May 23, 2025

Financial Results (Draft) for the Fiscal Year Ended March 31, 2025

Nippon Life Insurance Company (the “Company”; President: Satoshi Asahi) announces financial results (draft) for the fiscal year ended March 31, 2025.

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Nippon Life Insurance Company

I. Financial Summary (draft) for the Fiscal Year Ended March 31, 2025

The Company will submit the financial results for the fiscal year ended March 31, 2025 (draft) for discussion at the 78th annual meeting of the representatives of policyholders to be held on July 2, 2025. A summary of the results is provided below.

1. Business Highlights

(1) Annualized Premium

- Policies in Force

(100 Million Yen, %)

		As of March 31, 2025		As of March 31, 2024	
			As a percentage of March 31, 2024		As a percentage of March 31, 2023
Individual insurance		26,758	99.8	26,807	101.3
Individual annuities		10,270	96.9	10,594	96.7
Total		37,028	99.0	37,401	100.0
	Medical coverages, living benefits, and others	6,797	100.2	6,786	99.4

- New Policies

(100 Million Yen, %)

		Year ended March 31, 2025		Year ended March 31, 2024	
			As a percentage of March 31, 2024		As a percentage of March 31, 2023
Individual insurance		2,139	90.7	2,360	113.9
Individual annuities		199	87.7	227	80.8
Total		2,339	90.4	2,588	109.9
	Medical coverages, living benefits, and others	418	108.6	385	78.5

Notes: 1. The amount of annualized premium is calculated by multiplying a single premium payment by a factor according to the premium payment method (for lump-sum payment policies, the annualized amount is the total premium divided by the insured period).

2. The amount of medical coverages, living benefits, and others represents annualized premium related to medical benefits (hospitalization benefits and surgical benefits), living benefits (specified illness benefits and nursing care benefits), and waiver of premium benefits (excluding disability benefits alone, but including specified illness and nursing care benefits).

3. Annualized new policy premium includes net increases due to conversions.

(2) Amount of Policies in Force and New Policies

• Policies in Force

	As of March 31, 2025				As of March 31, 2024			
	Number of policies		Amount of policies		Number of policies		Amount of policies	
	(thousands)	As a percentage of March 31, 2024 (%)	(100 million yen)	As a percentage of March 31, 2024 (%)	(thousands)	As a percentage of March 31, 2023 (%)	(100 million yen)	As a percentage of March 31, 2023 (%)
Individual insurance	30,336	98.7	1,138,901	95.0	30,737	99.8	1,198,859	96.7
Individual annuities	3,998	97.8	234,886	96.4	4,086	97.9	243,625	96.5
Group insurance	—	—	963,430	99.5	—	—	968,744	99.4
Group annuities	—	—	137,865	98.5	—	—	139,948	99.3

Notes: 1. The amount of individual annuities is the total of (a) annuity resources at the start of annuity payments for policies prior to the start of annuity payments and (b) policy reserves for policies after the start of annuity payments.
2. The amount of group annuities is the amount of the policy reserves.

• New Policies

	Year ended March 31, 2025						Year ended March 31, 2024					
	Number of policies		Amount of policies				Number of policies		Amount of policies			
	(thousands)	As a percentage of March 31, 2024 (%)	(100 million yen)	As a percentage of March 31, 2024 (%)	New policies	Net increase (decrease) by conversion	(thousands)	As a percentage of March 31, 2023 (%)	(100 million yen)	As a percentage of March 31, 2023 (%)	New policies	Net increase (decrease) by conversion
Individual insurance	3,674	109.6	21,100	46.5	42,781	(21,680)	3,351	83.9	45,374	90.9	53,479	(8,105)
Individual annuities	129	106.9	5,653	90.8	6,069	(415)	121	98.4	6,227	86.0	6,508	(281)
Group insurance	—	—	1,305	21.4	1,305		—	—	6,094	68.1	6,094	
Group annuities	—	—	2	201.0	2		—	—	1	24.7	1	

Notes: 1. New policies include enrollment using the coverage enhancement system, and conversion indicates enrollment using the coverage revision system and partial coverage revision system.
2. The number of policies includes policies that were converted into new policies.
3. The amount of new policies and net increase in policies by conversion for individual annuities represents annuity resources at the start of annuity payments.
4. The amount of new policies for group annuities represents the first-time premium.

(3) Major Profit and Loss Items

(100 Million Yen, %)

	Year ended March 31, 2025		Year ended March 31, 2024	
		As a percentage of March 31, 2024		As a percentage of March 31, 2023
Revenues from insurance and reinsurance	47,946	90.5	52,973	114.0
Investment income	22,163	100.0	22,168	85.7
Benefits and other payments	44,541	102.3	43,558	106.3
Investment expenses	9,140	131.1	6,969	58.8
Ordinary profit	4,926	75.3	6,545	264.1

(4) Proposed Appropriations of Surplus

(100 Million Yen, %)

	Year ended March 31, 2025		Year ended March 31, 2024	
		As a percentage of March 31, 2024		As a percentage of March 31, 2023
Unappropriated surplus at the year-end	4,687	92.0	5,097	273.6
Provision of reserve for dividends to policyholders	2,916	110.3	2,645	145.4
Net surplus after deduction	1,796	72.7	2,470	2,818.7

(5) Total Assets

(100 Million Yen, %)

	As of March 31, 2025		As of March 31, 2024	
		As a percentage of March 31, 2024		As a percentage of March 31, 2023
Total assets	816,154	97.7	835,491	110.5

2. Overview of General Accounts Asset Management for the Fiscal Year Ended March 31, 2025

(1) Investment Environment

In the fiscal year ended March 31, 2025, interest rates in Japan trended upward, primarily due to heightened expectations of the Bank of Japan's financial normalization. Overseas, interest rates declined in the first half of the fiscal year as a result of rate cuts implemented over economic concerns. However, in the second half of the fiscal year, overseas interest rates rose back to the levels seen at the beginning of the fiscal year, driven by the perception that U.S. policy interest rates would remain high due to the Trump administration's tariff policy. Under these circumstances, foreign exchange rates fluctuated significantly in response to trends in domestic and overseas monetary policies and due to supply and demand factors, such as yen carry trades. Additionally, Japanese and foreign stock prices were volatile due to perceptions of the Trump administration's policies and fluctuations in foreign exchange rates. These factors primarily contributed to the continued uncertainty in the investment environment.

