
Financial Results for the Six Months Ended September 30, 2025

The Dai-ichi Frontier Life Insurance Co., Ltd. (the "Company"; President: Mamoru Akashi) announces its financial results for the six months ended September 30, 2025.

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

1. Business Highlights

(1) Annualized Net Premiums

Policies in Force

(millions of yen except percentages)

	As of March 31, 2025	As of September 30, 2025	
			% of March 31, 2025 total
Individual insurance	734,607	777,585	105.9
Individual annuities	499,554	544,856	109.1
Total	1,234,161	1,322,442	107.2
Medical and survival benefits	9,498	10,487	110.4

New Policies

(millions of yen except percentages)

	Six months ended September 30, 2024	Six months ended September 30, 2025	
			% of September 30, 2024 total
Individual insurance	63,514	66,186	104.2
Individual annuities	60,469	62,873	104.0
Total	123,984	129,060	104.1
Medical and survival benefits	993	1,130	113.8

- Note: 1. Annualized net premiums are calculated by multiplying the per-premium payments by a multiplier that depends on the premium payment terms. For single-premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. “Medical and survival benefits” include annualized net premiums related to medical benefits (e.g. hospitalization and surgery benefits), survival benefits (e.g. specified illness and nursing care benefits), and premiums related to premium waiver benefits (e.g. excluding disability-related causes but including causes related to specified illness and nursing care).

(2) Policies in Force and New Policies

Policies in Force

	As of March 31, 2025		As of September 30, 2025			
	Number of Policies (thousands)	Amount (millions of yen)	Number of Policies		Amount	
			(thousands)	% of March 31, 2025 total	(millions of yen)	% of March 31, 2025 total
Individual insurance	1,315	10,583,823	1,405	106.8	11,671,747	110.3
Individual annuities	744	4,269,543	777	104.5	4,523,031	105.9
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

Note: Policy amount in force for individual annuities is equal to the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

New Policies

	Number of Policies		Amount			
	(thousands)	% of September 30, 2024 total	(millions of yen)	% of September 30, 2024 total	New Business	Net increase from conversions
Six months ended September 30, 2025						
Individual insurance	126	96.6	829,502	101.7	829,502	-
Individual annuities	65	64.8	434,850	78.4	434,850	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-
Six months ended September 30, 2024						
Individual insurance	130	-	815,929	-	815,929	-
Individual annuities	101	-	554,548	-	554,548	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

Note: Amount of new policies (new business) for individual annuities is equal to the amount required to fund annuity payments when they commence.

2. Investment of General Account Assets

(1) Investment Environment

During the six months ended on September 30, 2025, the global economy showed a decelerating trend due to Trump tariffs, etc., but it remained steadier than expected, especially in the United States. Although the inflation rate has calmed down, there was also an adjustment in monetary policy due to interest rate reductions in various countries.

The Japanese economy continued to recover in spite of a rise in tariff rates due to the resilience of the United States economy etc., supported by the fact that Japan successfully avoided an export volume decline as well as accommodative domestic fiscal and monetary policies.

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

[Domestic interest rates]

The yield on 10-year JGBs rose to the 1.6% range due to speculation regarding the Bank of Japan: BOJ raising the policy rate due to the high inflation rate.

Yield on ten-year government bonds:	April 1, 2025	1.485%
	September 30, 2025	1.645%

[U.S. Interest Rates and Foreign Currency]

Despite uncertainties surrounding Trump's tariffs and concerns over inflation, the U.S. economy remained resilient. U.S. 10-year Treasury bonds experienced a period of broad-range fluctuations, but subsequently, expectations for rate cuts by the Federal Reserve increased due to signs of a slowing labor market, and the bond yield began trending downward. The dollar-yen exchange rate temporarily strengthened to 139 yen, but as the Bank of Japan became cautious about raising interest rates and momentum for proactive fiscal policy grew domestically, the yen weakened to around 150 yen.

Yield on ten-year U.S. government bonds:	April 1, 2025	4.210 %
	September 30, 2025	4.150 %
yen/U.S. dollar:	April 1, 2025	¥149.52
	September 30, 2025	¥148.88

[Australian Interest Rates and Foreign Currency]

Although the Reserve Bank of Australia continued its gradual rate cuts in response to easing inflation and a slowing labor market, the 10-year Australian government bond yield moved within a broad range of approximately 4.1% to 4.5%, largely in line with U.S. interest rates, as the rate cuts helped support the economy. The Australian dollar, like the U.S. dollar, saw a temporary sharp drop against the yen, but later increased to around 98 yen due to Australia's economic recovery and growing momentum for proactive fiscal policy in Japan.

Yield on ten-year Australian government bonds:	April 1, 2025	4.380 %
	September 30, 2025	4.300 %
yen/Australian dollar:	April 1, 2025	¥93.97
	September 30, 2025	¥97.89

(2) Investment Policies

In view of the liability characteristics of life insurance policies, assets in the general account are invested in accordance with asset-liability management (ALM) principles with the primary objective of steadily paying annuities, insurance proceeds, and benefits over the long term. As to the yen- and foreign currency-denominated fixed products, those assets are primarily invested in yen-denominated bonds and foreign currency-denominated bonds.

The Company also conducts transactions to reduce guaranteed minimum assumed investment yield risk related to fixed annuities and for other purposes.

(3) Investment Results

〈 Assets 〉

The Company invested primarily in yen-denominated bonds. Foreign-currency denominated insurance were invested in foreign-currency denominated bonds. The Company also made transactions to reduce guaranteed minimum assumed investment yield risk related to fixed annuities and for other purposes.

