Independent Auditor’s Report

To the Board of Directors of Meiji Yasuda Life Insurance Company:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Meiji Yasuda Life Insurance Company (“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”), which comprise the consolidated balance sheets as at March 31, 2025 and 2026, the consolidated statements of income, the consolidated statements of comprehensive income, the consolidated statements of changes in net assets and the consolidated statements of cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and 2026, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of the Company’s judgment on the sufficiency of the amount of policy reserves	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated balance sheet of the Group, Policy reserves of ¥43,197,985 million were recognized for the current fiscal year, of which ¥34,688,820 million was the policy reserves of the Company, accounting for a significant portion as large as approximately 58.70% of total liabilities and net assets in the consolidated financial statements. The amount included additional policy reserves of ¥220,036 million set aside in the current fiscal year for the difference arising from the calculation of premium reserves using the expected rate of interest of 3.75% for the whole life insurance contracts whose expected rate of interest at the time of signing exceeds 3.75%, entered into on or before April 1, 1994, pursuant to Article 69, Paragraph 5 of the “Ordinance for Enforcement of the Insurance Business Act.” As described in Note “II. Basis for preparing consolidated financial statements” under 4. “Summary of Significant Accounting Policies”: (16) Policy reserves” to the consolidated financial statements, policy reserves are reported at an amount determined by actuarial calculations in accordance with the statement of calculation procedures for insurance premiums and policy reserves approved by the Financial Services Agency to prepare for future fulfilment of obligations under the insurance contracts, pursuant to Article 116, Paragraph 1 of the “Insurance Business Act.” In order to validate whether the amount of policy reserves is sufficient, the appointed actuary is engaged to perform future cash flow analysis, pursuant to the “Insurance Business Act” and other relevant regulations. The analysis involved significant judgment in determining assumptions for estimating future cash flows, as well as a high level of actuarial expertise. In addition, if there is deemed to be a risk that the policy reserves provided for in accordance with the statement of calculation procedures for insurance premiums and policy reserves may be insufficient to fulfill future obligations due to a significant deviation between the future cash flows estimated based on the calculation assumptions (such as the expected mortality/morbidity and the expected rate of interest) stipulated in the statement of calculation procedures and recent actual results, additional policy reserves need to be set aside pursuant to Article 69, Paragraph 5 of the “Ordinance for Enforcement of the Insurance Business Act.” The procedures to recognize additional policy reserves required a high level of actuarial expertise and involved significant management judgment. We, therefore, determined that our assessment of the appropriateness of the Company’s judgment on the	The primary procedures we performed to assess whether the Company’s judgment with respect to the sufficiency of the amount of policy reserves was appropriate, included the following: We tested the design and operating effectiveness of certain of the Company’s internal controls relevant to the recognition of policy reserves. In this assessment, we focused our testing on the following controls relevant to validating the sufficiency of the amount of policy reserves: • controls in which management validates the sufficiency of the amount of policy reserves based on the opinion letter provided by the appointed actuary; and • controls in which management determines the scope of insurance contracts subject to additional policy reserves and the timing of their recognition thereof. We performed the following procedures, among others, to assess the reasonableness of management judgment regarding the recognition of additional policy reserves: • inspected the minutes of meetings of the Board of Directors and the outcome of the resolution related to the recognition of additional policy reserves and assessed whether management judgment on the scope of the insurance contracts subject to additional policy reserves set aside in the current fiscal year and the timing of their recognition were reasonable. In addition, we performed the following substantive procedures, with the assistance of actuarial specialists within our firm, with respect to the testing to validate the sufficiency of the amount of policy reserves (i.e., future cash flow analysis) and the sufficiency of additional policy reserves: • assessed whether the testing to validate the sufficiency of the amount of policy reserves (i.e., future cash flow analysis) was performed pursuant to the relevant laws and regulations, the “Standard of Practice for Appointed Actuaries of Life Insurance Companies” (issued by the Institute of Actuaries of Japan) and the Company’s internal rules and compared the policy reserves with the calculation results in the previous fiscal years; • evaluated the appointed actuary’s opinion letter and the supplementary report (including additional policy reserves set aside in the current fiscal year) by inquiring of the appointed actuary regarding the contents of the reports; and • confirmed that the statement of calculation

sufficiency of the amount of policy reserves was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	procedures for insurance premiums and policy reserves used to calculate the additional policy reserves was approved by the Financial Services Agency, and then evaluated whether additional policy reserves for the relevant insurance contracts were recognized in accordance with the statement of calculation procedures for insurance premiums and policy reserves.

Appropriateness of the valuation of claim reserves for long-term disability insurance in the group insurance business at StanCorp	
The key audit matter	**How the matter was addressed in our audit**
In the consolidated balance sheets of the Group, Reserves for outstanding claims of ¥929,416 million were reported for the current fiscal year. Of this amount, the claim reserves of StanCorp amounted to ¥756,506 million, a significant portion of which was related to claim reserves for the long-term disability insurance, called Long-Term Disability-Disabled Life Reserves (hereinafter, "LTD-DLR"), in its group insurance business. Reserves for outstanding claims are set aside at amounts for which the payment obligation has incurred but the payment to the policyholder has yet to be completed as of the end of the fiscal year. As described in Note "II. Basis for preparing consolidated financial statements" under 4. "Summary of Significant Accounting Policies": (20) Significant Accounting Estimates a. "Claim reserves of StanCorp Financial Group, Inc. (StanCorp)" to the consolidated financial statements, StanCorp's claim reserves for LTD-DLR are recognized at an amount calculated based on the estimated present value of unpaid claims and claim adjustment expenses as of StanCorp's consolidated balance sheet date in accordance with U.S. generally accepted accounting principles. While StanCorp evaluates annually whether the amount of claim reserves is appropriate, the selection of an appropriate valuation methodology used in this evaluation required a high level of actuarial expertise. In addition, claim reserves for LTD-DLR are provided for future payment obligations up to the date when the benefit payment would be terminated upon the reinstatement of the insured, and accordingly, the estimate of claim reserves for LTD-DLR reflected key assumptions, such as the claim termination rates, which involved significant management judgment. We, therefore, determined that our assessment of the appropriateness of the valuation of claim reserves for LTD-DLR in the group insurance business of StanCorp was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	In order to assess the appropriateness of the valuation of claim reserves for LTD-DLR in the group insurance business of StanCorp, we requested the component auditor of StanCorp to perform an audit of StanCorp's financial statements. We then evaluated the report of the component auditor to conclude on whether the audit procedures (including those set out below) were sufficient by inspecting relevant audit documentation and performing additional procedures, as necessary. Such procedures included testing, in accordance with our group audit instructions, of the design and implementation of certain relevant internal controls, with a focus on controls in which StanCorp's appointed actuary evaluates the appropriateness of key assumptions such as the claims termination rates. We also focused on the following procedures, performed with the assistance of actuarial specialists within the firm of the component auditor, considering trends in economic indicators such as interest rates, inflation rates, and unemployment rates which affected the key assumption of the claim termination rates, and other factors: • assessed whether the selection of the valuation methodology to evaluate the appropriateness of the amount of claim reserves complied with U.S. generally accepted accounting principles and was also consistent with general actuarial practices; • assessed whether the claims termination rates, which were a key assumption used to estimate the claim reserves, were appropriate; • compared, for a selection of relevant contracts, the claims reserves independently calculated by the actuarial specialists with the amount recognized by StanCorp; and • assessed the reliability of underlying information used in evaluating whether the amount of claims reserves was appropriate.

<table>
<tr><th colspan="2">Appropriateness of the valuation of the in-force business related to the individual disability insurance business at StanCorp</th></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>In the consolidated balance sheets of the Group, Other intangible fixed assets of ¥482,806 million were reported for the current fiscal year. Of this amount, the value of the in-force business, or a Value of Business Acquired (“VOBA”), that arose from the acquisition of StanCorp accounted for ¥45,711 million, a significant portion of which was related to the individual disability insurance business.

As described in Note “II. Basis for preparing consolidated financial statements” under 4. “Summary of Significant Accounting Policies”: (20) Significant Accounting Estimates d. “Impairment of the value of in-force business or the Value of Business Acquired (VOBA) at the StanCorp acquisition” to the consolidated financial statements, the amount of VOBA arising from the acquisition of StanCorp was the estimated present value of future profits expected to be generated from the insurance policies held by StanCorp at the acquisition date, and was recognized in its consolidated financial statements in accordance with U.S. generally accepted accounting principles.

The VOBA related to the individual disability insurance products is being amortized over a certain period based on their contractual terms in proportion to future premiums. However, if assumptions underlying the actuarial calculations deteriorate, a loss equal to a decline in value of VOBA may be recognized before additional policy reserves are recognized. Accordingly, StanCorp performs the evaluation of VOBA concurrently with its assessment of the sufficiency of the amount of policy reserves (loss recognition testing). As a result of the testing, StanCorp determined that the recognition of a loss was not necessary.

In the loss recognition testing, the selection of an appropriate methodology used in the testing required a high level of actuarial expertise. In addition, the estimate of future cash flows used in the testing reflected key assumptions, such as the incident rates that estimate the probability of benefit payment being commenced due to the policy holder’s future disability and the claim termination rates that estimate the probability of the benefit payment being terminated due to reinstatement of the disabled insured, that involved significant management judgment.

We, therefore, determined that our assessment of the appropriateness of the valuation of VOBA related to the individual disability insurance business arising from the acquisition of StanCorp was one of the most significant matters in our audit of the</td><td>In order to assess the appropriateness of the valuation of VOBA related to the individual disability insurance business at StanCorp, we requested the component auditor of StanCorp to perform an audit of StanCorp’s financial statements. We then evaluated the report of the component auditor to conclude on whether the audit procedures (including those set out below) were sufficient by inspecting relevant audit documentation and performing additional procedures, as necessary.

Such procedures included testing, in accordance with our group audit instructions, of the design and operating effectiveness of certain of StanCorp’s controls relevant to the loss recognition testing on the individual disability insurance business, with a focus on controls in which StanCorp’s appointed actuary evaluates the appropriateness of key assumptions, such as the incident rates and the claims termination rates.

We also focused on the following procedures with respect to the results of StanCorp’s loss recognition testing, considering trends in economic indicators such as interest rates, inflation rates, and unemployment rate which affected the key claim termination rates assumption, and other factors:

• assessed, with the assistance of actuarial specialists within the firm of the component auditor, whether the selection of the methodology used in the loss recognition testing complied with U.S. generally accepted accounting principles and was also consistent with general actuarial practices;

• assessed, with the assistance of actuarial specialists within the firm of the component auditor, whether the incident rates and the claims termination rates used in the loss recognition testing were appropriate; and

• evaluated the reliability of underlying information used to estimate future cash flows in the loss recognition testing.</td></tr>
</table>

consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	

Other Information

The other information comprises the information included in the disclosure documents that contain or accompany the audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

We do not perform any work on the other information as we determine such information does not exist.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provisions of the Insurance Business Act and its related regulations thereunder and in conformity with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the executive officers and directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. 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 consolidated financial statements.

As part of our 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 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group'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 Group'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 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 Group to cease to continue as a going concern.

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

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and 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.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Group for the current year are 1,801 million yen and 346 million yen, respectively.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2026 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note "I. Basis of Presentation" to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Michitaka Shishido
Designated Engagement Partner
Certified Public Accountant

Takanobu Miwa
Designated Engagement Partner
Certified Public Accountant

Hiroki Kobayashi
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
August 3, 2026

Notes to the Reader of Independent Auditor's Report:
This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries
Consolidated Balance Sheets

As of March 31	Millions of Yen 2025	Millions of Yen 2026	Millions of U.S. Dollars 2026
ASSETS:			
Cash and deposits (*3)	¥ 1,093,824	¥ 917,307	$ 5,737
Call loans	165,000	236,800	1,481
Monetary claims bought	149,806	142,957	894
Money held in trust	130,232	231,832	1,450
Securities (*1, *2, *3, *5)	42,844,964	46,903,005	293,363
Loans (*3, *6, *7)	5,761,005	5,996,924	37,508
Tangible fixed assets (*8, *14)			
Land	648,301	682,923	4,271
Buildings	287,607	299,036	1,870
Leased assets	1,236	7,682	48
Construction in progress	37,714	65,382	408
Other tangible fixed assets	9,421	11,065	69
Subtotal	984,281	1,066,089	6,668
Intangible fixed assets			
Software	83,393	111,671	698
Goodwill	144,922	636,788	3,982
Other intangible fixed assets	385,865	482,806	3,019
Subtotal	614,181	1,231,266	7,701
Due from agents	1,466	10,700	66
Reinsurance receivables	219,032	233,233	1,458
Other assets	937,855	1,402,074	8,769
Net defined benefit assets	525,685	724,053	4,528
Deferred tax assets	6,090	5,000	31
Customers' liabilities under acceptances and guarantees	4,766	4,812	30
Allowance for possible loan losses	(6,893)	(7,542)	(47)
Total assets	¥ 53,431,299	¥ 59,098,516	$ 369,642

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries
Consolidated Balance Sheets (continued)

As of March 31	Millions of Yen 2025	Millions of Yen 2026	Millions of U.S. Dollars 2026
LIABILITIES:			
Policy reserves and other reserves			
Reserve for outstanding claims	¥ 928,148	¥ 929,416	$ 5,813
Policy reserves	39,548,212	43,197,985	270,190
Policyholders' dividend reserves (mutual company) (*9)	292,516	297,795	1,862
Policyholders' dividend reserves (limited company) (*10)	—	798	4
Subtotal	**40,768,878**	**44,425,995**	**277,870**
Due to agents	**8,931**	**12,149**	**75**
Reinsurance payables	**134,510**	**142,315**	**890**
Bonds payable (*11)	**1,207,793**	**1,298,037**	**8,118**
Other liabilities			
Payables under securities borrowing transactions	3,246,009	2,274,352	14,225
Other liabilities (*12)	1,199,195	1,930,705	12,075
Subtotal	**4,445,205**	**4,205,057**	**26,301**
Net defined benefit liabilities	**8,900**	**9,526**	**59**
Reserve for price fluctuation	**1,173,695**	**1,144,726**	**7,159**
Deferred tax liabilities	**433,691**	**1,033,619**	**6,464**
Deferred tax liabilities for land revaluation (*14)	**78,575**	**79,310**	**496**
Acceptances and guarantees	**4,766**	**4,812**	**30**
Total liabilities	**48,264,946**	**52,355,552**	**327,467**
NET ASSETS:			
Reserve for redemption of foundation funds	**980,000**	**980,000**	**6,129**
Reserve for revaluation	**452**	**452**	**2**
Surplus	**199,878**	**167,760**	**1,049**
Total funds, reserve and surplus	**1,180,331**	**1,148,213**	**7,181**
Net unrealized gains (losses) on available-for-sale securities	**3,378,442**	**4,970,200**	**31,087**
Deferred unrealized gains (losses) on derivatives under hedge accounting	**(92,480)**	**(147,699)**	**(923)**
Land revaluation differences (*14)	**121,149**	**123,067**	**769**
Foreign currency translation adjustments	**292,845**	**275,069**	**1,720**
Remeasurements of defined benefit plans	**228,119**	**324,422**	**2,029**
Net unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries	**57,944**	**43,580**	**272**
Total accumulated other comprehensive income	**3,986,021**	**5,588,640**	**34,955**
Non-controlling interests	**—**	**6,109**	**38**
Total net assets	**5,166,352**	**6,742,964**	**42,175**
Total liabilities and net assets	**¥ 53,431,299**	**¥ 59,098,516**	**$ 369,642**

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries
Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income
[Consolidated Statements of Income]

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31	2025	2026	2026
ORDINARY INCOME:			
Insurance premiums and other	¥ 3,413,571	¥ 4,528,705	$ 28,325
Investment income			
Interest, dividends and other income	1,380,456	1,549,429	9,691
Gains on money held in trust	—	3,356	20
Gains on sales of securities	516,070	838,710	5,245
Gains on redemption of securities	43,705	59,609	372
Foreign exchange gains	—	223,126	1,395
Other investment income	6,016	5,892	36
Investment gains on separate accounts	—	54,963	343
Subtotal	1,946,248	2,735,088	17,107
Other ordinary income			
Reversal of policy reserves	97,786	—	—
Other ordinary income	149,366	178,039	1,113
Subtotal	247,152	178,039	1,113
Total ordinary income	5,606,972	7,441,833	46,546
ORDINARY EXPENSES:			
Benefits and other payments			
Claims paid	800,163	795,451	4,975
Annuity payments	645,731	696,666	4,357
Benefit payments	720,427	777,416	4,862
Surrender benefits	1,029,643	1,426,292	8,921
Other refunds	299,199	301,942	1,888
Subtotal	3,495,164	3,997,769	25,004
Provision for policy reserves and other reserves			
Provision for reserve for outstanding claims	3,521	—	—
Provision for policy reserves	—	817,576	5,113
Provision for interest on policyholders' dividend reserves (mutual company)	36	506	3
Subtotal	3,557	818,082	5,116
Investment expenses			
Interest expenses	150,404	191,081	1,195
Losses on money held in trust	5,934	—	—
Losses on sales of securities	231,916	766,209	4,792
Losses on valuation of securities	6,697	45,845	286
Losses on redemption of securities	112	109	0
Losses on derivative financial instruments	521,600	494,801	3,094
Foreign exchange losses	84,333	—	—
Provision for allowance for possible loan losses	3,875	4,839	30
Depreciation of real estate for non-insurance business	10,497	11,223	70
Other investment expenses	49,626	49,428	309
Investment losses on separate accounts	8,557	—	—
Subtotal	1,073,555	1,563,540	9,779
Operating expenses	713,169	816,427	5,106
Other ordinary expenses (*2)	165,724	190,306	1,190
Total ordinary expenses	5,451,171	7,386,127	46,197
Ordinary profit	¥ 155,800	¥ 55,706	$ 348