- The Nikkei Stock Average at the start of the fiscal year was in the ¥39,800 range. Subsequently, the index temporarily reached a new all-time high due to factors, such as the Tokyo Stock Exchange's governance reform and expectations of improved corporate performance driven by the depreciation of the yen. However, towards the end of the fiscal year, concern over the Trump administration's policies and other factors exerted downward pressure. As a result, the index finished at ¥35,617 at the end of March 2025.
- The yield rate on 10-year Japanese government bonds at the start of the fiscal year was in the 0.7% range. Thereafter, it trended upward throughout the fiscal year, reaching 1.49% at the end of March 2025. This increase was in response to heightened expectations of the Bank of Japan's financial normalization, although downward pressure intensified during the summer against the backdrop of a global decline in interest rates.
- The yen-dollar exchange rate at the start of the fiscal year was at the ¥151 level. Thereafter, it was susceptible to fluctuations throughout the fiscal year due to trends in the monetary policies of Japan and the U.S., as well as supply and demand factors. However, the yen-dollar exchange rate at the end of March 2025 was mostly unchanged from the end of the previous fiscal year and stood at ¥149.52.

  The yen-euro exchange rate at the start of the fiscal year was at the ¥163 level. Subsequently, it was susceptible to fluctuations throughout the fiscal year due to trends in the monetary policies of Japan and the euro zone, as well as fiscal expansion in the euro zone and other factors. The yen-euro exchange rate was ¥162.08 at the end of March 2025.

(2) Investment Summary

The Company's general account assets decreased by ¥1,852.7 billion compared with March 31, 2024, totaling ¥80,470.5 billion (2.25% decrease compared with the previous fiscal year-end) as of March 31, 2025.

The Company has positioned yen-denominated assets that can be expected to provide stable income, such as government and corporate bonds, as its core assets. From the perspective of improving profits in the mid- to long-term, the Company invested in stocks and foreign securities within the scope of acceptable risk, while taking business stability into account.

・The Company captured the opportunity of rising interest rates and invested in domestic bonds, taking into consideration the advantages against other yen interest rate assets.

・The Company focused on safe and stable prime lending by accurately assessing credit risks.

・For domestic stocks, the Company strove to enhance the profitability of its portfolio by replacing certain stocks, while focusing the Company's attention on corporate profitability and dividends from the mid- to long-term investing perspective.

・Regarding foreign securities, the Company invested in government and corporate bonds denominated in foreign currencies based on currency movements. Also, the Company invested in foreign bonds with foreign exchange hedges, taking into consideration the advantages against other yen interest rate assets.

(3) Status of Investment Income/Expense

Investment income was ¥2,216.3 billion, an increase from ¥2,088.9 billion in the fiscal year ended March 31, 2024. The main factor behind this increase was an increase in interest, dividends, and other income.

Investment expenses amounted to ¥900.3 billion, an increase from ¥696.9 billion in the fiscal year ended March 31, 2024. The main factor behind this increase was an increase in loss on sales of securities.

As a result, the Company's net investment income decreased by ¥76.0 billion, compared with the fiscal year ended March 31, 2024, to ¥1,315.9 billion.

(4) Investment Risk Management

Investment risk refers to risk of incurring losses when the value of the Company's assets and liabilities fluctuates. It can be categorized into market risk, credit risk, and real estate investment risk. The long-term nature of life insurance policies require a long-term approach based on liability characteristics to manage risks associated with investment. Hence, the Company seeks to manage its portfolio efficiently based on risk-return analyses that emphasize the importance of generating investment returns over the medium to long term.

The Company has, therefore, established the Investment Risk Management Department within the Risk Management Department and, by maintaining and upgrading its rigorous system for managing risks, the Company strives to limit losses to acceptable levels, while pursuing stable returns.

a. Market risk management

Market risk refers to risk of incurring losses when the fair value of invested assets and liabilities fluctuates due to factors, such as fluctuations in interest rates, exchange rates, or stock prices. To avoid excessive losses from financing and investment transactions, the Company manages market risk by setting and monitoring investment limits for each type of asset and holding purpose as necessary. Through these measures, the Company strives to build a portfolio with due consideration to the diversification of risk. In addition, to control the market risk of the Company's portfolio, the Company reasonably calculates the market value-at-risk and appropriately allocates assets within acceptable boundaries of risk.

b. Credit risk management

Credit risk refers to risk of incurring losses when the value of assets, primarily loans and bonds, declines due to deterioration of the financial condition of a party to whom credit has been extended. To manage credit risk, the Company has built a system to perform credit analysis, including strict assessment of individual transactions by the Assessment Management Department, which is independent of the departments handling investment and finance activities. The Company also continues to build a sound portfolio through the establishment and monitoring of interest guidelines to ensure the returns that the Company obtains are commensurate with the risk, a system of internal ratings for classifying the creditworthiness of borrowers, and credit ceilings to ensure that credit risk is not excessively concentrated in a particular company, group, or country. In addition, the Company calculates credit value-at-risk as a measurement of the magnitude of credit risk across the portfolio of the Company as a whole, and monitor whether the magnitude of risk stays within an appropriate range.

c. Real estate investment risk management

Real estate investment risk refers to risk of reduced returns caused by factors such as rent decline, as well as incurring losses when real estate values decline due to market deterioration and other factors. The Company's approach to manage real estate investment risk involves the rigorous examination of each investment by the Credit Department, which is independent of the departments handling investment and finance activities. The Company also adheres to a policy involving thresholds for investment returns and prices. This enables the Company to appropriately focus management efforts on properties with low profitability.

(5) Asset Liability Management

For life insurance companies to carry out stable management in the long term, it is crucial to use the Asset Liability Management approach as a basis for understanding the status of liabilities for payments of future insurance benefits (policy reserves) and investment assets as well as for adjusting investment periods. The Company analyzes and evaluates liability cash flows, risk of falling short of assumed interest rates, and level of allowed risk for each product, and decides the mid- to long-term investment plan at the Managing Directors' meetings and the Risk Management Committee meetings.

3. Investment Management Performance (General Account)

(1) Asset Composition

(100 Million Yen, %)

	As of March 31, 2025		As of March 31, 2024	
	Amount	%	Amount	%
Cash, deposits, and call loans	10,361	1.3	9,706	1.2
Receivables under resale agreements	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—
Monetary receivables purchased	1,007	0.1	1,187	0.1
Proprietary trading securities	—	—	—	—
Assets held in trust	—	—	—	—
Investments in securities:	682,149	84.8	700,929	85.1
Domestic bonds	305,176	37.9	305,711	37.1
Domestic stocks	131,910	16.4	145,694	17.7
Foreign securities:	219,769	27.3	218,239	26.5
Foreign bonds	110,690	13.8	118,261	14.4
Foreign stocks and other securities	109,078	13.6	99,977	12.1
Other securities	25,294	3.1	31,284	3.8
Loans:	78,660	9.8	80,482	9.8
Policy loans	4,029	0.5	4,229	0.5
Industrial and consumer loans	74,630	9.3	76,253	9.3
Real estate:	17,388	2.2	17,429	2.1
Investment property	11,550	1.4	11,566	1.4
Deferred tax assets	—	—	—	—
Other assets	15,181	1.9	13,596	1.7
Allowance for doubtful accounts	(42)	(0.0)	(99)	(0.0)
Total assets (general account):	804,705	100.0	823,232	100.0
Foreign currency-denominated assets	215,651	26.8	210,901	25.6

Note: Real estate amount is the sum of land, buildings, and construction in progress.

