

May 15, 2025

Financial Results for the Fiscal Year Ended March 31, 2025

The Dai-ichi Life Insurance Company, Limited (the "Company"; President: Toshiaki Sumino) announces its 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.

Please note that this is an unofficial translation of the original disclosure in Japanese.

1. Business Highlights

(1) Annualized Net Premium

Policies in Force

(billions of yen)

	As of March 31, 2024		As of March 31, 2025	
		% of March 31, 2023 total		% of March 31, 2024 total
Individual insurance	1,408.6	96.2	1,371.1	97.3
Individual annuities	540.8	101.4	573.8	106.1
Total	1,949.4	97.6	1,944.9	99.8
Medical and survival benefits	690.4	98.4	691.3	100.1

New Policies

(billions of yen)

	As of March 31, 2024		As of March 31, 2025	
		% of March 31, 2023 total		% of March 31, 2024 total
Individual insurance	37.1	93.8	50.4	135.9
Individual annuities	20.4	307.1	45.5	222.6
Total	57.5	124.5	95.9	166.7
Medical and survival benefits	26.8	90.9	39.3	146.6

Note: 1. Annualized net premium is calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized net premium for medical and survival benefits includes (a) premium related to medical benefits such as hospitalization and surgery benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.
3. New policies include net increase by conversion.

(2) Sum Insured of Policies in Force and New Policies

Policies in Force

	As of March 31, 2024			
	Number of policies		Amount	
	(thousands)	% of March 31, 2023 total	(billions of yen)	% of March 31, 2023 total
Individual insurance	22,424	100.7	69,509.2	94.9
Individual annuities	2,122	102.6	10,530.5	100.1
Individual insurance and annuities	24,547	100.9	80,039.7	95.6
Group insurance	-	-	48,436.9	98.2
Group annuities	-	-	6,171.9	101.7

	As of March 31, 2025			
	Number of policies		Amount	
	(thousands)	% of March 31, 2024 total	(billions of yen)	% of March 31, 2024 total
Individual insurance	22,634	100.9	66,728.8	96.0
Individual annuities	2,268	106.9	11,361.7	107.9
Individual insurance and annuities	24,902	101.4	78,090.5	97.6
Group insurance	-	-	47,358.0	97.8
Group annuities	-	-	5,899.1	95.6

Note: 1. Policy amount in force of individual annuities is equal to (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced.
2. Policy amount in force of group annuities is equal to the amount of outstanding corresponding policy reserve.
3. In terms of the number of policies, each life insurance product in a policy is counted as one for policies packaged by multiple life insurance products issued since April 2018.

New Policies

	Year ended March 31, 2024					
	Number of policies		Amount			
	(thousands)	% of March 31, 2023 total	(billions of yen)	New Business	Net increase by conversion	% of March 31, 2023 total
Individual insurance	2,046	78.1	1,657.3	1,471.0	186.2	157.8
Individual annuities	149	311.7	550.9	553.9	(2.9)	330.0
Individual insurance and annuities	2,196	82.3	2,208.3	2,025.0	183.3	181.4
Group insurance	-	-	271.5	271.5	-	158.7
Group annuities	-	-	0.0	0.0	-	0.2

	Year ended March 31, 2025					
	Number of policies		Amount			
	(thousands)	% of March 31, 2024 total	(billions of yen)	New Business	Net increase by conversion	% of March 31, 2024 total
Individual insurance	2,268	110.8	1,948.6	1,694.7	253.9	117.6
Individual annuities	260	174.4	1,365.1	1,450.8	(85.7)	247.8
Individual insurance and annuities	2,528	115.1	3,313.7	3,145.5	168.2	150.1
Group insurance	-	-	89.7	89.7	-	33.0
Group annuities	-	-	0.0	0.0	-	522.7

Note: 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.
3. Amount of new policies for group annuities is equal to the initial premium payment.
4. In terms of the number of policies, each life insurance product in a policy is counted as one for policies packaged by multiple life insurance products issued since April 2018.

2. Policies in Force as of March 31, 2025 by Benefit

	Individual insurance (I)		Individual annuities (II)		Group insurance (III)		Total (I+II+III)	
	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)
Death benefits								
general	20,079	54,797.7	—	—	23,821	47,353.9	43,900	102,151.7
accidental	[1,214]	[5,271.2]	[835]	[428.8]	[2,350]	[1,113.6]	[4,400]	[6,813.8]
others	[—]	[—]	[—]	[—]	[37]	[37.7]	[37]	[37.7]
Survival benefits	2,554	11,931.0	2,268	11,361.7	5	4.0	4,828	23,296.9
Hospitalization benefits								
accidental	[6,859]	[39.7]	[27]	[0.1]	[1,067]	[0.6]	[7,954]	[40.5]
illness	[6,853]	[39.7]	[28]	[0.1]	[2]	[0.0]	[6,883]	[39.8]
others	[2,461]	[12.1]	[21]	[0.0]	[77]	[0.4]	[2,560]	[12.6]
Injury benefits	[4,463]	—	[39]	—	[2,356]	—	[6,859]	—
Surgery benefits	[7,844]	—	[28]	—	[2]	—	[7,874]	—

	Group annuities (IV)		Financial insurance (V)		Financial annuities (VI)		Total (IV+V+VI)	
	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)	Number (thousands)	Amount (billions of yen)
Survival benefits	6,859	5,899.1	44	210.5	27	57.2	6,930	6,167.0

	Medical care insurance	
	Number (thousands)	Amount (billions of yen)
Hospitalization benefits	461	1.4

	Group disability	
	Number (thousands)	Amount (billions of yen)
Disability benefits	10	0.6

Note:

- Figures in [] show numbers and amounts of additional benefits and of benefits to be paid from riders.
- Numbers of group insurance, group annuities, financial insurance, financial annuities, medical care insurance and group disability show the numbers of insureds.
- Amounts in 'Survival benefits' show the sum of (a) the funds to be held at the time annuity payments are to commence for an annuity for which payment has not yet commenced, and (b) the amount of policy reserve for an annuity for which payments have commenced for individual annuities, group insurance (annuity riders) and financial annuities. The amounts in 'Survival benefits' show the amount of outstanding corresponding policy reserve for group annuities, financial insurance and others.
- Amounts in 'Hospitalization benefits' show the amount of hospitalization benefit to be paid per day.
- Amount in 'Hospitalization benefits' for medical care insurance shows the daily amount to be paid for hospitalization from illness.
- Amount in group disability insurance shows the amount of disability benefits paid per month.
- For others (such as underwritten reinsurance, etc.) the number of insureds and amount of policies were 244 thousand and 1084.6 billion yen, respectively.

3. Investment of General Account Assets in Fiscal 2024

(1) Investment Status of Assets in Fiscal 2024

① Operational environment

In fiscal 2024, although the Japanese economy saw increased personal consumption due to wage increases by large companies in particular, real wages struggled to grow as a result of inflationary pressures, leading to only moderate recovery. At the same time, although global economies slowed down due to their financial environments remaining tight, they were also strong thanks to a push from the U.S. economy, which had solid employment and income conditions. Meanwhile, as inflation rates calmed down in various countries due to economic slowdown, these countries also saw shifts in monetary policy, including reductions in policy rates.

Amid these economic conditions, the operational environment was as follows.

<Domestic interest rates>

The yield on 10-year JGBs rose to the 1.4% range due to the Bank of Japan (BOJ) gradually raising the policy rate.

Yield on ten-year government bonds:	April 1, 2024	0.725%
	March 31, 2025	1.485%

<Domestic stocks>

The Nikkei 225 Stock Average reached record-high levels due to expectations of strong corporate earnings and increases in the demand for generative AI, but stock prices also fell towards the end of the fiscal year due to concerns surrounding slowdown of the U.S. economy as well as uncertainty regarding the new administration's tariff policy.

Nikkei 225 Stock Average:	April 1, 2024	¥40,369
	March 31, 2025	¥35,617
TOPIX:	April 1, 2024	2,768
	March 31, 2025	2,658

<Currency>

Regarding the JPY/USD rate, the yen became stronger against the dollar despite volatility. This was due to the narrowing interest rate differentials both in Japan and the U.S., following the policy rate cut by the Federal Reserve Board (FRB) and the gradual policy rate hikes by the BOJ.

Regarding the JPY/EUR rate, the yen became stronger against the euro due to the narrowing interest rate differentials both in Japan and Europe. This was driven by the reduction of the policy rate by the European Central Bank (ECB) in response to lower inflation rates resulting from resource and energy prices settling down as well as monetary tightening due a high interest rate policy.

JPY /USD:	April 1, 2024	¥151.41
	March 31 2025	¥149.52
JPY/EUR:	April 1, 2024	¥163.24
	March 31 2025	¥162.08

② Investment Performance Overview

<Assets>

Regarding asset management in fiscal 2024, the Company kept to an investment strategy focused mainly on investing in fixed income assets, such as public and corporate bonds, based on our risk-taking policy and medium- to long-term asset management policy. In particular, to ensure financial soundness against fluctuations in financial markets and improve capital efficiency, we sold stocks and increased the amount of policy-reserve-matching bonds, mainly focusing on ultra-long-term government bonds, to reduce market risks such as interest rate risk and stock-related risk. With regard to risk-weighted assets such as foreign securities, the Company flexibly and rapidly allocated funds while keeping an eye on market trends. Furthermore, we promoted investments in infrastructure, alternative assets and real assets aimed at improving the profitability of our portfolio and diversifying our investments.

Assets	Operational status
Bonds and debentures	<p><u>Increase</u></p> <p>To reduce interest rate risk, we increased the amount of policy-reserve-matching bonds, mainly focusing on ultra-long-term government bonds. With regard to credit risk assets such as corporate bonds and securitized products, we increased our overall balance by strengthening selection based on credit spreads commensurate with risk and the diversification of issues.</p>
Loans receivable	<p><u>Increase</u></p> <p>We increased our balance by executing new loans. New loans were implemented to earn excess returns commensurate with credit risk and fair spread compared with corporate bond market.</p>
Domestic stocks	<p><u>Decrease</u></p> <p>We decreased our balance by selling stocks to promote the reduction of market risk associated with stockholdings. At the same time, to improve the profitability of our portfolio, we invested in sectors and companies for which medium- to long-term growth is expected based on our due diligence.</p>
Foreign bonds and debentures	<p><u>Decrease</u></p> <p>We decreased our balance by selling assets based on market trends related to interest rates and foreign exchange rates both in Japan and overseas. We also improved our investment efficiency by diversifying bond types and currencies to control risk.</p>
Foreign Stocks	<p><u>Decrease</u></p> <p>We decreased our balance as a result of flexible allocation while keeping an eye on market trends. In addition, we strengthened diversification by utilizing both in-house management and external asset management companies, diversifying managers, investment styles, and regions.</p>
Real estate	<p><u>Increase</u></p> <p>We increased our balance through investment in new properties such as high-quality offices etc. We aimed to improve the profitability and soundness of our portfolio by diversifying the usage of properties, investing in new properties including residential, commercial, and logistics properties, and by replacing properties based on occupancy status, regional characteristics, and construction age.</p>

(NOTE)Changes in each asset are based on the balance sheet value.

<Net investment income>

Investment income increased by JPY 197.2 billion from the previous fiscal year to JPY 1,348.2 billion, due to the increase in gains on sales of securities, interest dividends, and other income. Investment expenses increased by JPY 60.1 billion from the previous fiscal year to JPY 551.9 billion, as the deterioration in foreign exchange losses and losses on sales of securities, despite an improvement in expenses for derivative financial instruments.

As a result, net investment income in the general account increased by JPY 137 billion from the previous year to JPY 796.3 billion.

③ Investment Outlook in Fiscal 2025

In fiscal 2025, although the Japanese economy is expected to benefit from ongoing high-level wage increases, the increasing cost of living will limit real wages, and considerable increases in tariffs by the U.S. will exert downward pressure on exports from Japan, so the country's recovery is expected to be only moderate. At the same time, overseas economies are expected to slow down due to reciprocal tariffs as well as cost increases and supply-chain chaos stemming from the imposition of tariffs on automobiles, semiconductors, and other products. In addition, it is necessary to pay attention to the increasing volatility of financial markets due to political events, geopolitical risks, and other factors in various countries.

<Domestic interest rates>

Domestic interest rates are forecasted to remain on an upward trend given expectations that the BOJ will increase the policy rate. However, it is also necessary to pay attention to the possibility of increased volatility due to the sudden slowdown of the U.S. economy stemming from the tariff policy, geopolitical risks, and other factors.

<Domestic stocks>

Domestic stocks are expected to fall due to uncertainty regarding how the U.S. tariff policy will affect corporate earnings, but we also expect a gradual recovery starting in the second half of the year as the economy is boosted by situational clarity and a decrease in U.S. interest rates. However, it is also necessary to pay attention to the possibility of increased volatility due to the sudden slowdown of the U.S. economy stemming from the tariff policy, political events and geopolitical risks in various countries, and other factors.

< Currency>

The JPY/USD rate is expected to depend on trends in the monetary policy of Japan and the U.S. as well as the U.S. tariff policy. We also expect policy rate cuts in the U.S. and policy rate hikes by the BOJ to strengthen the yen and weaken the dollar, and we expect the JPY/USD rate to limit price increases. It is also necessary to pay attention to the possibility of increased volatility due to geopolitical risks and other factors.

Similarly to the JPY/USD rate, the JPY/EUR rate is also expected to depend on trends in the monetary policy of Japan and Europe, but it is also necessary to pay attention to the possibility of increased volatility due to changes in Europe's political situation and other factors.

④ Investment Policy for Fiscal 2025

The Company will continue to invest in portfolios centered on fixed income assets such as public and corporate bonds based on our risk-taking policy and medium- to long-term investment policy. In addition, the Company will continue risk reduction efforts to ensure financial soundness against financial market fluctuations and improve capital efficiency. The Company will also actively invest in selective credit investments, investments in the infrastructure sector, alternative assets and real assets to ensure profitability and strengthen the diversification of portfolio.

Assets	Investment policy
Bonds and debentures	<p><u>Remain flat</u></p> <p>Stable management as a core asset for ALM will be maintained. Our policy is to reduce interest rate risk via cash flow matching through the redemption, reinvestment, and replacement of policy-reserve-matching bonds. We will also actively engage in infrastructure-related and other investments from the perspective of improving investment efficiency within fixed income assets.</p>
Loans receivable	<p><u>Increase</u></p> <p>Although we will continue to proactively respond to capital needs in growth areas, the amount is expected to increase due to redemptions and other factors. In addition, our policy is to engage in new lending by setting appropriate lending rates, while taking into account the analysis of borrowers' credit risks and credit spread trends in the corporate bond market.</p>
Domestic stocks	<p><u>Decrease</u></p> <p>Our policy is to decrease the balance through selling, aimed at reducing market risk associated with stockholdings. However, we also intend to flexibly control the amount depending on the level of stock prices, while at the same time implementing reallocation to industries and brands and venture investments based on growth potential and other factors.</p>
Foreign bonds and debentures	<p><u>Open foreign bonds: decrease,</u> <u>currency-hedged foreign bonds: remain flat</u></p> <p>The Company's policy is to reduce the balance of open foreign bonds based on our risk tolerance and exchange rate trends. We will also maintain the amount of currency-hedged foreign bonds in consideration of the difference between domestic and foreign interest rate.</p>
Foreign Stocks	<p><u>Increase</u></p> <p>While flexibly controlling the overall amount of foreign stocks based on risk tolerance and stock price trends, our policy is to accumulate alternative assets with the aim of securing profitability and diversifying the risk of our portfolio. We will also work to improve and stabilize the profitability of our portfolio while diversifying investment styles and geographically diversifying.</p>
Real estate	<p><u>Increase</u></p> <p>Our policy is to increase the amount due to new acquisitions of properties and others. In order to improve the profitability and soundness of our portfolio, we will strive to diversify the usage of properties by investing in new properties such as residence, data centers, and logistics, as well as to replace properties based on occupancy status, regional characteristics, construction age, and other factors.</p>

(2) Investment Income (General account)

(millions of yen)

	Year ended March 31, 2024		Year ended March 31, 2025	
	Amount	%	Amount	%
Interest and dividends	720,085	62.6	770,273	57.1
Interest from bank deposits	449	0.0	679	0.1
Interest and dividends from securities	579,461	50.3	619,641	46.0
Interest from loans	55,697	4.8	68,072	5.0
Rental income	68,699	6.0	68,214	5.1
Other interest and dividends	15,777	1.4	13,666	1.0
Gains on trading account securities	-	-	-	-
Gains on money held in trust	2,155	0.2	-	-
Gains on investments in trading securities	-	-	-	-
Gains on sale of securities	418,537	36.4	551,883	40.9
Gains on sale of domestic bonds	39,356	3.4	11,202	0.8
Gains on sale of domestic stocks	220,849	19.2	419,552	31.1
Gains on sale of foreign securities	158,331	13.8	121,128	9.0
Others	-	-	-	-
Gains on redemption of securities	8,227	0.7	23,216	1.7
Derivative transaction gains	-	-	-	-
Foreign exchange gains	-	-	-	-
Reversal of reserve for possible loan losses	-	-	1,075	0.1
Reversal of reserve for possible investment losses	46	0.0	-	-
Other investment income	2,013	0.2	1,842	0.1
Total	1,151,066	100.0	1,348,291	100.0

(3) Investment Expense (General account)

(millions of yen)

	Year ended March 31, 2024		Year ended March 31, 2025	
	Amount	%	Amount	%
Interest expenses	8,789	1.8	13,332	2.4
Losses on trading account securities	-	-	-	-
Losses on money held in trust	-	-	325	0.1
Losses on investments in trading securities	-	-	-	-
Losses on sale of securities	271,966	55.3	375,278	68.0
Losses on sale of domestic bonds	50,232	10.2	246,001	44.6
Losses on sale of domestic stocks	51,664	10.5	14,345	2.6
Losses on sale of foreign securities	170,069	34.6	114,930	20.8
Others	-	-	-	-
Losses on valuation of securities	3,204	0.7	4,770	0.9
Losses on valuation of domestic bonds	-	-	-	-
Losses on valuation of domestic stocks	2,417	0.5	2,074	0.4
Losses on valuation of foreign securities	720	0.1	1,022	0.2
Others	66	0.0	1,673	0.3
Losses on redemption of securities	3,625	0.7	10,458	1.9
Derivative transaction losses	99,156	20.2	14,687	2.7
Foreign exchange losses	25,625	5.2	54,183	9.8
Provision for reserve for possible loan losses	1,816	0.4	-	-
Provision for reserve for possible investment losses	-	-	292	0.1
Write-down of loans	729	0.1	38	0.0
Depreciation of real estate for rent and others	14,029	2.9	14,247	2.6
Other investment expenses	62,845	12.8	64,342	11.7
Total	491,786	100.0	551,958	100.0

(4) Asset Composition

(millions of yen)

	As of March 31, 2024		As of March 31, 2025	
	Carrying amount	%	Carrying amount	%
Cash, deposits, and call loans	864,225	2.5	750,740	2.2
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	206,210	0.6	191,855	0.6
Trading account securities	-	-	-	-
Money held in trust	8,872	0.0	8,530	0.0
Securities	28,631,430	82.6	27,635,037	81.6
Domestic bonds	17,932,880	51.7	18,348,894	54.2
Domestic stocks	4,036,229	11.6	3,323,680	9.8
Foreign securities	5,400,341	15.6	4,751,704	14.0
Foreign bonds	3,742,801	10.8	3,184,892	9.4
Foreign stocks and other securities	1,657,540	4.8	1,566,811	4.6
Other securities	1,261,978	3.6	1,210,758	3.6
Loans	3,109,084	9.0	3,423,016	10.1
Policy loans	234,886	0.7	218,084	0.6
Ordinary loans	2,874,198	8.3	3,204,932	9.5
Real estate	1,181,841	3.4	1,205,850	3.6
Real estate for rent	901,047	2.6	930,027	2.7
Deferred tax assets	-	-	-	-
Others	672,797	1.9	640,420	1.9
Reserve for possible loan losses	(3,927)	(0.0)	(2,844)	(0.0)
Total	34,670,534	100.0	33,852,607	100.0
Foreign currency-denominated assets	4,747,199	13.7	4,342,373	12.8

Note: "Real estate" represents total amount of land, buildings and construction in progress.

