November 24, 2026

Financial Results for the Six Months Ended September 30, 2026

Meiji Yasuda Life Insurance Company (Hideki Nagashima, President and Group CEO) announces financial results for the Six Months ended September 30, 2026.

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Note:
This document is a translation from the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

1. Unaudited Consolidated Balance Sheets

(Millions of Yen)

	As of Mar. 31, 2026	As of Sep. 30, 2026
ASSETS:		
Cash and deposits	917,307	830,492
Call loans	236,800	190,100
Monetary claims bought	142,957	139,368
Money held in trust	231,832	321,582
Securities	46,903,005	48,086,831
Loans	5,996,924	6,088,710
Tangible fixed assets	1,066,089	1,113,867
Intangible fixed assets	1,231,266	1,188,536
Due from agents	10,700	16,777
Reinsurance receivables	233,233	230,268
Other assets	1,402,074	1,363,561
Net defined benefit assets	724,053	723,662
Deferred tax assets	5,000	5,747
Customers' liabilities under acceptances and guarantees	4,812	4,855
Allowance for possible loan losses	(7,542)	(7,151)
Total assets	59,098,516	60,297,211

1. Unaudited Consolidated Balance Sheets (continued)

(Millions of Yen)

	As of Mar. 31, 2026	As of Sep. 30, 2026
LIABILITIES:		
Policy reserves and other reserves	44,425,995	45,369,904
Reserve for outstanding claims	929,416	947,798
Policy reserves	43,197,985	44,050,739
Policyholders' dividend reserves (mutual company)	297,795	370,216
Policyholders' dividend reserves (limited company)	798	1,149
Due to agents	12,149	9,914
Reinsurance payables	142,315	144,937
Bonds payable	1,298,037	1,343,576
Total other liabilities	4,205,057	4,621,259
Payables under securities borrowing transactions	2,274,352	3,045,374
Other liabilities	1,930,705	1,575,885
Net defined benefit liabilities	9,526	10,308
Reserve for price fluctuation	1,144,726	801,510
Deferred tax liabilities	1,033,619	1,124,948
Deferred tax liabilities for land revaluation	79,310	79,381
Acceptances and guarantees	4,812	4,855
Total liabilities	52,355,552	53,510,596
NET ASSETS:		
Reserve for redemption of foundation funds	980,000	980,000
Reserve for revaluation	452	452
Surplus	167,760	55,959
Total funds, reserve and surplus	1,148,213	1,036,412
Net unrealized gains (losses) on available-for-sale securities	4,970,200	5,109,801
Deferred unrealized gains (losses) on derivatives under hedge accounting	(147,699)	(193,470)
Land revaluation differences	123,067	123,240
Foreign currency translation adjustments	275,069	341,263
Remeasurements of defined benefit plans	324,422	304,393
Net unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries	43,580	58,767
Total accumulated other comprehensive income	5,588,640	5,743,995
Non-controlling interests	6,109	6,206
Total net assets	6,742,964	6,786,615
Total liabilities and net assets	59,098,516	60,297,211

2. Unaudited Consolidated Statements of Income

(Millions of Yen)

	Six months ended September 30	
	2025	2026
ORDINARY INCOME:	3,530,664	3,792,037
Insurance premiums and other	2,355,751	2,511,468
Investment income	1,103,767	1,193,837
Interest, dividends and other income	753,806	890,648
Gains on money held in trust	1,520	2,172
Gains on sales of securities	284,795	230,553
Investment gains on separate accounts	33,801	33,385
Other ordinary income	71,145	86,731
ORDINARY EXPENSES:	3,463,746	4,058,522
Benefits and other payments	1,921,284	2,330,025
Claims paid	384,134	577,817
Annuity payments	329,164	348,424
Benefit payments	377,293	433,909
Surrender benefits	686,658	742,403
Provision for policy reserves and other reserves	438,180	133,299
Provision for policy reserves	437,912	133,046
Provision for interest on policyholders' dividend reserves (mutual company)	267	253
Investment expenses	626,152	978,634
Interest expenses	86,061	118,483
Losses on trading securities	—	20,071
Losses on sales of securities	279,304	423,182
Losses on valuation of securities	37,010	101,106
Foreign exchange losses	9,053	74,273
Operating expenses	373,481	484,645
Other ordinary expenses	104,647	131,917
Ordinary profit (loss)	66,917	(266,484)
Extraordinary gains	20,073	345,013
Gains on disposals of fixed assets	3,435	1,676
Reversal of reserve for price fluctuation	16,638	343,336
Extraordinary losses	12,649	5,129
Losses on disposals of fixed assets	8,801	1,667
Impairment losses	234	584
Losses on reduction entry of real estate	2,008	1,209
Contributions for promotion of social welfare project	1,589	1,667
Other extraordinary losses	15	—
Provision for policyholder's dividend reserves (limited company)	422	767
Surplus before income taxes and non-controlling interests	73,918	72,633
Income taxes	8,561	756
Current	11,697	7,627
Deferred	(3,136)	(6,871)
Net surplus (loss)	65,356	71,876
Net surplus (loss) attributable to non-controlling interests	(517)	156
Net surplus (loss) attributable to the Parent Company	65,873	71,720

