

Independent Auditor's Report

The Board of Directors
Asahi Mutual Life Insurance Company

The Audit of the Non-Consolidated Financial Statements

Opinion

We have audited the accompanying non-consolidated financial statements of Asahi Mutual Life Insurance Company (the Company), which comprise the non-consolidated balance sheets as at March 31, 2025 and 2024, and the non-consolidated statements of income, changes in net assets, and proposed appropriation of surplus (loss) for the years then ended, and notes to the non-consolidated financial statements and supplementary schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Company as at March 31, 2025 and 2024, and its non-consolidated financial performance for the years then ended in accordance with the Insurance Business Act and related rules and regulations applicable to the mutual life insurance industry and accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in a disclosure document that contains audited non-consolidated financial statements, but does not include the non-consolidated financial statements and our auditor's report thereon.

We have concluded that other information does not exist. Accordingly, we have not performed any work related to other information.

Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with the Insurance Business Act and related rules and regulations applicable to the mutual life insurance industry and accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the non-consolidated financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the non-consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Convenience Translation

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2025 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2 to the non-consolidated financial statements.

Fee-related Information

The fees for the audits of the financial statements of the Company and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2025 are 158 million yen and 80 million yen, respectively, and for the year ended March 31, 2024 are 157 million yen and 71 million yen, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

August 28, 2025

Yuji Ozawa
Designated Engagement Partner
Certified Public Accountant

Non-consolidated Financial Statements

6. Non-consolidated Balance Sheets

Asahi Mutual Life Insurance Company

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
ASSETS:			
Cash and deposits:			
Cash	¥ 18	¥ 18	\$ 0
Deposits	54,746	39,375	366
	54,765	39,393	366
Call loans	78,000	73,000	521
Monetary claims bought	10,481	18,811	70
Securities:			
National government bonds	1,788,496	1,812,423	11,961
Local government bonds	46,878	48,037	313
Corporate bonds	905,513	918,496	6,056
Domestic stocks	596,067	599,280	3,986
Foreign securities	968,143	1,027,985	6,475
Other securities	108,090	119,584	722
	4,413,189	4,525,808	29,515
Loans:			
Policy loans	27,081	28,399	181
Industrial and consumer loans	274,027	292,946	1,832
	301,108	321,346	2,013
Tangible fixed assets:			
Land	204,082	207,428	1,364
Buildings	137,091	138,556	916
Lease assets	3,339	4,138	22
Construction in progress	885	1,188	5
Other tangible fixed assets	2,335	2,414	15
	347,734	353,725	2,325
Intangible fixed assets:			
Software	28,161	28,886	188
Other intangible fixed assets	7,039	6,569	47
	35,201	35,456	235
Agency accounts receivable	1	1	0
Reinsurance receivables	499	394	3
Other assets:			
Accounts receivable	12,787	60,684	85
Prepaid expenses	4,985	4,472	33
Accrued income	18,410	18,389	123
Money on deposit	3,080	3,006	20
Derivative financial instruments	2,978	896	19
Cash collateral paid for financial instruments	2,298	1,417	15
Suspense payments	749	756	5
Other assets	1,159	1,358	7
	46,450	90,980	310
Prepaid pension cost	598	480	4
Customers' liabilities under acceptances and guarantees	39,025	26,425	261
Allowance for possible loan losses	(720)	(738)	(4)
Total assets	¥ 5,326,334	¥ 5,485,084	\$ 35,622

	Millions of Yen		Millions of U.S. Dollars
As of March 31	2025	2024	2025
LIABILITIES:			
Policy reserves and other reserves:			
Reserve for outstanding claims	¥ 39,821	¥ 36,748	\$ 266
Policy reserves	4,113,660	4,206,149	27,512
Reserve for dividends to policyholders	25,270	26,064	169
	4,178,753	4,268,961	27,947
Reinsurance payables	632	670	4
Bonds payable	102,609	102,609	686
Other liabilities:			
Payables under securities borrowing transactions	207,786	248,836	1,389
Loans payable	44,000	78,000	294
Income taxes payable	326	3,797	2
Accounts payable	13,427	8,974	89
Accrued expenses	7,417	8,053	49
Deferred income	178	196	1
Deposits received	530	421	3
Guarantee deposits received	16,726	17,081	111
Derivative financial instruments	4,934	5,004	33
Cash collateral received for financial instruments	7,544	6,359	50
Lease obligations	3,339	4,138	22
Asset retirement obligations	1,068	1,087	7
Suspense receipts	283	101	1
	307,562	382,052	2,056
Reserve for employees' retirement benefits	27,077	28,195	181
Reserve for price fluctuation	57,460	40,370	384
Deferred tax liabilities	30,444	41,386	203
Deferred tax liabilities for land revaluation	14,553	14,301	97
Acceptances and guarantees	39,025	26,425	261
Total liabilities	4,758,117	4,904,972	31,822
NET ASSETS:			
Foundation funds	51,000	51,000	341
Reserve for redemption of foundation funds	206,000	206,000	1,377
Reserve for revaluation	281	281	1
Surplus:			
Reserve for future losses	397	381	2
Other surplus:			
Reserve for fund redemption	40,800	31,700	272
Equalized reserve for dividends to policyholders	5,945	6,893	39
Unappropriated surplus (loss)	58,335	63,629	390
Subtotal	105,081	102,223	702
	105,478	102,604	705
Total foundation funds and others	362,760	359,886	2,426
Net unrealized gains (losses) on available-for-sale securities, net of tax	251,365	270,597	1,681
Land revaluation differences	(45,909)	(50,371)	(307)
Total valuation and translation adjustments	205,456	220,226	1,374
Total net assets	568,216	580,112	3,800
Total liabilities and net assets	¥ 5,326,334	¥ 5,485,084	\$ 35,622

7. Non-consolidated Statements of Income

Asahi Mutual Life Insurance Company

For the years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Ordinary income:			
Premium and other income:			
Insurance premiums	¥ 367,847	¥ 366,054	\$ 2,460
Reinsurance revenue	1,052	1,225	7
	368,900	367,279	2,467
Investment income:			
Interest, dividends and other income:			
Interest on deposits	3	0	0
Interest and dividends on securities	109,235	97,390	730
Interest on loans	6,246	6,068	41
Rent revenue from real estate	15,886	16,102	106
Other interest and dividends	746	1,317	4
	132,117	120,879	883
Gains on sales of securities	15,078	44,086	100
Gains on redemption of securities	119	—	0
Foreign exchange gains	—	4,528	—
Reversal of allowance for possible loan losses	16	—	0
Other investment income	7,107	7,159	47
Investment gains on separate accounts	386	6,583	2
	154,826	183,237	1,035
Other ordinary income:			
Fund receipt from annuity riders	7	0	0
Fund receipt from deposit of claims paid	3,554	5,082	23
Reversal of reserve for employees' retirement benefits	1,117	532	7
Reversal of policy reserves	92,488	63,755	618
Other ordinary income	2,459	2,505	16
	99,628	71,876	666
Total ordinary income	623,355	622,393	4,169

	Millions of Yen		Millions of U.S. Dollars
For the years ended March 31	2025	2024	2025
Ordinary expenses:			
Claims and other payments:			
Claims	107,641	105,474	719
Annuities	108,059	109,610	722
Benefits	76,250	74,480	509
Surrender benefits	91,559	87,320	612
Other payments	2,017	4,593	13
Reinsurance premiums	2,339	2,449	15
	387,868	383,929	2,594
Provision for policy reserves and other reserves:			
Provision for reserve for outstanding claims	3,073	2,234	20
Provision for interest on policyholders' dividend reserves	3	3	0
	3,076	2,237	20
Investment expenses:			
Interest expenses	4,732	4,392	31
Losses on trading securities	—	226	—
Losses on sales of securities	26,463	41,448	176
Losses on valuation of securities	6	105	0
Losses on redemption of securities	206	275	1
Losses on derivative financial instruments	3,447	14,508	23
Foreign exchange losses	1,364	—	9
Provision for allowance for possible loan losses	—	92	—
Depreciation of rental real estate and other assets	5,334	5,337	35
Other investment expenses	10,626	10,298	71
	52,180	76,685	348
Operating expenses	112,825	108,533	754
Other ordinary expenses:			
Claim deposit payments	8,526	8,961	57
Taxes	9,449	9,060	63
Depreciation	14,219	11,846	95
Other ordinary expenses	2,479	3,024	16
	34,674	32,892	231
Total ordinary expenses	590,625	604,278	3,950

	Millions of Yen		Millions of U.S. Dollars
For the years ended March 31	2025	2024	2025
Ordinary profit	32,730	18,115	218
Extraordinary gains:			
Gains on disposal of fixed assets	1,676	5,542	11
Other extraordinary gains	31	—	0
	1,707	5,542	11
Extraordinary losses:			
Losses on disposal of fixed assets	904	905	6
Impairment losses	736	1,141	4
Provision for reserve for price fluctuation	17,090	2,160	114
Losses on reduction entry of real estate	29	96	0
Losses on valuation of shares of subsidiaries and affiliates	2,972	—	19
Other extraordinary losses	—	5	—
	21,732	4,308	145
Surplus before income taxes	12,705	19,348	84
Income taxes:			
Current	6,715	10,212	44
Deferred	(7,052)	(6,115)	(47)
Total income taxes	(336)	4,097	(2)
Net surplus	¥ 13,042	¥ 15,251	\$ 87

8. Non-consolidated Statements of Changes in Net Assets

Asahi Mutual Life Insurance Company

Millions of Yen

For the year ended March 31, 2025	Foundation funds and others										
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus							Total foundation funds and others
				Reserve for future losses	Other surplus			Total surplus			
					Reserve for fund redemption	Equalized reserve for dividends to policyholders	Unappropriate d surplus (loss)				
Beginning balance	¥ 51,000	¥ 206,000	¥ 281	¥ 381	¥ 31,700	¥ 6,893	¥ 63,629	¥ 102,604	¥ 359,886		
Changes in the fiscal year:											
Additions to reserve for dividends to policyholders								(2,896)	(2,896)	(2,896)	
Additions to reserve for future losses				16				(16)			
Payment of interest on foundation funds								(2,354)	(2,354)	(2,354)	
Net surplus								13,042	13,042	13,042	
Additions to reserve for fund redemption					9,100			(9,100)			
Reversal of equalized reserve for dividends to policyholders								(947)	947		
Reversal of land revaluation differences								(4,916)	(4,916)	(4,916)	
Net changes, excluding foundation funds and others											
Net changes in the fiscal year	—	—	—	16	9,100	(947)	(5,294)	2,874	2,874		
Ending balance	¥ 51,000	¥ 206,000	¥ 281	¥ 397	¥ 40,800	¥ 5,945	¥ 58,335	¥ 105,478	¥ 362,760		

Millions of Yen

For the year ended March 31, 2025	Valuation and translation adjustments			
	Net unrealized gains (losses) on available- for-sale securities, net of tax	Land revaluation differences	Total valuation and translation adjustments	Total net assets
Beginning balance	¥ 270,597	¥ (50,371)	¥ 220,226	¥ 580,112
Changes in the fiscal year:				
Additions to reserve for dividends to policyholders			(2,896)	
Additions to reserve for future losses				
Payment of interest on foundation funds			(2,354)	
Net surplus			13,042	
Additions to reserve for fund redemption				
Reversal of equalized reserve for dividends to policyholders				
Reversal of land revaluation differences			(4,916)	
Net changes, excluding foundation funds and others	(19,232)	4,462	(14,770)	(14,770)
Net changes in the fiscal year	(19,232)	4,462	(14,770)	(11,895)
Ending balance	¥ 251,365	¥ (45,909)	¥ 205,456	¥ 568,216

