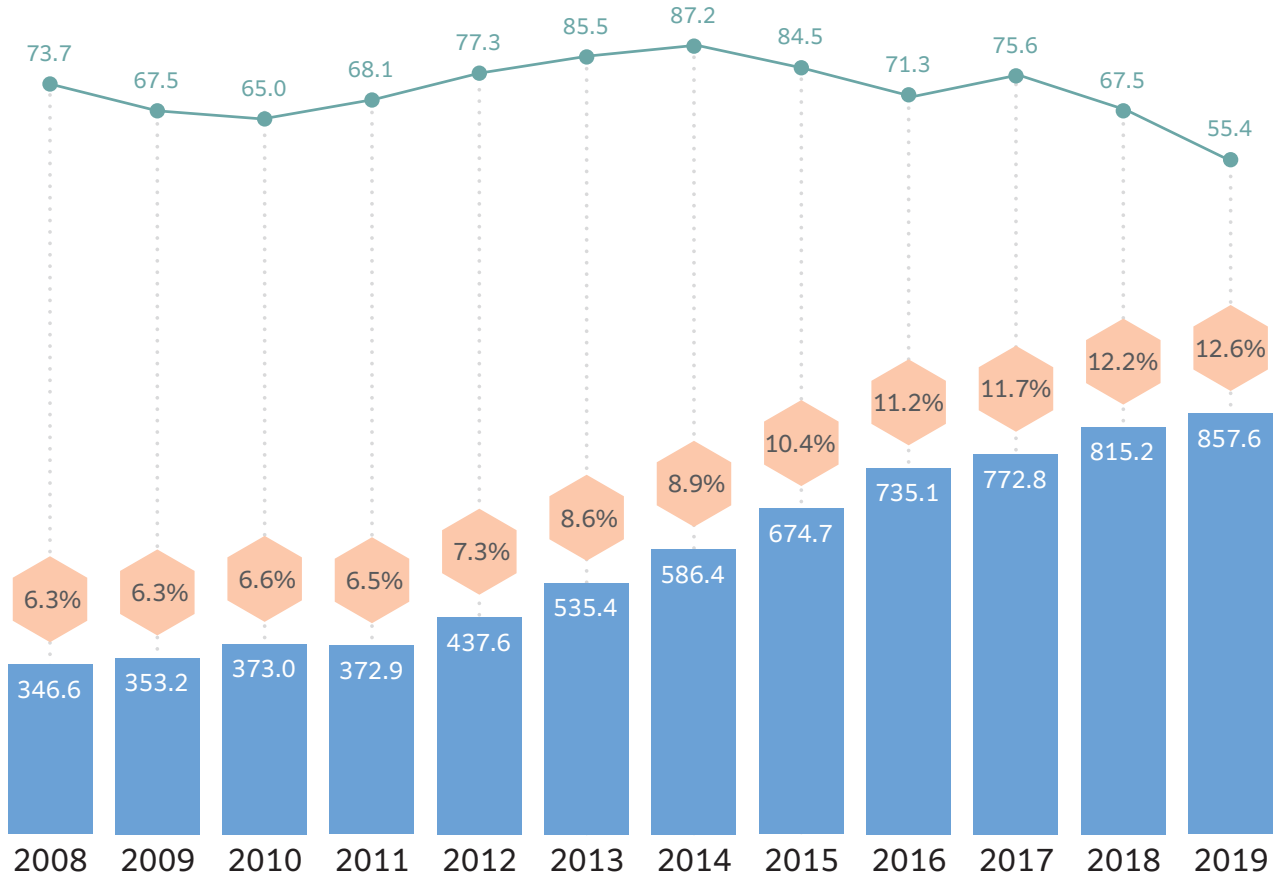
We continue to place great importance on sincere heartfelt face-to-face communications. The driving force behind this is not just the desire for information, but the need to generate empathy, connections, and mutual support. We are building a culture that acknowledges diverse individuality, as stated in our basic policy for human resource development. At the same time, we continue to cultivate human resources specific to our needs, as we foster initiative, creativity, and altruism. We support all employees in their bid to reach their potential and encourage them to take independent action.

Management Differentiation

— Recent Initiatives —

In undertaking risks backed by solid capital, Fukoku Life has made efforts to enhance capital based on our company motto, "Value quality over quantity." Specifically, since the 2008 global financial crisis, we have accelerated the accumulation of capital through internal reserves from ordinary profit and capital raising, and in fiscal 2017, we revised our risk-taking statement based on our capital adequacy status. As a result, in light of capital adequacy and risk-return efficiency, we are implementing a risk-taking strategy in asset management.

Capital, Capital Ratio, and Fundamental Profit

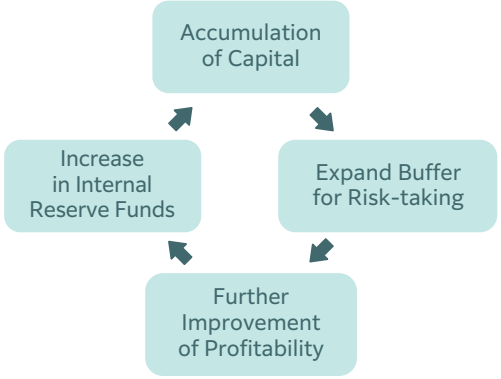


Note: Fundamental profit for each fiscal year is an adjusted figure comparable with current standards. Capital amounts are as of fiscal year end.

Capital Procurement Differentiation

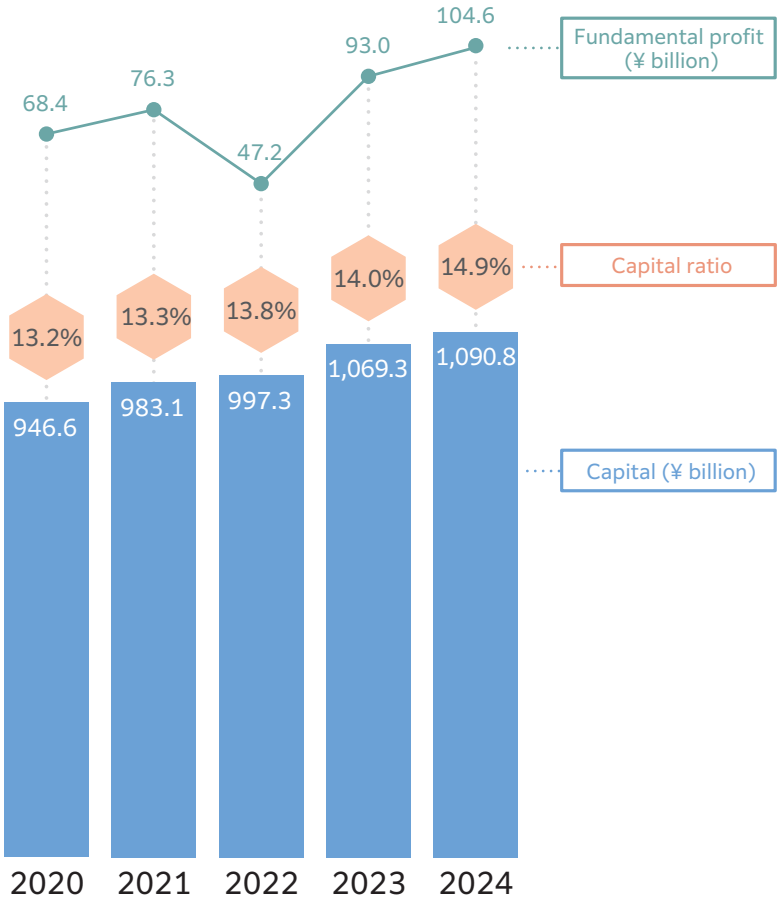
- Issued industry's first domestic perpetual subordinated bonds (negotiated transaction) (Fiscal 1998)
- Issued[1] industry's first Euro-denominated perpetual subordinated bonds (fiscal 2005)
- Issued[2] industry's first domestic perpetual subordinated bonds (fiscal 2012)
- Issued the first USD-denominated perpetual subordinated bonds as a mutual company in Japan (fiscal 2013)
- Issued[3] the first domestic perpetual subordinated bonds NC10 as a domestic life insurance company in Japan (fiscal 2016)

Capital Procurement Virtuous Cycle



Notes:
1. First in the industry to be recognized by a credit rating agency as a capital-eligible bond.
2. First in the industry to raise subordinated debt from the market.
3. First domestic life insurance company to raise subordinated debt with a 10-year period before early redemption becomes possible.

In fiscal 2024, fundamental profit reached a record high for the second straight year. Under the medium-term management plan launched in fiscal 2025, we will promote initiatives aimed at growth through management and insurance, and under a new profit distribution policy, we will accelerate dividend returns and improve employee treatment.



Vision
Be Japan's best mutual life insurer in terms of customer satisfaction

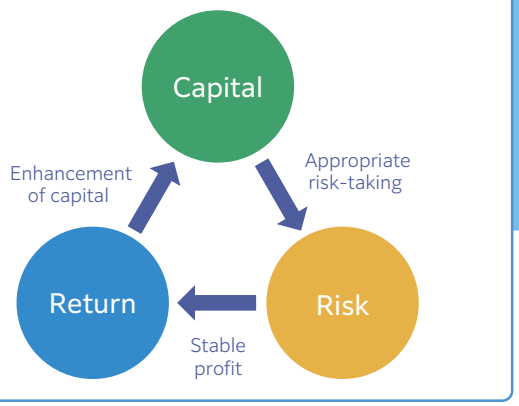
Growth through asset management and insurance

THE MUTUAL ACT 2027

New Profit Distribution Policy (Established in July 2024)

- (1) Dividend returns
- (2) Employee returns
- (3) Internal reserves

Risk-taking Statement Revision

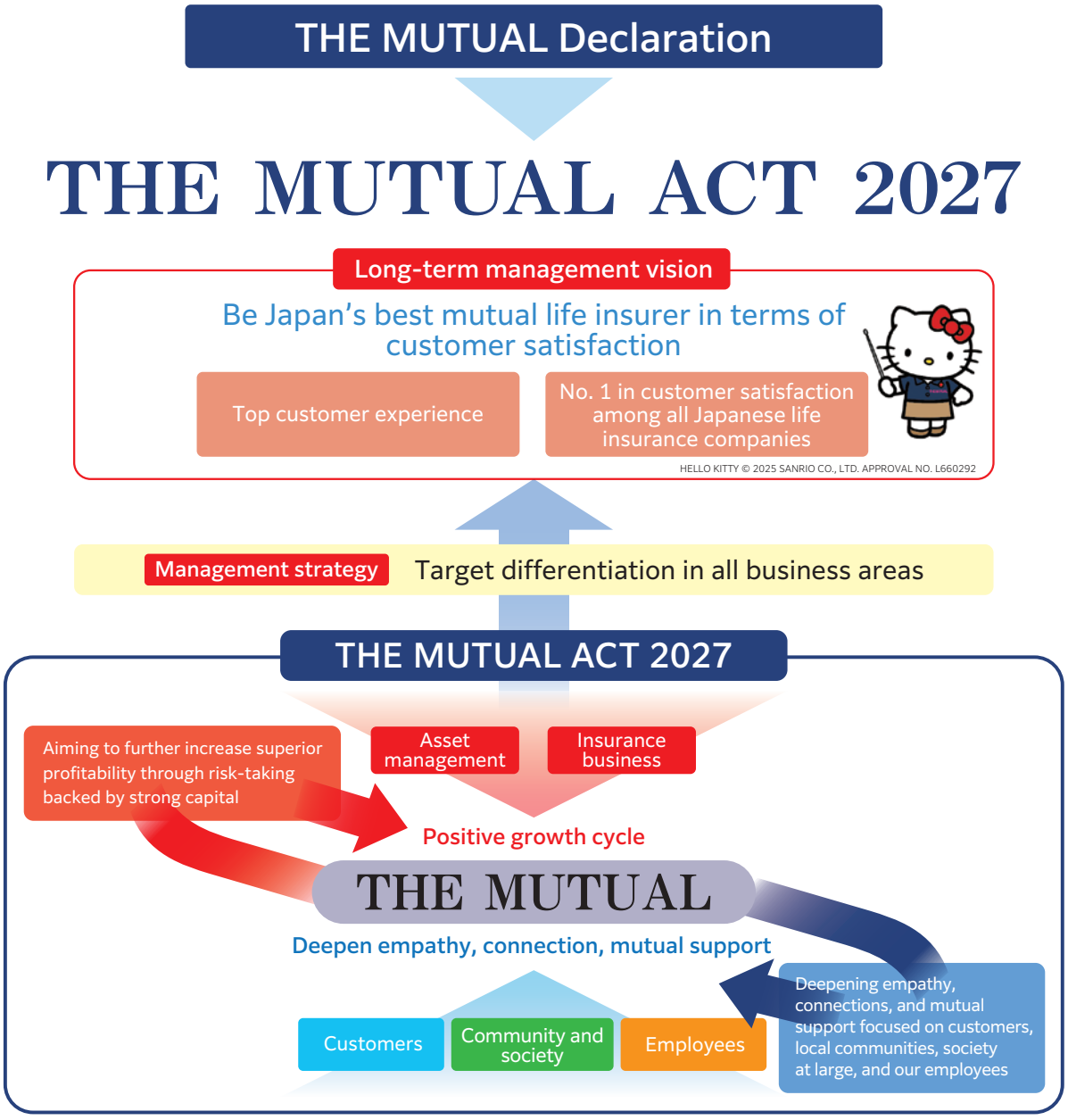


Medium-term Management Plan (FY2025–2027)

Plan Overview

Our current medium-term management plan is the embodiment of THE MUTUAL Declaration,* announced in conjunction with our 100th anniversary on November 22, 2023. We named the current plan THE MUTUAL ACT 2027. It reflects our desire to maintain our presence based on the spirit of mutual assistance, and to stand by our customers indefinitely, while keeping our promises to them.

* Please see the inside cover of this report for the declaration.



The current plan summarizes the initiatives we will promote over the coming three years to bridge the gap between our current standing and our long-term management vision of becoming the top life insurance company in terms of customer satisfaction. For us to realize this requires a sound financial base and profitability, as well as mutual empathy between the Company and our stakeholders.

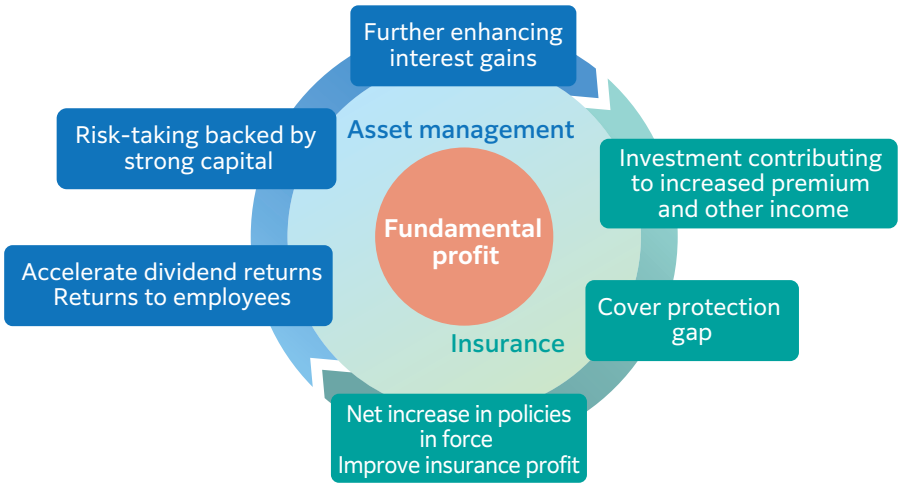
Under THE MUTUAL ACT 2027, we will promote initiatives targeting growth through asset management and insurance, with the aim of further increasing superior profitability through risk-taking strategies backed by strong capital.

We will also promote stakeholder-specific initiatives to deepen empathy, connections, and mutual support focused on stakeholders, comprising customers, local communities, society at large, and employees. This we will do to realize our long-term management vision.

Initiatives targeting growth through asset management and insurance

To accelerate dividend returns, we must achieve growth and increase profits. Rather than expanding overseas or into other areas of business, we will achieve this by focusing on our domestic life insurance business, and through risk-taking backed by strong capital.

We plan to promote initiatives targeting growth in asset management and insurance to achieve management indicators.



Management indicators
(by the end of fiscal 2027)

Fundamental profit

¥120 billion*

* Excludes standard policy reserve payments

Capital

¥1,200 billion

Economic Solvency Ratio (ESR)*

Stably maintain 200–230%

* Our internal model

Dividends

10-year cumulative dividend = two-years' worth of insurance premiums*

* Representative policies related to major products signed up in fiscal 2017

Stakeholder-specific initiatives

By visualizing what customers, local communities, employees, and other stakeholders expect from Fukoku Life, we plan to implement measures to improve customer satisfaction and employee satisfaction. To this end, we will adopt a bottom-up approach, centered on young and mid-career employees, based on the following concepts and themes.

Corporate Activities in the Spirit of Mutal Aid

Management philosophy
Contributing to society

Concept
When it comes to children, think Fukoku Life

Theme
Creating communities that deepen bonds with children

Management philosophy
Protect policyholder interests

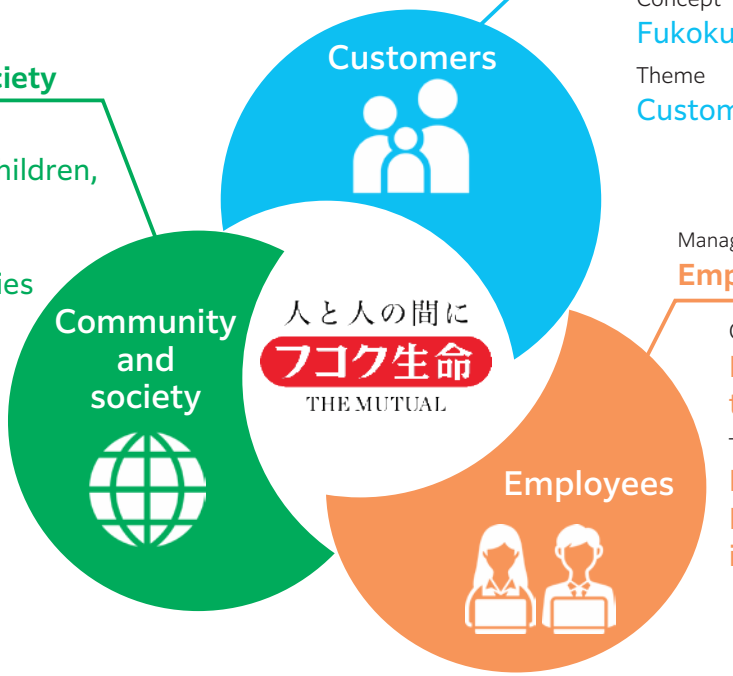
Concept
Fukoku Life fans

Theme
Customer Delight Project

Management philosophy
Employee fulfillment

Concept
Making employees and their families happy

Theme
Employee feedback makes Fukoku Life top choice as industry employer



Review of Operations in Fiscal 2024

Business Performance*

* Consolidated: total for both Fukoku Mutual Life Insurance Company and Fukokushinrai Life Insurance Company; non-consolidated: total for Fukoku Mutual Life Insurance Company

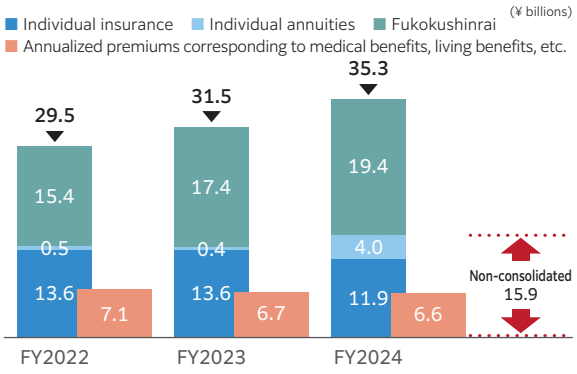
New Policies (Individual Insurance and Individual Annuities, Consolidated)

• Annualized Premiums

¥35.3 billion (¥15.9 billion, non-consolidated)

Annualized premiums for new policies increased 12.3% year on year, to ¥35.3 billion, showing solid growth for the fourth consecutive year.

What are annualized premiums?
Annualized premiums are an indicator that demonstrates how much revenue a life insurance company earns from its policies in one year. They are calculated by adjusting for differences in payment methods and payment periods among various policies (monthly payments, yearly payments, single-premium payments, etc.) and determining the average amount of premiums paid over the entire duration of these policies.

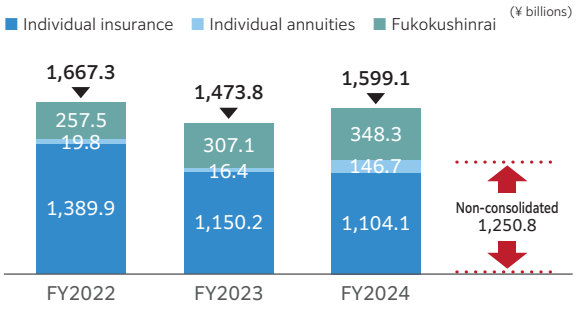


• Policy Amounts

¥1,599.1 billion (¥1,250.8 billion, non-consolidated)

Policy amounts for new policies grew 8.5% year on year, amounting to ¥1,599.1 billion. Fukoku Life saw strong sales of individual annuities with increased assumed interest rates, as well as growth in net new policies for Mirai no Tobira. Fukokushinrai Life also saw an increase thanks to the launch of fixed-rate single-premium whole life insurance.

What are policy amounts?
Policies amounts indicate the total monetary guarantees for which a life insurance company is responsible.



Surrendered and Lapsed Policies (Individual Insurance and Individual Annuities, Consolidated)

• Annualized Premiums

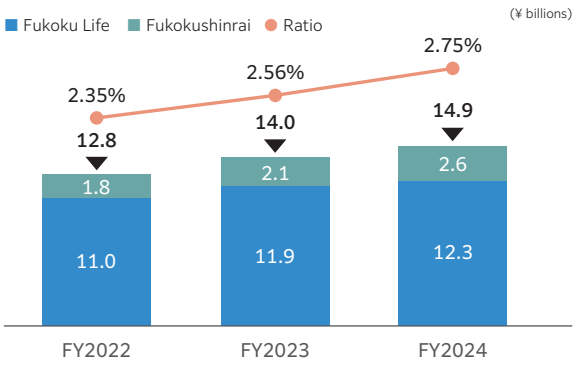
¥14.9 billion (¥12.3 billion, non-consolidated)

• Surrendered and Lapsed Ratio (based on annualized premiums)

2.75 % (3.39 %, non-consolidated)

Annualized premiums for surrendered and lapsed policies increased 6.4% year on year, to ¥14.9 billion. The surrendered and lapsed ratio rose year on year, to 2.75%, but it nevertheless remains at a favorable level.

$$\text{Surrendered and lapsed policy ratio (based on annualized premiums)} = \frac{\text{Annualized premiums for surrendered and lapsed policies}}{\text{Policies in force at the beginning of the fiscal year}}$$



• Policy Amounts

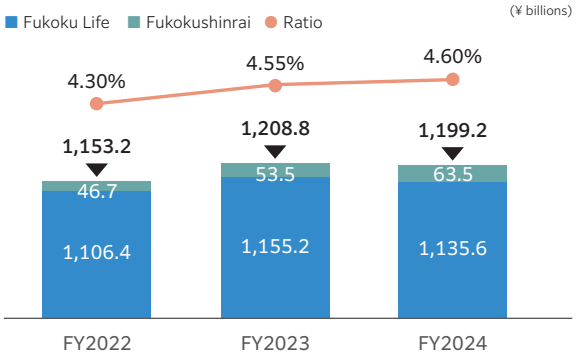
¥1,199.2 billion (¥1,135.6 billion, non-consolidated)

• Surrendered and Lapsed Ratio (based on amounts insured)

4.60 % (4.78 %, non-consolidated)

Policy amounts for surrendered and lapsed policies decreased 0.8% year on year, to ¥1,199.2 billion. The surrendered and lapsed ratio rose year on year to 4.60%, but it nevertheless remains at a favorable level.

$$\text{Surrendered and lapsed policy ratio (based on amounts insured)} = \frac{\text{Policy amounts for surrendered and lapsed policies}}{\text{Policies in force at the beginning of the fiscal year}}$$

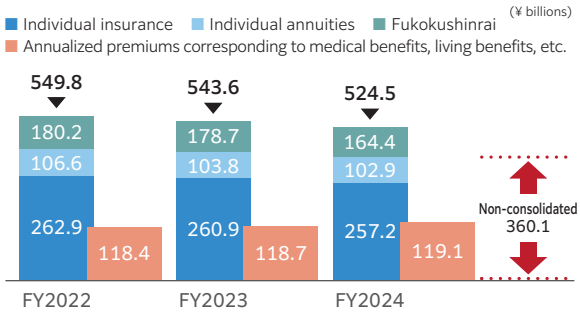


Policies in Force (Individual Insurance and Individual Annuities, Consolidated)

• Annualized Premiums

¥524.5 billion (¥360.1 billion, non-consolidated)

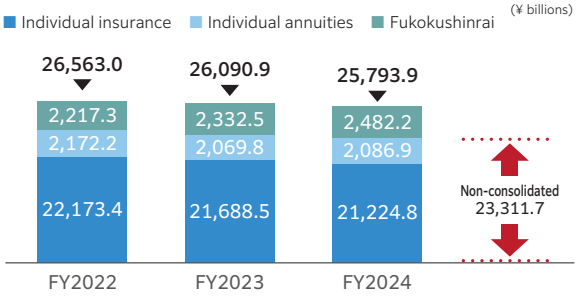
Annualized premiums for policies in force decreased by 3.5% from the end of the previous fiscal year to ¥524.5 billion. Medical coverage and living benefits included in this amount have continued to grow since the Company began disclosing statistics regarding these benefits in FY2003 and have increased for 21 years running.



• Policy Amounts

¥25,793.9 billion (¥23,311.7 billion, non-consolidated)

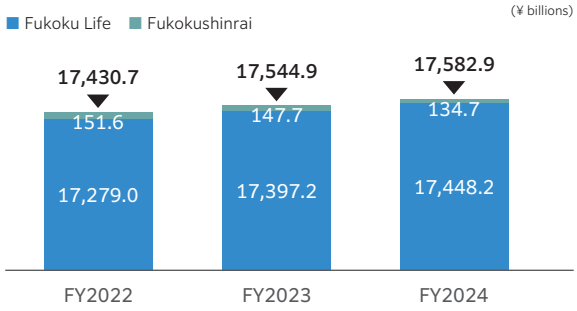
Policy amounts in force dipped 1.1% from the end of the previous fiscal year, to ¥25,793.9 billion. Fukokushinrai Life's policy amounts in force increased 6.4% year on year, and the two companies' combined rate of decrease narrowed.