(2) Increases/Decreases in Assets

(100 Million Yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Cash, deposits, and call loans	655	715
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary receivables purchased	(180)	(57)
Proprietary trading securities	—	—
Assets held in trust	—	—
Investments in securities:	(18,779)	76,025
Domestic bonds	(534)	4,147
Domestic stocks	(13,784)	43,158
Foreign securities:	1,529	28,694
Foreign bonds	(7,570)	17,531
Foreign stocks and other securities	9,100	11,163
Other securities	(5,990)	25
Loans:	(1,822)	2,535
Policy loans	(199)	(149)
Industrial and consumer loans	(1,622)	2,685
Real estate:	(41)	378
Investment property	(16)	470
Deferred tax assets	—	—
Other assets	1,584	(926)
Allowance for doubtful accounts	56	(14)
Total assets (general account):	(18,527)	78,658
Foreign currency-denominated assets	4,750	29,561

Note: Real estate amount is the sum of land, buildings, and construction in progress.

(3) Investment Income

(100 Million Yen)

		Year ended March 31, 2025	Year ended March 31, 2024
Interest, dividends, and other income:		18,269	16,076
	Interest on deposits and savings	125	90
	Interest on securities and dividends	15,170	13,126
	Interest on loans	1,691	1,601
	Real estate rental income	1,161	1,136
	Other income	120	121
Gain on proprietary trading securities		—	—
Gain from assets held in trust, net		—	—
Gain on trading securities		—	—
Gain on sales of securities:		3,883	3,153
	Gain on sales of domestic bonds, including national government bonds	303	394
	Gain on sales of domestic stocks and other securities	2,635	1,031
	Gain on sales of foreign securities	944	1,727
	Other gains	—	—
Gain on redemptions of securities		—	—
Gain on derivative financial instruments, net		—	—
Foreign exchange gains, net		—	1,582
Reversal of allowance for doubtful accounts		—	—
Reversal of allowance for investment loss		—	69
Other investment income		10	8
Total		22,163	20,889

(4) Investment Expenses

(100 Million Yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Interest expenses	558	429
Loss on proprietary trading securities	—	—
Loss from assets held in trust, net	—	—
Loss on trading securities	—	—
Loss on sales of securities:	5,020	2,758
Loss on sales of domestic bonds, including national government bonds	3,234	1,559
Loss on sales of domestic stocks and other securities	599	494
Loss on sales of foreign securities	1,186	704
Other losses	—	—
Loss on valuation of securities:	25	65
Loss on valuation of domestic bonds, including national government bonds	—	—
Loss on valuation of domestic stocks and other securities	21	29
Loss on valuation of foreign securities	3	35
Other losses	0	0
Loss on redemptions of securities	—	—
Loss on derivative financial instruments, net	2,174	2,883
Foreign exchange losses, net	305	—
Provision for allowance for doubtful accounts	5	6
Provision for allowance for investment loss	25	—
Write-offs of loans	—	—
Depreciation of real estate for rental use and other assets	215	203
Other investment expenses	672	624
Total	9,003	6,969

(5) Investment Indicators

1) Yield on primary assets

(%)

	Year ended March 31, 2025	Year ended March 31, 2024
Cash, deposits, and call loans	0.31	0.13
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary receivables purchased	0.62	1.08
Proprietary trading securities	—	—
Assets held in trust	—	—
Investments in securities:	2.08	2.06
Domestic bonds	0.53	1.06
Domestic stocks	11.70	7.85
Foreign securities	2.15	2.63
Foreign bonds	1.60	2.22
Foreign stocks and other securities	2.75	3.12
Loans:	1.38	1.33
Industrial and consumer loans	1.24	1.17
Real estate:	2.47	2.49
Investment property	3.62	3.70
General account total:	1.85	2.00
Overseas investments	2.13	2.55

Notes: 1. Yields are calculated by dividing investment income, less investment expenses, by the daily average book value balance.
2. The amount of overseas investments is the sum of assets denominated in foreign currencies and yen.

2) Daily average balance

(100 Million Yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Cash, deposits, and call loans	9,490	8,507
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary receivables purchased	1,059	1,220
Proprietary trading securities	—	—
Assets held in trust	—	—
Investments in securities:	577,928	561,555
Domestic bonds	309,457	304,629
Domestic stocks	51,465	47,264
Foreign securities	189,789	180,864
Foreign bonds	99,816	98,512
Foreign stocks and other securities	89,973	82,351
Loans:	78,353	78,455
Industrial and consumer loans	74,228	74,152
Real estate:	17,398	17,210
Investment property	11,577	11,298
General account total:	711,506	694,535
Overseas investments	210,276	199,151

(6) Net Valuation Gains/Losses on Trading Securities

There were no net valuation gains/losses as of March 31, 2024 and 2025.

(7) Fair Value Information of Securities (Other Than Trading Securities)

(100 Million Yen)

