

February 14, 2025

Financial Results for the Nine Months Ended December 31, 2024

Asahi Mutual Life Insurance Company (the “Company”; President: Kenichiro Ishijima) announces financial results for the nine months ended December 31, 2024.

[Contents]

1. Business Highlights	.....	P 1
2. Investment Results of General Account Assets	.....	P 3
3. Unaudited Non-consolidated Balance Sheets	.....	P 6
4. Unaudited Non-consolidated Statements of Income	.....	P 7
5. Breakdown of Ordinary Profit (Fundamental Profit)	.....	P 9
6. Solvency Margin Ratio	.....	P10
7. Status of Separate Account	.....	P11
8. Status of the Company, Subsidiaries and Affiliates	.....	P12

1. Business Highlights

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

(i) Policies in Force

	As of March 31, 2024		As of December 31, 2024			
	Number of policies (Thousands)	Amount (100 millions of Yen)	Number of policies (Thousands)	Amount (100 millions of Yen)		
				Changes (%, Pre-FYE)	Changes (%, Pre-FYE)	
Individual insurance	7,258	106,774	7,190	99.1	101,015	94.6
Individual annuities	428	17,525	411	95.9	16,637	94.9
Group insurance	–	14,684	–	–	14,556	99.1
Group annuities	–	96	–	–	90	93.7

Notes:

- Policy amounts for individual annuities are equal to (a) the funds to be held at the time annuity payments are to commence for an annuity for which annuity payments have not yet commenced and (b) the amount of policy reserves for an annuity for which payments have commenced.
- Policy amount in force for group annuities is equal to the amount of outstanding policy reserves.
- Number of policies includes number of each unit with regard to "Hoken-ou" , "Hoken-ou Plus" , etc.

(ii) New Policies

	Nine months ended December 31, 2023			
	Number of policies (Thousands)	Amount (100 millions of Yen)		
		New policies	Net increase by conversion	
Individual insurance	490	1,190	2,085	(894)
Individual annuities	–	(28)	–	(28)
Group insurance	–	969	969	–
Group annuities	–	–	–	–

	Nine months ended December 31, 2024					
	Number of policies		Amount (100 millions of Yen)			
	(Thousands)	Changes (%, YoY)	Changes (%, YoY)	New policies	Net increase by conversion	
Individual insurance	467	95.3	1,100	92.5	1,936	(836)
Individual annuities	–	–	(26)	–	–	(26)
Group insurance	–	–	169	17.5	169	–
Group annuities	–	–	–	–	–	–

Notes:

- Number of new policies is the sum of new policies and policies after conversion.
- Amount of new policies for individual annuities, both new policies and net increase by conversion, is equal to the funds to be held at the time annuity payments are to commence.
- Number of policies includes number of each unit with regard to "Hoken-ou" , "Hoken-ou Plus" , etc.

(2) Annualized Premiums

(i) Policies in Force

(100 millions of Yen)

	As of March 31, 2024	As of December 31, 2024	Changes
			(%, Pre-FYE)
Individual insurance	3,636	3,574	98.3
Individual annuities	1,124	1,090	97.0
Total	4,761	4,664	98.0
Third-sector products	2,213	2,206	99.7

(ii) New Policies

(100 millions of Yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Changes
			(%, YoY)
Individual insurance	150	152	101.6
Individual annuities	(0)	(0)	—
Total	149	152	101.6
Third-sector products	122	125	102.0

Notes:

1. Annualized premiums are calculated by multiplying factors according to the premium payment method (for single premium contracts, the amount is calculated by dividing the premium by the coverage period).
2. Figures for third-sector products represent portion of annualized premiums corresponding to the medical benefits (hospitalization benefits, surgery benefits, etc.), living benefits (specific illness benefits, nursing care benefits, etc.) and waiver benefits (excluding disability benefits, but including specific illness benefits and nursing care benefits).