〈 Investment Income and Expenses 〉

Investment income was 139,030 million yen mainly due to interest and dividends received (101,637 million yen), gains on money held in trust (22,946 million yen), and derivative transaction gains (11,360 million yen). Investment expenses were 3,213 million yen mainly due to losses on sale of securities (2,083 million yen), other investment expenses (757 million yen), and interest expenses (224 million yen).

3. Investment Results of General Account

(1) Asset Composition

(millions of yen except percentages)

	As of March 31, 2025		As of September 30, 2025	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	536,145	6.2	541,082	5.9
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	15,342	0.2	13,658	0.1
Trading account securities	-	-	-	-
Money held in trust	890,955	10.4	1,095,093	12.0
Securities	6,853,581	79.8	7,151,110	78.5
Domestic bonds	2,134,568	24.8	2,295,805	25.2
Domestic stocks	-	-	-	-
Foreign securities	4,517,146	52.6	4,594,304	50.5
Foreign bonds	4,502,046	52.4	4,565,303	50.1
Foreign stocks and other securities	15,100	0.2	29,000	0.3
Other securities	201,866	2.3	261,000	2.9
Loans	-	-	-	-
Real estate	621	0.0	588	0.0
Deferred tax assets	59,187	0.7	56,961	0.6
Others	236,004	2.7	247,737	2.7
Reserve for possible loan losses	(3)	(0.0)	(3)	(0.0)
Total	8,591,834	100.0	9,106,229	100.0
Foreign currency-denominated assets	4,433,457	51.6	4,412,350	48.5

Note: "Real estate" represents the value of buildings.

(2) Changes (Increase/Decrease) in Assets

(millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash, deposits, and call loans	(24,485)	4,937
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	(2,396)	(1,684)
Trading account securities	-	-
Money held in trust	(30,518)	204,137
Securities	(312,042)	297,529
Domestic bonds	25,864	161,237
Domestic stocks	-	-
Foreign securities	(330,587)	77,157
Foreign bonds	(330,587)	63,256
Foreign stocks and other securities	-	13,900
Other securities	(7,318)	59,134
Loans	-	-
Real estate	(27)	(32)
Deferred tax assets	(8,300)	(2,226)
Others	(57,389)	11,732
Reserve for possible loan losses	(3)	0
Total	(435,163)	514,394
Foreign currency-denominated assets	(439,857)	(21,106)

(3) Investment Income

(millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Interest and dividends	97,562	101,637
Interest from bank deposits	3,269	2,452
Interest and dividends from securities	93,814	98,691
Interest from loans	-	-
Rental income	-	-
Other interest and dividends	479	492
Gains on trading account securities	-	-
Gains on money held in trust	-	22,946
Gains on investment in trading securities	-	-
Gains on sale of securities	270	529
Gains on sale of domestic bonds	19	-
Gains on sale of domestic stocks	-	-
Gains on sale of foreign securities	251	529
Others	-	-
Gains on redemption of securities	0	159
Derivative transaction gains	32,299	11,360
Foreign exchange gains	-	2,388
Reversal of reserve for possible loan losses	-	0
Other investment income	-	8
Total	130,132	139,030

(4) Investment Expenses

(millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Interest expenses	21	224
Losses on trading account securities	-	-
Losses on money held in trust	7,062	-
Losses on investment in trading securities	-	-
Losses on sale of securities	39,973	2,083
Losses on sale of domestic bonds	2,560	243
Losses on sale of domestic stocks	-	-
Losses on sale of foreign securities	37,413	1,840
Others	-	-
Losses on valuation of securities	-	-
Losses on valuation of domestic bonds	-	-
Losses on valuation of domestic stocks	-	-
Losses on valuation of foreign securities	-	-
Others	-	-
Losses on redemption of securities	39	147
Derivative transaction losses	-	-
Foreign exchange losses	224,794	-
Provision for reserve for possible loan losses	3	-
Write-down of loans	-	-
Depreciation of rented real estate and others	-	-
Other investment expenses	3,611	757
Total	275,507	3,213

(5) Valuation Gains and Losses on Trading Securities

(millions of yen)

	As of March 31, 2025		As of September 30, 2025	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	667,731	(4,328)	752,795	14,158

Note: Figures in this table include money held in trust and other instruments classified as trading securities.

(6) Fair Value Information on Securities (Other than trading securities)

(millions of yen)