(5) Other Information on Investments

A. Rates of return

	(%)	
	Year ended March 31, 2024	Year ended March 31, 2025
Cash, deposits, and call loans	0.03	0.12
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	1.73	1.43
Trading account securities	-	-
Money held in trust	34.84	(4.18)
Securities	2.31	2.93
Domestic bonds	1.35	0.26
Domestic stocks	22.15	42.31
Foreign securities	1.73	3.40
Foreign bonds	0.20	(0.01)
Foreign stocks and other securities	6.26	11.49
Loans	1.40	1.58
Ordinary loans	1.14	1.38
Real estate	2.56	2.89
Total	2.08	2.53
Foreign investments	1.99	3.10

Note: 1. Rates of return above are calculated by dividing the net investment income included in ordinary profit by the average daily balance on a book value basis.

2. "Foreign investments" include yen-denominated assets.

B. Average daily balance

	(billions of yen)	
	Year ended March 31, 2024	Year ended March 31, 2025
Cash, deposits, and call loans	886.6	817.0
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	232.5	205.3
Trading account securities	-	-
Money held in trust	6.1	7.7
Securities	25,226.0	24,895.9
Domestic bonds	17,556.1	18,092.4
Domestic stocks	1,242.5	1,152.8
Foreign securities	5,333.0	4,438.7
Foreign bonds	3,984.1	3,122.6
Foreign stocks and other securities	1,348.8	1,316.0
Loans	2,823.8	3,177.8
Ordinary loans	2,580.2	2,950.7
Real estate	922.2	895.4
Total	31,712.6	31,527.9
Foreign investments	6,085.2	5,360.3

Note: "Foreign investments" include yen-denominated assets.

C. Valuation gains and losses on trading securities

(millions of yen)

	As of March 31, 2024		As of March 31, 2025	
	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	8,872	1,529	8,530	(1,079)
Trading account securities	-	-	-	-
Money held in trust	8,872	1,529	8,530	(1,079)

D. Fair value information on securities (except for trading securities)

(millions of yen)

		Book value	Fair value	Gains (losses)		
					Gains	Losses
As of March 31, 2024						
	Held-to-maturity bonds	-	-	-	-	-
	Domestic bonds	-	-	-	-	-
	Foreign bonds	-	-	-	-	-
	Policy-reserve-matching bonds	15,630,993	15,059,779	(571,214)	812,356	1,383,570
	Domestic bonds	15,579,293	15,008,226	(571,067)	812,307	1,383,374
	Foreign bonds	51,700	51,553	(146)	49	195
	Stocks of subsidiaries and affiliates	-	-	-	-	-
	Available-for-sale securities	8,984,589	12,216,855	3,232,266	3,458,988	226,721
	Domestic bonds	2,260,251	2,353,587	93,335	118,556	25,220
	Domestic stocks	1,143,721	3,987,793	2,844,072	2,848,129	4,056
	Foreign securities	4,397,461	4,653,585	256,123	427,600	171,476
	Foreign bonds	3,638,225	3,691,101	52,875	200,383	147,508
	Foreign stocks and other securities	759,235	962,483	203,248	227,216	23,968
	Other securities	884,650	924,685	40,034	62,409	22,374
	Monetary claims bought	207,504	206,210	(1,294)	2,292	3,586
	Certificates of deposit	91,000	90,994	(5)	-	5
	Total	24,615,582	27,276,635	2,661,052	4,271,344	1,610,291
	Domestic bonds	17,839,544	17,361,813	(477,731)	930,863	1,408,594
	Domestic stocks	1,143,721	3,987,793	2,844,072	2,848,129	4,056
	Foreign securities	4,449,161	4,705,138	255,977	427,649	171,672
	Foreign bonds	3,689,925	3,742,654	52,728	200,432	147,703
	Foreign stocks and other securities	759,235	962,483	203,248	227,216	23,968
	Other securities	884,650	924,685	40,034	62,409	22,374
	Monetary claims bought	207,504	206,210	(1,294)	2,292	3,586
	Certificates of deposit	91,000	90,994	(5)	-	5
As of March 31, 2025						
	Held-to-maturity bonds	-	-	-	-	-
	Domestic bonds	-	-	-	-	-
	Foreign bonds	-	-	-	-	-
	Policy-reserve-matching bonds	16,145,478	14,104,424	(2,041,053)	237,357	2,278,411
	Domestic bonds	16,102,378	14,061,434	(2,040,944)	237,357	2,278,301
	Foreign bonds	43,100	42,990	(109)	-	109
	Stocks of subsidiaries and affiliates	-	-	-	-	-
	Available-for-sale securities	8,049,461	10,534,867	2,485,406	2,678,950	193,543
	Domestic bonds	2,250,755	2,246,516	(4,239)	59,020	63,259
	Domestic stocks	1,036,061	3,276,249	2,240,187	2,255,711	15,523
	Foreign securities	3,730,852	3,929,031	198,179	301,647	103,468
	Foreign bonds	3,074,349	3,141,792	67,443	150,524	83,081
	Foreign stocks and other securities	656,502	787,238	130,735	151,122	20,387
	Other securities	743,336	800,225	56,889	61,723	4,834
	Monetary claims bought	197,454	191,855	(5,599)	848	6,448
	Certificates of deposit	91,000	90,990	(9)	-	9
	Total	24,194,939	24,639,292	444,352	2,916,308	2,471,955
	Domestic bonds	18,353,134	16,307,950	(2,045,183)	296,377	2,341,561
	Domestic stocks	1,036,061	3,276,249	2,240,187	2,255,711	15,523
	Foreign securities	3,773,952	3,972,021	198,069	301,647	103,578
	Foreign bonds	3,117,449	3,184,782	67,333	150,524	83,191
	Foreign stocks and other securities	656,502	787,238	130,735	151,122	20,387
	Other securities	743,336	800,225	56,889	61,723	4,834
	Monetary claims bought	197,454	191,855	(5,599)	848	6,448
	Certificates of deposit	91,000	90,990	(9)	-	9

Note:

1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.
2. Stocks and partnerships that do not have market value are excluded from this table.

* Carrying amounts of securities without quoted market prices are as follows:

(millions of yen)		
	As of March 31, 2024	As of March 31, 2025
Stocks of subsidiaries and affiliated companies	261,374	333,279
Available-for-sale securities	693,744	799,733
Domestic stocks	37,689	36,471
Foreign stocks	10,441	10,441
Others	645,613	752,820
Total	955,118	1,133,013

Note: 1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Act.
2. The amounts of foreign exchange valuation gains (losses) on foreign securities without quoted market prices and which are listed in the table above are as follows:
gain of 119,301 million yen as of March 31, 2024 and gain of 100,585 million yen as of March 31, 2025.

E. Fair Value Information on Money Held in Trust

(millions of yen)					
	Carrying amount on the balance sheet	Fair value	Gains (losses)	Gains	Losses
As of March 31, 2024	8,872	8,872	2,095	2,738	643
As of March 31, 2025	8,530	8,530	8	1,796	1,788

Note: 1. Fair value in the table above is based on the valuation conducted by the fiduciary on a reasonable basis.
2. "Gains (losses)" include gains (losses) from derivative transactions within the trusts.

- The ending balance was zero for held-to-maturity bonds, policy-reserve-matching bonds and other money held in trust as of March 31, 2024 and March 31, 2025.

4. Unaudited Balance Sheet

(millions of yen)

	As of March 31, 2024	As of March 31, 2025		As of March 31, 2024	As of March 31, 2025
(ASSETS)			(LIABILITIES)		
Cash and deposits	164,794	243,072	Policy reserves and others	29,588,995	28,891,029
Cash	0	0	Reserves for outstanding claims	191,478	181,307
Bank deposits	164,794	243,072	Policy reserves	28,974,874	28,277,671
Call loans	719,300	530,300	Reserve for policyholder dividends	422,642	432,050
Monetary claims bought	206,210	191,855	Reinsurance payable	445	478
Money held in trust	8,872	8,530	Bonds payable	368,715	576,780
Securities	29,735,078	28,729,468	Other liabilities	2,145,973	2,568,012
Government bonds	16,051,894	16,526,517	Payables under repurchase agreements	1,082,401	1,618,921
Local government bonds	121,805	121,949	Long-term debt and other borrowings	390,600	390,600
Corporate bonds	1,916,309	1,851,961	Corporate income tax payable	41,147	23,963
Stocks	4,220,161	3,497,888	Accounts payable	203,575	83,965
Foreign securities	5,900,895	5,288,264	Accrued expenses	47,901	91,778
Other securities	1,524,011	1,442,887	Unearned revenue	1,041	1,008
Loans	3,109,084	3,423,016	Deposits received	59,935	61,348
Policy loans	234,886	218,084	Guarantee deposits received	48,289	48,360
Ordinary loans	2,874,198	3,204,932	Derivatives	188,303	182,632
Tangible fixed assets	1,189,110	1,219,553	Collateral for financial instruments	72,630	46,892
Land	857,124	876,430	Lease liabilities	2,389	763
Buildings	321,600	320,937	Asset retirement obligations	2,085	1,982
Leased assets	2,404	8,105	Suspense receipt	2,319	1,794
Construction in progress	3,116	8,482	Other liabilities	3,352	14,003
Other tangible fixed assets	4,864	5,597	Reserve for employees' retirement benefits	369,921	325,173
Intangible fixed assets	120,571	119,718	Reserve for retirement benefits of directors, executive officers and corporate auditors	674	601
Software	95,317	94,574	Reserve for possible reimbursement of prescribed claims	1,000	1,300
Other intangible fixed assets	25,253	25,144	Reserve for price fluctuations	276,453	288,453
Reinsurance receivable	63,214	47,288	Deferred tax liabilities	246,633	57,112
Other assets	654,009	616,055	Deferred tax liabilities for land revaluation	69,064	69,806
Accounts receivable	113,540	58,744	Acceptances and guarantees	16,417	11,192
Prepaid expenses	18,904	19,650	Total liabilities	33,084,294	32,789,940
Accrued revenue	122,177	122,411	(NET ASSETS)		
Deposits	78,716	28,036	Capital stock	60,000	60,000
Margin money for futures trading	200,984	171,483	Capital surplus	248,560	198,560
Derivatives	22,846	52,610	Legal capital surplus	60,000	60,000
Collateral for financial products	1,649	8,475	Other capital surplus	188,560	138,560
Suspense payment	3,268	3,274	Retained earnings	244,085	322,655
Other assets	91,921	151,368	Other retained earnings	244,085	322,655
Customers' liabilities for acceptances and guarantees	16,417	11,192	Reserve for tax basis adjustments of real estate	10,858	12,153
Reserve for possible loan losses	(3,927)	(2,844)	Reserve for specified business investment	299	174
Reserve for possible investment losses	(448)	(427)	Retained earnings brought forward	232,926	310,327
			Total shareholders' equity	552,645	581,215
			Net unrealized gains (losses) on securities, net of tax	2,420,163	1,842,611
			Deferred hedge gains (losses)	(103,039)	(125,972)
			Reserve for land revaluation	28,223	48,984
			Total of valuation and translation adjustments	2,345,347	1,765,623
			Total net assets	2,897,993	2,346,839
Total assets	35,982,287	35,136,780	Total liabilities and net assets	35,982,287	35,136,780

5. Unaudited Statement of Earnings

(millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
ORDINARY REVENUES	4,087,021	4,414,950
Premium and other income	2,289,825	2,138,358
Premium income	2,247,732	2,092,881
Reinsurance income	42,093	45,477
Investment income	1,303,829	1,351,945
Interest and dividends	720,085	770,273
Interest from bank deposits	449	679
Interest and dividends from securities	579,461	619,641
Interest from loans	55,697	68,072
Rental income	68,699	68,214
Other interest and dividends	15,777	13,666
Gains on money held in trust	2,155	-
Gains on sale of securities	418,537	551,883
Gains on redemption of securities	8,227	23,216
Reversal of reserve for possible investment losses	46	-
Other investment income	2,013	1,842
Gains on investments in separate accounts	152,763	3,653
Other ordinary revenues	493,366	924,646
Fund receipt for annuity rider of group insurance	317	356
Fund receipt for claim deposit payment	131,410	135,596
Reversal of reserves for outstanding claims	7,787	10,170
Transfer from policy reserves	279,481	697,203
Reversal of reserve for employees' retirement benefits	22,899	44,802
Other ordinary revenues	51,469	36,517
ORDINARY EXPENSES	3,695,695	3,876,325
Benefits and claims	2,560,442	2,663,072
Claims	659,099	653,289
Annuities	602,316	642,819
Benefits	467,237	493,058
Surrender values	654,544	655,978
Other refunds	137,433	90,869
Ceding reinsurance commissions	39,810	127,056
Provision for policy reserves and others	8,440	8,437
Provision for interest on policyholder dividends	8,440	8,437
Investment expenses	491,786	551,958
Interest expenses	8,789	13,332
Losses on money held in trust	-	325
Losses on sale of securities	271,966	375,278
Losses on valuation of securities	3,204	4,770
Losses on redemption of securities	3,625	10,458
Derivative transaction losses	99,156	14,687
Foreign exchange losses	25,625	54,183
Provision for reserve for possible loan losses	1,816	-
Provision for reserve for possible investment losses	-	292
Write-down of loans	729	38
Depreciation of real estate for rent and others	14,029	14,247
Other investment expenses	62,845	64,342
Operating expenses	385,125	409,421
Other ordinary expenses	249,900	243,436
Claim deposit payments	155,204	153,183
National and local taxes	30,392	31,476
Depreciation	42,636	42,250
Other ordinary expenses	21,666	16,525
ORDINARY PROFIT	391,326	538,624
EXTRAORDINARY GAINS	6,397	18,580
Gains on disposal of fixed assets	6,397	18,580
EXTRAORDINARY LOSSES	24,798	68,932
Losses on disposal of fixed assets	6,389	25,751
Impairment losses on fixed assets	5,307	2,243
Provision for reserve for price fluctuations	13,000	12,000
Second career special support expenses	-	28,883
Other extraordinary losses	101	54
Provision for reserve for policyholder dividends	87,500	100,000
Income before income taxes	285,424	388,272
Corporate income taxes-current	67,075	72,433
Corporate income taxes-deferred	14,466	10,376
Total of corporate income taxes	81,542	82,810
Net income	203,882	305,462

6. Unaudited Statement of Changes in Net Assets

Year ended March 31, 2024

(millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		
					Reserve for tax basis adjustments of real estate	Reserve for specified business investment	Retained earnings brought forward
Balance at the beginning of the year	60,000	60,000	260,000	320,000	8,805	299	194,598
Changes for the year							
Dividends			(71,440)	(71,440)			(165,646)
Net income							203,882
Transfer to reserve for tax basis adjustments of real estate					2,211		(2,211)
Transfer from reserve for tax basis adjustments of real estate					(158)		158
Transfer from reserve for land revaluation							2,145
Net changes of items other than shareholders' equity							
Total changes for the year	-	-	(71,440)	(71,440)	2,052	-	38,328
Balance at the end of the year	60,000	60,000	188,560	248,560	10,858	299	232,926

(millions of yen)

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Total of valuation and translation adjustments	
	Total retained earnings						
Balance at the beginning of the year	203,704	583,705	1,523,596	(37,654)	30,369	1,516,311	2,100,016
Changes for the year							
Dividends	(165,646)	(237,087)					(237,087)
Net income	203,882	203,882					203,882
Transfer to reserve for tax basis adjustments of real estate	-	-					-
Transfer from reserve for tax basis adjustments of real estate	-	-					-
Transfer from reserve for land revaluation	2,145	2,145					2,145
Net changes of items other than shareholders' equity			896,567	(65,385)	(2,145)	829,036	829,036
Total changes for the year	40,380	(31,059)	896,567	(65,385)	(2,145)	829,036	797,976
Balance at the end of the year	244,085	552,645	2,420,163	(103,039)	28,223	2,345,347	2,897,993

Year ended March 31, 2025

(millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		
					Reserve for tax basis adjustments of real estate	Reserve for specified business investment	Retained earnings brought forward
Balance at the beginning of the year	60,000	60,000	188,560	248,560	10,858	299	232,926
Changes for the year							
Dividends			(49,999)	(49,999)			(203,881)
Net income							305,462
Transfer to reserve for tax basis adjustments of real estate					2,848		(2,848)
Transfer from reserve for tax basis adjustments of real estate					(1,553)		1,553
Transfer from reserve for specified business investment						(124)	124
Transfer from reserve for land revaluation							(23,010)
Net changes of items other than shareholders' equity							
Total changes for the year	-	-	(49,999)	(49,999)	1,294	(124)	77,400
Balance at the end of the year	60,000	60,000	138,560	198,560	12,153	174	310,327

(millions of yen)

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)	Reserve for land revaluation	Total of valuation and translation adjustments	
	Total retained earnings						
Balance at the beginning of the year	244,085	552,645	2,420,163	(103,039)	28,223	2,345,347	2,897,993
Changes for the year							
Dividends	(203,881)	(253,881)					(253,881)
Net income	305,462	305,462					305,462
Transfer to reserve for tax basis adjustments of real estate	-	-					-
Transfer from reserve for tax basis adjustments of real estate	-	-					-
Transfer from reserve for specified business investment	-	-					-
Transfer from reserve for land revaluation	(23,010)	(23,010)					(23,010)
Net changes of items other than shareholders' equity			(577,551)	(22,932)	20,760	(579,723)	(579,723)
Total changes for the year	78,570	28,570	(577,551)	(22,932)	20,760	(579,723)	(551,153)
Balance at the end of the year	322,655	581,215	1,842,611	(125,972)	48,984	1,765,623	2,346,839

I. NOTES TO THE UNAUDITED BALANCE SHEET AS OF MARCH 31, 2025

1. Valuation Methods of Securities

Securities held by the Company including cash and deposits and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts is calculated by the straight-line method.

(1) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

(2) Held-to-maturity Bonds

Held-to-maturity bonds are stated at amortized cost determined by the moving average method.

(3) Policy-reserve-matching Bonds (in accordance with the Industry Audit Committee Report No. 21 “Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry” issued by the Japanese Institute of Certified Public Accountants (JICPA))

Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

(4) Stocks of Subsidiaries and Affiliated Companies

Stocks of subsidiaries and affiliated companies are stated at cost determined by the moving average method.

(5) Available-for-sale Securities

a) Available-for-sale Securities other than stocks and other securities without market prices

Available-for-sale Securities other than stocks and other securities without market prices are valued at fair value at the end of the fiscal year, with cost determined by the moving average method.

b) Stocks and other securities without market prices

Stocks and other securities without market prices are valued at cost determined by the moving average method.

Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the statement of earnings.

2. Risk Management Policy of Policy-reserve-matching Bonds

The Company categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulates its policies on investments and resource allocation based on the balance of the sub-groups. Moreover, the Company periodically checks that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range.

The sub-groups of insurance products are:

- a) individual life insurance and annuities (the exception of certain types),
- b) non-participating single premium whole life insurance (without duty of medical disclosure),
- c) financial insurance and annuities,
- d) group annuities (defined contribution corporate pension insurance; defined contribution corporate pension insurance II and certain corporate pension insurances of which the type can be changed to defined contribution corporate pension insurance II), and
- e) group annuities 2 (defined benefit corporate pension insurance, employees' pension fund insurance II, new corporate pension insurance II)

3. Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

4. Revaluation of Land

Based on the “Act on Revaluation of Land” (Act No.34, March 31, 1998), land for business use was revalued. The difference between the fair value and book value resulting from the revaluation, net of related deferred taxes,

is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

(1) Date of revaluation: March 31, 2001

(2) Method stipulated in Article 3, Paragraph 3 of the Act on Revaluation of Land;

The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Articles 2-1 and 2-4 of the Order for Enforcement of the Act on Revaluation of Land (Publicly issue Cabinet Order No.119, March 31, 1998).

5. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets

Depreciation of tangible fixed assets excluding leased assets of the Company is calculated by the declining balance method (the depreciation of buildings (other than facilities attached to buildings and structures that were acquired on or before March 31, 2016) is calculated by the straight-line method).

Estimated useful lives of major assets are as follows:

Buildings	two to sixty years
Other tangible fixed assets	two to twenty years

Other tangible fixed assets that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

With respect to tangible fixed assets that were acquired on or before March 31, 2007 and that were fully depreciated to their original depreciable limit, effective the fiscal year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years from the following fiscal year of the year in which they reached the original depreciable limit.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

The Company uses the straight-line method for amortization of intangible fixed assets excluding leased assets. Software for internal use is amortized by the straight-line method based on the estimated useful lives of five years.

(3) Depreciation of Leased Assets

Depreciation for leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero salvage value and using the lease period as the useful life.

(4) Accumulated Depreciation of Tangible Fixed Assets

The amount of accumulated depreciation of tangible fixed assets as of March 31, 2025 was ¥578,556million.

6. Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

The Company translates foreign currency-denominated assets and liabilities (excluding stocks of its subsidiaries and affiliated companies) into yen at the prevailing exchange rates at the end of the year. Stocks of subsidiaries and affiliated companies are translated into yen at the exchange rates on the dates of acquisition.

7. Reserve for Possible Loan Losses

The reserve for possible loan losses is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

For loans to and claims on obligors that have already experienced bankruptcy, reorganization, or other formal legal failure (hereafter, “bankrupt obligors”) and loans to and claims on obligors that have suffered substantial business failure (hereafter, “substantially bankrupt obligors”), the reserve is calculated by deducting the estimated recoverable amount of the collateral or guarantees from the book value of the loans and claims after the direct write-off described below.

For loans to and claims on obligors that have not yet suffered business failure but are considered highly likely to fail, the reserve is calculated taking into account (1) the recoverable amount covered by the collateral or guarantees and (2) an overall assessment of the obligor's ability to repay.

For other loans and claims, the reserve is calculated by multiplying the actual rate or other appropriate rate of losses from bad debts during a certain period in the past by the amount of the loans and claims.

For all loans and claims, the relevant department in the Company performs an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.

For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amount written off during the fiscal year ended March 31, 2025 was ¥1 million.

8. Reserve for Employees' Retirement Benefits

For the reserve for employees' retirement benefits, the amount is provided based on the projected benefit obligations and pension assets as of March 31, 2025.

Accounting treatment of retirement benefit obligations and retirement benefit expenses are as follows:

(1) **Allocation of Estimated Retirement Benefits**

In calculating the projected benefit obligations, the benefit formula basis is adopted to allocate estimated retirement benefit for the fiscal year ended March 31, 2025.

(2) **Amortization of Actuarial Differences and Past Service Cost**

Past Service Cost is amortized under the straight-line method over a certain period (seven years) within the employees' average remaining service period as of the time of its occurrence.

Actuarial differences are amortized under the straight-line method over a certain period (seven years) within the employees' average remaining service period, starting from the following year.

9. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses is established for stocks without market prices and ownership stakes in partnerships, etc. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

10. Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors, an estimated amount for future payment in accordance with the internal policies is provided.

11. Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, an estimated amount for reserve for possible reimbursement of prescribed claims based on past reimbursement experience is provided.

12. Reserve for Price Fluctuations

A reserve for price fluctuations is calculated based on the book value of stocks and other securities at the end of the year in accordance with the provisions of Article 115 of the Insurance Business Act.

13. Hedge Accounting

(1) **Methods for Hedge Accounting**

Hedging transactions are accounted for in accordance with the "Accounting Standards for Financial Instruments" (Accounting Standards Board of Japan (ASBJ) Statement No. 10 issued on March 10, 2008). Primarily, i) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, certain government and corporate bonds, certain loans payable and bonds payable; ii) the currency allotment method and the deferral hedge method using foreign currency swaps and foreign currency forward contracts are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, certain foreign currency-denominated loans, foreign currency-denominated loans payable and bonds payable, certain foreign currency-denominated forecasted transaction and term deposits; iii) the fair value hedge method using currency options and foreign currency forward

contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; iv) the deferral hedge method for bond over-the-counter options is used for hedges against interest-rate fluctuations in certain foreign currency-denominated bonds; v) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and certain foreign currency-denominated forecasted transaction, and vi) the deferral hedge method using interest rate swaps is used for hedges against interest-rate fluctuations in certain insurance liabilities, under the “Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators” (Industry Classified Committee Practical Guideline No. 26 issued by the JICPA).

(2) Hedging Instruments and Hedged Items

Hedging instruments	Hedged items
Interest rate swaps	Loans, government and corporate bonds, loans payable, bonds payable, insurance liabilities
Foreign currency swaps	Foreign currency-denominated bonds, foreign currency-denominated loans, foreign currency-denominated loans payable, foreign currency-denominated bonds payable, foreign currency-denominated forecasted transaction
Foreign currency forward contracts	Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated forecasted transaction
Currency options	Foreign currency-denominated bonds
Bond over-the-counter options ...	Foreign currency-denominated bonds
Equity options	Domestic stocks, Foreign currency-denominated forecasted transaction
Equity forward contracts	Domestic stocks

(3) Hedging Policies

The Company conducts hedging transactions with regard to certain market risk, foreign currency risk and interest-rate risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines.

(4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair value of hedged items to those of the hedging instruments.

14. Calculation of National and Local Consumption Tax

The Company accounts for national and local consumption tax by the tax-exclusion method. Deferred consumption tax included in non-recoverable consumption tax on certain assets is capitalized as a prepaid expense and amortized equally over five years in accordance with the Order for Enforcement of the Corporation Tax Act, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

15. Policy Reserves

Policy reserves of the Company are established in accordance with the methods stated in the statement of calculation procedures for policy reserves (Article 4, Paragraph 2, Item 4 of the Insurance Business Act) pursuant to Article 116, Paragraph 1 of the Insurance Business Act, for insurance contracts under which the insurer's liability has started as of the end of the fiscal year, in preparation for the performance of future obligations under the insurance contracts.

Of policy reserves, insurance premium reserves are calculated by the following methods:

- Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).
- Reserves for other policies are established based on the net level premium method.

If, through an estimation of future income based on most recent actual figures, the policy reserves set aside are found likely to be insufficient to cover the performance of future obligations, additional policy reserves need to be set aside in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act. Policy reserves include additional policy reserves for some whole life insurance policies in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act.

Contingency reserves included in policy reserves are set aside in accordance with Article 69, Paragraph 1, Item 3 of the Ordinance for Enforcement of the Insurance Business Act to cover risks that may accrue in the future in order to ensure the performance of future obligations under insurance contracts.

16. Reserves for Outstanding Claims

With respect to reserves for incurred but not reported cases for individual insurance policies (referring to claims for which the occurrence of the insured events have not been reported but the Company finds that insured events have already occurred; hereinafter the same) provided by the company that operate a life insurance business in Japan, the payment of hospitalization benefits with respect to those diagnosed as COVID-19 and were under the care of a doctor and the like at an accommodation facility or at home (“deemed hospitalization”) was terminated 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.

(Overview of the calculation method)

The company first deducts an amount pertaining to deemed hospitalization of all policy holders from a required amount of reserves for incurred but not reported cases 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.

17. Unapplied Accounting Standards

Matters related to accounting standards, etc. that have not yet been applied are as follows.

- "Accounting Standards for Leases" (ASBJ Statement No. 34, September 13, 2024)
- "Guidelines for Accounting Standards for Leases" (ASBJ Guidance No. 33, September 13, 2024)

Amendments to other related ASCBs, ASCB Guidance, Practical Reports and Transfer Guidelines

(1) Overview

Similar to international accounting standards, this stipulates the treatment of recording assets and liabilities for all leases of lessees.

(2) Planned application date

This is scheduled to be applied from the beginning of the fiscal year starting on April 1, 2027.

(3) Impact of application of the said accounting standards, etc.

The impact of application of the said accounting standards, etc. is currently being evaluated.

18. Financial Instruments

(1) Financial Instruments

a) Policies in Utilizing Financial Instruments

In an effort to manage investment assets in a manner appropriate to liabilities, which arise from the insurance policies underwritten, the company engages in asset liability management, or ALM, which considers the long-term balance between assets and liabilities to ensure stable returns. With this strategy, the Company holds fixed income investments, including bonds and loans, as the core of its asset portfolio. While placing its financial soundness first, the Company also holds stocks and foreign securities within its tolerable risk to enhance its profitability and facilitate diversification of investment risks.

The Company uses derivatives primarily to hedge market risks associated with its existing asset portfolio and supplement its investment objectives to the extent necessary, taking into account the exposure of underlying assets.

With respect to financing, the Company has raised capital directly from the capital markets by issuing subordinated bonds as well as indirectly from banks in order to strengthen its capital base. To avoid impact from interest-rate fluctuations, the Company utilizes derivative transactions in hedging some of such financial liabilities and adopts hedge accounting.

b) Financial Instruments Used and Their Risks

Securities included in financial assets of the Company, mainly stocks and bonds, are categorized by its investment objectives such as held-to-maturity securities, policy-reserve-matching securities and available-for-sale securities. Those securities are exposed to market fluctuation risk, credit risk and interest rate risk and some of the securities denominated in foreign currency are exposed to foreign currency risk. Also, loans are exposed to credit risk arising from the defaults of obligors.

The Company might be exposed to liquidity risk in certain circumstances in which it cannot make timely payments of principal, interest or other amounts due to unpredictable cash outflows or is forced to raise capital with interest rates substantially higher than usual. Also, some of its loans payable and bonds payable which are floating interest rate based and denominated in foreign currency are exposed to interest rate risk and foreign currency risk.

The Company utilizes i) interest rate swaps to hedge interest rate risk associated with certain loans receivable and payable, ii) equity forward contracts to hedge market fluctuation risks associated with certain domestic stocks, and iii) foreign currency forward contracts, currency options and foreign currency swaps to hedge foreign currency risks associated with certain foreign currency-denominated bonds, foreign currency-denominated short-term deposits and foreign currency-denominated debts, etc. and adopt hedge accounting.

In addition, the company utilizes iv) interest rate swaps to hedge interest rate risk associated with certain insurance liabilities, under the “Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators” (Industry-specific Committee Practical Guideline No. 26 issued by JICPA).

In applying the hedge accounting, in order to fulfill requirements stipulated in the “Accounting standards for financial instruments” (ASBJ Statement No. 10 issued on March 10, 2008), the Company has established investment policy and procedure guidelines and clarified the transactions to be hedged, the risk of underlying assets to be hedged and derivative instruments to be used, and conducted pre- and post-effectiveness tests of the transactions.

c) Risk Management

The risk management system of the Company is as follows:

i) Market Risk Management

Under the internal investment policy and market risk management policy, the Company manages market risk by conducting mid- to long-term asset allocation in a manner appropriate to its liabilities. Therefore, it categorizes its portfolio into sub-groups, based on their investment purpose, and manages them taking into account each of their risk characteristics.

(a) Interest rate risk

The Company keeps track of interest rates and durations of its assets and liabilities, monitors its internal analyses on duration gap and interest rate sensitivity, and periodically reports its findings to the board of directors, etc.

(b) Currency risk

The Company keeps track of currency composition of its financial assets and liabilities, conducts sensitivity analyses, and periodically reports its findings to the board of directors, etc.

(c) Fluctuation in market values

The Company defines risk management policies and management procedures for each component of its overall portfolio, including securities, based on the risk characteristics of the categories, and sets and manages upper limits of each asset balance and asset allocation weight.

Such management conditions are periodically reported by its risk management sections to the board of directors, etc.

(d) Derivative transactions

For derivative transactions, the Company has established internal check system by segregating i) executing department, ii) the department which engages in assessment of hedge effectiveness, and iii) the back-office. Additionally, in order to limit speculative use of derivatives, the Company

has put restrictions on utilization purpose, such as hedging, and establishes position limits for each asset class.

ii) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, the Company has established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the credit section sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk-taking is restricted since front offices make investment within those caps. Policies and framework for large-lot borrowers have been formulated in order to prevent credit concentration by monitoring compliance, etc. That credit management has been conducted by the credit and risk management sections, and has been periodically reported to the board of directors, etc. Additionally, the internal audit section has also checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the credit section, which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the risk management section, which periodically monitors current exposures.

d) Supplementary Explanation for Fair Value of Financial Instruments

As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied.

(2) Fair Value of Financial Instruments

The carrying amount on the balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2025 were as follows.

As of March 31, 2025	Carrying amount	Fair value	Gains (Losses)
			(Unit: million yen)
(1) Call loans	530,300	530,345	45
(2) Monetary claims bought	191,855	191,855	-
(3) Money held in trust	8,530	8,530	-
(4) Securities (*2)(*3)			
a. Trading securities	1,094,430	1,094,430	-
b. Policy-reserve-matching bonds	16,145,478	14,104,424	(2,041,053)
c. Available-for-sale securities	10,252,022	10,252,022	-
(5) Loans	3,423,016		
Reserve for possible loan losses (*4)	(2,165)		
	3,420,851	3,266,958	(153,893)
Total assets	31,643,468	29,448,567	(2,194,901)
(1) Bonds payable.....	576,780	574,309	(2,470)
(2) Payable under repurchase agreements.....	1,618,921	1,619,072	150
(3) Long-term borrowings	390,600	384,161	(6,438)
Total liabilities	2,586,301	2,577,542	(8,758)
Derivative transactions (*5)			
a. Hedge accounting not applied	32,577	32,577	-
b. Hedge accounting applied	[162,598]	[160,493]	2,105
Total derivative transactions	[130,021]	[127,916]	2,105

- (*1) Cash and deposits are not included since they are mainly due within a short period of time or have no maturity, and their fair value is close to the carrying amounts.
- (*2) Net asset value of certain mutual funds is regarded as the fair value in accordance with generally accepted accounting standard, and included in the table above.
- (*3) The carrying amount of stocks and other securities without market prices and ownership stakes in partnerships, etc. on the balance sheet are as follows. They are not included in the fair value of (4) Securities.

As of March 31, 2025	Carrying amount (Unit: million yen)
1. Stocks with no market price, etc. (*a)(*c)	71,005
2. Ownership stakes in partnerships, etc. (*b)(*c).....	1,166,530
Total	1,237,536

(*a) Stocks and other securities without market prices include unlisted stocks, etc. and are not subject to disclosure of fair value in accordance with Paragraph 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No.19 revised on September 13, 2024).

(*b) Ownership stakes in partnership, etc. mainly include stakes in anonymous associations and investment partnerships. They are not subject to disclosure of fair value in accordance with Item 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31 revised on June 17, 2021).

(*c) Impairment loss of ¥1,736 million was recognized in the fiscal year ended March 31, 2025.

(*4) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.

(*5) Credits/debts from derivative transactions are presented on a net basis. Figures in [] are net debts.

(3) Matters concerning Fair Value of Financial Instruments and breakdown by input level

The fair values of financial instruments are classified into the following three levels based on the observability and significance of the inputs used to measure fair value:

Level 1: Fair value determined based on the observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2: Fair value determined based on observable inputs other than Level 1 inputs

Level 3: Fair value determined based on significant unobservable inputs

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument is classified into the lowest priority level of fair value measurement in which each input belongs.

a) Financial assets and liabilities measured at fair value on the balance sheet

As of March 31, 2025	Level 1	Level 2	Level 3	Total (Unit: million yen)
Monetary claims bought	-	-	191,855	191,855
Money held in trust(*1)	5,723	2,806	-	8,530
Securities(*1)				
Trading securities	636,047	422,105	36,278	1,094,430
Available-for-sale securities				
Government bonds	907,729	-	-	907,729
Local government bonds	-	19,947	-	19,947
Corporate bonds	-	1,313,597	5,241	1,318,838
Domestic stocks	3,276,226	23	-	3,276,249
Foreign bonds	217,393	2,737,746	123,924	3,079,064
Other foreign securities	314,558	389,370	48,329	752,258
Other securities	5,266	754,488	40,470	800,225
Derivative transactions				
Currency-related	-	19,130	-	19,130
Interest-related	-	13,020	-	13,020
Stock-related	17,870	352	-	18,223
Bond-related	1,433	146	-	1,579
Others	-	656	-	656
Total assets	5,382,248	5,673,392	446,099	11,501,740
Derivative transactions				
Currency-related	-	110,092	-	110,092
Interest-related	-	69,207	-	69,207
Stock-related	252	1,295	-	1,547
Bond-related	1,640	143	-	1,783
Total liabilities	1,892	180,739	-	182,632

(*1) Certain Mutual funds whose net asset value are regarded as the fair value in accordance with Item 24-3 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31 revised on June 17, 2021) are not included in the table above. The amount of such mutual funds on the balance sheet is ¥ 97,708 million. Reconciliation between the beginning and ending balance and breakdown of restriction on cancellation as of the fiscal year ended March 31, 2025 have been omitted as the amount of such mutual funds is immaterial.

b) Financial assets and liabilities not measured at fair value on the balance sheet

As of March 31, 2025	Level 1	Level 2	Level 3	Total
				(Unit: million yen)
Call loans	-	530,345	-	530,345
Securities				
Policy-reserve-matching Bonds				
Government bonds	13,580,047	-	-	13,580,047
Local government bonds	-	86,963	-	86,963
Corporate bonds	-	394,422	-	394,422
Foreign bonds	-	42,990	-	42,990
Loans	-	-	3,266,958	3,266,958
Total assets	13,580,047	1,054,722	3,266,958	17,901,728
Bonds payable	-	574,309	-	574,309
Payable under repurchase agreeen	-	1,619,072	-	1,619,072
Long-term borrowings	-	-	384,161	384,161
Total liabilities	-	2,193,381	384,161	2,577,542

(Note 1) Description of the evaluation methods and inputs used to measure fair value

Assets

Call loans

The fair value of call loans is calculated by discounting future cash flows at a discount rate using an interest rate based on the remaining maturity and is classified into Level 2. Call loans with short repayment terms are deemed to have fair value close to book value. Therefore, their book value is recorded as the fair value, and their fair value is classified into Level 2.