2. Investment Results of General Account Assets

(1) Asset Composition

(Millions of Yen)

	As of March 31, 2024		As of December 31, 2024	
	Amount	Percentage	Amount	Percentage
Cash, deposits, call loans	112,046	2.1	80,511	1.5
Monetary claims bought	18,811	0.3	10,712	0.2
Securities	4,495,408	82.4	4,554,099	84.0
Domestic bonds	2,778,957	50.9	2,746,030	50.6
Domestic stocks	599,280	11.0	624,734	11.5
Foreign securities	1,027,985	18.8	1,097,303	20.2
Foreign bonds	593,752	10.9	636,572	11.7
Foreign stocks and other foreign securities	434,233	8.0	460,730	8.5
Other securities	89,184	1.6	86,031	1.6
Loans	321,346	5.9	301,814	5.6
Policy loans	28,399	0.5	27,522	0.5
Industrial and consumer loans	292,946	5.4	274,291	5.1
Real estate	347,173	6.4	347,278	6.4
Deferred tax assets	–	–	–	–
Others	160,285	2.9	128,181	2.4
Allowance for possible loan losses	(738)	(0.0)	(754)	(0.0)
Total	5,454,333	100.0	5,421,843	100.0
Foreign currency-denominated assets	1,026,047	18.8	1,056,582	19.5

Note: Real estate is the sum of land, buildings and construction in progress.

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

(Millions of Yen)

	As of March 31, 2024					As of December 31, 2024				
	Book value	Fair value	Gains/losses		Book value	Fair value	Gains/losses			
			Gains	Losses			Gains	Losses		
Held-to-maturity debt securities	292,796	309,158	16,361	18,278	(1,916)	242,916	251,635	8,718	10,832	(2,113)
Policy-reserve-matching bonds	2,240,383	2,116,280	(124,103)	88,556	(212,659)	2,235,030	1,975,312	(259,717)	51,331	(311,048)
Stocks of subsidiaries	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	1,495,663	1,840,823	345,160	411,641	(66,481)	1,577,480	1,945,076	367,595	439,024	(71,428)
Domestic bonds	443,916	438,333	(5,583)	4,065	(9,648)	459,479	452,598	(6,881)	3,788	(10,669)
Domestic stocks	162,648	518,771	356,123	357,392	(1,269)	168,306	544,297	375,991	378,012	(2,020)
Foreign securities	811,895	795,836	(16,059)	38,139	(54,198)	874,614	863,690	(10,923)	45,618	(56,541)
Foreign bonds	458,711	419,152	(39,559)	1,860	(41,420)	505,915	461,972	(43,942)	2,330	(46,273)
Foreign stocks and other foreign securities	353,183	376,684	23,500	36,279	(12,778)	368,698	401,718	33,019	43,288	(10,268)
Other securities	76,447	87,026	10,578	11,942	(1,364)	74,353	83,691	9,338	11,525	(2,186)
Monetary claims bought	754	855	100	100	-	727	797	70	79	(9)
Negotiable certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Total	4,028,844	4,266,262	237,418	518,476	(281,057)	4,055,427	4,172,024	116,597	501,188	(384,590)
Domestic bonds	2,784,541	2,656,187	(128,354)	94,104	(222,458)	2,752,912	2,486,051	(266,860)	55,449	(322,310)
Domestic stocks	162,648	518,771	356,123	357,392	(1,269)	168,306	544,297	375,991	378,012	(2,020)
Foreign securities	986,495	984,524	(1,971)	53,838	(55,809)	1,049,214	1,047,188	(2,025)	55,842	(57,868)
Foreign bonds	633,311	607,839	(25,472)	17,559	(43,031)	680,515	645,470	(35,045)	12,554	(47,599)
Foreign stocks and other foreign securities	353,183	376,684	23,500	36,279	(12,778)	368,698	401,718	33,019	43,288	(10,268)
Other securities	76,447	87,026	10,578	11,942	(1,364)	74,353	83,691	9,338	11,525	(2,186)
Monetary claims bought	18,710	19,753	1,042	1,198	(156)	10,641	10,795	153	358	(204)
Negotiable certificates of deposit	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-

Notes:

- The table above includes assets which are considered appropriate to deem as securities under the Financial Instruments and Exchange Act.
- The table above excludes stocks, investments in partnerships and others without a market price.