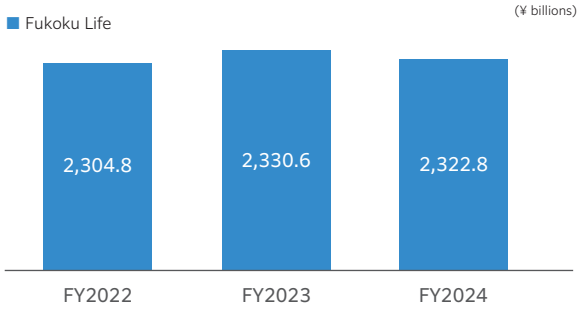
Corporate Insurance (Group Insurance and Group Annuities, Non-consolidated)

We provide comprehensive support to our corporate insurance customers by proposing various products and plans geared toward corporations. Policy amounts in force for group insurance increased 0.2% compared with the end of FY2023, to ¥17,582.9 billion. Meanwhile, policy amounts in force for group annuities decreased 0.3% at fiscal year-end, to ¥2,322.8 billion.

• Policy Amounts for Group Insurance



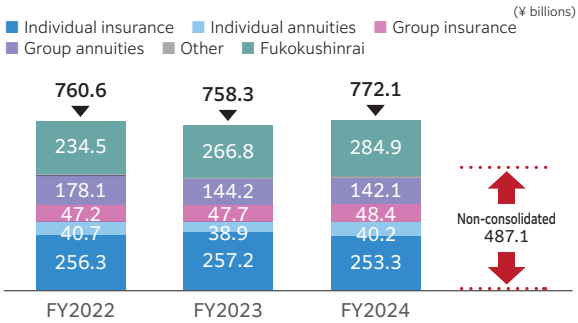
• Policy Amounts for Group Annuities (Policy Reserve)



Premiums and Other Income (Consolidated)

¥772.1 billion (¥487.1 billion, non-consolidated)

Premiums and other income increased to ¥772.1 billion, up 1.8% year on year.

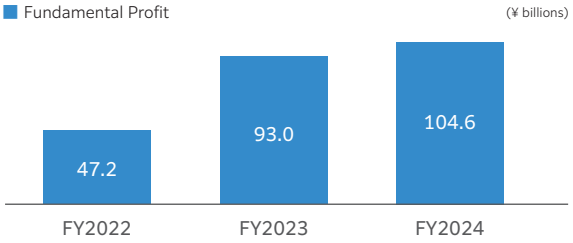


Fundamental Profit

¥104.6 billion

Fundamental profit increased 12.6% year on year to ¥104.6 billion, buoyed by an increase in interest gains driven by growth in interest on foreign currency-denominated bonds as well as dividends on domestic and foreign stocks.

What is fundamental profit?
Fundamental profit is an indicator that demonstrates the basic periodic profit and loss of a life insurance company.
What is interest gain/loss?
Interest gain/loss is the difference between the expected investment return based on the interest rate assumed when calculating the insurance premiums and the actual investment return.
What is expense gain/loss?
Expense gain/loss is the difference between projected operating expenditure based on the expenditure rate assumed when calculating insurance premiums and actual operating expense.
What is mortality and morbidity gain/loss?
Mortality and morbidity gain/loss is the difference between the estimated payment amount of insurance claims and benefits based on the assumed incidence rate of insured events when calculating the premium, and the actual payment amount.
What is the burden of contribution to the standard policy reserve?
This refers to the contributions required by law to be set aside for the standard policy reserve, and is not included in the interest gains/losses, expense gains/losses, or mortality and morbidity gains/losses mentioned above. After this amount is allocated to contributions to the standard policy reserve, the entire amount is withdrawn throughout the insurance period.



	FY2023	FY2024
Fundamental profit	**93.0**	**104.6**
Interest gains/losses	59.5	85.4
Insurance-related profit/loss (Excluding the burden of contribution to the standard policy reserve)	41.3	34.3
Expense gains/losses	(24.5)	(30.9)
Mortality and morbidity gains/losses	65.9	65.3
The burden of contribution to the standard policy reserve	(7.9)	(15.1)

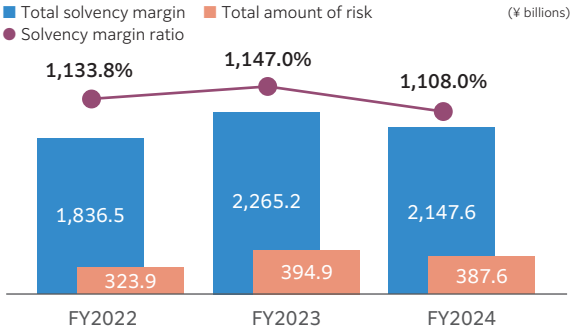
Solvency Margin Ratio

1,108.0%

The solvency margin ratio fell 39.0 points from the end of the previous fiscal year, mainly due to a decrease in unrealized gains on securities resulting from rising domestic interest rates, but it nevertheless remained at 1,108.0%, well above the 200% benchmark for financial soundness.

$$\text{Solvency margin ratio (\%)} = \frac{\text{Total solvency margin}}{(1/2) \times \text{Total amount of risk}} \times 100$$

What is the solvency margin ratio?
The solvency margin ratio is an indicator used by regulatory authorities that measures an insurance company's ability to respond to unexpected events such as major disasters or stock market crashes.

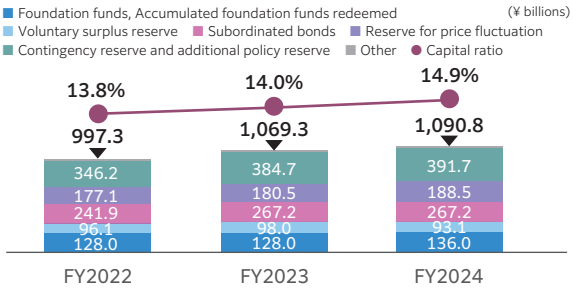


Capital

¥1,090.8 billion

On-balance capital increased to ¥1,090.8 billion, up ¥21.5 billion year on year. Our capital ratio (capital÷total assets) was 14.9%.

What is on-balance capital?
We place a great deal of importance on the portion of our total solvency margin that constitutes capital base (excluding unrealized gains on securities and real estate, etc.). Accordingly, we routinely strive to strengthen our capital base, enhancing our internal reserves and obtaining external financing.

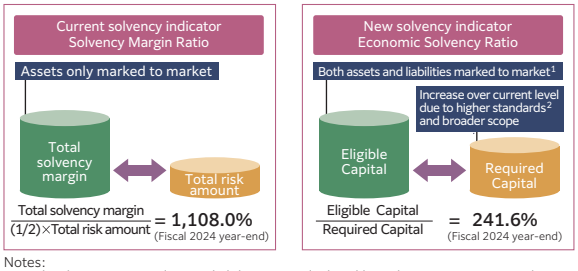


Solvency Indicator Will Be Revised and Implemented from Fiscal Year 2025

●Introduction of a New Solvency Indicator from Fiscal Year 2025
In line with revisions to domestic regulations reflecting international standards, a new solvency indicator will be introduced for all insurance companies in Japan starting in fiscal year 2025.

●The New Solvency Indicator – ESR
The new solvency indicator, known as the Economic Solvency Ratio (ESR), is based on an economic value approach. An ESR of 100% will serve as the regulatory minimum threshold.

Unlike the current framework, the ESR evaluates both assets and liabilities on a market value basis. Capital adequacy is assessed using a more stringent risk-based approach. As a result, the ESR values will generally be lower than those under the current Solvency Margin Ratio, but this does not imply a deterioration in financial soundness.



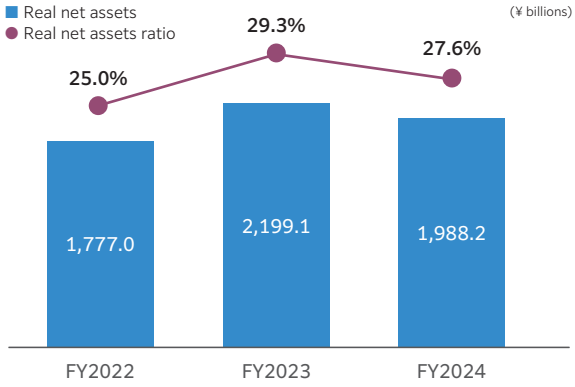
Notes:
1. Under the current regulations, liabilities are calculated based on interest rates at the time of contract, but under the new regulations, they will be calculated based on market interest rates (mark-to-market) in the same way that bonds and similar instruments are. This enables the early identification of risks future negative spreads the implementation of proactive measures to prevent negative spreads.
2. The risk level will be raised from once in 20 years to once in 200 years.

Real Net Assets

¥1,988.2 billion

Real net assets decreased to ¥1,988.2 billion, down 9.6% year on year. Meanwhile, our real net asset ratio (real net assets÷general account assets) came to 27.6%.

What are real net assets?
In addition to solvency margin ratio, real net assets are an indicator used by supervisory authorities to measure the financial soundness of insurance companies. They are calculated by subtracting liabilities (excluding liabilities with highly capitalistic characteristics, such as reserve for price fluctuation and contingency reserve) from the current market value of total assets. Negative real net asset values sometimes lead to judgments of effective insolvency, as well as business-suspension orders and other restrictions.



Unrealized Gains on Securities and Real Estate

¥873.2 billion

Unrealized gains on securities and real estate declined to ¥873.2 billion, down ¥254.0 billion year on year. Although unrealized losses on government bonds increased due to rising domestic interest rates, they were limited as we refrained from investing in Japanese government bonds during Japan's ultra-low interest rate environment. Unrealized gains on foreign government bonds decreased due to the appreciation of the yen since the end of the previous fiscal year.

What are unrealized gains/losses?
Unrealized gains/losses are calculated by subtracting the book values of assets from their corresponding market values. A positive value indicates an unrealized gain, while a negative value indicates an unrealized loss.

(¥ billions)

	As of March 31, 2024	As of March 31, 2025
Securities	**951.0**	**685.6**
Domestic bonds	(8.9)	(149.8)
Domestic stocks	581.5	516.2
Foreign secutities	328.2	276.4
Real estate (land, leasehold right)	176.2	187.5
Total	1,127.2	873.2

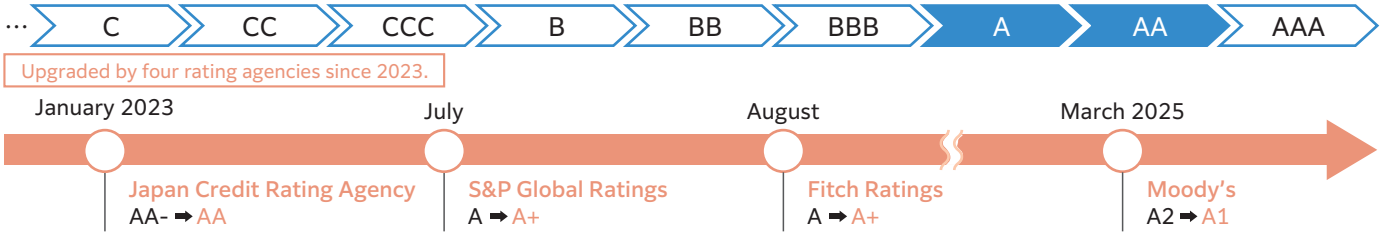
Ratings

To help our customers objectively determine how capable we are of paying claims, Fukoku Life obtains ratings from five neutral and unbiased rating organizations. Our current ratings can be found below. We believe this is a reflection of the strong assessment of our financial soundness and profitability.

Furthermore, our rating was upgraded by Moody's from A2 to A1 in March 2025.

What are life insurance company ratings?
Ratings of life insurance companies are determined by independent third-party rating agencies and demonstrate the degree of reliability at which life insurance companies are capable of paying insurance claims and benefits in accordance with policies (insurance claims paying ability).

Rating and Investment Information, Inc. (Insurance Claims Paying Ability)	Japan Credit Rating Agency, Ltd. (Insurance Claims Paying Ability)	S&P Global Ratings (Insurer Financial Strength Rating)	Moody's (Insurance Financial Strength Rating)	Fitch Ratings, Inc. (Insurance company financial rating)
AA-	AA	A+	A1	A+



Upgraded by four rating agencies since 2023.

Notes:
1. The ratings indicated are current as of June 1, 2025.
2. The ratings indicated are the opinions of their respective rating agencies and do not indicate guarantees regarding the payment of insurance claims. These ratings are also continuously monitored by their respective agencies and are subject to change.
3. Rating and Investment Information, Inc., Japan Credit Rating Agency, Standard & Poor's, Moody's, and Fitch Ratings are credit rating agencies stipulated by the Financial Instruments and Exchange Act.
4. A + or - sign may be added after the rating to indicate its relative position within the same grade. (Moody's assigns the numbers 1, 2, and 3 to the rating, with 1 being the highest and 3 being the lowest.)

Fukoku Life Implements Environment-friendly Activities.

We believe that the issue of climate change, including measures to deal with global warming, presents tremendous impacts for a sustainable society. We pursue environment-friendly activities through initiatives for environmental protection (energy and resource conservation initiatives, forest protection activities) and initiatives channeled through asset management (ESG investment and financing).

Initiatives for Recommendations from the Task Force on Climate-related Financial Disclosures (TCFD)

In June 2020, Fukoku Life officially endorsed recommendations issued by the Task Force on Climate-related Financial Disclosures. Our endorsement of the TCFD recommendations reflects our recognition of the importance of climate change and our commitment to helping attain a secure and sustainable society.

Governance

Our Sustainability Working Group monitors the status of SDG-related initiatives, including those associated with climate change, and reports its findings to the Board of Directors.

Strategy

By managing climate change-related risks, we endeavor to limit downward slides in earnings and use climate change-related issues as opportunities to generate revenue.

Risks

- Increase in payments of insurance claims and other benefits following natural disasters, such as floods caused by global warming, and typhoons; growth in morbidity and mortality rates stemming from outbreaks of mosquito-borne tropical diseases and other infectious contagions caused by rising average temperatures (physical risk)
- Negative impact on the value of invested and financed assets, resulting from policy changes in, and technological innovations associated with, the transition to a low-carbon and decarbonized society (transition risk)
- Reputational damage, resulting from a passive approach toward reducing greenhouse gas emissions, the main cause of climate change (reputational risk)

Opportunities

- Growth in coverage requirements, stemming from risks posed by climate change
- Growth in opportunities to earn returns through investment in, and financing of, companies and projects that contribute to the resolution of climate change issues
- Improvement in reputation of stakeholders, reflecting disaster mitigation and other initiatives

Risk Management

We consider risks associated with global warming and large-scale flooding to be emerging risks. We manage them from an integrated risk perspective, while assessing the likelihood and potential impact of their occurrence.

Physical risks

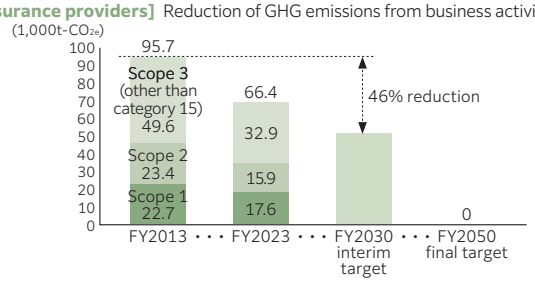
- Scenario-based testing concerning tropical infectious disease outbreaks caused by rising average temperatures; quantitative assessments regarding the financial impact of resultant increases in the payment of insurance claims and benefits
- Assignment of a major flood (storm surges, flooding) risk rating to all operating locations on a five-point scale

Transition risk

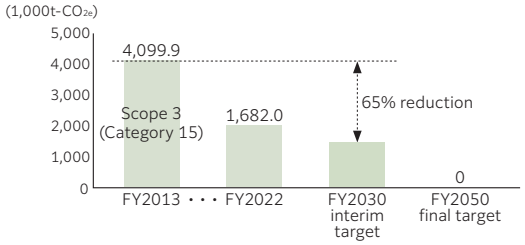
- Appropriate execution and improvement of the management of credit and market risks arising from policy changes and technological innovations associated with the transition to a low-carbon and decarbonized society

Metrics and Targets

[Life insurance providers] Reduction of GHG emissions from business activities



[Institutional investors] Reduction of GHG emissions in the investment portfolio



Indicators	Results	Goals	
GHG emissions from business activities Scope 1+2+3[1]	FY2023 (compared to FY2013)	FY2030 (compared to FY2013)	FY2050
	30.6% reduction	46% reduction	Net zero

Indicators	Results	Goals	
GHG emissions in the investment portfolio[2] Scope 3 (Category 15)	FY2022 (compared to FY2013)	FY2030 (compared to FY2013)	FY2050
	59.0% reduction	65% reduction	Net zero

Notes:

1. Scope 1, 2, and 3 are concepts in the GHG Protocol's GHG emissions accounting and reporting standards for businesses, and refer to the following:
   Scope 1: Direct emissions from the Company's fuel consumption
   Scope 2: Indirect emissions from the use of electricity and heat purchased by the Company
   Scope 3: Indirect emissions from business activities other than Scope 1 and 2. This covers Category 1 (purchased goods and services), Category 3 (fuel-and energy-related activities (not included in Scope 1 or 2), Category 4 (upstream transportation and distribution), Category 5 (waste generated in operations), Category 6 (business travel), Category 7 (employee commuting), Category 12 (end-of-life treatment of sold products), and Category 13 (downstream leased assets). Category 15 (investments) is managed separately as "GHG emissions from the investment portfolio."
2. This covers stocks, bonds, and loans of domestic listed companies, and items subject to measurement consist of Scope 1 + 2 of companies in which the Company invests and provides financing.
   These figures consist of actual and estimated GHG emissions values provided by MSCI Inc. If no figures are provided, they are included in the parent company or calculated using industry-specific intensity.

Road Map

FY2022-2030	FY2031-2050

● Initiatives as a business operator

Scope 1 Initiatives

FY2022-2030	FY2031-2050
○ Conversion of Company-owned and leased cars to EVs, PHVs, and FCVs	○ Conversion of other business vehicles to EVs, PHVs, and FCVs

Scope 2 Initiatives

○ Environment-friendly real estate development, such as by converting commercial buildings into ZEB buildings, utilizing renewable energy sources, and installing solar power generation facilities

Scope 3 Initiatives

○ Paperless customer procedures
○ Paperless operations in all other areas
○ Environment-friendly real estate development, such as converting rental buildings into ZEB buildings, utilizing renewable energy sources, and installing solar power generation facilities

● Initiatives as an institutional investor

○ Encouraging investee companies to reduce GHG emissions through engagement
○ Providing green financing investments and loans that contribute to the realization of a decarbonized society, participating in renewable energy project financing, and investing in transition financing to support the transition to a decarbonized society

●Environmental Protection Initiatives

Fukoku Life Forest Project

Since fiscal 2006, we have been conducting the Fukoku Life Forest project, mainly to counter damage caused by bamboo.* This forest provides a venue for hands-on, staff participation in environmental preservation activities.

Our employees fell bamboo groves to conserve mountain forests we own in Ito City, Shizuoka Prefecture. The project is designed to help the forest regenerate, and restore the health of bamboo groves through thinning. The activities are led by the Usami Club, which comprises Company volunteers. We also encourage staff to dig for bamboo shoots, which are used in many traditional Japanese dishes, and are prized for their nutritional value and subtle taste. This, we hope, helps arouse workforce interest in nature conservation.

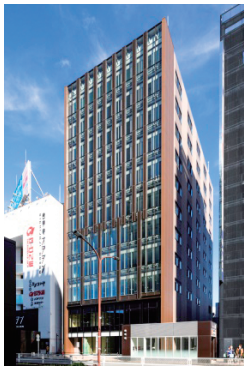




* When the quick-spreading, shallow-rooted Moso bamboo encroaches on forests, it contributes to soil erosion, leading to landslides and forest degradation.

Environment-friendly Real Estate Development

As part of our effort to help achieve a sustainable society, the need for energy conservation and environmental protection are taken into account when we build new buildings. Moreover, three of our office buildings have been certified as ZEB (net zero-energy building) Ready under the Building-Housing Energy-efficiency Labeling System. This environmental certification system is the cornerstone of next-generation real estate business. In addition, four of our rental condominiums have been certified as ZEH-M (net zero-energy house mansion) Oriented.



Kichijoji Fukoku Seimei Building
Completion in fiscal 2023



Nagoya Shimizu-Fukoku Building
Completion in fiscal 2023

Fukoku Clean Club Activities

Since fiscal 2006, the Fukoku Clean Club, a volunteer group made up of employees of the Chiba New Town head office, has been conducting cleanup activities in front of the nearby Chiba New Town Chuo train station, on the Hokuso line.



We are engaged in various social contribution activities aimed at creating a better society.

Connections through art and culture

Art and culture have the power to connect people from all walks of life. By organizing classical music concerts, for example, we have been able to connect with many customers, local residents, and children with disabilities. Besides concerts, we have developed our cultural activities in a number of directions.

• Visiting and Charity Concerts

These activities have been evolving since the first Fukoku Salon Concert, held in the lobby of our Uchisaiwaicho head office in fiscal 1989.

Our visiting concerts feature professional musicians, who perform classical music at special needs schools and facilities for the disabled. At charity concerts, meanwhile, members of the audience are asked for donations to support local community welfare. Charity concerts are held around the nation; at the end of fiscal 2024, a total of 312 concerts had been given, with donations having amounted to approximately ¥66.9 million.



• Fukoku Life Smile Concerts

Started in fiscal 2022, these visiting concerts are designed to bring music to special needs schools and facilities for the disabled.





• Smile Gallery —Special Needs School Student Art Exhibition—

Since fiscal 2012, we have been hosting the Smile Gallery exhibition project, which showcases artworks by students from special needs schools throughout Japan as part of our efforts to support artwork by children with disabilities. This initiative was born from interaction fostered through our Visiting Concerts, which we have been conducting at special needs schools since fiscal 2003.

Since fiscal year 2013, as part of our Fukoku Life signature calendar series, we have been producing calendars featuring these exhibited works. These exhibited works can be viewed on our Company website as well.



Artwork displayed on the wall of the shopping arcade on the sub-basement floor of our Uchisaiwaicho headquarters building

• THE MUTUAL Art for children

To help connect children and society, works from the Smile Gallery have been used since fiscal 2012 on packets of crayons.

Between May 2021 and March 2025, we donated packets of vegetable-based crayons* featuring this artwork to some 117,000 childcare facilities nationwide. This was done through our 62 branches and the head office Sales Department.

We intend to continue these efforts, focusing mainly on children's nurseries and kindergartens.

* Made from oil and wax extracted from rice bran, using both the rice grains and leaves discarded at harvest time. The process helps sustain society by reducing food loss.



• Sponsorship of MET Live Viewing

We are a sponsor of MET Live in HD (distributed by Shochiku Co., Ltd.), which films opera performances staged at the Metropolitan Opera in New York in high-definition and screens them in theaters. We aim to contribute to the promotion of arts and culture by sponsoring activities that provide opportunities to experience the finest in opera artistry. The 2024–25 season also opened at the Metropolitan Opera in New York in September 2024, and we have continued to sponsor MET Live Viewing 2024–25.



(Aida) © Paola Kudacki/Metropolitan Opera

Other social contributions

• Reconstruction support

Since fiscal 2011, we have been holding fairs at both our head offices, in Uchisaiwaicho, Tokyo, and in Chiba New Town, Chiba Prefecture.

The fairs feature local products from the Tohoku region's Fukushima, Miyagi, and Iwate Prefectures, which were affected by the Great East Japan Earthquake in 2011.

In fiscal 2024, we held a fair featuring local products from Ishikawa Prefecture. It had suffered widespread devastation during the 2024 Noto Peninsula earthquake.

When reconstruction-related fairs are held, the Chiba New Town head office cafeteria creates special menus incorporating local products from the relevant prefectures. A portion of the proceeds is donated to the affected areas.



• Hello Kitty Hospital Visits

In this activity, Hello Kitty, our Company's mascot character, visits children's hospitals and pediatric wards to provide moral support to hospitalized children and their families. Upon request, we offer commemorative photos taken with Hello Kitty, presented in handmade photo frames crafted by our volunteers.

The impact of the COVID-19 pandemic prevented us from conducting these visits between fiscal 2020 and fiscal 2023, but in fiscal 2024 we conducted visits to the Shibukawa Medical Center National Hospital Organization and Tokyo Metropolitan Children's Medical Center.



Hello Kitty hospital visits

• Fukoku Life THE MUTUAL Foundation

THE MUTUAL Foundation was created on November 22, 2023, to coincide with the centennial marking our founding.

The empathy-based foundation accepts donations from the Company and anyone else who empathizes with its goals. It supports NPOs and other organizations that help children and families in need.

In fiscal 2024, we donated a total of ¥6 million to 12 organizations, and will continue cooperating with local communities and society in a bid to help build sustainable support mechanisms.



• Green Ribbon Running Festival

In September 2002, we launched the industry's first transplant medical rider. Since then, we have been a special sponsor of Green Ribbon* transplant-related activities.

We will continue to promote THE MUTUAL and expand the circle of empathy through this sponsorship, while contributing to the wider use of transplant-related medicine.

* Green ribbons are a symbol used to spread awareness of transplant-related medicine.



(C)Tokyo Shimbun

• cinéma bird

The cinéma bird mobile cinema project is the brainchild of Takumi Saito. In part because of its affinity with THE MUTUAL, we are a special sponsor of this initiative, which aims to bring the theater experience to children and local residents who have limited access to such opportunities.

We will continue to support the creation of an environment that empowers local children to envision a bright future through such theatrical demonstrations that connect people with one another as well as other related community-based initiatives.



cinéma bird event held in 2024.

Communication

• Brand mascot

We feature Sanrio Co., Ltd.'s popular Hello Kitty character as a brand mascot on posters, pamphlets, flyers, and merchandise.



