Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying non-consolidated financial statements of Meiji Yasuda Life Insurance Company ("the Company"), which comprise the non-consolidated balance sheets as at March 31, 2025 and 2026, the non-consolidated statements of income, the non-consolidated statements of changes in net assets and the non-consolidated proposed appropriation of surplus for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and 2026, and its financial performance 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 Non-Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements 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.

Other Information

The other information comprises the information included in the disclosure documents that contain or accompany the audited non-consolidated financial statements, but does not include the non-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 Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, 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 Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 non-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 non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the non-consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Fee-related Information

Fee-related information is described in the auditor's report on the consolidated financial statements.

Convenience Translation

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2026 are presented solely for convenience. Our audit also included the translation of 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 non-consolidated financial statements.

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

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

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
Non-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			
Cash	¥ 2	¥ 12	$ 0
Deposits	539,850	633,231	3,960
Subtotal	539,853	633,243	3,960
Call loans	165,000	209,000	1,307
Monetary claims bought	149,806	142,957	894
Money held in trust	111,332	159,978	1,000
Securities (*1, *2, *3, *6)			
National government bonds	15,993,294	14,653,932	91,655
Local government bonds	260,950	255,741	1,599
Corporate bonds	1,918,396	1,702,069	10,645
Domestic stocks	5,916,438	7,817,407	48,895
Foreign securities	14,083,082	15,188,462	94,999
Other securities	1,247,014	1,372,703	8,585
Subtotal	39,419,177	40,990,316	256,381
Loans (*7, *8)			
Policy loans	151,278	139,067	869
Industrial and consumer loans	3,683,289	3,564,414	22,294
Subtotal	3,834,568	3,703,481	23,164
Tangible fixed assets (*9, *15)			
Land	629,380	663,936	4,152
Buildings	260,045	273,495	1,710
Construction in progress	37,475	62,520	391
Other tangible fixed assets	5,080	5,741	35
Subtotal	931,981	1,005,693	6,290
Intangible fixed assets			
Software	70,557	86,479	540
Other intangible fixed assets	45,784	53,247	333
Subtotal	116,341	139,727	873
Reinsurance receivables	934	9,478	59
Other assets			
Accounts receivable	186,656	226,065	1,413
Prepaid expenses	11,425	13,742	85
Accrued income	150,337	161,336	1,009
Money on deposit	14,637	15,109	94
Deposits for futures transactions	16,924	28,712	179
Margins on futures transactions	359	881	5
Derivative financial instruments	98,491	57,806	361
Cash collaterals pledged for financial instruments	181,396	262,355	1,640
Suspense	12,175	12,372	77
Other assets	12,108	10,752	67
Subtotal	684,512	789,134	4,935
Prepaid pension cost	181,647	241,457	1,510
Customers' liabilities under acceptances and guarantees	4,766	4,812	30
Allowance for possible loan losses	(6,893)	(7,542)	(47)
Total assets	¥ 46,133,028	¥ 48,021,738	$ 300,361

Meiji Yasuda Life Insurance Company
Non-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 (*17)	¥ 159,016	¥ 158,917	$ 993
Policy reserves (*17)	33,890,518	34,688,820	216,967
Policyholders' dividend reserves (*10)	292,516	297,795	1,862
Subtotal	**34,342,051**	**35,145,533**	**219,824**
Reinsurance payables	**6,230**	**7,614**	**47**
Bonds payable (*11)	**1,207,793**	**969,483**	**6,063**
Other liabilities			
Payables under repurchase agreements	244,516	237,173	1,483
Payables under securities borrowing transactions	3,233,528	2,263,357	14,156
Borrowings (*12)	271,600	271,600	1,698
Income taxes payable	5,268	—	—
Accounts payable	80,644	95,993	600
Accrued expenses	51,728	55,340	346
Deferred income	6,666	5,238	32
Deposits received	30,602	29,835	186
Guarantee deposits received	35,805	39,495	247
Margins on futures transactions	261	38	0
Derivative financial instruments	191,516	464,476	2,905
Cash collaterals received for financial instruments	117,177	147,779	924
Asset retirement obligations	3,148	3,012	18
Suspense receipts	2,671	2,109	13
Subtotal	**4,275,137**	**3,615,451**	**22,613**
Reserve for price fluctuation	**1,170,519**	**1,140,519**	**7,133**
Deferred tax liabilities	**312,379**	**859,510**	**5,375**
Deferred tax liabilities for land revaluation (*15)	**78,575**	**79,310**	**496**
Acceptances and guarantees	**4,766**	**4,812**	**30**
Total liabilities	**41,397,453**	**41,822,234**	**261,585**
NET ASSETS:			
Reserve for redemption of foundation funds	**980,000**	**980,000**	**6,129**
Reserve for revaluation	**452**	**452**	**2**
Surplus	**237,342**	**254,325**	**1,590**
Reserve for future losses	**14,307**	**14,780**	**92**
Other surplus	**223,034**	**239,544**	**1,498**
Fund for price fluctuation allowance	29,764	—	—
Reserve for promotion of social welfare project	1,004	1,498	9
Reserve for business infrastructure (*18)	10,000	40,000	250
Reserve for reduction entry of real estate	24,056	20,111	125
Unappropriated surplus	158,209	177,935	1,112
Total funds, reserve and surplus	**1,217,795**	**1,234,778**	**7,723**
Net unrealized gains (losses) on available-for-sale securities	**3,491,836**	**4,991,784**	**31,222**
Deferred unrealized gains (losses) on derivatives under hedge accounting	**(95,205)**	**(150,125)**	**(938)**
Land revaluation differences (*15)	**121,149**	**123,067**	**769**
Total unrealized gains, revaluation reserves and adjustments	**3,517,779**	**4,964,725**	**31,052**
Total net assets	**4,735,575**	**6,199,503**	**38,775**
Total liabilities and net assets	**¥ 46,133,028**	**¥ 48,021,738**	**$ 300,361**