		Book value	Fair value	Gains (losses)	
				Gains	Losses
As of September 30, 2025					
	Bonds held to maturity	-	-	-	-
	Policy-reserve-matching bonds	4,687,177	4,397,689	(289,488)	11,769
	301,257				
	Stocks of subsidiaries and affiliates	-	-	-	-
	Securities available for sale	2,842,815	2,819,890	(22,925)	29,380
	52,306				
	Domestic bonds	541,931	526,270	(15,660)	846
	16,507				
	Domestic stocks	-	-	-	-
	Foreign securities	1,684,817	1,676,662	(8,155)	25,388
	33,543				
	Foreign bonds	1,656,067	1,647,661	(8,406)	25,137
	33,543				
	Foreign stocks and other securities	28,750	29,000	250	250
	-				
Other securities	259,723	261,000	1,276	2,691	
1,415					
Monetary claims bought	14,498	13,658	(840)	-	
840					
Certificates of deposit	-	-	-	-	
-					
Others	341,844	342,298	454	454	
-					
Total		7,529,992	7,217,579	(312,413)	41,150
353,564					
Domestic bonds	2,311,466	2,193,960	(117,505)	1,548	119,054
Domestic stocks	-	-	-	-	-
Foreign securities	4,602,459	4,406,661	(195,798)	36,456	232,254
Foreign bonds	4,573,709	4,377,660	(196,049)	36,205	232,254
Foreign stocks and other securities	28,750	29,000	250	250	-
Other securities	259,723	261,000	1,276	2,691	1,415
Monetary claims bought	14,498	13,658	(840)	-	840
Certificates of deposit	-	-	-	-	-
Others	341,844	342,298	454	454	-
As of March 31, 2025					
	Bonds held to maturity	-	-	-	-
	Policy-reserve-matching bonds	4,562,761	4,248,829	(313,931)	6,023
	319,955				
	Stocks of subsidiaries and affiliates	-	-	-	-
	Securities available for sale	2,573,116	2,529,386	(43,730)	14,283
	58,013				
	Domestic bonds	530,183	515,981	(14,202)	506
	14,709				
	Domestic stocks	-	-	-	-
	Foreign securities	1,600,636	1,572,971	(27,664)	12,285
	39,950				
	Foreign bonds	1,585,536	1,557,871	(27,664)	12,285
	39,950				
	Foreign stocks and other securities	15,100	15,100	-	-
	-				
Other securities	202,834	201,866	(967)	1,353	
2,321					
Monetary claims bought	16,130	15,342	(787)	-	
787					
Certificates of deposit	-	-	-	-	
-					
Others	223,332	223,223	(108)	136	
244					
Total		7,135,878	6,778,216	(357,662)	20,306
377,968					
Domestic bonds	2,148,770	2,047,123	(101,647)	1,360	103,008
Domestic stocks	-	-	-	-	-
Foreign securities	4,544,810	4,290,659	(254,151)	17,455	271,606
Foreign bonds	4,529,710	4,275,559	(254,151)	17,455	271,606
Foreign stocks and other securities	15,100	15,100	-	-	-
Other securities	202,834	201,866	(967)	1,353	2,321
Monetary claims bought	16,130	15,342	(787)	-	787
Certificates of deposit	-	-	-	-	-
Others	223,332	223,223	(108)	136	244

Note: 1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Law.

2. Money held in trust, other than trading securities is included, and its book value and gains (losses) as of September 30, 2025 were 341,844 million yen and 454 million yen respectively.

*The book value of stocks and other securities without market value and of investment partnerships etc. are as follows:

Not applicable.

(7) Fair Value Information on Money Held in Trust

(millions of yen)

	Carrying value on the balance sheet	Fair value		Gains (losses)	
				Gains	Losses
As of September 30, 2025	1,095,093	1,095,093	24,205	25,260	1,055
As of March 31, 2025	890,955	890,955	(177)	12,682	12,859

Note: 1. Fair value equivalents appearing in this table are based on prices calculated using a reasonable method by trustees of money held in trust.

2. Gains (losses) are valuation gains (losses) that were included in the statement of earnings.

*Information on money held in trust for investment purposes is as follows:

(millions of yen)

	As of March 31, 2025		As of September 30, 2025	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statements of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statements of earnings
Money held in trust for investment purposes	667,731	(4,328)	752,795	14,158

*Information on money held in trust classified as held-to-maturity, policy-reserve-matching, or other money held in trust are as follows:

(millions of yen)

	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of September 30, 2025					
Money held in trust for held-to-maturity	-	-	-	-	
Money held in trust for polic-reserve-matching	-	-	-	-	
Other money held in trust	341,844	342,298	454	454	
As of March 31, 2025					
Money held in trust for held-to-maturity	-	-	-	-	
Money held in trust for policy-reserve-matching	-	-	-	-	
Other money held in trust	223,332	223,223	(108)	136	244

4. Unaudited Balance Sheet

(millions of yen)

	As of March 31, 2025 Summarized	As of September 30, 2025
	Amount	Amount
(ASSETS)		
Cash and deposits	503,728	498,417
Call loans	36,200	45,300
Monetary claims bought	15,342	13,658
Money held in trust	890,955	1,095,093
Securities	7,081,102	7,323,173
[Government bonds]	[747,941]	[896,637]
[Local government bonds]	[28,542]	[27,061]
[Corporate bonds]	[1,358,084]	[1,372,106]
[Foreign securities]	[4,521,969]	[4,596,462]
Tangible fixed assets	933	858
Intangible fixed assets	16,501	16,722
Reinsurance receivables	102,438	97,636
Other assets	117,533	133,586
Deferred tax assets	59,187	56,961
Reserve for possible loan losses	(3)	(3)
Total assets	8,823,919	9,281,404

(millions of yen)

	As of March 31, 2025 Summarized	As of September 30, 2025
	Amount	Amount
(LIABILITIES)		
Policy reserves and others	7,985,115	8,239,255
Reserves for outstanding claims	48,747	41,997
Policy reserves	7,936,367	8,197,257
Reinsurance payable	232,770	297,761
Other liabilities	294,266	403,082
Corporate income tax payable	10,021	7,303
Lease liabilities	93	69
Other liabilities	284,150	395,708
Reserve for price fluctuations	53,694	56,794
Deferred tax liabilities	58	58
Total liabilities	8,565,904	8,996,952
(NET ASSETS)		
Capital stock	117,500	117,500
Capital surplus	67,500	67,500
Legal capital surplus	67,500	67,500
Retained earnings	105,147	116,298
Retained earnings reserves	8,000	8,000
Other retained earnings	97,147	108,298
Retained earnings brought forward	97,147	108,298
Total shareholders' equity	290,147	301,298
Net unrealized gains on securities, net of tax	(32,132)	(16,845)
Total of valuation and translation adjustments	(32,132)	(16,845)
Total net assets	258,014	284,452
Total liabilities and net assets	8,823,919	9,281,404

