

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 sheet as at March 31, 2026, and the non-consolidated statements of income, changes in net assets, and proposed appropriation of surplus (loss) for the year 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, 2026, and its non-consolidated financial performance for the year 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, including those applicable to audits of financial statements of public interest entities, 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. Management is responsible for preparation and disclosure of the other information. The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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, 2026 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, 2026 are 164 million yen and 104 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

September 1, 2026

Yuji Ozawa

Designated Engagement Partner
Certified Public Accountant

Shohei Yamanaka

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
	2026	2025	2026
ASSETS:			
Cash and deposits:			
Cash	¥ 17	¥ 18	\$ 0
Deposits	41,140	54,746	257
	41,157	54,765	257
Call loans	39,000	78,000	243
Monetary claims bought	9,826	10,481	61
Securities:			
National government bonds	1,819,231	1,788,496	11,378
Local government bonds	46,627	46,878	291
Corporate bonds	871,446	905,513	5,450
Domestic stocks	804,895	596,067	5,034
Foreign securities	1,085,949	968,143	6,792
Other securities	126,234	108,090	789
	4,754,385	4,413,189	29,737
Loans:			
Policy loans	25,456	27,081	159
Industrial and consumer loans	272,614	274,027	1,705
	298,070	301,108	1,864
Tangible fixed assets:			
Land	188,152	204,082	1,176
Buildings	133,736	137,091	836
Lease assets	2,390	3,339	14
Construction in progress	394	885	2
Other tangible fixed assets	2,317	2,335	14
	326,990	347,734	2,045
Intangible fixed assets:			
Software	27,385	28,161	171
Other intangible fixed assets	9,707	7,039	60
	37,093	35,201	232
Agency accounts receivable	1	1	0
Reinsurance receivables	252	499	1
Other assets:			
Accounts receivable	8,321	12,787	52
Prepaid expenses	4,939	4,985	30
Accrued income	20,353	18,410	127
Money on deposit	3,290	3,080	20
Derivative financial instruments	1,439	2,978	9
Cash collateral paid for financial instruments	1,242	2,298	7
Suspense payments	1,558	749	9
Other assets	938	1,159	5
	42,084	46,450	263
Prepaid pension cost	715	598	4
Customers' liabilities under acceptances and guarantees	50,009	39,025	312
Allowance for possible loan losses	(595)	(720)	(3)
Total assets	¥ 5,598,991	¥ 5,326,334	\$ 35,019

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
LIABILITIES:			
Policy reserves and other reserves:			
Reserve for outstanding claims	¥ 40,481	¥ 39,821	\$ 253
Policy reserves	4,030,810	4,113,660	25,211
Reserve for dividends to policyholders	24,763	25,270	154
	4,096,055	4,178,753	25,619
Reinsurance payables	582	632	3
Bonds payable	102,609	102,609	641
Other liabilities:			
Payables under securities borrowing transactions	296,683	207,786	1,855
Loans payable	44,000	44,000	275
Income taxes payable	3,238	326	20
Accounts payable	6,873	13,427	42
Accrued expenses	7,280	7,417	45
Deferred income	190	178	1
Deposits received	514	530	3
Guarantee deposits received	16,406	16,726	102
Derivative financial instruments	4,470	4,934	27
Cash collateral received for financial instruments	10,915	7,544	68
Lease obligations	2,390	3,339	14
Asset retirement obligations	1,076	1,068	6
Suspense receipts	305	283	1
	394,345	307,562	2,466
Reserve for employees' retirement benefits	24,966	27,077	156
Reserve for price fluctuation	99,480	57,460	622
Deferred tax liabilities	91,229	30,444	570
Deferred tax liabilities for land revaluation	14,389	14,553	90
Acceptances and guarantees	50,009	39,025	312
Total liabilities	4,873,667	4,758,117	30,483
NET ASSETS:			
Foundation funds	11,000	51,000	68
Reserve for redemption of foundation funds	246,000	206,000	1,538
Reserve for revaluation	281	281	1
Surplus:			
Reserve for future losses	415	397	2
Other surplus:			
Reserve for fund redemption	9,900	40,800	61
Equalized reserve for dividends to policyholders	2,706	5,945	16
Unappropriated surplus (loss)	64,081	58,335	400
Subtotal	76,687	105,081	479
	77,102	105,478	482
Total foundation funds and others	334,384	362,760	2,091
Net unrealized gains (losses) on available-for-sale securities, net of tax	437,189	251,365	2,734
Land revaluation differences	(46,249)	(45,909)	(289)
Total valuation and translation adjustments	390,939	205,456	2,445
Total net assets	725,324	568,216	4,536
Total liabilities and net assets	¥ 5,598,991	¥ 5,326,334	\$ 35,019

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	
	2026	2025	2026	
Ordinary income:				
Premium and other income:				
Insurance premiums	¥ 369,255	¥ 367,847	\$ 2,309	
Reinsurance revenue	1,351	1,052	8	
	370,606	368,900	2,318	
Investment income:				
Interest, dividends and other income:				
Interest on deposits	21	3	0	
Interest and dividends on securities	124,491	109,235	778	
Interest on loans	5,687	6,246	35	
Rent revenue from real estate	15,281	15,886	95	
Other interest and dividends	670	746	4	
	146,152	132,117	914	
Gains on sales of securities	21,964	15,078	137	
Gains on redemption of securities	88	119	0	
Foreign exchange gains	2,221	—	13	
Reversal of allowance for possible loan losses	125	16	0	
Other investment income	6,860	7,107	42	
Investment gains on separate accounts	5,465	386	34	
	182,879	154,826	1,143	
Other ordinary income:				
Fund receipt from annuity riders	0	7	0	
Fund receipt from deposit of claims paid	3,547	3,554	22	
Reversal of reserve for employees' retirement benefits	2,110	1,117	13	
Reversal of policy reserves	82,849	92,488	518	
Other ordinary income	2,576	2,459	16	
	91,085	99,628	569	
Total ordinary income	644,570	623,355	4,031	

