

Financial Results for the Nine Months Ended December 31, 2025

Fukoku Mutual Life Insurance Company (President: Takehiko Watabe) announces financial results for the nine months ended December 31, 2025.

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1. Business Highlights

(1) Policies in Force, New Policies and Surrendered and Lapsed Policies

(i) Policies in Force

	As of March 31, 2025		As of December 31, 2025			
	Number of policies (Thousands)	Amount (100 millions of yen)	Number of policies		Amount	
			(Thousands)	Changes (%, Pre-FYE)	(100 millions of yen)	Changes (%, Pre-FYE)
Individual insurance	3,094	212,248	3,100	100.2	211,660	99.7
Individual annuities	542	20,869	540	99.6	20,751	99.4
Subtotal	3,636	233,117	3,641	100.1	232,411	99.7
Group insurance	—	174,482	—	—	175,305	100.5
Group annuities	—	23,228	—	—	23,506	101.2

Notes: 1. Policy amounts for individual annuities are equal to (a) the funds to be held at the time annuity payments are to commence for an annuity for which annuity payments have not yet commenced and (b) the amount of policy reserve for an annuity for which payments have commenced and (c) special riders for term insurance attached to individual annuities.

2. Policy amount in force for group annuities is equal to the amount of outstanding policy reserve.

(ii) New Policies

Nine months ended December 31, 2024	Total		New business	Net increase by conversion
	Number of policies (Thousands)	Amount (100 millions of yen)	Amount (100 millions of yen)	Amount (100 millions of yen)
Individual insurance	249	8,772	8,467	305
Individual annuities	31	1,194	1,203	(9)
Subtotal	280	9,967	9,671	296
Group insurance	—	73	73	—
Group annuities	—	0	0	—

Nine months ended December 31, 2025	Total				New business		Net increase by conversion	
	Number of policies (Thousands)	Changes (%, YoY)	Amount		Amount		Amount	
			(100 millions of yen)	Changes (%, YoY)	(100 millions of yen)	Changes (%, YoY)	(100 millions of yen)	Changes (%, YoY)
Individual insurance	249	100.2	10,298	117.4	10,018	118.3	280	91.7
Individual annuities	21	68.1	786	65.9	793	65.9	(6)	—
Subtotal	271	96.6	11,085	111.2	10,811	111.8	273	92.4
Group insurance	—	—	113	153.4	113	153.4	—	—
Group annuities	—	—	0	518.6	0	518.6	—	—

Notes: 1. Number of new policies is the sum of new business and policies after conversion.

2. Amount of new policies for individual annuities, both new business and net increase by conversion, is equal to the funds to be held at the time annuity payments are to commence and special riders for term insurance attached to individual annuities.

3. Amount for group annuities is equal to the initial premium payment.

(iii) Surrendered and Lapsed Policies (Individual Insurance and Individual Annuities)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025	
		Amount	Changes (%, YoY)
Amount of surrender and lapse (100 millions of yen)	8,423	7,752	92.0
Surrender and lapse ratio (%)	3.55	3.33	(0.22)

Notes: 1. The amount of lapse is not offset by the amount of reinstatement which was once lapsed.

2. The column of "Changes" of surrender and lapse ratio is increase-decrease points over year.

(2) Annualized Premiums

(i) Policies in Force

(100 millions of yen, %)

	As of March 31, 2025	As of December 31, 2025	
			Changes (% Pre-FYE)
Individual insurance	2,572	2,584	100.5
Individual annuities	1,029	1,020	99.1
Total	3,601	3,604	100.1
Medical coverage and living benefits	1,171	1,179	100.7

(ii) New Policies

(100 millions of yen, %)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025	
			Changes (% YoY)
Individual insurance	91	117	129.2
Individual annuities	32	21	67.0
Total	123	139	112.9
Medical coverage and living benefits	50	50	98.9

- Notes: 1. Annualized premiums are calculated by using coefficients based on the premium payment method. (For single premium contracts, the amount is calculated by dividing the premium by the coverage period.)
2. Figures for medical coverage and living benefits represent portion of annualized premium corresponding to the medical benefits (hospitalization benefits and surgery benefits, etc.), living benefits (nursing care benefits, etc.) and premium waiver benefits, in which disability cause is excluded but causes such as specific illness are included.
3. New policies include net increase by conversion.