5. Unaudited Statement of Earnings

(millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
	Amount	Amount
ORDINARY REVENUES	2,290,541	1,564,585
Premium and other income	1,693,726	1,412,123
[Premium income]	[1,243,948]	[1,181,321]
Investment income	130,132	145,697
[Interest and dividends]	[97,562]	[101,637]
[Gains on money held in trust]	[-]	[22,946]
[Gains on sale of securities]	[270]	[529]
[Derivative transaction gains]	[32,299]	[11,360]
[Foreign exchange gains]	[-]	[2,388]
[Gains on investment in separate accounts]	[-]	[6,666]
Other ordinary revenues	466,682	6,764
[Reversal of reserves for outstanding claims]	[-]	[6,750]
[Reversal of policy reserve]	[466,672]	[-]
ORDINARY EXPENSES	2,263,304	1,545,741
Benefits and claims	1,926,256	1,229,721
[Claims]	[116,816]	[133,590]
[Annuities]	[182,060]	[153,695]
[Benefits]	[90,994]	[101,568]
[Surrender values]	[635,222]	[144,425]
[Other refunds]	[7,384]	[5,711]
[Ceding reinsurance commissions]	[893,777]	[690,729]
Provision for policy reserves and others	1,567	260,889
Provision for reserves for outstanding claims	1,567	-
Provision for policy reserve	-	260,889
Investment expenses	275,588	3,213
[Interest expenses]	[21]	[224]
[Losses on money held in trust]	[7,062]	[-]
[Losses on sale of securities]	[39,973]	[2,083]
[Foreign exchange losses]	[224,794]	[-]
[Losses on investment in separate accounts]	[81]	[-]
Operating expenses	49,399	41,983
Other ordinary expenses	10,491	9,933
ORDINARY PROFIT	27,237	18,843
EXTRAORDINARY LOSSES	2,780	3,100
Income before income taxes	24,456	15,743
Corporate income taxes-current	7,620	7,884
Corporate income taxes-deferred	(731)	(3,291)
Total of corporate income taxes	6,889	4,593
Net income for the period	17,567	11,150

6. Unaudited Statement of Changes in Net Assets

Six months ended September 30, 2024

(millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus	Retained earnings			Total shareholders' equity
		Legal capital surplus	Retained Earnings Reserves	Other retained earnings Retained earnings brought forward	Total retained earnings	
Balance at the beginning of the year	117,500	67,500	8,000	64,248	72,248	257,248
Changes for the period						
Net income for the period				17,567	17,567	17,567
Net changes of items other than shareholders' equity						
Total changes for the period	-	-	-	17,567	17,567	17,567
Balance at the end of the period	117,500	67,500	8,000	81,816	89,816	274,816

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on securities, net of tax	Total valuation and translation adjustments	
Balance at the beginning of the year	(35,891)	(35,891)	221,357
Changes for the period			
Net income for the period			17,567
Net changes of items other than shareholders' equity	25,100	25,100	25,100
Total changes for the period	25,100	25,100	42,668
Balance at the end of the period	(10,790)	(10,790)	264,025

Six months ended September 30, 2025

(millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus	Retained earnings			Total shareholders' equity
		Legal capital surplus	Retained Earnings Reserves	Other retained earnings Retained earnings brought forward	Total retained earnings	
Balance at the beginning of the year	117,500	67,500	8,000	97,147	105,147	290,147
Changes for the period						
Net income for the period				11,150	11,150	11,150
Net changes of items other than shareholders' equity						
Total changes for the period	-	-	-	11,150	11,150	11,150
Balance at the end of the period	117,500	67,500	8,000	108,298	116,298	301,298

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on securities, net of tax	Total valuation and translation adjustments	
Balance at the beginning of the year	(32,132)	(32,132)	258,014
Changes for the period			
Net income for the period			11,150
Net changes of items other than shareholders' equity	15,287	15,287	15,287
Total changes for the period	15,287	15,287	26,437
Balance at the end of the period	(16,845)	(16,845)	284,452

- 1 Securities (including those monetary claims bought conforming to marketable securities, and also those marketable securities managed as trust assets in money held in trust) are valued as follows:
 - (a) Trading securities are valued at fair value (sales cost is calculated with the moving-average method).
 - (b) Policy-reserve-matching bonds (bonds defined by the Japanese Institute of Certified Public Accountants (JICPA) Industry Audit Committee Report No.21 entitled Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry) are valued using the moving-average amortized cost (straight line) method.
 - (c) Other securities are valued at fair value using market prices as of the book closing date (sales cost is calculated with the moving-average method).
 Valuation differences on other securities are reported as a component of net assets.
- 2 Risk management policies regarding policy-reserve matching bonds are as follows:

The Company categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulates its policy 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 are:

 - (a) Individual insurance and annuities (JP yen-denominated)
 - (b) Individual insurance and annuities (US dollar-denominated)
 with the exception of certain types and policies.
- 3 Derivative transactions (including those attributable to money held in trust) are reported at fair value.
- 4 Depreciation of tangible fixed assets is as follows:
 - (a) Tangible fixed assets (excluding leased assets)
Annual amount of depreciation estimated by declining balance method (straight-line method being applied to buildings, with the exception of those buildings and accompanying facilities acquired prior to March 31, 2016), is reported pro rata in accordance with the life. However, other tangible fixed assets that were acquired for 100,000 yen or more but less than 200,000 yen are depreciated in an equal installment over three years.
 - (b) Leased assets
Depreciation of leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero residual value and with the lease period being deemed as useful life .
- 5 Amortization of intangible fixed assets is calculated by the straight-line method. Amortization of software for internal use is based on the estimated useful life.
- 6 Foreign currency-denominated assets and liabilities are translated into the yen at market exchange rates as of the book closing date. Changes in market values of bonds, etc. included in foreign currency-denominated other securities are divided into two, and the portion attributable to changes in the securities' nominal market prices in their local currencies is included in "valuation difference" on other securities, and the rest in "foreign exchange gains/losses. "
- 7 Reserve for possible loan losses is calculated by multiplying the value of loan claims by the historical loan loss rates calculated from actual losses, pursuant to rules on the self-assessment of assets as well as rules on the write-offs on and provisioning of reserves for assets. Relevant departments assess all loan claims based on the self-assessment rules, and an independent department responsible for auditing assets audits the assessment results. Provisions to the reserve for possible loan losses are determined based on the assessment results.
- 8 Reserve for price fluctuations is calculated pursuant to Article 115 of the Insurance Business Act.
- 9 National and local consumption taxes are recorded with the tax-exclusion method. Of the non-recoverable consumption tax on certain assets, deferred consumption tax as stipulated in the taxation law is capitalized as a prepaid expense and amortized equally over five years, and such taxes other than deferred consumption tax are recognized as an expense in the period in which they are incurred.