3. Unaudited Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Six months ended September 30	
	2025	2026
Net surplus	65,356	71,876
Other comprehensive income (loss)	680,148	153,722
Net unrealized gains (losses) on available-for-sale securities	828,635	162,021
Deferred unrealized gains (losses) on derivatives under hedge accounting	(16,977)	(43,996)
Foreign currency translation adjustments	(122,313)	69,544
Remeasurements of defined benefit plans	(15,503)	(20,028)
Net unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries	(7,387)	4,523
Share of other comprehensive income (loss) of associates accounted for under the equity method	13,695	(18,341)
Comprehensive income (loss)	745,505	225,599
Comprehensive income (loss) attributable to the Parent Company	746,022	225,502
Comprehensive income (loss) attributable to non-controlling interests	(517)	96

4. Unaudited Consolidated Statements of Cash Flows

(Millions of Yen)

	Six months ended September 30	
	2025	2026
I. Cash flows from operating activities		
Surplus before income taxes and non-controlling interests	73,918	72,633
Depreciation	34,843	80,483
Impairment losses	234	584
Provision for policyholders' dividend reserves (limited company)	422	767
Amortization of goodwill	16,604	23,470
Increase (Decrease) in reserve for outstanding claims	(16,250)	(10,036)
Increase (Decrease) in policy reserves	493,526	225,504
Provision for interest on policyholders' dividend reserves (mutual company)	267	253
Increase (Decrease) in allowance for possible loan losses	434	(391)
Increase (Decrease) in net defined benefit liabilities	(58)	409
Increase (Decrease) in reserve for price fluctuation	(16,638)	(343,336)
Interest, dividends, and other income	(753,806)	(890,648)
Losses (Gains) on securities	(40,872)	499,465
Interest expenses	86,061	118,483
Losses (Gains) on tangible fixed assets	7,374	1,200
Others, net	124,265	(374,225)
Subtotal	10,328	(595,384)
Interest, dividends, and other income received	763,766	890,139
Interest paid	(77,310)	(107,227)
Policyholders' dividends paid (mutual company)	(89,685)	(101,826)
Policyholders' dividends paid (limited company)	—	(416)
Income taxes refunded (paid)	(33,898)	1,484
Net cash provided by operating activities	573,200	86,769

4. Unaudited Consolidated Statements of Cash Flows (continued)

(Millions of Yen)

	Six months ended September 30	
	2025	2026
Ⅱ. Cash flows from investing activities		
Net decrease (increase) in deposits	1,918	26,538
Proceeds from sales and redemption of monetary claims bought	3,411	3,532
Increase in money held in trust	(33,919)	(87,955)
Decrease in money held in trust	11,379	19,318
Purchase of securities	(2,635,109)	(3,892,095)
Proceeds from sales and redemption of securities	3,291,426	3,069,659
Loans extended	(602,112)	(625,124)
Proceeds from collection of loans	567,118	605,542
Net increase (decrease) in cash collateral under securities borrowing / lending transactions	(1,095,083)	767,423
Total investment activities (Ⅱa)	(490,971)	(113,159)
[Ⅰ + Ⅱa]	82,229	(26,390)
Purchase of tangible fixed assets	(32,716)	(63,359)
Proceeds from sales of tangible fixed assets	13,680	3,612
Purchase of intangible fixed assets	(24,014)	(33,734)
Acquisition of stock of subsidiaries in change in scope of consolidation	(272,279)	—
Net proceeds from acquisition of stock of subsidiaries with change in scope of consolidation	24,826	—
Others, net	(3,699)	(1,122)
Net cash used in investing activities	(785,174)	(207,763)
Ⅲ. Cash flows from financing activities		
Repayments of borrowings	(1,226)	(1,386)
Proceeds of bonds payable	—	220,038
Redemption of bonds payable	—	(186,734)
Others, net	(199)	(98)
Net cash used in financing activities	(1,425)	31,819
Ⅳ. Effect of foreign exchange rate changes on cash and cash equivalents	(36,880)	10,318
Ⅴ. Net increase (decrease) in cash and cash equivalents	(250,279)	(78,856)
Ⅵ. Cash and cash equivalents at the beginning of the period	1,052,728	1,225,066
Ⅶ. Cash and cash equivalents at the end of the period	802,449	1,146,210