2. Investment Results of General Account Assets

(1) Asset Composition

(Millions of yen, %)

	As of March 31, 2025		As of December 31, 2025	
	Amount	% of total	Amount	% of total
Cash, deposits, and call loans	282,135	3.9 %	512,390	6.7 %
Money held in trust	23,812	0.3	24,769	0.3
Securities	6,074,460	84.4	6,439,689	84.0
Domestic bonds	2,824,372	39.2	3,256,304	42.5
Domestic stocks	962,949	13.4	1,183,396	15.4
Foreign securities	2,064,263	28.7	1,768,726	23.1
Foreign bonds	1,406,359	19.5	947,142	12.4
Foreign stocks and other securities	657,903	9.1	821,583	10.7
Other securities	222,875	3.1	231,262	3.0
Loans	472,157	6.6	336,839	4.4
Policy loans	43,775	0.6	42,610	0.6
Ordinary loans	428,381	6.0	294,229	3.8
Real estate	257,599	3.6	256,471	3.3
Others	89,365	1.2	95,068	1.2
Allowance for possible loan losses	(508)	(0.0)	(601)	(0.0)
Total	7,199,022	100.0	7,664,628	100.0
Foreign currency denominated assets	2,055,828	28.6	1,747,942	22.8

Note: The amount of real estate is equal to the amounts of land, buildings, and construction in progress.

(2) Fair Value Information on Securities (other than trading securities)

(Millions of yen)

	As of March 31, 2025					As of December 31, 2025				
	Book value	Fair value	Gains/Losses			Book value	Fair value	Gains/Losses		
				Gains	Losses				Gains	Losses
Held-to-maturity debt securities	645,682	666,692	21,010	21,010	—	625,245	633,031	7,785	7,789	4
Domestic bonds	645,682	666,692	21,010	21,010	—	625,245	633,031	7,785	7,789	4
Foreign bonds	—	—	—	—	—	—	—	—	—	—
Policy-reserve-matching bonds	627,193	568,591	(58,601)	—	58,601	1,234,475	1,021,900	(212,574)	—	212,574
Domestic bonds	627,193	568,591	(58,601)	—	58,601	1,234,475	1,021,900	(212,574)	—	212,574
Foreign bonds	—	—	—	—	—	—	—	—	—	—
Investments in subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	3,952,840	4,676,064	723,223	911,702	188,478	3,464,286	4,436,020	971,733	1,170,618	198,884
Domestic bonds	1,663,797	1,551,497	(112,300)	41,982	154,283	1,547,825	1,396,583	(151,242)	28,853	180,095
Domestic stocks	377,840	894,051	516,210	521,429	5,218	390,858	1,114,533	723,675	725,644	1,969
Foreign securities	1,759,222	2,035,649	276,427	302,858	26,431	1,384,313	1,726,248	341,935	358,545	16,610
Foreign bonds	1,315,509	1,406,359	90,849	111,631	20,781	896,374	947,142	50,768	63,732	12,964
Foreign stocks and other securities	443,712	629,290	185,577	191,226	5,649	487,938	779,105	291,167	294,812	3,645
Other securities	151,979	194,865	42,886	45,431	2,545	141,289	198,655	57,365	57,574	209
Money held in trust	—	—	—	—	—	—	—	—	—	—
Monetary claims bought	—	—	—	—	—	—	—	—	—	—
Negotiable certificate of deposits	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	5,225,715	5,911,347	685,632	932,713	247,080	5,324,008	6,090,952	766,944	1,178,407	411,463
Domestic bonds	2,936,672	2,786,781	(149,891)	62,993	212,884	3,407,547	3,051,515	(356,031)	36,642	392,674
Domestic stocks	377,840	894,051	516,210	521,429	5,218	390,858	1,114,533	723,675	725,644	1,969
Foreign securities	1,759,222	2,035,649	276,427	302,858	26,431	1,384,313	1,726,248	341,935	358,545	16,610
Foreign bonds	1,315,509	1,406,359	90,849	111,631	20,781	896,374	947,142	50,768	63,732	12,964
Foreign stocks and other securities	443,712	629,290	185,577	191,226	5,649	487,938	779,105	291,167	294,812	3,645
Other securities	151,979	194,865	42,886	45,431	2,545	141,289	198,655	57,365	57,574	209
Money held in trust	—	—	—	—	—	—	—	—	—	—
Monetary claims bought	—	—	—	—	—	—	—	—	—	—
Negotiable certificate of deposits	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—