	As of March 31, 2025					As of March 31, 2024				
	Book value	Fair value	Net gains/ losses			Book value	Fair value	Net gains/ losses		
				Gains	Losses				Gains	Losses
Policy-reserve-matching bonds	275,180	241,892	(33,287)	3,209	(36,497)	275,836	266,231	(9,604)	10,579	(20,184)
Held-to-maturity debt securities	—	—	—	—	—	—	—	—	—	—
Investments in subsidiaries and affiliates	7,163	10,788	3,624	3,745	(121)	1,286	4,413	3,127	3,127	—
Available-for-sale securities:	269,751	373,034	103,282	114,548	(11,265)	276,501	403,006	126,504	133,420	(6,916)
Domestic bonds	34,475	31,875	(2,599)	789	(3,389)	32,602	32,277	(324)	1,147	(1,471)
Domestic stocks	40,836	120,245	79,408	79,927	(518)	40,337	136,116	95,778	96,049	(271)
Foreign securities:	170,594	197,671	27,076	32,016	(4,940)	174,158	204,333	30,175	33,933	(3,758)
Foreign bonds	95,498	109,476	13,978	15,732	(1,754)	100,000	116,500	16,500	17,661	(1,160)
Foreign stocks and other securities	75,096	88,195	13,098	16,284	(3,185)	74,158	87,833	13,674	16,271	(2,597)
Other securities	23,198	22,591	(607)	1,810	(2,417)	28,708	29,586	877	2,286	(1,408)
Monetary receivables purchased	206	210	4	5	(0)	254	252	(1)	4	(6)
Negotiable certificates of deposit	440	439	(0)	—	(0)	440	439	(0)	—	(0)
Total	552,096	625,715	73,619	121,503	(47,883)	553,624	673,652	120,027	147,128	(27,100)
Domestic bonds	307,776	271,820	(35,955)	3,909	(39,865)	306,035	295,919	(10,116)	11,531	(21,647)
Domestic stocks	40,836	120,245	79,408	79,927	(518)	40,337	136,116	95,778	96,049	(271)
Foreign securities:	178,833	209,617	30,784	35,846	(5,062)	176,903	210,386	33,482	37,241	(3,758)
Foreign bonds	96,582	110,645	14,063	15,819	(1,755)	101,468	118,150	16,682	17,843	(1,160)
Foreign stocks and other securities	82,250	98,971	16,720	20,027	(3,306)	75,435	92,235	16,799	19,397	(2,597)
Other securities	23,208	22,603	(604)	1,812	(2,417)	28,718	29,598	880	2,288	(1,408)
Monetary receivables purchased	1,002	989	(12)	7	(20)	1,189	1,192	2	17	(14)
Negotiable certificates of deposit	440	439	(0)	—	(0)	440	439	(0)	—	(0)

Notes: 1. The table above includes securities that are deemed appropriate as securities under the Financial Instruments and Exchange Act in Japan.
2. The above table excludes items such as stocks without market prices and entities such as partnerships.

[Book Value of Stocks without Market Prices and Entities such as Partnerships]

(100 Million Yen)

		As of March 31, 2025	As of March 31, 2024
Investments in subsidiaries and affiliates		26,602	20,665
Available-for-sale securities:		1,382	1,359
	Unlisted domestic stocks	571	558
	Unlisted foreign stocks	—	0
	Others	811	800
Total		27,985	22,024

Note: Of stocks without market prices and entities such as partnerships, the net gains (losses) on currency exchange valuation of assets denominated in foreign currencies were as follows:
¥246.4 billion as of March 31, 2024, and ¥212.4 billion as of March 31, 2025.

(8) Fair Value Information of Assets Held in Trust

There were no ending balances as of March 31, 2024 and 2025.

・Assets Held in Trust for Trading Purposes

There were no ending balances as of March 31, 2024 and 2025.

・ Assets Held in Trust Classified as Policy-Reserve-Matching, Held-to-Maturity, and Available-for-Sale

There were no ending balances as of March 31, 2024 and 2025.

4. Policies in Force by Types of Benefits as of March 31, 2025

		Individual insurance		Individual annuities		Group insurance		Total	
		Number of policies (thousands)	Amount (100 million yen)	Number of policies (thousands)	Amount (100 million yen)	Number of policies (thousands)	Amount (100 million yen)	Number of policies (thousands)	Amount (100 million yen)
Death protection	General	29,347	1,127,208	—	—	26,673	963,314	56,021	2,090,522
	Disaster	1,437	213,842	42	1,089	2,491	28,289	3,971	243,222
	Others	110	1,274	—	—	66	1,572	177	2,847
Pure endowment		989	11,693	3,998	234,886	6	116	4,993	246,695
Hospitalization coverage	Disaster	6,485	410	159	7	1,207	11	7,853	430
	Illness	6,481	410	158	7	—	—	6,639	417
	Others	4,364	315	37	1	55	0	4,458	317
Disability coverage		6,356	—	42	—	2,534	—	8,934	—
Surgical coverage		9,255	—	158	—	—	—	9,414	—

	Group annuities		Workers' asset-formation insurance/annuities		Total	
	Number of policies (thousands)	Amount (100 million yen)	Number of policies (thousands)	Amount (100 million yen)	Number of policies (thousands)	Amount (100 million yen)
Pure endowment	8,630	137,865	125	3,943	8,755	141,809

	Medical care insurance	
	Number of policies (thousands)	Amount (100 million yen)
Hospitalization coverage	733	35

	Disability income insurance	
	Number of policies (thousands)	Amount (100 million yen)
Disability income coverage	2,138	685

Notes:
1. The number of policies for "Group insurance," "Group annuities," "Workers' asset-formation insurance/annuities," "Medical care insurance," and "Disability income insurance" represents the number of insureds.
2. The amount of "Pure endowment" for "Individual annuities," "Group insurance" (annuity riders), and "Workers' asset-formation annuities" (excluding workers' asset-formation savings annuities) represents the total of (a) annuity resources at the start of the annuities for policies bound prior to the start of the annuity payments and (b) policy reserves for policies bound after the start of the annuity payments; and for "Group annuities," "Workers' asset-formation insurance," and workers' asset-formation savings annuities which are included in "Workers' asset-formation insurance," it represents the amount of corresponding policy reserves.
3. The amount of "Hospitalization coverage" represents the amount of daily hospitalization benefits. General hospitalization insurance and income support insurance for continuous hospitalization represent the coverage per day.
4. The amount of "Hospitalization coverage" for medical care insurance represents the amount related to hospitalization from illness.
5. The amount of disability income insurance represents the amount of monthly disability benefits.

5. Nonconsolidated Balance Sheets

(Million Yen)

	As of March 31, 2025	As of March 31, 2024
Assets:		
Cash and deposits:	**507,314**	**638,228**
Cash	243	45
Deposits	507,070	638,182
Call loans	**765,505**	**522,863**
Monetary receivables purchased	**100,718**	**118,792**
Investments in securities:	**69,035,272**	**70,958,137**
National government bonds	28,334,096	28,111,291
Local government bonds	749,834	876,418
Corporate bonds	1,758,336	1,955,106
Domestic stocks	13,235,887	14,617,481
Foreign securities	22,164,720	22,020,172
Other securities	2,792,396	3,377,666
Loans:	**7,866,042**	**8,048,276**
Policy loans	402,998	422,943
Industrial and consumer loans	7,463,043	7,625,333
Tangible fixed assets:	**1,756,360**	**1,758,423**
Land	1,126,575	1,127,336
Buildings	586,815	579,721
Lease assets	3,293	2,724
Construction in progress	25,426	35,869
Other tangible fixed assets	14,249	12,771
Intangible fixed assets:	**215,102**	**195,710**
Software	96,732	79,105
Other intangible fixed assets	118,369	116,605
Reinsurance receivables	**306**	**287**
Other assets:	**1,345,485**	**1,280,007**
Accounts receivable	119,083	122,588
Prepaid expenses	24,560	22,129
Accrued income	374,213	351,831
Money on deposit	33,191	32,298
Deposits for futures transactions	72,910	154,158
Futures transactions’ variation margin	5	7
Derivative financial instruments	93,503	126,489
Suspense payments	13,649	8,712
Other assets	614,369	461,792
Customers’ liability for acceptances and guarantees	**51,697**	**59,958**
Allowance for doubtful accounts	**(4,273)**	**(9,948)**
Allowance for investment loss	**(24,125)**	**(21,572)**
Total assets	**81,615,406**	**83,549,165**