ESG Investment and Financing

Basic Approach to ESG Investment and Financing

As the only life insurance company in Japan that has maintained a mutual company structure since establishment, we believe our mission is to alleviate the insurance premium burden on our customers by accelerating dividend returns in line with our philosophy of protecting the interests of our policyholders. Concurrently, we engage in ESG-related (environmental, social, and governance) investments based on our business policy of contributing to the realization of a sustainable society as a mutual company engaged in the life insurance business. It is our belief that ESG investment contributes to profitability enhancement of the precious funds entrusted to us by our customers, while at the same time further fulfilling our responsibilities as an institutional investor whose management philosophy is to contribute to society.

Based on this belief, since becoming a signatory of the Principles for Responsible Investment (PRI) in March 2016, we have incorporated ESG factors into our investment decisions. In addition, in our stewardship activities, we focus on dialogue with investee companies with ESG factors as one of the main themes. We also became a supporter of TCFD recommendations in June 2020.

Going forward, while maintaining our awareness of various issues that affect the sustainability of society, including climate change, we aim to contribute to a more sustainable society by promoting ESG investments and stewardship activities while securing profitability.

Signing of the Principles for Responsible Investment

We endorsed the aims of the United Nations PRI and became a signatory on March 21, 2016. The principles affirm the need to integrate ESG factors into investment decisions so as to support the realization of a sustainable society.

Signatory of: PRI Principles for Responsible Investment

ESG Investment and Financing Initiative

In accordance with the business policy of contributing to the realization of a sustainable society as a mutual company operating life insurance business, we are committed to investing assets with themes that help solve social issues, including environmental problems.

Financing for Renewable Energy Projects

In August 2024, we provided financing for a project to develop approximately 800 non-feed-in tariff (NON-FIT) low-voltage solar power plants nationwide utilizing off-site corporate power purchase agreements (PPAs)* by Clean Energy Connect Inc.

* These are arrangements whereby a specific power generation company enters into a long-term contract directly with a specific consumer to supply renewable energy (RE). This project uses a virtual PPA, whereby the RE installation is not sited at the location of the consumer's electricity usage. It involves trading the environmental value of RE generated on a site located far from the location of the consumer's electricity usage.

Corresponding SDGs Targets





Source:CEC

• Research Initiatives

When picking domestic stocks, we conduct screenings based on ESG scores provided by a subsidiary, Fukoku Capital Management, Inc. That company is a PRI signatory with extensive expertise in ESG research. Further, when making investment decisions, we take into account ESG-related information obtained through our stewardship activities. We also screen some bonds based on ESG-related data.

• ESG Investments

New ESG investments and loans extended in fiscal 2024 totaled ¥62.3 billion. Our balance of ESG investments and loans at fiscal 2024 year-end totaled ¥627.1 billion, accounting for approximately 9% of total assets under management.

Each and every employee will deepen their understanding of human rights issues and respect the human rights of stakeholders.

• Promoting human rights awareness

Given their social and public nature, life insurance companies are required to respond to customers based on a correct understanding and recognition of human rights issues. These include issues surrounding *burakumin*—a social minority descended from outcaste communities of feudal times—ethnicity, women, and persons with disabilities.

The need to tackle the issue of discrimination as part of Company training sessions has also been taken up by government administrations. They have called for staff at companies in Japan to adopt a spirit of respect for human rights.

Fukoku Life promotes in-house awareness activities for head office staff in charge of internal affairs education at our Human Resources Development Department, and for deputy general managers of internal affairs at our branch offices. These members of staff are charged with promoting fair recruitment, selection, and human rights awareness.

We see harassment as a human rights issue that adversely affects the dignity of individual victims, and consider it a work environment issue that hinders workplace order and business performance.

Besides setting up a contact point for harassment reporting and consultation, we provide training to ensure that all our employees are thoroughly aware of the issues involved and the appropriate responses.

(1) Understanding

We promote in-house awareness primarily through staff who are responsible for fair recruitment and selection, as well as instilling human rights awareness.

(2) External training

Representatives of our branch offices acquire necessary knowledge by participating in off-site training sessions organized on our behalf by activist organizations and government agencies.

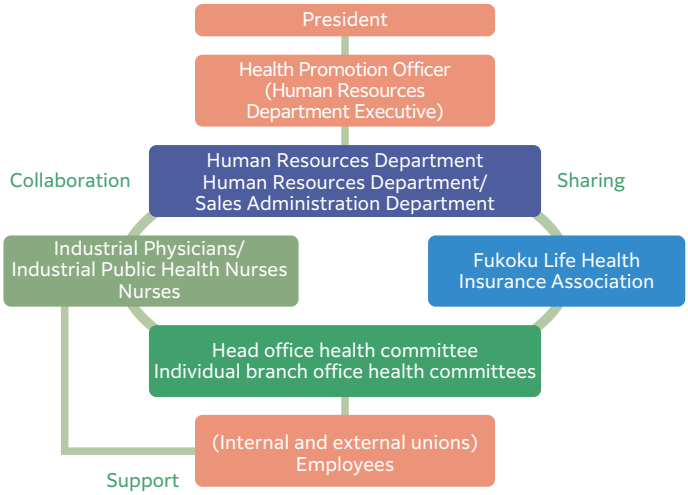
(3) Internal training

Instructional sessions are held at our office once a year, under the auspices of the Human Resources Development Department. In addition, branch offices collaborate with the Human Resources Development Department to hold training sessions tailored to the needs of actual circumstances.

Main points covered
- Priority goals of human rights and human rights awareness
- Japan's Act for the Elimination of Discrimination against Persons with Disabilities
- The COVID-19 pandemic and human rights
- Online human rights violations

Fukoku Life Health Promotion Framework

To implement health and productivity management, we have set up a secretariat within our Personnel Department (Welfare Team) to coordinate with individual departments. Furthermore, the results of each fiscal year's efforts and the initiatives for the following fiscal year are approved by our Human Resources Department executive officers, who are headed by the president, and it is on the basis of those results and initiatives that we pursue health and productivity management.



Outstanding organization recognition

On March 10, 2025, Fukoku Life was selected—for the eighth consecutive year—under the Ministry of Economy, Trade and Industry's Certified Health & Productivity Management Outstanding Organizations Recognition Program. This acknowledged our role in promoting health and productivity management.

Reflecting the management philosophy that we have cultivated since our founding, we will continue both to work with our executives, employees, and their respective families to take care of their health; and to promote health management, to better contribute to the community and society at large.

The Executive Officer in charge of Human Resources serves as the Health Promotion Officer, leading the Company's health and productivity management. Within the Personnel Department, we work in collaboration with industrial physicians, the health insurance association, and health and safety committees to promote health initiatives for both internal and external union-affiliated employees.



Corporate Governance Enhancement Initiatives

We have formulated a Basic Policy on Corporate Governance to foster an understanding of our perspective to enhance corporate governance. We publish this policy, along with our Corporate Governance Report.

Basic Approach to Corporate Governance

Our mutual company's insurance business is a business of our policyholders that have entrusted the management of this business to us. No matter the circumstances, we must survive as a life insurance company to continue fulfilling our responsibility of reliably paying insurance claims and benefits.

To this end, we will establish a corporate governance system based on this fundamental policy in an effort to stabilize and ensure the stability of our business while providing policyholders with peace of mind.

Establishment of Management Control Measures

The Board of Directors makes important business decisions and monitors business execution. The two external directors bring an outside perspective to the deliberations of the board. In April 2009, Fukoku Life introduced an executive officer system. Under this system, we have separated and strengthened decision-making and business execution functions, with the Board of Directors fulfilling decision-making and supervisory functions. The Board of full-time directors, comprising the president and executive officer and other titled executive officers, deliberates important business execution policy for the Company. Meanwhile, various committees have been established beneath the Board of Directors in an effort to strengthen internal controls.

Members of the Audit & Supervisory Board attend meetings of the Board of Directors, the Board of full-time directors and other important boards, auditing the execution of operations by directors. The internal audit department performs internal audits, verifies the appropriateness of corporate operations and strives to ensure the soundness of business operations.

Enhancement of Internal Control System

We are a mutual company that operates a highly public life insurance business with the goal of protecting the livelihoods of policyholders. As such, we have established a Basic Internal Control System Policy aimed at ensuring the suitability of our operations, with the ultimate goal of achieving sound and appropriate management. Based on this policy, we are working to enhance our internal control systems, which include our risk management and compliance systems.

Compliance Enhancement Initiatives

As members of the Company and society, executives and all other employees are expected to be fully aware of the need to respect the spirit of compliance. It is so not only from the perspective of laws and regulations, but also from that of protocols and social conventions. To this end, as well as to improve and reinforce the system of compliance, our compliance training is ongoing and hands-on.

That said, we recognize that even the most robust of systems cannot guarantee the complete elimination of improper conduct. We thus believe it is important to detect any improper conduct early, deal with it swiftly and appropriately, and make improvements to rectify such behavior and prevent a recurrence.

• Compliance framework

The Compliance Committee—comprising full-time directors and other executives, and chaired by the president—is mandated by the Board of Directors to deliberate matters related to compliance, while promoting it using means such as the formulation of relevant programs. The Compliance Control Department serves as the committee's secretariat.

The head of compliance promotion and compliance promotion officers—in charge of practical compliance-related matters in each department at Head Office and branch offices—ensure adherence to the strictures of, and promote, compliance under the direction of the Compliance Control Department. The chief compliance officer and compliance officers at Head Office carry out regular compliance checks.

• Protection of personal information

We believe that proper handling of personal information is vital if we are to maintain our status among customers as a trusted insurance company. Thus, we have formulated a privacy policy and a basic policy on the handling of specific personal information, to ensure appropriate treatment and the safeguarding of personal data.

We will continue to comply with Japan's Act on the Protection of Personal Information and other relevant laws and ordinances, while continuing to properly handle and protect personal data.

Company-wide protection system

The officer in charge of the Compliance Control Department is responsible for the management of personal data. This is done together with personal data administrators and personal data management officers assigned to each department at head office and branch offices.

All those involved have obtained personal information protection officer certification and strive to ensure the Company-wide appropriate handling and protection of personal information.

Educating employees

To ensure staff correctly understand and observe the rules regarding the appropriate handling of personal information, we conduct Group-wide programs, as well as training on the protection of personal information for each head office department, branch office, and sales office.

We also provide guidance on the protection of personal information, including the regular dissemination of messaging to the Plan Do mobile information tablet that all customer advisors have.

Enterprise Risk Management

• Risk management based on customer-centered values

Life insurance is a promise to pay insurance claims and benefits in the event of an unforeseen emergency. It involves a lifetime commitment to customers that even can span generations. Events may occur, such as drastic changes in the economic environment or other catastrophes, during the many months and years in which we accompany customers on their life journey. When this happens, the role of life insurance companies becomes even more important. Only after fulfilling this promise with unwavering reliability regardless of the circumstances can customers enjoy peace of mind.

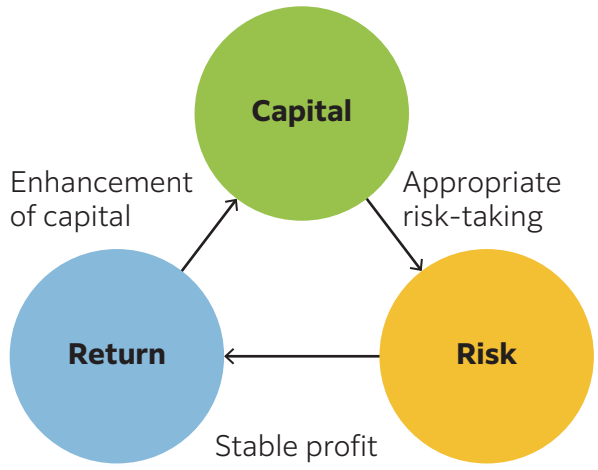
To maintain this reliability in the future, Fukoku Life promotes enterprise risk management (ERM) for overall management of a diverse range of complicated risks from a strategic perspective, based on the recognition that each executive officer and employee is responsible for risk management commensurate with their position.

• Integrated management of capital, risk, and return

As a mutual company, we look ahead several decades and, based on management that prioritizes the interests of our customers, we are working hard to strengthen our capital in order to adequately respond to risks, as well as secure stable profits (return), which are the source of that capital.

Profit and risk are two sides of the same coin, and appropriate risk-taking is necessary to ensure stable profits. Integrated management of capital, risk, and return means securing profits through appropriate risk-taking, based on capital adequacy. This results in the improvement of capital adequacy and promotion of appropriate risk-taking. It is an advanced ERM concept that aims to attain a virtuous cycle.

By utilizing important risk management indicators, such as the economic solvency ratio, return on required capital, and the economic internal rate of return in management, we implement integrated management of capital, risk, and return.



• Comprehensive risk management policies and regulations

Fukoku Life's Risk-Taking Statement lays out its management policy-based risk tolerance. Meanwhile, the Company conducts integrated risk management in conjunction with management strategies based on the risk management rules set by the Board of Directors.

We have formulated a set of risk management regulations that define our basic concept of comprehensive risk management, our broad risk management system, and the roles and authorities related to managing risk. Based on these, we have devised practical directives for the implementation of the rules for each type of risk.

Risk-taking Statement

I. Risk-taking strategic goals

- Make insurance underwriting the main source of revenue
- Make sound and profitable asset management our principle
- Provide the highest level of service in the industry through differentiation by applying customer-centered values
- Aim to strengthen capital in preparation for the future

II. Risk tolerance

- Retain sufficient capital to act as a buffer, to ensure business continuity
- Use capital after deducting management reserve to cover losses that may occur in the course of business operations

• Risk management system

At Fukoku Life, the Board of Directors established the Risk Management Committee to perform ERM. Several subcommittees have been established under this committee to manage the various risks that arise in business operations, and to conduct asset and liability management. The committee consolidates and evaluates risks at the corporate level, before considering the appropriate level of acceptable risk and risk response. In addition, the committee has established a specialized risk management committee to help enhance enterprise risk management.

Full-time directors are members of the Risk Management Committee, which is chaired by the president. Other directors chair subcommittees, creating a risk management structure led by top management.

The specialized risk management committee is central to understanding the Group's overall risk management situation. At Fukokushinrai Life, the Company's Risk Management Committee secretariat and the secretariats of various subcommittees directly monitor the management status of risks under their jurisdiction.

Furthermore, the audit department verifies that the risk management system is functioning effectively.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

Fukoku Mutual Life Insurance Company
As of March 31, 2024 and 2025

	As of March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Assets:			
Cash and deposits:			
Cash	¥138	¥124	$0
Bank deposits	307,494	185,029	1,237
	307,632	185,154	1,238
Call loans	128,000	97,000	648
Money held in trust	23,502	23,812	159
Securities:			
Government bonds	2,333,062	2,277,386	15,231
Local government bonds	97,504	83,522	558
Corporate bonds	533,321	494,223	3,305
Stocks	1,033,612	996,730	6,666
Foreign securities	2,134,166	2,127,924	14,231
Other securities	217,644	222,875	1,490
	6,349,312	6,202,664	41,483
Loans:			
Policy loans	45,991	43,775	292
Ordinary loans	453,802	428,381	2,865
	499,793	472,157	3,157
Tangible fixed assets:			
Land	149,483	153,059	1,023
Buildings	101,324	101,776	680
Lease assets	908	783	5
Construction in progress	700	2,763	18
Other tangible fixed assets	3,371	4,268	28
	255,788	262,651	1,756
Intangible fixed assets:			
Software	20,962	19,086	127
Lease assets	124	—	—
Other intangible fixed assets	3,792	5,633	37
	24,879	24,720	165
Agency receivables	94	181	1
Reinsurance receivables	85	75	0
Other assets:			
Accounts receivable	5,838	10,560	70
Prepaid expenses	3,935	3,692	24
Accrued income	32,167	34,323	229
Deposits	1,838	1,777	11
Derivatives	0	476	3
Suspense payments	3,639	3,746	25
Rest of the other asset	3,768	3,336	22
	51,188	57,913	387
Prepaid pension cost	2,313	3,980	26
Allowance for possible loan losses	(703)	(508)	(3)
Total assets	¥7,641,887	¥7,329,802	$49,022

	As of March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Liabilities:			
Policy reserves:			
Reserve for outstanding claims	¥23,334	¥24,893	$166
Policy reserve	5,885,784	5,869,389	39,254
Reserve for dividends to policyholders	61,903	64,117	428
	5,971,022	5,958,401	39,850
Reinsurance payables	41	38	0
Subordinated bonds	267,260	267,260	1,787
Other liabilities:			
Cash received as collateral under securities lending transactions	121,299	—	—
Corporate income tax payable	7,429	102	0
Accounts payable	4,413	2,669	17
Accrued expenses	12,123	15,214	101
Unearned income	420	446	2
Deposits received	6,611	6,932	46
Guarantee deposits received	14,276	14,931	99
Derivatives	1,030	175	1
Cash collateral received for financial instruments	22	647	4
Lease obligations	138	—	—
Asset retirement obligations	2,355	4,486	30
Suspense receipts	1,244	1,313	8
	171,364	46,920	313
Reserve for employees' retirement benefits	26,701	26,836	179
Reserve for price fluctuation	180,566	188,566	1,261
Deferred tax liabilities	79,748	24,268	162
Deferred tax liabilities for land revaluation	14,132	14,600	97
Total liabilities	6,710,837	6,526,893	43,652
Net assets:			
Foundation funds	12,000	8,000	53
Accumulated foundation funds redeemed	116,000	128,000	856
Reserve for revaluation	112	112	0
Surplus:			
Legal reserve for future losses	3,548	3,660	24
Other surplus:			
Reserve for redemption of foundation funds	9,600	—	—
Reserve for dividend allowances	20,000	20,000	133
Accumulated fund for price fluctuation	41,000	41,000	274
Reserve for advanced depreciation of real estate for tax purpose	204	202	1
Other reserves	767	767	5
Unappropriated surplus	63,509	76,897	514
	135,080	138,867	928
	138,628	142,527	953
Total foundation funds, surplus and others	266,740	278,640	1,863
Net unrealized gains (losses) on available-for-sale securities, net of tax	659,808	520,242	3,479
Revaluation reserve for land, net of tax	4,500	4,025	26
Total valuation and translation adjustments	664,308	524,268	3,506
Total net assets	931,049	802,908	5,369
Total liabilities and net assets	¥7,641,887	¥7,329,802	$49,022

See notes to the non-consolidated financial statements.

Non-consolidated Statements of Operations

Fukoku Mutual Life Insurance Company
For the years ended March 31, 2024 and 2025

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Ordinary revenues:			
Premium and other income:			
Premium income	¥491,362	¥487,088	$3,257
Reinsurance income	118	98	0
	491,480	487,187	3,258
Investment income:			
Interest, dividends and other income:			
Interest on deposits	3	82	0
Interest and dividends on securities	143,193	167,326	1,119
Interest on loans	8,896	8,482	56
Income from real estate for rent	19,833	21,171	141
Other interest and dividends	229	635	4
	172,157	197,697	1,322
Gains on money held in trust, net	1,185	315	2
Gains on trading securities, net	803	—	—
Gains on sales of securities	66,405	56,405	377
Gains on redemption of securities, net	2,508	3,011	20
Foreign exchange gains, net	2,525	—	—
Reversal of allowance for possible loan losses	117	181	1
Other investment income	321	222	1
Gains on separate accounts, net	27,117	1,418	9
	273,141	259,252	1,733
Other ordinary revenues:			
Fund receipt from annuity rider	2,372	1,122	7
Proceeds from deferred insurance	3,743	3,697	24
Reversal of policy reserves	—	16,394	109
Reversal of reserve for employees' retirement benefits	—	1,531	10
Others	4,277	5,310	35
	10,393	28,055	187
Total ordinary revenues	775,016	774,495	5,179
Ordinary expenses:			
Claims and other payments:			
Claims	105,387	93,425	624
Annuities	151,933	154,098	1,030
Benefits	123,479	135,352	905
Surrenders	59,480	72,955	487
Other payments	25,366	25,488	170
Reinsurance premiums	191	183	1
	465,840	481,504	3,220
Provision of policy reserve and others:			
Provision of reserve for outstanding claims	1,811	1,559	10
Provision of policy reserves	55,218	—	—
Provision of interest portion of reserve for dividends to policyholders	13	36	0
	¥57,043	¥1,595	$10

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Investment expenses:			
Interest expenses	¥4,245	¥4,625	$30
Losses on trading securities,net	—	1	0
Losses on sales of securities	56,613	84,395	564
Losses on valuation of securities	1,089	275	1
Losses on redemption of securities, net	137	—	—
Losses on derivative instruments, net	7,349	1,657	11
Foreign exchange losses, net	—	510	3
Depreciation of real estate for rent and other assets	5,163	5,749	38
Other investment expenses	12,117	13,657	91
	86,716	110,872	741
Operating expenses	92,264	99,315	664
Other ordinary expenses:			
Deferred annuity payments	3,876	4,162	27
Taxes	7,966	8,088	54
Depreciation	10,174	10,367	69
Provision of reserve for employees' retirement benefits	53	—	—
Others	1,722	2,724	18
	23,794	25,342	169
Total ordinary expenses	725,658	718,630	4,806
Ordinary profits	49,357	55,865	373
Extraordinary gains:			
Gains on disposal of fixed assets	33	3	0
National subsidies	—	160	1
Total extraordinary gains	33	164	1
Extraordinary losses:			
Losses on disposal of fixed assets	201	139	0
Impairment losses	657	10	0
Provision of reserve for price fluctuation	3,378	8,000	53
100th anniversary bonuses and other losses	4,471	—	—
Total extraordinary losses	8,708	8,149	54
Surplus before income taxes	40,682	47,879	320
Income taxes:			
Current	13,340	5,401	36
Deferred	(12,441)	(10,656)	(71)
Total income taxes	898	(5,254)	(35)
Net surplus for the year	¥39,783	¥53,134	$355

See notes to the non-consolidated financial statements.

Non-consolidated Statements of Changes in Net Assets

Fukoku Mutual Life Insurance Company
For the years ended March 31, 2024 and 2025

Millions of yen

For the year ended March 31, 2024	Foundation funds, surplus and others											
				Surplus								
					Other surplus							
	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Legal reserve for future losses	Reserve for redemption of foundation funds	Reserve for dividend allowances	Accumulated fund for price fluctuation	Reserve for advanced depreciation of real estate for tax purpose	Other reserves	Unappropri-ated surplus	Total surplus	Total foundation funds, surplus and others
Balance at the beginning of the fiscal year	¥12,000	¥116,000	¥112	¥3,463	¥7,200	¥20,000	¥41,000	¥205	¥767	¥54,346	¥126,981	¥255,093
Changes in the fiscal year												
Additions to reserve for dividends to policyholders										(28,002)	(28,002)	(28,002)
Additions to legal reserve for future losses				85						(85)	—	—
Payment of interest on foundation funds										(102)	(102)	(102)
Net surplus for the fiscal year										39,783	39,783	39,783
Additions to reserve for redemption of foundation funds					2,400					(2,400)	—	—
Reversal of reserve for advanced depreciation of real estate for tax purpose								(1)		1	—	—
Reversal of revaluation reserve for land, net of tax										(32)	(32)	(32)
Net changes, excluding foundation funds, surplus and others												
Total changes in the fiscal year	—	—	—	85	2,400	—	—	(1)	—	9,163	11,647	11,647
Balance at the end of the fiscal year	¥12,000	¥116,000	¥112	¥3,548	¥9,600	¥20,000	¥41,000	¥204	¥767	¥63,509	¥138,628	¥266,740

Millions of yen

For the year ended March 31, 2024	Valuation and translation adjustments			Total net assets
	Net unrealized gains (losses) on available-for-sale securities, net of tax	Revaluation reserve for land, net of tax	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	¥386,882	¥4,468	¥391,350	¥646,444
Changes in the fiscal year				
Additions to reserve for dividends to policyholders				(28,002)
Additions to legal reserve for future losses				—
Payment of interest on foundation funds				(102)
Net surplus for the fiscal year				39,783
Additions to reserve for redemption of foundation funds				—
Reversal of reserve for advanced depreciation of real estate for tax purpose				—
Reversal of revaluation reserve for land, net of tax				(32)
Net changes, excluding foundation funds, surplus and others	272,926	32	272,958	272,958
Total changes in the fiscal year	272,926	32	272,958	284,605
Balance at the end of the fiscal year	¥659,808	¥4,500	¥664,308	¥931,049

Millions of yen

For the year ended March 31, 2025	Foundation funds, surplus and others											
				Surplus								
					Other surplus							
	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Legal reserve for future losses	Reserve for redemption of foundation funds	Reserve for dividend allowances	Accumulated fund for price fluctuation	Reserve for advanced depreciation of real estate for tax purpose	Other reserves	Unappropri-ated surplus	Total surplus	Total foundation funds, surplus and others
Balance at the beginning of the fiscal year	¥12,000	¥116,000	¥112	¥3,548	¥9,600	¥20,000	¥41,000	¥204	¥767	¥63,509	¥138,628	¥266,740
Changes in the fiscal year												
Financing of additional foundation funds	8,000											8,000
Additions to reserve for dividends to policyholders										(37,138)	(37,138)	(37,138)
Additions to legal reserve for future losses				112						(112)	—	—
Additions to accumulated foundation funds redeemed		12,000										12,000
Payment of interest on foundation funds										(102)	(102)	(102)
Net surplus for the fiscal year										53,134	53,134	53,134
Redemption of foundation funds	(12,000)											(12,000)
Additions to reserve for redemption of foundation funds					2,400					(2,400)	—	—
Reversal of reserve for redemption of foundation funds					(12,000)						(12,000)	(12,000)
Reversal of reserve for advanced depreciation of real estate for tax purpose								(1)		1	—	—
Reversal of revaluation reserve for land, net of tax										5	5	5
Net changes, excluding foundation funds, surplus and others												
Total changes in the fiscal year	(4,000)	12,000	—	112	(9,600)	—	—	(1)	—	13,388	3,899	11,899
Balance at the end of the fiscal year	¥8,000	¥128,000	¥112	¥3,660	¥—	¥20,000	¥41,000	¥202	¥767	¥76,897	¥142,527	¥278,640