Notes: 1. The table above includes assets which are considered appropriate to deem as securities under the Financial Instruments and Exchange Law.

2. The securities and investment partnerships without fair value are not included in the table above.

• Book value of securities and investment partnerships without fair value are as follows:

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Investments in subsidiaries and affiliates	64,787	64,787
Available-for-sale securities	54,333	67,859
Domestic stocks	5,668	5,633
Foreign stocks	—	—
Others	48,665	62,226
Total	119,120	132,646

Note: In this table, domestic and overseas investment partnerships are included in “Others” within “Available-for-sale securities.” However, unrealized gains on available-for-sale securities corresponding to these holdings by domestic and overseas investment partnerships (¥6,400 million as of March 31, 2025 and ¥11,301 million as of December 31, 2025) are included in their balance sheet carrying amounts.

(3) Fair Value Information on Money Held in Trust

(Millions of yen)

	As of March 31, 2025					As of December 31, 2025				
	Carrying value on the balance sheet	Fair value	Gains/losses			Carrying value on the balance sheet	Fair value	Gains/losses		
			Gains	Losses				Gains	Losses	
Money held in trust	23,812	23,812	—	—	—	24,769	24,769	—	—	—

• Money held in trust for trading purpose

(Millions of yen)

	As of March 31, 2025		As of December 31, 2025	
	Carrying value on the balance sheet	Net valuation gains/losses included in the statements of operations	Carrying value on the balance sheet	Net valuation gains/losses included in the statements of operations
Money held in trust for trading purpose	22,812	(0)	23,769	225

• Money held in trust classified as held-to-maturity, policy-reserve-matching and available-for-sale

(Millions of yen)

	As of March 31, 2025					As of December 31, 2025				
	Book value	Fair value	Gains/losses			Book value	Fair value	Gains/losses		
			Gains	Losses				Gains	Losses	
Money held in trust for held-to-maturity	—	—	—	—	—	—	—	—	—	—
Money held in trust for policy-reserve-matching	—	—	—	—	—	—	—	—	—	—
Money held in trust for available-for-sale	—	—	—	—	—	—	—	—	—	—

Reference: Fair Value of Real Estate (Land and Leaseholds)

(Millions of yen)

As of March 31, 2025			As of December 31, 2025		
Carrying value on the balance sheet	Fair value	Gains (Losses)	Carrying value on the balance sheet	Fair value	Gains (Losses)
153,062	340,652	187,590	153,051	342,242	189,190

Note: Fair value is based on the appraisal value by the real-estate appraiser, the appraisal value for property tax and the road rate.

3. Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets:		
Cash and deposits	185,154	68,403
Call loans	97,000	444,000
Money held in trust	23,812	24,769
Securities	6,202,664	6,569,107
[Government bonds]	[2,277,386]	[2,715,968]
[Local government bonds]	[83,522]	[73,761]
[Corporate bonds]	[494,223]	[495,558]
[Stocks]	[996,730]	[1,223,365]
[Foreign securities]	[2,127,924]	[1,829,190]
Loans:	472,157	336,839
Policy loans	43,775	42,610
Ordinary loans	428,381	294,229
Tangible fixed assets	262,651	262,504
Intangible fixed assets	24,720	27,938
Agency receivables	181	29
Reinsurance receivables	75	3
Other assets	57,913	56,370
Prepaid pension cost	3,980	5,017
Allowance for possible loan losses	(508)	(601)
Total assets	7,329,802	7,794,381
	As of March 31, 2025	As of December 31, 2025
Liabilities:		
Policy reserves:	5,958,401	6,058,475
Reserve for outstanding claims	24,893	22,237
Policy reserve	5,869,389	5,951,043
Reserve for dividends to policyholders	64,117	85,195
Reinsurance payables	38	41
Subordinated bonds	267,260	308,480
Other liabilities:	46,920	76,068
Corporate income tax payable	102	17,209
Asset retirement obligations	4,486	4,549
Rest of the other liabilities	42,331	54,309
Reserve for employees' retirement benefits	26,836	26,697
Reserve for price fluctuation	188,566	176,778
Deferred tax liabilities	24,268	98,507
Deferred tax liabilities for land revaluation	14,600	14,597
Total liabilities	6,526,893	6,759,646
Net assets:		
Foundation funds	8,000	8,000
Accumulated foundation funds redeemed	128,000	128,000
Reserve for revaluation	112	112
Surplus:	142,527	194,190
Legal reserve for future losses	3,660	3,800
Other surplus:	138,867	190,390
Reserve for redemption of foundation funds	—	1,600
Reserve for dividend allowances	20,000	20,000
Accumulated fund for price fluctuation	41,000	41,000
Reserve for employee returns	—	3,402
Reserve for advanced depreciation of real estate for tax purpose	202	199
Other reserves	767	767
Unappropriated surplus	76,897	123,421
Total foundation funds, surplus and others	278,640	330,302
Net unrealized gains (losses) on available-for-sale securities, net of tax	520,242	700,413
Revaluation reserve for land, net of tax	4,025	4,018
Total valuation and translation adjustments	524,268	704,431
Total net assets	802,908	1,034,734
Total liabilities and net assets	7,329,802	7,794,381

4. Non-consolidated Statements of Operations

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Ordinary revenues:		
Premium and other income	369,292	424,750
[Premium income]	[369,269]	[424,612]
Investment income	199,356	318,991
[Interest, dividends and other income]	[133,015]	[147,508]
[Gains on money held in trust, net]	[565]	[996]
[Gains on sales of securities]	[54,972]	[142,975]
[Foreign exchange gains, net]	[850]	[1,306]
[Gains on separate accounts, net]	[6,732]	[21,317]
Other ordinary revenues	10,464	10,935
[Reversal of reserve for outstanding claims]	[2,017]	[2,656]
Total ordinary revenues	579,114	754,677
Ordinary expenses:		
Claims and other payments	353,096	352,939
[Claims]	[73,372]	[64,018]
[Annuities]	[114,317]	[112,972]
[Benefits]	[99,015]	[100,558]
[Surrenders]	[48,584]	[48,689]
[Other payments]	[17,661]	[26,554]
Provision of policy reserve and others:	2,038	81,840
Provision of policy reserves	2,012	81,653
Provision of interest portion of reserve for dividends to policyholders	26	186
Investment expenses	67,175	104,439
[Interest expenses]	[3,471]	[3,861]
[Losses on trading securities, net]	[1]	[3]
[Losses on sales of securities]	[47,133]	[70,453]
[Losses on valuation of securities]	[268]	[142]
[Losses on derivative instruments, net]	[2,750]	[2,954]
Operating expenses	73,684	82,698
Other ordinary expenses	18,981	19,799
Total ordinary expenses	514,976	641,718
Ordinary profits	64,137	112,958
Extraordinary gains:		
Gains on disposal of fixed assets	0	0
Reversal of reserve for price fluctuation	—	11,788
National subsidies	160	—
Total extraordinary gains	160	11,788
Extraordinary losses:		
Losses on disposal of fixed assets	64	252
Impairment losses	2	10
Provision of reserve for price fluctuation	2,601	—
Employee returns special expenses	—	1,597
Total extraordinary losses	2,667	1,860
Surplus before income taxes	61,630	122,886
Income taxes:		
Current	12,513	23,831
Deferred	(3,064)	996
Total income taxes	9,448	24,827
Net surplus for the period	52,181	98,058

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.