Millions of Yen

For the year ended March 31, 2024	Foundation funds and others										
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus					Total foundation funds and others		
				Reserve for future losses	Other surplus			Total surplus			
					Reserve for fund redemption	Equalized reserve for dividends to policyholders	Unappropriate d surplus (loss)				
Beginning balance	¥ 51,000	¥ 206,000	¥ 281	¥ 366	¥ 22,600	¥ 7,093	¥ 60,148	¥ 90,207	¥ 347,489		
Changes in the fiscal year:											
Additions to reserve for dividends to policyholders								(2,497)	(2,497)	(2,497)	
Additions to reserve for future losses				15				(15)			
Payment of interest on foundation funds								(2,323)	(2,323)	(2,323)	
Net surplus								15,251	15,251	15,251	
Additions to reserve for fund redemption					9,100			(9,100)			
Reversal of equalized reserve for dividends to policyholders							(199)	199			
Reversal of land revaluation differences								1,965	1,965	1,965	
Net changes, excluding foundation funds and others											
Net changes in the fiscal year	—	—	—	15	9,100	(199)	3,481	12,396	12,396		
Ending balance	¥ 51,000	¥ 206,000	¥ 281	¥ 381	¥ 31,700	¥ 6,893	¥ 63,629	¥ 102,604	¥ 359,886		

Millions of Yen

For the year ended March 31, 2024	Valuation and translation adjustments			
	Net unrealized gains (losses) on available-for-sale securities, net of tax	Land revaluation differences	Total valuation and translation adjustments	Total net assets
Beginning balance	¥ 130,668	¥ (48,406)	¥ 82,261	¥ 429,751
Changes in the fiscal year:				
Additions to reserve for dividends to policyholders				(2,497)
Additions to reserve for future losses				
Payment of interest on foundation funds				(2,323)
Net surplus				15,251
Additions to reserve for fund redemption				
Reversal of equalized reserve for dividends to policyholders				
Reversal of land revaluation differences				1,965
Net changes, excluding foundation funds and others	139,929	(1,965)	137,964	137,964
Net changes in the fiscal year	139,929	(1,965)	137,964	150,361
Ending balance	¥ 270,597	¥ (50,371)	¥ 220,226	¥ 580,112

Millions of U.S. Dollars

For the year ended March 31, 2025	Foundation funds and others								
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus					Total foundation funds and others
				Reserve for future losses	Other surplus			Total surplus	
					Reserve for fund redemption	Equalized reserve for dividends to policyholders	Unappropri- ate surplus (loss)		
Beginning balance	\$ 341	\$ 1,377	\$ 1	\$ 2	\$ 212	\$ 46	\$ 425	\$ 686	\$ 2,406
Changes in the fiscal year:									
Additions to reserve for dividends to policyholders							(19)	(19)	(19)
Additions to reserve for future losses				0			(0)		
Payment of interest on foundation funds							(15)	(15)	(15)
Net surplus							87	87	87
Additions to reserve for fund redemption					60		(60)		
Reversal of equalized reserve for dividends to policyholders						(6)	6		
Reversal of land revaluation differences							(32)	(32)	(32)
Net changes, excluding foundation funds and others									
Net changes in the fiscal year	—	—	—	0	60	(6)	(35)	19	19
Ending balance	\$ 341	\$ 1,377	\$ 1	\$ 2	\$ 272	\$ 39	\$ 390	\$ 705	\$ 2,426

Millions of U.S. Dollars

For the year ended March 31, 2025	Valuation and translation adjustments			
	Net unrealized gains (losses) on available- for-sale securities, net of tax	Land revaluation differences	Total valuation and translation adjustments	Total net assets
Beginning balance	\$ 1,809	\$ (336)	\$ 1,472	\$ 3,879
Changes in the fiscal year:				
Additions to reserve for dividends to policyholders				(19)
Additions to reserve for future losses				
Payment of interest on foundation funds				(15)
Net surplus				87
Additions to reserve for fund redemption				
Reversal of equalized reserve for dividends to policyholders				
Reversal of land revaluation differences				(32)
Net changes, excluding foundation funds and others	(128)	29	(98)	(98)
Net changes in the fiscal year	(128)	29	(98)	(79)
Ending balance	\$ 1,681	\$ (307)	\$ 1,374	\$ 3,800

9. Non-consolidated Statements of Proposed Appropriation of Surplus (Loss)

Asahi Mutual Life Insurance Company

For the years ended March 31	Millions of Yen		Millions of U.S. Dollars	
	2025	2024	2025	
Unappropriated surplus (loss)	¥ 58,335	¥ 63,629	\$ 390	
Reversal of Voluntary surplus reserves:	3,239	947	21	
Reversal of equalized reserve for dividends to policyholders	3,239	947	21	
Total	61,575	64,577	411	
Appropriation of surplus (loss):	14,886	14,367	99	
Reserve for dividends to policyholders	3,359	2,896	22	
Net surplus (loss):	11,527	11,470	77	
Reserve for future losses	18	16	0	
Interest on foundation funds	2,409	2,354	16	
Voluntary surplus reserves:	9,100	9,100	60	
Reserve for fund redemption	9,100	9,100	60	
Surplus (loss) carried forward	¥ 46,688	¥ 50,210	\$ 312	

10. Notes to Non-consolidated Financial Statements

Asahi Mutual Life Insurance Company

I. Presentation of Non-consolidated Financial Statements

1. Basis of Presentation

The accompanying non-consolidated financial statements have been prepared from the accounts maintained by Asahi Mutual Life Insurance Company (the “Company”) in accordance with the provisions set forth in the Insurance Business Act of Japan and its related rules and regulations applicable to the mutual life insurance industry and in conformity with accounting principles generally accepted in Japan, which are different in certain respects from accounting principles generally accepted in countries and jurisdictions other than Japan.

In addition, the notes to the non-consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts of less than one million yen have been eliminated. As a result, total amounts in yen shown herein do not necessarily agree with the sum of the individual amounts.

The Insurance Business Act shall prescribe the disclosure of a single fiscal year. The Company provides the disclosure of comparative financial information corresponding to each comparative fiscal year in the presented financial statements for use by readers outside Japan.

In preparing the accompanying non-consolidated financial statements, certain reclassifications have been made to the non-consolidated financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan.

2. U.S. Dollar Amounts

The translations of yen amounts into U.S. dollar amounts are included solely for the convenience of the reader and have been made, as a matter of arithmetical computation only, at the rate of ¥149.52 = US\$1.00, the effective rate of exchange at the balance sheet date of March 31, 2025.

The translations should not be construed as representations that such yen amounts have been or could in the future be, converted into U.S. dollars at that or any other rate.

II. Notes to Non-consolidated Balance Sheets

1. Significant Accounting Policies

(1) Valuation methods of securities

The valuation of securities, including deposits and monetary claims bought which are equivalent to securities is as follows:

- i) Trading securities are stated at fair market value. Costs of sales are determined by the moving average method.
- ii) Held-to-maturity debt securities are stated at amortized cost (straight-line method) determined by the moving average method.
- iii) Policy-reserve-matching bonds, which are in accordance with “Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in Insurance Industry” (Industry Audit Committee Report No. 21 issued by the Japanese Institute of Certified Public Accountants (“JICPA”)), are stated at

amortized cost (straight-line method) determined by the moving average method.

- iv) Investments in subsidiaries and affiliates are stated at cost.
- v) Available-for-sale securities except for the following are stated at fair market value based on the market prices at the balance sheet date, of which costs of sales are determined by the moving average method. Available-for-sale securities, of which public and corporate bonds including foreign bonds with the difference between acquisition cost and face value considered as an adjustment of interest, are stated at amortized cost (straight-line method) determined by the moving average method. Stocks and others without a market price are stated at cost determined by the moving average method. Net unrealized gains or losses on these available-for-sale securities, net of tax, are recorded as a separate component of net assets.

(2) Policy-reserve-matching bonds

The Company classifies bonds held with the aim of matching the duration to outstanding insurance liabilities within the sub-groups (categorized by insurance type, investment policy and other factors) of individual life insurance and individual annuities as policy-reserve-matching bonds in accordance with “Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in Insurance Industry” (Industry Audit Committee Report No. 21 issued by the JICPA).

(3) Valuation methods of derivative financial instruments

Derivative financial instruments are stated at fair market value.

(4) Revaluation of land

The Company revalued the land for business purposes based on the Act on Revaluation of Land (Act No. 34 promulgated on March 31, 1998). The difference between fair value and book value resulting from the revaluation, net of related taxes, is recorded as land revaluation differences as a separate component of net assets and the related tax is recorded as deferred tax liabilities for revaluation.

- Date of revaluation: March 31, 2001

- Method of revaluation as prescribed for in Article 3, Paragraph 3 of the said Act:

The calculation is based on the publicly announced appraisal value with certain adjustments set forth in Article 2, Item 1 of the Enforcement Ordinance of the Act on Revaluation of Land (Government Ordinance No. 119 promulgated on March 31, 1998) or the appraisal value determined by the real-estate appraiser set forth in Article 2, Item 5 of the said Ordinance with certain reasonable adjustments.

(5) Depreciation of tangible fixed assets

Depreciation of the Company’s tangible fixed assets is calculated by the following methods.

- Tangible fixed assets (excluding lease assets): Declining-balance method

However, buildings are depreciated using the straight-line method.

- Lease assets related to finance lease transactions that do not transfer ownership: Straight-line method over the lease term with no residual value

(6) Foreign currency translation

Foreign currency-denominated assets and liabilities (excluding the shares of subsidiaries and affiliates) are translated into Japanese yen at the effective exchange rate prevailing at the balance sheet date. The shares of subsidiaries and affiliates are translated into Japanese yen at the exchange rate at the acquisition date.

(7) Allowance for possible loan losses

Allowance for possible loan losses is provided in accordance with the Company's standards of self-assessment and write-offs and reserves on credit quality:

- i) For credit to borrowers who are legally bankrupt such as being in bankruptcy proceedings or civil rehabilitation (hereinafter "legally bankrupt borrowers") and who are substantially bankrupt (hereinafter "substantially bankrupt borrowers"), the Company provides the remaining amount of credits after the direct write-off described below and the deductions of the amount expected to be collected through the disposal of collateral or the execution of guarantees.
- ii) For credit to borrowers who are not currently bankrupt but have a high risk of bankruptcy (hereinafter "borrowers with high possibility of bankruptcy"), the Company provides the amounts deemed as necessary considering the borrowers' ability to pay, within the amounts after deductions of the amount expected to be collected through the disposal of collateral or the execution of guarantees.
- iii) For credit to borrowers other than the above, the Company provides the amounts calculated by multiplying the book value by the actual ratio of bad debt losses on defaults during a certain past period.

All credit is assessed by the relevant departments in accordance with the Company's standards of self-assessment on credit quality. The results of the assessment are reviewed by the audit department, which is independent of business-related divisions. Subsequently, allowance for possible loan losses is provided based on the results of these assessments.

For credit to legally bankrupt borrowers and substantially bankrupt borrowers, the amounts remaining after deductions of collateral value or the amounts collectible through the execution of guarantees are written-off directly from the book value as the estimated uncollectible amounts. The amounts written-off were ¥2 million (US\$0 million) and ¥3 million as of March 31, 2025 and 2024, respectively.

(8) Accounting for employees' retirement benefits and method of amortizing retirement benefit expenses

Reserve for employees' retirement benefits and prepaid pension cost are presented for the employees' retirement benefits based on projected benefit obligation and pension plan assets at the balance sheet date.

The Company uses the following methods of accounting in relation to retirement benefits.

- The retirement benefit obligation is attributed to each period by the benefit formula method.
- Actuarial differences are amortized under the straight-line method over a period of six years starting the following year.
- Prior service cost is charged to income when incurred.

(9) Reserve for price fluctuation

Reserve for price fluctuation is calculated in accordance with Article 115 of the Insurance Business Act.

(10) Accounting for hedging activities

Hedging activities are accounted for in accordance with the "Accounting Standards for Financial Instruments" (Accounting Standards Board of Japan ("ASBJ") Statement No. 10).

The Company mainly applies the following hedging activities:

The Company applies deferred hedge accounting and the exceptional accounting treatment ("Tokurei-shori") for interest rate swaps used to hedge the cash flow volatility of certain loans.