For the years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Ordinary expenses:			
Claims and other payments:			
Claims	102,683	107,641	642
Annuities	104,968	108,059	656
Benefits	78,130	76,250	488
Surrender benefits	99,375	91,559	621
Other payments	2,249	2,017	14
Reinsurance premiums	2,176	2,339	13
	389,583	387,868	2,436
Provision for policy reserves and other reserves:			
Provision for reserve for outstanding claims	659	3,073	4
Provision for interest on policyholders' dividend reserves	3	3	0
	662	3,076	4
Investment expenses:			
Interest expenses	5,921	4,732	37
Losses on sales of securities	25,704	26,463	160
Losses on valuation of securities	1	6	0
Losses on redemption of securities	—	206	—
Losses on derivative financial instruments	10,518	3,447	65
Foreign exchange losses	—	1,364	—
Depreciation of rental real estate and other assets	5,761	5,334	36
Other investment expenses	10,641	10,626	66
	58,549	52,180	366
Operating expenses	115,753	112,825	724
Other ordinary expenses:			
Claim deposit payments	8,445	8,526	52
Taxes	9,771	9,449	61
Depreciation	14,894	14,219	93
Other ordinary expenses	2,569	2,479	16
	35,681	34,674	223
Total ordinary expenses	600,231	590,625	3,754
Ordinary profit	44,339	32,730	277
Extraordinary gains:			
Gains on disposal of fixed assets	14,659	1,676	91
Other extraordinary gains	—	31	—
	14,659	1,707	91
Extraordinary losses:			
Losses on disposal of fixed assets	972	904	6
Impairment losses	994	736	6
Provision for reserve for price fluctuation	42,020	17,090	262
Losses on reduction entry of real estate	—	29	—
Losses on valuation of shares of subsidiaries and affiliates	—	2,972	—
Losses on sales of shares of subsidiaries and affiliates	460	—	2
Other extraordinary losses	2	—	0
	44,450	21,732	278
Surplus before income taxes	14,547	12,705	90
Income taxes:			
Current	11,481	6,715	71
Deferred	(13,986)	(7,052)	(87)
Total income taxes	(2,504)	(336)	(15)
Net surplus	¥ 17,052	¥ 13,042	\$ 106

8. Non-consolidated Statements of Changes in Net Assets

Asahi Mutual Life Insurance Company

Millions of Yen

For the year ended March 31, 2026	Foundation funds and others											Total foundation funds and others
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus					Total surplus			
				Reserve for future losses	Other surplus							
					Reserve for fund redemption	Equalized reserve for dividends to policyholders	Unappropriate d surplus (loss)					
Beginning balance	¥ 51,000	¥ 206,000	¥ 281	¥ 397	¥ 40,800	¥ 5,945	¥ 58,335	¥ 105,478	¥ 362,760			
Changes in the fiscal year:												
Additions to reserve for dividends to policyholders								(3,359)	(3,359)	(3,359)		
Additions to reserve for future losses				18				(18)				
Additions to reserve for redemption of foundation funds		40,000			(40,000)			(40,000)				
Payment of interest on foundation funds								(2,409)	(2,409)	(2,409)		
Net surplus								17,052	17,052	17,052		
Redemption of foundation funds	(40,000)									(40,000)		
Additions to reserve for fund redemption					9,100			(9,100)				
Reversal of equalized reserve for dividends to policyholders							(3,239)	3,239				
Reversal of land revaluation differences								340	340	340		
Net changes, excluding foundation funds and others												
Net changes in the fiscal year	(40,000)	40,000	—	18	(30,900)	(3,239)	5,745	(28,375)	(28,375)			
Ending balance	¥ 11,000	¥ 246,000	¥ 281	¥ 415	¥ 9,900	¥ 2,706	¥ 64,081	¥ 77,102	¥ 334,384			

Millions of Yen

For the year ended March 31, 2026	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	¥ 251,365	¥ (45,909)	¥ 205,456	¥ 568,216
Changes in the fiscal year:				
Additions to reserve for dividends to policyholders			(3,359)	
Additions to reserve for future losses				
Additions to reserve for redemption of foundation funds				
Payment of interest on foundation funds			(2,409)	
Net surplus			17,052	
Redemption of foundation funds			(40,000)	
Additions to reserve for fund redemption				
Reversal of equalized reserve for dividends to policyholders				
Reversal of land revaluation differences			340	
Net changes, excluding foundation funds and others	185,823	(340)	185,483	185,483
Net changes in the fiscal year	185,823	(340)	185,483	157,107
Ending balance	¥ 437,189	¥ (46,249)	¥ 390,939	¥ 725,324

Millions of Yen

For the year ended March 31, 2025	Foundation funds and others																	
	Surplus										Total foundation funds and others							
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Reserve for future losses	Other surplus			Total surplus										
					Reserve for fund redemption	Equalized reserve for dividends to policyholders	Unappropri- ate 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 U.S. Dollars

For the year ended March 31, 2026	Foundation funds and others											
	Surplus											Total foundation funds and others
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Reserve for future losses	Other surplus			Total surplus				
					Reserve for fund redemption	Equalized reserve for dividends to policyholders	Unappropri- d surplus (loss)					
Beginning balance	\$ 318	\$ 1,288	\$ 1	\$ 2	\$ 255	\$ 37	\$ 364	\$ 659	\$ 2,268			
Changes in the fiscal year:												
Additions to reserve for dividends to policyholders								(21)	(21)	(21)		
Additions to reserve for future losses				0				(0)				
Additions to reserve for redemption of foundation funds		250			(250)				(250)			
Payment of interest on foundation funds								(15)	(15)	(15)		
Net surplus								106	106	106		
Redemption of foundation funds	(250)											(250)
Additions to reserve for fund redemption					56			(56)				
Reversal of equalized reserve for dividends to policyholders							(20)	20				
Reversal of land revaluation differences								2	2	2		
Net changes, excluding foundation funds and others												
Net changes in the fiscal year	(250)	250	—	0	(193)	(20)	35	(177)	(177)			
Ending balance	\$ 68	\$ 1,538	\$ 1	\$ 2	\$ 61	\$ 16	\$ 400	\$ 482	\$ 2,091			