II. Notes to the Non-consolidated Balance Sheets

1. Article 59-6 of the Enforcement Regulations of the Insurance Business Act requires that insurance companies and subsidiaries make an effort to disclose especially important reference information related to conditions of business and property to policyholders and any other customers as stipulated under Article 111, Paragraph 6 of the Insurance Business Act.

To fulfil our efforts to comply with these requirements, we have prepared financial statements for the nine months ended December 31, 2025 in accordance with the first- and third-quarter announcement format model created by The Life Insurance Association of Japan (the “Quarterly Reporting Model”) and generally accepted accounting standards for quarterly financial statements in Japan. As the Quarterly Reporting Model is prepared for the purpose of fulfilling the obligation above to make an effort to disclose information, disclosures in the Quarterly Reporting Model differ from those prescribed by the regulations concerning terminology, formats, and preparation methods of financial statements and other reports..

2. The amount of securities lent under lending agreements was ¥482,030 million as of December 31, 2025.

3. Changes in reserve for dividends to policyholders for the nine months ended December 31, 2025 were as follows:

	(Millions of yen)
Balance at the beginning of the current period.....	¥64,117
Transfer from surplus in the previous fiscal year.....	46,273
Dividend payments to policyholders during the current period.....	(25,383)
Increase in interest.....	186
Balance at the end of the current period.....	<u>¥85,195</u>

5. Breakdown of Ordinary Profits (Fundamental Profit)

(Millions of yen)

		Nine months ended December 31, 2024	Nine months ended December 31, 2025
Fundamental profit	A	65,206	58,657
Capital gains		59,344	149,916
Gains on money held in trust, net		428	853
Gains on trading securities, net		—	—
Gains on sales of securities		54,972	142,975
Gains on derivative instruments, net		—	—
Foreign exchange gains, net		850	1,306
Other capital gains		3,093	4,781
Capital losses		50,154	86,356
Losses on money held in trust, net		—	—
Losses on trading securities, net		1	3
Losses on sales of securities		47,133	70,453
Losses on valuation of securities		268	142
Losses on derivative instruments, net		2,750	2,954
Foreign exchange losses, net		—	—
Other capital losses		—	12,802
Net capital gains (losses)	B	9,190	63,559
Fundamental profit plus net capital gains (losses)	A+B	74,396	122,216
Non-recurring gains		—	—
Reinsurance income		—	—
Reversal of contingency reserve		—	—
Reversal of specific allowance for possible loan losses		—	—
Others		—	—
Non-recurring losses		10,259	9,258
Reinsurance premiums		—	—
Provision for contingency reserve		1,999	2,125
Provision of specific allowance for possible loan losses		2	16
Provision of allowance for specified overseas loans		—	—
Write-offs of loans		—	—
Others		8,257	7,115
Non-recurring gains (losses)	C	(10,259)	(9,258)
Ordinary profits	A+B+C	64,137	112,958

Note: Other items break down as follows:

(Millions of yen)

		Nine months ended December 31, 2024	Nine months ended December 31, 2025
Fundamental profit		(2,956)	8,164
Interest, dividends, and other income from gains/losses on money held in trust		136	142
Interest, dividends, and other investment expenses from gains/losses on cancellation of investment trusts		(82)	—
Portion of gains/losses on redemption of securities attributable to foreign exchange fluctuations		(3,011)	(4,781)
Losses on receivables liquidation within other investment expenses		—	12,802
Other capital gains		3,093	4,781
Interest, dividends, and other investment expenses from gains/losses on cancellation of investment trusts		82	—
Portion of gains/losses on redemption of securities attributable to foreign exchange fluctuations		3,011	4,781
Other capital losses		—	12,802
Losses on receivables liquidation within other investment expenses		—	12,802
Other non-recurring losses		8,257	7,115
Provision of policy reserves in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act		8,257	7,115

6. Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2025	As of December 31, 2025
Total solvency margin	(A)	2,147,628	2,517,888
Foundation funds and surplus		229,196	291,566
Reserve for price fluctuation		188,566	176,778
Contingency reserve		219,910	222,036
General allowance for possible loan losses		267	347
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90%		656,661	884,731
Net unrealized gains on real estate × 85%		175,284	176,635
Excess amount of policy reserve based on full-time Zillmer method		407,968	426,641
Qualifying subordinated debt		267,260	308,480
The amount of “excess amount of policy reserve based on full-time Zillmer method” and “qualifying subordinated debt” excluded from the calculation of solvency margin		—	—
Deductible items		(46,783)	(46,783)
Others		49,297	77,454
Total amount of risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	(B)	387,643	417,080
Insurance risk R_1		20,614	20,412
3rd sector insurance risk R_8		10,172	10,255
Assumed investment yield risk R_2		19,017	18,324
Minimum guarantee risk R_7		—	—
Investment risk R_3		359,194	388,845
Business risk R_4		8,179	8,756
Solvency margin ratio	$\frac{(A)}{(1/2) \times (B)} \times 100$	1,108.0%	1,207.3%

Notes: 1. Above figures are calculated based on the provisions of Articles 86 and 87 of the Enforcement Regulation of the Insurance Business Act and Ministry of Finance Notification No. 50, 1996.

2. “Deductible items” represent the capital increase to the subsidiary, Fukokushinrai Life Insurance Co., Ltd.

7. Status of Separate Account

(1) Separate Account Assets by Products

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
	Amount	Amount
Individual variable insurance	—	—
Individual variable annuities	—	—
Group annuities	136,390	133,745
Total	136,390	133,745

(2) Policies in Force

(i) Individual Variable Insurance

The Company has not sold the individual variable insurance.

(ii) Individual variable Annuities

(Millions of yen except number of policies)

	As of March 31, 2025		As of December 31, 2025	
	Number of policies	Amount	Number of policies	Amount
Individual variable annuities	—	—	—	—
Total	—	—	—	—

8. Status of the Company, Subsidiaries and Affiliates

(1) Selected Financial Data

(100 million of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Ordinary revenues	8,212	9,491
Ordinary profits	698	1,198
Net surplus attributable to the parent company	544	1,007
Comprehensive income	311	2,793

	As of March 31, 2025	As of December 31, 2025
Total assets	92,313	97,492
Solvency margin ratio	1,147.4%	1,237.3%

(2) Scope of Consolidation and Application of Equity Method

Number of consolidated subsidiaries: 6

Number of unconsolidated subsidiaries accounted for under the equity method: 0

Number of affiliates accounted for under the equity method: 0

(3) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets:		
Cash and deposits	238,322	118,635
Call loans	97,000	444,000
Money held in trust	23,812	24,769
Securities	8,019,332	8,442,315
Loans	475,424	339,836
Tangible fixed assets	263,480	263,229
Intangible fixed assets	26,202	29,336
Agency receivables	0	0
Reinsurance receivables	120	4
Other assets	65,107	63,783
Net defined benefit assets	15,163	15,713
Deferred tax assets	7,907	8,212
Allowance for possible loan losses	(508)	(601)
Total assets	9,231,364	9,749,237