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries
Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income
[Consolidated Statements of Income] (continued)

Years ended March 31	Millions of Yen 2025	Millions of Yen 2026	Millions of U.S. Dollars 2026
Extraordinary gains			
Gains on disposals of fixed assets	¥ 2,687	¥ 5,796	$ 36
Reversal of reserve for price fluctuation	—	29,082	181
Gains on sales of stocks of subsidiaries and affiliates	—	50,090	313
Gains on liquidation of subsidiaries and affiliates	505	—	—
Subtotal	**3,193**	**84,970**	**531**
Extraordinary losses			
Losses on disposals of fixed assets	8,087	13,272	83
Impairment losses (*1)	1,876	5,754	35
Provision for reserve for price fluctuation	43,062	—	—
Losses on reduction entry of real estate	—	3,217	20
Contributions for promotion of social welfare project	2,995	3,501	21
Other extraordinary losses	14	15	0
Subtotal	**56,037**	**25,762**	**161**
Provision for policyholders' dividend reserves (limited company)	**—**	**606**	**3**
Surplus before income taxes and non-controlling interests	**102,956**	**114,307**	**714**
Income taxes			
Current	**61,571**	**31,311**	**195**
Deferred	**(105,590)**	**(44,028)**	**(275)**
Total income taxes	**(44,019)**	**(12,717)**	**(79)**
Net surplus	**146,975**	**127,024**	**794**
Net loss attributable to non-controlling interests	**—**	**(226)**	**(1)**
Net surplus attributable to the Parent Company	**¥ 146,975**	**¥ 127,250**	**$ 795**

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries
Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income
[Consolidated Statements of Comprehensive Income]

Years ended March 31		Millions of Yen 2025		Millions of Yen 2026		Millions of U.S. Dollars 2026
Net surplus	¥	**146,975**	¥	**127,024**	$	**794**
Other comprehensive income (loss)		**(597,495)**		**1,600,635**		**10,011**
Net unrealized gains (losses) on available-for-sale securities		(813,894)		1,565,548		9,792
Deferred unrealized gains (losses) on derivatives under hedge accounting		(26,393)		(54,919)		(343)
Land revaluation differences		(1,707)		―		―
Foreign currency translation adjustments		126,286		(700)		(4)
Remeasurements of defined benefit plans		56,404		96,303		602
Net unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries		20,942		(5,517)		(34)
Share of other comprehensive income (loss) of associates accounted for under the equity method		40,867		(78)		(0)
Comprehensive income (loss)	¥	**(450,520)**	¥	**1,727,659**	$	**10,805**
Comprehensive income (loss) attributable to the Parent Company		(450,520)		1,727,952		10,807
Comprehensive income (loss) attributable to non-controlling interests		―		(293)		(1)

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries
Consolidated Statements of Changes in Net Assets

Year ended March 31, 2025 — Millions of Yen

	Funds, reserves and surplus				
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus	Total funds, reserves and surplus
Beginning balance	50,000	930,000	452	250,733	1,231,186
Cumulative effect of changes in accounting policy				1,906	1,906
Beginning balance after adjusting for changes in accounting policy	50,000	930,000	452	252,639	1,233,092
Changes in the fiscal year					
Additions to policyholders' dividend reserves (mutual company)				(150,958)	(150,958)
Additions to reserve for redemption of foundation funds		50,000			50,000
Payment of interest on foundation funds				(145)	(145)
Net surplus attributable to the Parent Company				146,975	146,975
Redemption of foundation funds	(50,000)				(50,000)
Reversal of reserve for fund redemption				(50,000)	(50,000)
Reversal of land revaluation differences				1,366	1,366
Net changes, excluding funds, reserves and surplus					—
Net changes in the fiscal year	(50,000)	50,000	—	(52,761)	(52,761)
Ending balance	—	980,000	452	199,878	1,180,331

	Accumulated other comprehensive income (loss)							
	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Net unrealized gains on policy reserves and other reserves of overseas subsidiaries	Total accumulated other comprehensive income	Total net assets
Beginning balance	4,174,889	(67,728)	124,222	146,673	171,714	1,871	4,551,643	5,782,829
Cumulative effect of changes in accounting policy	(11,049)	(1)				44,290	33,239	35,146
Beginning balance after adjusting for changes in accounting policy	4,163,840	(67,730)	124,222	146,673	171,714	46,161	4,584,883	5,817,975
Changes in the fiscal year								
Additions to policyholders' dividend reserves (mutual company)								(150,958)
Additions to reserve for redemption of foundation funds								50,000
Payment of interest on foundation funds								(145)
Net surplus attributable to the Parent Company								146,975
Redemption of foundation funds								(50,000)
Reversal of reserve for fund redemption								(50,000)
Reversal of land revaluation differences								1,366
Net changes, excluding funds, reserves and surplus	(785,397)	(24,750)	(3,073)	146,172	56,404	11,783	(598,861)	(598,861)
Net changes in the fiscal year	(785,397)	(24,750)	(3,073)	146,172	56,404	11,783	(598,861)	(651,623)
Ending balance	3,378,442	(92,480)	121,149	292,845	228,119	57,944	3,986,021	5,166,352

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets (continued)

Year ended March 31, 2026 — **Millions of Yen**

	Funds, reserves and surplus				
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus	Total funds, reserves and surplus
Beginning balance	―	980,000	452	199,878	1,180,331
Changes in the fiscal year					
Additions to policyholders' dividend reserves (mutual company)				(157,450)	(157,450)
Net surplus attributable to the Parent Company				127,250	127,250
Reversal of land revaluation differences				(1,918)	(1,918)
Net changes, excluding funds, reserves and surplus					―
Net changes in the fiscal year	―	―	―	(32,117)	(32,117)
Ending balance	―	980,000	452	167,760	1,148,213

	Accumulated other comprehensive income (loss)								
	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Net unrealized gains on policy reserves and other reserves of overseas subsidiaries	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Beginning balance	3,378,442	(92,480)	121,149	292,845	228,119	57,944	3,986,021	―	5,166,352
Changes in the fiscal year									
Additions to policyholders' dividend reserves (mutual company)									(157,450)
Net surplus attributable to the Parent Company									127,250
Reversal of land revaluation differences									(1,918)
Net changes, excluding funds, reserves and surplus	1,591,757	(55,218)	1,918	(17,776)	96,303	(14,364)	1,602,619	6,109	1,608,729
Net changes in the fiscal year	1,591,757	(55,218)	1,918	(17,776)	96,303	(14,364)	1,602,619	6,109	1,576,611
Ending balance	4,970,200	(147,699)	123,067	275,069	324,422	43,580	5,588,640	6,109	6,742,964

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries
Consolidated Statements of Changes in Net Assets (continued)

Year ended March 31, 2026 — **Millions of U.S. Dollars**

	Funds, reserves and surplus				
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus	Total funds, reserves and surplus
Beginning balance	—	6,129	2	1,279	7,411
Changes in the fiscal year					
Additions to policyholders' dividend reserves (mutual company)				(984)	(984)
Net surplus attributable to the Parent Company				795	795
Reversal of land revaluation differences				(11)	(11)
Net changes, excluding funds, reserves and surplus					—
Net changes in the fiscal year	—	—	—	(200)	(200)
Ending balance	—	6,129	2	1,049	7,181

	Accumulated other comprehensive income (loss)								
	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Net unrealized gains on policy reserves and other reserves of overseas subsidiaries	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Beginning balance	21,097	(578)	757	1,830	1,426	18	24,552	—	31,964
Changes in the fiscal year									
Additions to policyholders' dividend reserves (mutual company)									(984)
Net surplus attributable to the Parent Company									795
Reversal of land revaluation differences									(11)
Net changes, excluding funds, reserves and surplus	9,955	(345)	11	(111)	602	(89)	10,023	38	10,062
Net changes in the fiscal year	9,955	(345)	11	(111)	602	(89)	10,023	38	9,861
Ending balance	31,087	(923)	769	1,720	2,029	272	34,955	38	42,175

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries
Consolidated Statements of Cash Flows

Years ended March 31	Millions of Yen 2025	Millions of Yen 2026	Millions of U.S. Dollars 2026
I Cash flows from operating activities			
Surplus before income taxes and non-controlling interests	¥ 102,956	¥ 114,307	$ 714
Depreciation of real estate for non-insurance business	10,497	11,223	70
Depreciation	62,882	75,971	475
Impairment losses	1,876	5,719	35
Provision for policyholders' dividend reserves (limited company)	—	606	3
Amortization of goodwill	25,815	40,364	252
Increase (Decrease) in reserve for outstanding claims	(247,256)	(28,371)	(177)
Increase (Decrease) in policy reserves	614,844	1,020,043	6,380
Provision for interest on policyholders' dividend reserves (mutual company)	36	506	3
Increase (Decrease) in allowance for possible loan losses	(2,617)	649	4
Increase (Decrease) in net defined benefit liabilities	(118)	(128)	(0)
Increase (Decrease) in reserve for price fluctuation	43,062	(29,082)	(181)
Interest, dividends, and other income	(1,380,456)	(1,549,429)	(9,691)
Losses (Gains) on securities	94,389	(653,111)	(4,085)
Interest expenses	150,404	191,081	1,195
Foreign exchange losses (gains)	10,273	(37,318)	(233)
Losses (Gains) on tangible fixed assets	5,400	10,695	66
Investment losses (gains) on equity method	(12,865)	7,001	43
Decrease (Increase) in due from agents	35	(107)	(0)
Decrease (Increase) in reinsurance receivables	11,537	3,470	21
Decrease (Increase) in other assets (excluding those related to investing and financing activities)	(68,014)	(275,389)	(1,722)
Increase (Decrease) in due to agents	(985)	302	1
Increase (Decrease) in reinsurance payables	51,145	8,730	54
Increase (Decrease) in other liabilities (excluding those related to investing and financing activities)	(154,115)	444,698	2,781
Others, net	(32,664)	(55,451)	(346)
Subtotal	**(713,932)**	**(693,017)**	**(4,334)**
Interest, dividends, and other income received	1,336,574	1,510,789	9,449
Interest paid	(137,625)	(176,898)	(1,106)
Dividend payments to policyholders (mutual company)	(148,033)	(152,686)	(955)
Dividend payments to policyholders (limited company)	—	(253)	(1)
Income taxes paid	(58,588)	(68,094)	(425)
Net cash provided by (used in) operating activities	**¥ 278,394**	**¥ 419,839**	**$ 2,625**

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries
Consolidated Statements of Cash Flows (continued)

Years ended March 31	Millions of Yen 2025	Millions of Yen 2026	Millions of U.S. Dollars 2026
II Cash flows from investing activities			
Net decrease (increase) in deposits	¥ 27,765	¥ 9,031	$ 56
Proceeds from sales and redemption of monetary claims bought	10,386	6,777	42
Increase in money held in trust	(75,600)	(97,730)	(611)
Proceeds from decrease in money held in trust	67,800	25,966	162
Purchase of securities	(6,201,789)	(5,251,795)	(32,848)
Proceeds from sales and redemption of securities	6,279,015	6,914,426	43,247
Loans extended	(1,344,146)	(1,339,852)	(8,380)
Proceeds from collection of loans	1,113,384	1,313,510	8,215
Net increase (decrease) in cash collateral under securities borrowing / lending transactions	(333,599)	(1,023,849)	(6,403)
Total investment activities (IIa)	**(456,782)**	**556,483**	**3,480**
[I + IIa]	**(178,388)**	**976,322**	**6,106**
Purchase of tangible fixed assets	(87,746)	(121,566)	(760)
Proceeds from sales of tangible fixed assets	16,146	18,032	112
Purchase of intangible fixed assets	(84,411)	(66,092)	(413)
Acquisition of stock of subsidiaries with change in scope of consolidation	(54,543)	(417,998)	(2,614)
Net proceeds from the acquisition of stock of subsidiaries with change in scope of consolidation	—	24,826	155
Others, net	(1,359)	(6,913)	(43)
Net cash provided by (used in) investing activities	**(668,697)**	**(13,227)**	**(82)**
III Cash flows from financing activities			
Proceeds from issuance of bonds payable	560,059	—	—
Repayments of debt	(1,440)	(1,325)	(8)
Redemption of bonds payable	—	(238,310)	(1,490)
Redemption of foundation funds	(50,000)	—	—
Payment of interest on foundation funds	(145)	—	—
Others, net	(151)	(286)	(1)
Net cash provided by (used in) financing activities	**508,322**	**(239,921)**	**(1,500)**
IV Effect of foreign exchange rate changes on cash and cash equivalents	**24,820**	**5,648**	**35**
V Net increase (decrease) in cash and cash equivalents	**142,838**	**172,337**	**1,077**
VI Cash and cash equivalents at the beginning of the year	**909,889**	**1,052,728**	**6,584**
VII Cash and cash equivalents at the end of the year	**¥ 1,052,728**	**¥ 1,225,066**	**$ 7,662**

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries
Notes to the Consolidated Financial Statements

I. Basis of Presentation

MEIJI YASUDA LIFE INSURANCE COMPANY (hereafter, "the Company") has prepared the accompanying consolidated financial statements in accordance with the provisions set forth in the Japanese "Insurance Business Act" and its related accounting regulations in Japan, and in conformity with accounting principles generally accepted in Japan, which may differ in certain respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan. The accounts of overseas subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles in the respective countries of domicile. In preparing the accompanying consolidated financial statements, certain reclassifications have been made to the consolidated financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts are rounded down to the nearest million yen. As a result, the totals do not add up. The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers outside Japan, using the exchange rate prevailing at March 31, 2026, which was ¥159.88 to U.S. $1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

II. Basis for preparing consolidated financial statements

1. Consolidated subsidiaries

The number of consolidated subsidiaries was 20 and 34 as of March 31, 2025 and 2026, respectively. The main consolidated subsidiaries as of March 31, 2026 are as follows:

Meiji Yasuda General Insurance Co., Ltd. (Japan)
Meiji Yasuda Asset Management Company Ltd. (Japan)
Meiji Yasuda System Technology Company Limited (Japan)
Meiji Yasuda Trust Life Insurance Co., Ltd. (Japan)
Pacific Guardian Life Insurance Company, Limited (U.S.A.)
StanCorp Financial Group, Inc. (U.S.A.)
Meiji Yasuda America Incorporated (U.S.A.)
Meiji Yasuda North America Holdings, Inc. (U.S.A.)

The 17 companies listed below became the Company's subsidiaries and were included in the scope of consolidation in the fiscal year ended March 31, 2026.

American Heritage Life Insurance Company
American Heritage Service Company
Meiji Yasuda Trust Life Insurance Co., Ltd.
StanCorp Global Services India Private Limited
Meiji Yasuda North America Holdings, Inc. and its 12 subsidiaries

Three subsidiaries of StanCorp Financial Group, Inc. were excluded from the scope of consolidation in the fiscal year ended March 31, 2026 due to its merger with another subsidiary of StanCorp Financial Group, Inc.

Meiji Yasuda Trust Life Insurance Co., Ltd. was renamed from AEON Allianz Life Insurance Co., Ltd. on October 1, 2025.

Meiji Yasuda Life Planning Center Company, Limited is the principal non-consolidated subsidiary.

The non-consolidated subsidiaries are excluded from the scope of consolidation, due to all of them being small in scale from the perspective of total assets, sales, current profit/loss and (profit) surplus. This exclusion from consolidation would not prevent a reasonable understanding of the consolidated financial position of the Company and its subsidiaries and the results of their operations.

2. Affiliates

The number of affiliates accounted for by the equity method was 7 and 3 as of March 31, 2025 and 2026. The main affiliates accounted for by the equity method as of March 31, 2026 are as follows:

Founder Meiji Yasuda Life Insurance Co., Ltd. (China)
Thai Life Insurance Public Company Limited (Thailand)

Through the Company's acquisition of shares in Meiji Yasuda North America Holdings, Inc., Techficient Holdings, LLC was included in the scope of the equity method in the fiscal year ended March 31, 2026 as 45% of shares in Techficient Holdings, LLC are owned by a consolidated subsidiary of Meiji Yasuda North America Holdings, Inc.

TUiR Warta S.A. and its subsidiary were excluded from the scope of the equity method as the Company divested its shares in TUiR Warta S.A. in the fiscal year ended March 31, 2026.

TU Europa S.A. and two of its subsidiaries were excluded from the scope of the equity method as the Company divested its shares in TU Europa S.A. in the fiscal year ended March 31, 2026.

The non-consolidated subsidiaries (e.g., Meiji Yasuda Life Planning Center Company, Limited and others, along with certain affiliates) are excluded from the scope of the equity method due to their immaterial effect, individually and in aggregate, on the consolidated net income and consolidated surplus.

3. Fiscal year-end of consolidated subsidiaries

The fiscal year-ends of consolidated overseas subsidiaries are December 31. The financial statements used in consolidating such subsidiaries are as of their fiscal year-ends, with appropriate adjustments made for material transactions occurring between their respective fiscal year-ends and the date of the consolidated financial statements.

4. Summary of Significant Accounting Policies

(1) Securities

Securities held by the Company are classified and accounted for as follows:

a. Trading securities are stated at market value at the balance sheet date. The cost of sales is determined by the moving average method.

b. Held-to-maturity debt securities are stated at amortized cost using the moving average method and the amortization is calculated using the straight-line method.

c. Policy-reserve-matching bonds are stated at amortized cost in accordance with the Industry Audit Committee Report No. 21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry", issued by the Japanese Institute of Certified Public Accountants (JICPA). The cost of sales is determined by the moving average method and the amortization of discount/premium is calculated using the straight-line method.

d. Equity securities issued by subsidiaries and affiliates are stated at cost using the moving average method. The subsidiaries are prescribed under Article 2, Paragraph 12 of the "Insurance Business Act" and Article 13-5-2, Paragraph 3 of the "Order for Enforcement of the Insurance Business Act". The affiliates are under Paragraph 4 of the order.

e. Available-for-sale securities are stated at market value (e.g. quoted prices) at the balance sheet date. The cost of sales is determined by the moving average method. Stocks and others of which market value is not available are stated at cost using the moving average method. Unrealized gains and losses on available-for-sale securities are reported as a component of net assets in the consolidated balance sheets.