Millions of yen

For the year ended March 31, 2025	Valuation and translation adjustments			Total net assets
	Net unrealized gains (losses) on available-for-sale securities, net of tax	Revaluation reserve for land, net of tax	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	¥659,808	¥4,500	¥664,308	¥931,049
Changes in the fiscal year				
Financing of additional foundation funds				8,000
Additions to reserve for dividends to policyholders				(37,138)
Additions to legal reserve for future losses				—
Additions to accumulated foundation funds redeemed				12,000
Payment of interest on foundation funds				(102)
Net surplus for the fiscal year				53,134
Redemption of foundation funds				(12,000)
Additions to reserve for redemption of foundation funds				—
Reversal of reserve for redemption of foundation funds				(12,000)
Reversal of reserve for advanced depreciation of real estate for tax purpose				—
Reversal of revaluation reserve for land, net of tax				5
Net changes, excluding foundation funds, surplus and others	(139,565)	(475)	(140,040)	(140,040)
Total changes in the fiscal year	(139,565)	(475)	(140,040)	(128,141)
Balance at the end of the fiscal year	¥520,242	¥4,025	¥524,268	¥802,908

Millions of U.S. dollars

For the year ended March 31, 2025	Foundation funds, surplus and others											
				Surplus								
					Other surplus							
	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Legal reserve for future losses	Reserve for redemption of foundation funds	Reserve for dividend allowances	Accumulated fund for price fluctuation	Reserve for advanced depreciation of real estate for tax purpose	Other reserves	Unappropri-ated surplus	Total surplus	Total foundation funds, surplus and others
Balance at the beginning of the fiscal year	$80	$775	$0	$23	$64	$133	$274	$1	$5	$424	$927	$1,783
Changes in the fiscal year												
Financing of additional foundation funds	53											53
Additions to reserve for dividends to policyholders										(248)	(248)	(248)
Additions to legal reserve for future losses				0						(0)	—	—
Additions to accumulated foundation funds redeemed		80										80
Payment of interest on foundation funds										(0)	(0)	(0)
Net surplus for the fiscal year										355	355	355
Redemption of foundation funds	(80)											(80)
Additions to reserve for redemption of foundation funds					16					(16)	—	—
Reversal of reserve for redemption of foundation funds					(80)						(80)	(80)
Reversal of reserve for advanced depreciation of real estate for tax purpose								(0)		0	—	—
Reversal of revaluation reserve for land, net of tax										0	0	0
Net changes, excluding foundation funds, surplus and others												
Total changes in the fiscal year	(26)	80	—	0	(64)	—	—	(0)	—	89	26	79
Balance at the end of the fiscal year	$53	$856	$0	$24	$—	$133	$274	$1	$5	$514	$953	$1,863

Millions of U.S. dollars

For the year ended March 31, 2025	Valuation and translation adjustments			Total net assets
	Net unrealized gains (losses) on available- for-sale securities, net of tax	Revaluation reserve for land, net of tax	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	$4,412	$30	$4,442	$6,226
Changes in the fiscal year				
Financing of additional foundation funds				53
Additions to reserve for dividends to policyholders				(248)
Additions to legal reserve for future losses				—
Additions to accumulated foundation funds redeemed				80
Payment of interest on foundation funds				(0)
Net surplus for the fiscal year				355
Redemption of foundation funds				(80)
Additions to reserve for redemption of foundation funds				—
Reversal of reserve for redemption of foundation funds				(80)
Reversal of reserve for advanced depreciation of real estate for tax purpose				—
Reversal of revaluation reserve for land, net of tax				0
Net changes, excluding foundation funds, surplus and others	(933)	(3)	(936)	(936)
Total changes in the fiscal year	(933)	(3)	(936)	(857)
Balance at the end of the fiscal year	$3,479	$26	$3,506	$5,369

Non-consolidated Statements of Surplus

Fukoku Mutual Life Insurance Company
For the years ended March 31, 2024 and 2025

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Unappropriated surplus	¥63,509	**¥76,897**	**$514**
Reversal of voluntary surplus reserve:			
Reversal of reserve for advanced depreciation of real estate for tax purpose	1	**3**	**0**
	1	**3**	**0**
Total	63,510	**76,901**	**514**
Appropriation of surplus			
Reserve for dividends to policyholders	37,138	**46,273**	**309**
Net surplus:			
Legal reserve for future losses	112	**140**	**0**
Interest payment for foundation funds	102	**129**	**0**
Voluntary surplus reserve:			
Reserve for redemption of foundation funds	2,400	**1,600**	**10**
Reserve for employee returns	—	**5,000**	**33**
	2,400	**6,600**	**44**
	2,614	**6,869**	**45**
Total of appropriation of surplus	39,752	**53,143**	**355**
Unappropriated surplus carried forward	¥23,758	**¥23,758**	**$158**

Note: Net surplus is calculated by deducting reserve for dividends to policyholders from the sum of unappropriated surplus and reversal of voluntary surplus reserve.

Notes to the Non-consolidated Financial Statements

I. Presentation of the Non-consolidated Financial Statements

1. Basis of presentation

The accompanying non-consolidated financial statements have been prepared from the accounts maintained by Fukoku Mutual Life Insurance Company (the "Company") in accordance with the provisions set forth in the Insurance Business Act of Japan and its related rules and regulations and in conformity with accounting principles generally accepted in Japan, which are different in certain respects from accounting principles generally accepted in countries and jurisdictions other than Japan.

In addition, the notes to the non-consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts of less than one million yen have been rounded down. As a result, the totals do not add up.

The translations of yen amounts into U.S. dollar amounts are included solely for the convenience of the reader and have been made, as a matter of arithmetical computation only, at the rate of ¥149.52 = US$1.00, the effective rate of exchange at the balance sheet date of March 31, 2025. The translations should not be construed as representations that such yen amounts have been or could in the future be, converted into U.S. dollars at that or any other rates.

II. Notes to the Non-consolidated Balance Sheets

1. (1) The valuation of securities, including cash and deposits and monetary claims bought which are equivalent to securities, and securities managed as trust assets in money held in trust, is as follows:

i) Trading securities are stated at fair market value. Costs of their sales are determined by the moving average method.

ii) Held-to-maturity debt securities are stated at amortized cost under the straight-line method, cost being determined by the moving average method.

iii) Policy-reserve-matching bonds are stated at amortized cost under the straight-line method, cost being determined by the moving average method in accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry" (Industry Audit Committee Report No. 21, issued by the Japanese Institute of Certified Public Accountants (JICPA) on November 16, 2000).

iv) Investments in subsidiaries and affiliates are stated at cost, cost being determined by the moving average method.

v) Available-for-sale securities are stated at fair market value based on the market prices at the end of the fiscal year. Costs of their sales are determined by the moving average method. Public and corporate bonds (including foreign bonds) with differences between their acquisition costs and fair values that are considered as adjustments of interest are stated at amortized cost (straight-line method) determined by the moving average method. However, stocks and other securities without quoted market prices are stated at cost, as determined using the moving average method. Net unrealized gains or losses on these available-for-sale securities, net of taxes, are recorded as a separate component of net assets.

(2) Derivative instruments are stated at fair market value.

(3) The Company revalued the land used in the operations based on the Act for Revaluation of Land (Act No.34 promulgated on March 31, 1998). The difference between fair value and book value resulting from the revaluation, net of related taxes, is recorded as revaluation reserve for land as a separate component of net assets and the related tax is recorded as deferred tax liabilities for land revaluation.

- Date of revaluation: March 31, 2002
- Method of revaluation as prescribed for in Article 3 Paragraph 3 of the said Act:
  Calculation is based on the appraisal value for property tax set forth in Article 2 item 3 of the Enforcement Ordinance of the Act for Revaluation of Land (Government Ordinance No.119 promulgated on March 31, 1998) and the road rate set forth in Article 2 item 4 of the said Ordinance with certain reasonable adjustments.

(4) Depreciation of tangible fixed assets is calculated by the following methods.

- Tangible fixed assets (excluding lease assets): Declining-balance method
  However, buildings (excluding building attachments and structures acquired on or before March 31, 2016) acquired on or after April 1, 1998 are depreciated using Straight-line method.
- Lease assets related to finance lease transactions that do not transfer ownership: Straight-line method over the lease term with no residual value.

Other tangible fixed assets acquired for ¥100,000 or more but less than ¥200,000 are depreciated equally over three years.

(5) Assets and liabilities denominated in foreign currencies, except for investments in subsidiaries and affiliates, are translated into Japanese yen at the effective exchange rate prevailing at the balance sheet date. Investments in subsidiaries and affiliates are translated into Japanese yen at the exchange rate on the date of acquisition.

(6) Allowance for possible loan losses is provided in accordance with the Company's standards of self-assessment and write-offs and reserves on credit quality:

i) For the credits of borrowers who are legally bankrupt such as being in the proceedings of bankruptcy or civil rehabilitation (hereinafter called "legally bankrupt borrowers") and who are substantially bankrupt (hereinafter called "substantially bankrupt borrowers"), the Company provides the remaining amounts of credits after the direct write-off described below and the deductions of the amount expected to be collected through the disposal of collateral or the execution of guarantees.

ii) For the credits of borrowers who are not currently bankrupt but have a high possibility of bankruptcy (hereinafter called "not currently bankrupt borrowers"), the Company provides the amounts

deemed as necessary considering the borrowers' ability to pay, within the amounts after deductions of the amounts expected to be collected through the disposal of collateral or the execution of guarantees.

iii) For the credits of borrowers other than the above, the Company provides the amounts calculated by multiplying the borrowers' balance by the actual ratio of bad debt losses on defaults during a certain past period.

All credits are assessed by the relevant departments in accordance with the Company's standards of self-assessment on credit quality. The results of the assessment are reviewed by the audit department, which is independent of business-related divisions. Subsequently, the allowance for possible loan losses is provided based on the results of these assessments.

For the credits of legally bankrupt borrowers and substantially bankrupt borrowers, the amounts remaining after deductions of collateral value or the amounts collectible through the execution of guarantees are written-off directly from the borrowers' balances as the estimated uncollectible amounts. The amount written-off as of March 31, 2024 and 2025 were ¥0 million and ¥1 million (US$8 thousand).

(7) Reserve for employees' retirement benefits and prepaid pension cost are presented based on projected benefit obligations and pension plan assets at the balance sheet date.

The Company uses the following methods for amortizing retirement benefit obligations and retirement benefit expenses:

- Method for allocation of projected retirement benefits .....Benefit formula basis
- Amortization period of actuarial gains and losses .....10 years
- Amortization period of prior service cost .....10 years

(8) Reserve for price fluctuation is calculated in accordance with Article 115 of the Insurance Business Act.

(9) Hedge accounting is based on "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). The Company applies a designated hedge accounting ("Furiate shori") for foreign currency swaps as a hedge against the risk of foreign exchange fluctuation in relation to bonds denominated in foreign currencies issued by the Company.

For assessing the effectiveness of hedge used, ratio analysis of comparing the fluctuations in the fair value or cash flows of hedged items and hedging instruments is mainly applied.

(10) Accounting of unrecognized actuarial differences and unrecognized prior service cost related to employees' retirement benefits is different to the methods used for these items in the consolidated financial statements.

(11) The Company accounts for consumption taxes by the tax-exclusion method. The consumption taxes on certain assets, which are not deductible from consumption taxes withheld and that are stipulated to be deferred under the Tax Act, are deferred as prepaid expenses and amortized equally over five years. Consumption taxes other than deferred consumption taxes are recognized as an expense when incurred.

(12) Initial premium incomes are recorded by the relevant amounts received when the premium incomes have been received and the responsibilities on the insurance contract have been commenced, in principal.

Subsequent premium incomes are also recorded as the amount of payments that have been received.

Of premium incomes that have been received, the portion corresponding to the period that has yet to pass as of the end of the fiscal year is accumulated as policy reserve in accordance with Article 116 of the Insurance Business Act and Article 69 Paragraph 1 Item 2 of the Enforcement Regulation of the Insurance Business Act.

Premium incomes associated with the acceptance of group annuities are recorded as amounts equivalent to the policy reserve received when accepting the transfers of these group annuities.

(13) Claims and other payments (excluding reinsurance premiums) are recorded by the relevant amounts paid when the cause for payment under the policy conditions is occurred and the calculated amounts are paid based on the policy conditions.

In accordance with Article 117 of the Insurance Business Act and Article 72 of the Enforcement Regulation of the Insurance Business Act, reserve for outstanding claims are accumulated as for claims for which the Company has a payment due but has not paid, or for which the occurrence of cause for payment has not been reported but the Company recognizes that insured payment has already occurred as of the end of the fiscal year.

Regarding claims for which the occurrence of cause for payment has not been reported but the Company recognizes that insured payment has already occurred ("IBNR reserves"), the special treatment providing payment of hospitalization benefits with respect to those diagnosed with COVID-19 and were under the care of a doctor or the like at an lodging facility or at home ("deemed hospitalization") was discontinued on May 8, 2023. As a result of this change, an appropriate amount of reserves cannot be obtained with the calculation method set forth in the main rules in Article 1, Paragraph 1 of the Notification of the Minister of Finance No.234, 1998 ("IBNR Notification"). The Company therefore records the amount that was calculated using the following method, pursuant to provisions in the proviso of Article 1, Paragraph 1 of IBNR Notification (the "Proviso").

(Overview of the calculation method)
The Company first deducts an amount pertaining to deemed hospitalization of policy holders from a required amount of IBNR reserves and the amount of claim payments for all the fiscal years, as set forth in the main rules in Article 1, Paragraph 1 of IBNR Notification, and then calculates in the same manner as in the main rules in Article 1, Paragraph 1 of IBNR Notification.

Claims and other payments associated with the outgoing transfer of group annuities are recorded as amounts equivalent to the policy reserve transferred when recognizing the transfers of these group annuities.

(14) Policy reserve of the Company is accumulated in accordance with the methods stated in 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 Paragraph 1 of the Insurance Business Act to prepare for the future performance of obligations under the insurance contracts for which the insurer's responsibilities have started as of the end of the fiscal year.

Premium reserves, one of the components of policy reserve, are calculated by the following method.

i) In regard to the policies subject to the standard policy reserve, the method as prescribed by the Commissioner of Financial Services Agency (Ministry of Finance Ordinance No.48, 1996) is applied.

ii) In regard to the policies not subject to the standard policy reserve, the net level premium method is applied.

In regard to the policy reserve accumulated pursuant to Article 69 Paragraphs 1,2, and 4 of the Enforcement Regulation of the Insurance Business Act, when the actual assumptions for long-term future cash flows (such as assumed incidence rate and assumed interest rate) deviate from those assumptions set in the "statement of calculation procedures for Insurance Premiums and Policy Reserves" and policy reserve is considered to be possibly insufficient to cover the future performance of obligations, additional policy reserve is required to accumulate in accordance with Article 69 Paragraph 5 of the Enforcement Regulation of the Insurance Business Act. The following reserves have been established in compliance with this regulation.

- Among individual annuity insurance policies with an assumed interest rate of 5.00% or higher, for policies that have begun paying annuities (excluding wife's annuity insurance additional rider), the Company has reduced the assumed interest rate to 1.00% and funded additional policy reserves. As of March 31, 2024, the balance of these policy reserves was ¥69,848 million.
- Among whole life insurance policies with assumed interest rates of 5.00% or higher following the fiscal year ended March 31, 2024, the Company has reduced assumed interest rates for policies with premiums that have been paid in full (excluding policies that have been converted into paid-up or extended policies, single premium policies, and policies for which premiums have been waived) to 1.00% and funded additional policy reserves. As of March 31, 2024, the balance of these policy reserves was ¥105,883 million.
- The Company has also funded additional policy reserves for certain whole life insurance policies that include distribution of surplus every five years, new cancer riders, highly advanced medical riders and transplant medical riders. As of March 31, 2024, the balance of these policy reserves was ¥84 million.
- Among individual annuity insurance policies with an assumed interest rate of 5.00% or higher, for policies that have begun paying annuities (excluding wife's annuity insurance additional rider), the Company has reduced the assumed interest rate to 1.00% and funded additional policy reserves. As of March 31, 2025, the balance of these policy reserves was ¥67,306 million (US$450 million).
- Among whole life insurance policies with assumed interest rates of 5.00% or higher following the fiscal year ended March 31, 2025, the Company has reduced assumed interest rates for policies with premiums that have been paid in full (excluding policies that have been converted into paid-up or extended policies, single premium policies, and policies for which premiums have been waived) to 1.00% and funded additional policy reserves. As of March 31, 2025, the balance of these policy reserves was ¥104,482 million (US$698 million).
- The Company has also funded additional policy reserves for certain new cancer riders and highly advanced medical riders. As of March 31, 2025, the balance of these policy reserves was ¥90 million (US$601 thousand).

Appointed actuary, for each fiscal year, verify whether policy reserves have been reasonably accumulated in accordance with Article 121 Paragraph 1 of the Insurance Business Act and Article 80 of the Enforcement Regulation of the Insurance Business Act.

Contingency reserves, one of the components of policy reserve, are accumulated pursuant to Article 116 of the Insurance Business Act and Article 69 Paragraph 1 Item 3 of the Enforcement Regulation of the Insurance Business Act to cover risks that may accrue in the future in order to ensure performing future obligations under the insurance contracts.

(15) Depreciation of intangible fixed assets is calculated by the following methods.

- Software: Straight-line method over the estimated useful lives.
- Lease assets related to finance lease transactions that do not transfer ownership: Straight-line method over the lease term with no residual value.

(16) Of the bonds corresponding to the sub-groups of individual insurance, individual annuities, and group annuities which are set by insurance types and investment policies, the bonds that are held to match the duration of liabilities are classified as policy-reserve-matching bonds in accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in Insurance Industry" (Industry Audit Committee Report No. 21 issued by JICPA on November 16, 2000).

2. The main accounting standards that had been published by the end of the fiscal year ended March 31, 2025, but have not been applied are as follows: The publication of the "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024) and the "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024) will result in revisions to accounting procedures for leases.

Mandatory application will take effect from the start of fiscal years beginning after April 1, 2027, and we plan to apply them from the start of the fiscal year ending March 31, 2028.

We are currently evaluating the impact of the application of these accounting standards.

3. Asset management of the general accounts other than the separate accounts stipulated in Article 118 Paragraph 1 of the Insurance Business Act is conducted on the principle of prudent and profitable investments, considering public and

social responsibilities of the insurance business. Based on this policy, the Company allocates the fund, securing its liquidity, from the medium-to-long term viewpoints. The Company is diversifying investments in assets such as foreign securities, stocks and real estates within the acceptable range of risks in order to enhance the profitability, although yen-denominated interest bearing assets including debt securities such as Japanese government bonds and loans are the cores of the portfolios under the asset liability management. Derivatives are mainly used to hedge the market risk regarding spot-priced assets and liabilities.

Major financial instruments including securities, loans and derivatives are exposed to market risk and credit risk.

The Company manages its asset management risk by establishing internal control systems including various rules pursuant to the "Three Basic Rules related to Enterprise Risk Management" established by the Board of Directors. Specifically, the Company eliminates excessive risk deviating from the basic principle and secures the safety of the assets by utilizing control functions of the Financial and Investment Risk Management Department towards the asset management sections, monitoring the status of market risk and credit risk periodically on a daily or monthly basis. In addition, the Company quantifies the market risk and credit risk using value-at-risk (VaR) method in order to control the possible maximum losses which may arise from the holding assets within a certain range of risk buffers.

The carrying amounts, fair values and their related differences of major financial assets and liabilities in the general account were as follows:

	As of March 31, 2024		
	Millions of yen		
	Carrying amount	Fair value	Difference
Money held in trust:			
Trading securities	¥22,502	¥22,502	¥—
Total money held in trust	22,502	22,502	—
Securities:			
Held-to-maturity debt securities	708,320	759,424	51,104
Policy-reserve-matching bonds	290,573	283,026	(7,546)
Available-for-sale securities	5,103,160	5,103,160	—
Total securities	6,102,053	6,145,611	43,558
Loans:			
Policy loans	45,991	45,991	(0)
Ordinary loans	453,802	458,559	4,756
Total loans	499,793	504,550	4,756
Assets total	6,624,349	6,672,664	48,314
Subordinated bonds*1	267,260	263,910	(3,349)
Liabilities total	267,260	263,910	(3,349)
Derivative instruments*2:			
Hedge accounting not applied	(1,029)	(1,029)	—
Total derivative instruments	¥(1,029)	¥(1,029)	¥—

*1 The fair value of derivative instruments that are currency swaps under designated hedge accounting is included in the fair value of subordinated bonds because it is accounted for as an integral part of the subordinated bonds that are the hedge items.
*2 Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in parentheses.

Notes: 1. Stocks without market prices, such as unlisted stocks, are not included in Securities of the above table. The amount of these stocks on the balance sheet as of March 31, 2024 was ¥73,611 million.
2. In accordance with Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No.31, June 17, 2021. Hereinafter called Implementation Guidance on Accounting Standard for Fair Value Measurement), investments in partnerships are not included in Securities of the above table. As of March 31, 2024, the amount of investments in partnerships included on the balance sheet was ¥43,658 million.
3. Investment trusts with real estate as investment trust properties which have applied Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement are included in Securities.

	As of March 31,					
	2025			2025		
	Millions of yen			Millions of U.S. dollars		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Money held in trust:						
Trading securities	¥22,812	¥22,812	¥—	$152	$152	$—
Total money held in trust	22,812	22,812	—	152	152	—
Securities:						
Held-to-maturity debt securities	645,682	666,692	21,010	4,318	4,458	140
Policy-reserve-matching bonds	627,193	568,591	(58,601)	4,194	3,802	(391)
Available-for-sale securities	4,676,064	4,676,064	—	31,273	31,273	—
Total securities	5,948,939	5,911,347	(37,591)	39,786	39,535	(251)
Loans:						
Policy loans	43,775	43,775	(0)	292	292	(0)
Ordinary loans	428,381	424,720	(3,661)	2,865	2,840	(24)
Total loans	472,157	468,496	(3,661)	3,157	3,133	(24)
Assets total	6,443,909	6,402,656	(41,252)	43,097	42,821	(275)
Subordinated bonds*1	267,260	258,447	(8,812)	1,787	1,728	(58)
Liabilities total	267,260	258,447	(8,812)	1,787	1,728	(58)
Derivative instruments*2:						
Hedge accounting not applied	300	300	—	2	2	—
Total derivative instruments	¥300	¥300	¥—	$2	$2	$—

*1 The fair value of derivative instruments that are currency swaps under designated hedge accounting is included in the fair value of subordinated bonds because it is accounted for as an integral part of the subordinated bonds that are the hedge items.
*2 Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in parentheses.

Notes: 1. Stocks without market prices, such as unlisted stocks, are not included in Securities of the above table.
The amount of these stocks on the balance sheet as of March 31, 2025 was ¥73,455 million (US$491 million).
2. In accordance with Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, investments in partnerships are not included in Securities of the above table. As of March 31, 2025, the amount of investments in partnerships included on the balance sheet was ¥52,065 million (US$348 million).
3. Investment trusts with real estate as investment trust properties which have applied Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement are included in Securities.

4. Matters concerning the breakdown of financial instruments by fair value level are as follows.
The fair values of financial instruments are classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Fair Value Level 1: Fair values measured using (unadjusted) quoted prices in active markets for identical assets or liabilities
Fair Value Level 2: Fair values measured using directly or indirectly observable inputs other than Level 1 inputs
Fair Value Level 3: Fair values measured using material unobservable inputs

When multiple inputs with material impact are used to measure fair value, the resulting fair value is classified into the lowest fair value level into which any of these inputs can be categorized.

(1) Financial assets and liabilities with fair values recorded on the balance sheet were as follows:

Classification	As of March 31, 2024			
	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Money held in trust:				
Trading securities	¥—	¥22,502	¥—	¥22,502
Total money held in trust	—	22,502	—	22,502
Securities:				
Available-for-sale securities:				
Government bonds	1,343,935	—	—	1,343,935
Local government bonds	—	89,684	—	89,684
Corporate bonds	—	501,467	—	501,467
Stocks	928,443	—	—	928,443
Foreign securities	905,046	1,113,911	26,352	2,045,310
Other securities	50,829	133,544	—	184,373
Total available-for-sale securities	3,228,254	1,838,607	26,352	5,093,214
Total securities	3,228,254	1,838,607	26,352	5,093,214
Assets total	3,228,254	1,861,109	26,352	5,115,716
Derivative instruments*:				
Currency-related	—	(940)	—	(940)
Stock-related	(89)	—	—	(89)
Total derivative instruments	¥(89)	¥(940)	¥—	¥(1,029)

* Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in parentheses.

Note: Investment trusts with real estate as investment trust properties that have applied Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement are not included in the figures above. The amount of the investment trusts on the balance sheet as of March 31, 2024 was ¥9,945 million. Reconciliation of balances from the beginning of the current fiscal year to balances as of March 31, 2024 for the investment trusts were as follows:

	As of March 31, 2024
	Millions of yen
Balance at the beginning of the fiscal year	¥5,596
Changes in net unrealized gains or losses	203
Purchase, sales, and redemption	4,146
Purchase	4,146
Balance at the end of the fiscal year	¥9,945

As of March 31,

Classification	2025 Millions of yen Fair value				2025 Millions of U.S. dollars Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Money held in trust:								
Trading securities	**¥—**	**¥22,812**	**¥—**	**¥22,812**	**$—**	**$152**	**$—**	**$152**
Total money held in trust	**—**	**22,812**	**—**	**22,812**	**—**	**152**	**—**	**152**
Securities:								
Available-for-sale securities:								
Government bonds	**1,036,491**	**—**	**—**	**1,036,491**	**6,932**	**—**	**—**	**6,932**
Local government bonds	**—**	**75,676**	**—**	**75,676**	**—**	**506**	**—**	**506**
Corporate bonds	**—**	**439,329**	**—**	**439,329**	**—**	**2,938**	**—**	**2,938**
Stocks	**894,051**	**—**	**—**	**894,051**	**5,979**	**—**	**—**	**5,979**
Foreign securities	**954,500**	**1,056,844**	**24,304**	**2,035,649**	**6,383**	**7,068**	**162**	**13,614**
Other securities	**56,535**	**128,027**	**—**	**184,563**	**378**	**856**	**—**	**1,234**
Total available-for-sale securities	**2,941,578**	**1,699,878**	**24,304**	**4,665,761**	**19,673**	**11,368**	**162**	**31,204**
Total securities	**2,941,578**	**1,699,878**	**24,304**	**4,665,761**	**19,673**	**11,368**	**162**	**31,204**
Assets total	**2,941,578**	**1,722,690**	**24,304**	**4,688,573**	**19,673**	**11,521**	**162**	**31,357**
Derivative instruments*:								
Currency-related	**—**	**300**	**—**	**300**	**—**	**2**	**—**	**2**
Total derivative instruments	**¥—**	**¥300**	**¥—**	**¥300**	**$—**	**$2**	**$—**	**$2**

* Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in parentheses.