The Company also applies fair value hedge accounting for hedging activities related to foreign exchange rate fluctuation exposures on certain bonds, investment trusts and others denominated in foreign currencies.

The Company also applies designated hedge accounting (“Furiate-shori”) for currency swaps used to hedge foreign exchange rate fluctuation exposures on the foreign currency-denominated bonds issued by the Company.

The Company also applies designated hedge accounting (“Furiate-shori”) for the foreign currency-denominated transactions other than the above.

The effectiveness of a hedge is mostly assessed by a ratio analysis, comparing the fluctuations in the fair value or cash flows of hedged items and hedging instruments.

(11) Accounting for consumption taxes

The Company accounts for consumption tax and local consumption tax by the tax-exclusion method. The consumption taxes on certain assets, which are not deductible from consumption taxes withheld and that are stipulated to be deferred under the Corporation Tax Act of Japan, are deferred as prepaid expenses and amortized equally over five years.

Consumption taxes other than deferred consumption taxes are recognized as an expense when incurred.

(12) Premium and other income (excluding reinsurance revenue)

Premium and other income (excluding reinsurance revenue) are recorded in principle for insurance policies for which insurance premium has been received and the insurer’s liability under the insurance policies or insurance coverage period has commenced by the relevant amounts received.

Of insurance premiums, 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 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 2 of the Enforcement Regulation of the Insurance Business Act.

(13) Claims and other payments (excluding reinsurance premiums)

Claims and other payments (excluding reinsurance premiums) are recorded for insurance policies for which amounts calculated under policy conditions have been paid in the occurrence of insured events under the policy conditions.

In accordance with Article 117 of the Insurance Business Act and Article 72 of the Enforcement Regulation of the Insurance Business Act, reserve for outstanding claims is set aside for claims, etc. which is not recorded as payment of claims, etc. but for which the Company has payment obligation or the occurrence of insured events has not been reported but the Company finds that insured events have already occurred, as of the end of the fiscal year.

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.

Note for the fiscal year ended March 31, 2024

Claims and other payments (excluding reinsurance premiums) are recorded for insurance policies for which amounts calculated under policy conditions have been paid in the occurrence of insured events under the policy conditions.

In accordance with Article 117 of the Insurance Business Act and Article 72 of the Enforcement Regulation of the Insurance Business Act, reserve for outstanding claims is set aside for claims, etc. which is not recorded as payment of claims, etc. but for which the Company has payment obligation or the occurrence of insured events has not been reported but the Company finds that insured events have already occurred, as of the end of the fiscal year.

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 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 IBNR Notice. The Company therefore records the amount that was calculated using the following method, pursuant to 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.

In the fiscal year ended March 31, 2023, the Company calculated the reserve for outstanding claims incurred but not reported events for deemed hospitalizations and the others separately; however, the special treatment of the payment of hospitalization benefits with regard to deemed hospitalization was terminated for the fiscal year ended March 31, 2024. Therefore, the Company revised its methodology to calculate the amount of reserve for outstanding claims incurred but not reported events for deemed hospitalizations as zero.

(14) Policy reserves

Policy reserves are calculated as stated in accordance with the methods stated in the statement of calculation procedures for insurance premiums and policy reserves (Article 4, Paragraph 2, Item 4 of the Insurance Business Act) pursuant to Article 116, Paragraph 1 of the Insurance Business Act, for insurance policies 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 policies.

Of policy reserves, the premium reserves at the end of the fiscal year are calculated by the following method:

In regard to the policies subject to the standard policy reserves, the method as prescribed by the Commissioner of Financial Services Agency (Japanese Ministry of Finance Public Notice No. 48, 1996) is applied.

In regard to the policies not subject to the standard policy reserves, the net level premium method is applied.

Policy reserves include policy reserves for individual annuity insurance policies with an assumed rate of 3.75% or higher for which annuity payment commenced on or before March 31, 2025, in accordance with the provision of Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Act.

As of March 31, 2025, of policy reserves, additional policy reserves accumulated for policies for which annuity payment commenced for the fiscal year ended March 31, 2025 were ¥6,143 million (US\$41 million). As a result, ordinary profits and surplus before income taxes decreased by ¥6,143 million (US\$41 million) compared with if the additional reserves had not been accumulated as of March 31, 2025.

Regarding policy reserves, the chief actuary checks that policy reserves are appropriately accumulated in each fiscal year, pursuant to Article 121, Paragraph 1 of the Insurance Business Act and Article 80 of the Enforcement Regulation of the Insurance Business Act.

Contingency reserves included in policy reserves are set aside in accordance with Article 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 3 of the Enforcement Regulation of the Insurance Business Act to cover risks that may accrue in the future in order to ensure the performance of future obligations under insurance policies.

Note for the fiscal year ended March 31, 2024

Policy reserves are calculated as stated in accordance with the methods stated in the statement of calculation procedures for insurance premiums and policy reserves (Article 4, Paragraph 2, Item 4 of the Insurance Business Act) pursuant to Article 116, Paragraph 1 of the Insurance Business Act, for insurance policies 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 policies.

Of policy reserves, the premium reserves at the end of the fiscal year are calculated by the following method:

In regard to the policies subject to the standard policy reserves, the method as prescribed by the Commissioner of Financial Services Agency (Japanese Ministry of Finance Public Notice No. 48, 1996) is applied.

In regard to the policies not subject to the standard policy reserves, the net level premium method is applied.

As of March 31, 2024, the Company accumulated additional policy reserves for individual annuity insurance policies with an assumed rate of 3.75% or higher for which annuity payment commenced on or before March 31, 2024, in accordance with the provision of Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Act.

As a result, policy reserves increased by ¥46,388 million and ordinary profits and surplus before income taxes decreased by ¥46,388 million compared with if the additional reserves had not been accumulated.

Regarding policy reserves, the chief actuary checks that policy reserves are appropriately accumulated in each fiscal year, pursuant to Article 121, Paragraph 1 of the Insurance Business Act and Article 80 of the Enforcement Regulation of the Insurance Business Act.

Contingency reserves included in policy reserves are set aside in accordance with Article 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 3 of the Enforcement Regulation of the Insurance Business Act to cover risks that may accrue in the future in order to ensure the performance of future obligations under insurance policies.

(15) Impairment losses of tangible fixed assets

Impairment losses of the Company's tangible fixed assets are calculated by the following method.

i) Calculation method

Real estate and other assets used for insurance business operations are classified as one asset group as a whole. Other assets such as real estate for rent, real estate not in use and real estate scheduled to be sold are classified as one group individually. As for real estate used for multiple purposes, the asset group to which the real estate belongs is decided depending on usage rate and others.

The Company identifies indications of impairment on each asset group when earnings from business operations using the asset group continuously become negative.

As for asset groups for which indications of impairment are identified, when total amounts of undiscounted net future cash flows from the asset groups are less than their book values, the Company recognizes impairment losses and reduces the book values to their recoverable amounts.

The recoverable amounts of real estate and other assets for insurance business operation and real estate for rent are determined at value in use or net realizable value. The recoverable amounts of real estate not in use and real estate scheduled to be sold are determined at net realizable value. Value in use is determined as the discounted present value of estimated net future cash flows and discount rate used in the calculation is based on the cost of capital of the Company.

Net realizable value is calculated based on the appraisal value in accordance with “Real Estate Appraisal Standards” or the publicly announced appraisal value after deducting expected disposal costs.

ii) Key assumptions

Key assumptions for the estimated net future cash flows which are used in recognizing impairment losses and calculating value in use are usage plans considering current status of use of asset groups, including tenancy rates, rents and others. These assumptions may be affected by economic condition and changes specific to asset groups.

iii) Effects on non-consolidated financial statements for the following fiscal year

While the Company considers key assumptions for the estimated net future cash flows which are used in recognizing impairment losses and calculating value in use are best estimate based on available information including external information, impairment losses may occur in the following fiscal year due to future uncertainties.

Furthermore, the appraisal value in accordance with “Real Estate Appraisal Standards” may be affected by future real estate market trends. In case that net realizable value decreases as a result, impairment losses may occur in the following fiscal year.

(16) Software

Capitalized software for internal use owned by the Company is amortized using the straight-line method over the estimated useful lives.

2. Accounting Standards Issued but Not Yet Effective

The accounting standards and relevant implementation guidance issued by the fiscal year-end but not yet effective are as follows:

- “Accounting Standard for Leases” (ASBJ Statement No. 34, issued on September 13, 2024)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, issued on September 13, 2024), etc.

i) Overview

As part of its efforts for ensuring that Japanese GAAP is consistent with international accounting standards, the ASBJ conducted a review, taking into consideration international accounting standards, toward the development of the Accounting Standard for Leases for recognizing assets and liabilities for all leases held by a lessee. As a basic policy, the ASBJ issued the Accounting Standard for Leases, etc., which were developed with the aim of being simple and highly convenient by incorporating only the key provisions of IFRS 16 instead of all the provisions, despite being based on the single accounting model of IFRS 16, while also making revisions basically unnecessary even when the provisions of IFRS 16 are applied for non-consolidated financial statements.

Regarding the method for allocating the lessee's lease expenses in the lessee's accounting treatment, a single accounting model is applied for recording the depreciation related to right-of-use assets and the amount equivalent to the interest on lease liabilities for all leases regardless of whether a lease is a finance lease or an operating lease. This is the same as under IFRS 16.

ii) Scheduled date of application

The above accounting standards and relevant implementation guidance are scheduled to be applied from the beginning of the fiscal year ending March 31, 2028.

iii) Effects of application of the Accounting Standards and relevant implementation guidance

The effects of the application are under assessment at the time of preparing these non-consolidated financial statements.

3. Financial Instruments

(1) Qualitative information on financial instruments

Asset management of the general accounts other than the separate accounts stipulated in Article 118, Paragraph 1 of the Insurance Business Act is conducted based on the following principles.

- For accumulation whole life with variable interest rates, accumulation insurance with variable interest rates and new single premium individual annuities which have an effective date on or after April 2, 2012, the Company mainly invests in domestic bonds, engaging in matching asset liability management, or Matching ALM, which aims at matching the duration to outstanding insurance liabilities to avoid interest rate fluctuation risks.
- For individual life insurance and individual annuities other than above, the Company holds yen-denominated fixed income investments, including bonds and loans, as the core of its asset portfolio. The Company also holds domestic stocks, foreign securities and real estate assets to enhance its profitability.

Derivatives are mainly used to hedge market price fluctuation risk and exchange rate fluctuation risk regarding securities and exchange rate fluctuation risk related to the foreign currency-denominated bonds issued by the Company. As the major financial instruments, securities are exposed to market risk and credit risk, loans are exposed to credit risk and exchange rate fluctuation risk, and derivatives are exposed to market risk and credit risk.

In managing market risks, the following two methods are used. One is the quantitative risk management of securities etc. using the Value at Risk ("VaR") method and the other is the risk management by stress test and sensitivity analysis which analyze the effect on the Company's whole portfolio, simulating scenarios of deteriorating market environments. This is for the purpose of managing an appropriate asset allocation within the ranges of acceptable risks.

In managing credit risks, the Company quantifies the credit risks of entire portfolio through VaR method and controls the amount of risks within an acceptable range. Furthermore, the Company assigns in-house credit ratings to our borrowers in accordance with the creditworthiness of each borrower. Strict credit research of each borrower before lending as well as following up on any changes of creditworthiness of each borrower after lending are implemented by Risk Management Department, which is independent of the departments executing investments and lending. Maximum limits of credit are set up for each borrower in accordance with its credit risks to avoid the concentration of credit risks on specific corporations and specific corporation groups. Through all these measures, the Company endeavors to develop high quality portfolio.

(2) Fair value of financial instruments

The balance sheet amounts, fair values and the differences for major financial assets and liabilities as of March 31, 2025 and 2024 were as follows. The following tables do not include cash and deposits, call loans and payables under securities borrowing transactions which are mostly settled in a short term and their fair values approximate their book values.