Meiji Yasuda Life Insurance Company
Non-consolidated Statements of Income

Years ended March 31		Millions of Yen 2025		Millions of Yen 2026		Millions of U.S. Dollars 2026
ORDINARY INCOME:						
Insurance premiums and other						
Insurance premiums	¥	2,758,332	¥	3,709,421	$	23,201
Reinsurance revenue		7,742		43,256		270
Subtotal		**2,766,074**		**3,752,677**		**23,471**
Investment income (*2)						
Interest, dividends and other income		1,212,572		1,351,939		8,455
Interest on deposits		14,618		11,336		70
Interest and dividends on securities		1,063,379		1,199,843		7,504
Interest on loans		66,682		69,715		436
Rent revenue from real estate		43,297		43,224		270
Other interest and dividends		24,593		27,821		174
Gains on money held in trust		—		2,965		18
Gains on sales of securities		515,842		837,734		5,239
Gains on redemption of securities		43,542		59,211		370
Foreign exchange gains		—		223,179		1,395
Reversal of allowance for possible loan losses		2,600		—		—
Other investment income		335		327		2
Investment gains on separate accounts		—		53,638		335
Subtotal		**1,774,894**		**2,528,996**		**15,818**
Other ordinary income						
Income from annuity riders		10,828		11,210		70
Income from deferred benefits		20,855		20,453		127
Reversal of policy reserves		127,525		—		—
Reversal of reserve for outstanding claims (*3)		—		99		0
Reversal of accrued retirement benefits		35,788		59,810		374
Other ordinary income		8,239		8,421		52
Subtotal		**203,238**		**99,995**		**625**
Total ordinary income	**¥**	**4,744,207**	**¥**	**6,381,670**	**$**	**39,915**

Meiji Yasuda Life Insurance Company
Non-consolidated Statements of Income (continued)

Years ended March 31	Millions of Yen 2025	Millions of Yen 2026	Millions of U.S. Dollars 2026
ORDINARY EXPENSES:			
Benefits and other payments			
Claims paid	¥ 641,518	¥ 608,109	$ 3,803
Annuity payments	643,597	691,934	4,327
Benefit payments	455,015	478,012	2,989
Surrender benefits	1,025,243	1,417,989	8,869
Other refunds	120,996	167,500	1,047
Reinsurance premiums	178,202	133,931	837
Subtotal	**3,064,573**	**3,497,478**	**21,875**
Provision for policy reserves and other reserves			
Provision for reserve for outstanding claims (*3)	9,960	—	—
Provision for policy reserves (*3)	—	798,302	4,993
Provision for interest on policyholders' dividend reserves	36	506	3
Subtotal	**9,996**	**798,808**	**4,996**
Investment expenses (*2)			
Interest expenses	45,338	64,436	403
Losses on money held in trust	6,003	—	—
Losses on sales of securities	229,028	764,213	4,779
Losses on valuation of securities	4,453	44,344	277
Losses on redemption of securities	9	41	0
Losses on derivative financial instruments	528,698	499,810	3,126
Provision for allowance for possible loan losses	—	868	5
Foreign exchange losses	84,181	—	—
Depreciation of real estate for non-insurance business	9,398	10,039	62
Other investment expenses	30,652	31,531	197
Investment losses on separate accounts	8,557	—	—
Subtotal	**946,321**	**1,415,284**	**8,852**
Operating expenses	437,714	474,102	2,965
Other ordinary expenses			
Deferred benefit payments	39,760	38,028	237
Taxes	35,681	39,971	250
Depreciation	34,542	36,842	230
Other ordinary expenses	5,459	5,150	32
Subtotal	**115,443**	**119,992**	**750**
Total ordinary expenses	**4,574,050**	**6,305,666**	**39,439**
Ordinary profit	**¥ 170,156**	**¥ 76,003**	**$ 475**

Meiji Yasuda Life Insurance Company
Non-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
Gains on liquidation of subsidiaries and affiliates	505	—	—
Gains on sales of stocks of subsidiaries and affiliates	—	74,013	462
Reversal of reserve for price fluctuation	—	30,000	187
Subtotal	**3,193**	**109,810**	**686**
Extraordinary losses			
Losses on disposals of fixed assets	7,275	12,703	79
Impairment losses (*4)	1,872	244	1
Losses on valuation of stocks of subsidiaries and affiliates	23,622	10,576	66
Provision for reserve for price fluctuation	42,317	—	—
Losses on reduction entry of real estate	—	3,217	20
Contributions for promotion of social welfare project	2,995	3,501	21
Subtotal	**78,083**	**30,243**	**189**
Surplus before income taxes	**95,266**	**155,570**	**973**
Income taxes			
Current	53,287	18,140	113
Deferred	(111,869)	(38,922)	(243)
Total income taxes	**(58,581)**	**(20,781)**	**(129)**
Net surplus	**¥ 153,847**	**¥ 176,351**	**$ 1,103**

Meiji Yasuda Life Insurance Company
Non-consolidated Statements of Changes in Net Assets

Year ended March 31, 2025 **Millions of Yen**

	Funds, reserves and surplus											
				Surplus								
					Other surplus							
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Reserve for future losses	Reserve for fund redemption	Fund for price fluctuation allowance	Reserve for promotion of social welfare project	Reserve for business infrastruc-ture	Reserve for reduction entry of real estate	Unappropriated surplus	Total surplus	Total funds, reserves and surplus
Beginning balance	50,000	930,000	452	13,853	40,000	29,764	693	10,000	24,578	164,342	283,231	1,263,684
Changes in the fiscal year												
Additions to policyholders' dividend reserves										(150,958)	(150,958)	(150,958)
Additions to reserve for future losses				454						(454)		
Additions to reserve for redemption of foundation funds		50,000										50,000
Payment of interest on foundation funds										(145)	(145)	(145)
Net surplus										153,847	153,847	153,847
Redemption of foundation funds	(50,000)											(50,000)
Additions to reserve for fund redemption					10,000					(10,000)		
Reversal of reserve for fund redemption					(50,000)						(50,000)	(50,000)
Additions to reserve for promotion of social welfare project							3,306			(3,306)		
Reversal of reserve for promotion of social welfare project							(2,995)			2,995		
Reversal of reserve for reduction entry of real estate									(521)	521		
Reversal of land revaluation differences										1,366	1,366	1,366
Net changes, excluding funds, reserves and surplus												
Net changes in the fiscal year	(50,000)	50,000	—	454	(40,000)	—	310	—	(521)	(6,133)	(45,889)	(45,889)
Ending balance	—	980,000	452	14,307	—	29,764	1,004	10,000	24,056	158,209	237,342	1,217,795

