

## Financial Results for the Fiscal Year Ended March 31, 2025

Fukoku Mutual Life Insurance Company (President: Takehiko Watabe) announces financial results for the fiscal year ended March 31, 2025.

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Attached: Supplementary Materials for the Fiscal Year Ended March 31, 2025

# Financial Summary for the Fiscal Year Ended March 31, 2025

## 1. Business Highlights

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

#### (i) Policies in Force

		As of March 31, 2024				As of March 31, 2025			
		Number of policies		Amount		Number of policies		Amount	
		(Thousands)	Changes (%, Pre-FYE)	(100 millions of yen)	Changes (%, Pre-FYE)	(Thousands)	Changes (%, Pre-FYE)	(100 millions of yen)	Changes (%, Pre-FYE)
	Individual insurance	3,130	99.1	216,885	97.8	3,094	98.9	212,248	97.9
	Individual annuities	539	95.9	20,698	95.3	542	100.6	20,869	100.8
	Subtotal	3,669	98.6	237,583	97.6	3,636	99.1	233,117	98.1
	Group insurance	—	—	173,972	100.7	—	—	174,482	100.3
	Group annuities	—	—	23,306	101.1	—	—	23,228	99.7

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

Year ended March 31, 2024		Total				New business		Net increase by conversion	
		Number of policies		Amount		Amount		Amount	
		(Thousands)	Changes (%, YoY)	(100 millions of yen)	Changes (%, YoY)	(100 millions of yen)	Changes (%, YoY)	(100 millions of yen)	Changes (%, YoY)
	Individual insurance	340	105.1	11,502	82.8	10,701	97.1	800	27.8
	Individual annuities	5	85.8	164	83.3	172	83.6	(7)	—
	Subtotal	346	104.7	11,666	82.8	10,874	96.8	792	27.7
	Group insurance	—	—	821	704.6	821	704.6	—	—
	Group annuities	—	—	0	0.1	0	0.1	—	—

Year ended March 31, 2025		Total				New business		Net increase by conversion	
		Number of policies		Amount		Amount		Amount	
		(Thousands)	Changes (%, YoY)	(100 millions of yen)	Changes (%, YoY)	(100 millions of yen)	Changes (%, YoY)	(100 millions of yen)	Changes (%, YoY)
	Individual insurance	317	93.4	11,041	96.0	10,688	99.9	352	44.0
	Individual annuities	39	661.9	1,467	889.5	1,478	857.9	(11)	—
	Subtotal	357	103.1	12,508	107.2	12,167	111.9	340	43.0
	Group insurance	—	—	89	10.9	89	10.9	—	—
	Group annuities	—	—	0	211.5	0	211.5	—	—

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)

	Year ended March 31, 2024		Year ended March 31, 2025	
		Changes (%, YoY)		Changes (%, YoY)
Amount of surrender and lapse (100 millions of yen)	11,552	104.4	11,356	98.3
Surrender and lapse ratio (%)	4.75	0.26	4.78	0.03

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, 2024		As of March 31, 2025	
		Changes (%, Pre-FYE)		Changes (%, Pre-FYE)
Individual insurance	2,609	99.2	2,572	98.6
Individual annuities	1,038	97.4	1,029	99.1
Total	3,648	98.7	3,601	98.7
Medical coverage and living benefits	1,167	100.2	1,171	100.3

### (ii) New Policies

(100 millions of yen, %)

	Year ended March 31, 2024		Year ended March 31, 2025	
		Changes (%, YoY)		Changes (%, YoY)
Individual insurance	136	100.3	119	87.3
Individual annuities	4	83.4	40	855.4
Total	141	99.6	159	112.8
Medical coverage and living benefits	65	94.0	64	97.6

- 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.

## (3) Selected Items of Statements of Operations

(100 millions of yen, %)

	Year ended March 31, 2024		Year ended March 31, 2025	
		Changes (%, YoY)		Changes (%, YoY)
Premium and other income	4,914	93.4	4,871	99.1
Investment income	2,731	116.4	2,592	94.9
Claims and other payments	4,658	92.3	4,815	103.4
Investment expenses	867	95.2	1,108	127.9
Ordinary profits	493	151.8	558	113.2

## (4) Statements of Surplus

(100 millions of yen, %)

	Year ended March 31, 2024		Year ended March 31, 2025	
		Changes (%, YoY)		Changes (%, YoY)
Unappropriated surplus	635	116.9	769	121.1
Reserve for dividends to policyholders	371	132.6	462	124.6
Net surplus	26	101.0	68	262.8
Unappropriated surplus carried forward	237	100.0	237	100.0

Note: Unappropriated surplus for the years ended March 31, 2024 and 2025 included reversal of voluntary surplus reserve of ¥1 million and ¥3 million, respectively.

## (5) Total Assets

(100 millions of yen, %)

	As of March 31, 2024		As of March 31, 2025	
		Changes (%, Pre-FYE)		Changes (%, Pre-FYE)
Total assets	76,418	105.8	73,298	95.9

## 2. Investment Results of General Account Assets

### (1) Asset Composition

(Millions of yen, %)

	As of March 31, 2024		As of March 31, 2025	
	Amount	% of total	Amount	% of total
Cash, deposits, and call loans	435,624	5.8 %	282,135	3.9 %
Money held in trust	23,502	0.3	23,812	0.3
Securities	6,219,323	82.8	6,074,460	84.4
Domestic bonds	2,933,981	39.1	2,824,372	39.2
Domestic stocks	997,497	13.3	962,949	13.4
Foreign securities	2,070,200	27.6	2,064,263	28.7
Foreign bonds	1,445,869	19.3	1,406,359	19.5
Foreign stocks and other securities	624,331	8.3	657,903	9.1
Other securities	217,644	2.9	222,875	3.1
Loans	499,793	6.7	472,157	6.6
Policy loans	45,991	0.6	43,775	0.6
Ordinary loans	453,802	6.0	428,381	6.0
Real estate	251,508	3.3	257,599	3.6
Others	81,036	1.1	89,365	1.2
Allowance for possible loan losses	(703)	(0.0)	(508)	(0.0)
Total	7,510,086	100.0	7,199,022	100.0
Foreign currency denominated assets	2,065,852	27.5	2,055,828	28.6

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

### (2) Changes (Increase/Decrease) in Assets

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Cash, deposits, and call loans	(89,419)	(153,489)
Money held in trust	(2,395)	309
Securities	526,862	(144,863)
Domestic bonds	(69,175)	(109,608)
Domestic stocks	188,665	(34,548)
Foreign securities	365,173	(5,937)
Foreign bonds	251,481	(39,509)
Foreign stocks and other securities	113,691	33,572
Other securities	42,198	5,230
Loans	(24,399)	(27,636)
Policy loans	(1,097)	(2,215)
Ordinary loans	(23,301)	(25,420)
Real estate	8,528	6,090
Deferred tax assets	(13,829)	—
Others	(2,882)	8,328
Allowance for possible loan losses	123	195
Total	402,588	(311,063)
Foreign currency denominated assets	263,514	(10,023)

## (3) Investment Income

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Interest, dividends and other income	172,157	197,697
Interest on deposits	3	82
Interest and dividends on securities	143,193	167,326
Interest on loans	8,896	8,482
Income from real estate for rent	19,833	21,171
Other interest and dividends	229	635
Gains on money held in trust, net	1,185	315
Gains on trading securities, net	803	—
Gains on sales of securities	66,405	56,405
Gains on sales of domestic bonds	4,527	2,596
Gains on sales of domestic stocks	46,314	22,372
Gains on sales of foreign securities	15,564	31,436
Gains on redemption of securities, net	2,508	3,011
Foreign exchange gains, net	2,525	—
Reversal of allowance for possible loan losses	117	181
Other investment income	321	222
Total	246,024	257,833

## (4) Investment Expenses

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Interest expenses	4,245	4,625
Losses on trading securities, net	—	1
Losses on sales of securities	56,613	84,395
Losses on sales of domestic bonds	30,091	81,611
Losses on sales of domestic stocks	803	369
Losses on sales of foreign securities	25,719	2,414
Losses on valuation of securities	1,089	275
Losses on valuation of domestic bonds	262	—
Losses on valuation of domestic stocks	513	275
Losses on valuation of foreign securities	312	—
Losses on redemption of securities, net	137	—
Losses on derivative instruments, net	7,349	1,657
Foreign exchange losses, net	—	510
Depreciation of real estate for rent and other assets	5,163	5,749
Other investment expenses	12,117	13,657
Total	86,716	110,872

## (5) Net Investment Income

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Net investment income	159,308	146,960

(6) Other Information on Investments

(i) Investment Yield by Asset Categories

(%)

	Year ended March 31, 2024	Year ended March 31, 2025
Cash, deposits, and call loans	0.00	0.13
Money held in trust	5.22	1.34
Securities	2.83	2.58
Domestic bonds	0.74	(1.02)
Domestic stocks	15.70	9.87
Foreign securities	3.14	6.27
Foreign bonds	1.66	6.29
Foreign stocks and other securities	7.45	6.19
Loans	1.47	1.56
Ordinary loans	1.26	1.36
Real estate	2.79	2.47
Total	2.37	2.17
Overseas investments	3.26	6.20

Notes: 1. Investment yield above are calculated by dividing the net investment income by the average daily balance on a book value basis.

2. Overseas investments represent the total of foreign currency denominated assets and yen denominated assets.

(ii) Average Daily Balance

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Cash, deposits, and call loans	410,132	383,193
Money held in trust	22,701	23,502
Securities	5,253,911	5,334,544
Domestic bonds	3,034,447	2,940,022
Domestic stocks	420,330	441,446
Foreign securities	1,637,604	1,775,681
Foreign bonds	1,217,899	1,326,178
Foreign stocks and other securities	419,704	449,502
Loans	518,302	486,543
Ordinary loans	471,732	441,735
Real estate	247,301	257,753
Total	6,715,749	6,760,858
Overseas investments	1,798,907	1,906,120

## (iii) Net Valuation Gains/Losses on Trading Securities

(Millions of yen)

	As of March 31, 2024		As of March 31, 2025	
	Carrying value on the balance sheet	Net valuation gains/losses included in the statement of operations	Carrying value on the balance sheet	Net valuation gains/losses included in the statement of operations
Trading securities	22,502	1,135	22,812	(0)

Note: The table above includes money held in trust for trading purpose.