Millions of Yen			
As of March 31, 2025	Balance Sheet Amount	Fair Value	Difference
Monetary claims bought	¥ 10,481	¥ 10,418	¥ (62)
Held-to-maturity debt securities	9,717	9,654	(62)
Available-for-sale securities	764	764	—
Securities	4,277,380	3,943,784	(333,595)
Trading securities	28,325	28,325	—
Held-to-maturity debt securities	202,032	203,109	1,076
Policy-reserve-matching bonds	2,231,326	1,896,654	(334,672)
Available-for-sale securities	1,815,694	1,815,694	—
Loans	301,108	302,751	1,642
Policy loans	27,081	27,081	—
Industrial and consumer loans	274,027	275,670	1,642
Total assets	4,588,969	4,256,953	(332,016)
Bonds payable	102,609	100,504	(2,104)
Loans payable	44,000	47,148	3,148
Total liabilities	146,609	147,653	1,043
Derivative financial instruments	(1,956)	(1,956)	—
Hedge accounting not applied	157	157	—
Hedge accounting applied	(2,114)	(2,114)	—

* Assets and liabilities generated by derivative financial instruments are offset and presented on a net basis. Net liabilities in total are presented in parentheses.

Millions of Yen

As of March 31, 2024	Balance Sheet Amount	Fair Value	Difference
Monetary claims bought	¥ 18,811	¥ 19,753	¥ 941
Held-to-maturity debt securities	17,956	18,897	941
Available-for-sale securities	855	855	—
Securities	4,385,592	4,276,909	(108,683)
Trading securities	30,399	30,399	—
Held-to-maturity debt securities	274,840	290,260	15,419
Policy-reserve-matching bonds	2,240,383	2,116,280	(124,103)
Available-for-sale securities	1,839,968	1,839,968	—
Loans	321,346	329,278	7,932
Policy loans	28,399	28,399	—
Industrial and consumer loans	292,946	300,879	7,932
Total assets	4,725,750	4,625,940	(99,809)
Bonds payable	102,609	103,456	847
Loans payable	78,000	82,387	4,387
Total liabilities	180,609	185,843	5,234
Derivative financial instruments	(4,107)	(4,107)	—
Hedge accounting not applied	(876)	(876)	—
Hedge accounting applied	(3,231)	(3,231)	—

* Assets and liabilities generated by derivative financial instruments are offset and presented on a net basis. Net liabilities in total are presented in parentheses.

Millions of U.S. Dollars

As of March 31, 2025	Balance Sheet Amount	Fair Value	Difference
Monetary claims bought	\$ 70	\$ 69	\$ (0)
Held-to-maturity debt securities	64	64	(0)
Available-for-sale securities	5	5	—
Securities	28,607	26,376	(2,231)
Trading securities	189	189	—
Held-to-maturity debt securities	1,351	1,358	7
Policy-reserve-matching bonds	14,923	12,684	(2,238)
Available-for-sale securities	12,143	12,143	—
Loans	2,013	2,024	10
Policy loans	181	181	—
Industrial and consumer loans	1,832	1,843	10
Total assets	30,691	28,470	(2,220)
Bonds payable	686	672	(14)
Loans payable	294	315	21
Total liabilities	980	987	6
Derivative financial instruments	(13)	(13)	—
Hedge accounting not applied	1	1	—
Hedge accounting applied	(14)	(14)	—

* Assets and liabilities generated by derivative financial instruments are offset and presented on a net basis. Net liabilities in total are presented in parentheses.

Unlisted stocks and others, including investments in subsidiaries and affiliates, without market prices are not included in the tables above. The amounts of unlisted stocks and others, including investments in subsidiaries and affiliates, reported in the non-consolidated balance sheets were ¥77,678 million (US\$519 million) and ¥80,570 million as of March 31, 2025 and 2024, respectively. The amounts of losses on valuation on unlisted stocks and others, including investments in subsidiaries and affiliates were ¥2,977 million (US\$19 million) and ¥1 million, for the year ended March 31, 2025 and 2024, respectively.

Investment trusts which are accounted for in accordance with Paragraph 24-3 and 24-9 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, revised on June 17, 2021) are included in the tables above.

Investments in partnerships and others which are accounted for in accordance with Paragraph 24-16 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” are not included in the tables above. The amounts of the investments in partnerships and others, reported in the non-consolidated balance sheets were ¥58,131 million (US\$388 million) and ¥59,645 million as of March 31, 2025 and 2024, respectively.

(3) Matters regarding securities and others by purpose of holding

i) Trading securities

Net unrealized gains (losses) on trading securities included in gains (losses) recorded were ¥(205) million (US\$(1) million) and ¥6,278 million for the years ended March 31, 2025 and 2024, respectively.

ii) Held-to-maturity debt securities

The balance sheet amounts, fair values and the differences by type of securities as of March 31, 2025 and 2024 were as follows.

Millions of Yen				
As of March 31, 2025	Type	Balance Sheet Amount	Fair Value	Difference
Fair value exceeds the balance sheet amount	Monetary claims bought	¥ 3,267	¥ 3,480	¥ 212
	Domestic bonds	10,603	10,758	155
	Foreign bonds	81,000	86,365	5,365
	Subtotal	94,871	100,604	5,733
Fair value does not exceed the balance sheet amount	Monetary claims bought	6,449	6,174	(275)
	Domestic bonds	46,829	45,432	(1,397)
	Foreign bonds	63,600	60,552	(3,047)
	Subtotal	116,878	112,159	(4,719)
Total		211,750	212,763	1,013

Millions of Yen				
As of March 31, 2024	Type	Balance Sheet Amount	Fair Value	Difference
Fair value exceeds the balance sheet amount	Monetary claims bought	¥ 15,456	¥ 16,553	¥ 1,097
	Domestic bonds	82,262	83,745	1,482
	Foreign bonds	160,200	175,898	15,698
	Subtotal	257,918	276,197	18,278
Fair value does not exceed the balance sheet amount	Monetary claims bought	2,500	2,343	(156)
	Domestic bonds	17,978	17,827	(150)
	Foreign bonds	14,400	12,789	(1,610)
	Subtotal	34,878	32,961	(1,916)
Total		292,796	309,158	16,361

Millions of U.S. Dollars

As of March 31, 2025	Type	Balance Sheet Amount	Fair Value	Difference
Fair value exceeds the balance sheet amount	Monetary claims bought	\$ 21	\$ 23	\$ 1
	Domestic bonds	70	71	1
	Foreign bonds	541	577	35
	Subtotal	634	672	38
Fair value does not exceed the balance sheet amount	Monetary claims bought	43	41	(1)
	Domestic bonds	313	303	(9)
	Foreign bonds	425	404	(20)
	Subtotal	781	750	(31)
Total		1,416	1,422	6

iii) Policy-reserve-matching bonds

The balance sheet amounts, fair values and the differences by type of securities as of March 31, 2025 and 2024 were as follows.

Millions of Yen

As of March 31, 2025	Type	Balance Sheet Amount	Fair Value	Difference
Fair value exceeds the balance sheet amount	Domestic bonds	¥ 914,283	¥ 939,278	¥ 24,994
	Subtotal	914,283	939,278	24,994
Fair value does not exceed the balance sheet amount	Domestic bonds	1,317,042	957,375	(359,666)
	Subtotal	1,317,042	957,375	(359,666)
Total		2,231,326	1,896,654	(334,672)

Millions of Yen

As of March 31, 2024	Type	Balance Sheet Amount	Fair Value	Difference
Fair value exceeds the balance sheet amount	Domestic bonds	¥1,103,411	¥1,191,967	¥ 88,556
	Subtotal	1,103,411	1,191,967	88,556
Fair value does not exceed the balance sheet amount	Domestic bonds	1,136,972	924,312	(212,659)
	Subtotal	1,136,972	924,312	(212,659)
Total		2,240,383	2,116,280	(124,103)

Millions of U.S. Dollars

As of March 31, 2025	Type	Balance Sheet Amount	Fair Value	Difference
Fair value exceeds the balance sheet amount	Domestic bonds	\$ 6,114	\$ 6,281	\$ 167
	Subtotal	6,114	6,281	167
Fair value does not exceed the balance sheet amount	Domestic bonds	8,808	6,402	(2,405)
	Subtotal	8,808	6,402	(2,405)
Total		14,923	12,684	(2,238)

iv) Available-for-sale securities

The acquisition cost or amortized cost, the balance sheet amounts and the differences by type of securities as of March 31, 2025 and 2024 were as follows.

Millions of Yen				
As of March 31, 2025	Type	Acquisition Cost or Amortized Cost	Balance Sheet Amount	Difference
Balance sheet amount exceeds acquisition cost or amortized cost	Monetary claims bought	¥ 337	¥ 428	¥ 90
	Domestic bonds	67,728	68,633	905
	Domestic stocks	145,859	499,601	353,741
	Foreign bonds	16,545	16,789	243
	Others	285,821	327,171	41,349
	Subtotal	516,293	912,623	396,330
Balance sheet amount does not exceed acquisition cost or amortized cost	Monetary claims bought	377	335	(41)
	Domestic bonds	398,484	383,496	(14,988)
	Domestic stocks	21,550	19,008	(2,541)
	Foreign bonds	412,406	371,881	(40,525)
	Others	144,559	129,112	(15,446)
	Subtotal	977,378	903,835	(73,543)
Total		1,493,671	1,816,459	322,787

Millions of Yen				
As of March 31, 2024	Type	Acquisition Cost or Amortized Cost	Balance Sheet Amount	Difference
Balance sheet amount exceeds acquisition cost or amortized cost	Monetary claims bought	¥ 754	¥ 855	¥ 100
	Domestic bonds	192,004	196,069	4,065
	Domestic stocks	149,061	506,454	357,392
	Foreign bonds	79,708	81,569	1,860
	Others	284,623	332,845	48,221
	Subtotal	706,152	1,117,794	411,641
Balance sheet amount does not exceed acquisition cost or amortized cost	Domestic bonds	251,912	242,263	(9,648)
	Domestic stocks	13,587	12,317	(1,269)
	Foreign bonds	379,003	337,582	(41,420)
	Others	145,007	130,865	(14,142)
	Subtotal	789,510	723,029	(66,481)
Total		1,495,663	1,840,823	345,160

Millions of U.S. Dollars

As of March 31, 2025	Type	Acquisition Cost or Amortized Cost	Balance Sheet Amount	Difference
Balance sheet amount exceeds acquisition cost or amortized cost	Monetary claims bought	\$ 2	\$ 2	\$ 0
	Domestic bonds	452	459	6
	Domestic stocks	975	3,341	2,365
	Foreign bonds	110	112	1
	Others	1,911	2,188	276
	Subtotal	3,453	6,103	2,650
Balance sheet amount does not exceed acquisition cost or amortized cost	Monetary claims bought	2	2	(0)
	Domestic bonds	2,665	2,564	(100)
	Domestic stocks	144	127	(16)
	Foreign bonds	2,758	2,487	(271)
	Others	966	863	(103)
	Subtotal	6,536	6,044	(491)
Total		9,989	12,148	2,158

The amounts of impairment losses on available-for-sale securities were ¥1 million (US\$0 million) and ¥104 million for the years ended March 31, 2025 and 2024, respectively.

(4) Maturity analysis of monetary claims, securities with maturities, bonds payable and other liabilities

Scheduled redemption amounts for monetary claims and securities with maturities, and repayment amounts for bonds payable and other liabilities as of March 31, 2025 and 2024 were as follows.

Millions of Yen

As of March 31, 2025	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years
Monetary claims bought	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 10,481
Held-to-maturity debt securities	—	—	—	—	—	9,717
Available-for-sale securities	—	—	—	—	—	764
Securities	17,979	204,834	319,883	403,057	531,809	1,747,521
Held-to-maturity debt securities	900	5,100	—	28,000	40,000	128,026
Policy-reserve-matching bonds	10,000	137,550	190,200	229,800	228,320	1,388,110
Available-for-sale securities	7,079	62,184	129,683	145,257	263,489	231,384
Loans *1	34,481	56,800	44,990	35,114	68,892	23,749
Bonds payable *2	—	—	—	—	—	15,000
Loans payable *2	—	—	—	—	—	5,000

*1 The loans which are expected to be unrecoverable, such as claims against bankrupt obligors, are not included.
Policy loans are not included because they have no defined maturity dates.