5. Nonconsolidated Balance Sheets (Continued)

(Million Yen)

	As of March 31, 2025	As of March 31, 2024
Liabilities:		
Policy reserves and other reserves:	**62,519,697**	**62,057,625**
Reserve for outstanding claims	209,835	203,995
Policy reserves	61,182,984	60,764,665
Reserve for dividends to policyholders	1,126,878	1,088,964
Reinsurance payables	**399**	**450**
Corporate bonds	**1,438,541**	**1,400,719**
Other liabilities:	**6,434,336**	**6,302,322**
Payables under repurchase agreements	2,877,862	2,962,898
Loans payable	1,076,000	1,005,133
Income taxes payable	6,478	4,595
Accounts payable	171,929	161,602
Accrued expenses	62,303	60,588
Deferred income	17,341	17,572
Deposits received	121,889	123,532
Guarantee deposits received	89,190	87,040
Futures transactions’ variation margin	442	1,285
Derivative financial instruments	1,980,367	1,853,948
Cash collateral received for financial instruments	10,233	—
Lease obligations	3,224	2,825
Asset retirement obligations	7,604	7,491
Suspense receipts	9,469	12,065
Other liabilities	—	1,742
Accrued bonuses for directors, and audit and supervisory board members	**427**	**425**
Accrued retirement benefits	**379,563**	**381,307**
Reserve for program points	**6,192**	**8,356**
Reserve for price fluctuations in investments in securities	**1,673,007**	**1,625,673**
Deferred tax liabilities	**623,965**	**1,366,338**
Deferred tax liabilities for land revaluation	**100,413**	**98,340**
Acceptances and guarantees	**51,697**	**59,958**
Total liabilities	**73,228,243**	**73,301,518**

5. Nonconsolidated Balance Sheets (Continued)

(Million Yen)

	As of March 31, 2025	As of March 31, 2024
Net assets:		
Foundation funds	**50,000**	**100,000**
Reserve for redemption of foundation funds	**1,400,000**	**1,350,000**
Reserve for revaluation	**651**	**651**
Surplus:	**982,249**	**830,890**
Legal reserve for deficiencies	23,390	21,855
Other surplus reserves:	958,859	809,035
Reserve for social public welfare assistance	718	351
Reserve for financial stability	411,917	221,917
Reserve for reduction entry of real estate	77,279	76,815
Other reserves	170	170
Unappropriated surplus	468,775	509,780
Total foundation funds and others	**2,432,900**	**2,281,541**
Net unrealized gains on available-for-sale securities	**7,377,817**	**9,158,865**
Deferred losses on derivatives under hedge accounting	**(1,366,998)**	**(1,141,792)**
Land revaluation losses	**(56,555)**	**(50,967)**
Total valuations, conversions, and others	**5,954,262**	**7,966,105**
Total net assets	**8,387,163**	**10,247,646**
Total liabilities and net assets	**81,615,406**	**83,549,165**

Notes to the Nonconsolidated Balance Sheet as of March 31, 2025

1. Effective from the fiscal year ended March 31, 2025, the Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022) (the "2022 Revised Accounting Standard") and other related standards. Accordingly, the Company has revised the accounting classifications of corporate tax and inhabitant tax for current income, which are levied on items such as valuation differences arising from the revaluation of assets and liabilities. In applying the 2022 Revised Accounting Standard and other related standards, the Company has followed the transitional treatment set forth in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard. The Company applied the new accounting policies set forth in the 2022 Revised Accounting Standard from the beginning of the fiscal year ended March 31, 2025.

2. (1) Securities (including items, such as deposits and monetary receivables purchased, which are treated as securities based on the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10)) are valued as follows:

   1) Trading securities are stated at fair value at the balance sheet date. The moving average method is used for calculating cost of securities sold.
   2) Held-to-maturity debt securities are measured at amortized cost using the moving average method. The cost of securities is amortized on a straight-line basis.
   3) Policy-reserve-matching bonds are measured at amortized cost using the moving average method. The cost of bonds is amortized on a straight-line basis 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) Investments in subsidiaries and affiliates (stocks issued by subsidiaries prescribed in Article 2, Paragraph 12 of the Insurance Business Act or subsidiaries prescribed in Article 13-5-2, Paragraph 3 of the Order for Enforcement of the Insurance Business Act and stocks issued by affiliates prescribed in Article 13-5-2, Paragraph 4 of the Order for Enforcement of the Insurance Business Act) are stated at cost using the moving average method.
   5) Available-for-sale securities

      a. Available-for-sale securities are measured at the fair value based mainly on market prices as of the balance sheet date (the cost of securities sold is calculated using the moving average method, and bonds (including foreign bonds) for which the difference between the purchase price and face value is due to an interest rate adjustment are measured at amortized cost using the moving average method, which is amortized on a straight-line basis.).

b. Stocks and other securities without market prices are measured at cost using the moving average method.

(2) Unrealized gains/losses of available-for-sale securities are recorded as a separate component of net assets.

3. Securities that are held for the purpose of matching the duration of outstanding liabilities within the subgroups classified by insurance type, payment method, maturity period, currency, and investment policy are classified 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 JICPA.
The Company has specified the following types of insurance policies and set those as subcategories:
   1) All insurance policies for products other than single payment products and group annuities
   2) All insurance policies for single payment products (denominated in yen) other than variable assumed interest rate-type insurance
   3) All insurance policies for group annuities other than guaranteed fixed-term rate products
   4) All single payment products (denominated in U.S. dollars) other than the foregoing
   5) All single payment products (denominated in Australian dollars) other than the foregoing
   6) All single payment products (denominated in euros) other than the foregoing

4. Derivative financial instruments are stated at fair value based on quoted market prices.

5. (1) Tangible fixed assets are depreciated based on the following methods:
   a. Tangible fixed assets (except for lease assets)
      (I) Buildings
      Straight-line method
      (ii) Assets other than the above
      Declining-balance method
      Certain other tangible fixed assets with an acquisition cost of less than ¥200,000 are depreciated over three years on a straight-line basis.
   b. Lease assets
      (i) Lease assets related to financial leases that transfer ownership of the leased property to the lessee
      The same depreciation method applied to fixed assets owned by the Company

(ii) Lease assets related to financial leases that do not transfer ownership of the leased property to the lessee
Straight-line method over the lease term

(2) Software, which is included in intangible fixed assets, is amortized using the straight-line method.