	Unrealized gains (losses), revaluation reserve and adjustments				
	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Total unrealized gains (losses), revaluation reserve and adjustments	Total net assets
Beginning balance	4,282,331	(68,811)	124,222	4,337,741	5,601,426
Changes in the fiscal year					
Additions to policyholders' dividend reserves					(150,958)
Additions to reserve for future losses					
Additions to reserve for redemption of foundation funds					50,000
Payment of interest on foundation funds					(145)
Net surplus					153,847
Redemption of foundation funds					(50,000)
Additions to reserve for fund redemption					
Reversal of reserve for fund redemption					(50,000)
Additions to reserve for promotion of social welfare project					
Reversal of reserve for promotion of social welfare project					
Reversal of reserve for reduction entry of real estate					
Reversal of land revaluation differences					1,366
Net changes, excluding funds, reserves and surplus	(790,494)	(26,393)	(3,073)	(819,961)	(819,961)
Net changes in the fiscal year	(790,494)	(26,393)	(3,073)	(819,961)	(865,851)
Ending balance	3,491,836	(95,205)	121,149	3,517,779	4,735,575

Meiji Yasuda Life Insurance Company
Non-consolidated Statements of Changes in Net Assets (continued)

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

	Funds, reserves and surplus											
			Surplus									
				Other surplus								
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Reserve for future losses	Reserve for fund redemption	Fund for price fluctuation allowance	Reserve for promotion of social welfare project	Reserve for business infrastruc-ture	Reserve for reduction entry of real estate	Unappropriated surplus	Total surplus	Total funds, reserves and surplus
Beginning balance	—	980,000	452	14,307	—	29,764	1,004	10,000	24,056	158,209	237,342	1,217,795
Changes in the fiscal year												
Additions to policyholders' dividend reserves										(157,450)	(157,450)	(157,450)
Additions to reserve for future losses				473						(473)		
Net surplus										176,351	176,351	176,351
Reversal of fund for price fluctuation allowanc						(29,764)				29,764		
Additions to reserve for promotion of social welfare project							3,995			(3,995)		
Reversal of reserve for promotion of social welfare project							(3,501)			3,501		
Additions to reserve for business infrastructure								40,000		(40,000)		
Reversal of reserve for business infrastructure								(10,000)		10,000		
Additions to reserve for reduction entry of real estate									1,235	(1,235)		
Reversal of reserve for reduction entry of real estate									(5,180)	5,180		
Reversal of land revaluation differences										(1,918)	(1,918)	(1,918)
Net changes, excluding funds, reserves and surplus												
Net changes in the fiscal year	—	—	—	473	—	(29,764)	493	30,000	(3,945)	19,725	16,982	16,982
Ending balance	—	980,000	452	14,780	—	—	1,498	40,000	20,111	177,935	254,325	1,234,778

	Unrealized gains (losses), revaluation reserve and adjustments				
	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Total unrealized gains (losses), revaluation reserve and adjustments	Total net assets
Beginning balance	3,491,836	(95,205)	121,149	3,517,779	4,735,575
Changes in the fiscal year					
Additions to policyholders' dividend reserves					(157,450)
Additions to reserve for future losses					
Net surplus					176,351
Reversal of fund for price fluctuation allowance					
Additions to reserve for promotion of social welfare project					
Reversal of reserve for promotion of social welfare project					
Additions to reserve for business infrastructure					
Reversal of reserve for business infrastructure					
Additions to reserve for reduction entry of real estate					
Reversal of reserve for reduction entry of real estate					
Reversal of land revaluation differences					(1,918)
Net changes, excluding funds, reserves and surplus	1,499,947	(54,919)	1,918	1,446,945	1,446,945
Net changes in the fiscal year	1,499,947	(54,919)	1,918	1,446,945	1,463,928
Ending balance	4,991,784	(150,125)	123,067	4,964,725	6,199,503

Meiji Yasuda Life Insurance Company

Non-consolidated Statements of Changes in Net Assets (continued)

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

	Funds, reserves and surplus											
				Surplus								
					Other surplus							
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Reserve for future losses	Reserve for fund redemption	Fund for price fluctuation allowance	Reserve for promotion of social welfare project	Reserve for business infrastruc-ture	Reserve for reduction entry of real estate	Unappropriated surplus	Total surplus	Total funds, reserves and surplus
Beginning balance	—	6,129	2	89	—	186	6	62	150	989	1,484	7,616
Changes in the fiscal year												
Additions to policyholders' dividend reserves										(984)	(984)	(984)
Additions to reserve for future losses				2						(2)		
Net surplus										1,103	1,103	1,103
Reversal of fund for price fluctuation allowance						(186)				186		
Additions to reserve for promotion of social welfare project							24			(24)		
Reversal of reserve for promotion of social welfare project							(21)			21		
Additions to reserve for business infrastructure								250		(250)		
Reversal of reserve for business infrastructure								(62)		62		
Additions to reserve for reduction entry of real estate									7	(7)		
Reversal of reserve for reduction entry of real estate									(32)	32		
Reversal of land revaluation differences										(11)	(11)	(11)
Net changes, excluding funds, reserves and surplus												
Net changes in the fiscal year	—	—	—	2	—	(186)	3	187	(24)	123	106	106
Ending balance	—	6,129	2	92	—	—	9	250	125	1,112	1,590	7,723

	Unrealized gains (losses), revaluation reserve and adjustments				
	Net unrealized gains (losses) on available-for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Total unrealized gains (losses), revaluation reserve and adjustments	Total net assets
Beginning balance	21,840	(595)	757	22,002	29,619
Changes in the fiscal year					
Additions to policyholders' dividend reserves					(984)
Additions to reserve for future losses					
Net surplus					1,103
Reversal of fund for price fluctuation allowance					
Additions to reserve for promotion of social welfare project					
Reversal of reserve for promotion of social welfare project					
Additions to reserve for business infrastructure					
Reversal of reserve for business infrastructure					
Additions to reserve for reduction entry of real estate					
Reversal of reserve for reduction entry of real estate					
Reversal of land revaluation differences					(11)
Net changes, excluding funds, reserves and surplus	9,381	(343)	11	9,050	9,050
Net changes in the fiscal year	9,381	(343)	11	9,050	9,156
Ending balance	31,222	(938)	769	31,052	38,775

Meiji Yasuda Life Insurance Company
Non-consolidated Proposed Appropriation of Surplus