*2 Bonds payable and loans payable without maturities are not included.

Millions of Yen

As of March 31, 2024	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years
Monetary claims bought	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 18,811
Held-to-maturity debt securities	—	—	—	—	—	17,956
Available-for-sale securities	—	—	—	—	—	855
Securities	90,168	140,371	366,305	418,679	661,042	1,687,542
Held-to-maturity debt securities	65,000	2,500	3,500	20,000	48,000	135,833
Policy-reserve-matching bonds	8,800	101,200	152,000	207,400	348,300	1,368,830
Available-for-sale securities	16,368	36,671	210,805	191,279	264,742	182,878
Loans *1	56,310	62,169	46,111	29,411	65,861	23,081
Bonds payable *2	—	—	—	—	—	15,000
Loans payable *2	—	—	—	—	—	5,000

*1 The loans which are expected to be unrecoverable, such as claims against bankrupt obligors, are not included.
Policy loans are not included because they have no defined maturity dates.

*2 Bonds payable and loans payable without maturities are not included.

Millions of U.S. Dollars

As of March 31, 2025	Within 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years to 7 years	Over 7 years to 10 years	Over 10 years
Monetary claims bought	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 70
Held-to-maturity debt securities	—	—	—	—	—	64
Available-for-sale securities	—	—	—	—	—	5
Securities	120	1,369	2,139	2,695	3,556	11,687
Held-to-maturity debt securities	6	34	—	187	267	856
Policy-reserve-matching bonds	66	919	1,272	1,536	1,527	9,283
Available-for-sale securities	47	415	867	971	1,762	1,547
Loans *1	230	379	300	234	460	158
Bonds payable *2	—	—	—	—	—	100
Loans payable *2	—	—	—	—	—	33

*1 The loans which are expected to be unrecoverable, such as claims against bankrupt obligors, are not included.
Policy loans are not included because they have no defined maturity dates.

*2 Bonds payable and loans payable without maturities are not included.

4. Matters Concerning Fair Value of Major Financial Instruments and Breakdown by Input Level

Fair values of financial instruments are categorized into the following three levels in accordance with the observability and significance of the inputs used to measure the fair value.

Level 1: Fair values measured by unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Fair values measured by inputs which are directly or indirectly observable other than Level 1 inputs

Level 3: Fair values measured by significant unobservable inputs

When several inputs that have significant impact on fair value measurement are used and those inputs are categorized into different levels, the fair value is categorized into the lowest priority level for fair value measurement among the levels to which each of the inputs belongs.

(1) Financial assets and liabilities recorded at fair values on the non-consolidated balance sheets

Millions of Yen				
As of March 31, 2025	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥ —	¥ —	¥ 764	¥ 764
Available-for-sale securities	—	—	764	764
Securities *1	618,913	1,035,639	21,042	1,675,595
Trading securities	—	28,325	—	28,325
Others	—	28,325	—	28,325
Available-for-sale securities	618,913	1,007,313	21,042	1,647,269
National government bonds and local government bonds	21,622	616	—	22,239
Corporate bonds	—	429,890	—	429,890
Domestic stocks	518,610	—	—	518,610
Foreign bonds	—	367,628	21,042	388,670
Others	78,680	209,178	—	287,859
Total assets	618,913	1,035,639	21,806	1,676,359
Derivative financial instruments *2	—	(1,956)	—	(1,956)
Currency-related	—	(1,956)	—	(1,956)

*1 Investment trusts which are accounted for in accordance with Paragraph 24-3 and 24-9 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” are not included in the table above. The balance sheet amount of the investment trusts which are accounted for in accordance with paragraph 24-3 of the implementation guidance, was ¥163,120 million (US\$1,090 million) as of March 31, 2025. The balance sheet amount of the investment trusts which are accounted for in accordance with Paragraph 24-9 of the implementation guidance, was ¥5,304 million (US\$35 million) as of March 31, 2025.

*2 Assets and liabilities generated by derivative financial instruments are offset and presented on a net basis. Net liabilities in total are presented in parentheses.

Millions of Yen

As of March 31, 2024	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥ —	¥ —	¥ 855	¥ 855
Available-for-sale securities	—	—	855	855
Securities *1	621,493	1,050,162	32,062	1,703,718
Trading securities	—	30,399	—	30,399
Others	—	30,399	—	30,399
Available-for-sale securities	621,493	1,019,762	32,062	1,673,319
National government bonds and local government bonds	13,196	650	—	13,847
Corporate bonds	—	424,486	—	424,486
Domestic stocks	518,771	—	—	518,771
Foreign bonds	—	387,089	32,062	419,152
Others	89,525	207,536	—	297,061
Total assets	621,493	1,050,162	32,918	1,704,574
Derivative financial instruments *2	—	(4,109)	1	(4,107)
Currency-related	—	(4,109)	—	(4,109)
Stock-related	—	—	1	1

*1 Investment trusts which are accounted for in accordance with Paragraph 24-3 and 24-9 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” are not included in the table above. The balance sheet amount of the investment trusts which are accounted for in accordance with paragraph 24-3 of the implementation guidance, was ¥161,421 million as of March 31, 2024. The balance sheet amount of the investment trusts which are accounted for in accordance with Paragraph 24-9 of the implementation guidance, was ¥5,227 million as of March 31, 2024.

*2 Assets and liabilities generated by derivative financial instruments are offset and presented on a net basis. Net liabilities in total are presented in parentheses.

Millions of U.S. Dollars

As of March 31, 2025	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	\$ —	\$ —	\$ 5	\$ 5
Available-for-sale securities	—	—	5	5
Securities *1	4,139	6,926	140	11,206
Trading securities	—	189	—	189
Others	—	189	—	189
Available-for-sale securities	4,139	6,736	140	11,017
National government bonds and local government bonds	144	4	—	148
Corporate bonds	—	2,875	—	2,875
Domestic stocks	3,468	—	—	3,468
Foreign bonds	—	2,458	140	2,599
Others	526	1,399	—	1,925
Total assets	4,139	6,926	145	11,211
Derivative financial instruments *2	—	(13)	—	(13)
Currency-related	—	(13)	—	(13)

*1 Investment trusts which are accounted for in accordance with Paragraph 24-3 and 24-9 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” are not included in the table above. The balance sheet amount of the investment trusts which are accounted for in accordance with paragraph 24-3 of the implementation guidance, was ¥163,120 million (US\$1,090 million) as of March 31, 2025. The balance sheet amount of the investment trusts which are accounted for in accordance with Paragraph 24-9 of the implementation guidance, was ¥5,304 million (US\$35 million) as of March 31, 2025.

*2 Assets and liabilities generated by derivative financial instruments are offset and presented on a net basis. Net liabilities in total are presented in parentheses.

i) Investment trusts which are accounted for in accordance with Paragraph 24-3 and 24-9 of “Implementation Guidance on Accounting Standard for Fair Value Measurement”

a) Reconciliation between the beginning and ending balance, and net unrealized gains (losses) recognized as gains (losses) for the fiscal years, of the investment trusts which are accounted for in accordance with Paragraph 24-3 of “Implementation Guidance on Accounting Standard for Fair Value Measurement”

	Millions of Yen		Millions of U.S. Dollars
For the years ended March 31	2025	2024	2025
Beginning balance	¥161,421	¥134,005	\$ 1,079
Gains (losses) and net unrealized gains (losses) on available-for-sale securities, net of tax recorded for the fiscal year:			
Gains (losses) recorded for the fiscal year *	(567)	11,912	(3)
Net unrealized gains (losses) on available-for-sale securities, net of tax recorded for the fiscal year	(1)	1,040	(0)
Net amount of purchase, sale, and redemption	(566)	10,871	(3)
Amount of investment trusts whose NAV is deemed as market value	2,266	15,504	15
Amount of investment trusts whose NAV is not deemed as market value	—	—	—
Ending balance	—	—	—
	163,120	161,421	1,090
Net unrealized gains (losses) on investment trusts held at the balance sheet date among the amount recorded to gains (losses) for the fiscal year *	(1)	1,040	(0)

* Those amounts are included in investment income and investment expenses in the non-consolidated statements of income.

b) Breakdown of balance by restriction on cancellation as of the end of fiscal years

	Millions of Yen		Millions of U.S. Dollars
As of March 31	2025	2024	2025
Investment trusts which need more than 1 month to cancel from the notification of cancellation	¥ 34,739	¥ 41,015	\$232
Other than above	128,381	120,406	858

- c) Reconciliation between the beginning and ending balance, and net unrealized gains (losses) recognized as gains (losses) for the fiscal years, of the investment trusts which are accounted for in accordance with Paragraph 24-9 of “Implementation Guidance on Accounting Standard for Fair Value Measurement”

	Millions of Yen		Millions of U.S. Dollars
For the years ended March 31	2025	2024	2025
Beginning balance	¥5,227	¥5,196	\$34
Gains (losses) and net unrealized gains (losses) on available-for-sale securities, net of tax recorded for the fiscal year:			
Gains (losses) recorded for the fiscal year *	77	26	0
Net unrealized gains (losses) on available-for-sale securities, net of tax recorded for the fiscal year	—	—	—
Net amount of purchase, sale, and redemption	77	26	0
Amount of investment trusts whose NAV is deemed as market value	(0)	4	(0)
Amount of investment trusts whose NAV is not deemed as market value	—	—	—
Ending balance	—	—	—
Net unrealized gains (losses) on investment trusts held at the balance sheet date among the amount recorded to gains (losses) for the fiscal year *	5,304	5,227	35
	—	—	—

* Those amounts are included in investment income and investment expenses in the non-consolidated statements of income.

(2) Financial assets and liabilities not recorded at fair values on the non-consolidated balance sheets

Millions of Yen				
As of March 31, 2025	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥ —	¥ 9,342	¥ 311	¥ 9,654
Held-to-maturity debt securities	—	9,342	311	9,654
Securities	1,545,981	406,863	146,918	2,099,763
Held-to-maturity debt securities	—	56,190	146,918	203,109
Corporate bonds	—	56,190	—	56,190
Foreign bonds	—	—	146,918	146,918
Policy-reserve-matching bonds	1,545,981	350,672	—	1,896,654
National government bonds and local government bonds	1,545,981	37,821	—	1,583,803
Corporate bonds	—	312,850	—	312,850
Loans	—	—	302,751	302,751
Policy loans	—	—	27,081	27,081
Industrial and consumer loans	—	—	275,670	275,670
Total assets	1,545,981	416,205	449,981	2,412,169
Bonds payable	—	100,504	—	100,504
Loans payable	—	—	47,148	47,148
Total liabilities	—	100,504	47,148	147,653

Millions of Yen				
As of March 31, 2024	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥ —	¥ 18,517	¥ 379	¥ 18,897
Held-to-maturity debt securities	—	18,517	379	18,897
Securities	1,737,193	480,660	188,687	2,406,541
Held-to-maturity debt securities	35,500	66,072	188,687	290,260
National government bonds and local government bonds	35,500	—	—	35,500
Corporate bonds	—	66,072	—	66,072
Foreign bonds	—	—	188,687	188,687
Policy-reserve-matching bonds	1,701,692	414,587	—	2,116,280
National government bonds and local government bonds	1,701,692	43,183	—	1,744,876
Corporate bonds	—	371,404	—	371,404
Loans	—	—	329,278	329,278
Policy loans	—	—	28,399	28,399
Industrial and consumer loans	—	—	300,879	300,879
Total assets	1,737,193	499,177	518,346	2,754,717
Bonds payable	—	103,456	—	103,456
Loans payable	—	—	82,387	82,387
Total liabilities	—	103,456	82,387	185,843

Millions of U.S. Dollars

As of March 31, 2025	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	\$ —	\$ 62	\$ 2	\$ 64
Held-to-maturity debt securities	—	62	2	64
Securities	10,339	2,721	982	14,043
Held-to-maturity debt securities	—	375	982	1,358
Corporate bonds	—	375	—	375
Foreign bonds	—	—	982	982
Policy-reserve-matching bonds	10,339	2,345	—	12,684
National government bonds and local government bonds	10,339	252	—	10,592
Corporate bonds	—	2,092	—	2,092
Loans	—	—	2,024	2,024
Policy loans	—	—	181	181
Industrial and consumer loans	—	—	1,843	1,843
Total assets	10,339	2,783	3,009	16,132
Bonds payable	—	672	—	672
Loans payable	—	—	315	315
Total liabilities	—	672	315	987

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

- i) Securities including monetary claims bought which are treated as securities based on “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10)

Fair values of securities for which unadjusted quoted market prices in active markets are available are categorized as Level 1, which mainly include listed stocks, listed investment trusts and government bonds. In the case the market is inactive even if the quoted market price is available, those securities are categorized as Level 2, which mainly include corporate bonds and foreign bonds. In the case the quoted market price is not available, fair values are measured by evaluation methods such as discounting future cash flows. In evaluation, the Company maximizes the use of observable inputs including swap rates, interest rate swap spreads, currency basis and others. When significant unobservable inputs are used to measure fair values, those securities are categorized as Level 3.