(2) Money held in trust

Money held in trust is stated at fair value.

(3) 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, individual annuities and group pensions as policy-reserve-matching bonds in accordance with the Industry Audit Committee Report No.21, "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry" issued by the JICPA.

(4) Derivative transactions

Derivative transactions are stated at fair value.

(5) Tangible fixed assets

Tangible fixed assets (excluding leased assets) owned by the Company are depreciated as follows:

a. Buildings
Calculated using the straight-line method.

b. Other tangible fixed assets
Calculated using the declining-balance method.

Tangible fixed assets are presented at cost, net of accumulated depreciation and impairment losses.

Tangible fixed assets owned by the Company's overseas consolidated subsidiaries are depreciated by mainly using the straight-line method.

Leased assets related to finance leases that do not transfer ownership to the lessees are depreciated by using the straight-line method, with the lease period being considered as useful lives of assets and residual value being set at zero.

(6) Software

Capitalized software for internal use owned by the Company and subsidiaries (included in intangible fixed assets in the consolidated balance sheets) is amortized using the straight-line method over the estimated useful lives. Intangible fixed assets owned by certain overseas consolidated subsidiaries are amortized based on each country's accounting standard, such as U.S. generally accepted accounting principles (hereafter, "U.S. GAAP").

(7) Allowance for possible loan losses

Allowance for possible loan losses of the Company is provided pursuant to its standards for self-assessment of asset quality and internal rules for write-offs of loans and allowance for possible loan losses.

For loans to borrowers that are legally bankrupt (hereafter, "bankrupt borrowers") and for loans to borrowers that are not yet legally bankrupt but substantially bankrupt (hereafter, "substantially bankrupt borrowers"), an allowance is provided based on the total amounts of the loans after deduction of charge-offs and any amounts expected to be collected through the disposal of collateral and the execution of guarantees.

For loans to borrowers that have high possibility of bankruptcy (hereafter, "borrowers with high possibility of bankruptcy"), an allowance is provided at the amount deemed necessary based on an overall solvency assessment, net of the expected collection by disposal of collateral and by executing guarantees.

For other loans, an allowance is provided by multiplying the claim amount by an anticipated default rate calculated based on the Company's actual default experience for a certain period in the past.

All loans are assessed by the department concerned based on the Company's standards for the self-assessment of asset quality and an independent department is responsible for audit of its self-assessment. The allowance for possible loan losses is provided based on the result of the assessment.

For loans with collateral to bankrupt borrowers and substantially bankrupt borrowers, the amount of loans exceeding the value of estimated recovery through disposal of collateral or execution of guarantees is deemed uncollectible and written off. The amount of loans written off for the years ended March 31, 2025 and 2026 amounted to ¥14 million and ¥9 million (U.S. $0 million), respectively.

Certain overseas consolidated subsidiaries directly deduct an allowance for possible loan losses from the assets in the consolidated balance sheets as of March 31, 2025 and 2026, respectively. The amount is as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31	**2025**	**2026**	**2026**
Securities	¥ 2,771	¥ 3,167	$ 19

Loans	18,903	15,866	99
Reinsurance receivables	1,241	1,438	8

(8) Net defined benefit liabilities and assets

Net defined benefit liabilities and assets are provided based on the estimate of retirement benefit obligations and plan assets at the balance sheet date.

Assumptions of the Company used in accounting for the defined benefit plans for the years ended March 31, 2025 and 2026 were as follows:

Years ended March 31	**2025**	**2026**
Method of attributing benefit to period of service	Benefit formula basis	Benefit formula basis
Amortization period for actuarial differences	10 years	10 years
Amortization period for past service cost	10 years	10 years

(9) Reserve for price fluctuation

Reserve for price fluctuation of the Company and the domestic consolidated insurance subsidiary is calculated pursuant to Article 115 of the “Insurance Business Act”.

(10) Foreign currency translation

Assets and liabilities denominated in foreign currencies, except for equity securities issued by unconsolidated subsidiaries and affiliates, are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Equity securities issued by unconsolidated subsidiaries and affiliates are translated into Japanese yen at the exchange rates on the dates of acquisition. Assets, liabilities, revenues and expenses of the Company's overseas consolidated subsidiaries are translated into Japanese yen at the exchange rate at the end of their fiscal year, and translation adjustments are included in "foreign currency translation adjustments" in the net assets section of the consolidated balance sheets.

(11) Method of hedge accounting

Methods of hedge accounting of the Company are in accordance with the ASBJ Statement No. 10, “Accounting Standard for Financial Instruments”. These methods consist primarily of:

- the fair value hedge accounting using forward exchange contracts to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the deferred hedge accounting using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the deferred hedge accounting using equity swaps to hedge against price fluctuation risk related to foreign stocks;
- the allocation method using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated loans as well as foreign currency denominated bonds payable issued by the Company; and
- the deferred hedge accounting using interest rate swaps to hedge against interest rate fluctuation risk related to insurance liabilities, from the year ended March 31, 2010, based on JICPA Industry Audit Committee Practical Guideline No. 26, “Accounting and Auditing Treatments related to Application of Accounting Standard for Financial Instruments in the Insurance Industry”.

Hedge effectiveness for the deferred hedge accounting to hedge against interest rate fluctuation risk related to insurance liabilities is assessed by verifying the correlation between interest rates that would be used in calculating theoretical prices of hedged items and hedging instruments.

(12) Goodwill on consolidation

Goodwill (including goodwill relating to affiliates) is amortized on the straight-line basis over 20 years. However, immaterial amounts of goodwill are expensed as incurred.

(13) Cash and cash equivalents

For the purpose of presenting the consolidated statements of cash flows, cash and cash equivalents are comprised of cash on hand, demand deposits and all highly liquid short-term investments with a maturity of three months or less when purchased, which are readily convertible into cash and present insignificant risk of change in value.

(14) Accounting for consumption taxes

National and local consumption taxes of the Company are accounted for using the tax-excluded method. Non-deductible consumption taxes are recognized as expenses for the period, except for those relating to purchases of depreciable fixed assets which are not charged to expense but deferred as other assets and amortized over a five-year period on the straight-line basis pursuant to the "Corporation Tax Act".

(15) Income Taxes

The provision for income taxes is calculated based on the pretax surplus included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying the effective income tax rates that are based on the enacted statutory rates to the temporary differences.

(16) Policy reserves

Regarding contracts for which the insurer's liability under insurance policies has started as of the end of the fiscal year, policy reserves of the Company are set aside 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", in order to prepare for future fulfilment of obligations under the insurance contracts.

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

a. Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Prime Minister (Notification of the Minister of Finance No. 48, 1996).
b. Reserves for policies not subject to the standard policy reserve requirements are calculated based on the net level premium method.

In addition, if there is deemed to be a risk of inability to fulfill future obligations in the policy reserves, which are set aside in accordance with the statement of calculation procedures approved by the Financial Services Agency, due to a significant deviation between the future cash flows estimated based on the calculation assumptions (such as the expected mortality/morbidity and the expected rate of interest) stipulated in the statement of calculation procedures and recent actual results, additional policy reserves need to be set aside pursuant to Article 69, Paragraph 5 of the "Ordinance for Enforcement of the Insurance Business Act". In accordance with this provision, the following reserves are set aside:

- The policy reserves set aside in the fiscal year ended March 31, 2015 for single premium endowment contracts concluded on or after September 2, 1995.
- The policy reserves set aside in the fiscal year ended March 31, 2018 for single premium individual annuity contracts concluded on or after April 2, 1998.
- The policy reserves for the difference arising from calculations of premium reserves using the expected rate of interest of 2.00% over 2 years beginning with the fiscal year ended March 31, 2021, for individual annuity contracts concluded on or before April 1, 1999 (excluding the single premium individual annuity policies listed above).
- The policy reserves set aside in the fiscal years ended March 31, 2015 and 2024 for variable life insurance contracts.
- The policy reserves for the difference arising from calculations of premium reserves using the expected rate of interest of 3.75% over 2 years beginning with the fiscal year ended March 31, 2025, for whole life insurance contracts concluded on or before April 1, 1994 with the expected rate of interest exceeding 3.75% at the time of signing. Although its initial plans called for setting aside this difference over 4 years, the Company completed the accumulation of additional reserves by setting aside the remaining ¥220,036 million (U.S. $1,376 million) in the fiscal year ended March 31, 2026.
- In the fiscal year ending March 31, 2027, the Company intends to set aside the difference arising from calculations of premium reserves using the expected rate of interest of 2.00% for whole life insurance contracts concluded on or before April 1, 1999 with the expected rate of interest exceeding 2.00% at the time of signing, including the above contracts whose expected rate of interest exceeds 3.75%. (This difference excludes amounts that have already been set aside in the fiscal year ended March 31, 2026 or earlier.) Although the amount of additional reserves to be set aside has yet to be finalized, the Company expects to set aside approximately ¥480,000 million in total (U.S. $3,002 million).

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 "Ordinance for Enforcement of the Insurance Business Act" to cover risks that may occur in the future in order to ensure the performance of future obligations under insurance contracts.

In the fiscal year ended March 31, 2026, the Company prioritized setting aside additional reserves associated with the whole life insurance contracts mentioned above when setting aside reserves in an amount that exceeds the minimum amount stipulated under Article 69, Paragraph 7 of the "Ordinance for Enforcement of the Insurance Business Act".

Policy reserves of certain overseas consolidated subsidiaries are recorded using the amount calculated in accordance with U.S. GAAP or the International Financial Reporting Standards.

(17) Reserve for Incurred But Not Reported (IBNR) Claims

Reserve for Incurred But Not Reported (IBNR) claims is defined as a reserve for claims and benefits for which incidents prescribed in policy clauses are incurred but not reported to the Company (hereinafter "IBNR claims"). The amount of reserve for IBNR claims can no longer be calculated appropriately by using the formula stipulated in the main text of Article 1, Paragraph 1 of the Ministry of Finance Notification No. 234 (hereinafter referred to as "IBNR Notification") in 1998, due to the May 8, 2023 termination of special treatments applied for payments of hospitalization and other benefits to policyholders in such status as "quasi hospitalization", which requires obtaining diagnosis of COVID-19 infection and undergoing treatment at accommodation facilities or their homes under the supervision of physicians or other specialists (hereinafter referred to as "quasi hospitalization"). Accordingly, the Company now records the amount of such reserve by using the following method in accordance with a proviso of Article 1, Paragraph 1 of the IBNR Notification.

(Outline of Calculation Method)
The Company first deducts the amount pertaining to quasi hospitalization from the total amount of required reserve for IBNR claims and payments of benefits and others of all fiscal years set forth in the main text of Article 1, Paragraph 1 of the IBNR Notification, and then calculates the amount of reserve for IBNR claims in the same manner as that stipulated in the main text of Article 1, Paragraph 1 of the IBNR Notification.

(18) Recognition of Insurance Premiums, Benefits and Claims, and Other Payments

Insurance premiums of the Company are, in principle, recorded for insurance contracts for which insurance premium has been received and under which the insurer's liability has commenced by the relevant amounts received.

Also, premiums which correspond to the period that is not expired at the end of the fiscal year, are set aside in the policy reserves in accordance with Article 116 of the "Insurance Business Act", and Article 69, Paragraph 1, Item 2 of the "Ordinance for Enforcement of the Insurance Business Act".

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

In addition, the Company recognizes outstanding claims with the amount of unpaid claims over the contracts for which payment obligation exists at the end of the fiscal year or for which incidents prescribed in policy clause already incurred but not reported to the Company, pursuant to Article 117 of the "Insurance Business Act" and Article 72 of the "Ordinance for Enforcement of the Insurance Business Act".

(19) Policy acquisition costs

Policy acquisition costs of the Company are expensed when incurred.

Policy acquisition costs of certain overseas consolidated subsidiaries are calculated based on each country's accounting standard, such as U.S. GAAP.

(20) Significant Accounting Estimates

Significant accounting estimates that are identified pursuant to Accounting Standards for Disclosure of Accounting Estimates (ASBJ Statement No. 31), are as follows.

a. Claim reserves of StanCorp Financial Group, Inc. (StanCorp)

The amounts of ¥761,470 million and ¥756,506 million (U.S. $4,731 million) are recorded in

Reserve for outstanding claims on the consolidated balance sheets for the fiscal years ended March 31, 2025 and 2026, respectively. Claim reserves for the long-term disability insurance, called Long-Term Disability-Disabled Life Reserves, in its group insurance business accounts for a significant portion of the reserve.

StanCorp's claim reserves are recognized at an amount calculated based on the estimated present value of unpaid claims and claim adjustment expenses as of StanCorp's balance sheet date in accordance with U.S. GAAP. While StanCorp evaluates annually whether the amount of claim reserves is appropriate, key assumptions such as claim termination rates are used for this evaluation.

Those assumptions are subject to a high degree of uncertainty and may greatly affect the future cash flow estimates to be formulated in the next fiscal year.

b. Impairment of goodwill associated with StanCorp

The balance of the goodwill recognized at the time of the acquisition of StanCorp is recorded as Goodwill of ¥101,179 million and ¥78,293 million (U.S. $489 million) on the consolidated balance sheets for the fiscal years ended March 31, 2025 and 2026, respectively. Also included on the consolidated balance sheet for the fiscal year ended March 31, 2026 is goodwill of ¥147,672 million (U.S. $923 million) recorded when StanCorp acquired American Heritage Life Insurance Company and American Heritage Service Company. The goodwill allocated to its group insurance business accounts for a significant portion.

Goodwill associated with StanCorp is recognized in the consolidated financial statements of StanCorp, and is tested for impairment by StanCorp in accordance with U.S. GAAP. In the impairment testing, StanCorp evaluates an indication of impairment in accordance with U.S. GAAP, and assesses qualitative factors to determine whether it is more likely than not that the fair value of the group insurance business is less than its carrying amount including goodwill (qualitative assessment). Additionally, StanCorp performs a quantitative impairment test based on its earnings forecast.

This evaluation uses key assumptions such as premium growth rates and the insurance benefit ratios. Those assumptions involve a high degree of uncertainty and may greatly affect the future cash flow estimates to be formulated in the next fiscal year.

As a result of the testing, no impairment losses are recognized.

c. Impairment of goodwill associated with Meiji Yasuda North America Holdings, Inc. (MYNA)

The balance of the goodwill recognized at the time of the acquisition of MYNA is recorded as Goodwill of ¥362,150 million (U.S. $2,265 million) on the consolidated balance sheet for the fiscal year ended March 31, 2026.

Goodwill arising from the acquisition of MYNA is thus recognized in the Company's consolidated balance sheet and is tested by the Company for impairment in accordance with the Japanese GAAP.

In the impairment testing, when an event or a change in the business environment suggests an indication of impairment, the Company determines whether an impairment loss should be recognized and, if so, measures the amount of such loss.

In the course of assessing an indication of impairment in connection with MYNA, the Company performed a comprehensive evaluation of (i) whether there had been any deterioration in the business environment surrounding MYNA, its operating results, and its future profit plans; (ii) whether there had been a significant decline in the market prices of the asset group; and (iii) other relevant entity-specific events and circumstances.

When an indication of impairment is recognized, the Company estimates future cash flows arising from asset groups, including goodwill, and determines whether impairment should be recognized by comparing total future cash flows and present carrying amounts of such asset groups.

When the recognition of impairment is necessary, the Company calculates the recoverable amount of asset groups, including goodwill, with the difference between their carrying amounts and recoverable amount being recorded as an impairment loss. The calculation of recoverable amount uses key assumptions such as premium growth rates and insurance benefit ratios.

Those assumptions involve a high degree of uncertainty and may greatly affect the future cash flow estimates to be formulated in the next fiscal year.

As a result of the testing, no impairment losses are recognized.

d. Impairment of the value of in-force business or the Value of Business Acquired (VOBA) at the StanCorp acquisition

The balance of the VOBA recognized at the time of the acquisition of StanCorp is recorded as ¥50,251 million and ¥45,711 million (U.S. $285 million) in Other intangible fixed assets on the consolidated balance sheets for the fiscal years ended March 31, 2025 and 2026, respectively. The balance related to the individual disability insurance business accounts for a significant portion of the VOBA.

The amount of VOBA arising from the acquisition of consolidated overseas subsidiaries is the estimated present value of future profits expected to be generated from the insurance policies held by StanCorp at the acquisition date, and is recognized in its consolidated financial statements in accordance with U.S. GAAP.

Key assumptions such as the incident rates and the claim termination rates are used for the calculation of the VOBA. In addition, the VOBA is being amortized over a certain period based on their contractual terms in proportion to future premiums.

If the assumptions listed above deteriorate, a loss equal to a decline in value of VOBA may be recognized before additional policy reserves are recognized. Accordingly, this evaluation is performed with its assessment of the sufficiency of the amount of policy reserves.

Those assumptions involve a high degree of uncertainty, and may greatly affect the future cash flow estimates to be formulated in the next fiscal year.

As a result of the testing, no impairment losses are recognized.

(Changes in accounting policies)

(For the year ended March 31, 2026)

(1) Adoption of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 944 “Financial Services—Insurance” at some consolidated overseas subsidiaries engaged in the insurance business

At the beginning of the fiscal year ended March 31, 2026, some consolidated overseas subsidiaries engaged in the insurance business adopted the FASB ASC Topic 944 “Financial Services—Insurance”. Accordingly, the Company revised methods for the accounting treatment of liabilities associated with future policy benefits, the fair-value measurement of insurance benefits with market risks, the amortization of deferred acquisition costs of insurance contracts, and other accounting processes.

The aforementioned accounting standard was retrospectively applied. Accordingly, the consolidated financial statements for the fiscal year ended March 31, 2025 have been restated retrospectively.