Monetary claims bought

The fair value of monetary claims bought is measured mainly using the price obtained by outside contractors and counterparty financial institutions. Since significant unobservable inputs are used for the price obtained, the fair value of monetary claims bought is classified into Level 3.

Money held in trust

The fair value of money held in trust is based on the price presented by counterparty financial institutions. Money held in trust is classified into either Level 1 or Level 2, mainly based on constituents held in trust.

Securities

The fair value of securities for which unadjusted quoted market prices in active markets are available is classified into Level 1. These include stocks and government bonds, among others. If the market is not active, the fair value of securities is classified into Level 2, irrespective of whether disclosed quoted market prices are used.

The fair value of bonds for which quoted market prices are not used as fair values is measured mainly using prices obtained from outside contractors and counterparty financial institutions. The present values of these prices is calculated by discounting future cash flows at a discount rate (i.e., a risk-free interest rate that takes into account credit spread). The fair value of bonds is classified into Level 2 if observable inputs are used in the calculation, and Level 3 if significant unobservable inputs are used.

The fair value of mutual funds without market price is based on net asset value unless there is no significant restriction on cancellation. The fair value is classified into either Level 2 or Level 3, mainly based on constituents held in trust.

Loans

The fair value of loans is calculated by discounting future cash flows of the subject loan, using interest rates corresponding to the internal credit rating and remaining periods which are assumed to be applied to new loans to the subject borrower. Loans are classified into Level 3.

Additionally, for risk-monitored loans, reserve for possible loan losses is calculated based on the present value of estimated future cash flows or the amount deemed recoverable from collateral and guarantees and the fair value is close to the carrying amount on the balance sheet minus reserve for possible loan losses at the end of the fiscal year. Therefore, that amount (the carrying amount on the balance sheet minus reserve for possible loan losses) is recorded as fair value for risk-monitored loans and classified into Level 3.

Also, loans without a due date because of their characteristics that their exposure is limited to the amount of their collaterals, are deemed to have fair value close to book value, taking into account estimated repayment period and interest rates. Therefore, their book value is recorded as the fair value and classified into Level 3.

Liabilities

Bonds payable

The fair value of bonds payable for which quoted market prices can be used is based on the quoted market prices. Bonds payable are classified into Level 2.

Payables under repurchase agreements

The fair value of payables under repurchase agreements is calculated by discounting future cash flows at a discount rate using an interest rate based on the remaining maturity and is classified into Level 2. Payables under repurchase agreements with short repayment terms are deemed to have fair value close to book value. Therefore, their book value is recorded as the fair value, and their fair value is classified into Level 2.

Long-term borrowings

The fair value of long-term borrowings is calculated by discounting future cash flows, using interest rates corresponding to the internal credit rating and remaining periods which are assumed to be applied to new borrowings. Long-term borrowings are classified into Level 3.

Derivative Transactions

The fair value of listed derivative transactions for which unadjusted quoted market prices in active markets are available is classified into Level 1. These mainly include stock-related transactions and bond-related transactions. If the market is not active, the fair value of listed derivative transactions is classified into Level 2, irrespective of whether disclosed quoted market prices are used.

The fair value of over-the-counter derivative transactions is mainly based on the prices calculated using discounted present values obtained from outside contractors and counterparty financial institutions and option valuation models, etc. The inputs used in the valuation method for calculating the price over-the-counter derivative transactions are mainly interest rate, foreign exchange rate, and volatility. Since no significant unobservable inputs are used or their effects are not significant, the fair value of over-the-counter derivative transactions is classified into Level 2.

(Note 2) Quantitative information about financial assets and liabilities measured and stated on the balance sheet at fair value and classified into Level 3

a) Reconciliation between the beginning and ending balance, and net unrealized gains (losses) recognized in the earnings of the current fiscal year.

As of March 31, 2025	Beginning balance	Gains /losses net unrealized gains or losses on available-for-sale securities			Ending balance	Gains /losses on valuation of financial assets and liabilities held at the balance sheet date out of amounts recognized in the statement of earnings
		Gain/Loss recorded in statement of earnings (*1)	Net unrealized gains or losses on available-for-sale securities	Variable amount (net amount) by purchase, sale, issue and settlement		
(Unit:million yen)						
Monetary claims bought	206,210	(1,688)	(4,305)	(8,360)	191,855	(1,661)
Securities						
Trading securities	37,042	788	-	(1,552)	36,278	885
Available-for-sale securities						
Corporate bonds	8,909	(902)	(526)	(2,238)	5,241	937
Foreign bonds	144,512	(4,324)	136	(16,399)	123,924	11,965
Other Foreign securities	39,702	-	(3,367)	11,993	48,329	-
Other securities	34,892	-	578	4,999	40,470	-

(*1) Gain/Loss recorded as investment income and investment expenses in the statement of earnings.

b) Description of the fair value valuation process

The Company has established policies and procedures for measuring the fair value and classifying the fair value level in the accounting department. In accordance with these policies and procedures, the investment management service department selects the fair value valuation model, and then measures the fair value and classifies the fair value by level. For such fair value, the appropriateness of the valuation method and inputs used in the measurement of the fair value and the appropriateness of the classification of the level of fair value are verified. In addition, when using the quoted market price obtained from a third party as fair value, the validity is verified by appropriate methods such as confirmation of the valuation method and inputs used and comparison with the fair value of similar financial instruments.

19. Real Estate for Rent

The Company owns a number of commercial buildings, including land, for rent in various locations, including Tokyo. Net rental income from such real estate for rent for the fiscal year ended March 31, 2025 was ¥25,881 million. The rental income was included in investment income and the rental expense was included in investment expenses. Gains on sale as extraordinary gains for the fiscal year ended March 31, 2025 was ¥8,819 million. Impairment losses on rental real estate as extraordinary losses for the fiscal year ended March 31, 2025 was ¥2,243 million.

The carrying amount, net change during the year and the fair value of such rental real estate, were as follows:

Carrying amount	(Unit: million yen)
Beginning balance	924,722
Net change for the year	29,738
Ending balance	954,461
Fair value	1,365,464

(*1) The carrying amount of rental real estate on the balance sheet was acquisition costs net of accumulated depreciation and impairments.

(*2) Net change in the carrying amount included cost of acquisition of the real estate of ¥92,348 million, sale of the real estate of ¥45,940 million, depreciation expense of ¥14,183 million, and impairment loss of ¥2,243 million.

(*3) The Company calculates the fair value of the majority of the rental real estate based on real estate appraisal standards and assessment by an independent appraiser, and others based on internal but reasonable estimates.

20. Securities Lending

Securities lent under lending agreements are included in the balance sheet. The total balance of securities lent as of March 31, 2025 was ¥2,478,838 million.

21. Risk-managed claims

As of March 31, 2025, the amounts of claims against bankrupt and quasi-bankrupt obligors, claims with collection risk, claims that are overdue for three months or more, and claims with repayment relaxation, which were included in claims, were as follows:

(Unit: million yen)	
Claims against bankrupt and quasi-bankrupt obligors (*1).....	86
Claims with collection risk (*2).....	2,611
Claims that are overdue for three months or more (*3).....	-
Claims with repayment relaxation (*4).....	-
Total	2,697

(*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 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) Claims that are overdue for three months or more are loans for which payment of principal or interest is delayed for three months or more from the day following the contracted payment date. This category excludes claims against bankrupt and quasi-bankrupt obligors and claims with collection risk.

(*4) Claims with repayment relaxation are loans for which certain concessions favorable to the debtor, such as interest rate reduction and exemption, interest payment deferment, principal repayment deferment, debt waiver, etc., for the purpose of rebuilding or supporting the debtor. This category excludes claims against bankrupt and quasi-bankrupt obligors, claims with collection risk and claims that are overdue for three months or more.

As a result of the direct write-off of claims described in Note 7, the decreases in Claims in against bankrupt and quasi-bankrupt obligors was ¥1 million.

22. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118, Paragraph 1 of the Insurance Business Act was ¥1,643,638 million. Separate account liabilities were the same amount as the separate account assets.

23. Receivables from and Payables to Subsidiaries and Affiliated Companies

The total amounts of receivables from and payables to subsidiaries and affiliated companies as of March 31, 2025 were ¥542,307 million and ¥147,899 million, respectively.

24. Deferred Tax Accounting

(1) Major components of deferred tax assets and liabilities as of March 31, 2025

(Unit: million yen)	
Deferred tax assets:	
Policy reserves and others	437,542
Reserve for employees' retirement benefits	118,300
Reserve for price fluctuations	83,142
Deferred hedge losses	50,885
Employee pension trust	13,870
Others	28,140
Subtotal	731,881
Valuation allowances	(25,433)
Total	706,448
Deferred tax liabilities:	
Net unrealized gains on securities, net of tax	(735,170)
Reserve for tax basis adjustments of real estate	(11,822)
Accrued dividend receivables	(9,895)
Others	(6,672)
Total	(763,560)
Net deferred tax liabilities	(57,112)

(2) The principal reasons for the difference between the statutory effective tax rate and actual effective tax rate after considering deferred taxes as of March 31, 2025.

Statutory effective tax rate	27.93%
(Adjustment)	
Impact of corporate tax rate changes	(4.74%)
Change in valuation allowance	(1.91%)
others	0.05%
Effective tax rate after application of tax effect accounting	21.33%

(3) Calculation of corporate and local income taxes and deferred tax accounting related to these taxes

The Company has adopted the group tax sharing system, in which Dai-ichi Life Holdings, Inc. is the tax sharing parent company. The Company has applied the accounting and disclosure treatment of corporate tax, local corporate tax and deferred tax accounting in accordance with Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (ASBJ PITF No. 42, August 12, 2021)

(4) Adjustment of deferred tax assets and liabilities due to changes in effective statutory tax rate

Pursuant to the enactment of “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025), the effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities has been increased from 27.93% to 28.86% for the fiscal year beginning on April 1, 2026 or later.

As a result, its deferred tax liabilities and deferred tax liabilities for land revaluation increased by ¥4,153 million and 2,249 million, respectively, and corporate income taxes-deferred decreased by ¥18,409 million.

25. Contingent Liabilities

Guarantee for debt obligations of a separate company were as follows:

(Unit: million yen)

Dai-ichi Life Holdings, Inc.	250,002
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26. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

(Unit: million yen)

Balance at the beginning of the fiscal year.....	422,642
Dividends paid during the fiscal year.....	(99,028)
Interest accrual during the fiscal year.....	8,437
Provision for reserve for policyholder dividends.....	100,000
Balance at the end of the fiscal year.....	432,050

27. Stock of Subsidiaries and Affiliated Companies

The amount of stocks of subsidiaries and affiliated companies of the Company held as of March 31, 2025 was ¥333,279 million.

28. Organizational Change Surplus

As of March 31, 2025, the amount of organizational change surplus stipulated in Article 91 of the Insurance Business Act was ¥117,776 million.

29. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities and cash and deposits pledged as collateral were as follows:

(Unit: million yen)

Securities	2,094,782
Cash and deposits	86
Assets pledged as collateral	2,094,869

The amounts of secured liabilities were as follows:

(Unit: million yen)

Payables under repurchase agreements	1,618,921
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The amounts of “Securities” sold under repurchase agreements as of March 31, 2025 was ¥1,785,558.

30. Reinsurance

The amount of reserves for outstanding claims for reinsured parts defined in Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Ordinance (hereinafter “reserves for outstanding claims reinsured”), was ¥1 million. The amount of policy reserves provided for reinsured parts defined in Article 71, Paragraph 1 of the Ordinance (hereinafter “policy reserves reinsured”) was ¥1,203,844 million.

31. Net Assets per Share

The amount of net assets per share of the Company as of March 31, 2025 was ¥ 391,139,932.60.

32. Securities Borrowing

As of March 31, 2025, the market value of the securities borrowed under borrowing agreements which can be sold or pledged as collateral but were not sold or pledged as collateral was ¥59,200 million.

33. Employees' Retirement Benefits

(1) Overview of Employees' Retirement Benefit Plan

As a defined benefit plan for its sales representatives, the Company has established and maintained a benefit plan consisting of retirement lump sum grants and company administered pension.

For its administrative personnel, the Company has established and maintained a benefit plan consisting of defined benefit corporate pension and retirement lump sum grants as a defined benefit plan and defined contribution pension as a defined contribution plan.

(2) Defined Benefit Plans

a) Reconciliations of beginning and ending balances of projected benefit obligations

(Unit: million yen)

a. Beginning balance of the projected benefit obligations	575,733
b. Service cost	18,626
c. Interest cost	8,163
d. Accruals of actuarial (gains) and losses	(21,581)
e. Accruals of Past Service cost	(44,790)
f. Others	(897)
g. Ending balance of the projected benefit obligation (a + b + c + d + e + f)...	535,253

b) Reconciliations of beginning and ending balances of pension assets

(Unit: million yen)

a. Beginning balance of of pension assets	370,583
b. Estimated return on assets	1,876
c. Accruals of actuarial (gains) and losses	14,523
d. Contribution from the employer	5,017
e. Payment of retirement benefits	(6,881)
f. Ending balance of pension assets (a + b + c + d + e).....	385,120

c) Reconciliations of year-end balance of projected benefit obligations and pension assets, and reserve for employees' retirement benefits that have been recorded in the balance sheet

(Unit: million yen)

a. Project benefit obligation for funded pensions.....	281,076
b. Pension assets	(385,120)
c. Subtotal (a+b)	(104,043)
d. Project benefit obligation for unfunded pensions	254,176
e. Unrecognized actuarial differences	175,708
f. Unrecognized Past Service Cost	(667)
g. Reserve for employees' retirement benefits(c + d + e + f) ..	325,173

d)	Amount of the components of retirement benefit expenses	(Unit: million yen)
a.	Service Cost	18,626
b.	Interest Cost	8,163
c.	Expected return on assets	(1,876)
d.	Amortization of unrecognized actuarial differences	(25,960)
e.	Amortization of unrecognized Past Service cost	177
f.	Others	54
g.	<u>Retirement benefit expenses for defined benefit plans(a+b+c+d+e+f) ...</u>	<u>(815)</u>

- e) The main components of the pension assets
Ratios of the major assets to the total pension assets were as follows:

Stocks	57%
Bonds	24%
Asset under joint management	13%
Life insurance general accounts	5%
Others	1%
<u>Total</u>	<u>100%</u>

The proportion of retirement benefit trust that has been set for the unfunded retirement benefit plans to total pension assets as of March 31, 2025 was 66%.

- f) The method for setting the expected long-term rate of return on pension assets

To determine the expected long-term rate of return on pension assets, the Company has taken into account the allocation of pension assets at present and in future, and long-term rate of return on a variety of assets that make up the pension assets at present and in future.

- g) Calculation basis of actuarial gains and losses

Major assumptions of basis of actuarial calculation as of March 31, 2025 were as follows:

Discount rate	1.42%
Expected long-term rate of return	
Defined benefit corporated pension	1.40%
Employee pension trust	0.00%

(3) Defined Contribution Plans

Required amount of contribution to defined contribution plans for the fiscal year ended March 31, 2025 was ¥1,740 million.

34. Commitment Line

As of March 31, 2025, there were unused commitment line agreements under which the Company was the lender of ¥31,543 million.

35. Subordinated Debt

As of March 31, 2025, long-term debt and other borrowings included subordinated debt of ¥390,600 million, whose repayment is subordinated to other obligations.

36. Bonds Payable

As of March 31, 2025, bonds payable included foreign currency-denominated subordinated bonds of ¥576,780 million; whose repayment is subordinated to other obligations.

II. NOTES TO THE UNAUDITED STATEMENT OF EARNINGS FOR THE FISCAL YEAR ENDED MARCH 31, 2025

1. Accounting Policies for Premium and Other Income and Benefits and Claims

(1) Premium and other income (excluding reinsurance income)

Premium and other income (excluding reinsurance income) is recorded for insurance contracts for which insurance premium has been received and the insurer's liability under the insurance contracts has commenced by the relevant amounts received.

Of premium and other income (excluding reinsurance income), the portion corresponding to the period that has yet to pass as of the end of the fiscal year is set aside as policy reserves in accordance with Article 69, Paragraph 1, Item 2 of the Ordinance for Enforcement of the Insurance Business Act.

(2) Reinsurance income

Reinsurance income is recorded as amounts equivalent to the portion reinsured under reinsurance contracts out of the amounts paid as claims, etc. under direct insurance contracts at the time when those claims, etc. are paid.

(3) Benefits and claims (excluding ceding reinsurance commissions)

Benefits and claims (excluding ceding reinsurance commissions) are recorded for contracts for which amounts calculated under policy conditions have been paid in the occurrence of insured events under the policy conditions by the relevant amounts paid.

In accordance with Article 117 of the Insurance Business Act, reserves for outstanding claims are set aside for claims, etc. for which the Company has a payment due but has not paid, or for which the occurrence of the insured events have not been reported but the Company finds that insured events have already occurred, as of the end of the fiscal year.

(4) Ceding reinsurance commissions

Ceding reinsurance commissions are recorded in agreed amounts in accordance with reinsurance contracts at the time either when insurance premiums under direct insurance contracts are received, or when the reinsurance contracts are entered into.

Part of policy reserves and reserves for outstanding claims corresponding to insurance contracts which have been reinsured is not set aside in accordance with Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act.

2. Revenues and Expenses from Transactions with Subsidiaries and Affiliated Companies

The total amounts of revenues and expenses from transactions with subsidiaries and affiliated companies were ¥16,434 million and ¥20,521 million, respectively.

3. Gains/Losses on Sale of Securities, Losses on Valuation of Securities

Gains on sale of securities included gains on sale of domestic bonds, domestic stocks, and foreign securities of ¥11,202 million, ¥419,552 million and ¥121,128 million, respectively.

Losses on sale of securities included losses on sales of domestic bonds, domestic stocks and foreign securities of ¥246,001 million, ¥14,345 million and ¥114,930 million, respectively.

Losses on valuation of securities included losses on valuation of domestic stocks, foreign securities and other securities of ¥2,074 million, ¥1,022 million and ¥1,673 million, respectively.

4. Reinsurance

In calculating the reversal for reserves for outstanding claims, a provision for reserves for outstanding claims reinsured of ¥1 million was added. In calculating the reversal of policy reserves, a provision for reserves for policy reserves reinsured of ¥129,969 million was added.

5. Gains/Losses on Money Held in Trust

Losses on money held in trust included losses on valuation of securities of ¥1,079 million.

6. Derivative Transaction Gains/Losses

Derivative transaction losses included gains on valuation of ¥26,737 million.

7. Net Income per Share

Net income per share for the fiscal year ended March 31, 2025 was ¥50,910,366.88. Diluted net income per share for the same period is not presented because there were no existing diluted shares.

8. Impairment Losses on Fixed Assets

Details of impairment losses on fixed assets for the fiscal year ended March 31, 2025 were as follows:

(1) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group. Each property for rent and property not in use, which is not used for insurance business purposes, is deemed to be an independent asset group.

(2) Background for Recognition of Impairment Losses

As a result of significant declines in profitability or market value of some asset groups, the Company wrote down the book value of these assets to the recoverable value, and reported such write-off as impairment losses in extraordinary losses.

(3) Breakdown of Impairment Losses

Impairment losses by asset group for the fiscal year ended March 31, 2025 were as follows:

Asset Group	Place	Number	Impairment Losses		Total
			Land	Buildings	
(Unit: million yen)					
Real estate not in use	Asahikawa city, Hokkaido and others	25	1,455	788	2,243

(4) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. A discount rate of 1.85 % for the fiscal year ended March 31, 2025 was applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value for tax purposes was used as the net sale value.