The fair value of unlisted investment trusts, which have no restriction on cancellation that is significant enough to require compensation for risk from market participants, are based on the quoted prices and others offered by counterparty financial institutions and categorized as level 2.

- ii) Loans

As credit exposure for policy loans without specific repayment periods is limited to the amount of the cash surrender value, the Company considers book value as fair value with assumption that fair value approximates book value in light of factors such as projected repayment period and interest terms. Policy loans are categorized as level 3.

As for industrial and consumer loans, the fair value of loans is stated at theoretical prices calculated by discounting the future cash flows to the present value by type of loan, using market interest rates with some adjustments based on internal credit rating. Industrial and consumer loans are categorized as level 3. The fair value of loans to legally bankrupt borrowers, substantially bankrupt borrowers and borrowers with high possibility of bankruptcy is stated at the amounts by deducting estimated losses from the book value before direct write-offs. Loans to legally bankrupt borrowers, substantially bankrupt borrowers and borrowers with high possibility of bankruptcy are categorized as level 3.

iii) Bonds payable

The fair value of bonds payable issued by the Company is stated at fair market value. Bonds payable issued by the Company are categorized as level 2. The fair value of bonds payable for which designated hedge accounting (“Furiate-shori”) for currency swaps are applied is stated at fair market value added by the fair value of currency swaps. The Company adopts prices obtained from external information vendors as the fair value of currency swaps.

iv) Loans payable

As for loans payable, the fair value of loans is stated at theoretical prices calculated by discounting the future cash flows to the present value, using market interest rates with some adjustments based on the Company’s credit risk. Loans payable are categorized as level 3.

v) Derivative financial instruments

As for derivative financial instruments, the fair values of foreign currency forward contracts are stated at theoretical prices calculated by the Company based on the TTM at the balance sheet date. The fair values of currency options are stated at the quoted prices obtained from external information vendors.

In evaluation of derivative financial instruments, the Company maximizes the use of observable inputs. In the case unobservable inputs are not used or impact of unobservable inputs are not material, derivative financial instruments are categorized as level 2. In the case significant unobservable inputs are used, derivative financial instruments are categorized as level 3.

Note for the fiscal year ended March 31, 2024

As for derivative financial instruments, the fair values of foreign currency forward contracts are stated at theoretical prices calculated by the Company based on the TTM at the balance sheet date. The fair values of currency options, equity options and interest rate swaptions are stated at the quoted prices offered by counterparty financial institutions.

In evaluation of derivative financial instruments, the Company maximizes the use of observable inputs. In the case unobservable inputs are not used or impact of unobservable inputs are not material, derivative financial instruments are categorized as level 2. In the case significant unobservable inputs are used, derivative financial instruments are categorized as level 3.

- (4) Quantitative information about financial assets and liabilities measured and stated in the non-consolidated balance sheets at fair value and categorized as Level 3
- Quantitative information on significant unobservable inputs
Quoted prices obtained from third parties are used for fair values categorized as level 3 without adjustment.
 - Reconciliation between the beginning and ending balance, and net unrealized gains (losses) recognized as gains (losses) for the fiscal year

Millions of Yen

For the year ended March 31, 2025	Monetary claims bought	Securities	Total (i) + (ii)	Derivative financial instruments
	Available-for- sale securities	Available-for- sale securities		Stock-related
	Others (i)	Foreign bonds (ii)		
Beginning balance	¥855	¥ 32,062	¥ 32,918	¥ 1
Gains (losses) and net unrealized gains (losses) on available-for-sale securities, net of tax recorded for the fiscal year:				
Gains (losses) recorded for the fiscal year *	(72)	3,952	3,880	681
Net unrealized gains (losses) on available-for-sale securities, net of tax recorded for the fiscal year	(20)	1,190	1,170	681
Net amount of purchase, sale, issue, and settlement	(51)	2,761	2,709	—
Transfer to fair values of Level 3	(19)	(14,972)	(14,991)	(683)
Transfer from fair values of Level 3	—	—	—	—
Ending balance	—	—	—	—
Net unrealized gains (losses) on financial assets and liabilities held at the balance sheet date among the amount recorded to gains (losses) for the fiscal year *	764	21,042	21,806	—
	(20)	1,190	1,170	—

* Those amounts are included in investment income and investment expenses in the non-consolidated statement of income.

Millions of Yen

For the year ended March 31, 2024	Monetary claims bought	Securities	Total (i) + (ii)	Derivative financial instruments
	Available-for- sale securities	Available-for- sale securities		
	Others (i)	Foreign bonds (ii)		Stock-related
Beginning balance	¥897	¥ 64,899	¥ 65,796	¥ 550
Gains (losses) and net unrealized gains (losses) on available-for-sale securities, net of tax recorded for the fiscal year:				
Gains (losses) recorded for the fiscal year *	(24)	12,396	12,371	1,245
Net unrealized gains (losses) on available-for-sale securities, net of tax recorded for the fiscal year	(20)	4,535	4,515	1,245
Net amount of purchase, sale, issue, and settlement	(4)	7,860	7,856	—
Transfer to fair values of Level 3	(16)	(45,233)	(45,249)	(1,794)
Transfer from fair values of Level 3	—	—	—	—
Ending balance	855	32,062	32,918	1
Net unrealized gains (losses) on financial assets and liabilities held at the balance sheet date among the amount recorded to gains (losses) for the fiscal year *	(20)	4,535	4,515	(681)

* Those amounts are included in investment income and investment expenses in the non-consolidated statement of income.

Millions of U.S. Dollars

For the year ended March 31, 2025	Monetary claims bought	Securities	Total (i) + (ii)	Derivative financial instruments
	Available-for- sale securities	Available-for- sale securities		Stock-related
	Others (i)	Foreign bonds (ii)		
Beginning balance	\$ 5	\$ 214	\$ 220	\$ 0
Gains (losses) and net unrealized gains (losses) on available-for-sale securities, net of tax recorded for the fiscal year:	(0)	26	25	4
Gains (losses) recorded for the fiscal year *	(0)	7	7	4
Net unrealized gains (losses) on available-for-sale securities, net of tax recorded for the fiscal year	(0)	18	18	—
Net amount of purchase, sale, issue, and settlement	(0)	(100)	(100)	(4)
Transfer to fair values of Level 3	—	—	—	—
Transfer from fair values of Level 3	—	—	—	—
Ending balance	5	140	145	—
Net unrealized gains (losses) on financial assets and liabilities held at the balance sheet date among the amount recorded to gains (losses) for the fiscal year *	(0)	7	7	—

* Those amounts are included in investment income and investment expenses in the non-consolidated statement of income.

iii) Description of the fair value evaluation process

The Company establishes policies and procedures for measuring the fair value in the actuarial and accounting department and the risk management department. In accordance with these policies and procedures, the risk management department measures the fair value. The validity of the evaluation methods and inputs used to measure fair value and the appropriateness of categorization of fair value are verified in the independent division in the risk management department.

In fair value measurement, valuation models in which the nature, characteristics and risks of individual assets are most appropriately reflected are used. In addition, when quoted prices obtained from third parties are used, the validity of the prices is verified by appropriate methods such as confirmation of evaluation method and used inputs and comparison with the fair values of similar financial instruments.

5. Investments and Rental Properties

The Company holds investment and rental properties such as office buildings in Tokyo and other areas. The carrying amounts and the fair values of investment and rental properties were ¥229,748 million (US\$1,536 million) and ¥290,335 million (US\$1,941 million) as of March 31, 2025 and ¥235,406 million and ¥289,417 million as of March 31, 2024, respectively. The fair value is mainly based on the value (including some adjustments using the reference prices) of real estate appraisal report prepared by the external real-estate appraiser in accordance with real estate appraisal standards.

6. Securities Lent under Lending Agreements

The amounts of securities lent under lending agreements were ¥319,110 million (US\$2,134 million) and ¥292,339 million as of March 31, 2025 and 2024, respectively.

7. Claims

The total amounts of claims against bankrupt and quasi-bankrupt obligors, claims with collection risk, delinquent loans three or more months past due and restructured loans, which were included in claims, were ¥458 million (US\$3 million) and ¥501 million as of March 31, 2025 and 2024, respectively.

- i) Claims against bankrupt and quasi-bankrupt obligors were ¥386 million (US\$2 million) and ¥401 million as of March 31, 2025 and 2024, respectively.
- ii) There were no claims with collection risk as of March 31, 2025 and 2024.
- iii) Delinquent loans three or more months past due were ¥51 million (US\$0 million) and ¥80 million as of March 31, 2025 and 2024, respectively.
- iv) Restructured loans were ¥20 million (US\$0 million) and ¥20 million as of March 31, 2025 and 2024, respectively.

Claims against bankrupt and quasi-bankrupt obligors are claims to obligors who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other obligors in serious financial difficulties.

Claims with collection risk are claims to obligors with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the claims will be recovered, excluding those claims classified as claims against bankrupt and quasi-bankrupt obligors.

Delinquent loans three or more months past due are loans for which interest payments or repayments of principal are delinquent for three months or more from the due dates under the terms of the related loan agreements, excluding those claims classified as claims against bankrupt and quasi-bankrupt obligors and claims with collection risk.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reduction or exemptions, rescheduling of due dates of principal or interest payments, waivers of claim or other terms, have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their businesses. This category excludes claims classified as claims against bankrupt and quasi-bankrupt obligors, claims with collection risk and delinquent loans three or more months past due.

The direct write-offs related to claims decreased the amounts of claims against bankrupt and quasi-bankrupt obligors described above by ¥2 million (US\$0 million) and ¥3 million as of March 31, 2025 and 2024, respectively.

8. Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets totaled ¥279,757 million (US\$1,871 million) and ¥277,659 million as of March 31, 2025 and 2024, respectively.

9. Separate Accounts

Total assets in separate accounts provided for in Article 118 of the Insurance Business Act were ¥28,712 million (US\$192 million) and ¥30,689 million as of March 31, 2025 and 2024, respectively. The amounts of separate account liabilities were the same as separate account assets.

10. Receivables from/Payables to Subsidiaries

The total amounts of receivables from/payables to subsidiaries were ¥476 million (US\$3 million) and ¥3,677 million (US\$24 million) as of March 31, 2025 and ¥523 million and ¥5,487 million as of March 31, 2024, respectively.