Millions of U.S. Dollars

For the year ended March 31, 2026	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	\$ 1,572	\$ (287)	\$ 1,285	\$ 3,554
Changes in the fiscal year:				
Additions to reserve for dividends to policyholders				(21)
Additions to reserve for future losses				
Additions to reserve for redemption of foundation funds				
Payment of interest on foundation funds				(15)
Net surplus				106
Redemption of foundation funds				(250)
Additions to reserve for fund redemption				
Reversal of equalized reserve for dividends to policyholders				
Reversal of land revaluation differences				2
Net changes, excluding foundation funds and others	1,162	(2)	1,160	1,160
Net changes in the fiscal year	1,162	(2)	1,160	982
Ending balance	\$ 2,734	\$ (289)	\$ 2,445	\$ 4,536

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
	2026	2025	2026
Unappropriated surplus (loss)	¥ 64,081	¥ 58,335	\$ 400
Reversal of Voluntary surplus reserves:	—	3,239	—
Reversal of equalized reserve for dividends to policyholders	—	3,239	—
Total	64,081	61,575	400
Appropriation of surplus (loss):	11,327	14,886	70
Reserve for dividends to policyholders	4,625	3,359	28
Net surplus (loss):	6,702	11,527	41
Reserve for future losses	31	18	0
Interest on foundation funds	571	2,409	3
Voluntary surplus reserves:	6,100	9,100	38
Reserve for fund redemption	1,100	9,100	6
Equalized reserve for dividends to policyholders	5,000	—	31
Surplus (loss) carried forward	¥ 52,753	¥ 46,688	\$ 329

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 ¥159.88 = US\$1.00, the effective rate of exchange at the balance sheet date of March 31, 2026.

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 ¥1 million (US\$0 million) and ¥2 million as of March 31, 2026 and 2025, 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.

(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 interest rate of 3.75% or higher for which annuity payment commenced on or before March 31, 2026 and 2025, respectively, in accordance with the provision of Article 69, Paragraph 5 of the Enforcement Regulation of the Insurance Business Act.

As of March 31, 2026 and 2025, of policy reserves, additional policy reserves accumulated for policies for which annuity payment commenced for the fiscal year ended March 31, 2026 and 2025 were ¥5,636 million (US\$35 million) and ¥6,143 million, respectively. As a result, ordinary profits and surplus before income taxes decreased by ¥5,636 million (US\$35 million) and ¥6,143 million, respectively, compared with if the additional reserves had not been accumulated as of March 31, 2026 and 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.

(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 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, 2026	Balance Sheet Amount	Fair Value	Difference	
Monetary claims bought	¥ 9,826	¥ 9,382	¥	(444)
Held-to-maturity debt securities	9,141	8,697		(444)
Available-for-sale securities	685	685		—
Securities	4,612,443	4,046,247		(566,196)
Trading securities	31,411	31,411		—
Held-to-maturity debt securities	194,156	186,793		(7,363)
Policy-reserve-matching bonds	2,238,401	1,679,568		(558,832)
Available-for-sale securities	2,148,473	2,148,473		—
Loans	298,070	292,229		(5,840)
Policy loans	25,456	25,456		—
Industrial and consumer loans	272,614	266,773		(5,840)
Total assets	4,920,341	4,347,859		(572,481)
Bonds payable	102,609	98,694		(3,914)
Loans payable	44,000	46,468		2,468
Total liabilities	146,609	145,163		(1,445)
Derivative financial instruments	(3,031)	(3,031)		—
Hedge accounting not applied	(56)	(56)		—
Hedge accounting applied	(2,974)	(2,974)		—

* 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, 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 U.S. Dollars

As of March 31, 2026	Balance Sheet Amount	Fair Value	Difference
Monetary claims bought	\$ 61	\$ 58	\$ (2)
Held-to-maturity debt securities	57	54	(2)
Available-for-sale securities	4	4	–
Securities	28,849	25,308	(3,541)
Trading securities	196	196	–
Held-to-maturity debt securities	1,214	1,168	(46)
Policy-reserve-matching bonds	14,000	10,505	(3,495)
Available-for-sale securities	13,438	13,438	–
Loans	1,864	1,827	(36)
Policy loans	159	159	–
Industrial and consumer loans	1,705	1,668	(36)
Total assets	30,775	27,194	(3,580)
Bonds payable	641	617	(24)
Loans payable	275	290	15
Total liabilities	916	907	(9)
Derivative financial instruments	(18)	(18)	–
Hedge accounting not applied	(0)	(0)	–
Hedge accounting applied	(18)	(18)	–

* 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 the unlisted stocks and others, including investments in subsidiaries and affiliates, reported in the non-consolidated balance sheets were ¥75,691 million (US\$473 million) and ¥77,678 million as of March 31, 2026 and 2025, respectively. The amounts of losses on valuation on unlisted stocks and others, including investments in subsidiaries and affiliates were ¥1 million (US\$0 million) and ¥2,977 million, for the years ended March 31, 2026 and 2025, 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 ¥66,250 million (US\$414 million) and ¥58,131 million as of March 31, 2026 and 2025, 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 ¥4,687 million (US\$29 million) and ¥(205) million for the years ended March 31, 2026 and 2025, respectively.

ii) Held-to-maturity debt securities

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

Millions of Yen

As of March 31, 2026	Type	Balance Sheet Amount	Fair Value	Difference
	Monetary claims bought	¥ 2,688	¥ 2,774	¥ 86
Fair value exceeds the balance sheet amount	Domestic bonds	5,734	5,775	41
	Foreign bonds	68,000	71,312	3,312
	Subtotal	76,422	79,862	3,440
	Monetary claims bought	6,453	5,922	(530)
Fair value does not exceed the balance sheet amount	Domestic bonds	43,822	40,545	(3,277)
	Foreign bonds	76,600	69,159	(7,440)
	Subtotal	126,875	115,627	(11,248)
Total		203,298	195,490	(7,807)