Years ended March 31	Millions of Yen 2025	Millions of Yen 2026	Millions of U.S. Dollars 2026
Unappropriated surplus	**¥ 158,209**	**¥ 177,935**	**$ 1,112**
Reversal of voluntary surplus reserves:	**44,944**	**726**	**4**
Reversal of reserve for reduction entry of real estate	5,180	726	4
Reversal of reserve for business infrastructure	10,000	—	—
Reversal of fund for price fluctuation allowance	29,764	—	—
Total	**203,154**	**178,661**	**1,117**
Appropriation of surplus	**203,154**	**178,661**	**1,117**
Provision for policyholders' dividend reserves	157,450	173,995	1,088
Net surplus	45,703	4,666	29
Reserve for future losses	473	522	3
Voluntary surplus reserves:	45,230	4,144	25
Reserve for promotion of social welfare project	3,995	4,001	25
Reserve for business infrastructure	40,000	—	—
Reserve for reduction entry of real estate	1,235	142	0

Meiji Yasuda Life Insurance Company
Notes to the Non-consolidated Financial Statements

I. Basis of Presentation

MEIJI YASUDA LIFE INSURANCE COMPANY (hereafter, “the Company”) has prepared the accompanying non-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. In preparing the accompanying non-consolidated financial statements, certain reclassifications have been made to the non-consolidated financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, the notes to the non-consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts 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. 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
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 non-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 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.

(6) Software

Capitalized software for internal use owned by the Company (included in intangible fixed assets in the non-consolidated balance sheets) is amortized using the straight-line method over the estimated useful lives.

(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.

(8) Accrued retirement benefits

Accrued retirement benefits of the Company 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

No liabilities for retirement benefits were recognized as plan assets exceeded the retirement benefit obligations as of both March 31, 2025 and 2026.

(9) Reserve for price fluctuation

Reserve for price fluctuation of the Company 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 subsidiaries and affiliates, are translated into Japanese yen at the exchange rates prevailing at the balance sheet date. Equity securities issued by subsidiaries and affiliates are translated into Japanese yen at the exchange rates on the dates of acquisition.

(11) Method of hedge accounting

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, 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) 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".

(13) Accounting for retirement benefits

In the non-consolidated financial statements, methods used in accounting for unrecognized actuarial differences and unrecognized past service costs associated with retirement benefits are different from methods used in accounting for these items in the consolidated financial statements.

(14) Income Taxes

The provision for income taxes is calculated based on the pretax surplus included in the non-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.

(15) 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”.

(16) 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.

(17) 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".

(18) Policy acquisition costs

Policy acquisition costs are expensed when incurred.

(19) 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.

(Fiscal year ended March 31, 2025)
Impairment on stocks issued by subsidiaries and affiliates and accounted for as stocks of which market value is not available

The amounts of ¥1,355,748 million of equity securities issued by subsidiaries and affiliates are accounted for as stocks of which market value is not available and recorded in Securities in the non-consolidated balance sheets at the end of the fiscal year ended March 31, 2025.

Equity securities issued by subsidiaries and affiliates and accounted for as stocks of which market value is not available are tested for impairment based on the actual value. The actual value is, in principle, determined based on the net asset value at the end of the fiscal year. However, if necessary, the value calculated using such key assumptions as future cash flows is deemed to be the actual value.

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

In the fiscal year ended March 31, 2025, as a result of testing, the Company recorded impairment totaling ¥23,622 million in connection with a portion of the shares issued by subsidiaries and accounted for as stocks of which market value is not available. This is attributable to a considerable decline in the actual value of equity securities issued by the subsidiaries in light of deterioration in their financial position or ability to generate future cash flows with no likelihood of recovery. The amount of this loss is included in losses on valuation of stocks of subsidiaries and affiliates as part of extraordinary losses based on the difference between the acquisition cost of each equity security and its actual value.

(Fiscal year ended March 31, 2026)
Impairment on stocks issued by subsidiaries and affiliates and accounted for as stocks of which market value is not available

The amounts of ¥1,889,560 million (U.S. $11,818 million) of equity securities issued by subsidiaries and affiliates are accounted for as stocks of which market value is not available and recorded in Securities in the non-consolidated balance sheets at the end of the fiscal year ended March 31, 2026.

Equity securities issued by subsidiaries and affiliates and accounted for as stocks of which market value is not available are tested for impairment based on the actual value. The actual value is, in principle, determined based on the net asset value at the end of the fiscal year. However, if necessary, the value calculated using such key assumptions as future cash flows is deemed to be the actual value.

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

In the fiscal year ended March 31, 2026, as a result of testing, the Company recorded impairment totaling ¥9,969 million (U.S. $62 million) in connection with a portion of the shares issued by subsidiaries and accounted for as stocks of which market value is not available. This is attributable to a considerable decline in the actual value of equity securities issued by the subsidiaries in light of deterioration in their financial position or ability to generate future cash flows with no likelihood of recovery. The amount of this loss is included in losses on valuation of stocks of subsidiaries and affiliates as part of extraordinary losses based on the difference between the acquisition cost of each equity security and its actual value.

(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 Balance Sheets

*1. Securities Lending

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥6,702,619 million and ¥6,111,493 million (U.S. $38,225 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 securities in the amount of ¥367,339 million and ¥643,683 million (U.S. $4,026 million) as of March 31, 2025 and 2026, respectively.

4. Rights to disposal

Assets, which can be freely disposed of, but are not recorded in the Company’s non-consolidated balance sheet 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. Receivable from and Payable to Subsidiaries and Affiliates

The total amounts receivable from and payable to subsidiaries and affiliates 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**
Receivable	¥ 81,697	¥ 89,824	$ 561
Payable	5,498	5,347	33

*6. Equity Securities issued by Subsidiaries and Affiliates

The total amounts of equity securities issued by subsidiaries and affiliates were ¥1,454,739 million and ¥1,987,944 million (U.S. $12,433 million) as of March 31, 2025 and 2026, respectively.

*7. 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 ¥16,535 million and ¥15,503 million (U.S. $96 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 non-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 ¥4,259 million and ¥4,808 million (U.S. $30 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.

There were no loans in arrears for three months or longer as of March 31, 2025 and 2026.

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 ¥11,898 million and ¥10,371 million (U.S. $64 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.

*8. Loan Commitments

The amounts of loan commitments outstanding were ¥113,419 million and ¥144,659 million (U.S. $904 million) as of March 31, 2025 and 2026, respectively.

*9. Accumulated Depreciation

Accumulated depreciation of tangible fixed assets amounted to ¥478,529 million and ¥480,902 million (U.S. $3,007 million) as of March 31, 2025 and 2026, respectively.