## (iv) Fair Value Information on Securities (other than trading securities)

(Millions of yen)

	As of March 31, 2024					As of March 31, 2025				
	Book value	Fair value	Gains/Losses			Book value	Fair value	Gains/Losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity debt securities	708,320	759,424	51,104	51,104	—	645,682	666,692	21,010	21,010	—
Domestic bonds	708,320	759,424	51,104	51,104	—	645,682	666,692	21,010	21,010	—
Foreign bonds	—	—	—	—	—	—	—	—	—	—
Policy-reserve-matching bonds	290,573	283,026	(7,546)	331	7,877	627,193	568,591	(58,601)	—	58,601
Domestic bonds	290,573	283,026	(7,546)	331	7,877	627,193	568,591	(58,601)	—	58,601
Foreign bonds	—	—	—	—	—	—	—	—	—	—
Investments in subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	4,195,706	5,103,160	907,454	1,055,739	148,285	3,952,840	4,676,064	723,223	911,702	188,478
Domestic bonds	1,987,603	1,935,087	(52,516)	82,679	135,195	1,663,797	1,551,497	(112,300)	41,982	154,283
Domestic stocks	346,904	928,443	581,539	582,045	506	377,840	894,051	516,210	521,429	5,218
Foreign securities	1,717,017	2,045,310	328,292	339,444	11,152	1,759,222	2,035,649	276,427	302,858	26,431
Foreign bonds	1,292,421	1,445,869	153,447	161,326	7,879	1,315,509	1,406,359	90,849	111,631	20,781
Foreign stocks and other securities	424,596	599,440	174,844	178,117	3,273	443,712	629,290	185,577	191,226	5,649
Other securities	144,179	194,318	50,138	51,570	1,431	151,979	194,865	42,886	45,431	2,545
Money held in trust	—	—	—	—	—	—	—	—	—	—
Monetary claims bought	—	—	—	—	—	—	—	—	—	—
Negotiable certificate of deposits	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	5,194,599	6,145,611	951,012	1,107,175	156,163	5,225,715	5,911,347	685,632	932,713	247,080
Domestic bonds	2,986,497	2,977,539	(8,957)	134,115	143,073	2,936,672	2,786,781	(149,891)	62,993	212,884
Domestic stocks	346,904	928,443	581,539	582,045	506	377,840	894,051	516,210	521,429	5,218
Foreign securities	1,717,017	2,045,310	328,292	339,444	11,152	1,759,222	2,035,649	276,427	302,858	26,431
Foreign bonds	1,292,421	1,445,869	153,447	161,326	7,879	1,315,509	1,406,359	90,849	111,631	20,781
Foreign stocks and other securities	424,596	599,440	174,844	178,117	3,273	443,712	629,290	185,577	191,226	5,649
Other securities	144,179	194,318	50,138	51,570	1,431	151,979	194,865	42,886	45,431	2,545
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, 2024	As of March 31, 2025
Investments in subsidiaries and affiliates	64,787	64,787
Available-for-sale securities	45,922	54,333
Domestic stocks	5,824	5,668
Foreign stocks	—	—
Others	40,097	48,665
Total	110,709	119,120

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 (¥6,560 million as of March 31, 2024 and ¥6,400 million as of March 31, 2025) are included in their balance sheet carrying amounts.

## (v) Fair Value Information on Money Held in Trust

(Millions of yen)

	As of March 31, 2024					As of March 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	23,502	23,502	—	—	—	23,812	23,812	—	—	—

## • Money held in trust for trading purpose

(Millions of yen)

	As of March 31, 2024		As of March 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	22,502	0	22,812	(0)

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

(Millions of yen)

	As of March 31, 2024					As of March 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 Information on Derivative Instruments (General Account)

### (i) Gains and Losses on Derivatives

(Millions of yen)

As of March 31, 2024	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	—	—	—	—	—	—
Hedge accounting not applied	—	(940)	(89)	—	—	(1,029)
Total	—	(940)	(89)	—	—	(1,029)
As of March 31, 2025	Interest-related	Currency-related	Stock-related	Bond-related	Others	Total
Hedge accounting applied	—	—	—	—	—	—
Hedge accounting not applied	—	300	—	—	—	300
Total	—	300	—	—	—	300

Note: Gains and losses with hedge accounting not applied are reported in the statements of operations.

### (ii) Interest-related Transactions

No ending balance as of March 31, 2024 and March 31, 2025.

### (iii) Currency-related Transactions

(Millions of yen)

	As of March 31, 2024				As of March 31, 2025			
	Notional amount/ contract value	Fair value	Gains (Losses)		Notional amount/ contract value	Fair value	Gains (Losses)	
	Over 1 year				Over 1 year			
Over-the-counter transactions								
Currency forward contracts								
Sold	24,618	—	25,049	(431)	21,975	—	21,743	231
U.S. dollar	15,513	—	15,788	(274)	11,111	—	11,021	89
Australian dollar	9,104	—	9,261	(156)	8,979	—	8,786	192
British pound	—	—	—	—	1,884	—	1,934	(50)
Bought	—	—	—	—	—	—	—	—
Currency options								
Sold								
Call	—	—	—	—	—	—	—	—
Put	[ — ]	—	—	—	[ — ]	—	—	—
Bought								
Call	—	—	—	—	—	—	—	—
Put	[ 36,960 ]	—	—	—	[ 70,760 ]	—	—	—
U.S. dollar	[ 536 ]	—	26	(509)	[ 1,124 ]	—	1,192	68
Australian dollar	[ 35,100 ]	—	25	(490)	[ 70,760 ]	—	1,192	68
British pound	[ 515 ]	—	—	—	[ 1,124 ]	—	—	—
Total	[ 1,860 ]	—	1	(18)	[ — ]	—	—	—
Total			(940)					300

Notes: 1. Forward exchange rates are used for exchange rates as of March 31, 2025.

2. Figures in [ ] are option premiums which are included in the balance sheet.

3. Regarding assets and liabilities which are denominated in foreign currencies but have fixed settlement in yen under currency forward contracts and are reported in yen amounts in the balance sheet, those currency forward contracts are excluded from the table above.

## (iv) Stock-related Transactions

(Millions of yen)

	As of March 31, 2024				As of March 31, 2025			
	Notional amount/ contract value	Over 1 year	Fair value	Gains (Losses)	Notional amount/ contract value	Over 1 year	Fair value	Gains (Losses)
Exchange-traded transactions								
Stock index option								
Sold								
Call	—	—	—	—	—	—	—	—
Put	[ — ]	—	—	—	[ — ]	—	—	—
Bought								
Call	—	—	—	—	—	—	—	—
Put	[ — ]	—	—	—	[ — ]	—	—	—
	6,150	—	0	(89)	—	—	—	—
	[ 90 ]			(89)	[ — ]			—
Total				(89)				—

Note: Figures in [ ] are option premiums which are included in the balance sheet.

## (v) Bond-related Transactions

No ending balance as of March 31, 2024 and March 31, 2025.

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

(Millions of yen)

As of March 31, 2024			As of March 31, 2025		
Carrying value on the balance sheet	Fair value	Gains (Losses)	Carrying value on the balance sheet	Fair value	Gains (Losses)
149,485	325,747	176,261	153,062	340,652	187,590

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, 2024	As of March 31, 2025		As of March 31, 2024	As of March 31, 2025
<b>Assets:</b>			<b>Liabilities:</b>		
Cash and deposits:	307,632	185,154	Policy reserves:	5,971,022	5,958,401
Cash	138	124	Reserve for outstanding claims	23,334	24,893
Bank deposits	307,494	185,029	Policy reserve	5,885,784	5,869,389
Call loans	128,000	97,000	Reserve for dividends to policyholders	61,903	64,117
Money held in trust	23,502	23,812	Reinsurance payables	41	38
Securities:	6,349,312	6,202,664	Subordinated bonds	267,260	267,260
Government bonds	2,333,062	2,277,386	Other liabilities:	171,364	46,920
Local government bonds	97,504	83,522	Cash received as collateral under securities lending transactions	121,299	—
Corporate bonds	533,321	494,223	Corporate income tax payable	7,429	102
Stocks	1,033,612	996,730	Accounts payable	4,413	2,669
Foreign securities	2,134,166	2,127,924	Accrued expenses	12,123	15,214
Other securities	217,644	222,875	Unearned income	420	446
Loans:	499,793	472,157	Deposits received	6,611	6,932
Policy loans	45,991	43,775	Guarantee deposits received	14,276	14,931
Ordinary loans	453,802	428,381	Derivatives	1,030	175
Tangible fixed assets:	255,788	262,651	Cash collateral received for financial instruments	22	647
Land	149,483	153,059	Lease obligations	138	—
Buildings	101,324	101,776	Asset retirement obligations	2,355	4,486
Lease assets	908	783	Suspense receipts	1,244	1,313
Construction in progress	700	2,763	Reserve for employees' retirement benefits	26,701	26,836
Other tangible fixed assets	3,371	4,268	Reserve for price fluctuation	180,566	188,566
Intangible fixed assets:	24,879	24,720	Deferred tax liabilities	79,748	24,268
Software	20,962	19,086	Deferred tax liabilities for land revaluation	14,132	14,600
Lease assets	124	—	<b>Total liabilities</b>	<b>6,710,837</b>	<b>6,526,893</b>
Other intangible fixed assets	3,792	5,633	<b>Net assets:</b>		
Agency receivables	94	181	Foundation funds	12,000	8,000
Reinsurance receivables	85	75	Accumulated foundation funds redeemed	116,000	128,000
Other assets:	51,188	57,913	Reserve for revaluation	112	112
Accounts receivable	5,838	10,560	Surplus:	138,628	142,527
Prepaid expenses	3,935	3,692	Legal reserve for future losses	3,548	3,660
Accrued income	32,167	34,323	Other surplus:	135,080	138,867
Deposits	1,838	1,777	Reserve for redemption of foundation funds	9,600	—
Derivatives	0	476	Reserve for dividend allowances	20,000	20,000
Suspense payments	3,639	3,746	Accumulated fund for price fluctuation	41,000	41,000
Rest of the other asset	3,768	3,336	Reserve for advanced depreciation of real estate for tax purpose	204	202
Prepaid pension cost	2,313	3,980	Other reserves	767	767
Allowance for possible loan losses	(703)	(508)	Unappropriated surplus	63,509	76,897
			Total foundation funds, surplus and others	266,740	278,640
			Net unrealized gains (losses) on available- for-sale securities, net of tax	659,808	520,242
			Revaluation reserve for land, net of tax	4,500	4,025
			Total valuation and translation adjustments	664,308	524,268
			<b>Total net assets</b>	<b>931,049</b>	<b>802,908</b>
<b>Total assets</b>	<b>7,641,887</b>	<b>7,329,802</b>	<b>Total liabilities and net assets</b>	<b>7,641,887</b>	<b>7,329,802</b>