As a result, reversal of policy reserves for the fiscal year ended March 31, 2025 decreased ¥10,563 million (U.S. $66 million) compared with the figure before the retrospective application of the abovementioned standard. Similarly, ordinary income and surplus before income taxes and non-controlling interests decreased ¥7,522 million (U.S. $47 million) each. The adoption of this standard also resulted in the changes listed below in items for the fiscal year ended March 31, 2025: a ¥4,898 million (U.S. $30 million) decrease in intangible fixed assets; a ¥17,801 million (U.S. $111 million) decrease in reinsurance receivables; a ¥10,775 million (U.S. $67 million) decrease in other assets; a ¥4,590 million (U.S. $28 million) decrease in deferred tax assets; a ¥91,470 million (U.S. $572 million) decrease in policy reserves and other reserves; and a ¥7,588 million (U.S. $47 million) increase in deferred tax liabilities. Moreover, retained earnings and net unrealized gains (losses) on available-for-sale securities at the beginning of the above fiscal year decreased ¥67 million (U.S. $0 million) and ¥7,660 million (U.S. $47 million), respectively as the cumulative effect of this change was reflected in the beginning balance of net assets. In addition, net unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries at the beginning of the fiscal year ended March 31, 2025 increased ¥44,290 million (U.S. $277 million) due to the same reason.

(2) Adoption of the Thai Financial Reporting Standards (TFRS) No. 9 “Financial Instruments” and No. 17 “Insurance Contracts” at some affiliates accounted for by the equity method

At the beginning of the fiscal year ended March 31, 2026, some affiliates accounted for by the equity method adopted TFRS No. 9 “Financial Instruments” and No. 17 “Insurance Contracts”. Following this change, the Company now measures the value of policy reserves and other reserves to reflect the time value of money, and financial risks and uncertainties associated with cash flows arising from insurance policies.

Due to the retrospective application of TFRS No. 9 and No. 17, the consolidated financial statements for the fiscal year ended March 31, 2025 have been restated retrospectively.

As a result, ordinary income and surplus before income taxes and non-controlling interests for the fiscal year ended March 31, 2025 decreased ¥596 million (U.S. $3 million) each compared with the figures before the retrospective application of TFRS No. 9 and No. 17. The adoption of TFRS No. 9 and No. 17 also resulted in a ¥10,096 million (U.S. $63 million) increase in securities for the fiscal year ended March 31, 2025. Moreover, retained earnings at the beginning of the above fiscal year increased ¥1,973 million (U.S. $12 million) as the cumulative effect of this change was reflected in the beginning balance of net assets. In addition, net unrealized gains (losses) on available-for-sale securities and deferred unrealized gains (losses) on derivatives under hedge accounting at the beginning of the above fiscal year decreased ¥3,388 million (U.S. $21 million) and ¥1 million (U.S. $0 million), respectively, due to the same reason.

(Accounting standards and guidance not yet adopted)

The following accounting standard and guidance have been issued but not yet adopted: "Accounting Standard for Leases" (ASBJ Statement No. 34: September 13, 2024) and "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33: September 13, 2024). This accounting standard, along with its implementation guidance, stipulates the accounting treatment of recognizing assets and liabilities for all leases of the lessee, similar to international accounting standards. The Company plans to adopt the standard and guidance above from the fiscal year ending March 31, 2028 onward, with the resulting effect of the adoption now being evaluated.

III. Notes to Consolidated Balance Sheets

*1. Securities Lending

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥6,715,142 million and ¥6,122,724 million (U.S. $38,295 million) as of March 31, 2025 and 2026, respectively.

*2. Securities sold under Repurchase Agreements

Securities sold under repurchase agreements amounted to ¥248,244 million and ¥236,275 million (U.S. $1,477 million) as of March 31, 2025 and 2026, respectively.

*3. Pledged Assets

Assets pledged as collateral were cash and deposits in the amount of ¥1,373 million and ¥17,082 million (U.S. $106 million), securities in the amounts of ¥370,286 million and ¥1,015,055 million (U.S. $6,348 million), and loans in the amounts of ¥271,180 million and ¥298,657 million (U.S. $1,868 million) as of March 31, 2025 and 2026, respectively. Also included in assets pledged as collateral as of March 31, 2026, are other assets in the amount of ¥47 million (U.S. $0 million). The amount of secured liabilities totaled ¥390,593 million (U.S. $2,443 million) as of March 31, 2026.

4. Rights to disposal

Assets, which can be freely disposed of, but are not recorded in the Company's consolidated balance sheets as of March 31, 2025 and 2026 are as follows: cash collateral totaling ¥11,604 million and ¥231,891 million (U.S. $1,450 million), which were accepted via securities lending transactions; and securities totaling ¥12,186 million and ¥234,220 million (U.S. $1,464 million), which were borrowed via securities borrowing transactions. Cash collateral was entirely loaned, while borrowed securities were entirely held by the Company.

*5. Equity Securities issued by Unconsolidated Subsidiaries and Affiliates

The total amounts of equity securities issued by unconsolidated subsidiaries and affiliates were ¥350,244 million and ¥360,660 million (U.S. $2,255 million) as of March 31, 2025 and 2026, respectively.

*6. Loans

The amounts of risk-monitored loans, which comprised (1) bankrupt and quasi-bankrupt loans, (2) doubtful loans, (3) loans in arrears for three months or longer and (4) restructured loans, were ¥52,310 million and ¥47,313 million (U.S. $295 million) as of March 31, 2025 and 2026, respectively.

The amounts of bankrupt and quasi-bankrupt loans were ¥377 million and ¥323 million (U.S. $2 million) as of March 31, 2025 and 2026, respectively.

The amounts of loans deemed uncollectible and directly deducted from the loans in the consolidated balance sheet as of March 31, 2025 and 2026 were ¥14 million and ¥9 million (U.S. $0 million) for bankrupt and quasi-bankrupt loans, respectively.

Bankrupt and quasi-bankrupt loans are loans to borrowers that have been found or are likely to be found legally bankrupt through filings for the commencement of bankruptcy, corporate reorganization or civil rehabilitation proceedings, and loans to borrowers of similar status.

The amounts of doubtful loans were ¥5,130 million and ¥14,948 million (U.S. $93 million) as of March 31, 2025 and 2026, respectively.

Doubtful loans are loans with a high probability of failure in the receipt of principal or interest under terms of the loan agreement due to the borrower's deteriorated financial status and/or business performance even though the borrower has yet to enter the state of bankruptcy. These loans do not include bankrupt and quasi-bankrupt loans.

The amounts of loans in arrears for three months or longer were ¥125 million and ¥111 million (U.S. $0 million) as of March 31, 2025 and 2026, respectively.

Loans in arrears for three months or longer represent the loans on which payments of principal or interest are past due over three months from the day following the contractual due date. These loans do not include bankrupt and quasi-bankrupt loans or doubtful loans.

The amounts of restructured loans were ¥46,677 million and ¥31,930 million (U.S. $199 million) as of March 31, 2025 and 2026, respectively.

Restructured loans represent the loans which have been restructured to provide relief to the borrowers by reducing or waiving interest payments, by rescheduling repayments of principal or payments of interest, or by waiving claims for borrowers in order to support their recovery from financial difficulties. Restructured loans do not include bankrupt and quasi-bankrupt loans, doubtful loans, or loans in arrears for three months or longer.

*7. Loan Commitments

The amounts of loan commitments outstanding were ¥165,223 million and ¥195,499 million (U.S. $1,222 million) as of March 31, 2025 and 2026, respectively.

*8. Accumulated Depreciation

Accumulated depreciation of tangible fixed assets amounted to ¥510,008 million and ¥519,216 million (U.S. $3,247 million) as of March 31, 2025 and 2026, respectively.

*9. Policyholders' Dividend Reserves (Mutual Company)

Changes in policyholders' dividend reserves for the years ended March 31, 2025 and 2026 were as follows:

Years ended March 31	Millions of Yen 2025	2026	Millions of U.S. Dollars 2026
Balance at the beginning of the fiscal year	¥ 289,545	¥ 292,516	$ 1,829
Transfer from surplus in the previous fiscal year	150,958	157,450	984
Dividend payments to policyholders (mutual company) during the fiscal year	(148,033)	(152,686)	(955)
Interest accrued during the fiscal year	46	514	3
Balance at the end of the fiscal year	292,516	297,795	1,862

*10. Policyholders' Dividend Reserves (Limited Company)

Changes in policyholders' dividend reserves for the years ended March 31, 2025 and 2026 were as follows:

Years ended March 31	Millions of Yen 2025	2026	Millions of U.S. Dollars 2026
Balance at the beginning of the fiscal year	¥ –	¥ –	$ –
Dividend payments to policyholders (limited company) during the fiscal year	–	(253)	(1)
Interest accrued during the fiscal year	–	–	–
Provision for policyholders' dividend reserves (limited company)	–	606	3
Increase due to change in the scope of consolidation	–	444	2
Balance at the end of the fiscal year	–	798	4

*11. Subordinated Bonds

As of March 31, 2025 and 2026, bonds payable in liabilities consisted entirely of yen-denominated subordinated bonds and foreign currency-denominated subordinated bonds, the repayments of which are subordinated to other obligations.

*12. Subordinated Borrowings

As of March 31, 2025 and 2026, other liabilities in liabilities included subordinated borrowings of ¥271,600 million and ¥271,600 million (U.S. $1,698 million), respectively, the repayments of which are subordinated to other obligations.

13. Separate Accounts

The total amounts of assets held in separate accounts defined in Article 118, Paragraph 1 of the "Insurance Business Act" were ¥549,347 million and ¥563,855 million (U.S. $3,526 million) as of March 31, 2025 and 2026, respectively. The amounts of separate account liabilities were the same as these figures.

*14. Revaluation of land

The Company revalued certain parcels of land owned for operational use as of March 31, 2000, as permitted by the "Act on Revaluation of Land".

The difference in value before and after revaluation is directly included in net assets in the consolidated balance sheets and presented as land revaluation differences, after net of income taxes which is presented as deferred tax liabilities for land revaluation in the consolidated balance sheets. As a revaluation method stipulated in Article 3, Paragraph 3 of the act, the Company used the publicly announced appraisal value with certain adjustments (detailed in Article 2, Item 1 of the "Order for Enforcement of the Act on Revaluation of Land") for the revaluation.

The Company also revalued certain parcels of land acquired from former Yasuda Mutual Life Insurance Company upon the merger on January 1, 2004 as of March 31, 2001, as permitted by the act. As a revaluation method stipulated in Article 3, Paragraph 3 of the act, the former company used the publicly announced appraisal value with certain adjustments (detailed in Article 2, Item 1 of the order) and appraisal value (detailed in Article 2, Item 5 of the order) for the revaluation.

IV. Notes to Consolidated Statements of Income

*1. Impairment of Assets

The details of the impairment losses on assets are as follows:

(1) Method for grouping the assets

The Company and certain consolidated subsidiaries group all the assets held and utilized mainly for the insurance business as one asset group for the impairment test.
For real estate for non-insurance business and idle assets, each asset is treated as an independent unit for the impairment test.

(2) Description of impairment losses recognized

For the years ended March 31, 2025 and 2026, the Company recognized impairment losses on real estate for non-insurance business that experienced a significant deterioration of profitability and on the idle assets that experienced a significant decline in fair value. For these assets, the Company reduced the carrying amount to a recoverable amount which is either fair value less costs to dispose or value-in-use, and recognized impairment losses as extraordinary losses in the consolidated statements of income.

(3) Details of assets resulting in impairment losses

For the year ended March 31, 2025

Asset group	Number of properties impaired	Land	Buildings	Millions of Yen Total
Real estate for non-insurance business	1	¥ 304	¥ 1,082	¥ 1,386
Idle assets	5	161	327	489
Total	6	466	1,410	1,876

For the year ended March 31, 2026

Asset group	Number of properties impaired	Millions of Yen Land	Buildings	Software	Total
Assets held and utilized for insurance business	1	¥ –	¥ –	¥ 433	¥ 433
Real estate for non-insurance business	0	–	–	–	–
Idle assets	7	127	117	5,076	5,320
Total	8	127	117	5,510	5,754

For the year ended March 31, 2026

Asset group	Millions of U.S. Dollars Land	Buildings	Software	Total
Assets held and utilized for insurance business	$ –	$ –	$ 2	$ 2
Real estate for non-insurance business	–	–	–	–
Idle assets	0	0	31	33
Total	0	0	34	35

(4) Calculation method of recoverable amounts

The recoverable amounts are determined at value in use or net realizable value, depending on asset types. Value in use is mainly determined as the estimated net future cash flows, reflecting the volatility risk, discounted at 1.77% for both years ended March 31, 2025 and 2026. Net realizable value is calculated based on the appraisal value with reference to “Real Estate Appraisal Standards” or the publicly announced appraisal value.

*2. Amortization of Goodwill Equivalent

Based on the provisions of Paragraph 32 of Transferred Guidance No.4 “Practical Guidelines on the Procedures to Consolidate Equity Accounts in Consolidated Financial Statements”, which is applied by mutatis mutandis in Paragraph 9 of Transferred Guidance No.7 “Practical Guidelines on the Preparation of the Equity Method of Accounting”, the Company recognized a one-time amortization of goodwill equivalent related to some affiliates in the amount of ¥26,992 million (U.S. $168 million) and disclosed it in “Investment losses by equity method” within other ordinary expenses.

V. Notes to Consolidated Statements of Comprehensive Income

The components of other comprehensive income (reclassification adjustments and income tax effects relating to other comprehensive income) for the years ended March 31, 2025 and 2026 were as follows:

Years ended March 31	Millions of Yen 2025	2026	Millions of U.S. Dollars 2026
Net unrealized gains (losses) on available-for-sale securities:			
Amount arising during the fiscal year	¥ (856,164)	¥ 2,843,448	$ 17,784
Reclassification adjustments	(208,035)	(651,187)	(4,072)
Before income taxes and tax effect	(1,064,199)	2,192,260	13,711

adjustments			
Income taxes and tax effects	250,305	(626,711)	(3,919)
Net unrealized gains (losses) on available-for-sale securities	(813,894)	1,565,548	9,792
Deferred unrealized gains (losses) on derivatives under hedge accounting:			
Amount arising during the fiscal year	¥ (45,511)	¥ (108,263)	$ (677)
Reclassification adjustments	7,163	31,041	194
Before income taxes and tax effect adjustments	(38,347)	(77,221)	(482)
Income taxes and tax effects	11,953	22,301	139
Deferred unrealized gains (losses) on derivatives under hedge accounting	(26,393)	(54,919)	(343)
Land revaluation differences:			
Amount arising during the fiscal year	¥ ―	¥ ―	$ ―
Reclassification adjustments	―	―	―
Before income taxes and tax effect adjustments	―	―	―
Income taxes and tax effects	(1,707)	―	―
Land revaluation differences	(1,707)	―	―
Foreign currency translation adjustments:			
Amount arising during the fiscal year	¥ 126,286	¥ (700)	$ (4)
Reclassification adjustments	―	―	―
Before income taxes and tax effect adjustments	126,286	(700)	(4)
Income taxes and tax effects	―	―	―
Foreign currency translation adjustments	126,286	(700)	(4)
Remeasurements of defined benefit plans:			
Amount arising during the fiscal year	¥ 106,944	¥ 177,711	$ 1,111
Reclassification adjustments	(25,081)	(41,657)	(260)
Before income taxes and tax effect adjustments	81,863	136,053	850
Income taxes and tax effects	(25,458)	(39,749)	(248)
Remeasurements of defined benefit plans	56,404	96,303	602
Net unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries:			
Amount arising during the fiscal year	¥ 26,509	¥ (6,984)	$ (43)
Reclassification adjustments	―	―	―
Before income taxes and tax effect adjustments	26,509	(6,984)	(43)
Income taxes and tax effects	(5,566)	1,466	9
Net unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries	20,942	(5,517)	(34)
Share of other comprehensive income of affiliates accounted for by the equity method:			
Amount arising during the year	¥ 46,844	¥ 39,259	$ 245
Reclassification adjustments	(5,977)	(39,338)	(246)
Share of other comprehensive income of affiliates accounted for by the equity method	40,867	(78)	(0)
Total other comprehensive income	(597,495)	1,600,635	10,011

VI. Notes to Consolidated Statements of Changes in Net Assets

1. Foundation Funds

Foundation funds serve as the primary source of capital for Japanese mutual life insurance companies. These funds are similar to loans, as interest payments, maturity dates and other items must be established at the time of the offering. In the event of a bankruptcy or similar development, repayment of the principal and interest of foundation funds is subordinated to the repayment of amounts owed to ordinary creditors and insurance claims and benefit payments owed to policyholders. Upon redemption of foundation funds, mutual companies are required to make an addition to the reserve for redemption of foundation funds, which serves as retained earnings, equal to the amount redeemed. As a result, the full amount of foundation funds remains in net assets even after redemption.

Having redeemed foundation funds totaling ¥50,000 million in the fiscal year ended March 31, 2025, the Company has transferred reserves for fund redemption of the same amount to reserve for redemption of foundation funds as defined under Article 56 of the “Insurance Business Act.”