*10. Policyholders' Dividend Reserves

Changes in policyholders' dividend reserves 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**
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 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

*11. Subordinated Bonds

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

*12. Subordinated Borrowings

As of March 31, 2025 and 2026, borrowings in liabilities consist of subordinated borrowings, and 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 ¥546,686 million (U.S. $3,419 million) as of March 31, 2025 and 2026, respectively. The amounts of separate account liabilities were the same as these figures.

14. Net Assets Stipulated by the "Ordinance for Enforcement of the Insurance Business Act"

The amounts of net assets pursuant to Article 30, Paragraph 2 of the "Ordinance for Enforcement of the Insurance Business Act" were ¥3,518,232 million and ¥4,965,178 million(U.S. $31,055 million) as of March 31, 2025 and 2026, respectively.

*15. 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 non-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 non-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.

16. Leased Assets

The Company holds some leased assets, such as computers and other equipment, in addition to the tangible and intangible fixed assets in the non-consolidated balance sheets.

*17. Reinsurance

As of March 31, 2025 and 2026, the amounts of reinsurance recoverable on reserve for outstanding claims, which is applied mutatis mutandis to Article 71, Paragraph 1 of the “Ordinance for Enforcement of the Insurance Business Act” pursuant to Article 73, Paragraph 3 of the ordinance (hereafter, “reinsurance recoverable on reserve for outstanding claims”), were ¥40 million and ¥90 million (U.S. $0 million), respectively.

As of March 31, 2025 and 2026, the amounts of reinsurance recoverable on policy reserves pursuant to Article 71, Paragraph 1 of the “Ordinance for Enforcement of the Insurance Business Act” (hereafter, “reinsurance recoverable on policy reserves”) were ¥187,656 million and ¥312,859 million (U.S. $1,956 million), respectively.

*18. Reserve for Business Infrastructure

The Company freshly established “reserve for business infrastructure” and began setting aside this item by entirely reversing its existing holdings of non-mandatory reserves (conventional reserve for business infrastructure and accumulated fund for price fluctuations), with the aim of enhancing its risk preparedness as it is now surrounded by an even more diverse range of complex risks. Thus, the Company fully liquidated its existing non-mandatory reserves and set aside ¥40,000 million (U.S.$250 million) as a reserve for business infrastructure under the same name in the fiscal year ended March 31, 2026.

IV. Notes to Statements of Income

1. Transactions with Subsidiaries and Affiliates

The total amounts of income and expenses resulting from transactions with subsidiaries and affiliates 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**
Total income	¥ 64,226	¥ 72,549	$ 453
Total expenses	49,167	59,918	374

*2. Investment Income and Expenses

Major components of gains on sales of securities were as follows:

	Millions of Yen	Millions of

Years ended March 31	2025	2026	U.S. Dollars 2026
Domestic bonds including national government bonds	¥ 21,730	¥ 33,892	$ 211
Domestic stocks	202,124	453,014	2,833
Foreign securities	289,998	350,827	2,194

Major components of losses on sales of securities were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31	**2025**	**2026**	**2026**
Domestic bonds including national government bonds	¥ 206,291	¥ 741,433	$ 4,637
Domestic stocks	1,331	4,136	25
Foreign securities	20,473	18,383	114

Major components of losses on valuation of securities were as follows:

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31	**2025**	**2026**	**2026**
Domestic stocks	¥ 1,886	¥ 41,504	$ 259
Foreign securities	2,567	2,839	17

Losses on derivative financial instruments included net valuation loss of ¥133,598 million for the year ended March 31, 2025. Gains on derivative financial instruments included net valuation gain of ¥42,725 million (U.S. $267 million) for the year ended March 31, 2026.

*3. Policy Reserves for Ceded Reinsurance

The amounts of provision for reinsurance recoverable on reserve for outstanding claims and on policy reserves, which are deducted in calculating provision for (reversal of) reserve for outstanding claims and provision for policy reserves, respectively, 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**
Provision for (reversal of) reserve for outstanding claims prior to reinsurance	¥ 9,986	¥ (49)	$ (0)
Provision for reinsurance recoverable on outstanding claims	26	49	0
Provision for policy reserves prior to reinsurance	55,175	923,505	5,776
Provision for reinsurance	182,701	125,202	783

recoverable on policy reserves

*4. Impairment of Assets

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

(1) Method for grouping the assets

The Company groups all the assets held and utilized for the Company's 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 non-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	4	161	323	485
Total	5	466	1,405	1,872

For the year ended March 31, 2026

Asset group	Number of properties impaired	Land	Buildings	Millions of Yen Total
Real estate for non-insurance business	0	¥ —	¥ —	¥ —
Idle assets	6	127	117	244
Total	6	127	117	244

For the year ended March 31, 2026

Asset group	Land	Buildings	Millions of U.S. Dollars Total

Real estate for non-insurance business	$ –	$ –	$ –
Idle assets	0	0	1
Total	0	0	1

(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 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.

V. Notes to 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”.

VI. 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.

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 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.

Foreign currency-denominated bonds payable issued by the Company are exposed to exchange rate fluctuation risk. To avoid such risk, the Company conducts currency swap transactions when issuing these bonds payable.

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 non-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; 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.