Millions of Yen

As of March 31, 2025	Type	Balance Sheet Amount	Fair Value	Difference
	Monetary claims bought	¥ 3,267	¥ 3,480	¥ 212
Fair value exceeds the balance sheet amount	Domestic bonds	10,603	10,758	155
	Foreign bonds	81,000	86,365	5,365
	Subtotal	94,871	100,604	5,733
	Monetary claims bought	6,449	6,174	(275)
Fair value does not exceed the balance sheet amount	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 U.S. Dollars

As of March 31, 2026	Type	Balance Sheet Amount	Fair Value	Difference
Fair value exceeds the balance sheet amount	Monetary claims bought	\$ 16	\$ 17	\$ 0
	Domestic bonds	35	36	0
	Foreign bonds	425	446	20
	Subtotal	477	499	21
Fair value does not exceed the balance sheet amount	Monetary claims bought	40	37	(3)
	Domestic bonds	274	253	(20)
	Foreign bonds	479	432	(46)
	Subtotal	793	723	(70)
Total		1,271	1,222	(48)

iii) Policy-reserve-matching bonds

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

Millions of Yen

As of March 31, 2026	Type	Balance Sheet Amount	Fair Value	Difference
Fair value exceeds the balance sheet amount	Domestic bonds	¥ 386,651	¥ 389,432	¥ 2,781
	Subtotal	386,651	389,432	2,781
Fair value does not exceed the balance sheet amount	Domestic bonds	1,851,749	1,290,135	(561,614)
	Subtotal	1,851,749	1,290,135	(561,614)
Total		2,238,401	1,679,568	(558,832)

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 U.S. Dollars

As of March 31, 2026	Type	Balance Sheet Amount	Fair Value	Difference
Fair value exceeds the balance sheet amount	Domestic bonds	\$ 2,418	\$ 2,435	\$ 17
	Subtotal	2,418	2,435	17
Fair value does not exceed the balance sheet amount	Domestic bonds	11,582	8,069	(3,512)
	Subtotal	11,582	8,069	(3,512)
Total		14,000	10,505	(3,495)

iv) Available-for-sale securities

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

Millions of Yen				
As of March 31, 2026	Type	Acquisition Cost or Amortized Cost	Balance Sheet Amount	Difference
Balance sheet amount exceeds acquisition cost or amortized cost	Monetary claims bought	¥ 316	¥ 410	¥ 94
	Domestic bonds	93,651	95,807	2,155
	Domestic stocks	158,335	718,693	560,357
	Foreign bonds	162,905	168,736	5,831
	Others	363,520	426,781	63,260
	Subtotal	778,728	1,410,429	631,700
Balance sheet amount does not exceed acquisition cost or amortized cost	Monetary claims bought	362	274	(87)
	Domestic bonds	373,471	353,540	(19,931)
	Domestic stocks	12,061	10,733	(1,327)
	Foreign bonds	322,260	299,294	(22,966)
	Others	83,404	74,887	(8,517)
	Subtotal	791,560	738,729	(52,830)
Total		1,570,289	2,149,158	578,869

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

The amount of impairment losses on available-for-sale securities was ¥1 million for the year ended March 31, 2025.

Millions of U.S. Dollars

As of March 31, 2026	Type	Acquisition Cost or Amortized Cost	Balance Sheet Amount	Difference
Balance sheet amount exceeds acquisition cost or amortized cost	Monetary claims bought	\$ 1	\$ 2	\$ 0
	Domestic bonds	585	599	13
	Domestic stocks	990	4,495	3,504
	Foreign bonds	1,018	1,055	36
	Others	2,273	2,669	395
	Subtotal	4,870	8,821	3,951
Balance sheet amount does not exceed acquisition cost or amortized cost	Monetary claims bought	2	1	0
	Domestic bonds	2,335	2,211	(124)
	Domestic stocks	75	67	(8)
	Foreign bonds	2,015	1,871	(143)
	Others	521	468	(53)
	Subtotal	4,950	4,620	(330)
Total		9,821	13,442	3,620

(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 were as follows.

Millions of Yen

As of March 31, 2026	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	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 9,826
Held-to-maturity debt securities	—	—	—	—	—	9,141
Available-for-sale securities	—	—	—	—	—	685
Securities	91,570	241,356	346,938	407,140	454,062	1,837,962
Held-to-maturity debt securities	1,600	3,500	20,000	33,000	15,000	121,052
Policy-reserve-matching bonds	86,190	132,020	198,300	252,320	125,100	1,415,380
Available-for-sale securities	3,780	105,836	128,638	121,820	313,962	301,529
Loans *1	31,003	57,343	43,513	38,580	72,669	19,505
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, 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 U.S. Dollars

As of March 31, 2026	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	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 61
Held-to-maturity debt securities	—	—	—	—	—	57
Available-for-sale securities	—	—	—	—	—	4
Securities	572	1,509	2,169	2,546	2,840	11,495
Held-to-maturity debt securities	10	21	125	206	93	757
Policy-reserve-matching bonds	539	825	1,240	1,578	782	8,852
Available-for-sale securities	23	661	804	761	1,963	1,885
Loans *1	193	358	272	241	454	121
Bonds payable *2	—	—	—	—	—	93
Loans payable *2	—	—	—	—	—	31

*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

As of March 31, 2026	Millions of Yen			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥ —	¥ —	¥ 685	¥ 685
Available-for-sale securities	—	—	685	685
Securities *1	856,905	1,088,350	41,698	1,986,954
Trading securities	—	31,411	—	31,411
Others	—	31,411	—	31,411
Available-for-sale securities	856,905	1,056,938	41,698	1,955,542
National government bonds and local government bonds	45,099	389	—	45,489
Corporate bonds	—	403,857	—	403,857
Domestic stocks	729,426	—	—	729,426
Foreign bonds	—	426,332	41,698	468,030
Others	82,379	226,358	—	308,738
Total assets	856,905	1,088,350	42,384	1,987,640
Derivative financial instruments *2	—	(3,031)	—	(3,031)
Currency-related	—	(3,031)	—	(3,031)

*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 ¥187,446 million (US\$1,172 million) as of March 31, 2026. The balance sheet amount of the investment trusts which are accounted for in accordance with Paragraph 24-9 of the implementation guidance, was ¥5,484 million (US\$34 million) as of March 31, 2026.