5. Unaudited Consolidated Statements of Changes in Net Assets

(Millions of Yen)

Six months ended September 30, 2025

	Funds, reserves and surplus			
	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus	Total funds, reserves and surplus
Beginning balance	980,000	452	204,511	1,184,964
Cumulative effects of changes in accounting policies			(4,633)	(4,633)
Beginning balance after reflecting the effects of changes in accounting policies	980,000	452	199,878	1,180,331
Changes in the period				
Additions to policyholders' dividend reserves (mutual company)			(157,450)	(157,450)
Net surplus attributable to the Parent Company			65,873	65,873
Reversal of land revaluation differences			(1,689)	(1,689)
Net changes, excluding funds, reserves and surplus				—
Net changes in the period	—	—	(93,265)	(93,265)
Ending balance	980,000	452	106,612	1,087,065

	Accumulated other comprehensive income (loss)								
	Net unrealized gains (losses) on available -for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Net unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Beginning balance	3,373,116	(92,478)	121,149	292,609	228,119	2,958	3,925,474	—	5,110,438
Cumulative effects of changes in accounting policies	5,326	(1)		235		54,986	60,546		55,913
Beginning balance after reflecting the effects of changes in accounting policies	3,378,442	(92,480)	121,149	292,845	228,119	57,944	3,986,021	—	5,166,352
Changes in the period									
Additions to policyholders' dividend reserves (mutual company)									(157,450)
Net surplus attributable to the Parent Company									65,873
Reversal of land revaluation differences									(1,689)
Net changes, excluding funds, reserves and surplus	853,968	(15,567)	1,689	(125,974)	(15,503)	(16,774)	681,837	5,570	687,408
Net changes in the period	853,968	(15,567)	1,689	(125,974)	(15,503)	(16,774)	681,837	5,570	594,142
Ending balance	4,232,411	(108,048)	122,838	166,871	212,615	41,170	4,667,858	5,570	5,760,494

5. Unaudited Consolidated Statements of Changes in Net Assets (continued)

(Millions of Yen)

Six months ended September 30, 2026

	Funds, reserves and surplus			
	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus	Total funds, reserves and surplus
Beginning balance	980,000	452	167,760	1,148,213
Cumulative effects of changes in accounting policies			(9,352)	(9,352)
Beginning balance after reflecting the effects of changes in accounting policies	980,000	452	158,408	1,138,860
Changes in the period				
Additions to policyholders' dividend reserves (mutual company)			(173,995)	(173,995)
Net surplus attributable to the Parent Company			71,720	71,720
Reversal of land revaluation differences			(173)	(173)
Net changes, excluding funds, reserves and surplus				—
Net changes in the period	—	—	(102,448)	(102,448)
Ending balance	980,000	452	55,959	1,036,412

	Accumulated other comprehensive income (loss)								
	Net unrealized gains (losses) on available -for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Net unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Beginning balance	4,970,200	(147,699)	123,067	275,069	324,422	43,580	5,588,640	6,109	6,742,964
Cumulative effects of changes in accounting policies	(836)			(546)		2,782	1,399		(7,952)
Beginning balance after reflecting the effects of changes in accounting policies	4,969,363	(147,699)	123,067	274,522	324,422	46,362	5,590,040	6,109	6,735,011
Changes in the period									
Additions to policyholders' dividend reserves (mutual company)									(173,995)
Net surplus attributable to the Parent Company									71,720
Reversal of land revaluation differences									(173)
Net changes, excluding funds, reserves and surplus	140,437	(45,771)	173	66,740	(20,028)	12,404	153,955	96	154,052
Net changes in the period	140,437	(45,771)	173	66,740	(20,028)	12,404	153,955	96	51,603
Ending balance	5,109,801	(193,470)	123,240	341,263	304,393	58,767	5,743,995	6,206	6,786,615

Notes to the Unaudited Consolidated Financial Statements

I. Basis for Preparing Consolidated Financial Statements

1. Consolidated Subsidiaries

The number of consolidated subsidiaries was 34 as of September 30, 2026. The consolidated subsidiaries include as follows:

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

A main subsidiary that is not consolidated, is Meiji Yasuda Life Planning Center Company, Limited.

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

2. Affiliates

The number of affiliates accounted for by the equity method was 3 as of September 30, 2026. The main affiliates accounted for by the equity method as of September 30, 2026 include as follows:

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

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

3. Interim Closing Dates of Consolidated Subsidiaries

The interim closing dates of consolidated overseas subsidiaries are June 30. The consolidated financial statements include the accounts of such subsidiaries as of June 30, 2026, with appropriate adjustments made for material transactions occurring between their respective interim closing dates and the date of the consolidated financial statements.