- 10 Policy reserves have been calculated and set aside for those insurance policies for which contractual obligations have commenced as of the end of the first half of the current fiscal year, so as to prepare for the future performance of obligations under those insurance policies, in accordance with the formula specified in the statement of calculation procedures (as set forth in Article 4, Paragraph 2, Item (iv) of the Insurance Business Act) and pursuant to Article 116, Paragraph 1 of the Insurance Business Act.
Insurance premium reserves included in the policy reserves are calculated using the following formula:
(a) For policies subject to the Standard Policy Reserve Method: Method stipulated by the Financial Services Agency Commissioner (Ministry of Finance Notification No. 48, 1996)
(b) For policies not subject to the Standard Policy Reserve Method: Net level premium reserve method
Contingency reserves included in the policy reserves have been set aside pursuant to Article 69, Paragraph 1, Item (iii) of the Ordinance for Enforcement of the Insurance Business Act, for covering risks which may accrue in the future, so as to secure performance of future obligations under insurance contracts.
- 11 Amounts of financial instruments recorded on the balance sheet for the first half of the current fiscal year, their fair values, and differences between the two are as follows:

(millions of yen)

	Carrying amount on the balance sheet for the first half of the current fiscal year	Fair value	Difference
(1) Monetary claims bought	13,658	13,658	-
(2) Money held in trust	1,095,093	1,095,093	-
(a) Money held in trust for investment purposes	752,795	752,795	-
(b) Money held in trust for other purposes	342,298	342,298	-
(3) Securities *2	7,323,173	7,033,685	(289,488)
(a) Trading securities	172,062	172,062	-
(b) Policy-reserve-matching bonds	4,687,177	4,397,689	(289,488)
(c) Other securities	2,463,933	2,463,933	-
Assets total	8,431,925	8,142,437	(289,488)
Derivative transactions *3			
(a) Derivative transactions to which hedge accounting is not applied	37,724	37,724	-
Derivative transactions total	37,724	37,724	-

(*1) Since cash, deposits and call loans are settled in a short period of time, their book values approximate their fair values, and notes are accordingly omitted.

(*2) Includes mutual funds whose net asset value is deemed to be the fair value in accordance with Paragraph 24-3 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 on June 17, 2021).

(*3) Derivative transactions include those conducted within money held in trust. Net derivative assets and liabilities arising from derivative transactions are reported as a net value. A negative total indicates a net liability.

- 12 Details of the fair values of financial instruments are described by level below.

The fair value of financial instruments is classified into the following three levels in accordance with the observability and materiality of inputs used in calculations:

Level 1 fair value: Fair value calculated using those quoted prices of the measured assets or liabilities that are formed in active markets from among observable valuation inputs.

Level 2 fair value: Fair value calculated using inputs other than inputs included within Level 1 from among observable valuation inputs.

Level 3 fair value: Fair values calculated using material non-observable valuation inputs.

Where there are multiple inputs that have a material impact on the calculation of fair value, the Company classifies fair value in accordance with the level that is lowest in the order of priority in the calculation of fair value selecting from among the respective levels of each of the inputs involved.

(1) Financial instruments reported at fair value in the balance sheet for the first half of the current fiscal year

(millions of yen)

	Fair value			Total
	Level 1	Level 2	Level 3	
Monetary claims bought	-	-	13,658	13,658
Money held in trust				
Investment purposes	390,088	362,706	-	752,795
Other purposes	-	342,298	-	342,298
Securities *				
Trading securities	-	172,062	-	172,062
Other securities				
Government bonds	52,574	-	-	52,574
Local government bonds	-	13,231	-	13,231
Corporate bonds	-	460,465	-	460,465
Foreign public and corporate bonds	44,247	1,579,219	24,193	1,647,661
Other securities	-	261,000	-	261,000
Derivative transactions				
Currency-related	-	55,246	-	55,246
Interest-related	-	1,003	-	1,003
Others	-	295	-	295
Assets total	486,910	3,247,530	37,851	3,772,292
Derivative transactions				
Currency-related	-	16,909	-	16,909
Interest-related	-	1,910	-	1,910
Total liabilities	-	18,820	-	18,820

(*) The above table does not include mutual funds whose net asset value is deemed to be the fair value in accordance with Paragraph 24-3 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 on June 17, 2021). The amount of the mutual funds reported on the balance sheet is 29,000 million yen.

The table on the adjustment from the outstanding balance as of the beginning of the fiscal year to the balance as of the end of the first half of the current fiscal year (September 30, 2025) for the mutual funds is as follows.

(millions of yen)

	Balance at the beginning of the year	Profit (losses) or net unrealized gains on securities, net of tax		(Net) changes for the year due to purchases, sales, issuance, and settlement	Mutual funds whose net asset value is deemed to be the fair value in accordance	Balance as of September 30, 2025
		Recorded under profit (losses) *	Recorded under net unrealized gains (losses) on securities, net of tax			
Mutual funds whose net asset value is deemed to be the fair value in accordance with Paragraph 24-3 of the Implementation Guidance on Accounting Standard for Fair Value Measurement	23,707	-	250	5,042	29,000	29,000

(*) Included in “Investment income” and “Investment expenses” of the Statement of Earnings for the first half of the current fiscal year.