## 4. Non-consolidated Statements of Operations

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
<b>Ordinary revenues:</b>		
Premium and other income:	491,480	487,187
Premium income	491,362	487,088
Reinsurance income	118	98
Investment income:	273,141	259,252
Interest, dividends and other income:	172,157	197,697
Interest on deposits	3	82
Interest and dividends on securities	143,193	167,326
Interest on loans	8,896	8,482
Income from real estate for rent	19,833	21,171
Other interest and dividends	229	635
Gains on money held in trust, net	1,185	315
Gains on trading securities, net	803	—
Gains on sales of securities	66,405	56,405
Gains on redemption of securities, net	2,508	3,011
Foreign exchange gains, net	2,525	—
Reversal of allowance for possible loan losses	117	181
Other investment income	321	222
Gains on separate accounts, net	27,117	1,418
Other ordinary revenues:	10,393	28,055
Fund receipt from annuity rider	2,372	1,122
Proceeds from deferred insurance	3,743	3,697
Reversal of policy reserves	—	16,394
Reversal of reserve for employees' retirement benefits	—	1,531
Others	4,277	5,310
<b>Total ordinary revenues</b>	<b>775,016</b>	<b>774,495</b>
<b>Ordinary expenses:</b>		
Claims and other payments:	465,840	481,504
Claims	105,387	93,425
Annuities	151,933	154,098
Benefits	123,479	135,352
Surrenders	59,480	72,955
Other payments	25,366	25,488
Reinsurance premiums	191	183
Provision of policy reserve and others:	57,043	1,595
Provision of reserve for outstanding claims	1,811	1,559
Provision of policy reserves	55,218	—
Provision of interest portion of reserve for dividends to policyholders	13	36
Investment expenses:	86,716	110,872
Interest expenses	4,245	4,625
Losses on trading securities, net	—	1
Losses on sales of securities	56,613	84,395
Losses on valuation of securities	1,089	275
Losses on redemption of securities, net	137	—
Losses on derivative instruments, net	7,349	1,657
Foreign exchange losses, net	—	510
Depreciation of real estate for rent and other assets	5,163	5,749
Other investment expenses	12,117	13,657
Operating expenses	92,264	99,315
Other ordinary expenses:	23,794	25,342
Deferred annuity payments	3,876	4,162
Taxes	7,966	8,088
Depreciation	10,174	10,367
Provision of reserve for employees' retirement benefits	53	—
Others	1,722	2,724
<b>Total ordinary expenses</b>	<b>725,658</b>	<b>718,630</b>
<b>Ordinary profits</b>	<b>49,357</b>	<b>55,865</b>
<b>Extraordinary gains:</b>		
Gains on disposal of fixed assets	33	3
National subsidies	—	160
<b>Total extraordinary gains</b>	<b>33</b>	<b>164</b>
<b>Extraordinary losses:</b>		
Losses on disposal of fixed assets	201	139
Impairment losses	657	10
Provision of reserve for price fluctuation	3,378	8,000
100th anniversary bonuses and other losses	4,471	—
<b>Total extraordinary losses</b>	<b>8,708</b>	<b>8,149</b>
<b>Surplus before income taxes</b>	<b>40,682</b>	<b>47,879</b>
<b>Income taxes:</b>		
Current	13,340	5,401
Deferred	(12,441)	(10,656)
<b>Total income taxes</b>	<b>898</b>	<b>(5,254)</b>
<b>Net surplus for the year</b>	<b>39,783</b>	<b>53,134</b>

# 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. (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, 2025 was ¥1 million.

- (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, 2025, the balance of these policy reserves was ¥67,306 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.
- 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.

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 as of March 31, 2025 were as follows:

	(Millions of yen)		
	Carrying amount	Fair value	Difference
Money held in trust:			
Trading securities.....	¥22,812	¥22,812	¥—
Total money held in trust.....	22,812	22,812	—
Securities:			
Held-to-maturity debt securities.....	645,682	666,692	21,010
Policy-reserve-matching bonds.....	627,193	568,591	(58,601)
Available-for-sale securities.....	4,676,064	4,676,064	—
Total securities.....	5,948,939	5,911,347	(37,591)
Loans:			
Policy loans.....	43,775	43,775	(0)
Ordinary loans.....	428,381	424,720	(3,661)
Total loans.....	472,157	468,496	(3,661)
Assets total.....	6,443,909	6,402,656	(41,252)
Subordinated bonds*1.....	267,260	258,447	(8,812)
Liabilities total.....	267,260	258,447	(8,812)
Derivative instruments*2:			
Hedge accounting not applied.....	300	300	—
Total derivative instruments.....	¥300	¥300	¥—

\*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.

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, 2025, the amount of investments in partnerships included on the balance sheet was ¥52,065 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 as of March 31, 2025

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
(Millions of yen)				
Money held in trust:				
Trading securities.....	¥—	¥22,812	¥—	¥22,812
Total money held in trust.....	—	22,812	—	22,812
Securities:				
Available-for-sale securities:				
Government bonds.....	1,036,491	—	—	1,036,491
Local government bonds.....	—	75,676	—	75,676
Corporate bonds.....	—	439,329	—	439,329
Stocks.....	894,051	—	—	894,051
Foreign securities.....	954,500	1,056,844	24,304	2,035,649
Other securities.....	56,535	128,027	—	184,563
Total available-for-sale securities.....	2,941,578	1,699,878	24,304	4,665,761
Total securities.....	2,941,578	1,699,878	24,304	4,665,761
Assets total.....	2,941,578	1,722,690	24,304	4,688,573
Derivative instruments*:				
Currency-related.....	—	300	—	300
Total derivative instruments.....	¥—	¥300	¥—	¥300

\* 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. 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:

(Millions of yen)	
Balance at the beginning of the fiscal year.....	¥9,945
Changes in net unrealized gains or losses.....	356
Balance at the end of the fiscal year.....	¥10,302

## (2) Financial assets and liabilities with fair values not recorded on the balance sheet as of March 31, 2025

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
(Millions of yen)				
Securities:				
Held-to-maturity debt securities:				
Government bonds.....	653,179	—	—	653,179
Local government bonds.....	—	6,418	—	6,418
Corporate bonds.....	—	7,094	—	7,094
Total held-to-maturity debt securities...	653,179	13,512	—	666,692
Policy-reserve-matching bonds:				
Government bonds.....	536,568	—	—	536,568
Local government bonds.....	—	1,565	—	1,565
Corporate bonds.....	—	30,456	—	30,456
Total policy-reserve-matching bonds...	536,568	32,022	—	568,591
Total securities.....	1,189,748	45,535	—	1,235,283
Loans:				
Policy loans.....	—	—	43,775	43,775
Ordinary loans.....	—	—	424,720	424,720
Total loans.....	—	—	468,496	468,496
Assets total.....	1,189,748	45,535	468,496	1,703,780
Subordinated bonds	—	258,447	—	258,447
Liabilities total.....	¥—	¥258,447	¥—	¥258,447

## (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 as of March 31, 2025 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 balances at the beginning of the current fiscal year and balances as of March 31, 2025, and valuation gains or losses recognized in the statements of operations for the fiscal year ended March 31, 2025.

	(Millions of yen)	
	Securities, Available-for-sale securities, Foreign securities	Total
Balance at the beginning of the current fiscal year.....	¥26,352	¥26,352
Gains or losses during the fiscal year.....	(10)	(10)
Values recognized as gains or losses*.....	(10)	(10)
Changes in net unrealized gains or losses.....	(2,037)	(2,037)
Balance at the end of the current fiscal year.....	¥24,304	24,304

\* 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 ¥212,058 million and ¥385,247million 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 was ¥1,891 million as of March 31, 2025.

6. The amount of securities lent under lending agreements was ¥467,473 million as of March 31, 2025.

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 was ¥727 million as March 31, 2025. The details are as follows.

i) The balance of claims against bankrupt and quasi-bankrupt obligors was ¥110 million as of March 31, 2025.

Of which, the estimated uncollectible amount written-off was ¥1 million as of March 31, 2025.

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 was ¥372 million as of March 31, 2025.

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, 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 was ¥244 million as of March 31, 2025.

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 ¥188,839 million as of March 31, 2025.

9. Total assets in separate accounts provided for in Article 118 of the Insurance Business Act were ¥136,390 million as of March 31, 2025. The amounts of separate account liabilities were the same as separate account assets.

10. The total amounts of receivables from/payables to subsidiaries were ¥3,172 million and ¥2,471 million as of March 31, 2025, respectively.