4. Summary of Significant Accounting Policies

(1) Change in significant accounting policy

a. Change in the method of recognizing “Insurance premiums and other” and “Benefits and other payments” of consolidated overseas insurance companies.

Insurance premiums and other of consolidated overseas insurance companies had previously been recognized on a net basis, as insurance premiums net of reinsurance premiums. Beginning with the six months ended September 30, 2026, the Company changed to a gross basis, under which insurance premiums and other are recognized as the sum of insurance premiums and reinsurance income. Benefits and other payments of consolidated overseas insurance companies had previously been recognized on a net basis, as insurance claims, annuities, benefits, surrender benefits, other refunds and others related to direct insurance contracts, hereinafter referred to as "insurance claims and others," less reinsurance income. Beginning with the six months ended September 30, 2026, the Company changed to a gross basis, under which benefits and other payments are recognized as insurance claims and others plus reinsurance premiums.

This change was made because, along with the expansion of the overseas insurance business of Meiji Yasuda Group, the significance of income and expenses related to reinsurance transactions of consolidated overseas insurance companies is expected to further increase, and the Company considers that the gross basis more appropriately reflects the results of operations of overseas insurance companies in the consolidated financial statements.

This change in accounting policy has been applied retroactively. There is no impact on retained earnings at the beginning of the six months ended September 30, 2026.

b. Certain affiliates accounted for by the equity method have applied IFRS 9 Financial Instruments and IFRS 17 Insurance Contracts

Effective January 1, 2026, certain affiliates accounted for by the equity method have applied IFRS 9 Financial Instruments and IFRS 17 Insurance Contracts to measure insurance contract liabilities to reflect the effects of the time value of money, financial risks arising from cash flows from insurance contracts, and uncertainties in cash flows arising from insurance contracts.

This change in accounting policy has been applied retroactively and the cumulative effects of the change in accounting policy are reflected in the beginning balance of the book value of net assets for the six months ended September 30, 2026.

Accordingly, for the six months ended September 30, 2026, the beginning balance of securities decreased by ¥7,952 million, retained earnings decreased by ¥9,352 million, net unrealized gains (losses) on available-for-sale securities decreased by ¥836 million, foreign currency translation adjustments decreased by ¥546 million, net unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries increased by ¥2,782 million.

(2) Securities

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

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

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

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

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

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

(3) Money held in trust

Money held in trust is stated at fair value.

(4) 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.

(5) Derivative transactions

Derivative transactions are stated at fair value.

(6) Tangible fixed assets

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

a. Buildings
Calculated using the straight-line method.

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

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

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

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

(7) Software

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

(8) 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 period amounted to ¥10 million.

(9) Net defined benefit liabilities and assets

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

Assumptions of the Company used in accounting for the defined benefit plans for the six months ended September 30, 2026 were as follows:

Method of attributing benefit to period of service	Benefit formula basis
Amortization period for actuarial differences	10 years
Amortization period for past service cost	10 years

(10) Reserve for price fluctuation

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

(11) Foreign currency translation

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

(12) Method of hedge accounting

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

- the fair value hedge accounting using forward exchange contracts and currency options and 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 deferred hedge accounting using forward exchange contracts to hedge against exchange rate fluctuation risk related to foreign currency denominated stocks (planned transactions)

- 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 the Industry Committee Practical Guidelines No. 26, "Accounting and Auditing Treatments related to Application of Accounting Standard for Financial Instruments in the Insurance Industry," issued by the JICPA.

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.

(13) Cash and cash equivalents

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

(14) Accounting for consumption taxes

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

(15) Policy reserves

Regarding contracts for which the insurer's liability under insurance policies has started as of the end of the six months ended September 30, 2026, 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 being unable to fulfill future obligations in the policy reserves 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.
- 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. As of the end of the six months ended September 30, 2026, the Company has set aside ¥240,000 million, representing 50.0% of the estimated amount. In addition, the Company reversed ¥127,496 million of contingency reserves included in policy reserves and appropriated the amount as part of additional policy reserves.

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.

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

(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) Income taxes

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

Income taxes, inhabitants' taxes and income taxes-deferred for the interim consolidated accounting period are calculated based on the assumption that the policyholders' dividend reserves and the reserve for reduction entry of real estate will be set aside or reversed in accordance with the appropriation method of retained earnings for the current fiscal year.

(18) Recognition of insurance premiums, benefits and claims, and other payments

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

Also, premiums which corresponds to the period that is not expired at the end of the six months ended September 30, 2026, 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 six months ended September 30, 2026 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”.