9. Second career special support expenses

Second career special support expenses included special support allowance and re-employment support expenses for employees who retire using Second Career Special Support Framework implemented during the fiscal year ended March 31, 2025.

10. Transactions with Related Parties

Matters with regard to related party transactions are as follows:

Category	Name of company	Owned percentage	Relationship	Description of transaction	Transaction amount (million yen)	Items	Balance at the end of the fiscal year (million yen)
Parent company	Dai-ichi Life Holdings, Inc.	Owned direct 100%	Lending of funds; Interlocking Directors, etc.	Lending of funds (※)	396,230	Ordinary loans	530,762
				Collection of funds	177,267		
				Receiving interest (※)	4,149	Accrued revenue	2,484

(※) Determined in consideration of market interest rates.

III. NOTES TO THE UNAUDITED STATEMENT OF CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED MARCH 31, 2025

1. Type and Number of Shares Outstanding

(Unit: thousands of shares)

	At the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	At the end of the fiscal year
Common stocks	6	-	-	6

2. Dividends on Common Stock

(1) Dividends paid

Date of resolution	June 19, 2024 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥203,881 million
Dividends per share	¥33,980,300
Record date	March 31, 2024
Effective date	June 20, 2024
Dividend resource	Retained earnings

Date of resolution	November 13, 2024 (at the Board Meeting)
Type of shares	Common stock
Total dividends	¥49,999 million
Dividends per share	¥8,333,300
Record date	September 30, 2024
Effective date	December 2, 2024
Dividend resource	Capital surplus

(2) Dividends, the record date of which was March 31, 2025, to be paid out in the year ended March 31, 2026

a) Cash Dividends

Date of resolution	June 18, 2025 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥237,052 million
Dividends per share	¥39,508,800
Record date	March 31, 2025
Effective date	June 19, 2025
Dividend resource	Retained earnings

b) Dividends in Kind

Date of resolution	June 18, 2025 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Type of the dividend property	Securities
Book value of the dividend property	¥15,357 million
Dividends per share	¥2,559,553
Record date	March 31, 2025
Effective date	June 26, 2025
Dividend resource	Capital surplus

7. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

	Year ended As of March 31, 2024	Year ended As of March 31, 2025
Fundamental revenues	3,676,212	3,749,150
Premium and other income	2,289,825	2,138,358
Investment income	883,089	800,119
[Interest and dividends]	720,085	770,273
Other ordinary revenues	497,685	810,672
Other fundamental revenues (a)	5,611	-
Fundamental expenses	3,345,209	3,388,871
Benefits and claims	2,522,473	2,537,952
Provision for policy reserves and others	8,440	8,437
Investment expenses	91,112	102,381
Operating expenses	385,125	409,421
Other ordinary expenses	249,900	243,436
Other fundamental expenses (b)	88,156	87,242
Fundamental profit A	331,002	360,279
Capital gains	508,849	639,125
Gains on money held in trust	2,155	-
Gains on investments in trading securities	-	-
Gains on sale of securities	418,537	551,883
Derivative transaction gains	-	-
Foreign exchange gains	-	-
Others (c)	88,156	87,242
Capital losses	405,563	449,246
Losses on money held in trust	-	325
Losses on investments in trading securities	-	-
Losses on sale of securities	271,966	375,278
Losses on valuation of securities	3,204	4,770
Derivative transaction losses	99,156	14,687
Foreign exchange losses	25,625	54,183
Others (d)	5,611	-
Net capital gains (losses) B	103,286	189,879
Fundamental profit plus net capital gains (losses) A + B	434,289	550,158
Other one-time gains	56,283	163,506
Reinsurance income	-	-
Reversal of contingency reserve	27,000	15,000
Reversal of specific reserve for possible loan losses	-	(57)
Others ^(Note 1)	29,283	148,564
Other one-time losses	99,246	175,040
Ceding reinsurance commissions	-	-
Provision for contingency reserve	-	-
Provision for specific reserve for possible loan losses	(7)	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	729	38
Others ^(Note 2)	98,524	175,002
Other one-time profits (losses) C	(42,963)	(11,534)
Ordinary profit A + B + C	391,326	538,624

(Reference) Breakdown of other fundamental revenues, etc.

(millions of yen)

	Year ended As of March 31, 2024	Year ended As of March 31, 2025
Other fundamental revenues (a)	5,611	-
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	-	-
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	5,611	-
Hedging costs related to foreign exchange	-	-
Gain (loss) on mutual funds cancelation	-	-
Foreign currency fluctuation part of gain (loss) on securities redemption	-	-
Other fundamental expenses (b)	88,156	87,242
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	0	-
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	-	1,624
Hedging costs related to foreign exchange	69,282	40,793
Gain (loss) on mutual funds cancelation	14,271	32,066
Foreign currency fluctuation part of gain (loss) on securities redemption	4,602	12,757
Adjustment of reinsurance premiums for ceded reinsurance of whole life insurance after payment expiration (ceded in prior years)	-	-
The impact on fundamental profit (a) - (b)	(82,545)	(87,242)
Other capital gains (c)	88,156	87,242
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	0	-
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	-	1,624
Hedging costs related to foreign exchange	69,282	40,793
Gain (loss) on mutual funds cancelation	14,271	32,066
Foreign currency fluctuation part of gain (loss) on securities redemption	4,602	12,757
Other capital losses (d)	5,611	-
The effect of provision for (reversal of) policy reserve associated with market value adjustments of fixed life insurance	-	-
The effect of change in the exchange rates related to foreign currency denominated insurance contracts	5,611	-
Hedging costs related to foreign exchange	-	-
Gain (loss) on mutual funds cancelation	-	-
Foreign currency fluctuation part of gain (loss) on securities redemption	-	-
The impact on net capital gains (losses) (c) - (d)	82,545	87,242

Note 1. "Others" in "Other one-time gains" represents the amount of reversal of reserve for possible investment losses (For the fiscal year ended March 31, 2024 : 46 million yen) , the amount of reversal of policy reserve for ceded reinsurance of paid-up whole life insurance (For the fiscal year ended March 31, 2024 : 29,236 million yen, For the fiscal year ended March 31, 2025 : 148,564 million yen).

Note 2. "Others" in "Other one-time losses" represents the amount of provision for reserve for possible investment losses (For the fiscal year ended March 31, 2025 : 292 million yen) , the amount of the additional policy reserves provided (For the fiscal year ended March 31, 2024 : 60,555 million yen, For the fiscal year ended March 31, 2025 : 49,589 million yen) in accordance with Article 69, Paragraph 5 of the Enforcement Regulations of the Insurance Business Act and the reinsurance commissions for ceded reinsurance of paid-up whole life insurance (For the fiscal year ended March 31, 2024 : 37,968 million yen, For the fiscal year ended March 31, 2025 : 125,119 million yen).

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	88	86
Claims with collection risk	2,586	2,611
Claims that are overdue for 3 months or more	-	-
Claims with repayment relaxation	-	-
Subtotal	2,674	2,697
[Percentage]	[0.05%]	[0.05%]
Claims against normal obligors	5,599,286	5,946,590
Total	5,601,961	5,949,287

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

9. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2024	As of March 31, 2025
Total solvency margin (A)	6,558,659	5,778,369
Common stock, etc. ^{*1}	348,051	324,848
Reserve for price fluctuations	276,453	288,453
Contingency reserve	572,893	557,893
General reserve for possible loan losses	3,324	2,191
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% ^{*2}	2,942,285	2,242,882
Net unrealized gains (losses) on real estate × 85% ^{*2}	388,716	454,533
Policy reserves in excess of surrender values	2,162,021	2,173,184
Qualifying subordinated debt	759,315	967,380
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(936,907)	(975,521)
Excluded items	(788)	(317,118)
Others	43,294	59,641
Total risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	1,516,310	1,354,848
Insurance risk R_1	52,708	47,566
3rd sector insurance risk R_8	137,549	127,445
Assumed investment yield risk R_2	146,785	137,162
Guaranteed minimum benefit risk R_7 ^{*3}	2,828	2,798
Investment risk R_3	1,321,221	1,173,510
Business risk R_4	33,221	29,769
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	865.0%	852.9%

*1: Expected disbursements from capital outside the Company and valuation and translation adjustments are excluded.

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Note: The figures are calculated based on Articles 86, 87 of the Enforcement Regulations of Insurance Business Act, and Announcement No. 50, Ministry of Finance, 1996.

10. Status of Separate Account for the Fiscal Year Ended March 31, 2025

(1) Separate Account Assets by Product

	(millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Individual variable insurance	69,823	65,501
Individual variable annuities	36,754	34,110
Group annuities	1,622,432	1,544,026
Separate account total	1,729,011	1,643,638

(2) Individual Variable Insurance (Separate Account)

A. Policies in force

	As of March 31, 2024		As of March 31, 2025	
	Number of policies	Amount	Number of policies	Amount
Variable insurance (term life)	2	15	-	-
Variable insurance (whole life)	36,689	225,767	35,655	219,579
Total	36,691	225,782	35,655	219,579

Note: Sum insured of policies in force includes term life riders attached on individual variable insurance.

B. Breakdown of separate account assets for individual variable insurance

	As of March 31, 2024		As of March 31, 2025	
	Amount	%	Amount	%
Cash, deposits, and call loans	11	0.0	115	0.2
Securities	65,256	93.5	61,653	94.1
Domestic bonds	16,776	24.0	15,857	24.2
Domestic stocks	21,559	30.9	20,615	31.5
Foreign securities	26,921	38.6	25,179	38.4
Foreign bonds	7,863	11.3	7,718	11.8
Foreign stocks and other securities	19,058	27.3	17,461	26.7
Other securities	-	-	-	-
Loans	-	-	-	-
Others	4,555	6.5	3,732	5.7
Reserve for possible loan losses	-	-	-	-
Total	69,823	100.0	65,501	100.0

C. Investment gains and losses of separate account for individual variable insurance

(millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Interest and dividends	1,010	1,147
Gains on sale of securities	6,237	5,912
Gains on redemption of securities	-	-
Gains on valuation of securities	18,510	13,591
Foreign exchange gains	129	126
Derivative transaction gains	7	10
Other investment income	-	3
Losses on sale of securities	658	1,299
Losses on redemption of securities	-	2
Losses on valuation of securities	10,734	19,605
Foreign exchange losses	157	158
Derivative transaction losses	14	14
Other investment expenses	0	0
Net investment income	14,332	(289)

D. Fair value information on securities in separate account for individual variable insurance

* Valuation gains (losses) of trading securities

(millions of yen)

	As of March 31, 2024		As of March 31, 2025	
	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	65,256	7,776	61,653	(6,013)

* Fair value information on money held in trust

The Company had no balance as of March 31, 2024 or March 31, 2025.

(3) Individual Variable Annuities (Separate Account)

A. Sum insured of policies in force

(millions of yen except number of policies)

	As of March 31, 2024		As of March 31, 2025	
	Number	Amount	Number	Amount
Individual variable annuities	3,510	15,468	2,466	12,408

Note: Sum insured of policies in force includes that of annuities for which payments have commenced.

B. Breakdown of separate account assets for individual variable annuities

(millions of yen)

	As of March 31, 2024		As of March 31, 2025	
	Amount	%	Amount	%
Cash, deposits, and call loans	288	0.8	212	0.6
Securities	34,104	92.8	31,331	91.9
Domestic bonds	9,604	26.1	9,440	27.7
Domestic stocks	9,527	25.9	9,202	27.0
Foreign securities	5,666	15.4	5,278	15.5
Foreign bonds	2,406	6.5	2,177	6.4
Foreign stocks and other securities	3,260	8.9	3,100	9.1
Other securities	9,305	25.3	7,409	21.7
Loans	-	-	-	-
Others	2,362	6.4	2,566	7.5
Reserve for possible loan losses	-	-	-	-
Total	36,754	100.0	34,110	100.0

C. Investment gains and losses of separate account for individual variable annuities

(millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Interest and dividends	1,777	1,518
Gains on sales of securities	1,375	1,474
Gains on redemption of securities	-	-
Gains on valuation of securities	10,889	8,190
Foreign exchange gains	31	27
Derivative transaction gains	2	2
Other investment income	0	2
Losses on sales of securities	198	390
Losses on redemption of securities	-	0
Losses on valuation of securities	7,042	11,551
Foreign exchange losses	36	35
Derivative transaction losses	4	3
Other investment expenses	0	0
Net investment income	6,794	(766)

D. Fair value information on securities in separate account for individual variable annuities

* Valuation gains (losses) of trading securities

(millions of yen)

	As of March 31, 2024		As of March 31, 2025	
	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying amount on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	34,104	3,846	31,331	(3,361)

* Fair value information on money held in trust

The Company had no balance as of March 31, 2024 or March 31, 2025.

11. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
Ordinary revenues	4,090,389	4,416,574
Ordinary profit	393,195	536,803
Net income attributable to shareholders of parent company	205,737	303,629
Comprehensive income	1,131,608	(292,431)

(millions of yen)

	As of March 31, 2024	As of March 31, 2025
Total assets	35,981,176	35,135,696
Solvency margin ratio	900.0%	896.9%

(2) Scope of Consolidation and Application of Equity Method

	As of March 31, 2025
Number of consolidated subsidiaries	1
Number of non-consolidated subsidiaries accounted for under the equity method	0
Number of affiliates accounted for under the equity method	3

For information regarding changes in subsidiaries and affiliates, please refer to "I. Guidelines for Preparation of Unaudited Consolidated Financial Statements"

(3) Unaudited Consolidated Balance Sheet

(millions of yen)

	As of March 31, 2024	As of March 31, 2025
ASSETS		
Cash and deposits	168,292	247,419
Call loans	719,300	530,300
Monetary claims bought	206,210	191,855
Money held in trust	8,872	8,530
Securities	29,729,749	28,722,848
Loans	3,109,085	3,423,017
Tangible fixed assets	1,189,320	1,219,805
Land	857,124	876,430
Buildings	321,611	320,989
Leased assets	2,404	8,105
Construction in progress	3,165	8,496
Other tangible fixed assets	5,014	5,783
Intangible fixed assets	120,824	120,169
Software	95,570	95,025
Other intangible fixed assets	25,254	25,144
Reinsurance receivable	63,216	47,296
Other assets	654,262	616,442
Customers' liabilities for acceptances and guarantees	16,417	11,192
Reserve for possible loan losses	(3,927)	(2,752)
Reserve for possible investment losses	(448)	(427)
Total assets	35,981,176	35,135,696
LIABILITIES		
Policy reserves and others	29,589,330	28,892,056
Reserves for outstanding claims	191,481	181,327
Policy reserves	28,975,206	28,278,678
Reserve for policyholder dividends	422,642	432,050
Reinsurance payable	456	531
Bonds payable	368,715	576,780
Other liabilities	2,146,268	2,568,791
Payables under repurchase agreements	1,082,401	1,618,921
Other liabilities	1,063,867	949,870
Net defined benefit liabilities	205,149	150,132
Reserve for retirement benefits of directors, executive officers and corporate auditors	674	601
Reserve for possible reimbursement of prescribed claims	1,000	1,300
Reserve for price fluctuations	276,453	288,453
Deferred tax liabilities	292,667	107,386
Deferred tax liabilities for land revaluation	69,064	69,806
Acceptances and guarantees	16,417	11,192
Total liabilities	32,966,198	32,667,031
NET ASSETS		
Capital stock	60,000	60,000
Capital surplus	248,560	198,560
Retained earnings	242,598	319,335
Total shareholders' equity	551,158	577,896
Net unrealized gains (losses) on securities, net of tax	2,420,163	1,842,611
Deferred hedge gains (losses)	(103,039)	(125,972)
Reserve for land revaluation	28,223	48,984
Foreign currency translation adjustments	(279)	352
Accumulated remeasurements of defined benefit plans	118,751	124,792
Total accumulated other comprehensive income	2,463,818	1,890,768
Total net assets	3,014,977	2,468,664
Total liabilities and net assets	35,981,176	35,135,696

(4) Unaudited Consolidated Statement of Earnings and Comprehensive Income
[Unaudited Consolidated Statement of Earnings]

(millions of yen)

	Year ended March 31, 2024	Year ended March 31, 2025
ORDINARY REVENUES	4,090,389	4,416,574
Premium and other income	2,290,407	2,140,340
Investment income	1,303,949	1,352,235
Interest and dividends	720,205	770,473
Gains on money held in trust	2,155	-
Gains on sale of securities	418,537	551,883
Gains on redemption of securities	8,227	23,216
Reversal of reserve for possible loan losses	-	1,166
Reversal of reserve for possible investment losses	46	-
Other investment income	2,013	1,842
Gains on investments in separate accounts	152,763	3,653
Other ordinary revenues	496,033	923,998
ORDINARY EXPENSES	3,697,194	3,879,771
Benefits and claims	2,560,471	2,663,162
Claims	659,101	653,300
Annuities	602,316	642,819
Benefits	467,252	493,082
Surrender values	654,546	655,986
Other refunds	177,253	217,972
Provision for policy reserves and others	8,440	8,437
Provision for interest on policyholder dividends	8,440	8,437
Investment expenses	491,785	551,086
Interest expenses	8,789	13,333
Losses on money held in trust	-	325
Losses on sale of securities	271,966	375,278
Losses on valuation of securities	3,204	4,770
Losses on redemption of securities	3,625	10,458
Derivative transaction losses	99,156	14,687
Foreign exchange losses	25,624	53,311
Provision for reserve for possible loan losses	1,816	-
Provision for reserve for possible investment losses	-	292
Write-down of loans	729	38
Depreciation of real estate for rent and others	14,029	14,247
Other investment expenses	62,845	64,342
Operating expenses	386,433	412,363
Other ordinary expenses	250,063	244,721
Ordinary profit	393,195	536,803
EXTRAORDINARY GAINS	6,397	18,580
Gains on disposal of fixed assets	6,397	18,580
EXTRAORDINARY LOSSES	24,798	68,932
Losses on disposal of fixed assets	6,389	25,751
Impairment losses on fixed assets	5,307	2,243
Provision for reserve for price fluctuations	13,000	12,000
Second career special support expenses	-	28,883
Other extraordinary losses	101	54
Provision for reserve for policyholder dividends	87,500	100,000
Income before income taxes	287,293	386,451
Corporate income taxes-current	67,075	72,433
Corporate income taxes-deferred	14,480	10,388
Total of corporate income taxes	81,556	82,822
Net income	205,737	303,629
Net income attributable to shareholders of parent company	205,737	303,629

[Unaudited Consolidated Statement of Comprehensive Income]

	(millions of yen)	
	Year ended March 31, 2024	Year ended March 31, 2025
Net income	205,737	303,629
Other comprehensive income	925,870	(596,060)
Net unrealized gains (losses) on securities, net of tax	896,567	(577,551)
Deferred hedge gains (losses)	(65,385)	(22,932)
Reserve for land revaluation	-	(2,249)
Foreign currency translation adjustments	245	632
Remeasurements of defined benefit plans, net of tax	94,444	6,040
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	0	0
Comprehensive income	1,131,608	(292,431)
Attributable to shareholders of parent company	1,131,608	(292,431)