11. Deferred Taxes

(1) Deferred tax assets/liabilities were recognized as follows:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Deferred tax assets	¥ 74,336	¥ 65,384	\$ 497
Valuation allowance for deferred tax assets	12,943	12,382	86
Subtotal	61,393	53,001	410
Deferred tax liabilities	91,837	94,388	614
Net deferred tax assets (liabilities)	¥(30,444)	¥(41,386)	\$(203)

Major components of deferred tax assets/liabilities were as follows:

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Deferred tax assets			
Reserve for price fluctuation	¥16,548	¥11,263	\$110
Contingency reserves	13,897	12,047	92
Additional policy reserves	13,048	12,942	87
Reserve for employees' retirement benefits	7,762	7,866	51
Impairment losses	7,009	6,884	46
IBNR reserves	5,277	4,570	35
Deferred tax liabilities			
Net unrealized gains on available-for-sale securities	85,293	89,235	570

- (2) The statutory tax rates were 27.9% and 27.9% for the fiscal years ended March 31, 2025 and 2024, respectively. The main factors causing the differences between the statutory tax rates and the actual effective tax rates after considering deferred taxes were as follows:

For the year ended March 31	2025
Impact from a change in the tax rate	(11.1)%
Dividends and other non-taxable income	(5.7)%
Reserve for dividends to policyholders	(5.4)%
Interest on foundation funds	(5.2)%

For the year ended March 31	2024
Reserve for dividends to policyholders	(3.4)%
Interest on foundation funds	(3.4)%

- (3) 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 changed from 27.9% to 28.8% if the recovery or settlement are expected on or after April 1, 2026.

Due to this change, as of March 31, 2025, net deferred tax liabilities increased by ¥1,210million (US\$8 million), and deferred tax liabilities for land revaluation increased by ¥454 million (US\$3 million).

In addition, income taxes-deferred decreased by ¥1,405 million (US\$9 million) as of March 31, 2025.

- (4) The Company has applied the group tax sharing system. As a result, the Company has applied the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ PITF No.42, issued on August 12, 2021) to the accounting and disclosure treatment of corporate tax, local corporate tax and tax effect accounting.

12. Reserve for Dividends to Policyholders

	Millions of Yen		Millions of U.S. Dollars
For the years ended March 31	2025	2024	2025
Balance at the beginning of the fiscal year	¥26,064	¥27,103	\$174
Transfer to reserve from surplus in the previous fiscal year	2,896	2,497	19
Dividends to policyholders paid out during the fiscal year	3,693	3,540	24
Increase in interest	3	3	0
Balance at the end of the fiscal year	¥25,270	¥26,064	\$169

13. Stocks of Subsidiaries and Affiliates

The amounts of stocks of subsidiaries and affiliates the Company held as of March 31, 2025 and 2024 were ¥64,857 million (US\$433 million) and ¥67,671 million, respectively.

14. Pledged Assets

Assets pledged as collateral as of March 31, 2025 and 2024 were securities in the amount of ¥322,655 million (US\$2,157 million) and ¥315,013 million, respectively.

15. Policy Reserves for the Reinsurance Contracts

Reserve for outstanding claims for the reinsurance contracts provided in accordance with Article 73, Paragraph 3 of the Enforcement Regulation of the Insurance Business Act which applies mutatis mutandis to Article 71, Paragraph 1 of the Enforcement Regulation of the Insurance Business Act (hereinafter “reserve for outstanding claims for ceded reinsurance”) was ¥7 million (US\$0 million) and ¥5 million as of March 31, 2025 and 2024, respectively.

Policy reserves for the reinsurance contracts provided in accordance with Article 71, Paragraph 1 of the Enforcement Regulation of the Insurance Business Act (hereinafter “policy reserves for ceded reinsurance”) were ¥320 million (US\$2 million) and ¥335 million as of March 31, 2025 and 2024, respectively.

16. Adjustment to Redemption of Foundation Funds and Appropriation of Net Surplus

The total amounts of adjustment to redemption of foundation funds and appropriation of net surplus defined in Article 30, Paragraph 2 of the Enforcement Regulation of the Insurance Business Act were ¥251,647 million (US\$1,683 million) and ¥270,879 million as of March 31, 2025 and 2024, respectively.

17. Assets with Rights to Sell

The Company has the legal right to sell or collateralize securities borrowed under loan agreements. The market values of these assets that were not sold or pledged as collateral as of March 31, 2025 and 2024 were ¥44,850 million (US\$299 million) and ¥37,590 million, respectively. No assets were pledged as collateral as of March 31, 2025 and 2024.

18. Commitment Line

As of March 31, 2025 and 2024, there were unused commitment line agreements under which the Company is the lender of ¥7,690 million (US\$51 million) and ¥9,372 million, respectively.

19. Subordinated Bonds Payable

As of March 31, 2025 and 2024, bonds payable are subordinated bonds payable, for which the repayments are subordinated to other obligations.

20. Subordinated Loans Payable

As of March 31, 2025 and 2024, loans payable are subordinated loans payable, for which the repayments are subordinated to other obligations.

21. Reserve for Employees' Retirement Benefits

(1) Summary of retirement benefit plans

As defined benefit plan, the Company has defined benefit corporate pension plans, which are funded-type, and lump-sum retirement allowance plans which are non-funded type but resulted in funded type due to setting of employee pension trust.

(2) Defined benefit plan

i) Reconciliation of beginning and ending balance of retirement benefit obligations

	Millions of Yen		Millions of U.S. Dollars
For the years ended March 31	2025	2024	2025
Retirement benefit obligations at the beginning of the fiscal year	¥37,123	¥38,558	\$248
Service cost	1,598	1,718	10
Interest cost	371	385	2
Actuarial difference occurred during the fiscal year	384	85	2
Retirement benefit payments	(3,999)	(3,624)	(26)
Retirement benefit obligations at the end of the fiscal year	¥35,477	¥37,123	\$237

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

	Millions of Yen		Millions of U.S. Dollars
For the years ended March 31	2025	2024	2025
Pension plan assets at the beginning of the fiscal year	¥ 8,521	¥7,399	\$56
Expected return on pension plan assets	72	60	0
Actuarial difference occurred during the fiscal year	1,747	1,117	11
Contributions by the employer	148	150	0
Retirement benefit payments	(152)	(206)	(1)
Pension plan assets at the end of the fiscal year	¥10,336	¥8,521	\$69

iii) Reconciliation of retirement benefit obligation and pension plan assets with reserve for employees' retirement benefits and prepaid pension cost presented on the non-consolidated balance sheets

	Millions of Yen		Millions of U.S. Dollars
As of March 31	2025	2024	2025
a. Funded plan retirement benefit obligation	¥35,477	¥37,123	\$237
b. Pension plan assets	(10,336)	(8,521)	(69)
c. a + b	25,140	28,602	168
d. Unrecognized actuarial differences	(1,338)	(886)	(8)
e. Net amount of liabilities and assets presented on the non-consolidated balance sheet	26,478	27,715	177
f. Reserve for employees' retirement benefits	27,077	28,195	181
g. Prepaid pension cost	(598)	(480)	(4)
h. Net amount of liabilities and assets presented on the non-consolidated balance sheet	¥26,478	¥27,715	\$177

iv) Breakdown of retirement benefit expenses

For the years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Service cost	¥1,598	¥1,718	\$10
Interest cost	371	385	2
Expected return on pension plan assets	(72)	(60)	(0)
Amortization of actuarial differences	862	936	5
Retirement benefit expenses related to defined benefit plan	¥2,759	¥2,980	\$18

v) Breakdown of main pension plan assets

The breakdown of main asset categories as a percentage of pension plan assets was as follows:

As of March 31	2025	2024
Stocks	55%	46%
Bonds	8%	9%
Others	37%	45%
Total	100%	100%

vi) Method for determining the expected long-term rate of return

To determine the expected long-term rate of return on pension plan assets, the Company takes into account the present and future allocation of pension plan assets, and the present and expected future long-term rate of return on the diverse range of assets that makes up the pension assets.

vii) Underlying actuarial assumptions

The main underlying actuarial assumptions were as follows:

As of March 31	2025	2024
Discount rate	1.0%	1.0%
Expected long-term rate of return on pension plan assets	0.8%	0.8%
Defined benefit corporate pension plans	1.8%	1.6%

22. Significant Subsequent Events

(1) Redemption of Foundation Funds

The Company redeemed ¥40,000 million (US\$267 million) of foundation funds on August 1, 2025. Accompanying the redemption, the Company transferred the same amount from reserve for fund redemption to reserve for redemption of foundation funds in accordance with Article 56 of the Insurance Business Act.

(2) Transfer of Fixed Assets

The Company transferred the following fixed assets on July 31, 2025.

i) Reason for the transfer

The Company transferred the following fixed assets as part of the restructuring of its real estate portfolio.

ii) Transferee

The transferee is not disclosed in accordance with the agreement with the transferee. There are no capital, personnel, business relationships or related party to note between the Company and the transferee.

iii) Details of transferred assets

Asset transferred	Location	Gains on transfer
Land and Building	Shibuya-ku, Tokyo	Approx. ¥9,000 million (Approx. US\$60 million)

iv) Transfer timing

July 31, 2025

v) Impact on profit or loss

As a result of this transaction, the Company plans to record approximately ¥9,000 million (US\$60 million) in gains on disposal of fixed assets in the fiscal year ending March 31, 2026.

III. Notes to Non-consolidated Statements of Income

1. Transactions with Subsidiaries and Affiliates

The total amounts of revenues and expenditures in connection with subsidiaries and affiliates were ¥851 million (US\$5 million) and ¥10,212 million (US\$68 million) for the fiscal year ended March 31, 2025 and ¥705 million and ¥10,075 million for the fiscal year ended March 31, 2024, respectively.

2. Investment Income and Expenses

The major components of gains on sales of securities were as follows:

For the years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Domestic bonds	¥3,746	¥ 3,283	\$25
Domestic stocks and other securities	9,298	38,913	62
Foreign securities	2,033	1,890	13

The major components of losses on sales of securities were as follows:

For the years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Domestic bonds	¥ 3,117	¥ 5,711	\$ 20
Domestic stocks and other securities	3,777	2,209	25
Foreign securities	19,568	33,527	130

The major components of losses on valuation of securities were as follows:

For the years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Domestic stocks and other securities	¥4	¥104	\$0
Foreign securities	1	1	0

Losses on trading securities were losses on sales of ¥226 million for the fiscal year ended March 31, 2024.

Losses on derivative financial instruments included net valuation gains of ¥411 million (US\$2 million) and losses of ¥1,824 million for the fiscal years ended March 31, 2025 and 2024, respectively.

3. Policy Reserves for the Reinsurance Contracts

Provision for outstanding claims for ceded reinsurance, which was deducted in calculating provision for reserve for outstanding claims for the fiscal year ended March 31, 2025 was ¥2million (US\$0 million).

Reversal of reserve for outstanding claims for ceded reinsurance, which was added in calculating provision for reserve for outstanding claims for the fiscal year ended March 31, 2024 was ¥11 million.

Reversals of policy reserves for ceded reinsurance, which were deducted in calculating reversal of policy reserves for the fiscal years ended March 31, 2025 and 2024 were ¥14 million (US\$0 million) and ¥22 million, respectively.

4. Impairment Losses of Fixed Assets

For the fiscal years ended March 31, 2025 and 2024, impairment losses of fixed assets by the Company were as follows:

(1) Method of grouping

The method of grouping is described in “Note 1. (15) Impairment losses of tangible fixed assets” of the non-consolidated balance sheets.

(2) Background information on recognizing the impairment losses

As the profitability of certain real estate for rent dropped down significantly due to a decrease in the level of rental income and a declining trend in the market prices of land, the Company reduced the book values of such real estate for rent, real estate not in use and real estate scheduled to be sold to their recoverable amounts. The write-downs were recognized as impairment losses and included in the extraordinary losses.