Note: Investment trusts with real estate as investment trust properties that have applied Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement are not included in the figures above. The amount of the investment trusts on the balance sheet as of March 31, 2025 was ¥10,302 million (US$68 million). Reconciliation of balances from the beginning of the current fiscal year to balances as of March 31, 2025 for the investment trusts were as follows:

	As of March 31, 2025	2025
	Millions of yen	Millions of U.S. dollars
Balance at the beginning of the fiscal year	**¥9,945**	**$66**
Changes in net unrealized gains or losses	**356**	**2**
Balance at the end of the fiscal year	**¥10,302**	**$68**

(2) Financial assets and liabilities with fair values not recorded on the balance sheet were as follows:

As of March 31,

Classification	2024 Millions of yen Fair value			
	Level 1	Level 2	Level 3	Total
Securities:				
Held-to-maturity debt securities:				
Government bonds	¥744,790	¥—	¥—	¥744,790
Local government bonds	—	7,058	—	7,058
Corporate bonds	—	7,576	—	7,576
Total held-to-maturity debt securities	744,790	14,634	—	759,424
Policy-reserve-matching bonds:				
Government bonds	269,948	—	—	269,948
Local government bonds	—	1,837	—	1,837
Corporate bonds	—	11,241	—	11,241
Total policy-reserve-matching bonds	269,948	13,078	—	283,026
Total securities	1,014,738	27,713	—	1,042,451
Loans:				
Policy loans	—	—	45,991	45,991
Ordinary loans	—	—	458,559	458,559
Total loans	—	—	504,550	504,550
Assets total	1,014,738	27,713	504,550	1,547,002
Subordinated bonds	—	263,910	—	263,910
Liabilities total	¥—	¥263,910	¥—	¥263,910

Classification	As of March 31, 2025 Millions of yen Fair value				2025 Millions of U.S. dollars Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities:								
Held-to-maturity debt securities:								
Government bonds	¥653,179	¥—	¥—	¥653,179	$4,368	$—	$—	$4,368
Local government bonds	—	6,418	—	6,418	—	42	—	42
Corporate bonds	—	7,094	—	7,094	—	47	—	47
Total held-to-maturity debt securities	653,179	13,512	—	666,692	4,368	90	—	4,458
Policy-reserve-matching bonds:								
Government bonds	536,568	—	—	536,568	3,588	—	—	3,588
Local government bonds	—	1,565	—	1,565	—	10	—	10
Corporate bonds	—	30,456	—	30,456	—	203	—	203
Total policy-reserve-matching bonds	536,568	32,022	—	568,591	3,588	214	—	3,802
Total securities	1,189,748	45,535	—	1,235,283	7,957	304	—	8,261
Loans:								
Policy loans	—	—	43,775	43,775	—	—	292	292
Ordinary loans	—	—	424,720	424,720	—	—	2,840	2,840
Total loans	—	—	468,496	468,496	—	—	3,133	3,133
Assets total	1,189,748	45,535	468,496	1,703,780	7,957	304	3,133	11,394
Subordinated bonds	—	258,447	—	258,447	—	1,728	—	1,728
Liabilities total	¥—	¥258,447	¥—	¥258,447	$—	$1,728	$—	$1,728

(3) Explanation of valuation techniques and inputs used to measure fair value

i) Securities (including deposits and monetary claims bought which are treated as securities based on "Accounting Standards for Financial Instruments" [ASBJ Statement No.10, July 4, 2019])

The fair values of securities for which unadjusted quoted market prices in active markets are available (primarily listed stocks and government bonds [including some foreign securities]) are classified as Fair Value Level 1. Meanwhile, the fair values of securities for which quoted market prices are available, but are not available in active markets, are classified as Fair Value Level 2 (This category primarily includes local government bonds and corporate bonds [including some foreign securities]). When quoted market prices are not available for securities, prices obtained from third parties (mainly from information vendors and financial institutions with which the Company conducts business) and determined to have been measured in accordance with prescribed accounting standards are used to measure the fair values of these securities. If the inputs used to measure the fair value of a given security are material but unobservable, the resulting fair value is classified as Fair Value Level 3.

ii) Money held in trust

In principle, the fair values of securities managed as trust assets and classified as money held in trust are measured using the Company's prescribed method for determining the value of securities. These fair values are categorized as Fair Value Level 2.

iii) Loans

The fair values of policy loans are deemed to approximate book values, considering estimated repayment period and interest rate conditions since their repayment deadlines have not been set up due to the characteristics that the loans are limited to the amount of cash surrender values. Therefore, the book values are used as the fair values of policy loans.

The fair values of floating interest rate loans among the ordinary loans approximate the book values because the market interest rates are reflected in future cash flows in a short period. Therefore, the fair values of floating interest rate loans are used as their book values. The fair values of fixed interest rate loans are primarily calculated by discounting the future cash flows to the present values.

The fair values of loans from legally bankrupt borrowers, substantially bankrupt borrowers and not currently bankrupt borrowers are computed by deducting the amount of the allowance for possible loan losses from the book values before direct write-offs.

Because significant unobservable inputs used to measure the fair values of loans, the resulting fair values are classified as Fair Value Level 3.

iv) Subordinated bonds

The fair values of corporate bonds issued by the Company are classified as Fair Value Level 2 and are measured using the same method applied to securities.

v) Derivative instruments

The fair values of derivative instruments for which unadjusted quoted market prices in active markets are available (primarily exchange-traded futures and options) are classified as Fair Value Level 1. However, most derivative instruments are traded over the counter and have no quoted market prices. Accordingly, prices obtained from third parties (mainly from information vendors and financial institutions with which the Company conducts business) and determined to have been measured in accordance with prescribed accounting standards are used to measure the fair values of these derivative instruments. Fair values of derivative instruments that were measured using only observable inputs or with unobservable inputs considered to be immaterial are classified as Fair Value Level 2. Meanwhile, fair values of derivative instruments that have been measured using material unobservable inputs are categorized as Fair Value Level 3.

(4) Information concerning fair values of financial assets and liabilities that have been recorded on the balance sheet and classified as Fair Value Level 3

i) Quantitative information regarding material unobservable inputs

When measuring fair value, the Company does not adjust quoted prices obtained from third parties and does not make estimates related to inputs that it cannot observe. Accordingly, quantitative information regarding material unobservable inputs have been omitted.

ii) Reconciliation of beginning to end of balance as of March 31, 2024 and 2025, and valuation gains or losses recognized in the statements of operations for the respective fiscal years were as follows:

	Year ended March 31, 2024	
	Millions of yen	
	Securities, Available-for-sale securities, Foreign securities	Total
Balance at the beginning of the current fiscal year.....	¥26,490	¥26,490
Gains or losses during the fiscal year	(10)	(10)
Values recognized as gains or loses*	(10)	(10)
Changes in net unrealized gains or losses	(127)	(127)
Balance at the end of the current fiscal year.....	¥26,352	¥26,352

* These amounts are included in investment income and investment expenses in the non-consolidated statements of operations for the fiscal year ended March 31, 2024.

	Year ended March 31, 2025		2025	
	Millions of yen		Millions of U.S. dollars	
	Securities, Available-for-sale securities, Foreign securities	Total	Securities, Available-for-sale securities, Foreign securities	Total
Balance at the beginning of the current fiscal year.....	**¥26,352**	**¥26,352**	**$176**	**$176**
Gains or losses during the fiscal year	**(10)**	**(10)**	**(0)**	**(0)**
Values recognized as gains or loses*	**(10)**	**(10)**	**(0)**	**(0)**
Changes in net unrealized gains or losses	**(2,037)**	**(2,037)**	**(13)**	**(13)**
Balance at the end of the current fiscal year.....	**¥24,304**	**¥24,304**	**$162**	**$162**

* These amounts are included in investment income and investment expenses in the non-consolidated statements of operations for the fiscal year ended March 31, 2025.

iii) Explanation of the valuation process for fair value

The Company's asset management division is responsible for the formulation of policies and procedures related to the measurement of fair value and the actual measurement of fair value. These fair values are subsequently checked by the risk management department to ensure their appropriateness and compliance with relevant policies and procedures.

The Company verifies the appropriateness of the fair values it measures using a variety of suitable methods, which include comparing quoted market prices obtained from different third parties; confirming techniques and inputs utilized for calculation; and further comparing measured fair values with the fair values of similar financial instruments.

iv) Explanation of the impact on fair value in case of change in material unobservable inputs

When measuring fair value, the Company does not adjust quoted prices obtained from third parties and does not make estimates related to inputs that it cannot observe. Accordingly, it has omitted information concerning impact on fair value stemming from changes in material unobservable inputs.

5. The Company holds investment and rental properties such as office buildings in Tokyo and other areas. The carrying amounts and the fair values of investment and rental properties were ¥208,136 million and ¥372,027 million as of March 31, 2024, and ¥212,058 million (US$1,418 million) and ¥385,247 million (US$2,576 million) as of March 31, 2025, respectively. The fair value is mainly based on the value calculated by the Company in accordance with real estate appraisal standards which includes some adjustments using the reference prices.

The amount corresponding to asset retirement obligations included in the carrying amount of investment and rental properties were ¥281 million as of March 31, 2024, and ¥1,891 million (US$12 million) as of March 31, 2025, respectively.

6. The amount of securities lent under lending agreements were ¥518,568 million and ¥467,473 million (US$3,126 million) as of March 31, 2024 and 2025, respectively.

7. The total amount of claims against bankrupt and quasi-bankrupt obligors, claims with collection risk, delinquent loans past three months or more, and restructured loans were ¥1,137 million and ¥727 million (US$4 million) as March 31, 2024 and 2025, respectively. The details are as follows.

i) The balance of claims against bankrupt and quasi-bankrupt obligors were ¥110 million and ¥110 million (US$740 thousand) as of March 31, 2024 and 2025, respectively.

Of which, the estimated uncollectible amount written-off were ¥0 million and ¥1 million (US$8 thousand) as of March 31, 2024 and 2025, respectively.

Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.

ii) The balance of claims with collection risk were ¥508 million and ¥372 million (US$2 million) as of March 31, 2024 and 2025, respectively.

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.

iii) There was no balance of delinquent loans past three months or more as of March 31, 2024 and 2025, respectively.

Delinquent loans past three months or more are loans for which interest payments or repayments of principal are delinquent for three months or more from the due date under the terms of the related loan agreements, excluding those loans classified as claims against bankrupt and quasi-bankrupt obligors, claims with collection risk.

iv) The balance of restructured loans were ¥518 million and ¥244 million (US$1 million) as of March 31, 2024 and 2025, respectively.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reduction or exemption, rescheduling of due date for repayments of principal or interest payment, waiver of claim or other terms, have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their business. This category excludes loans classified as claims against bankrupt and quasi-bankrupt obligors, claims with collection risk, and delinquent loans past three months or more.

8. Accumulated depreciation of tangible fixed assets were ¥182,699 million and ¥188,839 million (US$1,262 million) as of March 31, 2024 and 2025, respectively.

9. Total assets in separate accounts provided for in Article 118 of the Insurance Business Act were ¥141,452 million and ¥136,390 million (US$912 million) as of March 31, 2024 and 2025, respectively. The amounts of separate account liabilities were the same as separate account assets.

10. The total amounts of receivables from/payables to subsidiaries were ¥3,098 million and ¥2,348 million as of March 31, 2024, and ¥3,172 million (US$21 million) and ¥2,471 million (US$16 million) as of March 31, 2025, respectively.

11. Deferred tax assets and deferred tax liabilities as of March 31, 2024 were ¥185,225 million and ¥260,074 million, respectively. Valuation allowance for deferred tax assets was 4,899 million.

Major components of deferred tax assets were ¥113,745 million of policy reserves, ¥50,558 million of reserve for price fluctuation and ¥13,149 million of reserve for employees' retirement benefits as of March 31, 2024.

Major component of deferred tax liabilities was ¥254,206 million of net unrealized gains on available-for-sale securities as of March 31, 2024.

The statutory tax rate and the actual effective tax rate for the year ended March 31, 2024 were 28.0% and 2.2%, respectively. The difference between the statutory tax rate and the actual effective tax rate was attributable mainly to -25.6% of reserve for dividends to policyholders.

Deferred tax assets and deferred tax liabilities as of March 31, 2025 were ¥197,479 million (US$1,320 million) and ¥216,996 million (US$1,451 million), respectively. Valuation allowance for deferred tax assets was ¥4,752 million (US$31 million).

Major components of deferred tax assets were ¥120,533 million (US$806 million) of policy reserves, ¥54,552 million (US$364 million) of reserve for price fluctuation and ¥13,427 million (US$89 million) of reserve for employees' retirement benefits as of March 31, 2025.

Major component of deferred tax liabilities was ¥209,381 million (US$1,400 million) of net unrealized gains on available-for-sale securities as of March 31, 2025.

The statutory tax rate and the actual effective tax rate for the year ended March 31, 2025 were 28.0% and -11.0%, respectively. The difference between the statutory tax rate and the actual effective tax rate was attributable mainly to -27.1% of reserve for dividends to policyholders, and -12.0% from an upward revision in deferred tax assets at fiscal year-end due to tax rate change.

With the enactment of the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 13 of 2025), the effective statutory tax rate used to calculate deferred tax assets and liabilities has been changed from 28.0% to 28.9% for those items for which recovery or payment is expected on or after April 1, 2026. This change results in increases in deferred tax liabilities and deferred tax liabilities related to revaluation of ¥992 million (US$6 million) and ¥469 million (US$3 million), respectively. It also results in a ¥5,738 million (US$38 million) decrease in deferred income taxes.

12. Changes in reserve for dividends to policyholders were as follows:

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Balance at the beginning of the fiscal year	¥64,420	¥61,903	$414
Transfer from surplus in the previous fiscal year	28,002	37,138	248
Dividend payments to policyholders during the fiscal year	(30,532)	(34,960)	(233)
Increase in interest	13	36	0
Balance at the end of the fiscal year	¥61,903	¥64,117	$428

13. The amount of stocks of subsidiaries were ¥64,787 million and ¥64,787 million (US$433 million) as of March 31, 2024 and 2025, respectively.

14. Assets pledged as collateral as of March 31, 2024 were ¥138,648 million of securities.

Secured debts as of March 31, 2024, were ¥127,337 million.

These amounts include ¥114,460 million of investments in securities deposited and ¥121,299 million of cash received as collateral under securities lending transactions secured by cash as of March 31, 2024.

Assets pledged as collateral as of March 31, 2025 were ¥106,493 million (US$712 million) of securities.

Secured debts as of March 31, 2025, were ¥5,972 million (US$39 million).

15. Reserve for outstanding claims for the reinsurance contracts provided in accordance with Article 71 Paragraph 1 of the Enforcement Regulation of the Insurance Business Act (hereinafter called "reserve for outstanding claims for ceded reinsurance") were ¥0 million and ¥40 million (US$270 thousand) as of March 31, 2024 and 2025, respectively.

Policy reserve for the reinsurance contracts provided in accordance with Article 71 Paragraph 1 of the Enforcement Regulation of the Insurance Business Act (hereinafter called "policy reserve for ceded reinsurance") were ¥18 million and ¥18 million (US$120 thousand) as of March 31, 2024 and 2025, respectively.

16. The total amounts of adjustment items for redemption of foundation funds and appropriation of net surplus defined in Article 30 Paragraph 2 of the Enforcement Regulation of the Insurance Business Act were ¥664,421 million and ¥524,380 million (US$3,507 million) as of March 31, 2024 and 2025, respectively.

17. In accordance with Article 60 of the Insurance Business Act, the Company raised an additional ¥8,000 million (US$53 million) in funds.

18. Accompanying with the redemption of ¥12,000 million (US$80 million)in foundation funds, the Company transferred the same amount from reserve for redemption of foundation funds to accumulated foundation funds redeemed in accordance with Article 56 of the Insurance Business Act.

19. There were unused commitment line agreements under which the Company is the lender of ¥4,344 million and ¥22,236 million (US$148 million) as of March 31, 2024 and 2025, respectively.

20. Repayments of subordinated bonds are subordinated to other obligations.

Based on the resolution of the Board of Directors meeting held on May 20, 2025, the Company issued ¥103,285 million (US$690 million) in new subordinated bonds on September 2, 2025.

In addition, on July 28, 2025, the Company redeemed ¥62,065 million (US$415 million) of subordinated bonds ahead of schedule.

21. Matters Related to Employees' Retirement Benefits

(1) Overview of Employees' Retirement Benefit Plan

As for a defined benefit plan for office-based employees, the Company has a defined benefit corporate pension plan and retirement lump-sum payments. As for a defined contribution plan for these employees, the Company also has a defined contribution pension plan.

As for a defined benefit plan for sales employees, the Company has retirement lump-sum payments.

The Company places a retirement benefit trust in relation to the retirement lump-sum grant plan for sales employees.

The simplified method for calculating retirement benefit obligation is applied to a portion of the Company's retirement lump-sum grant plans.

(2) Defined Benefit Plan

i) Reconciliation of beginning and end of balance of retirement benefit obligation

	As of March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Retirement benefit obligation at the beginning of the fiscal year	¥90,426	¥74,720	$499
Service cost	3,573	3,047	20
Interest cost	520	1,190	7
Actuarial differences occurred during the fiscal year	(9,156)	340	2
Retirement benefit payments	(3,715)	(3,793)	(25)
Prior service cost	(6,929)	—	—
Retirement benefit obligation at the end of the fiscal year	¥74,720	¥75,506	$504

ii) Reconciliation of beginning and end of balance of pension plan assets

	As of March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Pension plan assets at the beginning of the fiscal year	¥66,470	¥79,620	$532
Expected return on pension plan assets	1,229	1,378	9
Actuarial differences occurred during the fiscal year	12,579	888	5
Contributions by the employer	918	763	5
Retirement benefit payments	(1,577)	(2,328)	(15)
Pension plan assets at the end of the fiscal year	¥79,620	¥80,322	$537

iii) Reconciliation of retirement benefit obligation and pension plan assets with reserve for employees' retirement benefits and prepaid pension cost presented on the non-consolidated balance sheet

	As of March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
a. Funded plan retirement benefit obligation	¥65,969	¥66,718	$446
b. Pension plan assets	(79,620)	(80,322)	(537)
c. (a + b)	(13,650)	(13,603)	(90)
d. Unfunded plan retirement benefit obligation	8,750	8,787	58
e. Unrecognized actuarial differences	22,740	21,812	145
f. Unrecognized prior service cost	6,547	5,860	39
g. Net amount of liabilities and assets presented on the non-consolidated balance sheet	24,387	22,856	152
h. Reserve for employees' retirement benefits	26,701	26,836	179
i. Prepaid pension cost	(2,313)	(3,980)	(26)
j. Net amount of liabilities and assets presented on the non-consolidated balance sheet	¥24,387	¥22,856	$152

iv) Breakdown of retirement benefit gains and losses

	As of March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Service cost	¥3,573	¥3,047	$20
Interest cost	520	1,190	7
Expected return on pension plan assets	(1,229)	(1,378)	(9)
Amortization of actuarial differences	582	(1,474)	(9)
Amortization of prior service cost	(341)	(687)	(4)
Retirement benefit expenses related to defined benefit plan	¥3,106	¥697	$4

v) Breakdown of pension plan assets

The breakdown of asset categories as a percentage of total pension plan assets were as follows:

	As of March 31,	
	2024	2025
Domestic stocks	49.7%	50.5%
Life insurance general account	26.1%	27.2%
Domestic bonds	9.1%	8.7%
Foreign stocks	8.9%	8.4%
Foreign bonds	3.0%	2.9%
Assets under joint management	3.1%	2.2%
Total	100.0%	100.0%

Within the total of pension assets as of March 31, 2024 and 2025, 42.3% and 42.8% of this amount is accounted for by the retirement benefit trust established in relation to the retirement lump-sum payments plan for sales employees, respectively.

vi) Method for setting the expected long-term rate of return

To set the expected long-term rate of return on pension plan assets, the Company takes into account the present and future allocation of pension plan assets, and the present and expected future long-term rate of return on a variety of assets that makes up the pension assets.

vii) Underlying actuarial assumptions

Main underlying actuarial assumptions were as follows:

	As of March 31,	
	2024	2025
Discount rate	1.6%	1.6%
Expected long-term rate of return on pension plan assets		
Defined Benefit Plan	3.0%	3.0%
Retirement benefit trust	0.0%	0.0%

(3) Defined Contribution Plan

The required contribution amount by the Company to the defined contribution plan were ¥235 million and ¥252 million (US$1 million) as of March 31, 2024 and 2025, respectively.

Notes to the Non-consolidated Statements of Operations

1. The total amounts of revenues and expenses in connection with subsidiaries were ¥2,096 million and ¥10,727 million for the year ended March 31, 2024, and ¥3,494 million (US$23 million) and ¥12,040 million (US$80 million) for the year ended March 31, 2025, respectively.

2. The details of gains on sales of securities were as follows:

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Domestic bonds	¥4,527	¥2,596	$17
Domestic stocks and others	46,314	22,372	149
Foreign securities	¥15,564	¥31,436	$210

3. The details of losses on sales of securities were as follows:

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Domestic bonds	¥30,091	¥81,611	$545
Domestic stocks and others	803	369	2
Foreign securities	¥25,719	¥2,414	$16

4. The details of losses on valuation of securities were as follows:

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Domestic bonds	¥262	¥—	$—
Domestic stocks and others	513	275	1
Foreign securities	¥312	¥—	$—

5. For the year ended March 31, 2024, in calculating the provision of reserve for outstanding claims, a provision of reserve for outstanding claims for ceded reinsurance of ¥0 million was deducted. In calculating the provision of policy reserves, a reversal of policy reserve for ceded reinsurance of ¥2 million was added.

For the year ended March 31, 2025, in calculating the provision of reserve for outstanding claims, a provision of reserve for outstanding claims for ceded reinsurance of ¥39 million (US$263 thousand) was deducted. In calculating the reversal of policy reserves, a reversal of policy reserve for ceded reinsurance of ¥0 million (US$5 thousand) was deducted.

6. The details of gains (losses) on trading securities were as follows:

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Interest, dividends and other income	¥152	¥—	$—
Gains on sales of trading securities	1,025	—	—
Losses on sales of trading securities	—	(1)	(0)
Losses on redemption of trading securities	(1,510)	—	—
Gains on valuation of trading securities	¥1,135	¥—	$—

7. Gains on money held in trust for the year ended March 31, 2024 included valuation gains of ¥0 million.
Gains on money held in trust for the year ended March 31, 2025 included valuation losses of ¥0 million (US$0 thousand).

8. Losses on derivative instruments for the year ended March 31, 2024 included valuation losses of ¥346 million.
Losses on derivative instruments for the year ended March 31, 2025 included valuation gains of ¥1,329 million (US$8 million).

Independent Auditor's Report

September 29, 2025

To the Board of Directors of
Fukoku Mutual Life Insurance Company:

Moore Mirai & Co.
Tokyo, Japan

Designated Engagement Partner
Certified Public Accountant
Shinnosuke Tsuruta

Designated Engagement Partner
Certified Public Accountant
Osamu Sano

< Financial Statements Audit >

Opinion

We have audited the accompanying non-consolidated financial statements of Fukoku Mutual Life Insurance Company (collectively referred to as "the Company"), which comprise the non-consolidated balance sheets as at March 31, 2025, the non-consolidated statements of operations, the non-consolidated statements of changes in net assets, and the non-consolidated statements of surplus for the year then ended, and notes to the non-consolidated financial statements, all expressed in Japanese yen.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, the non-consolidated financial statements and our auditor's report thereon. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and Audit & Supervisory Board for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Convenience Translation

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note I.1 to the accompanying non-consolidated financial statements with respect to the year ended March 31, 2025.

Fee-related Information

Fee-related information is described in the auditor's report on the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Consolidated Financial Statements

Consolidated Balance Sheets

Fukoku Mutual Life Insurance Company and consolidated subsidiaries
As of March 31, 2024 and 2025

	As of March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Assets:			
Cash and deposits	¥396,782	**¥238,322**	**$1,593**
Call loans	128,000	**97,000**	**648**
Money held in trust	23,502	**23,812**	**159**
Securities	8,015,906	**8,019,332**	**53,633**
Loans	503,151	**475,424**	**3,179**
Tangible fixed assets:			
Land	149,483	**153,059**	**1,023**
Buildings	101,477	**101,974**	**682**
Lease assets	985	**1,141**	**7**
Construction in progress	700	**2,763**	**18**
Other tangible fixed assets	3,538	**4,541**	**30**
	256,185	**263,480**	**1,762**
Intangible fixed assets:			
Software	20,421	**18,690**	**125**
Lease assets	2,065	**1,820**	**12**
Other intangible fixed assets	3,852	**5,691**	**38**
	26,339	**26,202**	**175**
Agency receivables	0	**0**	**0**
Reinsurance receivables	121	**120**	**0**
Other assets	57,951	**65,107**	**435**
Net defined benefit assets	15,696	**15,163**	**101**
Deferred tax assets	3,634	**7,907**	**52**
Allowance for possible loan losses	(703)	**(508)**	**(3)**
Total assets	¥9,426,567	**¥9,231,364**	**$61,739**

	As of March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Liabilities:			
Policy reserves:			
Reserve for outstanding claims	¥28,805	**¥30,104**	**$201**
Policy reserve	7,613,135	**7,714,518**	**51,595**
Reserve for dividends to policyholders	61,903	**64,117**	**428**
Reserve for dividends to policyholders (subsidiary)	290	**291**	**1**
	7,704,135	**7,809,032**	**52,227**
Agency payables	449	**507**	**3**
Reinsurance payables	53	**48**	**0**
Subordinated bonds	267,260	**267,260**	**1,787**
Other liabilities	175,739	**52,811**	**353**
Net defined benefit liabilities	10,914	**10,424**	**69**
Reserve for price fluctuation	193,279	**205,681**	**1,375**
Deferred tax liabilities	91,924	**36,766**	**245**
Deferred tax liabilities for land revaluation	14,132	**14,600**	**97**
Total liabilities	8,457,889	**8,397,132**	**56,160**
Net assets:			
Foundation funds	12,000	**8,000**	**53**
Accumulated foundation funds redeemed	116,000	**128,000**	**856**
Reserve for revaluation	112	**112**	**0**
Consolidated surplus	143,344	**148,280**	**991**
Total foundation funds, surplus and others	271,456	**284,393**	**1,902**
Net unrealized gains (losses) on available-for-sale securities, net of tax	663,271	**517,928**	**3,463**
Revaluation reserve for land, net of tax	4,500	**4,025**	**26**
Foreign currency translation adjustment	257	**629**	**4**
Accumulated remeasurements of defined benefit plans	21,087	**19,667**	**131**
Total accumulated other comprehensive income	689,116	**542,251**	**3,626**
Non-controlling interests	8,104	**7,587**	**50**
Total net assets	968,677	**834,231**	**5,579**
Total liabilities and net assets	¥9,426,567	**¥9,231,364**	**$61,739**

See notes to the consolidated financial statements.