(5) Unaudited Consolidated Statement of Cash Flows

	(millions of yen)	
	Year ended March 31, 2024	Year ended March 31, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income taxes	287,293	386,451
Depreciation of real estate for rent and others	14,029	14,247
Depreciation	42,795	42,484
Impairment losses on fixed assets	5,307	2,243
Increase (decrease) in reserves for outstanding claims	(7,785)	(10,155)
Increase (decrease) in policy reserves	(279,277)	(696,566)
Provision for interest on policyholder dividends	8,440	8,437
Provision for (reversal of) reserve for policyholder dividends	87,500	100,000
Increase (decrease) in reserve for possible loan losses	599	(1,174)
Increase (decrease) in reserve for possible investment losses	(478)	(21)
Write-down of loans	729	38
Increase (decrease) in net defined benefit liabilities	(22,797)	(44,747)
Increase (decrease) in reserve for retirement benefits of directors executive officers and corporate auditors	(119)	(73)
Increase (decrease) in reserve for possible reimbursement of prescribed claims	200	300
Increase (decrease) in reserve for price fluctuations	13,000	12,000
Interest and dividends	(720,205)	(770,473)
Securities related losses (gains)	(300,732)	(188,245)
Interest expenses	8,789	13,333
Foreign exchange losses (gains)	25,624	53,311
Losses (gains) on disposal of fixed assets	(917)	1,329
Equity in losses (income) of affiliates	(2,871)	1,037
Decrease (increase) in reinsurance receivable	9,562	15,758
Decrease (increase) in other assets unrelated to investing and financing activities	15,239	(19,080)
Increase (decrease) in reinsurance payable	338	78
Increase (decrease) in other liabilities unrelated to investing and financing activities	(6,588)	33,202
Others, net	158,782	42,287
Subtotal	(663,544)	(1,003,995)
Interest and dividends received	724,155	751,382
Interest paid	(11,803)	(13,074)
Policyholder dividends paid	(96,702)	(99,028)
Others, net	(239,199)	(62,415)
Corporate income taxes (paid) refund	4,267	(89,514)
Net cash flows provided by (used in) operating activities	(282,826)	(516,646)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net decrease (increase) in cash and deposits	1,181	-
Purchases of monetary claims bought	(37,438)	(20,465)
Proceeds from sale and redemption of monetary claims bought	46,707	28,831
Purchases of securities	(5,791,373)	(4,630,596)
Proceeds from sale and redemption of securities	5,666,880	4,919,759
Origination of loans	(1,295,831)	(1,343,072)
Proceeds from collection of loans	935,497	1,012,854
Net increase (decrease) in short-term investing	778,395	486,519
Total of net cash provided by (used in) investment transactions	304,017	453,831
Total of net cash provided by (used in) operating activities and investment transactions	21,190	(62,815)
Acquisition of tangible fixed assets	(48,458)	(57,032)
Proceeds from sale of tangible fixed assets	37,460	46,672
Acquisition of intangible fixed assets	(30,685)	(31,944)
Proceeds from sale of intangible fixed assets	3,319	-
Payments for execution of assets retirement obligations	-	(74)
Net cash flows provided by (used in) investing activities	265,653	411,453
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuing bonds	-	316,230
Redemption of bonds	-	(108,165)
Repayment of financial lease obligations	(1,367)	(9,479)
Cash dividends paid	(215,646)	(253,881)
Acquisitions of stock of subsidiaries and affiliates that do not result in change in scope of consolidation	(180)	(200)
Net cash flows provided by (used in) financing activities	(217,193)	(55,495)
Effect of exchange rate changes on cash and cash equivalents	191	215
Net increase (decrease) in cash and cash equivalents	(234,175)	(160,473)
Cash and cash equivalents at the beginning of the year	1,122,368	888,192
Cash and cash equivalents at the end of the year	888,192	727,719

(6) Unaudited Consolidated Statement of Changes in Net Assets

Year ended March 31, 2024

(millions of yen)

	Shareholders' equity				Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	60,000	320,000	200,362	580,363	1,523,596	(37,654)
Changes for the year						
Dividends		(71,440)	(165,646)	(237,087)		
Net income attributable to shareholders of parent company			205,737	205,737		
Transfer from reserve for land revaluation			2,145	2,145		
Others			0	0		
Net changes of items other than shareholders' equity					896,567	(65,385)
Total changes for the year	-	(71,440)	42,236	(29,204)	896,567	(65,385)
Balance at the end of the year	60,000	248,560	242,598	551,158	2,420,163	(103,039)

(millions of yen)

	Accumulated other comprehensive income				Total net assets
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of the year	30,369	(525)	24,307	1,540,093	2,120,456
Changes for the year					
Dividends					(237,087)
Net income attributable to shareholders of parent company					205,737
Transfer from reserve for land revaluation					2,145
Others					0
Net changes of items other than shareholders' equity	(2,145)	245	94,444	923,725	923,725
Total changes for the year	(2,145)	245	94,444	923,725	894,521
Balance at the end of the year	28,223	(279)	118,751	2,463,818	3,014,977

Year ended March 31, 2025

(millions of yen)

	Shareholders' equity				Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Net unrealized gains (losses) on securities, net of tax	Deferred hedge gains (losses)
Balance at the beginning of the year	60,000	248,560	242,598	551,158	2,420,163	(103,039)
Changes for the year						
Dividends		(49,999)	(203,881)	(253,881)		
Net income attributable to shareholders of parent company			303,629	303,629		
Transfer from reserve for land revaluation			(23,010)	(23,010)		
Others			(0)	(0)		
Net changes of items other than shareholders' equity					(577,551)	(22,932)
Total changes for the year	-	(49,999)	76,737	26,737	(577,551)	(22,932)
Balance at the end of the year	60,000	198,560	319,335	577,896	1,842,611	(125,972)

(millions of yen)

	Accumulated other comprehensive income				Total net assets
	Reserve for land revaluation	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at the beginning of the year	28,223	(279)	118,751	2,463,818	3,014,977
Changes for the year					
Dividends					(253,881)
Net income attributable to shareholders of parent company					303,629
Transfer from reserve for land revaluation					(23,010)
Others					(0)
Net changes of items other than shareholders' equity	20,760	632	6,040	(573,050)	(573,050)
Total changes for the year	20,760	632	6,040	(573,050)	(546,312)
Balance at the end of the year	48,984	352	124,792	1,890,768	2,468,664

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED MARCH 31, 2025

I. GUIDELINES FOR PREPARATION OF UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Scope of Consolidation

- (1) The number of consolidated subsidiaries as of March 31, 2025: 1

The subsidiary of The Dai-ichi Life Insurance Company, Limited (the “Company”) included:

- Dai-ichi Life Insurance Myanmar Ltd.

On May 14, 2025, the Company's Board of Directors approved a resolution to transfer all shares of Dai-ichi Life Insurance Myanmar Ltd. to Dai-ichi Life Holdings Inc., the parent company. Further information regarding this matter is included in Note 35.

- (2) The number of non-consolidated subsidiaries as of March 31, 2025: 41

The main subsidiaries that are not consolidated for the purposes of financial reporting are Dai-ichi Life Business Services Co., Ltd., Dai-ichi Life Challenged Co.,Ltd., and First U Anonymous Association.

The 41 non-consolidated subsidiaries had, individually and in the aggregate, a minimal impact on the consolidated financial statements in terms of total assets, sales, net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest), cash flows, and others.

2. Application of the Equity Method

- (1) The number of non-consolidated subsidiaries under the equity method as of March 31, 2025: 0

- (2) The number of affiliated companies under the equity method as of March 31, 2025: 3

The affiliated companies of the Company included:

- Corporate-pension Business Service Co., Ltd.,
- Japan Excellent Asset Management Co., Ltd.,
- Japan Investor Solutions&Technologies Co.,Ltd.

- (3) The non-consolidated subsidiaries (Dai-ichi Life Business Services Co., Ltd., Dai-ichi Life Challenged Co.,Ltd., First U Anonymous Association and others), as well as affiliated companies (Mizuho-DL Financial Technology Co., Ltd., and Rifare Management K.K.) were not accounted for under the equity method. These companies had, individually and in the aggregate, a minimal impact on the consolidated financial statements, in terms of net income (loss) (amount corresponding to equity interest), retained earnings (amount corresponding to equity interest) and others.

3. Year-end Dates of a Consolidated Subsidiary

The closing date of a consolidated subsidiary is March 31.

II. NOTES TO UNAUDITED CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2025

1. Valuation Methods of Securities

Securities held by the Company and its consolidated subsidiary including cash and deposits and monetary claims bought which are equivalent to marketable securities, and marketable securities managed as trust assets in money held in trust, are carried as explained below:

The amortization of premiums and accretion of discounts is calculated by the straight-line method.

(1) Trading Securities

Trading securities are carried at fair value with cost determined by the moving average method.

(2) Held-to-maturity Bonds

Held-to-maturity bonds are stated at amortized cost determined by the moving average method.

(3) Policy-reserve-matching Bonds (in accordance with the Industry Audit Committee Report No. 21 “Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry” issued by the Japanese Institute of Certified Public Accountants (JICPA))

Policy-reserve-matching bonds are stated at amortized cost determined by the moving average method.

(4) Stocks of Non-Consolidated Subsidiaries and Affiliated Companies Not Accounted for under the Equity Method

Stocks of non-consolidated subsidiaries and affiliated companies not accounted for under the equity method are stated at cost determined by the moving average method.

(5) Available-for-sale Securities

(a) Available-for-sale Securities other than stocks with no market price, etc.

Available-for-sale Securities other than stocks with no market price, etc. are valued at fair value at the end of March 31, 2025 with cost determined by the moving average method.

(b) Stocks with no market price, etc.

Stocks with no market price, etc. are valued at cost determined by the moving average method.

Net unrealized gains or losses on these available-for-sale securities are presented as a separate component of net assets and not in the consolidated statement of earnings.

Securities held by a consolidated overseas subsidiary are stated at cost determined by the first-in first-out.

2. Risk Management Policy of Policy-Reserve-Matching Bonds

The Company categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulate its policies on investments and resource allocation based on the balance of the sub-groups. Moreover, the Company periodically checks that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range.

The sub-groups of insurance products of the Company are:

- individual life insurance and annuities (the exception of certain types),
- non-participating single premium whole life insurance (without duty of medical disclosure),
- financial insurance and annuities,
- group annuities (defined contribution corporate pension insurance; defined contribution corporate pension insurance II and certain corporate pension insurances of which the type can be changed to defined contribution corporate pension insurance II), and
- group annuities 2 (defined benefit corporate pension insurance, employees’ pension fund insurance (II) and new corporate pension insurance (II)).

3. Valuation Method of Derivative Transactions

Derivative transactions are reported at fair value.

4. Revaluation of Land

Based on the “Act on Revaluation of Land” (Act No. 34, March 31, 1998), land for business use was revalued. The difference between the fair value and book value resulting from the revaluation, net of related deferred taxes, is recorded as a reserve for land revaluation as a separate component of net assets and the related deferred tax liability is recorded as deferred tax liabilities for land revaluation.

- Date of revaluation: March 31, 2001
- Method stipulated in Article 3 Paragraph 3 of the Act on Revaluation of Land:

The fair value was determined based on the appraisal value publicly announced for tax assessment purposes with certain reasonable adjustments in accordance with Articles 2-1 and 2-4 of the Order for Enforcement of the Act on Revaluation of Land (Publicly Issue Cabinet Order No.119, March 31, 1998).

5. Depreciation of Depreciable Assets

(1) Depreciation of Tangible Fixed Assets Excluding Leased Assets

Depreciation of tangible fixed assets excluding leased assets of the Company is calculated by the declining balance method (the depreciation of buildings (other than facilities attached to buildings and structures that were acquired on or before March 31, 2016) is calculated by the straight-line method).

Estimated useful lives of major assets are as follows:

- Buildings two to sixty years
- Other tangible fixed assets two to twenty years

Other tangible fixed assets that were acquired for ¥100,000 or more but less than ¥200,000 are depreciated at equal amounts over three years.

With respect to tangible fixed assets that were acquired on or before March 31, 2007 and that were fully depreciated to their original depreciable limit, effective the fiscal year ended March 31, 2008, the remaining values are depreciated at equal amounts over five years from the following fiscal year of the year in which they reached the original depreciable limit.

Depreciation of tangible fixed assets owned by a consolidated overseas subsidiary is calculated by the straight-line method.

(2) Amortization of Intangible Fixed Assets Excluding Leased Assets

The Company and its consolidated subsidiary use the straight-line method for amortization of intangible fixed assets excluding leased assets.

Software for internal use is amortized by the straight-line method based on the estimated useful lives of five years.

(3) Depreciation of Leased Assets

Depreciation for leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero salvage value and using the lease period as the useful life.

(4) Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets as of March 31, 2025 was ¥579,161 million.

6. Translation of Assets and Liabilities Denominated in Foreign Currencies into Yen

The Company translates foreign currency-denominated assets and liabilities (excluding stocks of its non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method) into yen at the prevailing exchange rates at the end of the fiscal year. Stocks of non-consolidated subsidiaries and affiliated companies which are not accounted for under the equity method are translated into yen at the exchange rates on the dates of acquisition. Assets, liabilities, revenues, and expenses of the Company's consolidated overseas subsidiary are translated into yen at the exchange rates at its account closing date. Translation adjustments associated with the consolidated overseas subsidiary are included in foreign currency translation adjustments in the net assets section of the consolidated balance sheet.

7. Reserve for Possible Loan Losses

The reserve for possible loan losses is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

For loans to and claims on obligors that have already experienced bankruptcy, reorganization, or other formal legal failure (hereafter, “bankrupt obligors”) and loans to and claims on obligors that have suffered substantial business failure (hereafter, “substantially bankrupt obligors”), the reserve is calculated by deducting the estimated recoverable amount of the collateral or guarantees from the book value of the loans and claims after the direct write-off described below.

For loans to and claims on obligors that have not yet suffered business failure but are considered highly likely to fail, the reserve is calculated, taking into account (1) the recoverable amount covered by the collateral or guarantees and (2) an overall assessment of the obligor’s ability to repay.

For other loans and claims, the reserve is calculated by multiplying the actual rate or other appropriate rate of losses from bad debts during a certain period in the past by the amount of the loans and claims.

For all loans and claims, the relevant department in the Company performs an asset quality assessment based on the internal rules for self-assessment, and an independent audit department audits the result of the assessment. The above reserves are established based on the result of this assessment.

For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims. The amount written off during the fiscal year ended March 31, 2025 was ¥1 million.

8. Reserve for Possible Investment Losses

In order to provide for future investment losses, a reserve for possible investment losses is established for stocks with no market price, etc. and ownership stakes in partnerships, etc. It is calculated based on the internal rules for self-assessment, write-offs, and reserves on assets.

9. Reserve for Retirement Benefits of Directors, Executive Officers and Corporate Auditors

For the reserve for retirement benefits of directors, executive officers and corporate auditors, an estimated amount for future payment in accordance with the internal policies is provided.

10. Reserve for Possible Reimbursement of Prescribed Claims

To prepare for the reimbursement of claims for which prescription periods had expired, an estimated amount for reserve for possible reimbursement of prescribed claims based on past reimbursement experience is provided.

11. Net Defined Benefit Liabilities

For the net defined benefit liabilities, the amount is considered to have been rationally incurred during the period provided by deducting the pension assets from the projected benefit obligations based on the estimated amounts as of March 31, 2025. The accounting treatment for retirement benefits is as follows.

(1) Allocation of Estimated Retirement Benefits

In calculating the projected benefit obligations, the benefit formula basis is adopted to allocate estimated retirement benefit for the fiscal year ended March 31, 2025.

(2) Amortization of Actuarial Differences and Past Service Cost

Past service cost is amortized under the straight-line method over a certain period (seven years) within the employees’ average remaining service period as of the time of its occurrence.

Actuarial differences are amortized under the straight-line method over a certain period (seven years) within the employees’ average remaining service period, starting from the following year.

12. Reserve for Price Fluctuations

A reserve for price fluctuations is calculated based on the book value of stocks and other securities in accordance with the provisions of Article 115 of the Insurance Business Act.

13. Methods for Hedge Accounting

(1) Methods for Hedge Accounting

As for the Company, hedging transactions are accounted for in accordance with the “Accounting Standards for Financial Instruments” (ASBJ Statement No. 10 issued on March 10, 2008). Primarily, (a) special hedge accounting and the deferral hedge method for interest rate swaps are used for cash flow hedges of certain loans, certain government and corporate bonds, certain loans payable and bonds payable; (b) the currency allotment method and the deferral hedge method using foreign currency swaps and foreign currency forward contracts are used for cash flow hedges against exchange rate fluctuations in certain foreign currency-denominated bonds, certain foreign currency-denominated loans, foreign currency-denominated loans payable and bonds payable, certain foreign currency-denominated forecasted transaction and term deposits; (c) the fair value hedge method using currency options and foreign currency forward contracts is used for hedges against exchange rate fluctuations in the value of certain foreign currency-denominated bonds; (d) the deferral hedge method for bond over-the-counter options is used for hedges against interest-rate fluctuations in certain foreign currency-denominated bonds; (e) the deferral hedge method and fair value hedge method using equity options and equity forward contracts are used for hedges against price fluctuations in the value of certain domestic stocks and certain foreign currency-denominated forecasted transaction, and (f) the deferral hedge method using interest rate swaps is used for hedges against interest-rate fluctuations in certain insurance liabilities, under the “Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators” (Industry-specific Committee Practical Guideline No.26 issued by JICPA).

(2) Hedging Instruments and Hedged Items

Hedging instruments	Hedged items
Interest rate swaps	Loans, government and corporate bonds, loans payable, bonds payable, insurance liabilities
Foreign currency swaps.....	Foreign currency-denominated bonds, foreign currency-denominated loans, foreign currency-denominated loans payable, foreign currency-denominated bonds payable, foreign currency-denominated forecasted transaction
Foreign currency forward contracts	Foreign currency-denominated bonds, foreign currency-denominated term deposits, foreign currency-denominated forecasted transaction
Currency options	Foreign currency-denominated bonds
Bond over-the-counter options	Foreign currency-denominated bonds
Equity options	Domestic stocks, foreign currency-denominated forecasted transaction
Equity forward contracts.....	Domestic stocks

(3) Hedging Policies

The Company conducts hedging transactions with regard to certain market risk, foreign currency risk and interest-rate risk of underlying assets to be hedged, in accordance with the internal investment policy and procedure guidelines.

(4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by a comparison of fluctuations in cash flows or fair value of hedged items to those of hedging instruments.

14. Calculation of National and Local Consumption Tax

The Company accounts for national and local consumption tax by the tax-exclusion method. Deferred consumption tax included in non-recoverable consumption tax on certain assets is capitalized as other assets and amortized equally over five years in accordance with the Order for Enforcement of the Corporation Tax Act, and such taxes other than deferred consumption tax are recognized as an expense when incurred.

15. Accounting Policies for Policy Reserves

Policy reserves of the Company are established in accordance with the methods stated in the statement of calculation procedures for policy reserves (Article 4, Paragraph 2, Item 4 of the Insurance Business Act) pursuant to Article 116, Paragraph 1 of the Insurance Business Act, for insurance contracts under which the insurer's liability has started as of the end of the fiscal year, in preparation for the performance of future obligations under the insurance contracts.

Of policy reserves, insurance premium reserves are calculated as stated in a) and b) below:

- a) Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Commissioner of Financial Services Agency (Notification of the Minister of Finance No. 48, 1996).
- b) Reserves for other policies are established based on the net level premium method.