(3) Asset groups for which impairment losses were recognized and losses by classification of fixed assets

For the years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Real estate for rent:			
Land	¥ —	¥ —	\$—
Building	—	—	—
Total real estate for rent (i)	—	—	—
Real estate not in use:			
Land	411	562	2
Building	210	579	1
Total real estate not in use (ii)	622	1,141	4
Real estate scheduled to be sold:			
Land	70	—	0
Building	42	—	0
Total real estate scheduled to be sold (iii)	113	—	0
Total:			
Land	482	562	3
Building	253	579	1
Total (i) + (ii) + (iii)	¥736	¥1,141	\$4

(4) Calculation method of recoverable amounts

The recoverable amounts of real estate for rent are determined at net realizable value or value in use. The recoverable amounts for real estate not in use and real estate scheduled to be sold are net realizable value. Value in use is determined as the estimated net future cash flows, reflecting the volatility risk, discounted at 3.1% and 3.2% for the fiscal years ended March 31, 2025 and 2024, respectively. Net realizable value is calculated based on the appraisal value in accordance with “Real Estate Appraisal Standards” or the publicly announced appraisal value after deducting expected disposal costs.

Supplementary Schedules

Asahi Mutual Life Insurance Company

(1) Securities

Millions of Yen

Fiscal year ended March 31, 2025	Beginning balance	Ending balance	Increase/(decrease)
National government bonds	¥ 1,812,423	¥ 1,788,496	¥ (23,927)
Local government bonds	48,037	46,878	(1,158)
Corporate bonds:	918,496	905,513	(12,982)
Public entity bonds	453,765	436,715	(17,049)
Business bonds	464,731	468,797	4,066
Domestic stocks	599,280	596,067	(3,213)
Foreign securities:	1,027,985	968,143	(59,842)
Stocks	62	221	159
Others	1,027,923	967,921	(60,001)
Other securities	119,584	108,090	(11,494)
Total	¥ 4,525,808	¥ 4,413,189	¥ (112,618)

Fiscal year ended March 31, 2024	Beginning balance	Ending balance	Increase/(decrease)
National government bonds	¥ 1,693,184	¥ 1,812,423	¥ 119,239
Local government bonds	50,610	48,037	(2,572)
Corporate bonds:	865,936	918,496	52,559
Public entity bonds	468,890	453,765	(15,125)
Business bonds	397,045	464,731	67,685
Domestic stocks	507,674	599,280	91,605
Foreign securities:	1,088,201	1,027,985	(60,216)
Stocks	11	62	50
Others	1,088,190	1,027,923	(60,267)
Other securities	98,181	119,584	21,403
Total	¥ 4,303,789	¥ 4,525,808	¥ 222,018

(2) Loans

Millions of Yen

Fiscal year ended March 31, 2025	Beginning balance	Ending balance	Increase/(decrease)
Construction	¥ 1,150	¥ 1,150	¥ -
Manufacturing industry	37,576	36,283	(1,293)
Wholesale and retail	39,150	39,050	(100)
Financial and insurance	127,009	112,733	(14,276)
Real estate and rental services	15,845	17,013	1,168
Telecommunications	2,300	2,300	-
Transportation and postal services	10,023	5,807	(4,216)
Electric, gas, steam, and water utilities	22,639	23,575	935
Services and others	5,593	5,494	(98)
Others	31,526	30,453	(1,073)
[Housing and consumer loans]	44	35	(8)
Subtotal	292,814	273,861	(18,953)
Public entities	132	166	34
Policy loans	28,399	27,081	(1,318)
Total	¥ 321,346	¥ 301,108	¥ (20,238)

Fiscal year ended March 31, 2024	Beginning balance	Ending balance	Increase/(decrease)
Construction	¥ 950	¥ 1,150	¥ 200
Manufacturing industry	37,788	37,576	(211)
Wholesale and retail	29,250	39,150	9,900
Financial and insurance	114,778	127,009	12,230
Real estate and rental services	27,842	15,845	(11,996)
Telecommunications	2,300	2,300	-
Transportation and postal services	12,555	10,023	(2,531)
Electric, gas, steam, and water utilities	21,227	22,639	1,412
Services and others	5,611	5,593	(17)
Others	21,226	31,526	10,300
[Housing and consumer loans]	56	44	(12)
Subtotal	273,529	292,814	19,285
Public entities	178	132	(46)
Policy loans	30,254	28,399	(1,855)
Total	¥ 303,961	¥ 321,346	¥ 17,384

(3) Tangible fixed assets and intangible fixed assets

Millions of Yen

Fiscal year ended March 31, 2025	Beginning balance	Increase	Decrease	Depreciation/ amortization	Ending balance	Accumulated depreciation/ amortization	Accumulated depreciation/ amortization percentage
Tangible fixed assets:							
Land	¥ 207,428	¥ 37	¥ 3,383 [482]	¥ —	¥ 204,082	¥ —	
Buildings	138,556	10,883	3,623 [253]	8,725	137,091	271,065	66.4%
Lease assets	4,138	269	—	1,068	3,339	2,170	39.4
Construction in progress	1,188	4,723	5,026	—	885	—	
Other tangible fixed assets	2,414	254	5	327	2,335	6,521	73.6
Total	¥ 353,725	¥ 16,167	¥ 12,038 [736]	¥ 10,120	¥ 347,734	¥ 279,757	
Intangible fixed assets:							
Software	28,886	8,713	14	9,424	28,161	26,692	48.7
Other intangible fixed assets	6,569	9,183	8,713	—	7,039	68	1.0
Total	¥ 35,456	¥ 17,897	¥ 8,727	¥ 9,424	¥ 35,201	¥ 26,760	

Fiscal year ended March 31, 2024	Beginning balance	Increase	Decrease	Depreciation/ amortization	Ending balance	Accumulated depreciation/ amortization	Accumulated depreciation/ amortization percentage
Tangible fixed assets:							
Land	¥ 212,541	¥ 56	¥ 5,169 [562]	¥ —	¥ 207,428	¥ —	
Buildings	141,781	9,719	4,336 [579]	8,608	138,556	269,825	66.1%
Lease assets	1,360	3,343	—	565	4,138	1,163	21.9
Construction in progress	1,062	5,190	5,064	—	1,188	—	
Other tangible fixed assets	2,748	129	60	403	2,414	6,670	73.4
Total	¥ 359,493	¥ 18,438	¥ 14,629 [1,141]	¥ 9,576	¥ 353,725	¥ 277,659	
Intangible fixed assets:							
Software	19,813	16,689	13	7,603	28,886	22,604	43.9
Other intangible fixed assets	13,683	9,575	16,689	—	6,569	68	1.0
Total	¥ 33,497	¥ 26,265	¥ 16,703	¥ 7,603	¥ 35,456	¥ 22,672	

Note: Figures in [] under the decrease in the fiscal year column represent impairment losses.

(4) Policy reserves and other reserves

(i) Reserve for outstanding claims

Millions of Yen

Fiscal year ended March 31, 2025	Beginning balance	Ending balance	Increase/(decrease)
Individual life insurance	¥ 34,159	¥ 36,968	¥ 2,809
Individual annuities	1,561	1,591	30
Group insurance	876	1,045	169
Group annuities	9	9	(0)
Others	141	206	64
Total	¥ 36,748	¥ 39,821	¥ 3,073

Fiscal year ended March 31, 2024	Beginning balance	Ending balance	Increase/(decrease)
Individual life insurance	¥ 32,033	¥ 34,159	¥ 2,125
Individual annuities	1,488	1,561	73
Group insurance	758	876	118
Group annuities	9	9	(0)
Others	223	141	(82)
Total	¥ 34,513	¥ 36,748	¥ 2,234

(ii) Policy reserves

Millions of Yen

Fiscal year ended March 31, 2025	Beginning balance	Ending balance	Increase/(decrease)
Individual life insurance	¥ 2,758,912	¥ 2,725,461	¥ (33,451)
Individual annuities	1,341,618	1,289,223	(52,395)
Group insurance	10,663	10,819	156
Group annuities	9,628	8,886	(742)
Others	85,325	79,270	(6,055)
Total	¥ 4,206,149	¥ 4,113,660	¥ (92,488)

Fiscal year ended March 31, 2024	Beginning balance	Ending balance	Increase/(decrease)
Individual life insurance	¥ 2,804,653	¥ 2,758,912	¥ (45,740)
Individual annuities	1,352,905	1,341,618	(11,286)
Group insurance	10,490	10,663	172
Group annuities	12,454	9,628	(2,825)
Others	89,400	85,325	(4,074)
Total	¥ 4,269,904	¥ 4,206,149	¥ (63,755)

(iii) Reserve for dividends to policyholders

Millions of Yen

Fiscal year ended March 31, 2025	Beginning balance	Ending balance	Increase/(decrease)
Individual life insurance	¥ 24,693	¥ 24,194	¥ (498)
Individual annuities	908	824	(83)
Group insurance	379	181	(198)
Group annuities	—	—	—
Others	83	70	(12)
Total	¥ 26,064	¥ 25,270	¥ (793)

Fiscal year ended March 31, 2024	Beginning balance	Ending balance	Increase/(decrease)
Individual life insurance	¥ 25,865	¥ 24,693	¥ (1,171)
Individual annuities	1,008	908	(100)
Group insurance	131	379	247
Group annuities	—	—	—
Others	98	83	(15)
Total	¥ 27,103	¥ 26,064	¥ (1,039)

(5) Allowance and other reserves

Millions of Yen

Fiscal year ended March 31, 2025	Beginning balance	Ending balance	Increase/(decrease)
Allowance for possible loan losses	¥ 738	¥ 720	¥ (18)
Reserve for employees' retirement benefits	28,195	27,077	(1,117)
Reserve for price fluctuation	40,370	57,460	17,090

Fiscal year ended March 31, 2024	Beginning balance	Ending balance	Increase/(decrease)
Allowance for possible loan losses	¥ 648	¥ 738	¥ 90
Reserve for employees' retirement benefits	28,727	28,195	(532)
Reserve for price fluctuation	38,210	40,370	2,160

(6) Operating expenses

Millions of Yen

Fiscal years ended March 31	2025	2024
Marketing operations:		
Sales staff expenses	¥ 35,344	¥ 33,642
Agency expenses	3,855	3,828
Selection expenses	30	31
Subtotal	39,231	37,502
Marketing administration:		
Sales office management fee	19,270	18,766
Advertising expense	428	495
Subtotal	19,699	19,261
General and administrative expenses:		
Personnel expenses	20,242	19,791
Non-personnel expenses:	33,650	31,977
contribution money, sponsorship money and dues	412	397
Policyholder protection fund	1	1
Subtotal	53,894	51,769
Total	¥ 112,825	¥ 108,533

(7) Separate accounts

(i) Assets

Millions of Yen

Fiscal year ended March 31, 2025	Beginning balance	Ending balance	Increase/(decrease)
Cash and deposits:			
Deposits	¥ 347	¥ 472	¥ 124
Subtotal	347	472	124
Securities:			
Other securities	30,399	28,325	(2,074)
Subtotal	30,399	28,325	(2,074)
Other assets:			
Suspense payments	4	2	(2)
Subtotal	4	2	(2)
General account lending	(62)	(87)	(24)
Total	¥ 30,689	¥ 28,712	¥ (1,976)

Fiscal year ended March 31, 2024	Beginning balance	Ending balance	Increase/(decrease)
Cash and deposits:			
Deposits	¥ 279	¥ 347	¥ 68
Subtotal	279	347	68
Securities:			
Other securities	26,198	30,399	4,200
Subtotal	26,198	30,399	4,200
Other assets:			
Suspense payments	7	4	(2)
Subtotal	7	4	(2)
General account lending	(46)	(62)	(15)
Total	¥ 26,438	¥ 30,689	¥ 4,251

(ii) Liabilities

Millions of Yen

Fiscal year ended March 31, 2025	Beginning balance	Ending balance	Increase/(decrease)
Policy reserves and other reserves	¥ 30,765	¥ 28,779	¥ (1,986)
General account borrowing	(76)	(66)	9
Total	¥ 30,689	¥ 28,712	¥ (1,976)

Fiscal year ended March 31, 2024	Beginning balance	Ending balance	Increase/(decrease)
Policy reserves and other reserves	¥ 26,548	¥ 30,765	¥ 4,217
General account borrowing	(110)	(76)	33
Total	¥ 26,438	¥ 30,689	¥ 4,251