6. Assets and liabilities denominated in foreign currencies are translated into Japanese yen in accordance with the "Accounting Standards for Foreign Currency Transactions" (Business Accounting Council). Foreign currency-denominated available-for-sale securities with exchange rates that have significantly fluctuated and where those recoveries are not expected are converted to Japanese yen using either the rate at the balance sheet date or the one-month average rate prior to the balance sheet date, whichever indicates a weaker yen. The translation difference is recorded as a loss on valuation of securities.

7. (1) An allowance for doubtful accounts is recognized in accordance with the Company's internal Asset Valuation Regulation and Write-off/Provision Rule as follows:
1) An allowance for loans to borrowers who are legally or substantially bankrupt, such as being bankrupt or being in the process of civil rehabilitation proceedings, is recognized based on the amount of credit remaining after directly deducting amounts expected to be collected through the disposal of collateral or the execution of guarantees from the balance of loans (as mentioned at (3) below).
2) An allowance for loans to borrowers who are not currently legally bankrupt but have a high possibility of bankruptcy is recognized at the amounts deemed necessary considering the borrowers' overall solvency and the amounts remaining after deduction of amounts expected to be collected through the disposal of collateral or the execution of guarantees.
3) An allowance for loans to borrowers other than the above is provided based on the borrowers' balance multiplied by the historical average percentage of bad debt for a certain period.

(2) All credits are assessed by responsible departments in accordance with the Company's internal Asset Valuation Regulation. The assessments are verified by the independent Asset Auditing Department. The results of the assessments are reflected in the calculation of the allowance for doubtful accounts.

(3) The estimated uncollectible amount calculated by subtracting the amount of collateral value or the amount collectible by the execution of guarantees from the balance of loans is directly deducted from the balance of loans (including loans with credits secured and/or guaranteed) made to legally

or substantially bankrupt borrowers. The estimated uncollectible amount was ¥2,935 million (including ¥42 million of credits secured and/or guaranteed) as of March 31, 2025.

8. To provide for losses on investments, an allowance for investment loss is recognized for stocks without market prices and measured at the amount of estimated losses that could arise in the future in accordance with the Company's internal Asset Valuation Regulation and Write-off/Provision Rule.

9. Accrued bonuses for directors, and audit and supervisory board members are recognized based on amounts estimated to be paid.

10. (1) Accrued retirement benefits are recognized based on the estimated amount of projected benefit obligations in excess of the fair value of pension plan assets as of March 31, 2025, for future severance payments to employee that have been accrued as of the balance sheet date.

    (2) The accounting methods used for retirement benefit obligations and benefit costs are as follows:
        1) Attribution method for estimated retirement benefits: Benefit formula basis
        2) Period of amortizing actuarial gains/losses: Five years
        3) Period of amortizing prior service costs: Five years

11. A reserve for program points is recognized based on the amount projected to be incurred for expenses from the use of points granted to policyholders.

12. A reserve for price fluctuations in investments in securities is recognized based on Article 115 of the Insurance Business Act.

13. Hedge accounting is applied based on the following methods:
    1) The Company mainly applies the following hedge accounting methods:
    ・The exceptional accounting treatment ("*Tokurei-shori*") is applied to interest rate swaps to hedge the cash flow volatility of certain loans denominated in Japanese yen and foreign currencies;
    ・Deferred hedge accounting is applied to interest rate swaps to hedge the interest rate fluctuation exposures on certain insurance policies, based on the Industry Audit Committee Report No. 26, "Accounting and Auditing Treatments Related to Application of Accounting for Financial Instruments in the Insurance Industry" issued by the JICPA;
    ・Deferred hedge accounting and designated hedge accounting ("*Furiate-shori*") are applied to currency swaps to hedge the cash flow volatility caused by foreign exchange rate fluctuations on certain foreign currency-denominated bonds, loans, and subordinated corporate bonds issued by the

Company;

・ Fair value hedge accounting and deferred hedge accounting are applied to foreign exchange forward contracts to hedge the price fluctuation exposures related to foreign exchange rate fluctuations on certain foreign currency-denominated bonds and other instruments as well as certain foreign currency-denominated stocks (forecasted transactions);

・ Fair value hedge accounting is applied to currency options to hedge the price fluctuation exposures related to foreign exchange rate fluctuations on certain foreign currency-denominated bonds; and

・Fair value hedge accounting is applied to equity forward contracts to hedge the price fluctuation exposures on certain domestic stocks.

2) Hedging instruments and hedged items

Hedging instruments	Hedged items
Interest rate swaps	Foreign currency-denominated loans, and insurance policies
Currency swaps	Foreign currency-denominated bonds, foreign currency-denominated loans, and foreign currency-denominated subordinated corporate bonds
Foreign exchange forward contracts	Foreign currency-denominated bonds and other instruments, and foreign currency-denominated stocks (forecasted transactions)
Currency options	Foreign currency-denominated bonds
Equity forward contracts	Domestic stocks

3) Effectiveness of hedging activities is mainly evaluated by a ratio analysis of fair value movement comparisons of the hedging instruments and hedged items in accordance with the Company's internal risk management policies.

14. All transactions are accounted for exclusive of consumption taxes and local consumption taxes; however, consumption taxes paid on certain asset transactions, which are not deductible from consumption taxes withheld and are stipulated to be deferred under the Consumption Tax Act, are deferred as prepaid expenses and amortized over a five-year period on a straight-line basis. Consumption taxes other than deferred consumption taxes are expensed as incurred.

15. The Group Tax Sharing System is applied with the Company as the parent company of the Aggregation Group. As a result, the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021) has been followed for the accounting treatment of corporate tax and local corporate tax and the deferred tax accounting treatment related to those taxes.

16. Policy reserves are reserves set forth in accordance with Article 116 of the Insurance Business Act. These reserves are accumulated in order to prepare for payments of future obligations based on insurance policies.