VII. Notes to Consolidated Statements of Cash Flows

1. Cash and Cash Equivalents

The components of cash and cash equivalents in the consolidated statements of cash flows as of March 31, 2025 and 2026 were as follows:

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2025**	**2026**	**2026**
Cash and deposits	¥ 1,093,824	¥ 917,307	$ 5,737
Time deposits (over 3 months)	(221,950)	(212,918)	(1,331)
Call loans	165,000	236,800	1,481
Money held in trust (maturities within 3 months)	12,100	8,800	55
Securities (maturities within 3 months from the date of acquisition)	3,754	275,078	1,720
Cash and cash equivalents	1,052,728	1,225,066	7,662

2. Breakdown of assets and liabilities of newly consolidated subsidiaries as a result of the acquisition of shares

As a result of the acquisition of shares associated with the consolidation of subsidiaries, the breakdown of the assets and liabilities at the beginning of the consolidation and the relationship between the acquisition price and net cash flow for the acquisition were as follows:

(1) Anthem Life Insurance Company, Anthem Life & Disability Insurance Company and Greater Georgia Life Insurance Company

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2025**	**2026**	**2026**

Assets	¥ 208,841	¥ ―	$ ―
Cash and deposits	36,483	―	―
Liabilities	(117,814)	―	―
Policy reserves and other reserves	(106,422)	―	―
Consideration for the acquisition	91,026	―	―
Cash and cash equivalents included in acquired assets	(36,483)	―	―
Net expenditures in the acquisition of stock of subsidiaries with change in scope of consolidation	54,543	―	―

(2) American Heritage Life Insurance Company and American Heritage Service Company

		Millions of Yen	Millions of U.S. Dollars
As of March 31	**2025**	**2026**	**2026**
Assets	¥ ―	¥ 626,752	$ 3,920
Cash and deposits	―	7,379	46
Liabilities	―	(325,001)	(2,032)
Policy reserves and other reserves	―	(309,780)	(1,937)
Consideration for the acquisition	―	301,751	1,887
Cash and cash equivalents included in acquired assets	―	(7,379)	(46)
Net expenditures in the acquisition of stock of subsidiaries with change in scope of consolidation	―	294,371	1,841

(3) Meiji Yasuda Trust Life Insurance Co., Ltd.

		Millions of Yen	Millions of U.S. Dollars
As of March 31	**2025**	**2026**	**2026**
Assets	¥ —	¥ 117,502	$ 734
Cash and deposits	—	71,615	447
Liabilities	—	(62,610)	(391)
Policy reserves and other reserves	—	(37,134)	(232)
Non-controlling interests	—	(6,403)	(40)
Consideration for the acquisition	—	48,488	303
Cash and cash equivalents included in acquired assets	—	(73,315)	(458)
Net proceeds from the acquisition of stock of subsidiaries with change in scope of consolidation	—	24,826	155

(4) Meiji Yasuda North America Holdings, Inc.

		Millions of Yen	Millions of U.S. Dollars
As of March 31	**2025**	**2026**	**2026**
Assets	¥ —	¥ 2,913,798	$ 18,224
Cash and deposits	—	974	6
Liabilities	—	(2,505,123)	(15,668)
Policy reserves and other reserves	—	(2,033,636)	(12,719)
Foreign currency translation adjustments	—	(19,475)	(121)
Consideration for the acquisition	—	389,199	2,434
Cash and cash equivalents included in acquired assets	—	(261,680)	(1,636)
Accounts payable	—	(3,892)	(24)
Net expenditures in the acquisition of stock of subsidiaries with change in scope of consolidation	—	123,626	773

Note: The amounts presented above are estimates.

VIII. Financial Instruments

1. Qualitative information on financial instruments

The Company develops the asset and liability management based on surplus, and it monitors a surplus derived from the difference between the economic values of assets and liabilities as a measure of financial soundness, in order to manage its investment assets in general accounts (excluding the assets of the separate account prescribed in Article 118, Paragraph 1 of the "Insurance Business Act").

Based on this risk management, the Company mainly invests in securities and loans. Securities held primarily consist of bonds, stocks and investment trusts. Loans primarily consist of loans to domestic corporate borrowers. Securities held by certain overseas consolidated subsidiaries primarily consist of bonds, and loans primarily consist of loans to overseas borrowers.

Derivatives are mainly used for hedging activities as a primary method of hedging against invested asset risk, insurance liability risk and bonds payable risk.

Methods of hedge accounting are in accordance with the ASBJ Statement No. 10, "Accounting Standard for Financial Instruments". These methods consist primarily of:

- the fair value hedge accounting using forward exchange contracts to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the deferred hedge accounting using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the deferred hedge accounting using equity swaps to hedge against price fluctuation risk related to foreign stocks;
- the allocation method using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated loans as well as foreign currency denominated bonds payable issued by the Company; and
- the deferred hedge accounting using interest rate swaps to hedge against interest rate fluctuation risk related to insurance liabilities.

Securities held by the Company and certain overseas consolidated subsidiaries are exposed to market risk (interest rate fluctuation risk, exchange rate fluctuation risk and price fluctuation risk) and credit risk. Loans are exposed to credit risk, interest rate fluctuation risk and exchange rate fluctuation risk. Derivative transactions are exposed to market risk and credit risk.

Some of the bonds payable of the Company and certain overseas consolidated subsidiaries which are denominated in foreign currencies are exposed to exchange rate fluctuation risk.

With regard to the interest rate fluctuation risk management, the Company manages the fluctuation risk on the basis of economic values from a surplus management perspective, by purchasing super long-term bonds to keep asset duration stable and using interest rate swaps for the interest rate risk hedge against insurance liabilities.

To manage the exchange rate fluctuation risk, the Company hedges against exchange rate fluctuation using forward exchange contracts where necessary for appropriate controls of exchange rate fluctuation risk.

To manage price fluctuation risk and other market risks, the Company performs integrated management for outstanding balances and the profit and loss situation of securities and derivative transactions and also monitors loss limits to minimize unexpected losses.

In addition to the Value at Risk (VaR) method to measure the maximum expected loss, the Company performs stress tests periodically to simulate conditions that might arise in the event of sharp market fluctuations that exceed normal forecasts.

The profit and loss status and compliance with these procedures are monitored by the investment risk management department, reported regularly (or immediately in urgent cases) to the risk management verification committee and, on important matters, reported directly to the Board of Directors and Committees.

To manage credit risk, the Company carefully identifies risks in each transaction and limits investments to those that are assessed to be of high quality.

Where credit risk assessment is particularly important regarding corporate loans, the credit risk management department ensures that a rigorous screening system is in place, and monitors borrowers and internal credit ratings using corporate screening methods. The Company follows careful discussions by the Investment Council to make decisions on highly important deals.

Further, the Company sets exposure limits based on counterparties' creditworthiness to ensure that risk is not concentrated among certain companies or groups, and diversifies investments.

With regard to derivative transactions, the Company limits risk by setting up policies and establishing limits by the type of transaction and by each counterparty. At the same time, a system of internal checks is in place by segregating the departments executing the transactions from the administrative departments to ensure risk management is on an appropriate footing.

2. Fair value of financial instruments

The amounts of the principal financial assets and liabilities reported in the consolidated balance sheets at the end of the fiscal years ended March 31, 2025 and 2026, their fair values and the differences between them, were as presented in the following table. In addition, notes for cash are omitted. Moreover, the Company omitted notes for deposits other than CDs; money held in trust that is jointly invested and has a nature similar to deposits; payables under repurchase agreements; and payables under securities borrowing transactions, because these instruments are being settled over the short term and, therefore, their fair value approximates book value.

			Millions of Yen
As of March 31			**2025**
	Balance sheet amount	**Fair value**	**Difference**
Deposits	¥ 32,993	¥ 32,993	¥ —
Available-for-sale securities (CDs)	32,993	32,993	—
Monetary claims bought	149,806	141,345	(8,461)
Held-to-maturity debt securities	145,799	137,338	(8,461)
Available-for-sale securities	4,006	4,006	—
Money held in trust	111,332	111,332	—
Available-for-sale securities	111,332	111,332	—
Securities	42,567,966	41,044,906	(1,523,060)
Trading securities	2,411,863	2,411,863	—
Held-to-maturity debt securities	2,903,469	2,986,779	83,310
Policy-reserve-matching bonds	15,049,301	13,493,303	(1,555,998)
Stocks of subsidiaries and affiliates	148,009	97,636	(50,372)
Available-for-sale securities	22,055,323	22,055,323	—
Loans	5,761,005	5,668,030	(92,975)
Policy loans	156,257	156,257	—
Industrial and consumer loans	5,604,748	5,511,772	(92,975)
Allowance for possible loan losses (*1)	(5,405)	—	—
	5,755,600	5,668,030	(87,570)
Bonds payable	1,207,793	1,191,060	(16,732)
Borrowings	271,600	249,836	(21,763)
Derivative financial instruments (*2)	(83,694)	(83,694)	—

Hedge accounting is not applied	49,906	49,906	—
Hedge accounting is applied	(133,600)	(133,600)	—

(*1) The amounts are general allowance for possible losses on loans and specific allowance for possible loan losses related to the loans.
(*2) The amounts of receivables and payables arising from derivative transactions are shown as net amounts.
(*3) In accordance with Paragraph 5 of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19) and Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31), unlisted stocks and others of which market value is not available are not included in securities presented in the above table concerning the fair value of financial instruments and the table concerning the fair value hierarchy of financial instruments. Investments in capital partnerships are similarly excluded from the table for the same reason.

The amount of stocks and others of which market value is not available, as reported in the consolidated balance sheets, was ¥238,538 million as of March 31, 2025. Of this, the amount of stocks of subsidiaries and affiliates was ¥202,235 million, as of March 31, 2025. The amount of investments in capital partnerships reported in the consolidated balance sheets totaled ¥38,459 million as of March 31, 2025.

The amount of impairment losses on unlisted stocks and others of which market value is not available and investments in capital partnerships was ¥159 million, for the year ended March 31, 2025.

As of March 31	Millions of Yen			Millions of U.S. Dollars		
	2026			2026		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Deposits	¥ 64,980	¥ 64,980	¥ —	$ 406	$ 406	$ —
Available-for-sale securities (CDs)	64,980	64,980	—	406	406	—
Monetary claims bought	142,957	128,915	(14,042)	894	806	(87)
Held-to-maturity debt securities	139,703	125,661	(14,042)	873	785	(87)
Available-for-sale securities	3,254	3,254	—	20	20	—
Money held in trust	214,332	213,558	(774)	1,340	1,335	(4)
Trading securities	4,345	4,345	—	27	27	—
Policy-reserve-matching bonds	11,250	10,476	(774)	70	65	(4)
Available-for-sale securities	198,736	198,736	—	1,243	1,243	—
Securities	46,615,661	44,437,681	(2,177,980)	291,566	277,943	(13,622)
Trading securities	4,611,936	4,611,936	—	28,846	28,846	—
Held-to-maturity debt securities	2,880,634	2,792,535	(88,099)	18,017	17,466	(551)
Policy-reserve-matching bonds	14,455,586	12,420,009	(2,035,576)	90,415	77,683	(12,731)
Stocks of subsidiaries and affiliates	152,688	98,383	(54,304)	955	615	(339)
Available-for-sale securities	24,514,815	24,514,815	—	153,332	153,332	—
Loans	5,996,924	5,840,539	(156,385)	37,508	36,530	(978)
Policy loans	162,260	162,260	—	1,014	1,014	—
Industrial and consumer loans	5,834,664	5,678,278	(156,385)	36,494	35,515	(978)
Allowance for possible loan losses (*1)	(6,251)	—	—	(39)	—	—
	5,990,673	5,840,539	(150,133)	37,469	36,530	(939)
Bonds payable	1,298,037	1,239,507	(58,530)	8,118	7,752	(366)
Borrowings	308,920	282,761	(26,158)	1,932	1,768	(163)
Derivative financial instruments (*2)	(392,470)	(392,470)	—	(2,454)	(2,454)	—
Hedge accounting is not applied	25,784	25,784	—	161	161	—

Hedge accounting is applied	(418,255)	(418,255)	−	(2,616)	(2,616)	−

(*1) The amounts are general allowance for possible losses on loans and specific allowance for possible loan losses related to the loans.
(*2) The amounts of receivables and payables arising from derivative transactions are shown as net amounts.
(*3) In accordance with Paragraph 5 of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19) and Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31), unlisted stocks and others of which market value is not available are not included in securities presented in the above table concerning the fair value of financial instruments and the table concerning the fair value hierarchy of financial instruments. Investments in capital partnerships are similarly excluded from the table for the same reason.

The amount of stocks and others of which market value is not available, as reported in the consolidated balance sheets, was ¥244,244 million (U.S. $1,527 million) as of March 31, 2026. Of this, the amount of stocks of subsidiaries and affiliates was ¥207,971 million (U.S. $1,300 million), as of March 31, 2026. The amount of investments in capital partnerships reported in the consolidated balance sheets totaled ¥43,099 million (U.S. $269 million) as of March 31, 2026.

The amount of impairment losses on unlisted stocks and others of which market value is not available and investments in capital partnerships was ¥4 million (U.S. $0 million), for the year ended March 31, 2026.

Notes:

a. Maturity analysis of monetary claims and securities with maturities

As of March 31						Millions of Yen
						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
Deposits (CDs)	¥ 32,993	¥ —	¥ —	¥ —	¥ —	¥ —
Monetary claims bought	—	—	—	—	—	149,806
Loans*	686,006	802,354	762,335	554,086	730,594	2,068,971
Securities	716,425	2,482,009	3,087,392	3,980,544	5,561,144	16,093,815
Held-to-maturity debt securities	359,457	455,479	87,560	546,006	371,946	1,083,018
Policy-reserve-matching bonds	23,492	264,305	1,052,221	1,552,146	2,980,466	9,176,668
Available-for-sale securities with maturities	333,475	1,762,224	1,947,610	1,882,390	2,208,732	5,834,128
Total	1,435,426	3,284,364	3,849,728	4,534,630	6,291,739	18,312,593

As of March 31						Millions of Yen						Millions of U.S. Dollars
						2026						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	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
Deposits (CDs)	¥ 64,980	¥ —	¥ —	¥ —	¥ —	¥ —	$ 406	$ —	$ —	$ —	$ —	$ —
Monetary claims bought	—	—	—	—	—	142,957	—	—	—	—	—	894
Loans*	632,126	818,857	840,500	537,551	686,307	2,319,301	3,953	5,121	5,257	3,362	4,292	14,506
Securities	769,125	2,739,842	3,157,949	4,730,328	4,593,629	16,289,988	4,810	17,136	19,752	29,586	28,731	101,888
Held-to-maturity debt securities	271,203	254,993	28,595	561,813	434,193	1,329,834	1,696	1,594	178	3,513	2,715	8,317
Policy-reserve-matching bonds	48,554	628,228	1,484,807	2,005,566	2,179,698	8,108,730	303	3,929	9,287	12,544	13,633	50,717
Available-for-sale securities with maturities	449,367	1,856,620	1,644,546	2,162,948	1,979,737	6,851,422	2,810	11,612	10,286	13,528	12,382	42,853
Total	1,466,232	3,558,700	3,998,450	5,267,879	5,279,936	18,752,247	9,170	22,258	25,009	32,948	33,024	117,289

(*) Bankruptcy and reorganization claims, which are expected to be unrecoverable, are not included in this table, and they were ¥318 million and ¥20 million (U.S. $0 million) as of March 31, 2025 and 2026, respectively.
(*) Policy loans are not included because they have no defined maturity dates.

b. Maturity analysis of bonds payable and borrowings

As of March 31	Millions of Yen					
	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
Bonds payable	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 1,207,793
Borrowings	—	—	—	—	—	271,600
Total	—	—	—	—	—	1,479,393

As of March 31	Millions of Yen						Millions of U.S. Dollars					
	2026						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	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
Bonds payable	¥ —	¥ 2,424	¥ 28,283	¥ 30,162	¥ 53,333	¥ 1,183,835	$ —	$ 15	$ 176	$ 188	$ 333	$ 7,404
Borrowings	29,380	7,940	—	—	—	271,600	183	49	—	—	—	1,698
Total	29,380	10,364	28,283	30,162	53,333	1,455,435	183	64	176	188	333	9,103

3. Fair value hierarchy of financial instruments

Fair values of financial instruments are classified into three different levels of fair value hierarchy, defined as follows, in accordance with the observability and significance of input used in fair value measurements.

Level 1: Fair value measured at (unadjusted) quoted prices in active markets for the same assets or liabilities

Level 2: Fair value calculated by using directly or indirectly observable input other than Level 1

Level 3: Fair value calculated using significant unobservable input

In addition, multiple inputs that exert a significant impact on calculation results may be used in fair value measurements. In such cases, the Company classifies the fair value of assets and liabilities into the lowest level of the fair value hierarchy to which the significant inputs belong.

(1) Financial assets and liabilities whose balance sheet amounts are presented at fair value

Millions of Yen

As of March 31	2025			
Category	Fair value			
	Level 1	Level 2	Level 3	Total
Deposits (CDs)	¥ —	¥ 32,993	¥ —	¥ 32,993
Monetary claims bought	—	4,006	—	4,006
Available-for-sale securities	—	4,006	—	4,006
Money held in trust	—	111,332	—	111,332
Available-for-sale securities	—	111,332	—	111,332
Securities	11,967,070	11,864,101	90,066	23,921,238
Trading securities	2,224,443	187,419	—	2,411,863
National & local government bonds	93,629	3,073	—	96,703
Corporate bonds	—	91,699	—	91,699
Domestic stocks	100,880	—	—	100,880
Other	2,029,933	92,646	—	2,122,580
Available-for-sale securities	9,742,627	11,676,681	90,066	21,509,374
National & local government bonds	1,471,833	103,772	—	1,575,605
Corporate bonds	—	1,532,402	—	1,532,402
Domestic stocks	5,743,930	923	—	5,744,854
Other	2,526,863	10,039,582	90,066	12,656,512
Derivative financial instruments	654	97,837	9,330	107,822
Currency related	—	76,816	—	76,816
Interest rate related	—	7,771	—	7,771
Stock related	73	13,249	9,330	22,654
Bond related	580	—	—	580
Total assets	11,967,725	12,110,271	99,396	24,177,393
Derivative financial instruments	117	191,399	—	191,516
Currency related	—	61,461	—	61,461
Interest rate related	—	129,937	—	129,937
Stock related	66	—	—	66
Bond related	51	—	—	51
Total liabilities	117	191,399	—	191,516

(*) In accordance with Paragraph 24-7 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31: June 17, 2021), investment trusts whose fair value is deemed to coincide with net asset value per unit are not included in the above table. The amount of these investment trusts presented in the consolidated balance sheets is ¥545,948 million as of March 31, 2025. Adjustments for such investment trusts from the beginning balance to the ending balance are as presented in the following table.