*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, 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 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 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 U.S. Dollars

As of March 31, 2026	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	\$ —	\$ —	\$ 4	\$ 4
Available-for-sale securities	—	—	4	4
Securities *1	5,359	6,807	260	12,427
Trading securities	—	196	—	196
Others	—	196	—	196
Available-for-sale securities	5,359	6,610	260	12,231
National government bonds and local government bonds	282	2	—	284
Corporate bonds	—	2,526	—	2,526
Domestic stocks	4,562	—	—	4,562
Foreign bonds	—	2,666	260	2,927
Others	515	1,415	—	1,931
Total assets	5,359	6,807	265	12,432
Derivative financial instruments *2	—	(18)	—	(18)
Currency-related	—	(18)	—	(18)

*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 ¥187,446 million (US\$1,172 million) as of March 31, 2026. The balance sheet amount of the investment trusts which are accounted for in accordance with Paragraph 24-9 of the implementation guidance, was ¥5,484 million (US\$34 million) as of March 31, 2026.

*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) 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	2026	2025	2026
Beginning balance	¥163,120	¥161,421	\$ 1,020
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 *	9,346	(567)	58
Net unrealized gains (losses) on available-for-sale securities, net of tax recorded for the fiscal year	810	(1)	5
Net amount of purchase, sale, and redemption	8,536	(566)	53
Amount of investment trusts whose NAV is deemed as market value	14,978	2,266	93
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 *	187,446	163,120	1,172
	810	(1)	5

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

- ii) 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	2026	2025	2026
Investment trusts which need more than 1 month to cancel from the notification of cancellation	¥ 22,639	¥ 34,739	\$ 141
Other than above	164,806	128,381	1,030

- iii) 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	2026	2025	2026
Beginning balance	¥5,304	¥5,227	\$33
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 *	180	77	1
Net unrealized gains (losses) on available-for-sale securities, net of tax recorded for the fiscal year	—	—	—
Net amount of purchase, sale, and redemption	180	77	1
Amount of investment trusts whose NAV is deemed as market value	(0)	(0)	(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 *	5,484	5,304	34
	—	—	—

* 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, 2026	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥ —	¥ 8,441	¥ 255	¥ 8,697
Held-to-maturity debt securities	—	8,441	255	8,697
Securities	1,381,194	344,694	140,471	1,866,361
Held-to-maturity debt securities	—	46,321	140,471	186,793
Corporate bonds	—	46,321	—	46,321
Foreign bonds	—	—	140,471	140,471
Policy-reserve-matching bonds	1,381,194	298,373	—	1,679,568
National government bonds and local government bonds	1,381,194	33,184	—	1,414,379
Corporate bonds	—	265,188	—	265,188
Loans	—	—	292,229	292,229
Policy loans	—	—	25,456	25,456
Industrial and consumer loans	—	—	266,773	266,773
Total assets	1,381,194	353,136	432,957	2,167,288
Bonds payable	—	98,694	—	98,694
Loans payable	—	—	46,468	46,468
Total liabilities	—	98,694	46,468	145,163

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 U.S. Dollars

As of March 31, 2026	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	\$ —	\$ 52	\$ 1	\$ 54
Held-to-maturity debt securities	—	52	1	54
Securities	8,638	2,155	878	11,673
Held-to-maturity debt securities	—	289	878	1,168
Corporate bonds	—	289	—	289
Foreign bonds	—	—	878	878
Policy-reserve-matching bonds	8,638	1,866	—	10,505
National government bonds and				
local government bonds	8,638	207	—	8,846
Corporate bonds	—	1,658	—	1,658
Loans	—	—	1,827	1,827
Policy loans	—	—	159	159
Industrial and consumer loans	—	—	1,668	1,668
Total assets	8,638	2,208	2,708	13,555
Bonds payable	—	617	—	617
Loans payable	—	—	290	290
Total liabilities	—	617	290	907

(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.

- (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, 2026	Monetary claims bought	Securities	Total (i) + (ii)
	Available-for- sale securities	Available-for- sale securities	
	Others (i)	Foreign bonds (ii)	
Beginning balance	¥764	¥ 21,042	¥ 21,806
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 *	(62)	257	194
Net unrealized gains (losses) on available-for-sale securities, net of tax recorded for the fiscal year	(42)	(304)	(346)
Net amount of purchase, sale, issue, and settlement	(16)	20,398	20,382
Transfer to fair values of Level 3	—	—	—
Transfer from fair values of Level 3	—	—	—
Ending balance	685	41,698	42,384
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)	561	541

* 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, 2025	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	¥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
Gains (losses) recorded for the fiscal year *	(20)	1,190	1,170	681
Net unrealized gains (losses) on available-for-sale securities, net of tax recorded for the fiscal year	(51)	2,761	2,709	—
Net amount of purchase, sale, issue, and settlement	(19)	(14,972)	(14,991)	(683)
Transfer to fair values of Level 3	—	—	—	—
Transfer from fair values of Level 3	—	—	—	—
Ending balance	764	21,042	21,806	—
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)	1,190	1,170	—