Insurance premiums reserves are recognized based on the following methodology.
In accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act, policy reserves include those that are reserved for certain individual annuity policies and for certain whole life insurance policies.

1) Reserves for policies subject to the standard policy reserve are computed in accordance with the method prescribed by the Commissioner of the Financial Services Agency (Ordinance No. 48 issued by the Ministry of Finance in 1996).
2) Reserves for other policies are computed based on the net level premium method.
   Effective from the fiscal year ended March 31, 2020, the Company has provided additional policy reserves to cover a possible deficiency in the reserve for paid-up insurance policies and similar policies among certain whole life insurance policies (including lump-sum payment policies). Moreover, during the fiscal year ended March 31, 2025, the Company has collectively provided policy reserves related to those whole life insurance policies (including lump-sum payment policies) which were included in the scope of provision of additional policy reserves from the fiscal year ended March 31, 2022 and for which the Company has decided to successively provide such additional policy reserves over the next five years, as well as those whole life insurance policies (including lump-sum payment policies) which were included in the scope of provision of additional policy reserves from the fiscal year ended March 31, 2025. When providing additional policy reserves in the fiscal year ended March 31, 2025, certain contingency reserve, which was recorded based on Article 69, Paragraph 1(iii) of the Ordinance for Enforcement of the Insurance Business Act, was reversed not in accordance with the standard prescribed by the Commissioner of the Financial Services Agency based on Article 69, Paragraph 7 of that Ordinance, to cover some of additional policy reserves to be provided. As a result, the policy reserves increased by ¥301,138 million, while ordinary profit and surplus before income taxes decreased by ¥301,138 million, compared with amounts that would have been recorded had the additional policy reserves not been provided and had the contingency reserve not been reversed in the fiscal year ended March 31, 2025.

17. An appropriate amount of the reserve for incurred but not reported (IBNR) claims (insurance claims and benefits whose reasons for payment have not yet been reported, but whose reasons for payment stipulated by insurance policies are deemed to have already occurred) cannot be calculated pursuant to the calculation based on Article 1, Paragraph 1, Principles of the Ministry of Finance Public Notice No. 234 of 1998 (hereinafter, "the IBNR Notice") due to the end of special treatment from May 8, 2023. Under this special treatment, payment was made for hospitalization and related benefits in cases where the insured was diagnosed with COVID-19 and recuperated at a lodging facility or at home under the

supervision of a physician or other medical personnel (hereinafter, “deemed hospitalization”). Accordingly, the Company has recorded an amount calculated using the following method under the provision of Article 1, Paragraph 1 of the IBNR Notice.

(Calculation method)

The reserve amount is calculated using the same method as that set forth in Article 1, Paragraph 1, Principles of the IBNR Notice, after excluding the amounts related to deemed hospitalization from the required amount of provisions to reserve for IBNR claims over all periods under Article 1, Paragraph 1, Principles of the IBNR Notice and the amount of payments for insurance claims and benefits under said notice.

18. Significant accounting estimates identified based on the “Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31) comprise valuations of investments in subsidiaries and affiliates.

The value of investments in subsidiaries and affiliates recorded in the balance sheet as of March 31, 2025, was ¥3,376,600 million. If the actual value of the investments in subsidiaries and affiliates without market prices decreases sharply due to a deterioration in their financial condition, the Company would need to record a considerable impairment loss. For the valuation of investments in subsidiaries and affiliates that are life insurance companies, the Company uses the corporate valuation amounts for such subsidiaries and other entities as the actual value. The calculations of the corporate valuation amounts include assumptions about factors pertaining to the subsidiaries and other entities, such as their future business performance and how long they will be impacted by the COVID-19 pandemic. Accordingly, if those assumptions change, the value of the investments in subsidiaries and affiliates could be significantly impacted. For details, please see Note 3 in the notes to the consolidated statement of income for the fiscal year ended March 31, 2025.

19. The Company has not applied the “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024), the “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024) and other related publications.

1) Overview

These accounting standards, etc. pertaining to leases have been developed as part of the Accounting Standards Board of Japan’s initiative to align Japanese GAAP with international standards. They require the recognition of assets and liabilities for all leases as a lessee.

The lessee treats all leases as the acquisition of right-of-use assets and recognizes them on the balance sheet. For the allocation of lease expenses, a single accounting treatment model will be applied, similarly to IFRS 16, whereby depreciation related to right-of-use assets and interest equivalent amounts related to lease liabilities are recognized, regardless of whether a lease is a finance lease or operating lease.

2) Scheduled date of application
The accounting standards, etc. are scheduled to be applied from the beginning of the fiscal year ending March 31, 2028.

3) Effect of the accounting standards, etc.
The Company is currently evaluating the effect of the application of the accounting standards, etc.

20. Regarding the investment of the general accounts (except for separate accounts as provided in Article 118, Paragraph 1 of the Insurance Business Act), in light of the characteristics of life insurance policies, the Company has built a portfolio geared toward mid- to long-term investment and formulated an investment plan, considering the outlook of the investment environment.
Based on the plan above, in order to reliably perform benefits and other payments in the future, the Company has positioned yen-denominated assets that can be expected to provide stable income, such as bonds and loans, as the Company’s core assets, and from the viewpoint of improving profit in the mid- to long-term, the Company invests in stocks and foreign securities. Also, the Company mainly uses derivative transactions for controlling asset or liability risks. Specifically, the Company uses interest rate swaps and interest rate swaptions for interest rate-related investments; foreign exchange forward contracts, currency options, and currency swaps for currency-related investments; and equity forward contracts, equity index futures, and equity options for equity-related investments. The Company applies hedge accounting to certain derivative transactions above.

Primarily, securities are exposed to market risk and credit risk, loans are exposed to credit risk, and derivative transactions are exposed to market risk and credit risk. Market risk refers to risk of incurring losses when the fair value of investment assets declines due to factors, such as fluctuations in interest rates, exchange rates, or stock prices. Credit risk refers to risk of incurring losses when the value of assets, primarily loans and bonds, declines due to deterioration of the financial condition of a party to whom credit has been extended. Credit risk includes country risk. These risks are managed according to internal rules regarding investment risk management.

To manage market risk, the Company has set investment limits based on the nature of the assets in order to avoid excessive losses from financing and investment transactions. In addition, the Company monitors and regularly reports on the status of compliance to the Risk Management Committee, the advisory body of the Management Committee, and has developed a framework to control risk within acceptable levels in the event of a breach of the internal rules. Also, to control market risk in the

Company's portfolio, it uses a statistical analysis method to rationally calculate the market value-at-risk of the portfolio as a whole and appropriately allocates assets within acceptable boundaries of risk.