Moreover, the main content of restrictions on cancellation, etc., of mutual funds to which the treatment of Paragraph 24-3 of the Implementation Guidance on Accounting Standard for Fair Value Measurement has been applied, and the amount reported on the balance sheet is 29,000 million yen for mutual funds that require a certain period of time for cancellation.

(2) Financial instruments other than those reported at fair value in the balance sheet for the first half of the current fiscal year

(millions of yen)

	Fair value			Total
	Level 1	Level 2	Level 3	
Securities				
Policy-reserve-matching bonds				
Government bonds	797,027	-	-	797,027
Local government bonds	-	12,581	-	12,581
Corporate bonds	-	858,081	-	858,081
Foreign public and corporate bonds	403,907	2,326,091	-	2,729,999
Assets total	1,200,935	3,196,753	-	4,397,689

Note 1. Explanation of methodologies and inputs employed in fair value calculation

Asset

Monetary claims bought

The fair value of monetary claims bought are determined using the prices obtained from financial institutions. The inputs used for those prices thus obtained include material non-observable inputs and therefore monetary claims bought are classified as Level 3.

Money held in trust

For money held in trust, fair value is classified as Level 1 in cases where unadjusted quoted prices in active markets can be used. This includes Japanese Government bonds. If the market is not active, fair value is classified as Level 2, irrespective of whether publicly disclosed quoted prices are used.

For money held in trust where fair value is not based on quoted market prices, fair value is measured based on prices obtained from external brokers and financial institutions, and is classified as Level 2.

Securities

For securities, fair value is classified as Level 1 in cases where unadjusted quoted prices in active markets can be used. This includes Japanese Government Bonds. If the market is not active then fair value is classified as Level 2, regardless of whether publicly disclosed quoted prices are used.

For bonds where fair value is not based on quoted market prices, fair value is measured based mainly on prices obtained from external brokers and financial institutions. For these prices, present values are calculated by discounting their future cash flows at a risk-free rate adjusted to their credit spreads. When measuring, fair value is classified as Level 2 in cases where observable inputs are used, and classified as Level 3 where material non-observable inputs are used.

In addition, for mutual funds for which there is no market trading price, the unit price is the fair value if there are no significant restrictions on cancellation, etc. for which market participants seek consideration for risk, and the funds are classified as Level 2 fair value or Level 3 fair value based on the level of the components of main trust assets.

Derivative transactions

For exchange-traded derivative transactions, fair value is classified as Level 1 in cases where unadjusted quoted prices in active markets can be used.

For OTC (over-the-counter) derivatives, fair value is determined using amounts discounted to present value obtained from external brokers and financial institutions as well as prices calculated using evaluation techniques such as the discounted cash flow method in accordance with the type of transaction and the maturity period.

Since inputs used for evaluation techniques for calculating OTC derivative prices are mainly interest rates, exchange rates, implied volatility, and the like, and material non-observable inputs are not used or their impacts are not material, OTC derivatives are classified as Level 2.

Note 2. Information on the financial instruments classified as Level 3, from among those reported at fair value in the balance sheet for the first half of the current fiscal year.

(1) Table on the adjustment from the outstanding balance as of the beginning of the fiscal year to the balance as of the end of the first half of the fiscal year, and valuation gains or losses recognized in the current fiscal year.

(millions of yen)

	Balance at the beginning of the year	Profit (losses) or net unrealized gains on securities, net of tax		(Net) changes for the year due to purchases, sales, issuance, and settlement	Transfers to Level 3 fair value *2	Balance as of September 30, 2025
		Recorded under profit (losses) *1	Recorded under net unrealized gains (losses) on securities, net of tax			
Monetary claims bought	15,342	-	(52)	(1,631)	-	13,658
Securities						
Other securities						
Foreign public and corporate bonds	10,057	56	(38)	4,118	10,000	24,193

(*1) Included in "Investment income" and "Investment expenses" of the Statement of Earnings for the first half of the current fiscal year.

(*2) Transfer from Level 2 to Level 3 due to the change in the observability of inputs as a result of the change in the fair value measurement method. The transfer was recognized at the end of the first half of the fiscal year.

(2)Explanation of fair value valuation process

The Company determines the policies and processes for fair value calculations and fair value level classifications at its business unit in charge of the preparing financial statements. . In accordance with said policies and processes, the Company's operational and administrative divisions select the fair value valuation model and thereby calculate fair values and classify them into the relevant levels. When the Company obtains a market quoted price from a third party, and uses this as a fair value, the Company verifies its appropriateness through appropriate means involving confirmation of valuation methodology and inputs employed and comparative analyses of the fair values of similar financial products.

- 13 Securities lent under lending agreements are included in the balance sheet. The total balance of securities lent as of September 30, 2025 is 555,399 million yen.
- 14 Assets in separate accounts, as defined by Article 118 of the Insurance Business Act, total 175,175million yen. Liabilities in separate accounts, total the same amount.
- 15 The amount of assets pledged as collateral is securities of 314,115 million yen, the amounts of secured liabilities are 265,173 million yen.
- 16 The assets, which the Company has the right to dispose of freely by means of sale or collateralization, are marketable securities held as collateral for reinsurance dealings and derivative transactions. The current market value of these assets still held by the Company as of the end of the first half of the current fiscal year is 63,009 million yen. None of these assets are re-pledged as collateral.
- 17 Reserves for outstanding claims attributable to the portion of reinsurance specified in Article 71, paragraph 1, of the Ordinance for Enforcement of the Insurance Business Act, applied under Article 73, paragraph 3, of said Ordinance ("reserves for outstanding ceding insurance claims"), amount to 2,546 million yen. Policy reserves attributable to the portion of reinsurance specified in Article 71, paragraph 1, of said Ordinance ("ceding reinsurance policy reserves") amount to 5,276,734 million yen.
- 18 As of September 30, 2025, undepreciated balance of the fee of the reinsurance contract, as stipulated in the Ministry of Finance Notification No.50, 1996, Article 1, Paragraph -5, is 2,034 million yen.