Millions of Yen

For the year ended March 31, 2025	Investment trusts whose fair value is deemed to coincide with net asset value per unit in accordance with Paragraph 24-3 of the Implementation Guidance on Accounting Standard for Fair Value Measurement
Balance at the beginning of the fiscal year	¥ 459,496
Profit (loss) or other comprehensive income (loss) for the period	
Recognized as net unrealized gains (losses) on available-for-sale securities	9,952
Bought, sold and redeemed	
Bought	80,145
Sold	(3,645)
Balance at the end of the fiscal year	545,948

In addition, the main restrictions on surrender, etc. of investment trusts to which Paragraph 24-3 of the implementation guidance applies is the prohibition of voluntary surrender, etc., and the amount of such investment trusts recorded on the consolidated balance sheets was ¥545,948 million as of March 31, 2025.

As of March 31	Millions of Yen 2026				Millions of U.S. Dollars 2026			
Category	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Deposits (CDs)	¥ —	¥ 64,980	¥ —	¥ 64,980	$ —	$ 406	$ —	$ 406
Monetary claims bought	—	3,254	—	3,254	—	20	—	20
Available-for-sale securities	—	3,254	—	3,254	—	20	—	20
Money held in trust	—	203,082	—	203,082	—	1,270	—	1,270
Trading securities	—	4,345	—	4,345	—	27	—	27
Available-for-sale securities	—	198,736	—	198,736	—	1,243	—	1,243
Securities	14,685,426	13,067,963	648,570	28,401,959	91,852	81,736	4,056	177,645
Trading securities	2,865,908	1,185,692	560,335	4,611,936	17,925	7,416	3,504	28,846
National & local government bonds	72,312	1,879	—	74,192	452	11	—	464
Corporate bonds	—	85,238	—	85,238	—	533	—	533
Domestic stocks	115,761	—	—	115,761	724	—	—	724
Other	2,677,834	1,098,574	560,335	4,336,745	16,749	6,871	3,504	27,125
Available-for-sale securities	11,819,517	11,882,271	88,234	23,790,022	73,927	74,319	551	148,799
National & local government bonds	1,320,937	111,078	—	1,432,016	8,262	694	—	8,956
Corporate bonds	—	1,332,695	—	1,332,695	—	8,335	—	8,335
Domestic stocks	7,575,471	1,145	—	7,576,616	47,382	7	—	47,389
Other	2,923,108	10,437,351	88,234	13,448,693	18,283	65,282	551	84,117
Derivative financial instruments	138	52,314	19,552	72,005	0	327	122	450
Currency related	—	52,040	—	52,040	—	325	—	325
Interest rate related	—	274	7	281	—	1	0	1
Stock related	138	—	19,545	19,683	0	—	122	123
Bond related	—	—	—	—	—	—	—	—
Total assets	14,685,564	13,391,594	668,122	28,745,282	91,853	83,760	4,178	179,792
Derivative financial instruments	4,717	459,758	—	464,476	29	2,875	—	2,905
Currency related	—	270,452	—	270,452	—	1,691	—	1,691
Interest rate related	—	189,305	—	189,305	—	1,184	—	1,184
Stock related	179	—	—	179	1	—	—	1
Bond related	4,538	—	—	4,538	28	—	—	28
Total liabilities	4,717	459,758	—	464,476	29	2,875	—	2,905

(*) In accordance with Paragraph 24-7 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31: June 17, 2021), investment trusts whose fair value is deemed to coincide with net asset value per unit are not included in the above table. The amount of these investment trusts presented in the consolidated balance sheets is ¥724,792 million (U.S. $4,533 million) as of March 31, 2026. Adjustments for such investment trusts from the beginning balance to the ending balance are as presented in the following table.

	Millions of Yen	Millions of U.S. Dollars
For the year ended March 31, 2026	Investment trusts whose fair value is deemed to coincide with net asset value per unit in accordance with Paragraph 24-3 of the Implementation Guidance on Accounting Standard for Fair Value Measurement	Investment trusts whose fair value is deemed to coincide with net asset value per unit in accordance with Paragraph 24-3 of the Implementation Guidance on Accounting Standard for Fair Value Measurement
Balance at the beginning of the fiscal year	¥ 545,948	$ 3,414
Profit (loss) or other comprehensive income (loss) for the period		
Recognized as net unrealized gains (losses) on available-for-sale securities	77,695	485
Bought, sold and redeemed		
Bought	105,115	657
Sold	(3,967)	(24)
Balance at the end of the fiscal year	724,792	4,533

In addition, the main restrictions on surrender, etc. of investment trusts to which Paragraph 24-3 of the implementation guidance applies is the prohibition of voluntary surrender, etc., and the amount of such investment trusts recorded on the consolidated balance sheets was ¥724,792 million (U.S. $4,533 million) as of March 31, 2026.

(2) Financial assets and liabilities whose balance sheet amounts are not presented at fair value

Millions of Yen

As of March 31	2025			
Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥ —	¥ 137,338	¥ —	¥ 137,338
Held-to-maturity debt securities	—	137,338	—	137,338
Securities	13,703,211	2,874,508	—	16,577,720
Held-to-maturity debt securities	2,479,150	507,629	—	2,986,779
National & local government bonds	2,468,762	149,869	—	2,618,632
Corporate bonds	—	299,477	—	299,477
Other	10,387	58,282	—	68,669
Policy-reserve-matching bonds	11,126,425	2,366,878	—	13,493,303
National & local government bonds	10,664,107	—	—	10,664,107
Corporate bonds	—	35,379	—	35,379
Other	462,317	2,331,499	—	2,793,816
Stocks of subsidiaries and affiliates	97,636	—	—	97,636
Loans	—	—	5,668,030	5,668,030
Policy loans	—	—	156,257	156,257
Industrial and consumer loans	—	—	5,511,772	5,511,772
Total assets	13,703,211	3,011,846	5,668,030	22,383,088
Bonds payable	—	1,191,060	—	1,191,060
Borrowings	—	249,836	—	249,836
Total liabilities	—	1,440,897	—	1,440,897

	Millions of Yen				Millions of U.S. Dollars			
As of March 31	2026				2026			
Category	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥ —	¥ 125,661	¥ —	¥ 125,661	$ —	$ 785	$ —	$ 785
Held-to-maturity debt securities	—	125,661	—	125,661	—	785	—	785
Money held in trust	—	10,476	—	10,476	—	65	—	65
Policy-reserve-matching bonds	—	10,476	—	10,476	—	65	—	65
Securities	11,983,882	2,983,582	343,463	15,310,928	74,955	18,661	2,148	95,765
Held-to-maturity debt securities	1,997,282	451,790	343,463	2,792,535	12,492	2,825	2,148	17,466
National & local government bonds	1,987,140	141,911	—	2,129,052	12,428	887	—	13,316
Corporate bonds	—	261,259	—	261,259	—	1,634	—	1,634
Other	10,141	48,618	343,463	402,223	63	304	2,148	2,515
Policy-reserve-matching bonds	9,888,216	2,531,792	—	12,420,009	61,847	15,835	—	77,683
National & local government bonds	9,332,145	—	—	9,332,145	58,369	—	—	58,369
Corporate bonds	—	39,109	—	39,109	—	244	—	244
Other	556,071	2,492,683	—	3,048,754	3,478	15,590	—	19,069
Stocks of subsidiaries and affiliates	98,383	—	—	98,383	615	—	—	615
Loans	—	—	5,840,539	5,840,539	—	—	36,530	36,530
Policy loans	—	—	162,260	162,260	—	—	1,014	1,014
Industrial and consumer loans	—	—	5,678,278	5,678,278	—	—	35,515	35,515
Total assets	11,983,882	3,119,720	6,184,002	21,287,605	74,955	19,512	38,679	133,147
Bonds payable	—	910,952	328,554	1,239,507	—	5,697	2,055	7,752
Borrowings	14,004	245,441	23,315	282,761	87	1,535	145	1,768
Total liabilities	14,004	1,156,393	351,870	1,522,269	87	7,232	2,200	9,521

Notes:

a. Explanations on valuation methods and inputs used in fair value measurements

(i) Deposits, monetary claims bought, money held in trust and securities

Regarding deposits, monetary claims bought, and money held in trust and securities, the fair values of these instruments are classified into Level 1 when unadjusted quoted prices are available from active markets. This includes mainly listed stocks and government bonds. When publicly announced quoted prices are only available from inactive markets, the Company classifies the fair value of instruments into Level 2. This includes mainly negotiable deposits, local government bonds and corporate bonds.

When quoted prices are unavailable, the Company measures the fair value of instruments based on theoretical prices calculated by discounting the net future cash flows to the present value, or the value at the end of fiscal year based on data provided by pricing vendors or transactional counterparts. In the course of the above valuation process, the Company utilizes observable inputs as much as possible. When significant unobservable inputs are used in its fair value measurement, the Company classifies the fair value into Level 3.

For investment trusts without quoted prices, the Company deems their fair value to coincide with the net asset value per unit, provided there are no significant restrictions requiring the compensation of market participants for risks associated with surrender or repurchase. The Company classifies the fair value of these investment trusts into Level 2.

(ii) Derivative financial instruments
With regard to derivative financial instruments, the Company classifies their fair values into Level 1 when unadjusted quoted prices from active markets are available. This includes mainly stock index futures and bond futures.

However, most derivative financial instruments are traded over the counter and, accordingly, publicly announced quoted prices for these instruments are unavailable. Because of this, the fair value of foreign exchange contracts is stated at theoretical prices based on the TTM, WM Reuters rate or discount rate at the balance sheet date, while the fair value of currency swaps, interest rate swaps and other similar derivative financial instruments is stated at value based on data provided by pricing vendors. The fair values of the above instruments are classified into Level 2. As of March 31, 2025, the fair values of equity swaps were similarly stated at values based on data provided by pricing vendors and were classified into Level 2. As of March 31, 2026, due to the lack of observable data, the fair values of equity swaps and others were calculated using significant unobservable inputs provided by transaction counterparties and were classified into Level 3.

Since instruments subject to the allocation method for currency swaps are treated as an integral part of the hedged foreign currency denominated loans and bonds payable, their fair values are included in the fair values of the relevant loans and bonds payable.

(iii) Loans
The fair values of industrial and consumer loans are, in principle, stated at value calculated by discounting the net future cash flows to the present value utilizing unobservable input. Accordingly, the Company classifies their fair values into Level 3. The fair values of loans to bankrupt borrowers, substantially bankrupt borrowers and borrowers with high possibility of bankruptcy, are stated at value calculated by deducting the estimated amount of loan losses from the book value of loans before direct write-off.

As credit exposure for policy loans without specific repayment periods is limited to the amount of the cash surrender value, the Company regards the book value as the fair value with the assumption that the fair value approximates the book value considering factors such as projected repayment period and interest condition. Accordingly, the fair values of these loans are classified into Level 3.

(iv) Bonds payable
The fair values of bonds issued by the Company are stated at value at the end of fiscal year based on data provided by pricing vendors. The fair values of these instruments are classified into Level 2.

(v) Borrowings
The fair values of borrowings by the Company are stated at value at the end of fiscal year based on data provided by pricing vendors regarding bonds being issued under the backing of the relevant borrowings. The fair values of these instruments are classified into Level 2.

b. Information regarding financial assets and liabilities whose consolidated balance sheet amounts are stated at fair value and classified into Level 3

(i) Quantitative information regarding significant unobservable inputs

Category	Valuation technique	Significant unobservable inputs	Range of input
Derivative financial instruments			
Index option transactions	Black-Scholes model	(*2)	(*2)
Securities			
Trading securities			
Available-for-sale securities	Discounted present value method	Liquidity premium	0.2%-0.7%

(*1) In the fiscal year ended March 31, 2025, available-for-sale securities classified under securities included instruments whose fair values are classified into Level 3. In the fiscal year ended March 31, 2026, available-for-sale securities classified under securities and stock-related instruments classified under

derivative financial instruments included instruments whose fair values are classified into Level 3. However, these instruments are not included in the above table as they are valued based on unadjusted prices provided by third parties.
(*2) Inputs used include implied volatility, such as S&P 500 Index.

(ii) Reconciliation from the beginning balance to the ending balance and net unrealized gains and losses recognized in the statement of income

Millions of Yen

For the year ended March 31, 2025	Securities	Derivative financial instruments	Total
	Available-for-sale securities	Index option transactions	
	Other		
Balance at the beginning of the fiscal year	¥ 106,232	¥ 6,450	¥ 112,683
Profit (loss) or other comprehensive income (loss) for the period			
Recognized in the consolidated statement of income (*1)	(334)	5,608	5,273
Recognized in other comprehensive income (loss) (*2)	4,014	743	4,757
Bought, sold, issued and settled			
Bought	701	7,340	8,042
Sold	(30,440)	—	(30,440)
Settled	—	(10,811)	(10,811)
Redeemed	(2,741)	—	(2,741)
Transferred to Level 3 fair value (*3)	12,712	—	12,712
Transferred from Level 3 fair value (*4)	(79)	—	(79)
Balance at the end of the fiscal year	90,066	9,330	99,396
Net unrealized gains (losses) recorded on financial assets and liabilities held at the consolidated balance sheet date and included in the consolidated statement of income (*1)	—	1,877	1,877

(*1) Included in interest, dividends, and other income under investment income and losses on derivative financial instruments under investment expenses.
(*2) Included in net unrealized gains (losses) on available-for-sale securities and foreign currency translation adjustments under other comprehensive income.
(*3) Indicating transfer from Level 2 fair value to Level 3 fair value due to the lack of observable data. This transfer is carried out at the end of the fiscal year.
(*4) Indicating transfer from Level 3 fair value to Level 1 fair value due to newly available observable data. This transfer is carried out at the end of the fiscal

year.

For the year ended March 31, 2026	Millions of Yen: Securities: Trading securities: Other	Millions of Yen: Securities: Available-for-sale securities: Other	Millions of Yen: Derivative financial instruments (*6): Stock related	Millions of Yen: Derivative financial instruments (*6): Index option transactions	Millions of Yen: Total	Millions of U.S. Dollars: Securities: Trading securities: Other	Millions of U.S. Dollars: Securities: Available-for-sale securities: Other	Millions of U.S. Dollars: Derivative financial instruments (*6): Stock related	Millions of U.S. Dollars: Derivative financial instruments (*6): Index option transactions	Millions of U.S. Dollars: Total
Balance at the beginning of the fiscal year	¥ ―	¥ 90,066	¥ ―	¥ 9,330	¥ 99,396	$ ―	$ 563	$ ―	$ 58	$ 621
Profit (loss) or other comprehensive income (loss) for the period										
Recognized in the consolidated statement of income (*1)	―	109	(436)	6,557	6,229	―	0	(2)	41	38
Recognized in other comprehensive income (loss) (*2)	―	5,055	―	(95)	4,960	―	31	―	(0)	31
Bought, sold, issued and settled, etc. (*3)	560,335	13,920	―	(1,593)	572,663	3,504	87	―	(9)	3,581
Transferred to Level 3 fair value (*4)	―	18,940	5,790	―	24,731	―	118	36	―	154
Transferred from Level 3 fair value (*5)	―	(39,858)	―	―	(39,858)	―	(249)	―	―	(249)
Balance at the end of the fiscal year	560,335	88,234	5,353	14,199	668,122	3,504	551	33	88	4,178
Net unrealized gains (losses) recorded on financial assets and liabilities held at the consolidated balance sheet date and included in the consolidated statement of income (*1)	―	―	(436)	4,413	3,976	―	―	(2)	27	24

(*1) Included in interest, dividends, and other income under investment income and losses on derivative financial instruments under investment expenses.
(*2) Included in net unrealized gains (losses) on available-for-sale securities and foreign currency translation adjustments under other comprehensive income.
(*3) Trading securities-other bought, sold, issued and settled, etc., include increases attributable to the acquisition of Meiji Yasuda North America Holdings, Inc.
(*4) Indicating transfer from Level 2 fair value to Level 3 fair value due to the lack of observable data. This transfer is carried out at the end of the fiscal year.
(*5) Indicating transfer from Level 3 fair value to Level 2 fair value due to newly available observable data. This transfer is carried out at the end of the fiscal year.
(*6) Derivative transactions are presented in their net values as a result of offsetting assets and liabilities or profit and loss, with net liabilities and net loss presented in the parenthesis.

(iii) Explanation of fair value measurement process

When quoted prices provided by third parties are used in fair value measurement, the Company verifies the appropriateness of such prices in a proper manner via, for example, confirming valuation techniques and inputs used and comparing fair values with those of similar financial instruments. Verification results are reported to departments in charge of risk management. In this way, the Company ensures the appropriateness of its fair value measurement policies and procedures.

(iv) Explanation of impacts on fair value due to changes in significant unobservable inputs

Index volatility is a significant unobservable input for use in the fair value measurement of index option transactions and an indicator representing the speed and magnitude of changes in the relevant indices. A significant increase (decrease) in volatility therefore causes option prices to rise (fall) considerably. In the case of a long position in option transactions, such volatility would result in a considerable rise (fall) in the fair value of these instruments.

Liquidity premium is used as a significant unobservable input in the measurement of the fair value of trading securities-other. Liquidity premium adjusts the discount rate of financial instruments to reflect their liquidity. Therefore, a significant increase (decrease) in liquidity premium causes the fair value to fall (rise) significantly.

IX. Securities

1. Trading securities

The unrealized valuation gains (losses) on trading securities included in profits (losses) amounted to ¥(27,738) million and ¥24,078 million (U.S. $150 million) for the years ended March 31, 2025 and 2026, respectively.