* Book value of stocks, investments in partnerships and others without a market price is as follows:

(Millions of Yen)

	As of March 31, 2024	As of December 31, 2024
Stocks of subsidiaries	67,671	67,671
Available-for-sale securities	59,241	58,761
Domestic stocks	12,887	12,815
Foreign stocks	9	9
Others	46,344	45,936
Total	126,913	126,433

(Reference)

Fair value information on securities including stocks, investments in partnerships and others without a market price is as follows:

(Millions of Yen)

	As of March 31, 2024					As of December 31, 2024				
	Book value	Fair value	Gains/losses			Book value	Fair value	Gains/losses		
				Gains	Losses				Gains	Losses
Held-to-maturity debt securities	292,796	309,158	16,361	18,278	(1,916)	242,916	251,635	8,718	10,832	(2,113)
Policy-reserve-matching bonds	2,240,383	2,116,280	(124,103)	88,556	(212,659)	2,235,030	1,975,312	(259,717)	51,331	(311,048)
Stocks of subsidiaries	67,671	67,671	–	–	–	67,671	67,671	–	–	–
Available-for-sale securities	1,554,905	1,913,368	358,462	424,944	(66,481)	1,636,242	2,019,193	382,950	454,379	(71,428)
Domestic bonds	443,916	438,333	(5,583)	4,065	(9,648)	459,479	452,598	(6,881)	3,788	(10,669)
Domestic stocks	175,536	531,659	356,123	357,392	(1,269)	181,121	557,113	375,991	378,012	(2,020)
Foreign securities	856,091	853,335	(2,756)	51,442	(54,198)	918,220	922,652	4,431	60,973	(56,541)
Foreign bonds	458,711	419,152	(39,559)	1,860	(41,420)	505,915	461,972	(43,942)	2,330	(46,273)
Foreign stocks and other foreign securities	397,379	434,182	36,803	49,581	(12,778)	412,305	460,679	48,374	58,643	(10,268)
Other securities	78,606	89,184	10,578	11,942	(1,364)	76,692	86,031	9,338	11,525	(2,186)
Monetary claims bought	754	855	100	100	–	727	797	70	79	(9)
Negotiable certificates of deposit	–	–	–	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–	–	–	–
Total	4,155,757	4,406,478	250,720	531,778	(281,057)	4,181,861	4,313,813	131,952	516,543	(384,590)
Domestic bonds	2,784,541	2,656,187	(128,354)	94,104	(222,458)	2,752,912	2,486,051	(266,860)	55,449	(322,310)
Domestic stocks	243,157	599,280	356,123	357,392	(1,269)	248,742	624,734	375,991	378,012	(2,020)
Foreign securities	1,030,741	1,042,072	11,331	67,140	(55,809)	1,092,871	1,106,200	13,329	71,197	(57,868)
Foreign bonds	633,311	607,839	(25,472)	17,559	(43,031)	680,515	645,470	(35,045)	12,554	(47,599)
Foreign stocks and other foreign securities	397,430	434,233	36,803	49,581	(12,778)	412,355	460,730	48,374	58,643	(10,268)
Other securities	78,606	89,184	10,578	11,942	(1,364)	76,692	86,031	9,338	11,525	(2,186)
Monetary claims bought	18,710	19,753	1,042	1,198	(156)	10,641	10,795	153	358	(204)
Negotiable certificates of deposit	–	–	–	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–	–	–	–

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

(3) Fair Value Information on Money Held in Trust

The Company does not hold money held in trust.