As of March 31			Millions of Yen
			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	37,988,669	36,515,126	(1,473,542)
Trading securities	437,378	437,378	―
Held-to-maturity debt securities	2,875,262	2,959,072	83,809
Policy-reserve-matching bonds	15,049,301	13,493,303	(1,555,998)
Stocks of subsidiaries and affiliates	98,991	97,636	(1,354)
Available-for-sale securities	19,527,735	19,527,735	―
Loans	3,834,568	3,758,981	(75,587)
Policy loans	151,278	151,278	―
Industrial and consumer loans	3,683,289	3,607,702	(75,587)
Allowance for possible loan losses (*1)	(5,405)	―	―
	3,829,163	3,758,981	(70,181)
Bonds payable	1,207,793	1,191,060	(16,732)
Borrowings	271,600	249,836	(21,763)
Derivative financial instruments (*2)	(93,024)	(93,024)	―
Hedge accounting is not applied	40,575	40,575	―
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 non-consolidated balance sheets, was ¥1,392,048 million as of March 31, 2025. Of this, the amount of stocks of subsidiaries and affiliates was ¥1,355,748 million. The amount of investments in capital partnerships reported in the non-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 ¥23,782 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	159,978	159,978	—	1,000	1,000	—
Available-for-sale securities	159,978	159,978	—	1,000	1,000	—
Securities	39,021,386	36,899,689	(2,121,696)	244,066	230,796	(13,270)
Trading securities	451,882	451,882	—	2,826	2,826	—
Held-to-maturity debt securities	2,508,075	2,421,956	(86,119)	15,687	15,148	(538)
Policy-reserve-matching bonds	14,455,586	12,420,009	(2,035,576)	90,415	77,683	(12,731)
Stocks of subsidiaries and affiliates	98,383	98,383	—	615	615	—
Available-for-sale securities	21,507,458	21,507,458	—	134,522	134,522	—
Loans	3,703,481	3,533,275	(170,205)	23,164	22,099	(1,064)
Policy loans	139,067	139,067	—	869	869	—
Industrial and consumer loans	3,564,414	3,394,208	(170,205)	22,294	21,229	(1,064)
Allowance for possible loan losses (*1)	(6,251)	—	—	(39)	—	—
	3,697,229	3,533,275	(163,954)	23,125	22,099	(1,025)
Bonds payable	969,483	910,952	(58,530)	6,063	5,697	(366)
Borrowings	271,600	245,441	(26,158)	1,698	1,535	(163)
Derivative financial instruments (*2)	(406,669)	(406,669)	—	(2,543)	(2,543)	—
Hedge accounting is not applied	11,585	11,585	—	72	72	—
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 non-consolidated balance sheets, was ¥1,925,830 million (U.S. $12,045 million) as of March 31, 2026. Of this, the amount of stocks of subsidiaries and affiliates was ¥1,889,560 million (U.S. $11,818 million). The amount of investments in capital partnerships reported in the non-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 ¥9,974 million (U.S. $62 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*	559,506	626,796	720,502	529,725	734,031	512,409
Securities	561,020	2,122,884	2,665,636	3,585,957	5,198,589	15,231,219
Held-to-maturity debt securities	357,651	451,908	83,792	543,989	370,947	1,066,972
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	179,875	1,406,670	1,529,622	1,489,820	1,847,176	4,987,578
Total	1,153,520	2,749,681	3,386,139	4,115,682	5,932,621	15,893,435

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*	472,278	632,375	784,734	541,719	614,344	518,941	2,953	3,955	4,908	3,388	3,842	3,245
Securities	595,091	2,352,579	2,665,069	4,298,072	4,184,618	14,815,472	3,722	14,714	16,669	26,883	26,173	92,666
Held-to-maturity debt securities	266,201	249,907	19,975	559,679	430,757	981,554	1,665	1,563	124	3,500	2,694	6,139
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	280,335	1,474,444	1,160,286	1,732,827	1,574,161	5,725,187	1,753	9,222	7,257	10,838	9,845	35,809

Total	1,132,350	2,984,955	3,449,804	4,839,791	4,798,962	15,477,371	7,082	18,669	21,577	30,271	30,016	96,806

(*) 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	¥ —	¥ —	¥ —	¥ —	¥ —	¥ 969,483	$ —	$ —	$ —	$ —	$ —	$ 6,063
Borrowings	—	—	—	—	—	271,600	—	—	—	—	—	1,698
Total	—	—	—	—	—	1,241,083	—	—	—	—	—	7,762

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	10,015,240	9,352,807	51,117	19,419,165
Trading securities	278,243	159,135	—	437,378
National & local government bonds	93,629	3,073	—	96,703
Corporate bonds	—	91,699	—	91,699
Domestic stocks	100,880	—	—	100,880
Other	83,732	64,362	—	148,095
Available-for-sale securities	9,736,996	9,193,672	51,117	18,981,786
National & local government bonds	1,466,266	103,772	—	1,570,039
Corporate bonds	—	1,503,657	—	1,503,657
Domestic stocks	5,743,930	923	—	5,744,854
Other	2,526,799	7,585,318	51,117	10,163,235
Derivative financial instruments	654	97,837	—	98,491
Currency related	—	76,816	—	76,816
Interest rate related	—	7,771	—	7,771
Stock related	73	13,249	—	13,323
Bond related	580	—	—	580
Total assets	10,015,894	9,598,977	51,117	19,665,989
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 non-consolidated balance sheets is ¥545,948 million. 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 net unrealized gains (losses) 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 non-consolidated balance sheets was ¥545,948 million.

	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**
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	—	159,978	—	159,978	—	1,000	—	1,000
Available-for-sale securities	—	159,978	—	159,978	—	1,000	—	1,000
Securities	12,074,112	9,131,536	28,899	21,234,547	75,519	57,114	180	132,815
Trading securities	284,210	167,671	—	451,882	1,777	1,048	—	2,826
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	96,136	80,554	—	176,690	601	503	—	1,105
Available-for-sale securities	11,789,901	8,963,864	28,899	20,782,665	73,742	56,066	180	129,989
National & local government bonds	1,314,815	111,078	—	1,425,894	8,223	694	—	8,918
Corporate bonds	—	1,295,437	—	1,295,437	—	8,102	—	8,102
Domestic stocks	7,575,471	1,145	—	7,576,616	47,382	7	—	47,389
Other	2,899,614	7,556,202	28,899	10,484,716	18,136	47,261	180	65,578
Derivative financial instruments	138	52,314	5,353	57,806	0	327	33	361
Currency related	—	52,040	—	52,040	—	325	—	325
Interest rate related	—	274	—	274	—	1	—	1
Stock related	138	—	5,353	5,492	0	—	33	34
Total assets	12,074,250	9,412,063	34,252	21,520,567	75,520	58,869	214	134,604
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 non-consolidated balance sheets is ¥724,792 million (U.S. $4,533 million). 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 net unrealized gains (losses) 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 non-consolidated balance sheets was ¥724,792 million (U.S. $4,533 million).