11. Deferred tax assets and deferred tax liabilities as of March 31, 2025 were ¥197,479 million and ¥216,996 million, respectively. Valuation allowance for deferred tax assets was ¥4,752 million.

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

Major component of deferred tax liabilities was ¥209,381 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 and ¥469 million, respectively. It also results in a ¥5,738 million decrease in deferred income taxes.

12. Changes in reserve for dividends to policyholders for the year ended March 31, 2025 were as follows:

	(Millions of yen)
Balance at the beginning of the fiscal year.....	¥61,903
Transfer from surplus in the previous fiscal year.....	37,138
Dividend payments to policyholders during the fiscal year.....	(34,960)
Increase in interest.....	36
Balance at the end of the fiscal year.....	<u>¥64,117</u>

13. The amount of stocks of subsidiaries was ¥64,787 million as of March 31, 2025.

14. Assets pledged as collateral as of March 31, 2025 were ¥106,493 million of securities.

Secured debts as of March 31, 2025, were ¥5,972 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") was ¥40 million as of March 31, 2025.

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") was ¥18 million as of March 31, 2025.

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 was ¥524,380 million as of March 31, 2025.

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

18. Accompanying with the redemption of ¥12,000 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 ¥22,236 million as of March 31, 2025.

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

## 21. Matters Related to Employees' Retirement Benefits as of March 31, 2025

### (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

	(Millions of yen)
Retirement benefit obligation at the beginning of the fiscal year.....	¥74,720
Service cost.....	3,047
Interest cost.....	1,190
Actuarial differences occurred during the fiscal year.....	340
Retirement benefit payments.....	(3,793)
Retirement benefit obligation at the end of the fiscal year.....	<u>¥75,506</u>

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

	(Millions of yen)
Pension plan assets at the beginning of the fiscal year.....	¥79,620
Expected return on pension plan assets.....	1,378
Actuarial differences occurred during the fiscal year.....	888
Contributions by the employer.....	763
Retirement benefit payments.....	(2,328)
Pension plan assets at the end of the fiscal year.....	<u>¥80,322</u>

#### 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

	(Millions of yen)
a. Funded plan retirement benefit obligation.....	¥66,718
b. Pension plan assets.....	(80,322)
c. (a + b).....	(13,603)
d. Unfunded plan retirement benefit obligation.....	8,787
e. Unrecognized actuarial differences.....	21,812
f. Unrecognized prior service cost.....	5,860
g. Net amount of liabilities and assets presented on the non-consolidated balance sheet.....	<u>22,856</u>
h. Reserve for employees' retirement benefits.....	26,836
i. Prepaid pension cost.....	(3,980)
j. Net amount of liabilities and assets presented on the non-consolidated balance sheet.....	<u>¥22,856</u>

iv) Breakdown of retirement benefit gains and losses

	(Millions of yen)
Service cost.....	¥3,047
Interest cost.....	1,190
Expected return on pension plan assets.....	(1,378)
Amortization of actuarial differences.....	(1,474)
Amortization of prior service cost.....	(687)
Retirement benefit expenses related to defined benefit plan.....	<u>¥697</u>

v) Breakdown of pension plan assets

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

Domestic stocks.....	50.5%
Life insurance general account.....	27.2%
Domestic bonds.....	8.7%
Foreign stocks.....	8.4%
Foreign bonds.....	2.9%
Assets under joint management.....	2.2%
Total.....	100.0%

Within the total of pension assets, 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.

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 as of March 31, 2025, were as follows:

Discount rate.....	1.6%
Expected long-term rate of return on pension plan assets	
Defined Benefit Plan.....	3.0%
Retirement benefit trust.....	0.0%

(3) Defined Contribution Plan

The required contribution amount by the Company to the defined contribution plan was ¥252 million as of March 31, 2025.



### III. Notes to the Non-consolidated Statements of Operations

1. The total amounts of revenues and expenses in connection with subsidiaries were ¥3,494 million and ¥12,040 million for the year ended March 31, 2025.

2. The details of gains on sales of securities for the year ended March 31, 2025 were as follows:

	(Millions of yen)
Domestic bonds.....	¥2,596
Domestic stocks and others.....	¥22,372
Foreign securities.....	¥31,436

3. The details of losses on sales of securities for the year ended March 31, 2025 were as follows:

	(Millions of yen)
Domestic bonds.....	¥81,611
Domestic stocks and others.....	¥369
Foreign securities.....	¥2,414

4. The details of losses on valuation of securities for the year ended March 31, 2025 were as follows:

	(Millions of yen)
Domestic stocks and others.....	¥275

5. 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 was deducted. In calculating the reversal of policy reserves, a reversal of policy reserve for ceded reinsurance of ¥0 million was deducted.

6. The details of losses on trading securities for the year ended March 31, 2025 were as follows:

	(Millions of yen)
Losses on sales of trading securities.....	¥1

7. Gains on money held in trust for the year ended March 31, 2025 included valuation losses of ¥0 million.

8. Losses on derivative instruments for the year ended March 31, 2025 included valuation gains of ¥1,329 million.

## 5. Breakdown of Ordinary Profits (Fundamental Profit)

(Millions of yen)

		Year ended March 31, 2024	Year ended March 31, 2025
<b>Fundamental profit</b>	<b>A</b>	<b>93,019</b>	<b>104,696</b>
Capital gains		73,087	59,613
Gains on money held in trust, net		1,087	139
Gains on trading securities, net		650	—
Gains on sales of securities		66,405	56,405
Gains on derivative instruments, net		—	—
Foreign exchange gains, net		2,525	—
Other capital gains		2,418	3,068
Capital losses		64,053	86,840
Losses on money held in trust, net		—	—
Losses on trading securities, net		—	1
Losses on sales of securities		56,613	84,395
Losses on valuation of securities		1,089	275
Losses on derivative instruments, net		7,349	1,657
Foreign exchange losses, net		—	510
Other capital losses		(999)	—
Net capital gains (losses)	<b>B</b>	<b>9,034</b>	<b>(27,227)</b>
Fundamental profit plus net capital gains (losses)	<b>A+B</b>	<b>102,053</b>	<b>77,469</b>
Non-recurring gains		42	118
Reinsurance income		—	—
Reversal of contingency reserve		—	—
Reversal of specific allowance for possible loan losses		42	118
Others		—	—
Non-recurring losses		52,738	21,722
Reinsurance premiums		—	—
Provision for contingency reserve		41,011	11,010
Provision of specific allowance for possible loan losses		—	—
Provision of allowance for specified overseas loans		—	—
Write-off of loans		—	—
Others		11,727	10,711
Non-recurring gains (losses)	<b>C</b>	<b>(52,696)</b>	<b>(21,604)</b>
Ordinary profits	<b>A+B+C</b>	<b>49,357</b>	<b>55,865</b>

Note: Other items break down as follows.

(Millions of yen)

		Year ended March 31, 2024	Year ended March 31, 2025
<b>Fundamental profit</b>		<b>(3,167)</b>	<b>(2,893)</b>
Interest, dividends, and other income from gains/losses on money held in trust		97	175
Interest, dividends, and other income from gains/losses on trading securities		152	—
Foreign exchange-related hedging costs categorized under foreign exchange gains/losses		(999)	—
Interest, dividends, and other investment expenses from gains/losses on cancellation of investment trusts		(47)	(56)
Portion of gains/losses on redemption of securities attributable to foreign exchange fluctuations		(2,371)	(3,011)
Capital gains on other investment income		—	(0)
Other capital gains		2,418	3,068
Interest, dividends, and other investment expenses from gains/losses on cancellation of investment trusts		47	56
Portion of gains/losses on redemption of securities attributable to foreign exchange fluctuations		2,371	3,011
Capital gains on other investment income		—	0
Other capital losses		(999)	—
Foreign exchange-related hedging costs categorized under foreign exchange gains		(999)	—
Other non-recurring losses		11,727	10,711
Provision of policy reserves in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act		11,727	10,711

## 6. Non-consolidated Statements of Changes in Net Assets

[For the year ended March 31, 2024]

(Millions of yen)

(Millions of yen)

	Foundation funds, surplus and others											
	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Surplus								Total foundation funds, surplus and others
				Legal reserve for future losses	Other surplus						Total surplus	
					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	Unappropriated surplus		
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

	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

[For the year ended March 31, 2025]

(Millions of yen)

	Foundation funds, surplus and others											
	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Surplus								Total foundation funds, surplus and others
				Legal reserve for future losses	Other surplus						Total surplus	
					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	Unappropriated surplus		
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

	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

## 7. Non-consolidated Statements of Surplus

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Unappropriated surplus	63,509	76,897
Reversal of voluntary surplus reserve	1	3
Reversal of reserve for advanced depreciation of real estate for tax purpose	1	3
Total	63,510	76,901
Appropriation of surplus	39,752	53,143
Reserve for dividends to policyholders	37,138	46,273
Net surplus	2,614	6,869
Legal reserve for future losses	112	140
Interest payment for foundation funds	102	129
Voluntary surplus reserve	2,400	6,600
Reserve for redemption of foundation funds	2,400	1,600
Reserve for employee returns	—	5,000
Unappropriated surplus carried forward	23,758	23,758

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

## 8. Disclosed Claims Based on Insurance Business Act

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Claims against bankrupt and quasi-bankrupt obligors	110	110
Claims with collection risk	508	372
Delinquent loans past three months or more	—	—
Restructured loans	518	244
Subtotal [Percentage of total]	1,137 [0.11%]	727 [0.08%]
Claims against normal obligors	1,021,712	942,940
Total	1,022,850	943,668

- Notes: 1. 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.
2. Claims with collection risk are loans to obligors (other than claims against 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.
3. 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.
4. 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.
5. Claims against normal obligors are all other loans.