II. Notes to the Unaudited Consolidated Balance Sheet as of September 30, 2026

1. Securities Lending

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥ 6,691,093 million as of September 30, 2026.

2. Securities Sold under Repurchase Agreements

Securities sold under repurchase agreements amounted to ¥233,227 million as of September 30, 2026.

3. Pledged Assets and Secured Liabilities

The amounts of assets pledged as collateral were cash and deposits of ¥18,865 million, securities of ¥768,915 million, loans of ¥321,823 million and other assets of ¥49 million. In addition, secured liabilities amounted to ¥451,081 million as of September 30, 2026.

4. Rights to disposal

Assets, which can be freely disposed of, but are not recorded in the Company's consolidated balance sheet as of September 30, 2026, consisted of cash collateral totaling ¥202,359 million, which was accepted via securities lending transactions, and securities totaling ¥209,004 million, which were borrowed via securities borrowing transactions. Cash collateral was entirely loaned, while borrowed securities were entirely held by the Company.

5. 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 ¥44,969 million as of September 30, 2026.

The amounts of bankrupt and quasi-bankrupt loans were ¥284 million as of September 30, 2026.

The amounts of loans deemed uncollectible and directly deducted from the loans in the consolidated balance sheet as of September 30, 2026 were ¥10 million for bankrupt and quasi-bankrupt loans.

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 ¥16,146 million as of September 30, 2026.

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 be in the state of bankruptcy. These loans do not include bankrupt and quasi-bankrupt loans.

The amounts of loans in arrears for three months or longer were ¥112 million as of September 30, 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 ¥28,425 million as of September 30, 2026.

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.

6. Loan Commitments

The amounts of loan commitments outstanding were ¥231,735 million as of September 30, 2026.

7. Policyholders' Dividend Reserves (Mutual Company)

Changes in policyholders' dividend reserves for the six months ended September 30, 2026 were as follows:

	Millions of Yen
Balance at the beginning of the period	¥297,795
Transfer from surplus in the previous fiscal year	173,995
Dividend payments to policyholders (mutual company) during the period	(101,826)
Interest accrued during the period	253
Balance at the end of the period	370,216

8. Policyholders' Dividend Reserves (Limited Company)

Changes in policyholders' dividend reserves for the six months ended September 30, 2026 were as follows:

	Millions of Yen
Balance at the beginning of the period	¥798
Dividend payments to policyholders (limited company) during the period	(416)
Interest accrued during the period	-
Provision for policyholders' dividend reserves (limited company)	767
Balance at the end of the period	1,149

9. Subordinated Bonds

As of September 30, 2026, bonds payable in liabilities consisted entirely of subordinated bonds and foreign currency-denominated subordinated bonds, the repayments of which are subordinated to other obligations. In addition, at the meeting of the Board of Directors held on

October 6, 2026, the Company resolved to make an early redemption of yen-denominated subordinated bonds with subordinated special provisions as follows.

Name	JPY denominated subordinated notes due 2046 with interest deferral options (the “2046 Notes”)
Issue date	December 15, 2016
Redemption date	December 15, 2026
Early redemption value	100% of the face value
Total amount redeemed early	JPY 100 billion
Method of early redemption	Full amount early redemption of the outstanding balance

10. Subordinated Borrowings

As of September 30, 2026, other liabilities in liabilities included subordinated loan of ¥271,600 million, and the repayments of which are subordinated to other obligations.

11. Separate Accounts

The total amount of assets held in separate account defined in Article 118, Paragraph 1 of the “Insurance Business Act” was ¥550,014 million as of September 30, 2026. The amount of separate account liabilities was the same as this figure.

12. Revaluation of Land

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

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

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

III. Notes to the Unaudited Consolidated Statements of Income for the Six Months Ended September 30, 2026

1. Impairment of Fixed Assets

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

(1) Method for grouping the assets

The Company and certain consolidated subsidiaries group all the fixed assets held and utilized mainly for the insurance business as one asset group for the impairment test. For assets 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 six months ended September 30, 2026, the Company recognized impairment losses on real estate for non-insurance business that experienced a significant deterioration of profitability and on the idle assets that experienced a significant decline in fair value. For these assets, the Company reduced the carrying amount to a recoverable amount which is either fair value less costs to dispose or value-in-use, and recognized impairment losses as extraordinary losses in the consolidated statements of income.