3. Unaudited Non-consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2024	As of December 31, 2024
Assets:		
Cash and deposits	39,393	36,863
Call loans	73,000	44,000
Monetary claims bought	18,811	10,712
Securities:	4,525,808	4,584,325
National government bonds	1,812,423	1,778,702
Local government bonds	48,037	46,901
Corporate bonds	918,496	920,427
Domestic stocks	599,280	624,734
Foreign securities	1,027,985	1,097,303
Loans:	321,346	301,814
Policy loans	28,399	27,522
Industrial and consumer loans	292,946	274,291
Tangible fixed assets	353,725	353,128
Intangible fixed assets	35,456	34,640
Agency accounts receivable	1	1
Reinsurance receivables	394	100
Other assets	90,980	47,969
Prepaid pension cost	480	457
Customers' liabilities under acceptances and guarantees	26,425	39,165
Allowance for possible loan losses	(738)	(754)
Total assets	5,485,084	5,452,423

(Millions of Yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities:		
Policy reserves and other reserves:	4,268,961	4,192,312
Reserve for outstanding claims	36,748	37,107
Policy reserves	4,206,149	4,128,657
Reserve for dividends to policyholders	26,064	26,548
Reinsurance payables	670	273
Bonds payable	102,609	102,609
Other liabilities:	382,052	362,729
Income taxes payable	3,797	932
Lease obligations	4,138	3,375
Asset retirement obligations	1,087	1,079
Others	373,029	357,342
Reserve for employees' retirement benefits	28,195	27,779
Reserve for price fluctuation	40,370	42,010
Deferred tax liabilities	41,386	49,143
Deferred tax liabilities for land revaluation	14,301	14,157
Acceptances and guarantees	26,425	39,165
Total liabilities	4,904,972	4,830,179
Net assets:		
Foundation funds	51,000	51,000
Reserve for redemption of foundation funds	206,000	206,000
Reserve for revaluation	281	281
Surplus:	102,604	128,376
Reserve for future losses	381	397
Other surplus:	102,223	127,979
Reserve for fund redemption	31,700	40,800
Equalized reserve for dividends to policyholders	6,893	5,945
Unappropriated surplus (loss)	63,629	81,233
Total foundation funds and others	359,886	385,658
Net unrealized gains (losses) on available-for-sale securities, net of tax	270,597	287,329
Land revaluation differences	(50,371)	(50,744)
Total valuation and translation adjustments	220,226	236,585
Total net assets	580,112	622,243
Total liabilities and net assets	5,485,084	5,452,423

4. Unaudited Non-consolidated Statements of Income

(Millions of Yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Ordinary income:	479,629	467,472
Premium and other income:	274,999	270,117
Insurance premiums	274,129	269,562
Investment income:	110,694	115,015
Interest, dividends and other income	88,495	98,738
Gains on sales of securities	10,875	8,997
Investment gains on separate accounts	3,595	1,612
Other ordinary income	93,934	82,339
Ordinary expenses:	453,804	426,102
Claims and other payments:	289,094	287,271
Claims	79,218	79,449
Annuities	82,970	81,472
Benefits	55,451	56,568
Surrender benefits	65,691	66,566
Other payments	4,033	1,571
Provision for policy reserves and other reserves:	427	361
Provision for reserve for outstanding claims	425	358
Provision for interest on policyholders' dividend reserves	2	2
Investment expenses:	59,076	28,321
Interest expenses	3,446	3,469
Losses on trading securities	206	–
Losses on sales of securities	33,094	8,166
Losses on valuation of securities	100	5
Losses on derivative financial instruments	10,108	4,435
Operating expenses	81,335	84,336
Other ordinary expenses	23,870	25,811
Ordinary profit	25,825	41,369
Extraordinary gains:	206	392
Gains on disposal of fixed assets	206	378
Other extraordinary gains	–	14
Extraordinary losses:	2,931	2,476
Losses on disposal of fixed assets	489	359
Impairment losses	754	477
Provision for reserve for price fluctuation	1,610	1,640
Losses on reduction entry of real estate	76	–
Surplus before income taxes	23,100	39,286
Income taxes including deferred taxes	5,395	8,636
Total income taxes	5,395	8,636
Net surplus	17,705	30,650

Notes to Unaudited Non-consolidated Financial Information

Notes to Unaudited Non-consolidated Balance Sheet

1. Reserve for Outstanding Claims Incurred but not Reported Events

With respect to reserve for outstanding claims incurred but not reported events (referring to claims for which the occurrence of the insured events has not been reported but the Company finds that insured events have already occurred; hereinafter the same), the special treatment of the payment of hospitalization benefits with regard to people with diagnoses of COVID-19 given and under the care of a doctor and the like at an accommodation facility or at home (“deemed hospitalizations”) 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 Japanese Ministry of Finance Public Notice No.234, 1998 (“IBNR Notice”). 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 Notice (the “Proviso”).