* 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, 2026	Monetary claims bought	Securities	Total (i) + (ii)
	Available-for- sale securities	Available-for- sale securities	
	Others (i)	Foreign bonds (ii)	
Beginning balance	\$ 4	\$ 131	\$ 136
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 *	(0)	1	1
Net unrealized gains (losses) on available-for-sale securities, net of tax recorded for the fiscal year	(0)	3	3
Net amount of purchase, sale, issue, and settlement	(0)	(1)	(2)
Transfer to fair values of Level 3	—	—	—
Transfer from fair values of Level 3	—	—	—
Ending balance	4	260	265
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)	3	3

* 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 ¥211,212 million (US\$1,321 million) and ¥273,203 million (US\$1,708 million) as of March 31, 2026 and ¥229,748 million and ¥290,335 million as of March 31, 2025, 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 ¥424,533 million (US\$2,655 million) and ¥319,110 million as of March 31, 2026 and 2025, 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 ¥477 million (US\$2 million) and ¥458 million as of March 31, 2026 and 2025, respectively.

- i) Claims against bankrupt and quasi-bankrupt obligors were ¥416 million (US\$2 million) and ¥386 million as of March 31, 2026 and 2025, respectively.
- ii) There were no claims with collection risk as of March 31, 2026 and 2025.
- iii) Delinquent loans three or more months past due were ¥41 million (US\$0 million) and ¥51 million as of March 31, 2026 and 2025, respectively.
- iv) Restructured loans were ¥20 million (US\$0 million) and ¥20 million as of March 31, 2026 and 2025, 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 ¥1 million (US\$0 million) and ¥2 million as of March 31, 2026 and 2025, respectively.

8. Accumulated Depreciation of Tangible Fixed Assets

Accumulated depreciation of tangible fixed assets totaled ¥281,658 million (US\$1,761 million) and ¥279,757 million as of March 31, 2026 and 2025, respectively.

9. Separate Accounts

Total assets in separate accounts provided for in Article 118 of the Insurance Business Act were ¥31,843 million (US\$199 million) and ¥28,712 million as of March 31, 2026 and 2025, 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 ¥565 million (US\$3 million) and ¥4,684 million (US\$29 million) as of March 31, 2026 and ¥476 million and ¥3,677 million as of March 31, 2025, 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
	2026	2026
Deferred tax assets	¥ 85,444	\$ 534
Valuation allowance for deferred tax assets	8,062	50
Subtotal	77,381	483
Deferred tax liabilities	168,610	1,054
Net deferred tax assets (liabilities)	¥ (91,229)	\$ (570)

As of March 31	Millions of Yen
	2025
Deferred tax assets	¥ 74,336
Valuation allowance for deferred tax assets	12,943
Subtotal	61,393
Deferred tax liabilities	91,837
Net deferred tax assets (liabilities)	¥(30,444)

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

As of March 31	Millions of Yen	Millions of U.S. Dollars
	2026	2026
Deferred tax assets		
Reserve for price fluctuation	¥ 28,650	\$179
Contingency reserves	18,223	113
Additional policy reserves	12,715	79
Reserve for employees' retirement benefits	7,190	44
IBNR reserves	5,674	35
Deferred tax liabilities		
Net unrealized gains on available-for-sale securities	159,369	996

Millions of Yen

As of March 31	2025
Deferred tax assets	
Reserve for price fluctuation	¥16,548
Contingency reserves	13,897
Additional policy reserves	13,048
Reserve for employees' retirement benefits	7,762
Impairment losses	7,009
IBNR reserves	5,277
Deferred tax liabilities	
Net unrealized gains on available-for-sale securities	85,293

- (2) The statutory tax rates were 27.9% and 27.9% for the fiscal years ended March 31, 2026 and 2025, 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	2026
Change of valuation allowance for deferred tax assets	(36.6)%
Dividends and other non-taxable income	(6.4)%
Reserve for dividends to policyholders	(6.2)%

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)%

- (3) 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	2026	2025	2026
Balance at the beginning of the fiscal year	¥25,270	¥26,064	\$158
Transfer to reserve from surplus in the previous fiscal year	3,359	2,896	21
Dividends to policyholders paid out during the fiscal year	3,869	3,693	24
Increase in interest	3	3	0
Balance at the end of the fiscal year	¥24,763	¥25,270	\$154

13. Stocks of Subsidiaries and Affiliates

The amounts of stocks of subsidiaries and affiliates the Company held as of March 31, 2026 and 2025 were ¥62,897 million (US\$393 million) and ¥64,857 million, respectively.

14. Pledged Assets

Assets pledged as collateral as of March 31, 2026 and 2025 were securities in the amount of ¥426,908 million (US\$2,670 million) and ¥322,655 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 ¥12 million (US\$0 million) and ¥7 million as of March 31, 2026 and 2025, 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 ¥279 million (US\$1 million) and ¥320 million as of March 31, 2026 and 2025, 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 ¥437,471 million (US\$2,736 million) and ¥251,647 million as of March 31, 2026 and 2025, respectively.

17. Redemption of Foundation funds

Accompanying the redemption of foundation funds totaling ¥40,000 million (US\$250 million), 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.

18. 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, 2026 and 2025 were ¥50,579 million (US\$316 million) and ¥44,850 million, respectively. No assets were pledged as collateral as of March 31, 2026 and 2025.

19. Commitment Line

As of March 31, 2026 and 2025, there were unused commitment line agreements under which the Company is the lender of ¥7,914 million (US\$49 million) and ¥7,690 million, respectively.

20. Subordinated Bonds Payable

As of March 31, 2026 and 2025, bonds payable are subordinated bonds payable, for which the repayments are subordinated to other obligations.

21. Subordinated Loans Payable

As of March 31, 2026 and 2025, loans payable are subordinated loans payable, for which the repayments are subordinated to other obligations.