(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	13,675,504	2,874,508	—	16,550,012
Held-to-maturity debt securities	2,451,442	507,629	—	2,959,072
National & local government bonds	2,451,442	149,869	—	2,601,312
Corporate bonds	—	299,477	—	299,477
Other	—	58,282	—	58,282
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	—	—	3,758,981	3,758,981
Policy loans	—	—	151,278	151,278
Industrial and consumer loans	—	—	3,607,702	3,607,702
Total assets	13,675,504	3,011,846	3,758,981	20,446,332
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
Securities	11,956,766	2,983,582	—	14,940,349	74,785	18,661	—	93,447
Held-to-maturity debt securities	1,970,166	451,790	—	2,421,956	12,322	2,825	—	15,148
National & local government bonds	1,970,166	141,911	—	2,112,078	12,322	887	—	13,210
Corporate bonds	—	261,259	—	261,259	—	1,634	—	1,634
Other	—	48,618	—	48,618	—	304	—	304
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	—	—	3,533,275	3,533,275	—	—	22,099	22,099
Policy loans	—	—	139,067	139,067	—	—	869	869
Industrial and consumer loans	—	—	3,394,208	3,394,208	—	—	21,229	21,229
Total assets	11,956,766	3,109,244	3,533,275	18,599,286	74,785	19,447	22,099	116,332
Bonds payable	—	910,952	—	910,952	—	5,697	—	5,697
Borrowings	—	245,441	—	245,441	—	1,535	—	1,535
Total liabilities	—	1,156,393	—	1,156,393	—	7,232	—	7,232

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 bonds issued by the Company 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 balance sheet amounts are stated at fair value and classified into Level 3

(i) Quantitative information regarding significant unobservable inputs

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.

(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 Available-for-sale securities Other	Total
Balance at the beginning of the fiscal year	¥ 73,830	¥ 73,830
Profit (loss) or net unrealized gains (losses)		
Recognized in net unrealized gains (losses) on available-for-sale securities	136	136
Bought, sold, issued and settled, etc.		
Sold	(20,107)	(20,107)
Redeemed	(2,741)	(2,741)
Balance at the end of the fiscal year	51,117	51,117

Millions of Yen / **Millions of U.S. Dollars**

For the year ended March 31, 2026	Securities Available-for-sale securities Other	Financial derivative instruments Stock related (*4)	Total	Securities Available-for-sale securities Other	Financial derivative instruments Stock related (*4)	Total
Balance at the beginning of the fiscal year	¥ 51,117	¥ ―	¥ 51,117	$ 319	$ ―	$ 319
Profit (loss) or net unrealized gains (losses)						
Recognized in the non-consolidated statement of income (*1)	―	(436)	(436)	―	(2)	(2)

Recognized in net unrealized gains (losses) on available-for-sale securities or translation adjustments	4,971	—	4,971	31	—	31
Bought, sold, issued and settled, etc.	12,668	—	12,668	79	—	79
Transferred to Level 3 fair value (*2)	—	5,790	5,790	—	36	36
Transferred from Level 3 fair value (*3)	(39,858)	—	(39,858)	(249)	—	(249)
Balance at the end of the fiscal year	28,899	5,353	34,252	180	33	214
Net unrealized gains (losses) recorded on financial assets and liabilities held at the non-consolidated balance sheet date and included in the non-consolidated statement of income (*1)	—	(436)	(436)	—	(2)	(2)

(*1) Included in losses on derivative financial instruments under investment expenses.
(*2) 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.
(*3) 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.
(*4) 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

The explanation is omitted because unadjusted quoted prices provided by third parties are used as significant unobservable inputs.

VII. Securities

1. Trading securities

The unrealized valuation gains (losses) on trading securities included in profits (losses) amounted to ¥(27,738) million and ¥24,043 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 non-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	¥ 2,351,631	¥ 2,435,023	¥ 83,392	¥ 572,123	¥ 576,624	¥ 4,500	$ 3,578	$ 3,606	$ 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	22,784	23,111	327	142	144	2
Total	2,599,242	2,691,077	91,835	652,675	658,298	5,623	4,082	4,117	35
Securities whose fair value does not exceed the balance sheet amount									
1) National & local government bonds	170,414	166,289	(4,124)	1,608,950	1,535,453	(73,496)	10,063	9,603	(459)
2) Corporate bonds	108,455	105,642	(2,812)	220,234	202,696	(17,537)	1,377	1,267	(109)
3) Others	142,950	133,400	(9,550)	165,919	151,168	(14,750)	1,037	945	(92)
Total	421,820	405,332	(16,487)	1,995,104	1,889,319	(105,784)	12,478	11,817	(661)

(*) 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 non-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)	11,185,212	9,288,807	(1,896,405)	69,960	58,098	(11,861)
2) Corporate bonds	24,460	21,797	(2,662)	38,563	34,221	(4,342)	241	214	(27)
3) Others	1,953,435	1,778,678	(174,757)	1,792,784	1,636,518	(156,265)	11,213	10,235	(977)
Total	10,383,481	8,738,305	(1,645,175)	13,016,561	10,959,547	(2,057,013)	81,414	68,548	(12,865)

4. Available-for-sale securities

Disposition of available-for-sale securities amounted to ¥2,702,734 million and ¥2,322,879 million (U.S. $14,528 million) resulting in total gains on sales of ¥492,620 million and ¥817,881 million (U.S. $5,115 million) and total losses of ¥24,483 million and ¥18,820 million (U.S. $117 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 non-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	1,353,034	1,408,428	55,393	1,108,756	1,139,786	31,030	6,934	7,129	194
1) National & local government bonds	932,546	968,214	35,668	851,905	865,152	13,247	5,328	5,411	82
2) Corporate bonds	420,487	440,213	19,725	256,851	274,634	17,782	1,606	1,717	111
(3) Others	5,012,613	6,081,109	1,068,495	5,830,669	7,214,147	1,383,477	36,469	45,122	8,653
Total	7,852,137	13,213,742	5,361,604	8,361,175	15,918,928	7,557,753	52,296	99,567	47,271
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	1,796,198	1,665,268	(130,929)	1,788,004	1,581,545	(206,458)	11,183	9,892	(1,291)
1) National & local government bonds	701,663	601,824	(99,838)	736,421	560,742	(175,679)	4,606	3,507	(1,098)
2) Corporate bonds	1,094,535	1,063,443	(31,091)	1,051,582	1,020,803	(30,779)	6,577	6,384	(192)
(3) Others	5,094,031	4,776,407	(317,623)	4,556,977	4,223,574	(333,403)	28,502	26,417	(2,085)
Total	6,914,104	6,462,325	(451,778)	6,358,062	5,816,742	(541,320)	39,767	36,381	(3,385)

(*) 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) for the years ended March 31, 2025 and 2026, respectively. The amount of impairment losses on available-for-sale securities of which market value is readily available was ¥2,198 million and ¥41,499 million (U.S. $259 million) for the years ended March 31, 2025 and 2026, respectively.

VIII. 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	¥ 600	¥ 600	¥ 1	¥ 1
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	¥ 5,800	¥ 5,800	¥ (39)	¥ (39)	$ 36	$ 36	$ (0)	$ (0)
Total				(39)				(0)

(*) Net gains (losses) represent the fair values.