(Overview of the calculation method)

The Company calculates the amount of reserve for outstanding claims incurred but not reported events using the same manner as that set forth in the main rules in Article 1, Paragraph 1 of IBNR Notice, excluding the amount related to deemed hospitalizations from a required amount of reserves for incurred but not reported events 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 Notice.

2. Securities Lent under Lending Agreements

The amount of securities lent under lending agreements was ¥360,091 million as of December 31, 2024.

3. Reserve for Dividends to Policyholders

The change in reserve for dividends to policyholders for the reporting period ended December 31, 2024 was as follows:

	Millions of Yen
	Nine months ended December 31, 2024
Balance at the beginning of the reporting period	¥ 26,064
Transfer to reserve from surplus in the previous fiscal year	2,896
Dividends to policyholders paid out during the reporting period	2,414
Increase in interest	2
Balance at the end of the reporting period	¥ 26,548

5. Breakdown of Ordinary Profit (Fundamental Profit)

(Millions of Yen)

		Nine months ended December 31, 2023	Nine months ended December 31, 2024
Fundamental profit	A	28,462	38,773
Capital gains		21,615	15,356
Gains on money held in trust		–	–
Gains on trading securities		–	–
Gains on sales of securities		10,875	8,997
Gains on derivative financial instruments		–	–
Foreign exchange gains		2,292	179
Other capital gains		8,447	6,179
Capital losses		43,784	12,695
Losses on money held in trust		–	–
Losses on trading securities		206	–
Losses on sales of securities		33,094	8,166
Losses on valuation of securities		100	5
Losses on derivative financial instruments		10,108	4,435
Foreign exchange losses		–	–
Other capital losses		275	86
Net capital gains (losses)	B	(22,169)	2,661
Fundamental profit plus net capital gains (losses)	A + B	6,292	41,435
Other one-time gains		19,532	–
Reinsurance revenue		–	–
Reversal of contingency reserve		19,464	–
Reversal of specific allowance for possible loan losses		67	–
Others		–	–
Other one-time losses		0	65
Reinsurance premiums		–	–
Provision for contingency reserve		–	64
Provision for specific allowance for possible loan losses		–	0
Provision for allowance for specified overseas loans		–	–
Write-offs of loans		0	0
Others		–	–
Net other one-time gains (losses)	C	19,532	(65)
Ordinary profit	A + B + C	25,825	41,369

(Reference) Breakdown of "other" items

(Millions of Yen)

		Nine months ended December 31, 2023	Nine months ended December 31, 2024
Fundamental profit		(8,172)	(6,092)
Hedging costs related to foreign exchange		(6,990)	(4,252)
Gains (losses) on cancellation of investment trusts		(1,457)	(1,926)
Gains (losses) on redemption of securities caused by foreign exchange fluctuation		275	86
Other capital gains		8,447	6,179
Hedging costs related to foreign exchange		6,990	4,252
Gains on cancellation of investment trusts		1,457	1,926
Gains on redemption of securities caused by foreign exchange fluctuation		–	–
Other capital losses		275	86
Hedging costs related to foreign exchange		–	–
Losses on cancellation of investment trusts		–	–
Losses on redemption of securities caused by foreign exchange fluctuation		275	86

6. Solvency Margin Ratio

(Millions of Yen)