Notes to the Unaudited Statement of Earnings for the six months ended September 30, 2025

- 1 The accounting standards for reporting premium and other income, and for benefits and claims, are as follows:
 - a) Premium and Other Income (Excluding Reinsurance Income)
 Premium and other income (excluding reinsurance income) that has been received and for which contractual obligations have commenced, are recorded in accordance with the amounts received.
 Of the premium and other income (excluding reinsurance income) received, however, the portion corresponding to the unexpired period as of the end of the first half of the current fiscal year, has been transferred to policy reserves, pursuant to Article 69, Paragraph 1, Item (ii) of the Ordinance for Enforcement of the Insurance Business Act.
 - b) Reinsurance Income
 Of the amount paid as insurance benefits and claims related to the primary insurance contract, the amount reinsured is, pursuant to the reinsurance agreement, recorded as reinsurance income at the time of payment of said insurance benefits and claims.
 In some transactions involving no cash transfer, pursuant to the reinsurance agreement, the amount to be received as a portion of the amount equivalent to new contract expenses of the primary insurance contract is recorded as reinsurance income. In addition, the same amount is recorded under reinsurance receivables as the undepreciated balance of the fee of the reinsurance contract, and is to be amortized over a certain period.
 - c) Benefits and Claims (Excluding Ceding Reinsurance Commissions)
 Benefits and claims (excluding ceding reinsurance commissions), the amount of which is calculated and paid in accordance with the insurance contract, are recorded in cases when reasons for payment provided for in insurance contracts have arisen.
 Pursuant to Article 117 of the Insurance Business Act, the Company has set aside, as reserves for outstanding claims, insurance proceeds that are due and payable as of the end of the first half of the current fiscal year, but payment is yet to have been made, and insurance proceeds in cases where reasons for payment are deemed to have arisen but reports concerning the reasons for payment are yet to be received.
 - d) Ceding Reinsurance Commissions
 Ceding reinsurance commissions are recorded, upon receipt of the insurance premium related to the primary insurance contract as agreed upon pursuant to the reinsurance agreement or at the time of the conclusion of the reinsurance agreement concerned.
 Note that pursuant to Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act, the Company has opted not to set aside policy reserves and the reserves for outstanding claims.
- 2 Gains on sale of securities included gains on foreign securities of 529 million yen.
- 3 Losses on sale of securities included losses on sales of domestic bonds and foreign securities of 243 million yen and 1,840 million yen, respectively.
- 4 In calculating the reversal of reserves for outstanding claims, 545 million yen was added to the provision for reserves outstanding claims reinsured. In calculating the reversal of policy reserves, 637,471 million yen was deducted from the provision for policy reserves reinsured.
- 5 The details of Interest and dividends are as follows:

Interest from bank deposits :	2,452 million yen
Interest and dividends from securities :	98,691 million yen
Other interest and dividends :	492 million yen
Total :	101,637 million yen
- 6 Net gain per share for the six months ended September 30, 2025 was 6,027,183.26 yen.
- 7 Ceding reinsurance commissions includes 1,771 million yen decrease in the undepreciated balance of the fee of reinsurance contract, as stipulated in the Ministry of Finance Notification No.50, 1996, Article 1, Paragraph -5.

Notes to Unaudited Statement of Changes in Net Assets for the six months ended September 30, 2025

- 1 Number of outstanding shares by class

	(shares)			
	No. shares as of April 1, 2025	Increase in number of shares	Decrease in number of shares	No. shares as of September 30, 2025
Outstanding shares Common stock	1,850	-	-	1,850

7. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Fundamental revenues	2,276,641	1,574,163
Premium and other income	1,693,726	1,412,123
Investment income	97,562	108,471
[Interest and dividends]	97,562	101,637
Other ordinary revenues	466,682	6,764
Other fundamental revenues (a)	18,669	46,803
Fundamental expenses	2,235,453	1,542,256
Benefits and claims	1,926,256	1,229,721
Provision for policy reserves and others	1,704	252,122
Investment expenses	3,754	1,130
Operating expenses	49,399	41,983
Other ordinary expenses	10,491	9,933
Other fundamental expenses (b)	243,845	7,365
Fundamental profit A	41,187	31,906
Capital gains	276,416	44,590
Gains on money held in trust	-	22,946
Gains on investments in trading securities	-	-
Gains on sale of securities	270	529
Derivative transaction gains	32,299	11,360
Foreign exchange gains	-	2,388
Others (c)	243,845	7,365
Capital losses	290,501	48,128
Losses on money held in trust	7,062	-
Losses on investments in trading securities	-	-
Losses on sale of securities	39,973	2,083
Losses on valuation of securities	-	-
Derivative transaction losses	-	-
Foreign exchange losses	224,794	-
Others (d)	18,669	46,045
Net capital gains (losses) B	(14,085)	(3,537)
Fundamental profit plus net capital gains (losses) A + B	27,102	28,369
Other one-time gains	137	0
Reinsurance income	-	-
Reversal of contingency reserve	137	-
Reversal of specific reserve for possible loan losses	-	0
Others (e)	-	-
Other one-time losses	3	9,525
Ceding reinsurance commissions	-	-
Provision for contingency reserve	-	8,767
Provision for specific reserve for possible loan losses	3	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	-	-
Others (f)	-	758
Other one-time profits (losses) C	134	(9,525)
Ordinary profit A + B + C	27,237	18,843

(Reference)

Breakdown of other fundamental revenues, etc.

(millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Other fundamental revenues (a)	18,669	46,803
Gains and losses from cancellation of mutual funds	46	-
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	-	23,181
Interest received and/or paid related to currency swap and interest rate swap contracts covering insurance policies	18,623	21,021
Impact from assets held in money trusts and others related to reinsurance dealings	-	1,841
Amount of reinsurance premium for cancellation of existing reinsurance	-	758
Other fundamental expenses (b)	243,845	7,365
Forex hedge cost	2,168	4,999
Impact from increase or decrease in surrender values in accordance with Market Value Adjustment (MVA)	28,459	2,366
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	212,860	-
Impact from assets held in money trusts and others related to reinsurance dealings	357	-
The impact on fundamental profit (a) - (b)	(225,175)	39,437
Other capital gains (c)	243,845	7,365
Forex hedge cost	2,168	4,999
Impact from increase or decrease in surrender values in accordance with Market Value Adjustment (MVA)	28,459	2,366
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	212,860	-
Impact from assets held in money trusts and others related to reinsurance dealings	357	-
Other capital losses (d)	18,669	46,045
Gains and losses from cancellation of mutual funds	46	-
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	-	23,181
Interest received and/or paid related to currency swap and interest rate swap contracts covering insurance policies	18,623	21,021
Impact from assets held in money trusts and others related to reinsurance dealings	-	1,841
The impact on net capital gains (losses) (c) - (d)	225,175	(38,679)
Other one-time losses (f)	-	758
Amount of reinsurance premium for cancellation of existing reinsurance	-	758
The impact on other one-time profits (losses) (e) - (f)	-	(758)

8. Status of loans pursuant to the Insurance Business Act

(millions of yen except percentages)

	As of March 31, 2025	As of September 30, 2025
Claims against bankrupt and quasi-bankrupt obligors	-	-
Claims with collection risk	-	-
Three-month delinquent loans	-	-
Restructured loans	-	-
Subtotal	-	-
[Percentage]	[-]	[-]
Claims against normal obligors	454,010	555,464
Total	454,010	555,464

- Notes: 1. Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.
2. Claims with collection risk are loans to obligors (other than 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 (excluding the loans mentioned in note 1).
3. Three-month delinquent loans are those loans for which either repayments of the principal or interest payments have not been made for more than three months since the day after the agreed payment date (this excludes the loans mentioned in notes 1 and 2).
4. Restructured loans are those loans for which the terms and conditions have been modified in a way that is favorable to the borrower (including interest reductions or exemptions, grace periods for interest payments, grace periods for principal repayments, or the waiving of loan repayments), with the aim of supporting the borrower or facilitating their rehabilitation (this excludes the loans mentioned in notes 1, 2, and 3).
5. Claims against normal obligors are loans made to borrowers who have no particular issues with their financial position and business performance, and include all loans other than those mentioned in notes 1, 2, 3, and 4.

9. Solvency Margin Ratio

(millions of yen)

	As of March 31, 2025	As of September 30, 2025
Total solvency margin (A)	588,131	631,800
Common stock, etc	290,147	301,298
Reserve for price fluctuations	53,694	56,794
Contingency reserve	120,100	128,868
General reserve for possible loan losses	-	-
(Net unrealized gains (losses) on securities (before tax) and deferred hedge gains (losses) (before tax)) × 90% *	(43,730)	(22,925)
Net unrealized gains (losses) on real estate × 85%*	-	-
Policy reserves in excess of surrender values	130,139	125,649
Qualifying subordinated debt	-	-
Excluded portion of policy reserves in excess of surrender values and qualifying subordinated debt	-	-
Excluded items	-	-
Others	37,779	42,115
Total Risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	279,927	313,713
Insurance risk R_1	596	651
3rd sector insurance risk R_8	125	158
Assumed investment yield risk R_2	71,928	77,185
Guaranteed minimum benefit risk R_7	377	269
Investment risk R_3	202,117	230,089
Business risk R_4	5,502	6,167
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	420.2%	402.7%

* Multiplied by 100% if losses.

- Notes:
1. The figures as of March 31, 2025 are calculated based on Articles 86 and 87 of the Enforcement Regulations of Insurance Business Act, and the Ministry of Finance Notification No. 50, 1996.
The figures as of September 30, 2025 are calculated by using the method which is deemed appropriate taking the regulations and announcement above into account.
 2. Common stock, etc. excludes the expected disbursements from capital outside the Company and valuation and translation adjustments.
 3. Guaranteed minimum benefit risk is calculated by the standard method.

10. Separate Account Status

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2025	As of September 30, 2025
Individual variable insurance	10,491	11,477
Individual variable annuities	221,598	163,698
Group annuities	-	-
Separate account total	232,090	175,175

(2) Policies in Force

A. Individual Variable Insurance

(millions of yen except number of policies)

	As of March 31, 2025		As of September 30, 2025	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Variable insurance (defined term type)	-	-	-	-
Variable insurance (whole life type)	25	229,316	24	220,173
Total	25	229,316	24	220,173

Note: The outstanding policies in force for individual variable insurance include those managed in general account.

B. Individual Variable Annuities

(millions of yen except number of policies)

	As of March 31, 2025		As of September 30, 2025	
	Number of policies (thousands)	Amount	Number of policies (thousands)	Amount
Individual variable annuities	120	573,158	98	435,888

Note: 1. Total policy amount in force for individual annuities is equal to the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

2. The outstanding policies in force for individual variable annuities include those managed in general account.

11. Consolidated Financial Summary

Not applicable.