	As of March 31, 2025	As of December 31, 2025
Liabilities:		
Policy reserves:	7,809,032	7,960,317
Reserve for outstanding claims	30,104	26,825
Policy reserve	7,714,518	7,847,993
Reserve for dividends to policyholders	64,117	85,195
Reserve for dividends to policyholders (subsidiary)	291	302
Agency payables	507	480
Reinsurance payables	48	50
Subordinated bonds	267,260	308,480
Other liabilities	52,811	80,936
Net defined benefit liabilities	10,424	11,467
Reserve for price fluctuation	205,681	194,207
Deferred tax liabilities	36,766	111,603
Deferred tax liabilities for land revaluation	14,600	14,597
Total liabilities	8,397,132	8,682,141
Net assets:		
Foundation funds	8,000	8,000
Accumulated foundation funds redeemed	128,000	128,000
Reserve for revaluation	112	112
Consolidated surplus	148,280	202,594
Total foundation funds, surplus and others	284,393	338,706
Net unrealized gains (losses) on available-for-sale securities, net of tax	517,928	697,381
Revaluation reserve for land, net of tax	4,025	4,018
Foreign currency translation adjustment	629	545
Accumulated remeasurements of defined benefit plans	19,667	18,524
Total accumulated other comprehensive income	542,251	720,470
Non-controlling interests	7,587	7,918
Total net assets	834,231	1,067,095
Total liabilities and net assets	9,231,364	9,749,237

(4) Consolidated Statements of Operations and Comprehensive Income

[Consolidated Statements of Operations]

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Ordinary revenues:		
Premium and other income	592,846	597,122
Investment income	216,903	339,690
[Interest, dividends and other income]	[150,357]	[167,892]
[Gains on money held in trust, net]	[565]	[996]
[Gains on sales of securities]	[55,186]	[143,292]
[Foreign exchange gains, net]	[846]	[1,310]
[Gains on separate accounts, net]	[6,732]	[21,317]
Other ordinary revenues	11,466	12,363
[Reversal of reserve for outstanding claims]	[3,011]	[3,279]
Total ordinary revenues	821,216	949,176
Ordinary expenses:		
Claims and other payments	479,019	473,088
[Claims]	[85,267]	[77,543]
[Annuities]	[197,362]	[177,935]
[Benefits]	[101,598]	[102,454]
[Surrenders]	[76,792]	[88,254]
[Other payments]	[17,791]	[26,694]
Provision of policy reserve and others:	97,898	133,662
Provision of policy reserves	97,872	133,475
Provision of interest portion of reserve for dividends to policyholders	26	186
Provision of interest portion of reserve for dividends to policyholders (subsidiary)	0	0
Investment expenses	67,875	105,817
[Interest expenses]	[3,486]	[3,880]
[Losses on trading securities, net]	[1]	[3]
[Losses on sales of securities]	[48,879]	[73,063]
[Losses on valuation of securities]	[268]	[142]
[Losses on derivative instruments, net]	[2,750]	[2,954]
Operating expenses	84,552	94,248
Other ordinary expenses	22,046	22,497
Total ordinary expenses	751,392	829,315
Ordinary profits	69,823	119,861
Extraordinary gains:		
Gains on disposal of fixed assets	0	0
Reversal of reserve for price fluctuation	—	11,473
National subsidies	160	—
Total extraordinary gains	160	11,473
Extraordinary losses:		
Losses on disposal of fixed assets	72	252
Impairment losses	2	10
Provision of reserve for price fluctuation	2,898	—
Employee returns special expenses	—	1,700
Total extraordinary losses	2,973	1,963
Provision of reserve for dividends to policyholders (subsidiary)	142	140
Surplus before income taxes	66,868	129,231
Income taxes:		
Current	14,347	25,970
Deferred	(2,269)	2,070
Total income taxes	12,077	28,040
Net surplus for the period	54,790	101,190
Net surplus attributable to non-controlling interests	388	481
Net surplus attributable to the parent company	54,402	100,709

(4) Consolidated Statements of Operations and Comprehensive Income (Continued)

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net surplus	54,790	101,190
Other comprehensive income:	(23,592)	178,143
Net unrealized gains (losses) on available-for-sale securities, net of tax	(22,557)	179,369
Foreign currency translation adjustments	132	(84)
Remeasurements of defined benefit plan, net of tax	(1,167)	(1,142)
Comprehensive income:	31,198	279,333
Comprehensive income attributable to the parent company	31,149	278,936
Comprehensive income attributable to non-controlling interests	48	397

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.