		As of March 31, 2024	As of December 31, 2024
Total solvency margin	(A)	1,140,199	1,159,704
Foundation funds and surplus		354,635	381,678
Reserve for price fluctuation		40,370	42,010
Contingency reserve		43,181	43,246
General allowance for possible loan losses		507	523
(Net unrealized gains on available-for-sale securities (before tax effect) and deferred hedge gains (before tax effect)) × 90% (in case of losses: × 100%)		322,616	344,655
Net unrealized gains on land × 85% (in case of losses: × 100%)		35,824	35,907
Excess amount of policy reserves based on full-time Zillmer method		195,542	190,415
Qualifying subordinated debt		180,609	146,609
Excess amount of policy reserves based on full-time Zillmer method and qualifying subordinated debt excluded from the calculation of solvency margin		—	—
Deduction		(55,000)	(55,000)
Others		21,912	29,658
Total amount of risk	$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	229,298	234,259
Insurance risk	R_1	11,229	10,776
Third sector insurance risk	R_8	10,821	10,811
Risk of assumed yield	R_2	52,370	51,344
Minimum guarantee risk	R_7	977	965
Investment risk	R_3	169,956	175,934
Operational risk	R_4	4,907	4,996
Solvency margin ratio	$(A) / \{(1/2) \times (B)\} \times 100$	994.5%	990.1%

Notes:

- The figures above are calculated based on Articles 86 and 87 of the Enforcement Regulation of the Insurance Business Act and Japanese Ministry of Finance Public Notice No. 50, 1996.
- "Excess amount of policy reserves based on full-time Zillmer method", "Qualifying subordinated debt" and "Excess amount of policy reserves based on full-time Zillmer method and qualifying subordinated debt excluded from the calculation of solvency margin" are calculated based on the Public Notice No.25 of the Financial Services Agency of 2011.
- "Minimum guarantee risk" is calculated by standard method.

7. Status of Separate Account

(1) Separate Account Assets by Products

(Millions of Yen)

	As of March 31, 2024		As of December 31, 2024	
	Amount		Amount	
Individual variable insurance	30,689		30,499	
Individual variable annuities	-		-	
Group annuity products	-		-	
Total	30,689		30,499	

(2) Sum Insured of Policies in Force

(i) Individual Variable Insurance

	As of March 31, 2024		As of December 31, 2024	
	Number of policies (Thousands)	Amount (Millions of Yen)	Number of policies (Thousands)	Amount (Millions of Yen)
Individual variable insurance (fixed term)	-	-	-	-
Individual variable insurance (whole life)	11	80,819	11	78,627
Total	11	80,819	11	78,627

(ii) Individual Variable Annuities

	As of March 31, 2024		As of December 31, 2024	
	Number of policies (Thousands)	Amount (Millions of Yen)	Number of policies (Thousands)	Amount (Millions of Yen)
Individual variable annuities	-	-	-	-
Total	-	-	-	-

8. Status of the Company, Subsidiaries and Affiliates

(1) Selected Financial Data

(Millions of Yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Ordinary income	527,677	533,345
Ordinary profit	16,605	31,904
Net surplus attributable to the Parent Company	10,890	23,570
Comprehensive income	98,416	40,994

(Millions of Yen)

	As of March 31, 2024	As of December 31, 2024
Total assets	5,473,252	5,440,555
Solvency margin ratio	1,036.2%	1,026.9%

(2) Scope of Consolidation and Application of Equity Method

Number of consolidated subsidiaries: 4

Unconsolidated subsidiaries are immaterial in terms of their impact on consolidated net income and surplus, and also immaterial as a whole, therefore, the equity method is not applied.