2. Held-to-maturity debt securities

The amounts reported in the consolidated balance sheets and fair values of the held-to-maturity debt securities by security type at the end of the fiscal year, and the differences between them, are shown in the following table. In addition, no held-to-maturity debt securities were sold during the years ended March 31, 2025 and 2026.

As of March 31	Millions of Yen						Millions of U.S. Dollars		
	2025			2026			2026		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount									
1) National & local government bonds	¥ 2,358,860	¥ 2,442,319	¥ 83,458	¥ 575,670	¥ 580,179	¥ 4,509	$ 3,600	$ 3,628	$ 28
2) Corporate bonds	186,412	193,835	7,422	57,767	58,562	795	361	366	4
3) Others	61,198	62,219	1,020	353,168	353,689	521	2,208	2,212	3
Total	2,606,471	2,698,373	91,902	986,605	992,432	5,826	6,170	6,207	36
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	181,004	176,313	(4,690)	1,623,823	1,548,873	(74,949)	10,156	9,687	(468)
2) Corporate bonds	108,455	105,642	(2,812)	220,234	202,696	(17,537)	1,377	1,267	(109)
3) Others	153,338	143,788	(9,550)	189,674	174,194	(15,480)	1,186	1,089	(96)
Total	442,797	425,744	(17,052)	2,033,732	1,925,764	(107,967)	12,720	12,045	(675)

(*) This table includes financial instruments that are deemed appropriate to be treated as securities under the “Financial Instruments and Exchange Act”.

3. Policy-reserve-matching bonds

Disposition of policy-reserve-matching bonds amounted to ¥708,646 million and ¥1,345,070 million (U.S. $8,412 million) resulting in total gains on sales of ¥23,222 million and ¥19,853 million (U.S. $124 million) for the years ended March 31, 2025 and 2026, respectively. Total losses on sales were ¥204,544 million and ¥745,392 million (U.S. $4,662 million) for the years ended March 31, 2025 and 2026, respectively. The carrying amounts in the consolidated balance sheets of policy-reserve-matching bonds by security type are shown in the following table, along with their fair values and the differences between these amounts.

As of March 31	Millions of Yen						Millions of U.S. Dollars		
	2025			2026			2026		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount									
1) National & local government bonds	¥ 3,650,054	¥ 3,726,278	¥ 76,223	¥ 43,300	¥ 43,337	¥ 37	$ 270	$ 271	$ 0
2) Corporate bonds	13,528	13,581	52	4,828	4,888	60	30	30	0
3) Others	1,002,236	1,015,137	12,901	1,390,896	1,412,235	21,338	8,699	8,833	133
Total	4,665,819	4,754,997	89,177	1,439,024	1,460,461	21,436	9,000	9,134	134
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	8,405,585	6,937,829	(1,467,756)	11,187,693	9,290,985	(1,896,707)	69,975	58,112	(11,863)
2) Corporate bonds	24,460	21,797	(2,662)	46,946	42,133	(4,812)	293	263	(30)
3) Others	1,953,435	1,778,678	(174,757)	1,793,172	1,636,904	(156,268)	11,215	10,238	(977)
Total	10,383,481	8,738,305	(1,645,175)	13,027,812	10,970,023	(2,057,788)	81,484	68,614	(12,870)

4. Available-for-sale securities

Disposition of available-for-sale securities amounted to ¥3,061,058 million and ¥2,809,571 million (U.S. $17,573 million) resulting in total gains on sales of ¥492,848 million and ¥818,857 million (U.S. $5,121 million) and total losses of ¥27,371 million and ¥20,816 million (U.S. $130 million) for the years ended March 31, 2025 and 2026, respectively. With regard to available-for-sale securities, acquisition costs, amortized costs, the amounts reported in the consolidated balance sheets and the respective differences by each type of securities are shown in the following table.

As of March 31	Millions of Yen						Millions of U.S. Dollars		
	2025			2026			2026		
	Acquisition or amortized costs	Balance sheet amount	Difference	Acquisition or amortized costs	Balance sheet amount	Difference	Acquisition or amortized costs	Balance sheet amount	Difference
Securities whose balance sheet amount exceeds the acquisition or amortized costs									
(1) Domestic stocks	¥ 1,486,489	¥ 5,724,205	¥ 4,237,715	¥ 1,421,748	¥ 7,564,994	¥ 6,143,245	$ 8,892	$ 47,316	$ 38,424
(2) Bonds	1,361,807	1,417,298	55,490	1,132,300	1,163,890	31,590	7,082	7,279	197
1) National & local government bonds	932,644	968,312	35,668	851,905	865,152	13,247	5,328	5,411	82
2) Corporate bonds	429,162	448,985	19,822	280,395	298,737	18,342	1,753	1,868	114
(3) Others	5,577,824	6,655,839	1,078,015	7,322,030	8,745,400	1,423,369	45,797	54,699	8,902
Total	8,426,120	13,797,342	5,371,221	9,876,079	17,474,285	7,598,205	61,771	109,296	47,524
Securities whose balance sheet amount does not exceed the acquisition or amortized costs									
(1) Domestic stocks	23,875	20,649	(3,225)	13,080	11,622	(1,457)	81	72	(9)
(2) Bonds	1,823,817	1,690,709	(133,107)	1,845,926	1,637,613	(208,312)	11,545	10,242	(1,302)
1) National & local government bonds	707,339	607,293	(100,046)	751,586	575,529	(176,056)	4,700	3,599	(1,101)
2) Corporate bonds	1,116,477	1,083,416	(33,060)	1,094,135	1,061,879	(32,255)	6,843	6,641	(201)
3) Other bonds	—	—	—	204	204	—	1	1	—
(3) Others	7,196,772	6,694,953	(501,818)	6,146,601	5,658,265	(488,336)	38,445	35,390	(3,054)
Total	9,044,464	8,406,313	(638,151)	8,005,608	7,307,501	(698,106)	50,072	45,706	(4,366)

(*) This table includes financial instruments that are deemed appropriate to be treated as securities under the “Financial Instruments and Exchange Act”.

“Acquisition or amortized costs” in the table above refers to book values after deduction of impairment losses. The amount of impairment losses on policy-reserve-matching bonds was ¥2,096 million and ¥2,839 million (U.S. $17 million) in the year ended March 31, 2025 and 2026, respectively. The amount of impairment losses on available-for-sale securities of which market value is available was ¥2,704 million and ¥42,758 million (U.S. $267 million) for the years ended March 31, 2025 and 2026, respectively.

X. Derivative Transactions

1. Hedge accounting not applied

(1) Interest-rate related

As of March 31	Millions of Yen			
	2025			
	Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Interest rate swaps				
Receipts fixed, payments floating	¥ 758	¥ 758	¥ 1	¥ 1
Receipts floating, payments fixed	35,590	35,590	—	—
Total				1

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2026				2026			
	Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Interest rate swaps								
Receipts fixed, payments floating	¥ 19,812	¥ 19,812	¥ (39)	¥ (39)	$ 123	$ 123	$ (0)	$ (0)
Receipts floating, payments fixed	45,872	45,872	–	–	286	286	–	–
Interest rate swaption								
Bought - Receipts fixed, payments floating	469	–			2	–		
	[5]	[–]	7	2	[0]	[–]	0	0
Bought - Receipts floating, payments fixed	665	—			4	—		
	[5]	[–]	—	(5)	[0]	[–]	–	(0)
Total				(42)				0

(*) Net gains (losses) represent the fair values.
(*) Option fees are shown in [ ].

(2) Currency-related

As of March 31				Millions of Yen
				2025
	Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Foreign currency forward contracts				
Sold	¥ 10,541	¥ –	¥ 20	¥ 20
(U.S. dollar)	9,605	–	17	17
(Euro)	814	–	1	1
(Australian dollar)	120	–	1	1
Bought	88,398	–	602	602
(U.S. dollar)	85,387	–	575	575
(Euro)	1,013	–	4	4
(Australian dollar)	1,998	–	21	21
Currency options				
Sold				
Call	1,548,133	–		
	[15,784]		4,305	11,479
(U.S. dollar)	1,548,133	–		
	[15,784]		4,305	11,479
Bought				
Put	1,460,965	–		
	[15,784]		21,440	5,656
(U.S. dollar)	1,460,965	–		
	[15,784]		21,440	5,656
Cross currency swaps				
Receipts foreign currency, payments yen				
(Australian dollar)	89,120	89,050	6,967	6,967
(U.S. dollar)	85,510	85,510	14,913	14,913
Total				39,640

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2026				2026			
	Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Foreign currency forward contracts								
Sold	¥ 19,955	¥ ―	¥ (214)	¥ (214)	$ 124	$ ―	$ (1)	$ (1)
(U.S. dollar)	17,845	―	(220)	(220)	111	―	(1)	(1)
(Euro)	1,906	―	5	5	11	―	0	0
(Australian dollar)	203	―	1	1	1	―	0	0
Bought	19,020	―	13	13	118	―	0	0
(U.S. dollar)	17,345	―	19	19	108	―	0	0
(Euro)	1,541	―	(3)	(3)	9	―	(0)	(0)
(Australian dollar)	133	―	(1)	(1)	0	―	(0)	(0)
Currency options								
Sold								
Call	1,076,981	―			6,736	―		
	[18,364]		34,102	(15,738)	[114]		213	(98)
(U.S. dollar)	1,076,981	―			6,736	―		
	[18,364]		34,102	(15,738)	[114]		213	(98)
Bought								
Put	1,068,978	―			6,686	―		
	[18,364]		4,961	(13,402)	[114]		31	(83)
(U.S. dollar)	1,068,978	―			6,686	―		
	[18,364]		4,961	(13,402)	[114]		31	(83)
Cross currency swaps								
Receipts foreign currency, payments yen								
(Australian dollar)	76,650	76,070	18,107	18,107	479	475	113	113
(U.S. dollar)	85,510	85,510	26,991	26,991	534	534	168	168
Others	4,796	4,796	(137)	(137)	29	29	(0)	(0)
Total				15,619				97

(*) Net gains (losses) on foreign currency forward contracts, cross currency swaps and others represent the fair values.

(*) Net gains (losses) on currency options represent the difference between the option fees and the fair values for option transactions.

(*) Option fees are shown in [ ].

(3) Stock-related

As of March 31				Millions of Yen
				2025
	Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions				
Yen Stock index futures				
Bought	¥ 5,529	¥ ―	¥ 34	¥34
Foreign currency-denominated stock index futures				
Sold	453	―	(2)	(2)
Bought	2,251	―	(24)	(24)
Other				
Equity swaps	151,917	―	397	397
Foreign currency-denominated stock index options				
Bought				
Call	203,101 [7,340]	― [―]	9,330	1,990
Total				2,394

As of March 31	Millions of Yen				Millions of U.S. Dollars			
	2026				2026			
	Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions								
Yen Stock index futures								
Bought	¥ 6,544	¥ ―	¥ (132)	¥ (132)	$ 40	$ ―	$ (0)	$ 0
Foreign currency-denominated stock index futures								
Sold	4,229	―	130	130	26	―	0	0
Bought	2,653	―	(39)	(39)	16	―	(0)	(0)
Other								
Equity swaps	72,283	―	583	583	452	―	3	3
Foreign currency-denominated stock index options								
Bought								
Call	285,381 [9,778]	― [―]	14,191	4,413	1,784 [61]	― [―]	88	27
Total				4,956				30

(*) Net gains (losses) represent the difference between the option fees and the fair values for option transactions.
(*) Net gains (losses) on equity swaps represent the fair values.
(*) Option fees are shown in [ ].

(4) Bond-related

As of March 31	Millions of Yen 2025			
	Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions				
Foreign bond futures				
Bought	¥ 66,705	¥ ―	¥ 529	¥ 529
Total				529

As of March 31	Millions of Yen 2026				Millions of U.S. Dollars 2026			
	Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)
Exchange-traded transactions								
Foreign bond futures								
Bought	¥ 151,698	¥ ―	¥ (4,538)	¥ (4,538)	$ 948	$ ―	$ (28)	$ (28)
Total				(4,538)				(28)

(*) Net gains (losses) on foreign bond futures represent the fair values.

2. Hedge accounting applied

(1) Interest-rate related

As of March 31	Millions of Yen			
	2025			
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Deferred hedge accounting				
Interest rate swaps				
Receipts fixed, payments floating	Insurance liabilities	¥ 1,007,700	¥ 1,007,700	¥ (122,167)
Fair value hedge accounting				
Interest rate swaps				
Receipts floating, payments fixed	Securities (Bonds)	35,680	35,680	–
Special hedge accounting				
Interest rate swaps				
Receipts fixed, payments floating	Loans	2,300	–	3
Total				(122,163)

As of March 31	Millions of Yen				Millions of U.S. Dollars		
	2026				2026		
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Deferred hedge accounting							
Interest rate swaps							
Receipts fixed, payments floating	Insurance liabilities	¥ 926,700	¥ 926,700	¥ (188,992)	$ 5,796	$ 5,796	$ (1,182)
Fair value hedge accounting							
Interest rate swaps							
Receipts floating, payments fixed	Securities (Bonds)	31,467	31,467	–	196	196	–
Special hedge accounting							
Interest rate swaps							
Receipts fixed, payments floating	Loans	–	–	–	—	—	—
Total				(188,992)			(1,182)

(*) The fair values of interest rate swaps represent net gains (losses).

(2) Currency-related

As of March 31				Millions of Yen
				2025
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Fair value hedge accounting				
Foreign currency forward contracts				
Sold	Foreign-currency-denominated bonds	¥ 3,808,827	¥ —	¥ 8,423
(U.S. dollar)		2,999,945	—	15,369
(Euro)		389,652	—	(8,672)
(Australian dollar)		396,296	—	2,886
(Others)		22,933	—	(1,159)
Deferred hedge accounting				
Cross currency swaps				
Receipts yen, payments foreign currency				
(U.S. dollar)	Foreign-currency-denominated bonds	59,882	44,957	(22,760)
(Euro)		31,179	22,552	(8,431)
(Australian dollar)		12,404	8,099	(1,516)
Foreign currency forward contracts, etc., allocated to and/or combined with corresponding hedged items:				
Cross currency swaps				
Receipts foreign currency, payments yen				
(U.S. dollar)	Foreign-currency-dominated bonds payable	912,793	674,483	(*)
Receipts yen, payments foreign currency				
(U.S. dollar)	Foreign-currency-dominated loans	120,794	120,794	(*)
Total				(24,285)

As of March 31		Millions of Yen			Millions of U.S. Dollars		
		2026			2026		
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Fair value hedge accounting							
Foreign currency forward contracts							
Sold	Foreign-currency-denominated bonds	¥ 4,789,159	¥ —	¥ (199,494)	$ 29,954	$ —	$ (1,247)
(U.S. dollar)		3,244,439	—	(132,492)	20,292	—	(828)
(Euro)		459,396	—	(2,675)	2,873	—	(16)
(Australian dollar)		1,059,140	—	(63,564)	6,624	—	(397)
(Others)		26,183	—	(762)	163	—	(4)
Deferred hedge accounting							
Cross currency swaps							
Receipts yen, payments foreign currency							
(U.S. dollar)	Foreign-currency-denominated bonds	44,957	44,957	(22,368)	281	281	(139)
(Euro)		22,552	22,552	(9,470)	141	141	(59)
(Australian dollar)		8,099	8,099	(2,699)	50	50	(16)
Foreign currency forward contracts, etc., allocated to and/or combined with corresponding hedged items:							
Cross currency swaps							
Receipts foreign currency, payments yen							
(U.S. dollar)	Foreign-currency-dominated bonds payable	674,483	674,483	(*)	4,218	4,218	(*)
Receipts yen, payments foreign currency							
(U.S. dollar)	Foreign-currency-dominated loans	120,794	100,400	(*)	755	627	(*)
Total				(234,032)			(1,463)

(*) As foreign currency swaps which apply the currency allotment method are accounted for as combined with foreign currency-denominated bonds payable and loans as hedged items, their fair value is included in the fair value of such foreign currency-denominated bonds payable and loans.

(3) Stock-related

As of March 31				Millions of Yen
				2025
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Equity swaps		¥ 151,917	¥ 151,917	¥ 12,852
Total				12,852

As of March 31				Millions of Yen			Millions of U.S. Dollars
				2026			2026
	Main hedged items	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value	Notional amount/ contract value (A)	Over 1 year included in (A)	Fair value
Equity swaps		¥ 72,283	¥ ―	¥ 4,769	$ 452	$ ―	$ 29
Total				4,769			29

XI. Retirement Benefit Plans

The following items provide detailed information for the retirement benefit plans.

1. Summary of the retirement benefit plans

The Company has defined benefit corporate pension plans and retirement allowance plans, which distribute a lump sum payment on retirement, as defined benefit plans. The Company also has defined contribution pension plans as defined contribution plans.

Certain overseas consolidated subsidiaries have defined benefit plans and defined contribution plans.

As for accrued retirement benefits of certain consolidated subsidiaries, the simplified method is applied.