## 9. Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Total solvency margin (A)	2,265,213	2,147,628
Foundation funds and surplus	226,042	229,196
Reserve for price fluctuation	180,566	188,566
Contingency reserve	208,899	219,910
General allowance for possible loan losses	330	267
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90%	822,613	656,661
Net unrealized gains on real estate × 85%	165,661	175,284
Excess amount of policy reserve based on full-time Zillmer method	396,562	407,968
Qualifying subordinated debt	267,260	267,260
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	44,061	49,297
Total amount of risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	394,956	387,643
Insurance risk $R_1$	21,022	20,614
3rd sector insurance risk $R_8$	10,116	10,172
Assumed investment yield risk $R_2$	20,037	19,017
Minimum guarantee risk $R_7$	—	—
Investment risk $R_3$	365,332	359,194
Business risk $R_4$	8,330	8,179
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,147.0%	1,108.0%

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.

### Reference: Economic Solvency Ratio

	As of March 31, 2024	As of March 31, 2025
Economic Solvency Ratio	248.9%	241.6%

Note: Economic solvency ratio (ESR) is an indicator of an insurance company's soundness and indicates whether or not a company has sufficient capital to cover its risks based on market-value assessment of its assets and liabilities. The Company calculates its ESR according to European methodology.

## 10. Status of Separate Account

### (1) Separate Account Assets by Products

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
	Amount	Amount
Individual variable insurance	—	—
Individual variable annuities	—	—
Group annuities	141,452	136,390
Total	141,452	136,390

### (2) Individual Variable Insurance (Separate Account)

The Company has not sold the individual variable insurance.

### (3) Individual Variable Annuities (Separate Account)

#### (i) Policies in Force

(Millions of yen except number of policies)

	As of March 31, 2024		As of March 31, 2025	
	Number of policies	Amount	Number of policies	Amount
Individual variable annuities	—	—	—	—
Total	—	—	—	—

#### (ii) Breakdown of Separate Account Assets for Individual Variable Annuities

(Millions of yen)

	As of March 31, 2024		As of March 31, 2025	
	Amount	Percentage	Amount	Percentage
Cash, deposits, call loans	—	—%	—	—%
Securities	—	—	—	—
Domestic bonds	—	—	—	—
Domestic stocks	—	—	—	—
Foreign securities	—	—	—	—
Foreign bonds	—	—	—	—
Foreign stocks and other securities	—	—	—	—
Other securities	—	—	—	—
Loans	—	—	—	—
Others	—	—	—	—
Allowance for possible loan losses	—	—	—	—
Total	—	—	—	—



## (iii) Investment Income and Expenses of Separate Account for Individual Variable Annuities

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
	Amount	Amount
Interest, dividends and other income	—	—
Gains on sales of securities	—	—
Gains on redemption of securities	—	—
Gains on valuation of securities	—	—
Foreign exchange gains, net	—	—
Gains on derivative instruments	—	—
Other investment income	—	—
Losses on sales of securities	—	—
Losses on redemption of securities	—	—
Losses on valuation of securities	—	—
Foreign exchange losses, net	—	—
Losses on derivative instruments	—	—
Other investment expenses	—	—
Net investment income	—	—

## (iv) Fair Value Information on Securities in Separate Account for Individual Variable Annuities

## • Net Valuation Gains/Losses on Trading Securities

(Millions of yen)

	As of March 31, 2024		As of March 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
Trading securities	—	—	—	—

Note: The Company had no balances of money held in trust and derivative instruments.

**Reference: Fair Value Information on Securities (Total of General Account and Separate Account)**
**Net Valuation Gains/Losses on Trading Securities**

(Millions of yen)

	As of March 31, 2024		As of March 31, 2025	
	Carrying value on the balance sheet	Net valuation gains/losses included in the statement of operations	Carrying value on the balance sheet	Net valuation gains/losses included in the statement of operations
Trading securities	152,490	19,935	151,015	(7,498)

Note: The table above includes money held in trust for trading purpose.

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

(Millions of yen)

	As of March 31, 2024					As of March 31, 2025				
	Book value	Fair value	Gains/Losses			Book value	Fair value	Gains/Losses		
			Gains	Losses				Gains	Losses	
Held-to-maturity debt securities	708,320	759,424	51,104	51,104	—	645,682	666,692	21,010	21,010	—
Domestic bonds	708,320	759,424	51,104	51,104	—	645,682	666,692	21,010	21,010	—
Foreign bonds	—	—	—	—	—	—	—	—	—	—
Policy-reserve-matching bonds	290,573	283,026	(7,546)	331	7,877	627,193	568,591	(58,601)	—	58,601
Domestic bonds	290,573	283,026	(7,546)	331	7,877	627,193	568,591	(58,601)	—	58,601
Foreign bonds	—	—	—	—	—	—	—	—	—	—
Investments in subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	4,195,706	5,103,160	907,454	1,055,739	148,285	3,952,840	4,676,064	723,223	911,702	188,478
Domestic bonds	1,987,603	1,935,087	(52,516)	82,679	135,195	1,663,797	1,551,497	(112,300)	41,982	154,283
Domestic stocks	346,904	928,443	581,539	582,045	506	377,840	894,051	516,210	521,429	5,218
Foreign securities	1,717,017	2,045,310	328,292	339,444	11,152	1,759,222	2,035,649	276,427	302,858	26,431
Foreign bonds	1,292,421	1,445,869	153,447	161,326	7,879	1,315,509	1,406,359	90,849	111,631	20,781
Foreign stocks and other securities	424,596	599,440	174,844	178,117	3,273	443,712	629,290	185,577	191,226	5,649
Other securities	144,179	194,318	50,138	51,570	1,431	151,979	194,865	42,886	45,431	2,545
Money held in trust	—	—	—	—	—	—	—	—	—	—
Monetary claims bought	—	—	—	—	—	—	—	—	—	—
Negotiable certificate of deposits	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—
Total	5,194,599	6,145,611	951,012	1,107,175	156,163	5,225,715	5,911,347	685,632	932,713	247,080
Domestic bonds	2,986,497	2,977,539	(8,957)	134,115	143,073	2,936,672	2,786,781	(149,891)	62,993	212,884
Domestic stocks	346,904	928,443	581,539	582,045	506	377,840	894,051	516,210	521,429	5,218
Foreign securities	1,717,017	2,045,310	328,292	339,444	11,152	1,759,222	2,035,649	276,427	302,858	26,431
Foreign bonds	1,292,421	1,445,869	153,447	161,326	7,879	1,315,509	1,406,359	90,849	111,631	20,781
Foreign stocks and other securities	424,596	599,440	174,844	178,117	3,273	443,712	629,290	185,577	191,226	5,649
Other securities	144,179	194,318	50,138	51,570	1,431	151,979	194,865	42,886	45,431	2,545
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.

**[Held-to-maturity Debt Securities]**

(Millions of yen)

	As of March 31, 2024			As of March 31, 2025		
	Carrying value on the balance sheet	Fair value	Differences	Carrying value on the balance sheet	Fair value	Differences
Securities whose fair value exceeds the carrying value on the balance sheet	708,320	759,424	51,104	645,682	666,692	21,010
Domestic bonds	708,320	759,424	51,104	645,682	666,692	21,010
Foreign bonds	—	—	—	—	—	—
Securities whose fair value does not exceed the carrying value on the balance sheet	—	—	—	—	—	—
Domestic bonds	—	—	—	—	—	—
Foreign bonds	—	—	—	—	—	—

[Policy-reserve-matching bonds]

(Millions of yen)

	As of March 31, 2024			As of March 31, 2025		
	Carrying value on the balance sheet	Fair value	Differences	Carrying value on the balance sheet	Fair value	Differences
Bonds whose fair value exceeds the carrying value on the balance sheet	71,118	71,449	331	—	—	—
Domestic bonds	71,118	71,449	331	—	—	—
Foreign bonds	—	—	—	—	—	—
Bonds whose fair value does not exceed the carrying value on the balance sheet	219,454	211,577	(7,877)	627,193	568,591	(58,601)
Domestic bonds	219,454	211,577	(7,877)	627,193	568,591	(58,601)
Foreign bonds	—	—	—	—	—	—

[Available-for-sale Securities]

(Millions of yen)

	As of March 31, 2024			As of March 31, 2025		
	Book value	Carrying value on the balance sheet	Differences	Book value	Carrying value on the balance sheet	Differences
Securities whose carrying value on the balance sheet exceeds the book value	2,931,246	3,986,986	1,055,739	2,419,174	3,330,877	911,702
Domestic bonds	971,195	1,053,875	82,679	785,897	827,880	41,982
Domestic stocks	340,155	922,201	582,045	334,237	855,666	521,429
Foreign securities	1,504,184	1,843,628	339,444	1,190,445	1,493,303	302,858
Foreign bonds	1,112,825	1,274,151	161,326	809,607	921,238	111,631
Foreign stocks	391,359	569,476	178,117	380,838	572,065	191,226
Other securities	115,711	167,281	51,570	108,594	154,026	45,431
Money held in trust	—	—	—	—	—	—
Monetary claims bought	—	—	—	—	—	—
Negotiable certificate of deposits	—	—	—	—	—	—
Others	—	—	—	—	—	—
Securities whose carrying value on the balance sheet does not exceed the book value	1,264,459	1,116,173	(148,285)	1,533,665	1,345,186	(188,478)
Domestic bonds	1,016,408	881,212	(135,195)	877,899	723,616	(154,283)
Domestic stocks	6,748	6,242	(506)	43,603	38,384	(5,218)
Foreign securities	212,833	201,681	(11,152)	568,777	542,345	(26,431)
Foreign bonds	179,596	171,717	(7,879)	505,902	485,120	(20,781)
Foreign stocks	33,237	29,964	(3,273)	62,874	57,224	(5,649)
Other securities	28,468	27,037	(1,431)	43,385	40,839	(2,545)
Money held in trust	—	—	—	—	—	—
Monetary claims bought	—	—	—	—	—	—
Negotiable certificate of deposits	—	—	—	—	—	—
Others	—	—	—	—	—	—

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

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Investments in subsidiaries and affiliates	64,787	64,787
Available-for-sale securities	45,922	54,333
Domestic stocks	5,824	5,668
Foreign stocks	—	—
Others	40,097	48,665
Total	110,709	119,120

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 (¥6,560 million as of March 31, 2024 and ¥6,400 million as of March 31, 2025) are included in their balance sheet carrying amounts.