II. Notes to the Consolidated Balance Sheets

1. Article 59-6 of the Enforcement Regulations of the Insurance Business Act requires that insurance companies and subsidiaries make an effort to disclose especially important reference information related to conditions of business and property to policyholders and any other customers as stipulated under Article 111, Paragraph 6 of the Insurance Business Act.

To fulfil our efforts to comply with these requirements, we have prepared financial statements for the nine months ended December 31, 2025 in accordance with the first- and third-quarter announcement format model created by The Life Insurance Association of Japan (the “Quarterly Reporting Model”) and generally accepted accounting standards for quarterly financial statements in Japan. As the Quarterly Reporting Model is prepared for the purpose of fulfilling the obligation above to make an effort to disclose information, disclosures in the Quarterly Reporting Model differ from those prescribed by the regulations concerning terminology, formats, and preparation methods of consolidated financial statements and other reports.

2. The amount of securities lent under lending agreements was ¥ 482,030 million as of December 31, 2025.

3. Changes in reserve for dividends to policyholders for the nine months ended December 31, 2025 were as follows:

	(Millions of yen)
Balance at the beginning of the current period.....	¥64,117
Transfer from surplus in the previous fiscal year.....	46,273
Dividend payments to policyholders during the current period.....	(25,383)
Increase in interest.....	186
Balance at the end of the current period.....	<u>¥85,195</u>

4. Changes in reserve for dividends to policyholders (Fukokushinrai Life Insurance Co., Ltd.) for the nine months ended December 31, 2025 were as follows:

	(Millions of yen)
Balance at the beginning of the current period.....	¥291
Dividend payments to policyholders during the current period.....	(129)
Increase in interest.....	0
Provision of reserve for dividends to policyholders.....	140
Balance at the end of the current period.....	<u>¥302</u>

III. Notes to the Consolidated Statements of Operations

1. For the nine months ended December 31, 2025, the total amount of depreciation, including depreciation of real estate for rent, was ¥13,037 million.

(5) Status of Insurance Claims Paying Ability of the Company and Insurance Subsidiaries
(Consolidated Solvency Margin Ratio)

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Total solvency margin (A)	2,261,410	2,634,966
Foundation funds and surplus	242,655	308,025
Reserve for price fluctuation	205,681	194,207
Contingency reserve	223,180	225,792
Catastrophe loss reserve	—	—
General allowance for possible loan losses	267	347
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90%	654,586	881,791
Net unrealized gains on real estate × 85%	175,284	176,635
Sum of unrecognized actuarial differences and unrecognized prior service cost	27,672	26,065
Excess amount of policy reserve based on full-time Zillmer method	410,517	429,362
Qualifying subordinated debt	267,260	308,480
The amount of “excess amount of policy reserve based on full-time Zillmer method” and “qualifying subordinated debt” excluded from the calculation of solvency margin	—	—
Deductible items	—	—
Others	54,305	84,258
Total amount of risk $\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$ (B)	394,158	425,896
Insurance risk R_1	20,993	20,786
General insurance risk R_5	—	—
Catastrophe risk R_6	—	—
3rd sector insurance risk R_8	10,323	10,407
Small amount and short-term insurance risk R_9	—	—
Assumed investment yield risk R_2	19,388	18,862
Minimum guarantee risk R_7	—	—
Investment risk R_3	365,178	396,925
Business risk R_4	8,317	8,939
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,147.4%	1,237.3%

Note: Above figures are calculated based on the provisions of Articles 86-2 and 88 of the Enforcement Regulation of the Insurance Business Act and the Financial Services Agency Notification No. 23, 2011.