(3) Unaudited Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2024	As of December 31, 2024
Assets:		
Cash and deposits	53,705	48,801
Call loans	73,000	44,000
Monetary claims bought	18,811	10,712
Securities	4,466,669	4,526,182
Loans	321,346	301,814
Tangible fixed assets	354,240	353,695
Intangible fixed assets	40,331	39,339
Agency accounts receivable	2	167
Reinsurance receivables	42,415	51,764
Other assets	101,567	62,549
Net defined benefit assets	799	764
Deferred tax assets	74	116
Customers' liabilities under acceptances and guarantees	1,025	1,565
Allowance for possible loan losses	(738)	(917)
Total assets	5,473,252	5,440,555

(Millions of Yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities:		
Policy reserves and other reserves:	4,278,959	4,207,913
Reserve for outstanding claims	41,060	42,698
Policy reserves	4,211,835	4,138,666
Reserve for dividends to policyholders	26,064	26,548
Reinsurance payables	915	535
Bonds payable	102,609	102,609
Other liabilities	407,649	402,050
Net defined benefit liabilities	29,297	28,204
Reserve for price fluctuation	40,370	42,011
Deferred tax liabilities	39,226	46,925
Deferred tax liabilities for land revaluation	14,301	14,157
Acceptances and guarantees	1,025	1,565
Total liabilities	4,914,355	4,845,972
Net assets:		
Foundation funds	51,000	51,000
Reserve for redemption of foundation funds	206,000	206,000
Reserve for revaluation	281	281
Consolidated surplus	81,934	100,626
Total foundation funds and others	339,216	357,908
Net unrealized gains (losses) on available-for-sale securities, net of tax	270,597	287,329
Land revaluation differences	(50,371)	(50,744)
Accumulated remeasurements of defined benefit plans	(646)	3
Total accumulated other comprehensive income	219,580	236,588
Non-controlling interests	100	85
Total net assets	558,896	594,583
Total liabilities and net assets	5,473,252	5,440,555

(4) Unaudited Consolidated Statements of Income and Statements of Comprehensive Income

【Unaudited Consolidated Statements of Income】

(Millions of Yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Ordinary income:	527,677	533,345
Premium and other income	321,857	336,666
Investment income:	110,297	114,489
Interest, dividends and other income	88,145	98,263
Gains on sales of securities	10,876	8,997
Investment gains on separate accounts	3,595	1,612
Other ordinary income	95,522	82,189
Ordinary expenses:	511,072	501,441
Claims and other payments:	310,148	323,109
Claims	79,218	79,466
Annuities	82,970	81,472
Benefits	59,110	63,495
Surrender benefits	65,691	66,566
Other payments	4,068	1,632
Provision for policy reserves and other reserves:	2,102	1,640
Provision for reserve for outstanding claims	2,100	1,638
Provision for interest on policyholders' dividend reserves	2	2
Investment expenses:	59,112	28,665
Interest expenses	3,480	3,650
Losses on trading securities	206	–
Losses on sales of securities	33,095	8,166
Losses on valuation of securities	100	5
Losses on derivative financial instruments	10,108	4,435
Operating expenses	112,021	117,772
Other ordinary expenses	27,687	30,253
Ordinary profit	16,605	31,904
Extraordinary gains:	206	392
Gains on disposal of fixed assets	206	378
Other extraordinary gains	–	14
Extraordinary losses:	2,932	2,478
Losses on disposal of fixed assets	490	360
Impairment losses	754	477
Provision for reserve for price fluctuation	1,610	1,640
Losses on reduction entry of real estate	76	–
Surplus before income taxes	13,879	29,818
Income taxes including deferred taxes	2,947	6,206
Total income taxes	2,947	6,206
Net surplus	10,932	23,612
Net surplus attributable to non-controlling interests	42	42
Net surplus attributable to the Parent Company	10,890	23,570

【Unaudited Consolidated Statements of Comprehensive Income】

(Millions of Yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net surplus	10,932	23,612
Other comprehensive income:	87,484	17,381
Net unrealized gains (losses) on available-for-sale securities, net of tax	89,187	16,731
Deferred gains (losses) on derivatives under hedge accounting	(2,409)	–
Remeasurements of defined benefit plans	707	649
Comprehensive income:	98,416	40,994
Comprehensive income attributable to the Parent Company	98,374	40,952
Comprehensive income attributable to non-controlling interests	42	42

Notes to Unaudited Consolidated Financial Information

I. Notes to Unaudited Consolidated Balance Sheet

1. Reserve for Outstanding Claims Incurred but not Reported Events

With respect to reserve for outstanding claims incurred but not reported events (referring to claims for which the occurrence of the insured events has not been reported but the Company finds that insured events have already occurred; hereinafter the same), the special treatment of the payment of hospitalization benefits with regard to people with diagnoses of COVID-19 given and under the care of a doctor and the like at an accommodation facility or at home (“deemed hospitalizations”) 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 Japanese Ministry of Finance Public Notice No.234, 1998 (“IBNR Notice”). 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 Notice (the “Proviso”).