22. 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

For the years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Retirement benefit obligations at the beginning of the fiscal year	¥35,477	¥37,123	\$221
Service cost	937	1,598	5
Interest cost	349	371	2
Actuarial difference occurred during the fiscal year	(3,057)	384	(19)
Retirement benefit payments	(3,431)	(3,999)	(21)
Retirement benefit obligations at the end of the fiscal year	¥30,276	¥35,477	\$189

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

For the years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Pension plan assets at the beginning of the fiscal year	¥10,336	¥ 8,521	\$64
Expected return on pension plan assets	107	72	0
Actuarial difference occurred during the fiscal year	25,321	1,747	158
Contributions by the employer	126	148	0
Retirement benefit payments	(228)	(152)	(1)
Pension plan assets at the end of the fiscal year	¥35,662	¥10,336	\$223

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

As of March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
a. Funded plan retirement benefit obligation	¥30,276	¥35,477	\$189
b. Pension plan assets	(35,662)	(10,336)	(223)
c. a + b	(5,386)	25,140	(33)
d. Unrecognized actuarial differences	29,637	1,338	185
e. Net amount of liabilities and assets presented on the non-consolidated balance sheet	24,250	26,478	151
f. Reserve for employees' retirement benefits	24,966	27,077	156
g. Prepaid pension cost	(715)	(598)	(4)
h. Net amount of liabilities and assets presented on the non-consolidated balance sheet	¥24,250	¥26,478	\$151

iv) Breakdown of retirement benefit expenses

For the years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Service cost	¥937	¥1,598	\$5
Interest cost	349	371	2
Expected return on pension plan assets	(107)	(72)	(0)
Amortization of actuarial differences	(80)	862	(0)
Retirement benefit expenses related to defined benefit plan	¥1,100	¥2,759	\$6

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	2026	2025
Stocks	88%	55%
Bonds	8%	8%
Others	4%	37%
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	2026	2025
Discount rate	2.6%	1.0%
Expected long-term rate of return on pension plan assets	1.0%	0.8%
Defined benefit corporate pension plans	2.7%	1.8%

23. Significant Subsequent Events

(1) Redemption of Foundation Funds

The Company redeemed ¥11,000 million (US\$68 million) of foundation funds on August 3, 2026. 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) Business Combination

On December 1, 2025, the Company entered into an agreement with The Manufacturers Life Insurance Company to acquire of all issued shares of the Vietnamese life insurance company, MVI Life Co. Ltd (“MVI Life”) and completed the acquisition on July 31, 2026.

i) Overview of the business combination

a) Name and business of the acquiree

- Name of the acquiree: MVI Life Co. Ltd
- Business: Life insurance business

b) Purpose of business combination

The Company intends to expand further into overseas markets, particularly in Asia.

In 2017, the Company began consulting services in Vietnam, and in 2023, established a local subsidiary in Ho Chi Minh City, accelerating business expansion through an insurance agency business focused on face-to-face sales. Utilizing the knowledge and experience accumulated in Vietnam, the Company regards this acquisition as a critical step toward commencing its overseas life insurance underwriting, and decided to make MVI Life a wholly owned subsidiary.

c) Legal form of the business combination

Acquisition of shares for cash consideration

ii) Acquisition cost and breakdown by type of consideration

Consideration for share acquisition: Cash

Approximately US\$170 million.

iii) Purchase price allocation

a) Assets acquired and liabilities assumed at the acquisition date

The amounts of assets acquired and liabilities assumed, including their major components, have not yet been determined.

b) Goodwill arising from the acquisition, factors contributing to its recognition, and the method and period of amortization

The amount of goodwill, factors contributing to its recognition, and the method and period of amortization have not yet been determined.

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 ¥719 million (US\$4 million) and ¥10,121 million (US\$63 million) for the fiscal year ended March 31, 2026 and ¥851 million and ¥10,212 million for the fiscal year ended March 31, 2025, 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
	2026	2025	2026
Domestic bonds	¥ 352	¥3,746	\$ 2
Domestic stocks and other securities	21,430	9,298	134
Foreign securities	181	2,033	1

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

	Millions of Yen		Millions of U.S. Dollars
For the years ended March 31	2026	2025	2026
Domestic bonds	¥ 6,313	¥ 3,117	\$ 39
Domestic stocks and other securities	2,127	3,777	13
Foreign securities	17,263	19,568	107

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

	Millions of Yen		Millions of U.S. Dollars
For the years ended March 31	2026	2025	2026
Domestic stocks and other securities	¥1	¥4	\$0
Foreign securities	—	1	—

Losses on derivative financial instruments included net valuation losses of ¥1,492 million (US\$9 million) and gains of ¥411 million for the fiscal years ended March 31, 2026 and 2025, respectively.

3. Policy Reserves for the Reinsurance Contracts

Provisions for outstanding claims for ceded reinsurance, which were deducted in calculating provision for reserve for outstanding claims were ¥4 million (US\$0 million) and ¥2 million for the fiscal years ended March 31, 2026 and 2025, respectively.

Reversals of policy reserves for ceded reinsurance, which were deducted in calculating reversal of policy reserves were ¥40 million (US\$0 million) and ¥14 million for the fiscal years ended March 31, 2026 and 2025, respectively.

4. Impairment Losses of Fixed Assets

For the fiscal years ended March 31, 2026 and 2025, 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
	2026	2025	2026
Real estate for rent:			
Land	¥144	¥ –	\$0
Building	175	–	1
Total real estate for rent (i)	319	–	2
Real estate not in use:			
Land	489	411	3
Building	185	210	1
Total real estate not in use (ii)	674	622	4
Real estate scheduled to be sold:			
Land	–	70	–
Building	–	42	–
Total real estate scheduled to be sold (iii)	–	113	–
Total:			
Land	633	482	3
Building	360	253	2
Total (i) + (ii) + (iii)	¥994	¥736	\$6