If, through an estimation of future income based on most recent actual figures, the policy reserves set aside are found likely to be insufficient to cover the performance of future obligations, additional policy reserves need to be set aside in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act. Policy reserves include additional policy reserves for some whole life insurance policies in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act.

Contingency reserves included in policy reserves are set aside in accordance with Article 69, Paragraph 1, Item 3 of the Ordinance for Enforcement of the Insurance Business Act to cover risks that may accrue in the future in order to ensure the performance of future obligations under insurance contracts.

16. Reserves for Outstanding Claims

With respect to reserves for incurred but not reported cases for individual insurance policies (referring to claims for which the occurrence of the insured events have not been reported but the Company finds that insured events have already occurred; hereinafter the same) provided by the company that operate a life insurance business in Japan, the payment of hospitalization benefits with respect to those diagnosed as COVID-19 and were under the care of a doctor and the like at an accommodation facility or at home ("deemed hospitalization") was terminated 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.

(Overview of the calculation method)

The company first deducts an amount pertaining to deemed hospitalization of all policy holders from a required amount of reserves for incurred but not reported cases 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.

17. Unapplied Accounting Standards

Matters related to accounting standards, etc. that have not yet been applied are as follows.

- "Accounting Standards for Leases" (ASBJ Statement No. 34, September 13, 2024)
- "Guidelines for Accounting Standards for Leases" (ASBJ Guidance No. 33, September 13, 2024)

Amendments to other related ASCBs, ASCB Guidance, Practical Reports and Transfer Guidelines

(1) Overview

Similar to international accounting standards, this stipulates the treatment of recording assets and liabilities for all leases of lessees.

(2) Planned application date

This is scheduled to be applied from the beginning of the fiscal year starting on April 1, 2027.

(3) Impact of application of the said accounting standards, etc.

The impact of application of the said accounting standards, etc. is currently being evaluated.

18. Fair Value of Financial Instruments and Matters concerning Fair Value of Financial Instruments and breakdown by input level

(1) Financial Instruments

a) Policies in Utilizing Financial Instruments

In an effort to manage investment assets in a manner appropriate to liabilities, which arise from the insurance policies underwritten, the Company engages in asset liability management, or ALM, which considers the long-term balance between assets and liabilities to ensure stable returns. With this strategy, the Company holds fixed income investments, including bonds and loans, as the core of its asset portfolio. While placing its financial soundness first, the Company also holds stocks and foreign securities within its tolerable risk to enhance its profitability and facilitate diversification of investment risks.

The Company uses derivatives primarily to hedge market risks associated with its existing asset portfolio and supplement its investment objectives to the extent necessary, taking into account the exposure of underlying assets.

With respect to financing, the Company has raised capital directly from the capital markets by issuing subordinated bonds as well as indirectly from banks in order to strengthen its capital base. To avoid impact from interest-rate fluctuations, the Company utilizes derivative transactions in hedging some of such financial liabilities and adopts hedge accounting.

b) Financial Instruments Used and Their Risks

Securities included in financial assets of the Company, mainly stocks and bonds, are categorized by its investment objectives such as held-to-maturity, policy-reserve-matching securities and available-for-sale securities. Those securities are exposed to market fluctuation risk, credit risk and interest rate risk and some of the securities denominated in foreign currency are exposed to foreign currency risk. Also, loans are exposed to credit risk arising from the defaults of obligors.

The Company might be exposed to liquidity risk in certain circumstances in which it cannot make timely payments of principal, interest or other amounts due to unpredictable cash outflows or is forced to raise capital with interest rates substantially higher than usual. Also, some of its loans payable and bonds payable which are floating interest rate based and denominated in foreign currency are exposed to interest rate risk and foreign currency risk.

The Company utilizes i) interest rate swaps to hedge interest rate risk associated with certain loans receivable and payable, ii) equity forward contracts to hedge market fluctuation risks associated with certain domestic stocks, and iii) foreign currency forward contracts, currency options and foreign currency swaps to hedge foreign currency risks associated with certain foreign currency-denominated bonds, foreign currency-denominated short-term deposits and foreign currency-denominated debts, etc. and adopt hedge accounting.

In addition, the company utilizes iv) interest rate swaps to hedge interest rate risk associated with certain insurance liabilities, under the “Accounting and Auditing Treatment of Application of Accounting Standard for Financial Instruments to Insurance Operators” (Industry Classified Committee Practical Guideline No.26 issued by JICPA).

In applying the hedge accounting, in order to fulfill requirements stipulated in the “Accounting standards for financial instruments” (ASBJ Statement No. 10), the Company has established investment policy and procedure guidelines and clarified the transactions to be hedged, the risk of underlying assets to be hedged and derivative instruments to be used, and conducted pre- and post-effectiveness tests of the transactions.

c) Risk Management

The risk management system of the Company is as follows:

i) Market Risk Management

Under the internal investment policy and market risk management policy, the Company manages market risk by conducting mid- to long-term asset allocation in a manner appropriate to its liabilities. Therefore, it categorizes its portfolio into sub-groups, based on their investment purpose, and manages them taking into account each of their risk characteristics.

(a) Interest rate risk

The Company keeps track of interest rates and durations of its assets and liabilities, monitors its internal analyses on duration gap and interest rate sensitivity, and periodically reports its findings to the board of directors, etc.

(b) Currency risk

The Company keeps track of currency composition of its financial assets and liabilities, conducts sensitivity analyses, and periodically reports its findings to the board of directors, etc.

(c) Fluctuation in market values

The Company defines risk management policies and management procedures for each component of its overall portfolio, including securities, based on the risk characteristics of the categories, and set and manages upper limits of each asset balance and asset allocation weight.

Such management conditions are periodically reported by its risk management sections to the board of directors, etc.

(d) Derivative transactions

For derivative transactions, the Company has established internal check system by segregating i) executing department, ii) the department which engages in assessment of hedge effectiveness, and iii) the back-office. Additionally, in order to limit speculative use of derivatives, the Company has put restrictions on utilization purpose, such as hedging, and establishes position limits for each asset class.

ii) Credit Risk Management

In accordance with the internal investment policy and credit risk management procedure guidelines, the Company has established a credit management system related to loans, such as preliminary reviews on individual transactions, credit limit setting, credit information management, internal credit rating, attachment of guarantees and collateral, and follow-ups on problem loans. For corporate bond investment, the credit section sets investment caps on individual issuers taking into account internal credit ratings and other factors. Excessive risk-taking is restricted since front offices make investment within those caps. Policies and framework for large-lot borrowers have been formulated in order to prevent credit concentration by monitoring compliance, etc. That credit management has been conducted by the credit and risk management sections, and has been periodically reported to the board of directors, etc. Additionally, the internal audit section has also checked credit management status.

Credit risk of security issuers and counterparty risk with respect to derivative transactions are managed by the credit section, which sets upper limits for each counterparty and financial instrument and periodically monitors credit information, and by the risk management section, which periodically monitors current exposures.

d) Supplementary Explanation for Fair Value of Financial Instruments

As the calculation of those values adopts certain assumptions, those values may vary in case different assumptions are applied.

(2) Fair Value of Financial Instruments

The carrying amount on the consolidated balance sheet, fair value and differences between carrying amount and fair value as of March 31, 2025 were as follows.

As of March 31, 2025	Carrying amount	Fair value	Gains (Losses)
		(Unit: million yen)	
(1) Call Loans.....	530,300	530,345	45
(2) Monetary claims bought.....	191,855	191,855	-
(3) Money in held trust.....	8,530	8,530	-
(4)Securities (*2) (*3)			
a. Trading securities.....	1,094,430	1,094,430	-
b. Held-to-maturity.....	3,453	3,453	-
c. Policy-reserve-matching bonds....	16,145,478	14,104,424	(2,041,053)
d. Available-for-sale securities.....	10,252,022	10,252,022	-
(5) Loans.....	3,423,017		
Reserve for possible loan losses (*4)	(2,165)		
	3,420,852	3,266,959	(153,893)

Total assets.....	31,646,923	29,452,021	(2,194,901)
(1) Bonds payable.....	576,780	574,309	(2,470)
(2) Payables under repurchase agreements. .	1,618,921	1,619,072	150
(3) Long-term borrowings.....	390,600	384,161	(6,438)
Total liabilities.....	2,586,301	2,577,542	(8,758)
Derivative transactions (* 5)			
a. Hedge accounting not applied.....	32,577	32,577	-
b. Hedge accounting applied.....	[162,598]	[160,493]	2,105
Total derivative transactions.....	[130,021]	[127,916]	2,105

(*1) Cash and deposits are not included in the above tables since they are mostly short-term or without maturity, and their fair values approximate their carrying amounts.

(*2) Net asset value of certain mutual funds is regarded as the fair value in accordance with generally accepted accounting standard, and included in the table above.

(*3) Stocks with no market prices, etc. and ownership stakes in partnerships, etc. are as follows and are not included in the fair value of (4) Securities.

As of March 31, 2025	Carrying amount (Unit: million yen)
Stocks with no market prices, etc. (*a)(*c).....	60,932
Ownership stakes in partnerships, etc. (*b)(*c).....	1,166,530

(*a) Stocks with no market prices, etc. include unlisted stocks, etc. In accordance with Item 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No.19, September 13, 2024), these amounts are not included in disclosures of fair value

(*b) Stake in the partnership, etc. are mainly anonymous associations and investment partnerships, etc. In accordance with Item 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021), these amounts are not included in disclosures of fair value.

(*c) The Company recorded impairment charges of ¥1,736 million for the fiscal year ended March 31, 2025.

(*4) Excluding general reserves for possible loan losses and specific reserves for possible loan losses related to loans.

(*5) Credits/debts from derivative transactions are presented on a net basis. Figures in [] are net debts.

(3) Matters concerning Fair Value of Financial Instruments and breakdown by input level

The fair values of financial instruments are classified into the following three levels in accordance with the observability and significance of the inputs used to measure the fair value:

Level 1: Fair value determined based on the observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2: Fair value determined based on observable inputs other than Level 1 inputs

Level 3: Fair value determined based on significant unobservable inputs

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the financial instrument is classified into the lowest priority level of fair value measurement in which each input belongs.

(i) Financial assets and liabilities measured at fair value on the consolidated balance sheets

As of March 31, 2025	Level 1	Level 2	Level 3	Total
	(Unit: million yen)			
Monetary claims bought.....	-	-	191,855	191,855
Money held in trust	5,723	2,806	-	8,530
Securities(*1)				
Trading securities.....	636,047	422,105	36,278	1,094,430
Available-for-sale securities				
Government bonds.....	907,729	-	-	907,729

Local government bonds.....	-	19,947	-	19,947
Corporate bonds.....	-	1,313,597	5,241	1,318,838
Domestic stocks.....	3,276,226	23	-	3,276,249
Foreign bonds.....	217,393	2,737,746	123,924	3,079,064
Other foreign securities.....	314,558	389,370	48,329	752,258
Other securities.....	5,266	754,488	40,470	800,225
Derivative transactions				
Currency-related transactions.....	-	19,130	-	19,130
Interest-related transactions.....	-	13,020	-	13,020
Stock-related transactions.....	17,870	352	-	18,223
Bond-related transactions.....	1,433	146	-	1,579
Others.....	-	656	-	656
Total assets.....	5,382,248	5,673,392	446,099	11,501,740
Derivative transactions				
Currency-related transactions.....	-	110,092	-	110,092
Interest-related transactions.....	-	69,207	-	69,207
Stock-related transactions.....	252	1,295	-	1,547
Bond-related transactions.....	1,640	143	-	1,783
Total liabilities.....	1,892	180,739	-	182,632

(*1) Certain Mutual funds whose net asset value are regarded as the fair value in accordance with Item 24-3 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021) are not included in the table above. The amount of such mutual funds on the interim consolidated balance sheet is ¥97,708 million. Reconciliation between the beginning and ending balance and breakdown of restriction on cancellation as of the fiscal year ended March 31, 2025 have been omitted as the amount of such mutual funds is immaterial.

(ii) Financial assets and liabilities not measured at fair value on the consolidated balance sheets

As of March 31, 2025	Level 1	Level 2	Level 3	Total
		(Unit: million yen)		
Call loans	-	530,345	-	530,345
Securities				
Held-to-maturity Bonds				
Foreign bonds.....	-	-	3,453	3,453
Policy-reserve-matching Bonds				
Government bonds.....	13,580,047	-	-	13,580,047
Local government bonds.....	-	86,963	-	86,963
Corporate bonds.....	-	394,422	-	394,422
Foreign bonds.....	-	42,990	-	42,990
Loans	-	-	3,266,959	3,266,959
Total assets.....	13,580,047	1,054,722	3,270,412	17,905,183
Bonds payable.....	-	574,309	-	574,309
Payables under repurchase agreements.....	-	1,619,072	-	1,619,072
Long-term borrowings.....	-	-	384,161	384,161
Total liabilities.....	-	2,193,381	384,161	2,577,542

(Note 1) Description of the evaluation methods and inputs used to measure fair value

● **Assets**

Call loans

The fair value of call loans is calculated by discounting future cash flows, using interest rate corresponding to the remaining periods of the Call loans. Call loans are classified into Level 2.

Also, call loans with short expected repayment period, the fair value is deemed to have fair value close to book value. Therefore, their book value is recorded as the fair value and classified into Level 2.

Monetary claims bought

The fair value of monetary claims bought is based mainly on the price presented by third parties and counterparty financial institutions. Important unobservable inputs are used for the presented price. Monetary claims bought are classified into Level 3.

Money held in trust

The fair value of money held in trust is based on the price presented by counterparty financial institutions. Money held in trust is classified into either Level 1 or Level 2, mainly based on constituents held in trust.

Securities

Securities of which the fair value is based on the quoted prices in active markets with no adjustment is classified into Level 1. That includes mainly stocks and government bonds. Securities that are based on the presented quoted prices in inactive markets are classified into Level 2.

The fair value of bonds other than bonds of which the fair values are based on the quoted prices is mainly based on the prices presented by third parties and counterparty financial institutions. These prices are the present value that is calculated by discounting future cash flows at a rate comprising a risk-free interest rate and a credit spread. In case that observable inputs are used in the calculation, the fair value is classified into Level 2. In case that unobservable inputs are used in the calculation, the fair value is classified into Level 3.

The fair value of mutual funds without market prices is based on net asset value unless there is no significant restriction on cancellation. The fair value is classified into either Level 2 or Level 3, mainly based on constituents held in trust.

Loans

The fair value of loans is calculated by discounting future cash flows of the subject loan, using interest rates corresponding to the internal credit rating and remaining periods which are assumed to be applied to new loans to the subject borrower. Loans are classified into Level 3.

Additionally, for risk-monitored loans, reserve for possible loan losses is calculated based on the present value of estimated future cash flows or the amount deemed recoverable from collateral and guarantees and the fair value is close to the carrying amount on the consolidated balance sheet minus reserve for possible loan losses as of March 31, 2025. Therefore, that amount (the carrying amount on the consolidated balance sheet minus reserve for possible loan losses) is recorded as fair value for risk-monitored loans and classified into Level 3.

Also, loans without a due date because of their characteristics that their exposure is limited to the amount of their collaterals, are deemed to have fair value close to book value, taking into account estimated repayment period and interest rates. Therefore, their book value is recorded as the fair value and classified into Level 3.

● Liabilities

Bonds payable

The fair value of bonds is based on the quoted price on the bond market. Bonds payable are classified into Level 2.

Payables under repurchase agreements

The fair value of payables under repurchase agreements is calculated by discounting future cash flows, using interest rates corresponding to the remaining periods. Payables under repurchase agreements are classified into Level 2. Also, payables under repurchase agreements with short-term maturity have fair value close to their book value. Therefore, their book value is recorded as the fair value and classified into Level 2.

Long-term borrowings

The fair value of long-term borrowings is calculated by discounting future cash flows, using interest rates corresponding to the internal credit rating and remaining periods which are assumed to be applied to new borrowings. Long-term borrowings are classified into Level 3.

● Derivative Transactions

The fair value of listed derivative transactions based on the quoted prices with no adjustment in active markets is classified into Level 1. That includes mainly stock-related transactions and bond-related transactions. The fair value of listed derivative transactions based on the presented quoted prices in inactive markets are classified into Level 2.

The fair value of over-the-counter derivative transactions is based on the price presented by third parties and counterparty financial institutions. These prices are the discounted present value, and fair value based on option valuation models, etc., using input such as interest rate, foreign exchange rate, volatility, etc. The fair value of listed derivative transactions is mainly classified into Level 1. The fair value of over-the-counter derivative transactions is classified into Level 2, due to not using unobservable inputs or the immateriality of the effect of unobservable inputs.

(Note 2) Quantitative information about financial assets and liabilities measured and stated on the consolidated balance sheet at fair value and classified into Level 3

(i) Reconciliation between the beginning and ending balance, and net unrealized gains (losses) recognized in the earnings of the period

As of March 31, 2025	Beginning balance	Gain/Loss recorded in consolidated statement of earnings (*1)	Gain/Loss recorded in consolidated statement of comprehensive income (*2)	Variable amount (net amount) by purchase, sale, issue and settlement	Ending balance	Out of above "Gain/Loss recorded in consolidated statement of earnings", valuation gain/loss resulting from financial instruments held at the end of the period(*1)
Monetary claims bought.....	206,210	(1,688)	(4,305)	(8,360)	191,855	(1,661)
Securities						
Trading securities	37,042	788	-	(1,552)	36,278	885
Available-for-sale securities						
Corporate bonds.....	8,909	(902)	(526)	(2,238)	5,241	937
Foreign bonds.....	144,512	(4,324)	136	(16,399)	123,924	11,965
Other foreign securities.....	39,702	-	(3,367)	11,993	48,329	-
Other securities.....	34,892	-	578	4,999	40,470	-

(*1) Gain/Loss recorded as investment income and investment expenses in consolidated statement of earnings.

(*2) Gain/Loss recorded in net unrealized gains (losses) on securities, net of tax of Other comprehensive income in consolidated statement of comprehensive income.

(ii) Description of the fair value valuation process

The Company and its subsidiaries establish policies and procedures for calculating the fair value and classifying the fair value level in the accounting department. In accordance with these policies and procedures, investment management service department selects the fair value valuation method, and then calculates the fair value and classifies the fair value by level. The appropriateness of input, fair value valuation method and classification for this fair value are verified. In addition, when using the fair value obtained from a third party as the market price, the validity is verified by appropriate methods such as confirmation of the valuation method and inputs used and comparison with the market price of similar financial instruments.

19. Real Estate for Rent

The Company owns a number of commercial buildings, including land, for rent in various locations, including Tokyo. Net rental income from such real estate for rent for the fiscal year ended March 31, 2025 was ¥25,881 million. The rental income was included in investment income and the rental expense was included in investment expenses. The Company recorded gains on sale of ¥8,819 million and impairment loss of ¥2,243 million on rental real estate as extraordinary gains and extraordinary losses respectively for the fiscal year ended March 31, 2025.

The carrying amount, net change during the year and the fair value of such rental real estate, were as follows:

(Unit: million yen)

Carrying amount	
Beginning balance.....	924,722
Net change for the year.....	29,738
Ending balance.....	954,461
Fair value.....	1,365,464

(*1) The carrying amount of rental real estate on the balance sheet was acquisition costs net of accumulated depreciation and impairments.

(*2) Net change in the carrying amount included cost of acquisition of the real estate of ¥92,348 million, sale of the real estate of ¥45,940 million, depreciation expense of ¥14,183 million, and impairment loss of ¥2,243 million.