(Overview of the calculation method)

The Company calculates the amount of reserve for outstanding claims incurred but not reported events using the same manner as that set forth in the main rules in Article 1, Paragraph 1 of IBNR Notice, excluding the amount related to deemed hospitalizations from a required amount of reserves for incurred but not reported events 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 Notice.

2. Securities Lent under Lending Agreements

The amount of securities lent under lending agreements was ¥360,091 million as of December 31, 2024.

3. Reserve for Dividends to Policyholders

The change in reserve for dividends to policyholders for the reporting period ended December 31, 2024 was as follows:

	<u>Millions of Yen</u>	
	Nine months ended December 31, 2024	
Balance at the beginning of the reporting period	¥	26,064
Transfer to reserve from surplus in the previous fiscal year		2,896
Dividends to policyholders paid out during the reporting period		2,414
Increase in interest		2
Balance at the end of the reporting period	¥	<u>26,548</u>

II. Note to Unaudited Consolidated Statement of Income

Depreciation

For the reporting period ended December 31, 2024, the total amount of depreciation and depreciation of rental real estate and other assets was ¥16,098 million.

(5) Consolidated Solvency Margin Ratio

(Millions of Yen)

	As of March 31, 2024	As of December 31, 2024
Total solvency margin (A)	1,170,919	1,185,922
Foundation funds and surplus	328,628	348,531
Reserve for price fluctuation	40,370	42,011
Contingency reserve	45,519	46,388
Catastrophe loss reserve	–	–
General allowance for possible loan losses	508	525
(Net unrealized gains on available-for-sale securities (before tax effect) and deferred hedge gains (before tax effect)) × 90% (in case of losses: × 100%)	322,616	344,655
Net unrealized gains on land × 85% (in case of losses: × 100%)	35,824	35,907
Sum of unrealized actuarial differences and unrealized past service cost	(896)	(247)
Excess amount of policy reserves based on full-time Zillmer method	195,874	191,933
Qualifying subordinated debt	180,609	146,609
Excess amount of policy reserves based on full-time Zillmer method and qualifying subordinated debt excluded from the calculation of solvency margin	–	–
Deduction	(50)	(50)
Others	21,912	29,658
Total amount of risk $\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8^2 + R_6^2})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_9$ (B)	226,000	230,963
Insurance risk R_1	11,230	10,779
Ordinary insurance risk R_5	–	–
Disaster insurance risk R_6	–	–
Third sector insurance risk R_8	13,003	13,766
Small amount short-term insurance provider insurance risk R_9	–	–
Risk of assumed yield R_2	52,370	51,344
Minimum guarantee risk R_7	977	965
Investment risk R_3	166,439	172,332
Operational risk R_4	4,880	4,983
Solvency margin ratio (A) / {(1/2)×(B)} × 100	1,036.2%	1,026.9%

Notes:

- The figures above are calculated based on Articles 86-2 and 88 of the Enforcement Regulation of the Insurance Business Act and the Public Notice No.23 of the Financial Services Agency of 2011.
- "Excess amount of policy reserves based on full-time Zillmer method", "Qualifying subordinated debt" and "Excess amount of policy reserves based on full-time Zillmer method and qualifying subordinated debt excluded from the calculation of solvency margin" are calculated based on the Public Notice No.25 of the Financial Services Agency of 2011.
- "Minimum guarantee risk" is calculated by standard method.

(6) Segment Information

The Company and its consolidated subsidiaries operate investment advisory business, etc., in addition to life insurance business in Japan. However, information on these segments are omitted because they represent such a minor proportion of total segments.