(3) Details of fixed assets resulting in impairment losses

Asset group	Number of properties impaired	Millions of Yen			
		Land	Buildings	Software	Total
Assets held and utilized for the insurance business	1	-	-	29	29
Real estate for non-insurance business	0	-	-	-	-
Idle assets	7	245	309	-	554
Total	8	245	309	29	584

(4) Calculation method of recoverable amounts

The recoverable amounts are determined at value in use or net realizable value, depending on asset types. Value in use is mainly determined as the estimated net future cash flows, reflecting the volatility risk, discounted at 1.79% for the six months ended September 30, 2026. Net realizable value is calculated based on the appraisal value with reference to “Real Estate Appraisal Standards” or the publicly announced appraisal value.

IV. Notes to the Unaudited Consolidated Statements of Cash Flows for the Six Months Ended September 30, 2026

1. Cash and Cash Equivalents

The components of cash and cash equivalents in the consolidated statements of cash flows as of September 30, 2026 were as follows:

	Millions of Yen
Cash and deposits	¥830,492
Time deposits (over 3 months)	(186,380)
Call loans	190,100
Money held in trust (matured within 3 months)	7,000
Securities (matured within 3 months from the date of acquisition)	304,997
Cash and cash equivalents	1,146,210

V. Financial Instruments

1. Fair Value of Financial Instruments

The amounts of the principal financial assets and liabilities reported in the consolidated balance sheets as of September 30, 2026, their fair values and the differences between them, were as presented in the following table. In addition, notes for cash are omitted. Moreover, the Company omitted notes for deposits other than CDs; money held in trust that is jointly invested and has a nature similar to deposits; payables under repurchase agreements; and payables under securities borrowing transactions, based on the assumption that the fair value of these instruments approximates book value due to short-term nature of their contracts.

Millions of Yen

	Balance sheet amount	Fair value	Difference
Deposits	¥63,977	¥63,977	¥-
Available-for-sale securities (CDs)	63,977	63,977	-
Monetary claims bought	139,368	120,796	(18,571)
Held-to-maturity debt securities	136,464	117,892	(18,571)
Available-for-sale securities	2,903	2,903	-
Money held in trust	304,582	303,678	(903)
Trading securities	4,259	4,259	-
Policy-reserve-matching bonds	10,680	9,777	(903)
Available-for-sale securities	289,641	289,641	-
Securities	47,788,170	45,292,977	(2,495,193)
Trading securities	5,087,511	5,087,511	-
Held-to-maturity debt securities	2,801,411	2,617,813	(183,597)
Policy-reserve-matching bonds	15,048,451	12,769,267	(2,279,184)
Equity securities issued by subsidiaries and affiliates	133,744	101,332	(32,411)

Available-for-sale securities	24,717,051	24,717,051	-
Loans	6,088,710	5,865,605	(223,105)
Policy loans	157,770	157,770	-
Industrial and consumer loans	5,930,940	5,707,835	(223,105)
Allowance for possible loan losses (*1)	(5,686)	-	-
	6,083,024	5,865,605	(217,418)
Bonds payable	1,343,576	1,266,180	(77,396)
Borrowings	304,646	274,545	(30,100)
Derivative financial instruments (*2)	(159,490)	(159,490)	-
Hedge accounting is not applied	60,516	60,516	-
Hedge accounting is applied	(220,006)	(220,006)	-

(*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, and items that result in a net payable in total are indicated in ( ).

(*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 amounts of stocks and others of which market value is not available, as reported in the consolidated balance sheets, were ¥71,269 million as of September 30, 2026. Of this, the amounts of stocks of subsidiaries and affiliates were ¥38,197 million. The amounts of investments in capital partnerships reported in the consolidated balance sheets totaled ¥227,391 million as of September 30, 2026.

2. 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 level with lowest priority among the levels to which each input belongs in terms of fair value measurement.

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

	Millions of Yen			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Deposits (CDs)	¥-	¥63,977	¥-	¥63,977
Monetary claims bought	-	2,903	-	2,903
Available-for-sale securities	-	2,903	-	2,903
Money held in trust	-	293,901	-	293,901
Trading securities	-	4,259	-	4,259
Available-for-sale securities	-	289,641	-	289,641
Securities	15,406,533	12,900,155	742,825	29,049,514
Trading securities	3,171,879	1,274,719	640,912	5,087,511
National & local government bonds	62,968	4,158	-	67,126
Corporate bonds	-	81,072	-	81,072
Stocks	126,089	589	-	126,678
Others	2,982,822	1,188,899	640,912	4,812,634
Available-for-sale securities	12,234,654	11,625,436	101,912	23,962,002
National & local government bonds	1,306,210	109,177	-	1,415,387
Corporate bonds	-	1,250,914	-	1,250,914
Stocks	8,263,151	43,870	-	8,307,021
Others	2,665,292	10,221,473	101,912	12,988,679
Derivative financial instruments	3,464	123,517	16,028	143,011
Currency related	-	123,516	-	123,516
Interest rate related	-	1	146	147
Stock related	48	-	15,882	15,931
Bond related	3,415	-	-	3,415
Asset Total	15,409,998	13,384,456	758,854	29,553,308
Derivative financial instruments	8,094	287,654	6,752	302,501
Currency related	-	45,143	-	45,143
Interest rate related	-	242,511	-	242,511
Stock related	38	-	6,752	6,790
Bond related	8,056	-	-	8,056
Liability Total	8,094	287,654	6,752	302,501