**Reference: Fair Value Information on Derivative Instruments (Total of General Account and Separate Account)**

(i) Gains and Losses on Derivatives

(Millions of yen)

As of March 31, 2024	Interest- related	Currency- related	Stock- related	Bond- related	Others	Total
Hedge accounting applied	—	—	—	—	—	—
Hedge accounting not applied	—	(940)	(89)	—	—	(1,029)
Total	—	(940)	(89)	—	—	(1,029)
As of March 31, 2025	Interest- related	Currency- related	Stock- related	Bond- related	Others	Total
Hedge accounting applied	—	—	—	—	—	—
Hedge accounting not applied	—	300	—	—	—	300
Total	—	300	—	—	—	300

Note: Gains and losses with hedge accounting not applied are reported in the statements of operations.

(ii) Hedge Accounting not Applied

[Interest-related Transactions]

No ending balance as of March 31, 2024 and March 31, 2025.

[Currency-related Transactions]

(Millions of yen)

	As of March 31, 2024				As of March 31, 2025			
	Notional amount/ contract value	Over 1 year	Fair value	Gains (Losses)	Notional amount/ contract value	Over 1 year	Fair value	Gains (Losses)
Over-the-counter transactions								
Currency forward contracts								
Sold	25,337	—	25,768	(430)	21,975	—	21,743	231
U.S. dollar	15,972	—	16,247	(274)	11,111	—	11,021	89
Australian dollar	9,104	—	9,261	(156)	8,979	—	8,786	192
British pound	89	—	89	(0)	1,884	—	1,934	(50)
Euro	94	—	94	0	—	—	—	—
Others	76	—	76	0	—	—	—	—
Bought	722	—	721	(0)	—	—	—	—
U.S. dollar	461	—	461	(0)	—	—	—	—
Euro	96	—	96	(0)	—	—	—	—
British pound	87	—	87	0	—	—	—	—
Others	77	—	77	(0)	—	—	—	—
Currency options								
Sold								
Call	—	—	—	—	—	—	—	—
	[ — ]		—	—	[ — ]		—	—
Put	—	—	—	—	—	—	—	—
	[ — ]		—	—	[ — ]		—	—
Bought								
Call	—	—	—	—	—	—	—	—
	[ — ]		—	—	[ — ]		—	—
Put	36,960	—	—	—	70,760	—	—	—
	[ 536 ]		26	(509)	[ 1,124 ]		1,192	68
U.S. dollar	35,100	—	—	—	70,760	—	—	—
	[ 515 ]		25	(490)	[ 1,124 ]		1,192	68
Australian dollar	1,860	—	—	—	—	—	—	—
	[ 20 ]		1	(18)	[ — ]		—	—
Total				(940)				300

Notes: 1. Forward exchange rates are used for exchange rates as of March 31, 2025.

2. Figures in [ ] are option premiums which are included in the balance sheet.

[Stock-related Transactions]

(Millions of yen)

	As of March 31, 2024				As of March 31, 2025			
	Notional amount/ contract value	Fair value	Gains (Losses)		Notional amount/ contract value	Fair value	Gains (Losses)	
	Over 1 year				Over 1 year			
Exchange-traded transactions								
Stock index options								
Sold								
Call	—	—	—		—	—	—	
Put	[ — ]	—	—		[ — ]	—	—	
Bought								
Call	—	—	—		—	—	—	
Put	[ — ]	—	—		[ — ]	—	—	
	6,150	—	—		—	—	—	
	[ 90 ]	0	(89)		[ — ]	—	—	
Total			(89)					

Note: Figures in [ ] are option premiums which are included in the balance sheet.

[Bond-related Transactions]

No ending balance as of March 31, 2024 and March 31, 2025.

(iii) Hedge Accounting Applied

[Interest-related Transactions]

No ending balance as of March 31, 2024 and March 31, 2025.

[Currency-related Transactions]

No ending balance as of March 31, 2024 and March 31, 2025.

[Stock-related Transactions]

No ending balance as of March 31, 2024 and March 31, 2025.

[Bond-related Transactions]

No ending balance as of March 31, 2024 and March 31, 2025.

## 11. Status of the Company, Subsidiaries and Affiliates

### (1) Selected Financial Data

(100 million of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Ordinary revenues	10,637	10,671
Ordinary profits	533	629
Net surplus attributable to the parent company	381	541
Comprehensive income	3,325	(931)

	As of March 31, 2024	As of March 31, 2025
Total assets	94,265	92,313
Solvency margin ratio	1,189.7%	1,147.4%

### (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, 2024	As of March 31, 2025		As of March 31, 2024	As of March 31, 2025
<b>Assets:</b>			<b>Liabilities:</b>		
Cash and deposits	396,782	238,322	Policy reserves:	7,704,135	7,809,032
Call loans	128,000	97,000	Reserve for outstanding claims	28,805	30,104
Money held in trust	23,502	23,812	Policy reserve	7,613,135	7,714,518
Securities	8,015,906	8,019,332	Reserve for dividends to policyholders	61,903	64,117
Loans	503,151	475,424	Reserve for dividends to policyholders (subsidiary)	290	291
Tangible fixed assets:	256,185	263,480	Agency payables	449	507
Land	149,483	153,059	Reinsurance payables	53	48
Buildings	101,477	101,974	Subordinated bonds	267,260	267,260
Lease assets	985	1,141	Other liabilities	175,739	52,811
Construction in progress	700	2,763	Net defined benefit liabilities	10,914	10,424
Other tangible fixed assets	3,538	4,541	Reserve for price fluctuation	193,279	205,681
Intangible fixed assets:	26,339	26,202	Deferred tax liabilities	91,924	36,766
Software	20,421	18,690	Deferred tax liabilities for land revaluation	14,132	14,600
Lease assets	2,065	1,820	<b>Total liabilities</b>	<b>8,457,889</b>	<b>8,397,132</b>
Other intangible fixed assets	3,852	5,691	<b>Net assets:</b>		
Agency receivables	0	0	Foundation funds	12,000	8,000
Reinsurance receivables	121	120	Accumulated foundation funds redeemed	116,000	128,000
Other assets	57,951	65,107	Reserve for revaluation	112	112
Net defined benefit assets	15,696	15,163	Consolidated surplus	143,344	148,280
Deferred tax assets	3,634	7,907	Total foundation funds, surplus and others	271,456	284,393
Allowance for possible loan losses	(703)	(508)	Net unrealized gains (losses) on available-for-sale securities, net of tax	663,271	517,928
			Revaluation reserve for land, net of tax	4,500	4,025
			Foreign currency translation adjustment	257	629
			Accumulated remeasurements of defined benefit plans	21,087	19,667
			Total accumulated other comprehensive income	689,116	542,251
			Non-controlling interests	8,104	7,587
			<b>Total net assets</b>	<b>968,677</b>	<b>834,231</b>
<b>Total assets</b>	<b>9,426,567</b>	<b>9,231,364</b>	<b>Total liabilities and net assets</b>	<b>9,426,567</b>	<b>9,231,364</b>

(4) Consolidated Statements of Operations and Comprehensive Income

[Consolidated Statements of Operations]

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
<b>Ordinary revenues:</b>		
Premium and other income	758,323	772,142
Investment income	294,016	283,247
Interest, dividends and other income	193,012	221,487
Gains on money held in trust, net	1,185	315
Gains on trading securities, net	803	—
Gains on sales of securities	66,425	56,619
Gains on redemption of securities, net	2,508	3,011
Foreign exchange gains, net	2,525	—
Reversal of allowance for possible loan losses	117	180
Other investment income	321	214
Gains on separate accounts, net	27,117	1,418
Other ordinary revenues	11,408	11,774
<b>Total ordinary revenues</b>	<b>1,063,748</b>	<b>1,067,164</b>
<b>Ordinary expenses:</b>		
Claims and other payments	623,582	645,747
Claims	118,266	109,916
Annuities	263,969	260,338
Benefits	127,650	138,688
Surrenders	87,879	110,847
Other payments	25,817	25,955
Provision of policy reserve and others:	166,272	102,718
Provision of reserve for outstanding claims	2,478	1,299
Provision of policy reserves	163,780	101,382
Provision of interest portion of reserve for dividends to policyholders	13	36
Provision of interest portion of reserve for dividends to policyholders (subsidiary)	0	0
Investment expenses	88,009	112,368
Interest expenses	4,262	4,646
Losses on trading securities, net	—	1
Losses on sales of securities	59,348	87,328
Losses on valuation of securities	1,089	275
Losses on redemption of securities, net	137	—
Losses on derivative instruments, net	7,349	1,657
Foreign exchange losses, net	—	509
Depreciation of real estate for rent and other assets	5,163	5,749
Other investment expenses	10,659	12,200
Operating expenses	104,824	113,881
Other ordinary expenses	27,673	29,457
<b>Total ordinary expenses</b>	<b>1,010,362</b>	<b>1,004,173</b>
<b>Ordinary profits</b>	<b>53,385</b>	<b>62,990</b>
<b>Extraordinary gains:</b>		
Gains on disposal of fixed assets	33	3
National subsidies	—	160
<b>Total extraordinary gains</b>	<b>33</b>	<b>164</b>
<b>Extraordinary losses:</b>		
Losses on disposal of fixed assets	202	146
Impairment losses	657	10
Provision of reserve for price fluctuation	4,741	12,402
100th anniversary bonuses and other losses	4,467	—
<b>Total extraordinary losses</b>	<b>10,069</b>	<b>12,559</b>
<b>Provision of reserve for dividends to policyholders (subsidiary)</b>	<b>153</b>	<b>194</b>
<b>Surplus before income taxes</b>	<b>43,197</b>	<b>50,399</b>
<b>Income taxes:</b>		
Current	14,678	7,895
Deferred	(9,778)	(11,888)
<b>Total income taxes</b>	<b>4,899</b>	<b>(3,993)</b>
<b>Net surplus</b>	<b>38,297</b>	<b>54,393</b>
<b>Net surplus attributable to non-controlling interests</b>	<b>119</b>	<b>221</b>
<b>Net surplus attributable to the parent company</b>	<b>38,177</b>	<b>54,171</b>