2. Defined benefit plans

(1) Changes in the retirement benefit obligations

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31	**2025**	**2026**	**2026**
Balance at the beginning of the fiscal year	¥ 312,106	¥ 306,577	$ 1,917
Service costs	10,114	9,483	59
Interest cost on retirement benefit obligations	6,207	6,306	39
Actuarial losses (gains) recognized	(9,007)	(21,299)	(133)
Benefits paid	(21,474)	(22,660)	(141)
Increase due to new consolidation	—	12,499	78
Others	8,631	(754)	(4)
Balance at the end of the fiscal year	306,577	290,153	1,814

(2) Changes in the plan assets

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31	**2025**	**2026**	**2026**
Balance at the beginning of the fiscal year	¥ 707,038	¥ 823,366	$ 5,149
Expected return on plan assets	10,341	10,221	63
Actuarial gains (losses) recognized	108,572	176,066	1,101
Contributions by employer	2,373	2,358	14
Benefits paid	(15,817)	(18,275)	(114)
Increase due to new consolidation	—	11,841	74
Others	10,855	(898)	(5)
Balance at the end of the fiscal year	823,363	1,004,680	6,283

(3) The amount of the retirement benefit obligations and the plan assets, and the amount of the defined benefit liabilities and the defined benefit assets recognized in the consolidated balance sheets

	Millions of Yen		Millions of U.S. Dollars
As of March 31	**2025**	**2026**	**2026**
Present value of funded retirement benefit obligations	¥ 297,223	¥ 280,919	$ 1,757
Plan assets at fair value	(823,363)	(1,004,680)	(6,283)
Net present value of funded retirement benefit obligations	(526,140)	(723,761)	(4,526)
Present value of non-funded retirement benefit obligations	9,354	9,234	57
Net balance on the consolidated balance sheet	(516,785)	(714,527)	(4,469)
Consists of:			
Defined benefit liabilities	8,900	9,526	59
Defined benefit assets	(525,685)	(724,053)	(4,528)

(4) The amounts recognized in retirement benefit expenses in the consolidated statements of income

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31	**2025**	**2026**	**2026**
Service costs	¥ 10,114	¥ 9,483	$ 59
Interest cost on retirement benefit obligations	6,207	6,306	39
Expected return on plan assets	(10,341)	(10,221)	(63)
Amortization of net actuarial losses (gains)	(34,084)	(58,896)	(368)
Amortization of net past service costs	(2,412)	(2,308)	(14)
Others	42	(57)	(0)
Retirement benefit expenses	(30,474)	(55,693)	(348)

(5) Major components of other comprehensive income and total accumulated other comprehensive income

Major components of other comprehensive income (before income tax effect adjustments) for the years ended March 31, 2025 and 2026 were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31	**2025**	**2026**	**2026**
Actuarial gains (losses)	¥ 84,234	¥ 138,365	$ 865
Past service costs	(2,371)	(2,312)	(14)
Total	81,863	136,053	850

Major components of total accumulated other comprehensive income (before income tax effect adjustments) for the years ended March 31, 2025 and 2026 were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31	**2025**	**2026**	**2026**
Unrecognized actuarial gains (losses)	¥ 307,465	¥ 445,831	$ 2,788
Unrecognized past service costs	12,042	9,730	60
Total	319,508	455,561	2,849

(6) Plan assets

Plan assets as of March 31, 2025 and 2026 were comprised as follows:

	% of total fair value of plan assets	
As of March 31	**2025**	**2026**
Debt securities	2.3%	3.4%
Stocks	54.0%	59.3%
General account of life insurance companies	17.8%	20.7%
Jointly invested assets	15.6%	9.7%
Investment trusts	―	2.3%
Cash and deposits	4.6%	2.4%
Others	5.8%	2.1%
Total	100.0%	100.0%

Plan assets include the retirement benefit trusts. The percentage of the retirement benefit trusts was 63.2% and 67.3% of total plan assets as of March 31, 2025 and 2026, respectively.

(7) The expected long-term rate of return on plan assets

The expected long-term rate of return on plan assets is calculated by aggregating the weighted rate of return derived from each asset category. The expected long-term rate of return for each asset category is based primarily on various aspects of long-term prospects for the economy that include historical performance and the market environment.

(8) Assumptions used in calculation

Assumptions of the Company and certain overseas consolidated subsidiaries used in accounting for the defined benefit plans for the years ended March 31, 2025 and 2026 were as follows:

Years ended March 31	2025	2026
Discount rate		
Domestic	0.9%	2.4%
Overseas	5.6%	5.2 to 5.5%
Expected long-term rate of return on plan assets		
Domestic		
Defined benefit corporate pension plans	2.0%	2.0%
Retirement benefit trusts	0.0%	0.0%
Overseas	3.6 to 6.3%	3.1 to 6.3%

3. Defined contribution plans

The amounts recognized as expenses for the defined contribution pension plans were ¥8,001 million and ¥9,522 million (U.S. $59 million) for the years ended March 31, 2025 and 2026, respectively.

XII. Deferred Taxes

1. Deferred tax assets/liabilities

As of March 31	Millions of Yen 2025	Millions of Yen 2026	Millions of U.S. Dollars 2026
Deferred tax assets	¥ 1,098,778	¥ 1,322,168	$ 8,269
Valuation allowance for deferred tax assets	(25,098)	(42,329)	(264)
Deferred tax liabilities	(1,501,280)	(2,308,456)	(14,438)

2. Major components of deferred tax assets/liabilities

As of March 31	Millions of Yen 2025	Millions of Yen 2026	Millions of U.S. Dollars 2026
Deferred tax assets			
Policy reserves and other reserves	¥ 689,314	¥ 749,149	$ 4,685
Reserve for price fluctuation	338,282	329,665	2,061
Valuation allowance for deferred tax assets			
Valuation allowance for tax loss carryforwards	—	15,414	96
Valuation allowance for deductible temporary differences, etc.	—	26,915	168
Deferred tax liabilities:			
Net unrealized gains (losses) on available-for-sale securities	1,375,104	1,981,085	12,391

The amount of tax loss carryforwards as of March 31, 2026 by expiration period of related deferred tax assets is as follows.

As of March 31							Millions of Yen
							2026
	Within 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years	Over 5 years	Total
Tax loss carryforwards*	¥ 1,408	¥ 920	¥ 4,091	¥ 2,012	¥ 962	¥ 145,096	¥ 154,492
Valuation allowance	(1,405)	(915)	(3,964)	(1,994)	(871)	(6,262)	(15,414)
Deferred tax assets	2	5	126	18	90	138,834	139,078

As of March 31							Millions of U.S. Dollars
							2026
	Within 1 year	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years	Over 5 years	Total
Tax loss carryforwards*	$ 8	$ 5	$ 25	$ 12	$ 6	$ 907	$ 966
Valuation allowance	(8)	(5)	(24)	(12)	(5)	(39)	(96)
Deferred tax assets	0	0	0	0	0	868	869

(*) Presented in amounts calculated by multiplying tax loss carryforwards by the statutory tax rates.
Note: The Company has recorded deferred tax assets related to tax loss carryforwards and judged that these assets are recoverable in light of its projections on future taxable profit.

3. The statutory tax rates

The statutory tax rates were 27.96% and 27.96% for the years ended March 31, 2025 and 2026, respectively. Main factors in the differences between the statutory tax rates and the actual effective tax rates after considering deferred taxes were as follows:

Year ended March 31	**2025**
Policyholders' dividend reserves	(42.01%)
Upward adjustment in deferred tax assets at the year-end due to change in tax rates	(31.71%)
Retained earnings of subsidiaries and others	5.80%

Year ended March 31	**2026**
Policyholders' dividend reserves	(42.04%)

Due to the enactment of the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 13 of 2025), the statutory tax rate was changed from 27.96% to 28.88% for the calculation of deferred tax assets and deferred tax liabilities that will be recovered or paid on April 1, 2026 or later.

Reflecting this change, deferred tax assets as of March 31, 2025 decreased ¥5 million, while deferred tax liabilities and deferred tax liabilities for land revaluation increased ¥11,281 million and ¥2,528 million, respectively. This change also resulted in a decrease of ¥32,650 million in income tax—deferred.

XIII. Fair Value of Investment and Rental Properties

The carrying amounts of investment and rental properties were ¥687,226 million and ¥771,061 million (U.S. $4,822 million), and their fair values were ¥1,071,101 million and ¥1,179,983 million (U.S. $7,380 million) as of March 31, 2025 and 2026, respectively. The Company and certain subsidiaries own office buildings and land in Tokyo and other areas, the fair value of which is mainly based on appraisals by qualified external appraisers.

XIV. Business Combination

1. American Heritage Life Insurance Company and American Heritage Service Company
StanCorp Financial Group, Inc. (hereinafter "StanCorp"), a consolidated subsidiary of the Company, acquired all shares issued by two subsidiaries of The Allstate Corporation on April 1, 2025, of which a subsidiary handles group insurance business.

StanCorp recognizes this acquisition of shares as a business acquisition in accordance with Topic 805 "Business Combinations" announced by the FASB ASC. Details follow.

(1) Overview of business combination
i) Name of the acquired companies and the content of the acquired business

Name of the acquired companies	American Heritage Life Insurance Company American Heritage Service Company
Content of the acquired business	Group insurance business and related administrative service business

ii) Main reasons for the business combination
This business combination was aimed at enabling StanCorp to achieve further growth in the group

insurance business through the strengthening of its operating base and the streamlining of its operations.

iii) Date of the business combination
April 1, 2025

iv) Legal form of the business combination
Acquisition of shares

v) Name of acquired companies after the business combination
American Heritage Life Insurance Company
American Heritage Service Company

vi) Voting rights acquired
100%

vii) Main reason for determining the controlling company
Having acquired majority stakes in the acquired companies, StanCorp has acquired full control of their decision-making bodies.

(2) The period of the acquired companies' operating results included in the consolidated financial statements
From April 1 to December 31, 2025

(3) Acquisition costs of the acquired businesses and their breakdown

Consideration for the acquisition:	U.S. $1,927 million
Acquisition costs:	U.S. $1,927 million

(4) Main component of acquisition-related expenses and their amount

Advisory fees and others:	U.S. $30 million

(5) Amount of assets received and liabilities assumed at the date of business combination and their breakdown

Total assets:	U.S. $4,003 million
Securities:	U.S. $1,676 million
Total liabilities:	U.S. $2,075 million
Policy reserves and other reserves:	U.S. $1,978 million

(6) Amount of goodwill recorded, reasons for recording goodwill and amortization method and period
i) Amount of goodwill recorded
U.S. $1,019 million

ii) Reasons for recording goodwill
Goodwill is recognized based on the expected profitability in excess of fair value as a result of strengthening the customer base and streamlining operations in StanCorp's group insurance business.

iii) Amortization method and period
Straight-line method: 10 years

(7) Amount of assets allocated to other intangible fixed assets other than goodwill, their breakdown by

primary type, and weighted average amortization periods for the entirety of these assets and each primary type

Primary type	Amount	Amortization period
Value of Business Acquired (VOBA)	U.S. $738 million	30 years

(8) Finalization of provisional accounting treatment in connection with the business combination
Although this business combination was provisionally accounted for in the first quarter of the fiscal year ended March 31, 2026, the Company finalized accounting treatment in connection with the business combination by the end of the second quarter of such fiscal year. The finalization of this provisional accounting treatment resulted in only insignificant changes in the amount of goodwill.

2. Meiji Yasuda Trust Life Insurance Co., Ltd.

(1) Overview of business combination
i) Name of the acquired company and the content of the acquired business

Name of the acquired company	Meiji Yasuda Trust Life Insurance Co., Ltd.*
Content of the acquired business	Life insurance business

ii) Main reasons for the business combination
This business combination was aimed at achieving further growth for the Meiji Yasuda Group via, for example, the establishment of a comprehensive partnership with the AEON Group.

iii) Date of the business combination
July 1, 2025

iv) Legal form of the business combination
Acquisition of shares

v) Name of acquired company after the business combination
Meiji Yasuda Trust Life Insurance Co., Ltd.*

vi) Voting rights acquired
85.1%

vii) Main reason for determining the controlling company
Having acquired majority stakes in the acquired business, the Company has acquired full control of its decision-making body.

* In conjunction with this acquisition, Meiji Yasuda Trust Life Insurance Co., Ltd. was renamed from AEON Allianz Life Insurance Co., Ltd. on October 1, 2025.

(2) The period of the acquired company's operating results included in the consolidated financial statements
From July 1, 2025 to March 31, 2026
(3) Acquisition costs of the acquired business and their breakdown

Consideration for the acquisition:	¥48,488 million
Acquisition costs:	¥48,488 million

(4) Main component of acquisition-related expenses and their amount

Advisory fees and others: ¥866 million

(5) Amount of assets received and liabilities assumed at the date of business combination and their breakdown

Total assets:	¥105,583 million
Cash and deposits:	¥71,615 million
Total liabilities:	¥62,610 million
Policy reserves and other reserves:	¥37,134 million

(6) Amount of goodwill recorded, reasons for recording goodwill and amortization method and period
i) Amount of goodwill recorded
¥11,918 million

ii) Reasons for recording goodwill
Goodwill is recognized based on the expected profitability in excess of fair value as a result of establishing a comprehensive partnership.

iii) Amortization method and period
Straight-line method: 5 years

(7) Finalization of provisional accounting treatment in connection with the business combination
Although this business combination was provisionally accounted for in the second quarter of the fiscal year ended March 31, 2026, the Company finalized accounting treatment in connection with the business combination by the end of the third quarter of such fiscal year. As a result, the finalized amount of goodwill totaled ¥11,918 million, a decrease of ¥1,799 million compared with the provisional amount of goodwill totaling ¥13,717 million.

3. Meiji Yasuda North America Holdings, Inc.
On February 2, 2026, the Company acquired all shares issued by Legal & General America, Inc.*[1] from Legal & General Group plc (hereinafter "L&G"). Legal & General America, Inc. is a U.S.-based holding company previously owned by L&G and tasked with overseeing such businesses as Banner Life Insurance Company, a life insurer based in the United States.

(1) Overview of business combination
i) Name of the acquired company and the content of the acquired business

Name of the acquired company	Meiji Yasuda North America Holdings, Inc.*[1]
Content of the acquired business	Life insurance business and pension risk transfer (PRT) business in the United States*[2]

ii) Main reasons for business combination
This business combination was aimed at making Banner Life Insurance Company a subsidiary as it is equipped with access to the U.S. market for individual life insurance, cutting-edge digital technologies, the PRT business and other advantages. Through this business combination, the Meiji Yasuda Group intends to further strengthen its profit base in the life insurance market in the United States.

iii) Date of the business combination (deemed acquisition date)
December 31, 2025

iv) Legal form of the business combination
Acquisition of shares

v) Name of acquired company after the business combination
Meiji Yasuda North America Holdings, Inc.*[1]

vi) Voting rights acquired
100%

vii) Main reason for determining the controlling company
Having acquired majority stakes in the acquired business, the Company has acquired full control of its decision-making body.

*1 In conjunction with this acquisition, Meiji Yasuda North America Holdings, Inc. was renamed from Legal & General America, Inc. on February 2, 2026.
*2 Meiji Yasuda North America Holdings, Inc. is a holding company, with its subsidiaries and other entities engaged in life insurance and other businesses under its supervision.

(2) The period of the acquired company's operating results included in the consolidated financial statements
Since the most recent operating results of the acquired company are preliminary as of the date of business combination and do not extend to the Company's fiscal year-end, these operating results are not included in the consolidated financial statements of the Company.

(3) Acquisition costs of the acquired business and their breakdown

Consideration for the acquisition:	¥389,199 million
Acquisition costs:	¥389,199 million

Note: The amount is not finalized and is currently presented as an estimate.

(4) Main component of acquisition-related expenses and their amount

Advisory fees and others:	¥5,346 million

Note: The amount is not finalized and is currently presented as an estimate.

(5) Amount of assets received and liabilities assumed at the date of business combination and their breakdown

Total assets:	¥2,551,647 million
Cash and deposits:	¥974 million
Total liabilities:	¥2,505,123 million
Policy reserves and other reserves:	¥2,033,636 million

Note: The amount is not finalized and is currently presented as an estimate.

(6) Amount of goodwill recorded, reasons for recording goodwill and amortization method and period
i) Amount of goodwill recorded
¥362,150 million
Note: The amount is not finalized and is currently presented as an estimate.

ii) Reasons for recording goodwill
Goodwill is recognized based on the expected profitability in excess of fair value as a result of strengthening the Company's profit base in the U.S. life insurance market by making Meiji Yasuda North America Holdings, Inc. a subsidiary.

iii) Amortization method and period
This item is not finalized yet.

(7) Amount of assets allocated to other intangible fixed assets excepting goodwill, their breakdown by primary type, and weighted average amortization periods for the entirety of these assets and each primary type
This item is not finalized yet.

(8) Allocation of acquisition costs
At the end of the fiscal year ended March 31, 2026, the Company had yet to determine assets and liabilities recognizable as of the date of the business combination, nor had it completed the calculation of their fair value. Accordingly, the allocation of acquisition costs has yet to be completed and, therefore, is provisionally accounted for based on reasonable information available at that point.

Therefore, at present, the Company has not completed the additional recognition of intangible fixed assets and others, and the amount recorded provisionally as goodwill is based on the difference between acquisition costs and the net amount of assets received and liabilities assumed as of the date of the business combination.

Taking these factors into account, the amortization method and period are currently in the process of deliberation.

(9) Estimation of approximate impact of the business combination on the consolidated statements of income (on the premise that the business combination was completed at the beginning of the year ended March 31, 2026)

Insurance premiums and other:	¥559,702 million
Ordinary profit:	¥21,619 million
Surplus before income taxes and non-controlling interests:	¥21,619 million

Method for the calculation of approximate impact
The approximate impact of the business combination is based on the calculation of insurance premiums and other, ordinary profit and surplus before income taxes and non-controlling interests on the premise that said business combination was completed at the beginning of the year ended March 31, 2026. In the course of determining this approximate impact, the amortization of goodwill and other items was not included in the calculation as the allocation of acquisition costs has yet to be completed. Moreover, this calculation does not factor in the impact of contracts signed on or after the date of the business combination in connection with reinsurance and other transactions.

Neither this note nor the approximate impacts it estimates have been audited.

(10) Others
On February 2, 2026, Meiji Yasuda North America Holdings, Inc. (MYNA) signed a reinsurance contract with an insurance subsidiary of L&G. This contract is aimed at ceding reinsurance in connection with a portion of annuities in MYNA's possession ("reinsurance transaction") through its insurance subsidiary.

The ceding of annuity contracts based on the above reinsurance transaction was completed on February 2, 2026.

The impact of the above reinsurance transaction is not included in the amounts of assets received and liabilities assumed as of the date of the business combination and, accordingly, is subject to provisional accounting treatment.