(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

(*) Net gains (losses) on foreign currency forward contracts and cross currency swaps 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 [ ].

As of March 31	Millions of Yen 2026 Notional amount/contract value (A)	Over 1 year included in (A)	Fair value	Net gains (losses)	Millions of U.S. Dollars 2026 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)	30	30	(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)
Equity swaps	151,917	151,917	397	397
Total				404

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)
Equity swaps	72,283	−	583	583	452	−	3	3
Total				543				3

(*) 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.

(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				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								
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)
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)
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	Foreign-currency-denominated bonds			
(U.S. dollar)		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 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.

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	Foreign-currency-denominated bonds						
(U.S. dollar)		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
Methods of hedge accounting	**Type**	**Main hedged items**	**Notional amount/ contract value (A)**	**Over 1 year included in (A)**	**Fair value**
Deferred hedge accounting	Equity swaps	Foreign currency-denominated stock	¥ 151,917	¥ 151,917	¥ 12,852
Total					12,852

As of March 31					Millions of Yen			Millions of U.S. Dollars
					2026			2026
Methods of hedge accounting	**Type**	**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	Equity swaps	Foreign currency-denominated stock	¥ 72,283	¥ －	¥ 4,769	$ 452	$ －	$ 29
Total					4,769			29

Meiji Yasuda Life Insurance Company
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IX. 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.

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	¥ 232,964	¥ 224,288	$ 1,402
Service costs	9,902	9,293	58
Interest cost on retirement benefit obligations	2,096	2,018	12
Actuarial losses (gains) recognized	(3,578)	(22,620)	(141)
Benefits paid	(17,096)	(18,066)	(113)
Balance at the end of the fiscal year	224,288	194,912	1,219

(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	¥ 609,267	¥ 714,234	$ 4,467
Expected return on plan assets	3,988	3,932	24
Actuarial gains (losses) recognized	110,685	173,142	1,082
Contributions by employer	2,239	2,223	13
Benefits paid	(11,947)	(14,193)	(88)
Balance at the end of the fiscal year	714,234	879,338	5,499

(3) The amount of the retirement benefit obligations and the plan assets, and the amount of the accrued retirement benefits and the prepaid pension cost recognized in the non-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	¥ 223,667	¥ 194,399	$ 1,215
Plan assets at fair value	(714,234)	(879,338)	(5,499)
Net present value of funded retirement benefit obligations	(490,566)	(684,939)	(4,284)
Present value of non-funded retirement benefit obligations	621	513	3
Unrecognized actuarial losses (gains)	296,603	433,547	2,711
Unrecognized past service costs	11,694	9,419	58
Accrued retirement benefits (Prepaid pension cost)	(181,647)	(241,457)	(1,510)

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

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31	**2025**	**2026**	**2026**
Service costs	¥ 9,902	¥ 9,293	$ 58
Interest cost on retirement benefit obligations	2,096	2,018	12
Expected return on plan assets	(3,988)	(3,932)	(24)
Amortization of net actuarial losses (gains)	(34,032)	(58,819)	(367)
Amortization of net past service costs	(2,378)	(2,274)	(14)
Retirement benefit expenses	(28,400)	(53,714)	(335)

(5) 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	1.9%	3.1%
Stocks	62.1%	66.9%
General account of life insurance companies	14.1%	19.3%
Jointly invested assets	10.2%	3.5%
Investment trusts	—	2.6%
Cash and deposits	5.2%	2.8%
Others	6.5%	1.8%
Total	100.0%	100.0%

Plan assets include the retirement benefit trusts. The percentage of the retirement benefit trusts was 72.5% and

76.9% of total plan assets as of March 31, 2025 and 2026, respectively.

(6) 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.

(7) Assumptions used in calculation

Assumptions 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	0.9%	2.4%
Expected long-term rate of return on plan assets		
Defined benefit corporate pension plans	2.0%	2.0%
Retirement benefit trusts	0.0%	0.0%

3. Defined contribution plans

The amounts recognized as expenses for the defined contribution pension plans were ¥1,208 million and ¥1,229 million (U.S. $7 million) for the years ended March 31, 2025 and 2026, respectively.

X. Deferred Taxes

1. Deferred tax assets/liabilities

	Millions of Yen		Millions of U.S. Dollars
As of March 31	2025	2026	2026
Deferred tax assets	¥ 1,109,297	¥ 1,172,271	$ 7,332
Valuation allowance for deferred tax assets	(10,618)	(13,660)	(85)
Deferred tax liabilities	(1,411,058)	(2,018,120)	(12,622)

2. Major components of deferred tax assets/liabilities

	Millions of Yen		Millions of U.S. Dollars
As of March 31	2025	2026	2026
Deferred tax assets			
Policy reserves and other reserves	¥ 667,870	¥ 720,987	$ 4,509
Reserve for price fluctuation	338,046	329,382	2,060
Deferred tax liabilities			

Net unrealized gains (losses) on available-for-sale securities	1,374,453	1,980,245	12,385

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	(45.40)%
Upward adjustment in deferred tax assets at the year-end due to change in tax rates	(34.28)%
Exclusion of dividends from foreign subsidiaries	(10.89)%

Year ended March 31	**2026**
Policyholders' dividend reserves	(30.89)%
Exclusion of dividends from foreign subsidiaries	(8.75)%

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, as of the end of the fiscal year ended March 31, 2025, deferred tax liabilities and deferred tax liabilities for land revaluation increased ¥11,277 million (U.S. $75 million) and ¥2,528 million (U.S. $16 million), respectively. This change also resulted in a decrease of ¥32,660 million (U.S. $218 million) in income tax—deferred.

XI. Fair Value of Investment and Rental Properties

The carrying amounts of investment and rental properties were ¥671,521 million and ¥738,767 million (U.S. $4,620 million), and their fair values were ¥1,045,018 million and ¥1,145,590 million (U.S. $7,165 million) as of March 31, 2025 and 2026, respectively. The Company owns office buildings and land in Tokyo and other areas, the fair value of which is mainly based on appraisals by qualified external appraisers.

XII. Business Combination

Notes regarding business combinations due to the Company's acquisition of shares in Meiji Yasuda Trust Life Insurance Co., Ltd. and Meiji Yasuda North America Holdings, Inc. are omitted as the same information is disclosed in the note "Business Combination" to the Consolidated Financial Statements.