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

[Consolidated Statements of Comprehensive Income]

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

## (5) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
<b>Cash flows from operating activities:</b>		
Surplus before income taxes	43,197	50,399
Depreciation of real estate for rent and other assets	5,163	5,749
Depreciation	11,034	11,161
Impairment losses	657	10
Increase (decrease) in reserve for outstanding claims	2,478	1,299
Increase (decrease) in policy reserve	163,780	101,382
Provision of interest portion of reserve for dividends to policyholders	13	36
Provision of interest portion of reserve for dividends to policyholders (subsidiary)	0	0
Provision of reserve for dividends to policyholders (subsidiary)	153	194
Increase (decrease) in allowance for possible loan losses	(123)	(194)
Increase (decrease) in net defined benefit liabilities	88	(1,572)
Increase (decrease) in reserve for price fluctuation	4,741	12,402
Interest, dividends and other income	(193,012)	(221,487)
Losses (gains) on securities, net	(30,114)	27,898
Interest expenses	4,262	4,646
Foreign exchange losses (gains), net	(2,525)	509
Losses (gains) on tangible fixed assets, net	120	68
Decrease (increase) in agency receivable	(0)	(0)
Decrease (increase) in reinsurance receivable	(37)	1
Decrease (increase) in other assets except from investing and financing activities	(4,016)	592
Increase (decrease) in agency payable	(11)	58
Increase (decrease) in reinsurance payable	(6)	(5)
Increase (decrease) in other liabilities except from investing and financing activities	1,961	4,737
Others	22,179	24,336
Subtotal	29,983	22,223
Interest, dividends and other income received	188,008	209,355
Interest expenses paid	(3,590)	(4,620)
Dividends to policyholders paid	(30,532)	(34,960)
Dividends to policyholders paid (subsidiary)	(167)	(193)
Corporate income tax (paid) refunded	(1,628)	(19,138)
Net cash provided by (used in) operating activities [a]	182,072	172,666
<b>Cash flows from investing activities:</b>		
Net decrease (increase) in deposits	(4,594)	4,795
Increase in money held in trust	(2,700)	(1,396)
Decrease in money held in trust	6,273	1,396
Payments for purchase of securities	(1,355,140)	(1,074,990)
Proceeds from sales and redemption of securities	1,078,987	858,598
Payments for additions to loans	(66,140)	(61,198)
Proceeds from collections of loans	83,638	78,521
Proceeds from and payments for settlements of derivatives, net	(14,624)	(2,361)
Increase (decrease) in cash received as collateral under securities lending transactions	(34,183)	(121,299)
Others	(7,887)	(10,102)
Subtotal [b]	(316,371)	(328,037)
[a + b]	(134,298)	(155,370)
Payments for purchase of tangible fixed assets	(16,085)	(13,804)
Proceeds from sales of tangible fixed assets	95	12
Payments for purchase of intangible fixed assets	(7,346)	(10,770)
Proceeds from sales of intangible fixed assets	—	0
Net cash provided by (used in) investing activities	(339,707)	(352,599)
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of subordinated bonds	74,260	—
Redemption of subordinated bonds	(49,870)	—
Proceeds from financing of additional foundation funds	—	8,000
Payments for redemption of foundation funds	—	(12,000)
Payment of interest on foundation funds	(102)	(102)
Dividends paid to non-controlling interests	(15)	(66)
Payments for lease obligations	(1,184)	(1,076)
Net cash provided by (used in) financing activities	23,089	(5,244)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(212)</b>	<b>349</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(134,757)</b>	<b>(184,828)</b>
<b>Cash and cash equivalents at the beginning of the fiscal year</b>	<b>640,899</b>	<b>506,141</b>
<b>Cash and cash equivalents at the end of the fiscal year</b>	<b>506,141</b>	<b>321,312</b>

## (6) Consolidated Statements of Changes in Net Assets

[For the year ended March 31, 2024]

(Millions of yen)

	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	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

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	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		
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

[For the year ended March 31, 2025]

(Millions of yen)

	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

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	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		
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

# 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.

### 2. Principles of Consolidation

#### (1) Scope of Consolidation

Consolidated subsidiaries as of March 31, 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, 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, 2025 was ¥1 million.

(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, 2025, the balance of these policy reserves was ¥67,306 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.
- 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.

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 as of March 31, 2025 were as follows:

	Carrying amount	Fair value	(Millions of yen) Difference
Money held in trust:			
Trading securities.....	¥22,812	¥22,812	¥—
Total money held in trust.....	22,812	22,812	—
Securities:			
Held-to-maturity debt securities.....	1,144,909	1,152,860	7,950
Policy-reserve-matching bonds.....	1,758,765	1,598,478	(160,287)
Available-for-sale securities.....	4,926,314	4,926,314	—
Total securities.....	7,829,990	7,677,653	(152,336)
Loans:			
Policy loans.....	47,042	47,042	(0)
Ordinary loans.....	428,381	424,720	(3,661)
Total loans.....	475,424	471,762	(3,661)
Assets total.....	8,328,226	8,172,228	(155,998)
Subordinated bonds*1.....	267,260	258,447	(8,812)
Liabilities total.....	267,260	258,447	(8,812)
Derivative instruments*2:			
Hedge accounting not applied.....	300	300	—
Total derivative instruments.....	¥300	¥300	¥—

\*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.

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, 2025, the amount of investments in partnerships included on the balance sheet was ¥52,065 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 as of March 31, 2025

(Millions of yen)				
Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Money held in trust:				
Trading securities.....	¥—	¥22,812	¥—	¥22,812
Total money held in trust.....	—	22,812	—	22,812
Securities:				
Available-for-sale securities:				
Government bonds.....	1,087,179	—	—	1,087,179
Local government bonds.....	—	92,661	—	92,661
Corporate bonds.....	—	596,064	—	596,064
Stocks.....	894,129	—	—	894,129
Foreign securities.....	954,500	1,058,803	24,304	2,037,608
Other securities.....	77,154	131,214	—	208,368
Total available-for-sale securities.....	3,012,964	1,878,743	24,304	4,916,012
Total securities.....	3,012,964	1,878,743	24,304	4,916,012
Assets total.....	3,012,964	1,901,555	24,304	4,938,824
Derivative instruments*:				
Currency-related.....	—	300	—	300
Total derivative instruments.....	¥—	¥300	¥—	¥300

\* 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. 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:

(Millions of yen)	
Balance at the beginning of the fiscal year.....	¥9,945
Gains or losses and other comprehensive income during the fiscal year...	356
Values recognized as other comprehensive income* .....	356
Balance at the end of the fiscal year.....	¥10,302

\* 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 as of March 31, 2025

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
<b>Securities:</b>				
Held-to-maturity debt securities:				
Government bonds.....	¥991,433	¥—	¥—	¥991,433
Local government bonds.....	—	83,617	—	83,617
Corporate bonds.....	—	77,809	—	77,809
Total held-to-maturity debt securities...	991,433	161,426	—	1,152,860
Policy-reserve-matching bonds:				
Government bonds.....	1,136,934	—	—	1,136,934
Local government bonds.....	—	110,525	—	110,525
Corporate bonds.....	—	351,018	—	351,018
Total policy-reserve-matching bonds...	1,136,934	461,544	—	1,598,478
Total securities.....	2,128,367	622,971	—	2,751,338
<b>Loans:</b>				
Policy loans.....	—	—	47,042	47,042
Ordinary loans.....	—	—	424,720	424,720
Total loans.....	—	—	471,762	471,762
Assets total.....	2,128,367	622,971	471,762	3,223,101
Subordinated bonds.....	—	258,447	—	258,447
Liabilities total.....	¥—	¥258,447	¥—	¥258,447

## (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 as of March 31, 2025 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 balances at the beginning of the current fiscal year and balances as of March 31, 2025, and valuation gains or losses recognized in the statements of operations for the consolidated fiscal year ended March 31, 2025.

	(Millions of yen)	
	Securities, Available-for-sale securities, Foreign securities	Total
Balance at the beginning of the fiscal year.....	¥26,352	¥26,352
Gains or losses and other comprehensive income during the fiscal year.....	(2,048)	(2,048)
Values recognized as gains or losses*1.....	(10)	(10)
Values recognized as other comprehensive income*2.....	(2,037)	(2,037)
Balance at the end of the fiscal year.....	¥24,304	¥24,304

\*1 These amounts are included in investment income and investment expenses in the consolidated statements of operations for the fiscal year ended March 31, 2025.

\*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 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 ¥210,554 million and ¥382,821 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 was ¥1,859 million as of March 31, 2025.

6. The amount of securities lent under lending agreements was ¥467,473 million as of March 31, 2025.

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 was ¥749 million as March 31, 2025. The details are as follows.

i) The balance of claims against bankrupt and quasi-bankrupt obligors was ¥133 million as of March 31, 2025.

Of which, the estimated uncollectible amount written-off was ¥1 million as of March 31, 2025.

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 was ¥372 million as of March 31, 2025.

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, 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 was ¥244 million as of March 31, 2025.

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 ¥189,696 million as of March 31, 2025.

9. Total assets in separate accounts provided for in Article 118 of the Insurance Business Act were ¥136,390 million as of March 31, 2025. 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 ¥2,900 million and ¥37 million as of March 31, 2025, respectively.