(*)The above table does not include investment trusts of which net asset value is considered as its fair value in accordance with Article 24-7 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement”. The amount of such investment trusts recognized on the consolidated balance sheet is ¥755,048 million. A reconciliation from the beginning balance to the ending balance of the investment trusts of the period is as follows.

	Millions of Yen
	Investment trusts to which Article 24-3 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" applies and its net asset value is considered as its fair value
Balance at the beginning of the period	¥724,792
Profit (loss) or other comprehensive income (loss) for the period	
Recognized in net unrealized gains (losses) on available-for-sale securities	(12,416)
Bought, sold and redeemed	
Bought	65,908
Sold	(23,236)
Balance at the end of the period	755,048

In addition, among the investment trusts to which Article 24-3 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" applies, the main content of restrictions on cancelation and others and the amount recognized in the consolidated balance sheet are ¥755,048 million of those that cannot be cancelled voluntarily.

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

	Millions of Yen			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥-	¥117,892	¥-	¥117,892
Held-to-maturity debt securities	-	117,892	-	117,892
Money held in trust	-	9,777	-	9,777
Policy-reserve-matching bonds	-	9,777	-	9,777
Securities	12,317,585	2,782,053	388,775	15,488,414
Held-to-maturity debt securities	1,820,086	408,952	388,775	2,617,813
National & local government bonds	1,808,997	121,122	-	1,930,120
Corporate bonds	-	239,581	-	239,581
Others	11,088	48,249	388,775	448,112
Policy-reserve-matching bonds	10,396,166	2,373,101	-	12,769,267
National & local government bonds	9,858,504	-	-	9,858,504
Corporate bonds	-	36,183	-	36,183
Others	537,661	2,336,917	-	2,874,579
Equity securities issued by subsidiaries and affiliates	101,332	-	-	101,332
Loans	-	-	5,865,605	5,865,605
Policy loans	-	-	157,770	157,770

Industrial and consumer loans	-	-	5,707,835	5,707,835
Asset Total	12,317,585	2,909,724	6,254,380	21,481,690
Bonds payable	-	892,086	374,093	1,266,180
Borrowings	8,815	241,499	24,230	274,545
Liability Total	8,815	1,133,586	398,323	1,540,726

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 for which there is no market price, the net asset value per unit is used as the fair value and classified as Level 2 fair value if there are no significant restrictions to the extent that it is required by the market participants to pay for risks in relation to cancellation or repurchase requests.

(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 September 30, 2026, due to the lack of observable data, the fair values of equity swaps and others were calculated using significant unobservable inputs provided by transaction counterparties and were classified into Level 3.

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

(iii) Loans

The fair values of industrial and consumer loans are, in principle, stated at value calculated by discounting the net future cash flows to the present value utilizing unobservable input. Accordingly, the Company classifies their fair values into Level 3.

The fair values of loans to bankrupt borrowers, substantially bankrupt borrowers and borrowers with high possibility of bankruptcy, are stated at value calculated by deducting the estimated amount of loan losses from the book value of loans before direct write-off.

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

(iv) Bonds payable

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

(v) Borrowings

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

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

(i) Quantitative information regarding significant unobservable inputs

Category	Valuation technique	Significant unobservable inputs	Range of input	Weighted average of input
Derivative financial instruments				
Interest rate related transactions	Option valuation model (Bachelier model)	Implied volatility	0.78%-0.84%	0.82%
Stock related transactions	Option valuation model (Black–Scholes model)	Implied volatility	4.39%-16.75%	13.53%
Securities				
Trading securities				
Available-for-sale securities	Discounted present value method	Liquidity premium	0.2%-0.7%	0.45%

(*1) In addition to the above, available-for-sales 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