Consolidated Statements of Operations

Fukoku Mutual Life Insurance Company and consolidated subsidiaries
For the year ended March 31, 2024 and 2025

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Ordinary revenues:			
Premium and other income	¥758,323	**¥772,142**	**$5,164**
Investment income:			
Interest, dividends and other income	193,012	**221,487**	**1,481**
Gains on money held in trust, net	1,185	**315**	**2**
Gains on trading securities, net	803	**—**	**—**
Gains on sales of securities	66,425	**56,619**	**378**
Gains on redemption of securities, net	2,508	**3,011**	**20**
Foreign exchange gains, net	2,525	**—**	**—**
Reversal of allowance for possible loan losses	117	**180**	**1**
Other investment income	321	**214**	**1**
Gains on separate accounts, net	27,117	**1,418**	**9**
	294,016	**283,247**	**1,894**
Other ordinary revenues	11,408	**11,774**	**78**
Total ordinary revenues	1,063,748	**1,067,164**	**7,137**
Ordinary expenses:			
Claims and other payments:			
Claims	118,266	**109,916**	**735**
Annuities	263,969	**260,338**	**1,741**
Benefits	127,650	**138,688**	**927**
Surrenders	87,879	**110,847**	**741**
Other payments	25,817	**25,955**	**173**
	623,582	**645,747**	**4,318**
Provision of policy reserve and others:			
Provision of reserve for outstanding claims	2,478	**1,299**	**8**
Provision of policy reserves	163,780	**101,382**	**678**
Provision of interest portion of reserve for dividends to policyholders	13	**36**	**0**
Provision of interest portion of reserve for dividends to policyholders (subsidiary)	0	**0**	**0**
	166,272	**102,718**	**686**
Investment expenses:			
Interest expenses	4,262	**4,646**	**31**
Losses on trading securities, net	—	**1**	**0**
Losses on sales of securities	59,348	**87,328**	**584**
Losses on valuation of securities	1,089	**275**	**1**
Losses on redemption of securities, net	137	**—**	**—**
Losses on derivative instruments, net	7,349	**1,657**	**11**
Foreign exchange losses, net	—	**509**	**3**
Depreciation of real estate for rent and other assets	5,163	**5,749**	**38**
Other investment expenses	10,659	**12,200**	**81**
	88,009	**112,368**	**751**
Operating expenses	104,824	**113,881**	**761**
Other ordinary expenses	27,673	**29,457**	**197**
Total ordinary expenses	1,010,362	**1,004,173**	**6,715**
Ordinary profits	¥53,385	**¥62,990**	**$421**

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Extraordinary gains:			
Gains on disposal of fixed assets	¥33	¥3	$0
National subsidies	—	160	1
Total extraordinary gains	33	164	1
Extraordinary losses:			
Losses on disposal of fixed assets	202	146	0
Impairment losses	657	10	0
Provision of reserve for price fluctuation	4,741	12,402	82
100th anniversary bonuses and other losses	4,467	—	—
Total extraordinary losses	10,069	12,559	84
Provision of reserve for dividends to policyholders (subsidiary)	153	194	1
Surplus before income taxes	43,197	50,399	337
Income taxes:			
Current	14,678	7,895	52
Deferred	(9,778)	(11,888)	(79)
Total income taxes	4,899	(3,993)	(26)
Net surplus	38,297	54,393	363
Net surplus attributable to non-controlling interests	119	221	1
Net surplus attributable to the parent company	¥38,177	¥54,171	$362

See notes to the consolidated financial statements.

Consolidated Statements of Comprehensive Income

Fukoku Mutual Life Insurance Company and consolidated subsidiaries
For the year ended March 31, 2024 and 2025

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Net surplus	¥38,297	¥54,393	$363
Other comprehensive income:			
Net unrealized gains (losses) on available-for-sale securities, net of tax	273,145	(146,015)	(976)
Revaluation reserve for land, net of tax	—	(469)	(3)
Foreign currency translation adjustments	315	372	2
Remeasurements of defined benefit plan, net of tax	20,812	(1,420)	(9)
	294,273	(147,532)	(986)
Comprehensive income:			
Comprehensive income attributable to the parent company	332,428	(92,688)	(619)
Comprehensive income attributable to non-controlling interests	142	(450)	(3)
	¥332,570	¥(93,139)	$(622)

See notes to the consolidated financial statements.

Consolidated Statements of Cash Flow

Fukoku Mutual Life Insurance Company and consolidated subsidiaries
For the year ended March 31, 2024 and 2025

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Cash flows from operating activities:			
Surplus before income taxes	¥43,197	¥50,399	$337
Depreciation of real estate for rent and other assets	5,163	5,749	38
Depreciation	11,034	11,161	74
Impairment losses	657	10	0
Increase (decrease) in reserve for outstanding claims	2,478	1,299	8
Increase (decrease) in policy reserve	163,780	101,382	678
Provision of interest portion of reserve for dividends to policyholders	13	36	0
Provision of interest portion of reserve for dividends to policyholders (subsidiary)	0	0	0
Provision of reserve for dividends to policyholders (subsidiary)	153	194	1
Increase (decrease) in allowance for possible loan losses	(123)	(194)	(1)
Increase (decrease) in net defined benefit liabilities	88	(1,572)	(10)
Increase (decrease) in reserve for price fluctuation	4,741	12,402	82
Interest, dividends and other income	(193,012)	(221,487)	(1,481)
Losses (gains) on securities, net	(30,114)	27,898	186
Interest expenses	4,262	4,646	31
Foreign exchange losses (gains), net	(2,525)	509	3
Losses (gains) on tangible fixed assets, net	120	68	0
Decrease (increase) in agency receivable	(0)	(0)	(0)
Decrease (increase) in reinsurance receivable	(37)	1	0
Decrease (increase) in other assets except from investing and financing activities	(4,016)	592	3
Increase (decrease) in agency payable	(11)	58	0
Increase (decrease) in reinsurance payable	(6)	(5)	(0)
Increase (decrease) in other liabilities except from investing and financing activities	1,961	4,737	31
Others	22,179	24,336	162
Subtotal	29,983	22,223	148
Interest, dividends and other income received	188,008	209,355	1,400
Interest expenses paid	(3,590)	(4,620)	(30)
Dividends to policyholders paid	(30,532)	(34,960)	(233)
Dividends to policyholders paid (subsidiary)	(167)	(193)	(1)
Corporate income tax (paid) refunded	(1,628)	(19,138)	(128)
Net cash provided by (used in) operating activities (a)	182,072	172,666	1,154
Cash flows from investing activities:			
Net decrease (increase) in deposits	(4,594)	4,795	32
Increase in money held in trust	(2,700)	(1,396)	(9)
Decrease in money held in trust	6,273	1,396	9
Payments for purchase of securities	(1,355,140)	(1,074,990)	(7,189)
Proceeds from sales and redemption of securities	1,078,987	858,598	5,742
Payments for additions to loans	(66,140)	(61,198)	(409)
Proceeds from collections of loans	83,638	78,521	525
Proceeds from and payments for settlements of derivatives, net	(14,624)	(2,361)	(15)
Increase (decrease) in cash received as collateral under securities lending transactions	(34,183)	(121,299)	(811)
Others	(7,887)	(10,102)	(67)
Subtotal (b)	(316,371)	(328,037)	(2,193)
(a + b)	¥(134,298)	¥(155,370)	$(1,039)

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Payments for purchase of tangible fixed assets	¥(16,085)	¥(13,804)	$(92)
Proceeds from sales of tangible fixed assets	95	12	0
Payments for purchase of intangible fixed assets	(7,346)	(10,770)	(72)
Proceeds from sales of intangible fixed assets	—	0	0
Net cash provided by (used in) investing activities	(339,707)	(352,599)	(2,358)
Cash flows from financing activities:			
Proceeds from issuance of subordinated bonds	74,260	—	—
Redemption of subordinated bonds	(49,870)	—	—
Proceeds from financing of additional foundation funds	—	8,000	53
Payments for redemption of foundation funds	—	(12,000)	(80)
Payment of interest on foundation funds	(102)	(102)	(0)
Dividends paid to non-controlling interests	(15)	(66)	(0)
Payments for lease obligations	(1,184)	(1,076)	(7)
Net cash provided by (used in) financing activities	23,089	(5,244)	(35)
Effect of exchange rate changes on cash and cash equivalents	(212)	349	2
Net increase (decrease) in cash and cash equivalents	(134,757)	(184,828)	(1,236)
Cash and cash equivalents at the beginning of the fiscal year	640,899	506,141	3,385
Cash and cash equivalents at the end of the fiscal year	¥506,141	¥321,312	$2,148

See notes to the consolidated financial statements.

Consolidated Statements of Changes in Net Assets

Fukoku Mutual Life Insurance Company and consolidated subsidiaries
For the year ended March 31, 2024 and 2025

	Millions of yen				
	Foundation funds, surplus and others				
For the year ended March 31, 2024	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Consolidated surplus	Total foundation funds, surplus and others
Balance at the beginning of the fiscal year	¥12,000	¥116,000	¥112	¥133,303	¥261,415
Changes in the fiscal year					
Additions to reserve for dividends to policyholders				(28,002)	(28,002)
Payment of interest on foundation funds				(102)	(102)
Net surplus attributable to the parent company for the fiscal year				38,177	38,177
Reversal of revaluation reserve for land, net of tax				(32)	(32)
Net changes, excluding foundation funds, surplus and others					
Total changes in the fiscal year	—	—	—	10,041	10,041
Balance at the end of the fiscal year	¥12,000	¥116,000	¥112	¥143,344	¥271,456

	Millions of yen						
	Accumulated other comprehensive income						
For the year ended March 31, 2024	Net unrealized gains (losses) on available- for-sale securities, net of tax	Revaluation reserve for land, net of tax	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at the beginning of the fiscal year	¥390,148	¥4,468	¥ (58)	¥274	¥394,833	¥7,977	¥664,226
Changes in the fiscal year							
Additions to reserve for dividends to policyholders							(28,002)
Payment of interest on foundation funds							(102)
Net surplus attributable to the parent company for the fiscal year							38,177
Reversal of revaluation reserve for land, net of tax							(32)
Net changes, excluding foundation funds, surplus and others	273,122	32	315	20,812	294,282	127	294,409
Total changes in the fiscal year	273,122	32	315	20,812	294,282	127	304,450
Balance at the end of the fiscal year	¥663,271	¥4,500	¥257	¥21,087	¥689,116	¥8,104	¥968,677

Millions of yen

For the year ended March 31, 2025	Foundation funds, surplus and others				
	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Consolidated surplus	Total foundation funds, surplus and others
Balance at the beginning of the fiscal year	¥12,000	¥116,000	¥112	¥143,344	¥271,456
Changes in the fiscal year					
Financing of additional foundation funds	8,000				8,000
Additions to reserve for dividends to policyholders				(37,138)	(37,138)
Additions to accumulated foundation funds redeemed		12,000			12,000
Payment of interest on foundation funds				(102)	(102)
Net surplus attributable to the parent company for the fiscal year				54,171	54,171
Redemption of foundation funds	(12,000)				(12,000)
Reversal of reserve for redemption of foundation funds				(12,000)	(12,000)
Reversal of revaluation reserve for land, net of tax				5	5
Net changes, excluding foundation funds, surplus and others					
Total changes in the fiscal year	(4,000)	12,000	—	4,936	12,936
Balance at the end of the fiscal year	¥8,000	¥128,000	¥112	¥148,280	¥284,393

Millions of yen

For the year ended March 31, 2025	Accumulated other comprehensive income						
	Net unrealized gains (losses) on available-for-sale securities, net of tax	Revaluation reserve for land, net of tax	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at the beginning of the fiscal year	¥663,271	¥4,500	¥257	¥21,087	¥689,116	¥8,104	¥968,677
Changes in the fiscal year							
Financing of additional foundation funds							8,000
Additions to reserve for dividends to policyholders							(37,138)
Additions to accumulated foundation funds redeemed							12,000
Payment of interest on foundation funds							(102)
Net surplus attributable to the parent company for the fiscal year							54,171
Redemption of foundation funds							(12,000)
Reversal of reserve for redemption of foundation funds							(12,000)
Reversal of revaluation reserve for land, net of tax							5
Net changes, excluding foundation funds, surplus and others	(145,342)	(475)	372	(1,420)	(146,865)	(517)	(147,382)
Total changes in the fiscal year	(145,342)	(475)	372	(1,420)	(146,865)	(517)	(134,445)
Balance at the end of the fiscal year	¥517,928	¥4,025	¥629	¥19,667	¥542,251	¥7,587	¥834,231

Millions of U.S. dollars

For the year ended March 31, 2025	Foundation funds, surplus and others				
	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Consolidated surplus	Total foundation funds, surplus and others
Balance at the beginning of the fiscal year	$80	$775	$0	$958	$1,815
Changes in the fiscal year					
Financing of additional foundation funds	53				53
Additions to reserve for dividends to policyholders				(248)	(248)
Additions to accumulated foundation funds redeemed		80			80
Payment of interest on foundation funds				(0)	(0)
Net surplus attributable to the parent company for the fiscal year				362	362
Redemption of foundation funds	(80)				(80)
Reversal of reserve for redemption of foundation funds				(80)	(80)
Reversal of revaluation reserve for land, net of tax				0	0
Net changes, excluding foundation funds, surplus and others					
Total changes in the fiscal year	(26)	80	—	33	86
Balance at the end of the fiscal year	$53	$856	$0	$991	$1,902

Millions of U.S. dollars

For the year ended March 31, 2025	Accumulated other comprehensive income						
	Net unrealized gains (losses) on available-for-sale securities, net of tax	Revaluation reserve for land, net of tax	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at the beginning of the fiscal year	$4,436	$30	$1	$141	$4,608	$54	$6,478
Changes in the fiscal year							
Financing of additional foundation funds							53
Additions to reserve for dividends to policyholders							(248)
Additions to accumulated foundation funds redeemed							80
Payment of interest on foundation funds							(0)
Net surplus attributable to the parent company for the fiscal year							362
Redemption of foundation funds							(80)
Reversal of reserve for redemption of foundation funds							(80)
Reversal of revaluation reserve for land, net of tax							0
Net changes, excluding foundation funds, surplus and others	(972)	(3)	2	(9)	(982)	(3)	(985)
Total changes in the fiscal year	(972)	(3)	2	(9)	(982)	(3)	(899)
Balance at the end of the fiscal year	$3,463	$26	$4	$131	$3,626	$50	$5,579

Notes to the Consolidated Financial Statements

I. Presentation of the Consolidated Financial Statements

1. Basis of Presentation

The accompanying consolidated financial statements have been prepared from the accounts maintained by Fukoku Mutual Life Insurance Company (the "Company") and its consolidated subsidiaries in accordance with the provisions set forth in the Insurance Business Act of Japan and its related rules and regulations and in conformity with accounting principles generally accepted in Japan, which are different in certain respects from accounting principles generally accepted in countries and jurisdictions other than Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts of less than one million yen have been rounded down. As a result, the totals do not add up.

The translations of yen amounts into U.S. dollar amounts are included solely for the convenience of the reader and have been made, as a matter of arithmetical computation only, at the rate of ¥149.52 = US$1.00, the effective rate of exchange at the balance sheet date of March 31, 2025. The translations should not be construed as representations that such yen amounts have been or could in the future be, converted into U.S. dollars at that or any other rates.

2. Principles of Consolidation

(1) Scope of consolidation

Consolidated subsidiaries as of March 31, 2024 and 2025 are listed below:

Fukoku Capital Management, Inc.
Fukokushinrai Life Insurance Co., Ltd.
Fukoku Information Systems Co., Ltd.
Fukoku Life International (U.K.) Ltd.
Fukoku Life International (America) Inc.
Fukoku Life Investments Singapore Pte. Ltd.

Major unconsolidated subsidiary is Fukoku Business Service Company Limited.

Four subsidiaries are excluded from the scope of consolidation, as each one of them is small in its total assets, amount of sales, net surplus for the period and surplus and are sufficiently insignificant to reasonable judgement on their impact on the financial position and results of operation of the Company's group.

(2) Application of equity method

Unconsolidated subsidiaries (such as Fukoku Business Service Company Limited, etc.) are insignificant in their impact on net surplus attributable to the parent company and consolidated surplus, and also immaterial as a whole, therefore, application of equity method is not applied.

There are no affiliates for the year ended March 31, 2024 and 2025.

(3) Fiscal year of consolidated subsidiaries

Among the subsidiaries to be consolidated, fiscal year-end of overseas subsidiaries is December 31. For the preparation of consolidated financial statements, financial statements as of that date are used and concerning any important transaction taking place in between December 31 and the consolidated closing date, necessary adjustments for consolidation are made.

II. Notes to the Consolidated Balance Sheets

1. (1) The valuation of securities, including cash and deposits and monetary claims bought which are equivalent to securities, and securities managed as trust assets in money held in trust, is as follows:

i) Trading securities are stated at fair market value. Costs of their sales are determined by the moving average method.

ii) Held-to-maturity debt securities are stated at amortized cost under the straight-line method, cost being determined by the moving average method.

iii) Policy-reserve-matching bonds are stated at amortized cost under the straight-line method, cost being determined by the moving average method in accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" (Industry Audit Committee Report No.21 issued by the Japanese Institute of Certified Public Accountants on November 16, 2000).

iv) Investments in unconsolidated subsidiaries and affiliates which are not accounted for under the equity method are stated at cost, cost being determined by the moving average method.

v) Available-for-sale securities are stated at fair market value based on the market prices at the end of the fiscal year. Costs of their sales are determined by the moving average method. Public and corporate bonds (including foreign bonds) with differences between their acquisition costs and fair values that are considered as adjustments of interest are stated at amortized cost (straight-line method) determined by the moving average method. However, stocks and other securities without quoted market prices are stated at cost, as determined using the moving average method. Net unrealized gains or losses on these available-for-sale securities, net of taxes, are recorded as a separate component of net assets.

(2) Derivative instruments are stated at fair market value.

(3) The Company revalued the land used in the operations based on the Act for Revaluation of Land (Act No.34 promulgated on March 31, 1998). The difference between fair value and book value resulting from the revaluation, net of related taxes, is recorded as revaluation reserve for land as a separate component of net assets and the related tax is recorded as deferred tax liabilities for land revaluation.

- Date of revaluation: March 31, 2002
- Method of revaluation as prescribed for in Article 3 Paragraph 3 of the said Act:
  Calculation is based on the appraisal value for property tax set forth in Article 2 item 3 of the Enforcement

Ordinance of the Act for Revaluation of Land (Government Ordinance No.119 promulgated on March 31, 1998) and the road rate set forth in Article 2 item 4 of the said Ordinance with certain reasonable adjustments.

(4) Depreciation of the Company's tangible fixed assets is calculated by the following methods.
- Tangible fixed assets (excluding lease assets): Declining-balance method
  However, buildings (excluding building attachments and structures acquired on or before March 31, 2016) acquired on or after April 1, 1998 are depreciated using Straight-line method.
- Lease assets related to finance lease transactions that do not transfer ownership: Straight-line method over the lease term with no residual value.

Other tangible fixed assets acquired for ¥100,000 or more but less than ¥200,000 are depreciated equally over three years.

(5) Assets and liabilities denominated in foreign currencies, except for investments in unconsolidated subsidiaries and affiliates, are translated into Japanese yen at the effective exchange rate prevailing at the balance sheet date. Investments in unconsolidated subsidiaries and affiliates are translated into Japanese yen at the exchange rate on the date of acquisition.

(6) Allowance for possible loan losses for the Company is provided in accordance with the standards of self-assessment and write-offs and reserves on credit quality:

i) For the credits of borrowers who are legally bankrupt such as being in the proceedings of bankruptcy or civil rehabilitation (hereinafter called "legally bankrupt borrowers") and who are substantially bankrupt (hereinafter called "substantially bankrupt borrowers"), the Company provides the remaining amounts of credits after the direct write-off described below and the deductions of the amount expected to be collected through the disposal of collateral or the execution of guarantees.

ii) For the credits of borrowers who are not currently bankrupt but have a high possibility of bankruptcy (hereinafter called "not currently bankrupt borrowers"), the Company provides the amounts deemed as necessary considering the borrowers' ability to pay, within the amounts after deductions of the amounts expected to be collected through the disposal of collateral or the execution of guarantees.

iii) For the credits of borrowers other than the above, the Company provides the amounts calculated by multiplying the borrowers' balance by the actual ratio of bad debt losses on defaults during a certain past period.

All credits are assessed by the relevant departments in accordance with the Company's standards of self-assessment on credit quality. The results of the assessment are reviewed by the audit department, which is independent of business-related divisions. Subsequently, the allowance for possible loan losses is provided based on the results of these assessments.

For the credits of legally bankrupt borrowers and substantially bankrupt borrowers, the amounts remaining after deductions of collateral value or the amounts collectible through the execution of guarantees are written-off directly from the borrowers' balances as the estimated uncollectible amounts. The amount written-off as of March 31, 2024 and 2025 were ¥0 million and ¥1 million (US$8 thousand).

(7) Net defined benefit liabilities and assets, which are provided for employees' retirement benefits, are calculated by deducting the amount of pension assets from the amount of retirement benefit obligations incurred as of the balance sheet date based on the projected retirement benefits as of the current fiscal year end.

The Company uses the following methods of accounting in relation to retirement benefits:
- Method for allocation of projected retirement benefits .....Benefit formula basis
- Amortization period of actuarial gains and losses .....10 years
- Amortization period of prior service cost .....10 years

(8) Reserve for price fluctuation is calculated in accordance with Article 115 of the Insurance Business Act.

(9) Hedge accounting is based on "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). The Company applies a designated hedge accounting ("Furiate shori") for foreign currency swaps as a hedge against the risk of foreign exchange fluctuation in relation to bonds denominated in foreign currencies issued by the Company.

For assessing the effectiveness of hedge used, ratio analysis of comparing the fluctuations in the fair value or cash flows of hedged items and hedging instruments is mainly applied.

(10) The Company accounts for consumption taxes by the tax-exclusion method. The consumption taxes on certain assets, which are not deductible from consumption taxes withheld and that are stipulated to be deferred under the Tax Act, are deferred as prepaid expenses and amortized equally over five years. Consumption taxes other than deferred consumption taxes are recognized as an expense when incurred.

(11) Initial premium incomes are recorded by the relevant amounts received when the premium incomes have been received and the responsibilities on the insurance contract have been commenced, in principal.

Subsequent premium incomes are also recorded as the amount of payments that have been received.

Of premium incomes that have been received, the portion corresponding to the period that has yet to pass as of the end of the fiscal year is accumulated as policy reserve in accordance with Article 116 of the Insurance

Business Act and Article 69 Paragraph 1 Item 2 of the Enforcement Regulation of the Insurance Business Act.

Premium incomes associated with the acceptance of group annuities are recorded as amounts equivalent to the policy reserve received when accepting the transfers of these group annuities.

(12) Claims and other payments (excluding reinsurance premiums) are recorded by the relevant amounts paid when the cause for payment under the policy conditions is occurred and the calculated amounts are paid based on the policy conditions.

In accordance with Article 117 of the Insurance Business Act and Article 72 of the Enforcement Regulation of the Insurance Business Act, reserve for outstanding claims are accumulated as for claims for which the Company has a payment due but has not paid, or for which the occurrence of cause for payment has not been reported but the Company recognizes that insured payment has already occurred as of the end of the fiscal year.

Regarding claims for which the occurrence of cause for payment has not been reported but the Company recognizes that insured payment has already occurred ("IBNR reserves"), the special treatment providing payment of hospitalization benefits with respect to those diagnosed with COVID-19 and were under the care of a doctor or the like at an lodging facility or at home ("deemed hospitalization") was discontinued on May 8, 2023. As a result of this change, an appropriate amount of reserves cannot be obtained with the calculation method set forth in the main rules in Article 1, Paragraph 1 of the Notification of the Minister of Finance No.234, 1998 ("IBNR Notification"). The Company therefore records the amount that was calculated using the following method, pursuant to provisions in the proviso of Article 1, Paragraph 1 of IBNR Notification (the "Proviso").

(Overview of the calculation method)
The Company first deducts an amount pertaining to deemed hospitalization of policy holders from a required amount of IBNR reserves and the amount of claim payments for all the fiscal years, as set forth in the main rules in Article 1, Paragraph 1 of IBNR Notification, and then calculates in the same manner as in the main rules in Article 1, Paragraph 1 of IBNR Notification.

Claims and other payments associated with the outgoing transfer of group annuities are recorded as amounts equivalent to the policy reserve transferred when recognizing the transfers of these group annuities.

(13) Policy reserve of the Company is accumulated in accordance with the methods stated in 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 Paragraph 1 of the Insurance Business Act to prepare for the future performance of obligations under the insurance contracts for which the insurer's responsibilities have started as of the end of the consolidated fiscal year.

Premium reserves, one of the components of policy reserve, are calculated by the following method.

i) In regard to the policies subject to the standard policy reserve, the method as prescribed by the Commissioner of Financial Services Agency (Ministry of Finance Ordinance No.48, 1996) is applied.

ii) In regard to the policies not subject to the standard policy reserve, the net level premium method is applied.

In regard to the policy reserve accumulated pursuant to Article 69 Paragraphs 1,2, and 4 of the Enforcement Regulation of the Insurance Business Act, when the actual assumptions for long-term future cash flows (such as assumed incidence rate and assumed interest rate) deviate from those assumptions set in the "statement of calculation procedures for Insurance Premiums and Policy Reserves" and policy reserve is considered to be possibly insufficient to cover the future performance of obligations, additional policy reserve is required to accumulate in accordance with Article 69 Paragraph 5 of the Enforcement Regulation of the Insurance Business Act. The following reserves have been established in compliance with this regulation.