(*3) The Company calculates the fair value of the majority of the rental real estate based on real estate appraisal standards and assessment by an independent appraiser, and others based on internal but reasonable estimates.

20. Securities Lending

Securities lent under lending agreements are included in the consolidated balance sheet. The total balance of securities lent as of March 31, 2025 was ¥2,478,838 million.

21. Risk-managed Claims

As of March 31, 2025, the amounts of claims against bankrupt and quasi-bankrupt obligors, claims with collection risk, claims that are overdue for three months or more, and claims with repayment relaxation, which were included in loans, were as follows:

(Unit: million yen)

Claims against bankrupt and quasi-bankrupt obligors.....	86
Claims with collection risk.....	2,611
Claims that are overdue for three months or more.....	-
Claims with repayment relaxation.....	-
Total.....	2,697

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.

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.

Claims that are overdue for three months or more are loans for which payment of principal or interest is delayed for three months or more from the day following the contracted payment date. This category excludes claims against bankrupt and quasi-bankrupt obligors and claims with collection risk.

Claims with repayment relaxation are loans for which certain concessions favorable to the debtor, such as interest rate reduction and exemption, interest payment deferment, principal repayment deferment, debt waiver, etc., for the purpose of rebuilding or supporting the debtor. This category excludes claims against bankrupt and quasi-bankrupt obligors, claims with collection risk and claims that are overdue for three months or more.

As a result of the direct write-off of claims described in Note 7, the decrease in claims against bankrupt and quasi-bankrupt obligors was ¥1million.

22. Assets and Liabilities Held in Separate Accounts

The total amount of assets held in separate accounts defined in Article 118 Paragraph 1 of the Insurance Business Act was ¥1,643,638 million. Separate account liabilities were the same amount as the separate account assets.

23. Contingent Liabilities

Guarantee for debt obligations of a separate company were as follows:

(Unit: million yen)

Dai-ichi Life Holdings, Inc.	250,002
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24. Changes in Reserve for Policyholder Dividends

Changes in reserve for policyholder dividends were as follows:

	(Unit: million yen)
Balance at the beginning of the fiscal year.....	422,642
Dividends paid during the fiscal year.....	99,028
Interest accrual during the fiscal year.....	8,437
Provision for reserve for policyholder dividends.....	100,000
Balance at the end of March 31.....	432,050

25. Stock of Subsidiaries and Affiliated Companies

The amount of stocks of and capital in non-consolidated subsidiaries and affiliated companies the Company held as of March 31, 2025 were as follows:

	(Unit: million yen)
Stocks.....	10,675
Capital.....	312,530
Total.....	323,205

26. Organizational Change Surplus

As of March 31, 2025, the amount of organizational change surplus stipulated in Article 91 of the Insurance Business Act was ¥117,776million.

27. Assets Pledged as Collateral / Secured Liabilities

The amounts of securities and cash and deposits pledged as collateral were as follows:

	(Unit: million yen)
Securities.....	2,094,782
Cash and deposits.....	86
Total.....	2,094,869

The amounts of secured liabilities were as follows:

	(Unit: million yen)
Payables under repurchase agreements.....	1,618,921

The amounts of "Securities" sold under repurchase agreements, as of March 31, 2025 was ¥1,785,558.

28. Net Assets per Share

The amount of net assets per share of the Company as of March 31, 2025 was ¥411,444,157.28.

29. Employees' Retirement Benefits

(1) Overview of Employees' Retirement Benefit Plan of the Company

As a defined benefit plan for its sales representatives, the Company has established and maintained a benefit plan consisting of retirement lump sum grants and company administered pension. For its administrative personnel, the Company has established and maintained a benefit plan consisting of defined benefit corporate pension and retirement lump sum grants as a defined benefit plan and defined contribution pension as a defined contribution plan.

(2) Defined Benefit Plan

a) Reconciliations of beginning and ending balances of projected benefit obligations

	(Unit: million yen)
a. Beginning balance of the projected benefit obligations.....	575,733
b. Service cost	18,626
c. Interest cost	8,163
d. Accruals of actuarial (gains) and losses	(21,581)

e. Payment of retirement benefits.....	(44,790)
f. Others.....	(897)
g. Ending balance of the projected benefit obligation (a + b + c + d + e + f)	535,253

b) Reconciliations of beginning and ending balances of pension assets

(Unit: million yen)

a. Beginning balance of pension assets.....	370,583
b. Estimated return on assets	1,876
c. Accruals of actuarial (gains) and losses	14,523
d. Contribution from the employer	5,017
e. Payment of retirement benefits.....	(6,881)
f. Ending balance of pension assets (a + b + c + d + e)	385,120

c) Reconciliations of year-end balance of projected benefit obligations and pension assets, and net defined benefit liabilities and assets that have been recorded in the balance sheet

(Unit: million yen)

a. Projected benefit obligation for funded pensions.....	281,076
b. Pension assets	(385,120)
c. Subtotal (a + b)	(104,043)
d. Projected benefit obligation for unfunded pensions	254,176
e. Net of assets and liabilities recorded in the consolidated balance sheet (c+ d)	150,132
f. Net defined benefit liabilities	150,132
g. Net defined benefit assets	-
h. Net of assets and liabilities recorded in the balance sheet (f+ g)	150,132

d) Amount of the components of retirement benefit expenses

(Unit: million yen)

a. Service cost	18,626
b. Interest cost	8,163
c. Expected return on assets	(1,876)
d. Expense of actuarial (gains) and losses.....	(25,960)
e. Expense of past service cost	177
f. Others	54
g. Retirement benefit expenses for defined benefit plans (a + b + c + d + e + f)	(815)

e) Remeasurements of defined benefit plans

Breakdown of items recorded in remeasurements of defined benefit plans (before applicable tax effect) was as follows:

(Unit: million yen)

Past service cost	175
Actuarial gains (losses)	10,093
Total.....	10,269

f) Accumulated remeasurements of defined benefit plans

Breakdown of items recorded in accumulated remeasurements of defined benefit plans (before applicable tax effect) was as follows:

(Unit: million yen)

Unrecognized past service cost	667
Unrecognized actuarial gains (losses)	(175,708)
Total.....	(175,041)

g) Pension assets

i. The main components of the pension assets

Ratios of the major assets to the total pension assets were as follows:

Stocks.....	57%
Bonds.....	24%
Assets under joint management.....	13%
Life insurance general account	5%
Others	1%
<u>Total.....</u>	<u>100%</u>

Note: The proportion of retirement benefit trust to total pension assets that has been set for the unfunded retirement benefit plans as of March 31, 2025 was 66%

ii. The method of setting the expected long-term rate of return on pension assets

To determine the expected long-term rate of return on pension assets, the Company has taken into account the allocation of pension assets at present and in future, and long-term rate of return on a variety of assets that make up the pension assets at present and in future.

h) Calculation basis of actuarial gains and losses

Major assumptions of basis of actuarial calculation as of the fiscal year-end were as follows:

Discount rate	1.42%
Expected long-term rate of return	
Defined benefit corporate pension	1.40%
Employee pension trust	0.00%

(3) Defined Contribution Plan

Required amounts of contribution to defined contribution plans of the Company for the fiscal years ended March 31, 2025 was ¥ 1,740 million.

30. Securities Borrowing

As of March 31, 2025, the market value of the securities borrowed under borrowing agreements which can be sold or pledged as collateral but were not sold or pledged as collateral was ¥59,200 million. None of the securities were pledged as collateral as of March 31, 2025.

31. Commitment Line

As of March 31, 2025, there were unused commitment line agreements, under which the Company was the lenders, of ¥31,543 million.

32. Subordinated Debt and Other Liabilities

As of March 31, 2025, other liabilities included subordinated debt of ¥390,600 million, whose repayment is subordinated to other obligations.

33. Bonds Payable

As of March 31, 2025, bonds payable included foreign currency-denominated subordinated bonds of ¥576,780 million, whose repayment is subordinated to other obligations.

34. Calculation of corporate and local income taxes and deferred tax accounting related to these taxes

The Company has adopted the group tax sharing system, in which Dai-ichi Life Holdings, Inc. is the tax sharing parent company. The Company has applied the accounting treatment of corporate tax and local corporate tax, as well as applied the accounting and disclosure treatment of deferred tax accounting, in accordance with Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (ASBJ PITF No. 42, August 12, 2021).

35. Significant Subsequent Event

(1) Significant changes in the scope of consolidation

On May 14, 2025, the Company's Board of Directors approved a resolution to transfer all shares of Dai-ichi Life Insurance Myanmar Ltd. (hereafter, "DLMM") to Dai-ichi Life Holdings Inc., the parent company in June 2025, as part of the group reorganization. As a result, DLMM will be excluded from the Company's scope of consolidation.

(2) Effect of the changes

Following the transfer of shares, DLMM, the Company's only consolidated subsidiary will be excluded from the Company's scope of consolidation. The impact of this transaction on the consolidated financial results is minimal.

III. NOTES TO UNAUDITED CONSOLIDATED STATEMENT OF EARNINGS FOR THE FISCAL YEAR ENDED March 31, 2025

1. Accounting Policies for Premium and Other Income and Benefits and Claims for the Company

(1) Premium and other income (excluding reinsurance income)

Premium and other income (excluding reinsurance income) is recorded for insurance contracts for which insurance premium has been received and the insurer's liability under the insurance contracts has commenced by the relevant amounts received.

Of premium and other income (excluding reinsurance income), the portion corresponding to the period that has yet to pass as of the end of the fiscal year is set aside as policy reserves in accordance with Article 69, Paragraph 1, Item 2 of the Ordinance for Enforcement of the Insurance Business Act.

(2) Reinsurance Income

Reinsurance income is recorded as amounts equivalent to the portion reinsured under reinsurance contracts out of the amounts paid as claims, etc. under direct insurance contracts at the time when those claims, etc. are paid.

(3) Benefits and claims (excluding ceding reinsurance commissions)

Benefits and claims (excluding ceding reinsurance commissions) are recorded for contracts for which amounts calculated under policy conditions have been paid in the occurrence of insured events under the policy conditions by the relevant amounts paid.

In accordance with Article 117 of the Insurance Business Act, reserves for outstanding claims are set aside for claims, etc. for which the Company has a payment due but has not paid, or for which the occurrence of the insured events have not been reported but the Company finds that insured events have already occurred, as of the end of the fiscal year.

(4) Ceding reinsurance commissions

Ceding reinsurance commissions are recorded in agreed amounts in accordance with reinsurance contracts at the time either when insurance premiums under direct insurance contracts are received, or when the reinsurance contracts are entered into.

Part of policy reserves and reserves for outstanding claims corresponding to insurance contracts which have been reinsured is not set aside in accordance with Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act.

2. Net Income per Share

Net income per share for the fiscal year ended March 31, 2025 was ¥50,604,868.11. Diluted net income per share for the same period is not presented because there were no existing diluted shares.

3. Impairment Losses on Fixed Assets

Details of impairment losses on fixed assets for the fiscal year ended March 31, 2025 were as follows:

(1) Method of Grouping Assets

Real estate and other assets used for insurance business purposes are recognized as one asset group. Each property for rent and property not in use, which is not used for insurance business purposes, is deemed to be an independent asset group.

(2) Background for Recognition of Impairment Losses

As a result of significant declines in profitability or market value of some asset groups, the Company wrote down the book value of these assets to the recoverable value, and reported such write-off as impairment losses in extraordinary losses.

(3) Breakdown of Impairment Losses

Impairment losses by asset group for the fiscal year ended March 31, 2025 were as follows:

Asset Group	Place	Number	Impairment Losses		Total
			Land	Buildings	
(Unit: million yen)					
Real estate not in use	Asahikawa city, Hokkaido prefecture and others	25	1,455	788	2,243

(4) Calculation of Recoverable Value

Value in use or net sale value is used as the recoverable value of real estate for rent, and net sale value is used as the recoverable value of real estate not in use. A discount rate of 1.85% for the fiscal year ended March 31, 2025 was applied for discounting future cash flows in the calculation of value in use. Estimated disposal value, appraisal value based on real estate appraisal standards, or appraisal value based on publicly assessed land value for tax purposes is used as the net sale value.

4. Second career special support expenses

Second career special support expenses included special support allowance and re-employment support expenses for employees who retire using Second Career Special Support Framework implemented during the fiscal year ended March 31, 2025.

5. Transactions with Related Parties

Matters with regard to related party transactions are as follows:

Category	Name of company	Owned percentage	Relationship	Description of transaction	Transaction amount (million yen)	Items	Balance at the end of the fiscal year (million yen)
Parent company	Dai-ichi Life Holdings, Inc.	Owned direct 100%	Lending of funds; Interlocking Directors, etc.	Lending of funds (※)	396,230	Ordinary loans	530,762
				Collection of funds	177,267		
				Receiving interest (※)	4,149	Accrued revenue	2,484

(※) Determined in consideration of market interest rates.

IV. NOTES TO UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FISCAL YEAR ENDED MARCH 31, 2025

Net unrealized gains (losses) on securities, net of tax	
Amount incurred during the fiscal year ended March 31, 2025	(336,935)
Amount reclassified	(431,068)
Before tax adjustment	(768,003)
Tax effect	190,451
Net unrealized gains (losses) on securities, net of tax	(577,551)
Deferred hedge gains (losses)	
Amount incurred during the fiscal year ended March 31, 2025	(44,397)
Amount reclassified	10,511
Before tax adjustment	(33,886)
Tax effect	10,953
Deferred hedge gains (losses)	(22,932)
Reserve for land revaluation	
Amount incurred during the fiscal year ended March 31, 2025	-
Amount reclassified	-
Before tax adjustment	-
Tax effect	(2,249)
Reserve for land revaluation	(2,249)
Foreign currency translation adjustments	
Amount incurred during the fiscal year ended March 31, 2025	632
Amount reclassified	-
Before tax adjustment	632
Tax effect	-
Foreign currency translation adjustments	632
Remeasurements of defined benefit plans, net of tax	
Amount incurred during the fiscal year ended March 31, 2025	36,146
Amount reclassified	(25,877)
Before tax adjustment	10,269
Tax effect	(4,228)
Remeasurements of defined benefit plans	6,040
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	
Amount incurred during the fiscal year ended March 31, 2025	0
Amount reclassified	-
Share of other comprehensive income of subsidiaries and affiliates accounted for under the equity method	0
Total other comprehensive income	(596,060)

V. NOTES TO UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED March 31, 2025

1. Scope of Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, demand deposits and short-term investments with a maturity of three months or less from the date of acquisition, which are readily convertible into cash and have an insignificant risk of changes in value.

VI. NOTES TO UNAUDITED CONSOLIDATED STATEMENT OF CHANGE IN NET ASSETS FOR THE FISCAL YEAR ENDED March 31, 2025

1. Type and Number of Shares Outstanding

	At the beginning of the year	Increase	Decrease	As of March 31,2025
(Unit: thousands shares)				
Common stock.....	6	-	-	6

2. Dividends on Common Stock

(1) Amount of dividends

Date of resolution	June 19, 2024 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥203,881 million
Dividends per share	¥33,980,300
Record date	March 31, 2024
Effective date	June 20, 2024
Dividend resource	Retained earnings

Date of resolution	November 13, 2024 (at the Meeting of the Board of Directors)
Type of shares	Common stock
Total dividends	¥49,999 million
Dividends per share	¥8,333,300
Record date	September 30, 2024
Effective date	December 2, 2024
Dividend resource	Capital surplus

(2) Dividends, the record date of which was March 31, 2025, to be paid out in the year ending March 31, 2026

a) Cash Dividends

Date of resolution	June 18, 2025 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Total dividends	¥237,052 million
Dividends per share	¥39,508,800
Record date	March 31, 2025
Effective date	June 19, 2025
Dividend resource	Retained earnings

b) Dividends in Kind

Date of resolution	June 18, 2025 (at the Annual General Meeting of Shareholders)
Type of shares	Common stock
Type of dividend asset	Securities
Book value of the dividend asset	¥15,357 million
Dividends per share	¥2,559,553
Record date	March 31, 2025
Effective date	June 26, 2025
Dividend resource	Capital surplus

(7) Consolidated Claims Based on Insurance Business Act

Category	(millions of yen)	
	Year ended March 31, 2024	Year ended March 31, 2025
Claims against bankrupt and quasi-bankrupt obligors	88	86
Claims with collection risk	2,586	2,611
Claims that are overdue for three months or more	-	-
Claims with repayment relaxation	-	-
Subtotal	2,674	2,697
[Percentage]	[0.05%]	[0.05%]
Claims against normal obligors	5,599,286	5,946,591
Total	5,601,961	5,949,288

Note:

- For loans and claims to bankrupt and substantially bankrupt obligors, the unrecoverable amount is calculated by deducting the amount deemed recoverable from collateral and guarantees from the amount of the loans and claims and is directly written off from the amount of the loans and claims.
The write-offs relating to bankrupt borrowers in the fiscal year ended March 31, 2025 were 1 million yen and in the fiscal year ended March 31, 2024 were 1 million , respectively.
- Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.
- Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered. (Excludes the claims listed in Note 2)
- Claims that are overdue for three months or more are loans for which payment of principal or interest is delayed for three months or more from the day following the contracted payment date. (Excludes the claims listed in Note 2 and 3)
- Claims with repayment relaxation are arrangements that are advantageous to the debtor, such as interest rate reduction and exemption, interest payment deferment, principal repayment deferment, debt waiver, etc., for the purpose of rebuilding or supporting the debtor (Excluding items mentioned in Note from 2 to 4 above).
- Claims against normal obligors are all other loans. (Excluding items mentioned in Note from 2 to 5 above).

(8) Consolidated Solvency Margin Ratio

(millions of yen)

	As of March 31, 2024	As of March 31, 2025
Total solvency margin (A)	6,470,979	5,627,725
Common stock, etc. ^{*1}	347,557	322,149
Reserve for price fluctuations	276,453	288,453
Contingency reserve	572,893	557,893
Catastrophe loss reserve	-	-
General reserve for possible loan losses	3,349	2,118
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% ^{*2}	2,942,285	2,242,882
Net unrealized gains (losses) on real estate × 85% ^{*2}	388,716	454,533
Sum of unrecognized actuarial differences and unrecognized past service cost	164,771	175,041
Policy reserves in excess of surrender values	2,162,021	2,173,184
Qualifying subordinated debt	759,315	967,380
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	(937,401)	(978,220)
Excluded items	(252,278)	(637,333)
Others	43,295	59,642
Total risk $\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$ (B)	1,437,866	1,254,862
Insurance risk R ₁	52,742	47,665
General insurance risk R ₅	-	-
Catastrophe risk R ₆	-	-
3rd sector insurance risk R ₈	137,551	127,469
Small amount and short-term insurance risk R ₉	0	0
Assumed investment yield risk R ₂	146,785	137,162
Guaranteed minimum benefit risk R ₇ ^{*3}	2,828	2,798
Investment risk R ₃	1,243,646	1,074,546
Business risk R ₄	31,671	27,792
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	900.0%	896.9%

*1: Expected disbursements from capital outside the Company and accumulated other comprehensive income, etc. are excluded.

*2: Multiplied by 100% if losses.

*3: Calculated by standard method.

Note: The above figures are calculated based on Article 86-2 and 88 of the Enforcement Regulations of Insurance Business Act, and Notification of the Financial Services Agency No. 23, 2011.

(9) Segment Information

The Company on a consolidated basis did not operate any businesses categorized in segments other than its own core life insurance business, and therefore segment information was omitted.