	Securities		Derivative Financial Instruments (*4)		Total
	Trading securities	Available-for-sale securities	Interest rate related	Stock-related	
	Other	Others			
Balance at the beginning of the period	¥560,335	¥88,234	¥-	¥19,552	¥668,122
Profit (losses) or other comprehensive income for six months ended September 30, 2026					
Appropriated as profit (losses) (*1)	(7,958)	20	(7)	2,303	(5,642)
Appropriated as other comprehensive income (*2)	20,865	(4,131)	47	(10,340)	6,440
Purchase, Sale, Issue and Settlement	67,668	8,534	106	(2,384)	73,924
Transferred to Level 3 fair value (*3)	-	9,255	-	-	9,255
Balance at the end of the period	640,912	101,912	146	9,130	752,101
Unrealized gains (losses) of financial assets and liabilities held at the balance sheet date within the amount appropriated as profit (losses) during the period (*1)	(8,618)	-	-	2,602	(6,016)

(*1) Included in interest, dividends, and other income and gains on trading securities under investment income and losses on trading securities and derivative financial instruments under investment expenses.
(*2) Included in net unrealized gains (losses) on available-for-sale securities, deferred unrealized gains (losses) on derivatives under hedge accounting and foreign currency translation adjustments under other comprehensive income.
(*3) Indicating transfer from Level 2 fair value to Level 3 fair value due to the lack of observable data. This transfer is carried out at the end of the six months ended September 30, 2026.
(*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

Implied volatility of swap rates is a significant unobservable input for use in the fair value measurement of interest rate-related transactions of financial derivative instruments and an indicator representing the speed and magnitude of changes in the relevant swap rates. A

significant increase (decrease) in volatility therefore causes option prices to rise (fall) considerably. In case of long position in option transactions, such volatility would result in a considerable rise (fall) in the fair value of these instruments.

Implied volatility of indices such as the S&P 500 Index is a significant unobservable input for use in the fair value measurement of equity-related transactions of financial derivative instruments and an indicator representing the speed and magnitude of changes in the relevant indices. A significant increase (decrease) in volatility therefore causes option prices to rise (fall) considerably. In case of long position in option transactions, such volatility would result in a considerable rise (fall) in the fair value of these instruments.

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

VI. Securities

1. Held-to-Maturity Debt Securities

The amounts reported in the consolidated balance sheets and fair values of the held-to-maturity debt securities by security type at the end of the period, and the differences between them, were shown in the following table.

			Millions of Yen
	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount			
1) National & local government bonds	¥305,295	¥306,441	¥1,146
2) Corporate bonds	42,889	43,066	176
3) Others	227,366	227,432	65
Total	575,551	576,940	1,388
Securities whose fair value does not exceed the balance sheet amount			
1) National & local government bonds	1,777,046	1,623,678	(153,368)
2) Corporate bonds	227,121	196,514	(30,606)
3) Others	358,156	338,573	(19,583)
Total	2,362,324	2,158,766	(203,558)

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

2. Policy-Reserve-Matching Bonds

The carrying amounts in the consolidated balance sheets of policy-reserve-matching bonds by security type were shown in the following table, along with their fair values and the differences between these amounts.

			Millions of Yen
	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount			
1) National & local government bonds	¥-	¥-	¥-
2) Corporate bonds	251	252	0
3) Others	18,520	18,622	101
Total	18,772	18,874	102
Securities whose fair value does not exceed the balance sheet amount			
1) National & local government bonds	11,854,098	9,860,622	(1,993,476)
2) Corporate bonds	49,816	43,172	(6,643)
3) Others	3,136,445	2,856,375	(280,069)
Total	15,040,360	12,760,170	(2,280,189)

3. Available-for-Sale Securities

With regard to available-for-sale securities, acquisition costs, amortized costs, the amounts reported in the consolidated balance sheets and the respective differences by each type of securities were shown in the following table.

			Millions of Yen
	Acquisition or amortized costs	Balance sheet amount	Difference
Securities whose balance sheet amount exceeds the acquisition or amortized costs			
(1) Domestic stocks	¥1,416,017	¥8,294,230	¥6,878,212
(2) Bonds	776,287	792,460	16,173
1) National & local government bonds	630,823	634,139	3,315
2) Corporate bonds	145,463	158,321	12,857
(3) Others	5,991,403	7,223,507	1,232,104
Total	8,183,708	16,310,198	8,126,489
Securities whose balance sheet amount does not exceed the acquisition or amortized costs			
(1) Domestic stocks	13,209	12,791	(418)
(2) Bonds	2,178,912	1,916,318	(262,594)

1) National & local government bonds	1,004,408	789,879	(214,529)
2) Corporate bonds	1,174,302	1,126,237	(48,065)
3) Other bonds	201	201	-
(3) Others	7,544,420	6,834,267	(710,153)
Total	9,736,542	8,763,376	(973,165)

(*) 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.

VII. Fair Value of Investment and Rental Properties

Since there were no significant changes compared to the end of the previous fiscal year, the disclosure of items related to the fair value of rental properties is omitted.