- Among individual annuity insurance policies with an assumed interest rate of 5.00% or higher, for policies that have begun paying annuities (excluding wife's annuity insurance additional rider), the Company has reduced the assumed interest rate to 1.00% and funded additional policy reserves. As of March 31, 2024, the balance of these policy reserves was ¥69,848 million.
- Among whole life insurance policies with assumed interest rates of 5.00% or higher following the fiscal year ended March 31, 2024, the Company has reduced assumed interest rates for policies with premiums that have been paid in full (excluding policies that have been converted into paid-up or extended policies, single premium policies, and policies for which premiums have been waived) to 1.00% and funded additional policy reserves. As of March 31, 2024, the balance of these policy reserves was ¥105,883 million.
- The Company has also funded additional policy reserves for certain whole life insurance policies that include distribution of surplus every five years, new cancer riders, highly advanced medical riders and transplant medical riders. As of March 31, 2024, the balance of these policy reserves was ¥84 million.
- Among individual annuity insurance policies with an assumed interest rate of 5.00% or higher, for policies that have begun paying annuities (excluding wife's annuity insurance additional rider), the Company has reduced the assumed interest rate to 1.00% and funded additional policy reserves. As of March 31, 2025, the balance of these policy reserves was ¥67,306 million (US$450 million).
- Among whole life insurance policies with assumed interest rates of 5.00% or higher following the fiscal year ended March 31, 2025, the Company has reduced assumed interest rates for policies with premiums that have been paid in full (excluding policies that have been converted into paid-up or extended policies, single

premium policies, and policies for which premiums have been waived) to 1.00% and funded additional policy reserves. As of March 31, 2025, the balance of these policy reserves was ¥104,482 million (US$698 million).

- The Company has also funded additional policy reserves for certain new cancer riders and highly advanced medical riders. As of March 31, 2025, the balance of these policy reserves was ¥90 million (US$601 thousand).

Appointed actuary, for each fiscal year, verify whether policy reserves have been reasonably accumulated in accordance with Article 121 Paragraph 1 of the Insurance Business Act and Article 80 of the Enforcement Regulation of the Insurance Business Act.

Contingency reserves, one of the components of policy reserve, are accumulated pursuant to Article 116 of the Insurance Business Act and Article 69 Paragraph 1 Item 3 of the Enforcement Regulation of the Insurance Business Act to cover risks that may accrue in the future in order to ensure performing future obligations under the insurance contracts.

(14) Depreciation of intangible fixed assets is calculated by the following methods.

- Software: Straight-line method over the estimated useful lives.
- Lease assets related to finance lease transactions that do not transfer ownership: Straight-line method over the lease term with no residual value.

(15) Of the bonds corresponding to the sub-groups of individual insurance, individual annuities, and group annuities which are set by insurance types and investment policies, the bonds that are held to match the duration of liabilities are classified as policy-reserve-matching bonds in accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in Insurance Industry" (Industry Audit Committee Report No. 21 issued by JICPA on November 16, 2000).

2. The main accounting standards that had been published by the end of the fiscal year ended March 31, 2025, but have not been applied are as follows: The publication of the "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024) and the "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024) will result in revisions to accounting procedures for leases.

Mandatory application will take effect from the start of fiscal years beginning after April 1, 2027, and we plan to apply them from the start of the fiscal year ending March 31, 2028.

We are currently evaluating the impact of the application of these accounting standards.

3. Asset management of the general accounts other than the separate accounts stipulated in Article 118 Paragraph 1 of the Insurance Business Act is conducted on the principle of prudent and profitable investments by the Company, considering public and social responsibilities of the insurance business. Based on this policy, the Company allocates the fund, securing its liquidity, from the medium-to-long term viewpoints. The Company is diversifying investments in assets such as foreign securities, stocks and real estates within the acceptable range of risk in order to enhance the profitability, although yen-denominated interest bearing assets including debt securities such as Japanese government bonds and loans are the cores of the portfolios under the asset liability management. Derivatives are mainly used to hedge the market risk regarding spot-priced assets and liabilities.

Major financial instruments including securities, loans and derivatives are exposed to market risk and credit risk.

The Company manages its asset management risk by establishing internal control systems including various rules pursuant to the "Three Basic Rules related to Enterprise Risk Management" established by the Board of Directors. Specifically, the Company eliminates excessive risk deviating from the basic principle and secures the safety of the assets by utilizing control functions of the Financial and Investment Risk Management Department towards the asset management sections, monitoring the status of market risk and credit risk periodically on a daily or monthly basis. In addition, the Company quantifies the market risk and credit risk using value-at-risk (VaR) method in order to control the possible maximum losses which may arise from the holding assets within a certain range of risk buffers.

The carrying amounts, fair values and their related differences of major financial assets and liabilities in the general account were as follows:

	As of March 31, 2024		
	Millions of yen		
	Carrying amount	Fair value	Difference
Money held in trust:			
Trading securities	¥22,502	¥22,502	¥—
Total money held in trust	22,502	22,502	—
Securities:			
Held-to-maturity debt securities	1,214,754	1,289,968	75,213
Policy-reserve-matching bonds	1,265,018	1,233,702	(31,316)
Available-for-sale securities	5,353,256	5,353,256	—
Total securities	7,833,029	7,876,927	43,897
Loans:			
Policy loans	49,348	49,348	(0)
Ordinary loans	453,802	458,559	4,756
Total loans	503,151	507,908	4,756
Assets total	8,358,683	8,407,337	48,654
Subordinated bonds*1	267,260	263,910	(3,349)
Liabilities total	267,260	263,910	(3,349)
Derivative instruments*2 :			
Hedge accounting not applied	(1,029)	(1,029)	—
Total derivative instruments	¥(1,029)	¥(1,029)	¥—

*1 The fair value of derivative instruments that are currency swaps under designated hedge accounting is included in the fair value of subordinated bonds because it is accounted for as an integral part of the subordinated bonds that are the hedge items.
*2 Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in parentheses.

Notes: 1. Stocks without market prices, such as unlisted stocks, are not included in Securities of the above table. The amount of these stocks on the balance sheet as of March 31, 2024 was ¥9,229 million.
2. In accordance with Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No.31, June 17, 2021. Hereinafter called Implementation Guidance on Accounting Standard for Fair Value Measurement), investments in partnerships are not included in Securities of the above table. As of March 31, 2024, the amount of investments in partnerships included on the balance sheet was ¥43,658 million.
3. Investment trusts with real estate as investment trust properties which have applied Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement are included in Securities.

	As of March 31, 2025			2025		
	Millions of yen			Millions of U.S. dollars		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Money held in trust:						
Trading securities	**¥22,812**	**¥22,812**	**¥—**	**$152**	**$152**	**$—**
Total money held in trust	**22,812**	**22,812**	**—**	**152**	**152**	**—**
Securities:						
Held-to-maturity debt securities	**1,144,909**	**1,152,860**	**7,950**	**7,657**	**7,710**	**53**
Policy-reserve-matching bonds	**1,758,765**	**1,598,478**	**(160,287)**	**11,762**	**10,690**	**(1,072)**
Available-for-sale securities	**4,926,314**	**4,926,314**	**—**	**32,947**	**32,947**	**—**
Total securities	**7,829,990**	**7,677,653**	**(152,336)**	**52,367**	**51,348**	**(1,018)**
Loans:						
Policy loans	**47,042**	**47,042**	**(0)**	**314**	**314**	**(0)**
Ordinary loans	**428,381**	**424,720**	**(3,661)**	**2,865**	**2,840**	**(24)**
Total loans	**475,424**	**471,762**	**(3,661)**	**3,179**	**3,155**	**(24)**
Assets total	**8,328,226**	**8,172,228**	**(155,998)**	**55,699**	**54,656**	**(1,043)**
Subordinated bonds*1	**267,260**	**258,447**	**(8,812)**	**1,787**	**1,728**	**(58)**
Liabilities total	**267,260**	**258,447**	**(8,812)**	**1,787**	**1,728**	**(58)**
Derivative instruments*2 :						
Hedge accounting not applied	**300**	**300**	**—**	**2**	**2**	**—**
Total derivative instruments	**¥300**	**¥300**	**¥—**	**$2**	**$2**	**$—**

*1 The fair value of derivative instruments that are currency swaps under designated hedge accounting is included in the fair value of subordinated bonds because it is accounted for as an integral part of the subordinated bonds that are the hedge items.
*2 Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in parentheses.

Notes: 1. Stocks without market prices, such as unlisted stocks, are not included in Securities of the above table. The amount of these stocks on the balance sheet as of March 31, 2025 was ¥9,073 million (US$60 million).
2. In accordance with Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, investments in partnerships are not included in Securities of the above table. As of March 31, 2025, the amount of investments in partnerships included on the balance sheet was ¥52,065 million (US$348 million).
3. Investment trusts with real estate as investment trust properties which have applied Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement are included in Securities.

4. Matters concerning the breakdown of financial instruments by fair value level are as follows.
The fair values of financial instruments are classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Fair Value Level 1: Fair values measured using (unadjusted) quoted prices in active markets for identical assets or liabilities
Fair Value Level 2: Fair values measured using directly or indirectly observable inputs other than Level 1 inputs
Fair Value Level 3: Fair values measured using material unobservable inputs

When multiple inputs with material impact are used to measure fair value, the resulting fair value is classified into the lowest fair value level into which any of these inputs can be categorized.

(1) Financial assets and liabilities with fair values recorded on the balance sheet were as follows:

Classification	As of March 31, 2024 Millions of yen Fair value Level 1	Level 2	Level 3	Total
Money held in trust:				
Trading securities	¥—	¥22,502	¥—	¥22,502
Total money held in trust	—	22,502	—	22,502
Securities:				
Available-for-sale securities:				
Government bonds	1,394,506	—	—	1,394,506
Local government bonds	—	113,621	—	113,621
Corporate bonds	—	658,552	—	658,552
Stocks	928,657	—	—	928,657
Foreign securities	905,046	1,113,911	26,352	2,045,310
Other securities	65,823	136,839	—	202,662
Total available-for-sale securities	3,294,033	2,022,924	26,352	5,343,310
Total securities	3,294,033	2,022,924	26,352	5,343,310
Assets total	3,294,033	2,045,426	26,352	5,365,813
Derivative instruments*:				
Currency-related	—	(940)	—	(940)
Stock-related	(89)	—	—	(89)
Total derivative instruments	¥(89)	¥(940)	¥—	¥(1,029)

* Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in parentheses.

Note: Investment trusts with real estate as investment trust properties that have applied Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement are not included in the figures above. The amount of the investment trusts on the balance sheet as of March 31, 2024 was ¥9,945 million. Reconciliation of balances from the beginning of the current fiscal year to balances as of March 31, 2024 for the investment trusts were as follows:

	As of March 31, 2024 Millions of yen
Balance at the beginning of the fiscal year	¥5,596
Gains or losses and other comprehensive income during the fiscal year	203
Values recognized as other comprehensive income*	203
Purchase, sales, and redemption	4,146
Purchase	4,146
Balance at the end of the fiscal year	¥9,945

* These amounts are included in net unrealized gains (losses) on available-for-sale securities, net of tax under other comprehensive income in the consolidated statements of comprehensive income for the fiscal year ended March 31, 2024.

Classification	As of March 31, 2025 Millions of yen Fair value Level 1	Level 2	Level 3	Total	2025 Millions of U.S. dollars Fair value Level 1	Level 2	Level 3	Total
Money held in trust:								
Trading securities	**¥—**	**¥22,812**	**¥—**	**¥22,812**	**$—**	**$152**	**$—**	**$152**
Total money held in trust	**—**	**22,812**	**—**	**22,812**	**—**	**152**	**—**	**152**
Securities:								
Available-for-sale securities:								
Government bonds	**1,087,179**	**—**	**—**	**1,087,179**	**7,271**	**—**	**—**	**7,271**
Local government bonds	**—**	**92,661**	**—**	**92,661**	**—**	**619**	**—**	**619**
Corporate bonds	**—**	**596,064**	**—**	**596,064**	**—**	**3,986**	**—**	**3,986**
Stocks	**894,129**	**—**	**—**	**894,129**	**5,979**	**—**	**—**	**5,979**
Foreign securities	**954,500**	**1,058,803**	**24,304**	**2,037,608**	**6,383**	**7,081**	**162**	**13,627**
Other securities	**77,154**	**131,214**	**—**	**208,368**	**516**	**877**	**—**	**1,393**
Total available-for-sale securities	**3,012,964**	**1,878,743**	**24,304**	**4,916,012**	**20,150**	**12,565**	**162**	**32,878**
Total securities	**3,012,964**	**1,878,743**	**24,304**	**4,916,012**	**20,150**	**12,565**	**162**	**32,878**
Assets total	**3,012,964**	**1,901,555**	**24,304**	**4,938,824**	**20,150**	**12,717**	**162**	**33,031**
Derivative instruments*:								
Currency-related	**—**	**300**	**—**	**300**	**—**	**2**	**—**	**2**
Total derivative instruments	**¥—**	**¥300**	**¥—**	**¥300**	**$—**	**$2**	**$—**	**$2**

* Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in parentheses.

Note: Investment trusts with real estate as investment trust properties that have applied Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement are not included in the figures above. The amount of the investment trusts on the balance sheet as of March 31, 2025 was ¥10,302 million (US$68 million). Reconciliation of balances from the beginning of the current fiscal year to balances as of March 31, 2025 for the investment trusts were as follows:

	As of March 31,	
	2025	2025
	Millions of yen	Millions of U.S. dollars
Balance at the beginning of the fiscal year	¥9,945	$66
Gains or losses and other comprehensive income during the fiscal year	356	2
Values recognized as other comprehensive income*	356	2
Balance at the end of the fiscal year	¥10,302	$68

* These amounts are included in net unrealized gains (losses) on available-for-sale securities, net of tax under other comprehensive income in the consolidated statements of comprehensive income for the fiscal year ended March 31, 2025.

(2) Financial assets and liabilities with fair values not recorded on the balance sheet were as follows:

Classification	As of March 31, 2024			
	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Securities:				
Held-to-maturity debt securities:				
Government bonds	¥1,113,884	¥—	¥—	¥1,113,884
Local government bonds	—	90,996	—	90,996
Corporate bonds	—	85,087	—	85,087
Total held-to-maturity debt securities	1,113,884	176,084	—	1,289,968
Policy-reserve-matching bonds:				
Government bonds	781,655	—	—	781,655
Local government bonds	—	120,376	—	120,376
Corporate bonds	—	331,670	—	331,670
Total policy-reserve-matching bonds	781,655	452,047	—	1,233,702
Total securities	1,895,539	628,131	—	2,523,670
Loans:				
Policy loans	—	—	49,348	49,348
Ordinary loans	—	—	458,559	458,559
Total loans	—	—	507,908	507,908
Assets total	1,895,539	628,131	507,908	3,031,579
Subordinated bonds	—	263,910	—	263,910
Liabilities total	¥—	¥263,910	¥—	¥263,910

Classification	As of March 31, 2025				2025			
	Millions of yen				Millions of U.S. dollars			
	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities:								
Held-to-maturity debt securities:								
Government bonds	¥991,433	¥—	¥—	¥991,433	$6,630	$—	$—	$6,630
Local government bonds	—	83,617	—	83,617	—	559	—	559
Corporate bonds	—	77,809	—	77,809	—	520	—	520
Total held-to-maturity debt securities	991,433	161,426	—	1,152,860	6,630	1,079	—	7,710
Policy-reserve-matching bonds:								
Government bonds	1,136,934	—	—	1,136,934	7,603	—	—	7,603
Local government bonds	—	110,525	—	110,525	—	739	—	739
Corporate bonds	—	351,018	—	351,018	—	2,347	—	2,347
Total policy-reserve- matching bonds	1,136,934	461,544	—	1,598,478	7,603	3,086	—	10,690
Total securities	2,128,367	622,971	—	2,751,338	14,234	4,166	—	18,401
Loans:								
Policy loans	—	—	47,042	47,042	—	—	314	314
Ordinary loans	—	—	424,720	424,720	—	—	2,840	2,840
Total loans	—	—	471,762	471,762	—	—	3,155	3,155
Assets total	2,128,367	622,971	471,762	3,223,101	14,234	4,166	3,155	21,556
Subordinated bonds	—	258,447	—	258,447	—	1,728	—	1,728
Liabilities total	¥—	¥258,447	¥—	¥258,447	$—	$1,728	$—	$1,728

(3) Explanation of valuation techniques and inputs used to measure fair value

i) Securities (including deposits and monetary claims bought which are treated as securities based on "Accounting Standards for Financial Instruments" [ASBJ Statement No.10, July 4, 2019])

The fair values of securities for which unadjusted quoted market prices in active markets are available (primarily listed stocks and government bonds [including some foreign securities]) are classified as Fair Value Level 1. Meanwhile, the fair values of securities for which quoted market prices are available, but are not available in active markets, are classified as Fair Value Level 2 (This category primarily includes local government bonds and corporate bonds [including some foreign securities]). When quoted market prices are not available for securities, prices obtained from third parties (mainly from information vendors and financial institutions with which the Company conducts business) and determined to have been measured in accordance with prescribed accounting standards are used to measure the fair values of these securities. If the inputs used to measure the fair value of a given security are material but unobservable, the resulting fair value is classified as Fair Value Level 3.

ii) Money held in trust

In principle, the fair values of securities managed as trust assets and classified as money held in trust are measured using the Company's prescribed method for determining the value of securities. These fair values are categorized as Fair Value Level 2.

iii) Loans

The fair values of policy loans are deemed to approximate book values, considering estimated repayment period and interest rate conditions since their repayment deadlines have not been set up due to the characteristics that the loans are limited to the amount of cash surrender values. Therefore, the book values are used as the fair values of policy loans.

The fair values of floating interest rate loans among the ordinary loans approximate the book values because the market interest rates are reflected in future cash flows in a short period. Therefore, the fair values of floating interest rate loans are used as their book values. The fair values of fixed interest rate loans are primarily calculated by discounting the future cash flows to the present values.

The fair values of loans from legally bankrupt borrowers, substantially bankrupt borrowers and not currently bankrupt borrowers are computed by deducting the amount of the allowance for possible loan losses from the book values before direct write-offs.

Because significant unobservable inputs used to measure the fair values of loans, the resulting fair values are classified as Fair Value Level 3.

iv) Subordinated bonds

The fair values of corporate bonds issued by the Company are classified as Fair Value Level 2 and are measured using the same method applied to securities.

v) Derivative instruments

The fair values of derivative instruments for which unadjusted quoted market prices in active markets are available (primarily exchange-traded futures and options) are classified as Fair Value Level 1. However, most derivative instruments are traded over the counter and have no quoted market prices. Accordingly, prices obtained from third parties (mainly from information vendors and financial institutions with which the Company conducts business) and determined to have been measured in accordance with prescribed accounting standards are used to measure the fair values of these derivative instruments. Fair values of derivative instruments that were measured using only observable inputs or with unobservable inputs considered to be immaterial are classified as Fair Value Level 2. Meanwhile, fair values of derivative instruments that have been measured using material unobservable inputs are categorized as Fair Value Level 3.

(4) Information concerning fair values of financial assets and liabilities that have been recorded on the balance sheet and classified as Fair Value Level 3

i) Quantitative information regarding material unobservable inputs

When measuring fair value, the Company does not adjust quoted prices obtained from third parties and does not make estimates related to inputs that it cannot observe. Accordingly, quantitative information regarding material unobservable inputs have been omitted.

ii) Reconciliation of beginning to end of balance as of March 31, 2024 and 2025, and valuation gains or losses recognized in the statements of operations for the respective consolidated fiscal years were as follows:

	Year ended March 31,					
	2024		2025		2025	
	Millions of yen				Millions of U.S. dollars	
	Securities, Available-for-sale securities, Foreign securities	Total	Securities, Available-for-sale securities, Foreign securities	Total	Securities, Available-for-sale securities, Foreign securities	Total
Balance at the beginning of the fiscal year ...	¥26,490	¥26,490	**¥26,352**	**¥26,352**	**$176**	**$176**
Gains or losses and other comprehensive income during the fiscal year	(137)	(137)	**(2,048)**	**(2,048)**	**(13)**	**(13)**
Values recognized as gains or losses*1	(10)	(10)	**(10)**	**(10)**	**(0)**	**(0)**
Values recognized as other comprehensive income*2.....	(127)	(127)	**(2,037)**	**(2,037)**	**(13)**	**(13)**
Balance at the end of the fiscal year	¥26,352	¥26,352	**¥24,304**	**¥24,304**	**$162**	**$162**

*1 These amounts are included in investment income and investment expenses in the consolidated statements of operations.
*2 These amounts are included in net unrealized gains (losses) on available-for-sale securities, net of tax under other comprehensive income in the consolidated statements of comprehensive income.

iii) Explanation of the valuation process for fair value
The Company's asset management division is responsible for the formulation of policies and procedures related to the measurement of fair value and the actual measurement of fair value. These fair values are subsequently checked by the risk management department to ensure their appropriateness and compliance with relevant policies and procedures.

The Company verifies the appropriateness of the fair values it measures using a variety of suitable methods, which include comparing quoted market prices obtained from different third parties; confirming techniques and inputs utilized for calculation; and further comparing measured fair values with the fair values of similar financial instruments.

iv) Explanation of the impact on fair value in case of change in material unobservable inputs
When measuring fair value, the Company does not adjust quoted prices obtained from third parties and does not make estimates related to inputs that it cannot observe. Accordingly, it has omitted information concerning impact on fair value stemming from changes in material unobservable inputs.

5. The Company holds investment and rental properties such as office buildings in Tokyo and other areas. The carrying amounts and the fair values of investment and rental properties were ¥206,835 million and ¥369,871 million as of March 31, 2024, and ¥210,554 million (US$1,408 million) and ¥382,821 million (US$2,560 million) as of March 31, 2025, respectively. The fair value is mainly based on the value calculated by the Company in accordance with real estate appraisal standards which includes some adjustments using the reference prices.

The amount corresponding to asset retirement obligations included in the carrying amount of investment and rental properties were ¥277 million and ¥1,859 million (US$12 million) as of March 31, 2024 and 2025, respectively.

6. The amount of securities lent under lending agreements were ¥518,568 million and ¥467,473 million (US$3,126 million) as of March 31, 2024 and 2025, respectively.

7. The total amount of claims against bankrupt and quasi-bankrupt obligors, claims with collection risk, delinquent loans past three months or more, and restructured loans were ¥1,160 million and ¥749 million (US$5 million) as March 31, 2024 and 2025, respectively. The details are as follows.

i) The balance of claims against bankrupt and quasi-bankrupt obligors were ¥133 million and ¥133 million (US$890 thousand) as of March 31, 2024 and 2025, respectively.

Of which, the estimated uncollectible amount written-off were ¥0 million and ¥1 million (US$8 thousand) as of March 31, 2024 and 2025, respectively.

Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.

ii) The balance of claims with collection risk were ¥508 million and ¥372 million (US$2 million) as of March 31, 2024 and 2025, respectively.

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.

iii) There was no balance of delinquent loans past three months or more as of March 31, 2024 and 2025.

Delinquent loans past three months or more are loans for which interest payments or repayments of principal are delinquent for three months or more from the due date under the terms of the related loan agreements, excluding those loans classified as claims against bankrupt and quasi-bankrupt obligors, claims with collection risk.

iv) The balance of restructured loans were ¥518 million and ¥244 million (US$1 million) as of March 31, 2024 and 2025, respectively.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reduction or exemption, rescheduling of due date for repayments of principal or interest payment, waiver of claim or other terms, have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their business. This category excludes loans classified as claims against bankrupt and quasi-bankrupt obligors, claims with collection risk, and delinquent loans past three months or more.

8. Accumulated depreciation of tangible fixed assets were ¥183,509 million and ¥189,696 million (US$1,268 million) as of March 31, 2024 and 2025, respectively.

9. Total assets in separate accounts provided for in Article 118 of the Insurance Business Act were ¥141,452 million and ¥136,390 million (US$912 million) as of March 31, 2024 and 2025, respectively. The amounts of separate account liabilities were the same as separate account assets.

10. The total amounts of receivables from/payables to unconsolidated subsidiaries were ¥2,914 million and ¥40 million as of March 31, 2024, and ¥2,900 million (US$19 million) and ¥37 million (US$248 thousand) as of March 31, 2025, respectively.

11. Deferred tax assets and deferred tax liabilities as of March 31, 2024 were ¥186,185 million and ¥269,459 million, respectively. Valuation allowance for deferred tax assets was ¥5,016 million.

Major components of deferred tax assets were ¥114,810 million of policy reserves, ¥54,118 million of reserve for price fluctuation and ¥8,742 million of net defined benefit liabilities as of March 31, 2024.

Major component of deferred tax liabilities was ¥255,853 million of net unrealized gains on available-for-sale securities as of March 31, 2024.

The statutory tax rate and the actual effective tax rate for the year ended March 31, 2024 were 28.0% and 11.3%, respectively. The difference between the statutory tax rate and the actual effective tax rate was attributable mainly to -24.1% of reserve for dividends to policyholders.

Deferred tax assets and deferred tax liabilities as of March 31, 2025 were ¥200,732 million (US$1,342 million) and ¥224,744 million (US$1,503 million), respectively. Valuation allowance for deferred tax assets was ¥4,846 million (US$32 million).

Major components of deferred tax assets were ¥121,884 million (US$815 million) of policy reserves, ¥59,503 million (US$397 million) of reserve for price fluctuation and ¥8,692 million (US$58 million) of net defined benefit liabilities as of March 31, 2025.

Major component of deferred tax liabilities was ¥209,381 million (US$1,400 million) of net unrealized gains on available-for-sale securities as of March 31, 2025.

The statutory tax rate and the actual effective tax rate for the year ended March 31, 2025 were 28.0% and -7.9%, respectively. The difference between the statutory tax rate and the actual effective tax rate was attributable mainly to -25.7% of reserve for dividends to policyholders, and -11.5% from an upward revision in deferred tax assets at fiscal year-end due to tax rate change.

With the enactment of the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 13 of 2025), the effective statutory tax rate used to calculate deferred tax assets and liabilities has been changed from 28.0% to 28.9% for those items for which recovery or payment is expected on or after April 1, 2026. This change results in increases in deferred tax assets, deferred tax liabilities and deferred tax liabilities related to revaluation of ¥237 million (US$1 million), ¥1,385 million (US$9 million) and ¥469 million (US$3 million), respectively. It also results in a ¥5,811 million (US$38 million) decrease in deferred income taxes.