(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 2.9% and 3.1% for the fiscal years ended March 31, 2026 and 2025, 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, 2026	Beginning balance	Ending balance	Increase/(decrease)
National government bonds	¥ 1,788,496	¥ 1,819,231	¥ 30,734
Local government bonds	46,878	46,627	(251)
Corporate bonds:	905,513	871,446	(34,067)
Public entity bonds	436,715	425,356	(11,359)
Business bonds	468,797	446,090	(22,707)
Domestic stocks	596,067	804,895	208,828
Foreign securities:	968,143	1,085,949	117,806
Stocks	221	222	0
Others	967,921	1,085,726	117,805
Other securities	108,090	126,234	18,144
Total	¥ 4,413,189	¥ 4,754,385	¥ 341,195

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)

(2) Loans

Millions of Yen

Fiscal year ended March 31, 2026	Beginning balance	Ending balance	Increase/(decrease)
Construction	¥ 1,150	¥ 1,700	¥ 550
Manufacturing industry	36,283	36,985	702
Wholesale and retail	39,050	34,000	(5,050)
Financial and insurance	112,733	114,733	1,999
Real estate and rental services	17,013	25,663	8,649
Telecommunications	2,300	3,600	1,300
Transportation and postal services	5,807	4,710	(1,096)
Electric, gas, steam, and water utilities	23,575	22,910	(664)
Services and others	5,494	5,380	(114)
Others	30,453	22,734	(7,719)
[Housing and consumer loans]	35	25	(10)
Subtotal	273,861	272,418	(1,443)
Public entities	166	196	30
Policy loans	27,081	25,456	(1,624)
Total	¥ 301,108	¥ 298,070	¥ (3,037)

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)

(3) Tangible fixed assets and intangible fixed assets

Millions of Yen

Fiscal year ended March 31, 2026	Beginning balance	Increase	Decrease	Depreciation/ amortization	Ending balance	Accumulated depreciation/ amortization	Accumulated depreciation/ amortization percentage
Tangible fixed assets:							
Land	¥ 204,082	¥ -	¥ 15,930 [633]	¥ —	¥ 188,152	¥ —	
Buildings	137,091	10,691	4,608 [360]	9,437	133,736	272,400	67.1%
Lease assets	3,339	130	—	1,079	2,390	2,892	54.8
Construction in progress	885	3,946	4,437	—	394	—	
Other tangible fixed assets	2,335	296	2	312	2,317	6,366	73.3
Total	¥ 347,734	¥ 15,064	¥ 24,978 [994]	¥ 10,830	¥ 326,990	¥ 281,658	
Intangible fixed assets:							
Software	28,161	9,057	16	9,816	27,385	29,292	51.7
Other intangible fixed assets	7,039	11,763	9,095	—	9,707	68	0.7
Total	¥ 35,201	¥ 20,820	¥ 9,112	¥ 9,816	¥ 37,093	¥ 29,361	

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	

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, 2026	Beginning balance	Ending balance	Increase/(decrease)
Individual life insurance	¥ 36,968	¥ 37,634	¥ 665
Individual annuities	1,591	1,671	79
Group insurance	1,045	1,071	26
Group annuities	9	9	(0)
Others	206	94	(112)
Total	¥ 39,821	¥ 40,481	¥ 659

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

(ii) Policy reserves

Millions of Yen

Fiscal year ended March 31, 2026	Beginning balance	Ending balance	Increase/(decrease)
Individual life insurance	¥ 2,725,461	¥ 2,696,691	¥ (28,770)
Individual annuities	1,289,223	1,241,419	(47,804)
Group insurance	10,819	11,179	360
Group annuities	8,886	7,923	(963)
Others	79,270	73,597	(5,672)
Total	¥ 4,113,660	¥ 4,030,810	¥ (82,849)

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)

(iii) Reserve for dividends to policyholders

Millions of Yen

Fiscal year ended March 31, 2026	Beginning balance	Ending balance	Increase/(decrease)
Individual life insurance	¥ 24,194	¥ 23,940	¥ (254)
Individual annuities	824	752	(71)
Group insurance	181	12	(168)
Group annuities	—	—	—
Others	70	57	(13)
Total	¥ 25,270	¥ 24,763	¥ (507)

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)

(5) Allowance and other reserves

Millions of Yen

Fiscal year ended March 31, 2026	Beginning balance	Ending balance	Increase/(decrease)
Allowance for possible loan losses	¥ 720	¥ 595	¥ (125)
Reserve for employees' retirement benefits	27,077	24,966	(2,110)
Reserve for price fluctuation	57,460	99,480	42,020

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

(6) Operating expenses

Millions of Yen

Fiscal years ended March 31	2026	2025
Marketing operations:		
Sales staff expenses	¥ 37,248	¥ 35,344
Agency expenses	3,845	3,855
Selection expenses	28	30
Subtotal	41,122	39,231
Marketing administration:		
Sales office management fee	19,167	19,270
Advertising expense	235	428
Subtotal	19,402	19,699
General and administrative expenses:		
Personnel expenses	20,777	20,242
Non-personnel expenses:	34,450	33,650
contribution money, sponsorship money and dues	484	412
Policyholder protection fund	1	1
Subtotal	55,228	53,894
Total	¥ 115,753	¥ 112,825

(7) Separate accounts

(i) Assets

Millions of Yen

Fiscal year ended March 31, 2026	Beginning balance	Ending balance	Increase/(decrease)
Cash and deposits:			
Deposits	¥ 472	¥ 515	¥ 43
Subtotal	472	515	43
Securities:			
Other securities	28,325	31,411	3,086
Subtotal	28,325	31,411	3,086
Other assets:			
Suspense payments	2	2	(0)
Subtotal	2	2	(0)
General account lending	(87)	(86)	0
Total	¥ 28,712	¥ 31,843	¥ 3,130

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)

(ii) Liabilities

Millions of Yen

Fiscal year ended March 31, 2026	Beginning balance	Ending balance	Increase/(decrease)
Policy reserves and other reserves	¥ 28,779	¥ 31,915	¥ 3,135
General account borrowing	(66)	(72)	(5)
Total	¥ 28,712	¥ 31,843	¥ 3,130

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)