11. Deferred tax assets and deferred tax liabilities as of March 31, 2025 were ¥200,732 million and ¥224,744 million, respectively. Valuation allowance for deferred tax assets was ¥4,846 million.

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

Major component of deferred tax liabilities was ¥209,381 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, ¥1,385 million and ¥469 million, respectively. It also results in a ¥5,811 million decrease in deferred income taxes.

12. Changes in reserve for dividends to policyholders for the year ended March 31, 2025 were as follows:

	(Millions of yen)
Balance at the beginning of the fiscal year.....	¥61,903
Transfer from surplus in the previous fiscal year.....	37,138
Dividend payments to policyholders during the fiscal year.....	(34,960)
Increase in interest.....	36
Balance at the end of the fiscal year.....	<u>¥64,117</u>

13. Changes in reserve for dividends to policyholders (Fukokushinrai Life Insurance Co., Ltd.) for the year ended March 31, 2025 were as follows:

	(Millions of yen)
Balance at the beginning of the fiscal year.....	¥290
Dividend payments to policyholders during the fiscal year.....	(193)
Increase in interest.....	0
Provision of reserve for dividends to policyholders.....	194
Balance at the end of the fiscal year.....	<u>¥291</u>

14. The amount of stocks of unconsolidated subsidiaries was ¥404 million as of March 31, 2025.
15. Assets pledged as collateral as of March 31, 2025 were ¥106,493 million of securities.  
Secured debts as of March 31, 2025, were ¥5,972 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”) was ¥40 million as of March 31, 2025.  
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”) was ¥30 million as of March 31, 2025.
17. In accordance with Article 60 of the Insurance Business Act, the Company raised an additional ¥8,000 million in funds.
18. Accompanying with the redemption of ¥12,000 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 ¥12,236 million as of March 31, 2025.
20. Repayments of subordinated bonds are subordinated to other obligations.

## 21. Matters Related to Employees' Retirement Benefits as of March 31, 2025

### (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

	(Millions of yen)
Retirement benefit obligation at the beginning of the fiscal year.....	¥75,319
Service cost.....	3,132
Interest cost.....	1,190
Actuarial differences occurred during the fiscal year.....	340
Retirement benefit payments.....	(3,882)
Retirement benefit obligation at the end of the fiscal year.....	<u>¥76,101</u>



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

	(Millions of yen)
Pension plan assets at the beginning of the fiscal year.....	¥80,101
Expected return on pension plan assets.....	1,378
Actuarial differences occurred during the fiscal year.....	888
Contributions by the employer.....	796
Retirement benefit payments.....	(2,328)
Others.....	4
Pension plan assets at the end of the fiscal year.....	<u>¥80,840</u>

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

	(Millions of yen)
a. Funded plan retirement benefit obligation.....	¥66,793
b. Pension plan assets.....	<u>(80,840)</u>
c. (a + b).....	(14,046)
d. Unfunded plan retirement benefit obligation.....	<u>9,307</u>
e. Net amount of liabilities and assets presented on the consolidated balance sheet.....	<u>(4,739)</u>
f. Net defined benefit liabilities.....	10,424
g. Net defined benefit assets.....	<u>(15,163)</u>
h. Net amount of liabilities and assets presented on the consolidated balance sheet.....	<u>¥(4,739)</u>

iv) Breakdown of retirement benefit gains and losses

	(Millions of yen)
Service cost.....	¥3,132
Interest cost.....	1,190
Expected return on pension plan assets.....	(1,378)
Amortization of actuarial differences.....	(1,474)
Amortization of prior service cost.....	(687)
Others.....	<u>(4)</u>
Retirement benefit expenses related to defined benefit plan.....	<u>¥777</u>

v) Remeasurements of defined benefit plan

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

	(Millions of yen)
Actuarial differences.....	¥(927)
Prior service cost.....	<u>(687)</u>
Total.....	<u>¥(1,615)</u>

vi) Accumulated remeasurements of defined benefit plan

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

	(Millions of yen)
Unrecognized actuarial differences.....	¥21,812
Unrecognized prior service cost.....	<u>5,860</u>
Total.....	<u>¥27,672</u>

vii) Breakdown of pension plan assets

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

Domestic stocks.....	50.2%
Life insurance general account.....	27.7%
Domestic bonds.....	8.6%
Foreign stocks.....	8.4%
Foreign bonds.....	2.9%
Assets under joint management.....	2.2%
Total.....	<u>100.0%</u>

Within the total of pension assets, 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.

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 as of March 31, 2025, were as follows:

Discount rate.....	1.6%
Expected long-term rate of return on pension plan assets	
Defined Benefit Plan.....	3.0%
Retirement benefit trust.....	0.0%

(3) Defined Contribution Plan

The required contribution amount by the Company and its consolidated subsidiaries to the defined contribution plan was ¥380 million as of March 31, 2025.

### III. Notes to the Consolidated Statements of Operations

1. The total amounts of revenues and expenses in connection with unconsolidated subsidiaries were ¥101 million and ¥1,355 million for the year ended March 31, 2025.
2. 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 was deducted. In calculating the provision of policy reserves, a reversal of policy reserve for ceded reinsurance of ¥2 million 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 for the year ended March 31, 2025 were as follows:

i)	Net unrealized gains (losses) on available-for-sale securities, net of tax	(Millions of yen)
	Amount incurred during the fiscal year.....	¥(217,435)
	Reclassification adjustments.....	24,070
	Before tax adjustments.....	(193,365)
	Tax effects.....	47,350
	Net unrealized gains (losses) on available-for-sale securities, net of tax....	¥(146,015)
ii)	Revaluation reserve for land, net of tax	(Millions of yen)
	Amount incurred during the fiscal year.....	¥—
	Reclassification adjustments.....	—
	Before tax adjustments.....	—
	Tax effects.....	(469)
	Revaluation reserve for land, net of tax.....	¥(469)
iii)	Foreign currency translation adjustments	(Millions of yen)
	Amount incurred during the fiscal year.....	¥372
	Reclassification adjustments.....	—
	Before tax adjustments.....	372
	Tax effects.....	—
	Foreign currency translation adjustments.....	¥372
iv)	Remeasurements of defined benefit plans, net of tax	(Millions of yen)
	Amount incurred during the fiscal year.....	¥547
	Reclassification adjustments.....	(2,162)
	Before tax adjustments.....	(1,615)
	Tax effects.....	194
	Remeasurements of defined benefit plans, net of tax.....	(1,420)
	Total other comprehensive income.....	¥(147,532)

## V. Notes to the Consolidated Statements of Cash Flows

1. Cash and cash equivalents as of March 31, 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 as of March 31, 2025 were as follows:

	(Millions of yen)
Cash and deposits.....	¥238,322
Call loans.....	97,000
Time deposits maturing over 3 months of the date of acquisition.....	(12,020)
Foreign currency deposits maturing over 3 months of the date of acquisition.....	(1,989)
Cash and cash equivalents.....	¥321,312

## (7) Disclosed Claims Based on Insurance Business Act

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Claims against bankrupt and quasi-bankrupt obligors	133	133
Claims with collection risk	508	372
Delinquent loans past three months or more	—	—
Restructured loans	518	244
Subtotal [Percentage of total]	1,160 [0.11%]	749 [0.08%]
Claims against normal obligors	1,025,086	946,221
Total	1,026,246	946,971

- Notes: 1. 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.
2. Claims with collection risk are loans to obligors (other than claims against 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.
3. 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.
4. 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.
5. Claims against normal obligors are all other loans.

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

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Total solvency margin (A)	2,381,830	2,261,410
Foundation funds and surplus	239,002	242,655
Reserve for price fluctuation	193,279	205,681
Contingency reserve	211,786	223,180
Catastrophe loss reserve	—	—
General allowance for possible loan losses	330	267
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90%	827,687	654,586
Net unrealized gains on real estate × 85%	165,661	175,284
Sum of unrecognized actuarial differences and unrecognized prior service cost	29,288	27,672
Excess amount of policy reserve based on full-time Zillmer method	398,926	410,517
Qualifying subordinated debt	267,260	267,260
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	48,609	54,305
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)	400,408	394,158
Insurance risk $R_1$	21,411	20,993
General insurance risk $R_5$	—	—
Catastrophe risk $R_6$	—	—
3rd sector insurance risk $R_8$	10,268	10,323
Small amount and short-term insurance risk $R_9$	—	—
Assumed investment yield risk $R_2$	20,369	19,388
Minimum guarantee risk $R_7$	—	—
Investment risk $R_3$	370,309	365,178
Business risk $R_4$	8,447	8,317
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	1,189.7%	1,147.4%

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.

**Reference: Consolidated Economic Solvency Ratio**

	As of March 31, 2024	As of March 31, 2025
Economic Solvency Ratio	258.2%	247.2%

Note: Economic solvency ratio (ESR) is an indicator of an insurance company's soundness and indicates whether or not a company has sufficient capital to cover its risks based on market-value assessment of its assets and liabilities. The Company calculates its ESR according to European methodology.

(9) Status of Insurance Claims Paying Ability of Insurance Subsidiaries  
(Solvency Margin Ratio)

[Fukokushinrai Life Insurance Company]

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Total solvency margin (A)	100,723	99,074
Foundation funds and surplus	72,780	74,071
Reserve for price fluctuation	12,712	17,114
Contingency reserve	2,886	3,269
General allowance for possible loan losses	0	0
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90%	5,432	(2,938)
Net unrealized gains on real estate × 85%	—	—
Excess amount of policy reserve based on full-time Zillmer method	2,363	2,549
Qualifying subordinated debt	—	—
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	4,547	5,007
Total amount of risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	20,214	21,992
Insurance risk $R_1$	392	382
3rd sector insurance risk $R_8$	152	150
Assumed investment yield risk $R_2$	332	371
Minimum guarantee risk $R_7$	—	—
Investment risk $R_3$	19,467	21,172
Business risk $R_4$	406	441
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	996.5%	901.0%

Note: 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.