12. Changes in reserve for dividends to policyholders were as follows:

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Balance at the beginning of the fiscal year	¥64,420	¥61,903	$414
Transfer from surplus in the previous fiscal year	28,002	37,138	248
Dividend payments to policyholders during the fiscal year	(30,532)	(34,960)	(233)
Increase in interest	13	36	0
Balance at the end of the fiscal year	¥61,903	¥64,117	$428

13. Changes in reserve for dividends to policyholders (Fukokushinrai Life Insurance Co., Ltd.) were as follows:

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Balance at the beginning of the fiscal year	¥304	¥290	$1
Dividend payments to policyholders during the fiscal year	(167)	(193)	(1)
Increase in interest	0	0	0
Provision of reserve for dividends to policyholders	153	194	1
Balance at the end of the fiscal year	¥290	¥291	$1

14. The amount of stocks of unconsolidated subsidiaries were ¥404 million and ¥404 million (US$2 million) as of March 31, 2024 and 2025, respectively.

15. Assets pledged as collateral as of March 31, 2024 were ¥138,648 million of securities.

Secured debts as of March 31, 2024, were ¥127,337 million.

These amounts include ¥114,460 million of investments in securities deposited and ¥121,299 million

of cash received as collateral under securities lending transactions secured by cash as of March 31, 2024.

Assets pledged as collateral as of March 31, 2025 were ¥106,493 million (US$712 million) of securities.

Secured debts as of March 31, 2025, were ¥5,972 million (US$39 million).

16. Reserve for outstanding claims for the reinsurance contracts provided in accordance with Article 71 Paragraph 1 of the Enforcement Regulation of the Insurance Business Act (hereinafter called "reserve for outstanding claims for ceded reinsurance") were ¥0 million and ¥40 million (US$270 thousand) as of March 31, 2024 and 2025, respectively.

Policy reserve for the reinsurance contracts provided in accordance with Article 71 Paragraph 1 of the Enforcement Regulation of the Insurance Business Act (hereinafter called "policy reserve for ceded reinsurance") were ¥33 million and ¥30 million (US$206 thousand) as of March 31, 2024 and 2025, respectively.

17. In accordance with Article 60 of the Insurance Business Act, the Company raised an additional ¥8,000 million (US$53 million) in funds.

18. Accompanying with the redemption of ¥12,000 million (US$80 million) in foundation funds, the Company transferred the same amount from reserve for redemption of foundation funds to accumulated foundation funds redeemed in accordance with Article 56 of the Insurance Business Act.

19. There were unused commitment line agreements under which the Company is the lender of ¥4,344 million and ¥12,236 million (US$81 million) as of March 31, 2024 and 2025, respectively.

20. Repayments of subordinated bonds are subordinated to other obligations.

Based on the resolution of the Board of Directors meeting held on May 20, 2025, the Company issued ¥103,285 million (US$690 million) in new subordinated bonds on September 2, 2025.

In addition, on July 28, 2025, the Company redeemed ¥62,065 million (US$415 million) of subordinated bonds ahead of schedule.

21. Matters Related to Employees' Retirement Benefits

(1) Overview of Employees' Retirement Benefit Plan

As for a defined benefit plan for office-based employees, the Company and its consolidated subsidiaries have a defined benefit corporate pension plan and retirement lump-sum payments. As for a defined contribution plan for these employees, the Company also has a defined contribution pension plan.

As for a defined benefit plan for sales employees, the Company has retirement lump-sum payments.

The Company places a retirement benefit trust in relation to the retirement lump-sum grant plan for sales employees.

The simplified method for calculating retirement benefit obligation is applied to a portion of the Company and some consolidated subsidiaries' retirement lump-sum grant plans.

(2) Defined Benefit Plan

i) Reconciliation of beginning and end of balance of retirement benefit obligation

	As of March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Retirement benefit obligation at the beginning of the fiscal year	¥90,953	¥75,319	$503
Service cost	3,696	3,132	20
Interest cost	520	1,190	7
Actuarial differences occurred during the fiscal year	(9,156)	340	2
Retirement benefit payments	(3,766)	(3,882)	(25)
Prior service cost	(6,929)	—	—
Retirement benefit obligation at the end of the fiscal year	¥75,319	¥76,101	$508

ii) Reconciliation of beginning and end of balance of pension plan assets

	As of March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Pension plan assets at the beginning of the fiscal year	¥66,918	¥80,101	$535
Expected return on pension plan assets	1,229	1,378	9
Actuarial differences occurred during the fiscal year	12,579	888	5
Contributions by the employer	949	796	5
Retirement benefit payments	(1,578)	(2,328)	(15)
Others	3	4	0
Pension plan assets at the end of the fiscal year	¥80,101	¥80,840	$540

iii) Reconciliation of retirement benefit obligation and pension plan assets with net defined benefit liabilities and assets presented on the consolidated balance sheet

	As of March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
a. Funded plan retirement benefit obligation	¥66,035	¥66,793	$446
b. Pension plan assets	(80,101)	(80,840)	(540)
c. (a + b)	(14,066)	(14,046)	(93)
d. Unfunded plan retirement benefit obligation	9,284	9,307	62
e. Net amount of liabilities and assets presented on the consolidated balance sheet	(4,782)	(4,739)	(31)
f. Net defined benefit liabilities	10,914	10,424	69
g. Net defined benefit assets	(15,696)	(15,163)	(101)
h. Net amount of liabilities and assets presented on the consolidated balance sheet	¥(4,782)	¥(4,739)	$(31)

iv) Breakdown of retirement benefit gains and losses

	As of March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Service cost	¥3,696	¥3,132	$20
Interest cost	520	1,190	7
Expected return on pension plan assets	(1,229)	(1,378)	(9)
Amortization of actuarial differences	582	(1,474)	(9)
Amortization of prior service cost	(341)	(687)	(4)
Others	(3)	(4)	(0)
Retirement benefit expenses related to defined benefit plan	¥3,225	¥777	$5

v) Remeasurements of defined benefit plan

Remeasurements of defined benefit plan (before tax effects) comprised the following:

	As of March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Actuarial differences	¥22,318	¥(927)	$(6)
Prior service cost	6,588	(687)	(4)
Total	¥28,906	¥(1,615)	$(10)

vi) Accumulated remeasurements of defined benefit plan

Accumulated remeasurements of defined benefit plan (before tax effects) comprised the following:

	As of March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Unrecognized actuarial differences	¥22,740	¥21,812	$145
Unrecognized prior service cost	6,547	5,860	39
Total	¥29,288	¥27,672	$185

vii) Breakdown of pension plan assets

The breakdown of asset categories as a percentage of total pension plan assets were as follows:

	As of March 31,	
	2024	2025
Domestic stocks	49.4%	50.2%
Life insurance general account	26.6%	27.7%
Domestic bonds	9.1%	8.6%
Foreign stocks	8.9%	8.4%
Foreign bonds	3.0%	2.9%
Assets under joint management	3.1%	2.2%
Total	100.0%	100.0%

Within the total of pension assets as of March 31, 2024 and 2025, 42.0% and 42.5% of this amount is accounted for by the retirement benefit trust established in relation to the retirement lump-sum payments plan for sales employees, respectively.

viii) Method for setting the expected long-term rate of return

To set the expected long-term rate of return on pension plan assets, the Company takes into account the present and future allocation of pension plan assets, and the present and expected future long-term rate of return on a variety of assets that makes up the pension assets.

ix) Underlying actuarial assumptions

Main underlying actuarial assumptions were as follows:

	As of March 31,	
	2024	2025
Discount rate	1.6%	1.6%
Expected long-term rate of return on pension plan assets		
Defined benefit plan	3.0%	3.0%
Retirement benefit trust	0.0%	0.0%

(3) Defined contribution plan

The required contribution amount by the Company and its consolidated subsidiaries to the defined contribution plan were ¥358 million and ¥380 million (US$2 million) as of March 31, 2024 and 2025, respectively.

III. Notes to the Consolidated Statements of Operations

1. The total amounts of revenues and expenses in connection with unconsolidated subsidiaries were ¥105 million and ¥1,281 million for the year ended March 31, 2024, and ¥101 million (US$677 thousand) and ¥1,355 million (US$9 million) for the year ended March 31, 2025, respectively.

2. For the year ended March 31, 2024, in calculating the provision of reserve for outstanding claims, a provision of reserve for outstanding claims for ceded reinsurance of ¥0 million was deducted. In calculating the provision of policy reserves, a reversal of policy reserve for ceded reinsurance of ¥7 million was added.

   For the year ended March 31, 2025, in calculating the provision of reserve for outstanding claims, a provision of reserve for outstanding claims for ceded reinsurance of ¥39 million (US$263 thousand) was deducted. In calculating the provision of policy reserves, a reversal of policy reserve for ceded reinsurance of ¥2 million (US$15 thousand) was added.

IV. Notes to the Consolidated Statements of Comprehensive Income

1. Other Comprehensive Income

The reclassification adjustments and tax effect amounts related to other comprehensive income were as follows:

i) Net unrealized gains (losses) on available-for-sale securities, net of tax

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Amount incurred during the fiscal year	¥390,203	¥(217,435)	$(1,454)
Reclassification adjustments	(10,982)	24,070	160
Before tax adjustments	379,221	(193,365)	(1,293)
Tax effects	(106,075)	47,350	316
Net unrealized gains (losses) on available-for-sale securities, net of tax	¥273,145	¥(146,015)	$(976)

ii) Revaluation reserve for land, net of tax

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Amount incurred during the fiscal year	¥—	¥—	$—
Reclassification adjustments	—	—	—
Before tax adjustments	—	—	—
Tax effects	—	(469)	(3)
Revaluation reserve for land, net of tax	¥—	¥(469)	$(3)

iii) Foreign currency translation adjustments

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Amount incurred during the fiscal year	¥315	¥372	$2
Reclassification adjustments	—	—	—
Before tax adjustments	315	372	2
Tax effects	—	—	—
Foreign currency translation adjustments	¥315	¥372	$2

iv) Remeasurements of defined benefit plans, net of tax

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Amount incurred during the fiscal year	¥28,664	¥547	$3
Reclassification adjustments	241	(2,162)	(14)
Before tax adjustments	28,906	(1,615)	(10)
Tax effects	(8,093)	194	1
Remeasurements of defined benefit plans, net of tax	20,812	(1,420)	(9)
Total other comprehensive income	¥294,273	¥(147,532)	$(986)

V. Notes to the Consolidated Statements of Cash Flows

1. Cash and cash equivalents as of March 31, 2024 and 2025 consist of "Cash," "Deposits in transfer account," "Current deposits," "Ordinary deposits," "Notice deposits," "Time deposits maturing within 3 months of the date of acquisition," "Foreign currency deposits maturing within three months of the date of acquisition," "Negotiable certificate of deposits maturing within three months of the date of acquisition," "Call loans" and "Monetary claims bought maturing within three months of the date of acquisition."

2. Reconciliations of cash and cash equivalents in the consolidated statements of cash flows to the consolidated balance sheet accounts were as follows:

	Year ended March 31,		
	2024	2025	2025
	Millions of yen		Millions of U.S. dollars
Cash and deposits	¥396,782	¥238,322	$1,593
Call loans	128,000	97,000	648
Time deposits maturing over 3 months of the date of acquisition	(17,000)	(12,020)	(80)
Foreign currency deposits maturing over 3 months of the date of acquisition	(1,640)	(1,989)	(13)
Cash and cash equivalents	¥506,141	¥321,312	$2,148

1. Matters relating to the basic framework of internal control over financial reporting

Takehiko Watabe, President of Fukoku Mutual Life Insurance Company (the Company), is responsible for the design and operation of internal control over financial reporting for the Company's financial statements, namely, consolidated balance sheet and the related consolidated statements of operations, comprehensive income, cash flows, changes in net assets and a summary of significant accounting policies and other explanatory information for the year ended March 31, 2025, prepared in accordance with Article 110 Paragraph 2 of the Insurance Business Act. The Company designs and operates its internal control over financial reporting in accordance with the basic framework for internal control set forth in the Revision of Standards and Practice Standards for Management Assessment and Audit Concerning Internal Control Over Financial Reporting (Council Opinions) issued by the Business Accounting Council of the Financial Service Agency of Japan.

Internal control aims at achieving the objectives to a reasonable extent with the organized and integrated function of individual components of internal control as a whole. Therefore, internal control over financial reporting cannot always ensure the prevention or detection of misstatements in the presentation of financial reporting.

2. Matters relating to the scope of assessment, the basis date of assessment and the assessment procedures

The Company performed an assessment of internal control over financial reporting for its consolidated financial statements as of the end of the fiscal year, March 31, 2025 in accordance with generally accepted assessment standards in Japan for internal control over financial reporting.

In the assessment of internal control over financial reporting, the Company first assessed internal controls that have a material impact on overall consolidated financial reporting (company-level controls) and, based on the results, the Company selected the business processes to be assessed. In assessing those business processes, the Company analyzed selected business processes, identified a key control that would have a material impact on the reliability of financial reporting, and assessed the establishment and operation with regard to the key control. The Company assessed the effectiveness of internal control by the aforementioned procedures.

For the Company and its consolidated subsidiaries, the Company determined the scope of assessment of internal control over financial reporting from the perspective of their materiality to the reliability of financial reporting. The materiality to the reliability of financial reporting is determined in light of their degree of quantitative and qualitative impact. The Company rationally determined the scope of assessment of internal controls incorporated into business processes (process-level controls) based on the results of assessment of company-level controls regarding the Company and one consolidated subsidiary. Other than those indicated above, five consolidated subsidiaries were determined to be immaterial from quantitative and qualitative perspectives. Consequently, they are excluded from the scope of assessment of company-level controls.

With respect to the scope of assessment of process-level controls, the locations or business units were selected in descending order of ordinary revenues (after elimination of inter-company transactions) in the previous fiscal year until their combined amount reached about two-thirds of consolidated ordinary revenues. As a result, two companies (the Company and its consolidated subsidiary) were selected as significant locations or business units. At selected significant locations and business units, business processes related to accounting items that were closely associated with the company's business objectives, including securities, ordinary loans and policy reserves, as well as premium and other income and claims and other payments, which have a material impact on the calculation of policy reserves, were determined to be within the scope of assessment. Furthermore, at selected significant locations and business units and any other locations and business units, added to the scope of assessment were business processes relating to important accounting items that have a high possibility of material misstatements and involve estimates and judgments, and business processes relating to businesses or operations dealing with high-risk transactions.

3. Matters relating to the results of the assessment

As a result of performing the assessment, the Company concluded that the design and operation of internal control over financial reporting for the Company were effective as of March 31, 2025.

4. Supplementary information

Not applicable

5. Other special information

Not applicable

May 16, 2025
Takehiko Watabe
President
Fukoku Mutual Life Insurance Company

Independent Auditor's Report

September 29, 2025

To the Board of Directors of
Fukoku Mutual Life Insurance Company:

Moore Mirai & Co.
Tokyo, Japan

Designated Engagement Partner
Certified Public Accountant
Shinnosuke Tsuruta

Designated Engagement Partner
Certified Public Accountant
Osamu Sano

< Consolidated Financial Statements Audit >

Opinion

We have audited the accompanying consolidated financial statements of Fukoku Mutual Life Insurance Company (collectively referred to as "the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheets as at March 31, 2025, the consolidated statements of operations, the consolidated statements of comprehensive income, the consolidated statements of cash flows, and the consolidated statements of changes in net assets for the year then ended, and notes to the consolidated financial statements, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Appropriateness of the amount of policy reserve
(The key audit matter) In the consolidated financial statements of the Group, the value of policy reserve is amounted to ¥7,714,518 million which is 91.9% of the total liabilities. As described in the Notes to the Consolidated Balance Sheets 1.(13), policy reserve is accumulated in accordance with the methods stated in 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 Paragraph 1 of the Insurance Business Act to prepare for the future performance of obligations under the insurance contracts for which the insurer's responsibilities have started. In addition, when the actual assumptions for long-term future cash flows (such as assumed incidence rate and assumed interest rate) deviate from those assumptions set in the "statement of calculation procedures for Insurance Premiums and Policy Reserves" and policy reserve is considered to be possibly insufficient to cover the future performance of obligations, additional policy reserve is required to accumulate in accordance with Article 69 Paragraph 5 of the Enforcement Regulation of the Insurance Business Act. The appointed actuary verifies the sufficiency of policy reserve based on the future cash flow analysis in accordance with Article 121 Paragraph 1 of the Insurance Business Act and Article 80 of the Enforcement Regulation of the Insurance Business Act. The policy reserve is significant in terms of amount, and the insurance amount to be paid in the future are calculated based on long-term insurance policy in accordance with the actuarial science. Accordingly, the process of the policy reserve calculation is complex and specialized. We, therefore, determined that the appropriateness of the amount of policy reserve was a key audit matter.
(How the key audit matter was addressed in our audit) In order to assess whether the amount of policy reserve was appropriate, we tested the design and operating effectiveness of certain of the Group's internal controls relevant to the amount of policy reserve and primarily performed the following audit procedures. It should be noted that actuarial specialists and IT specialists were involved in those audit procedures since the policy reserve is automatically calculated by IT system under the actuarial science. (1) Accuracy of the calculation of the amount of policy reserve We independently recalculated the policy reserve on a sample basis to ensure whether those policy reserve follow the "statement of calculation procedures for Insurance Premiums and Policy Reserves". Samples were selected based on our risk assessment including the newly sold insurance products and additional policy reserves funded by reducing the assumed interest rates. Furthermore, we evaluated the movement in policy reserve, including consideration of whether the movements were in line with the insurance premiums, claims and so on.

(2) Completeness of the amount of policy reserve

In terms of completeness of policy reserves, we tested through the aggregation process if all insurance policies in the administration system were included in the scope of the policy reserve calculation and the result of calculations were appropriately aggregated.

(3) Sufficiency of the amount of policy reserve

We assessed whether "the opinion letter of appointed actuary and supplementary report" that includes the result of the future cash flow analysis following the related laws, regulations and "Standard of Practice for Appointed Actuaries of Life Insurance Companies" (issued by the Institute of Actuaries of Japan) by the following procedures. We discussed with the appointed actuary. Then we compared the current fiscal year result of the future cash flow analysis with that of last fiscal year.

Other Information

The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, the non-consolidated financial statements, and our auditor's reports thereon. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board Members and Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience Translation

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note I.1 to the accompanying consolidated financial statements with respect to the year ended March 31, 2025.

< Internal Control Audit >

Opinion

We also have audited the accompanying management's report on internal control over financial reporting of the Company, which comprise the consolidated balance sheets as at March 31, 2025, the consolidated statements of operations, the consolidated statements of comprehensive income, the consolidated statements of cash flows, and the consolidated statements of changes in net assets for the year then ended, and notes to the consolidated financial statements.

In our opinion, the management's report on internal control over financial reporting referred to above, which represents that the internal control over financial reporting of the consolidated financial statements of the Company as at March 31, 2025 is effectively maintained, presents fairly, in all material respects, the results of management's assessment of internal control over financial reporting in conformity with standards for assessment of internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Internal Control Audit* section of our report. We are independent of the Group in accordance with the ethical requirements in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit & Supervisory Board Members and Audit & Supervisory Board for the Management's Report on Internal Control over Financial Reporting

Management is responsible for designing and operating effective internal control over financial reporting and for the preparation and fair presentation of its report on internal control in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing and verifying the design and operating effectiveness of internal control over financial reporting.

There is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

Auditor's Responsibilities for the Internal Control Audit

Our responsibility is to obtain reasonable assurance about whether the management's report on internal control over financial reporting is free from material misstatement, and to express an opinion from an independent perspective on an internal control report, based on our internal control audit.

As part of our audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence for the assessment results for internal control over financial reporting in management's report on internal control. Internal control audit procedures selected and applied depend on the auditor's judgment, taking into account the significance of effects on the reliability of financial reporting.
- Examine representations on the scope, procedures, and results of assessment of internal control over financial reporting made by management, as well as evaluating the overall presentation of management's report on internal control.
- Obtain sufficient appropriate audit evidence regarding the results of assessment of internal control over financial reporting in the management's report on internal control. We are responsible for direction, supervision and performance of the audit of management's report on internal control. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and Audit & Supervisory Board regarding the planned scope and timing of the internal control audit, results of the internal control audit, including identified material weakness which should be disclosed, the results of remediation, and other matters that are required by auditing standards for internal control.

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Fee-related Information

Fees paid to our firm and other firms within the same network as our firm for audit and non-audit services provided to the Company and the Group for the current year are ¥91 million and ¥27 million, respectively.

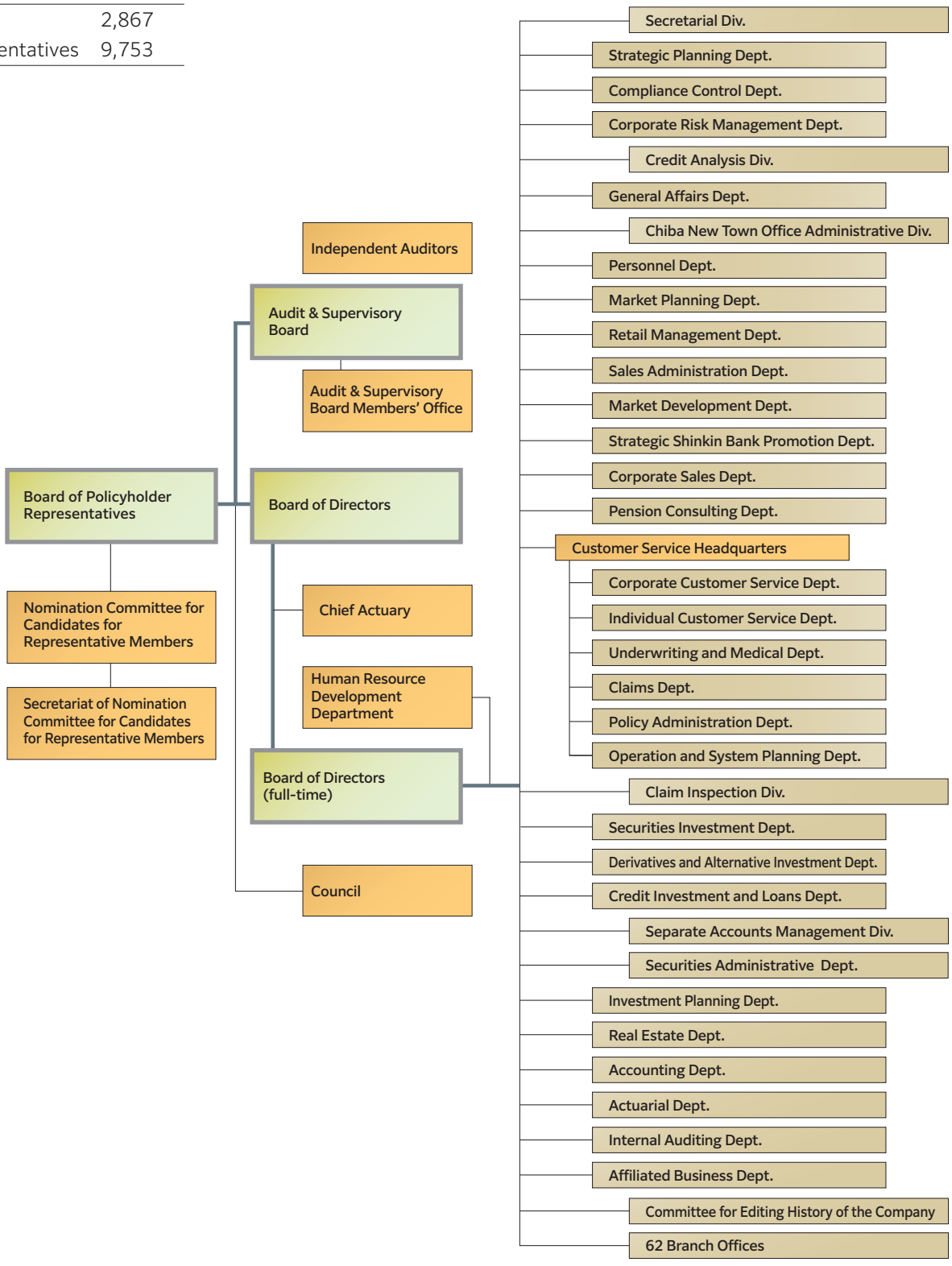
Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Corporate Organization

Employees (As of March 31, 2025)

Office Staff	2,867
Sales Representatives	9,753



(As of July 2, 2025)

Directors, Audit & Supervisory Board Members, and Executive Officers

Chairman of the Board
Yoshiteru Yoneyama

President and Chief Executive Officer
Takehiko Watabe*

Deputy President and Executive Officer
Toshikatsu Hayashi

Director and Senior Managing Executive Officer
Yasuyuki Kitamura

Director and Managing Executive Officer
Naoki Sunamoto

Director and Managing Executive Officer
Ichiro Yamada

Director
Hiroshi Sato**

Director
Aya Komaki**

Director
Hajime Watanabe**

Director and Executive Officer
Takeshi Kondou

Director and Executive Officer
Yuuji Yoshida

Director and Executive Officer
Hitoshi Yazaki

Audit & Supervisory Board Member
Yoshizumi Nezu***

Audit & Supervisory Board Member
Kyohei Takahashi***

Audit & Supervisory Board Member
Toshifumi Watanabe***

Audit & Supervisory Board Member (Standing)
Keiichi Kurota

Audit & Supervisory Board Member (Standing)
Hideaki Shigematsu

Managing Executive Officer
Takeshi Oomori

Executive Officer
Kenichi Yoshioka

Executive Officer
Hirotaka Kurihara

Executive Officer
Hideki Matsushiro

Executive Officer
Osamu Eguchi

Executive Officer
Hiroshi Omoto

Executive Officer
Yasuhiro Kinoshita

Executive Officer
Yusuke Onodera

Executive Officer
Hitomi Nakazawa

Executive Officer
Jun Morita

Executive Officer
Tsuyoshi Yoshimoto

Executive Officer
Shougo Kumazawa

Executive Officer
O Kobayashi

* Representative Director
** External Directors
*** External Audit & Supervisory Board Member

(As of July 2, 2025)

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(From left: Y. Shinada, K. Nishizawa, T. Taguchi, J. Doran, K. Sato, and A. H. Alonso)

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(From left: Y. Takubo, W. Hirose, I. Chan, Y. Yanagi, Q. Wei Ren, and M. Wan)

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This report is made of LIMEX, a new material mainly made from limestone.

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