To manage credit risk, the Company has built a system to perform credit analysis, including strict assessment of individual transactions by the Assessment Management Department, which is independent of the departments handling investment and finance activities. The Company also continues to build a sound portfolio through the establishment and monitoring of interest guidelines to ensure the returns that the Company obtains are commensurate with the risk, a system of internal ratings for classifying the creditworthiness of borrowers, and credit ceilings to ensure that credit risk is not excessively concentrated in a particular company, group, or country. In addition, the Company calculates credit value-at-risk as a measurement of the magnitude of credit risk across the Company's portfolio as a whole and monitors whether the magnitude of risk stays within an appropriate range.

21. Matters concerning the fair value of financial instruments and related items are as follows:
Notes have been omitted for financial instruments whose fair values approximate their book values due to their short-term settlement.

(1) Balance sheet amounts and fair values of major financial instruments, and their differences are as follows:

(Million Yen)

	Balance sheet amount (*1)	Fair value (*2)	Difference
Monetary receivables purchased:	100,718	98,977	(1,741)
Policy-reserve-matching bonds	79,636	77,895	(1,741)
Available-for-sale securities	21,082	21,082	—
Investments in securities (*3, *4 and *5):	66,226,498	63,248,901	(2,977,597)
Trading securities	820,276	820,276	—
Policy-reserve-matching bonds	27,451,435	24,111,397	(3,340,037)
Investments in subsidiaries and affiliates	716,398	1,078,839	362,440
Available-for-sale securities	37,238,388	37,238,388	—
Loans (*6):	7,863,133	7,546,278	(316,854)
Policy loans	402,865	402,865	—
Industrial and consumer loans	7,460,268	7,143,413	(316,854)
Derivative financial instruments (*7):	(1,886,863)	(1,886,863)	—
Hedge accounting not applied	16,649	16,649	—
Hedge accounting applied	(1,903,513)	(1,903,513)	—
Corporate bonds (*6 and *8)	(1,438,541)	(1,380,962)	(-57,579)
Loans payable (*8)	(1,076,000)	(1,024,550)	(-51,449)

(*1) For transactions for which an allowance for doubtful accounts was recorded, the amounts are presented net of the allowance.

(*2) For securities for which impairment losses were recognized in the fiscal year ended March 31, 2025, the fair value is the nonconsolidated balance sheet amount net of the impairment losses recognized.

(*3) Stocks without market prices, such as unlisted stocks, are not included in the above table. The amounts presented in the nonconsolidated balance sheet by holding purpose were ¥1,566,058 million for investments in subsidiaries and affiliates, and ¥57,153 million for available-for-sale securities as of March 31, 2025.

(*4) The balance of investments in partnerships and other entities is not included in the above table based on application of Paragraph 24-16 of the Fair Value Measurement Accounting Standard Implementation Guidance. The amount of such investments in partnerships and other entities presented in the nonconsolidated balance sheet was ¥1,185,560 million as of March 31, 2025.

(*5) The above table includes investment trusts to which Paragraph 24-3 or Paragraph 24-9 of the Fair Value Measurement Accounting Standard Implementation Guidance has been applied.

(*6) The fair values of derivative financial instruments that are interest rate swaps to which exceptional accounting treatment ("*Tokurei-shori*") is applied or currency swaps to which designated hedge accounting ("*Furiate-shori*") is applied are included in the fair values of loans and corporate bonds because they are accounted for as an integral part of the loans and corporate bonds that are the hedged items.

(*7) Receivables and payables generated by derivative financial instruments are offset and presented in net amounts. Net payables in total are presented in parentheses.

(*8) Corporate bonds and loans payable are recorded in liabilities and presented in parentheses.

(2) Matters regarding securities and others by holding purpose are as follows:

1) Trading securities

Investments in securities for separate accounts are classified as trading securities. Valuation losses of those investments included in profit and loss were ¥(26,641) million for the fiscal year ended March 31, 2025.

2) Held-to-maturity debt securities

There were no balances as of March 31, 2025.

3) Policy-reserve-matching bonds

Balance sheet amounts and fair values, and their differences by type are as follows:

(Million Yen)

	Type	Balance sheet amount	Fair value	Difference
Fair value exceeds the balance sheet amount	Monetary receivables purchased	29,012	29,242	229
	Domestic bonds	8,170,807	8,482,848	312,040
	Foreign securities	49,368	49,926	557
	Subtotal	8,249,188	8,562,017	312,828
Fair value does not exceed the balance sheet amount	Monetary receivables purchased	50,623	48,652	(1,971)
	Domestic bonds	19,159,252	15,511,645	(3,647,606)
	Foreign securities	72,007	66,977	(5,029)
	Subtotal	19,281,883	15,627,275	(3,654,607)
Total		27,531,071	24,189,292	(3,341,779)

4) Available-for-sale securities

Acquisition cost or amortized cost, and balance sheet amounts, and their differences by type are as follows:

(Million Yen)

	Type	Acquisition cost or amortized cost	Balance sheet amount	Difference
Balance sheet amount exceeds acquisition cost or amortized cost	Monetary receivables purchased	8,034	8,538	504
	Domestic bonds	820,829	899,736	78,906
	Domestic stocks	3,798,990	11,791,725	7,992,734
	Foreign securities	10,840,723	14,042,420	3,201,696
	Other securities	645,881	826,895	181,014
	Subtotal	16,114,459	27,569,316	11,454,856
Balance sheet amount does not exceed acquisition cost or amortized cost	Monetary receivables purchased	12,590	12,543	(47)
	Domestic bonds	2,626,729	2,287,828	(338,901)
	Domestic stocks	284,631	232,777	(51,854)
	Foreign securities	6,218,765	5,724,764	(494,001)
	Other securities	1,674,002	1,432,240	(241,761)
	Subtotal	10,816,720	9,690,154	(1,126,566)
Total		26,931,179	37,259,470	10,328,290

* Stocks without market prices of ¥57,153 million and the balance of investments in partnerships and other entities of ¥91,417 million are not included in the table above.

Impairment losses of ¥1,198 million were recognized for securities during the fiscal year ended March 31, 2025.

Regarding stocks (including foreign stocks), impairment losses are recognized for stocks whose fair value had declined significantly from the acquisition cost based on market prices and other valuations on the balance sheet date.

The criteria by which the fair value of a stock is deemed to have declined significantly are as follows:

a. A security for which the average fair value in the month preceding March 31, 2025, is 50%, or less of the acquisition cost.

b. A security that meets both of the following criteria:

i) The average fair value in the month preceding March 31, 2025, exceeds 50% but equal to or less than 70% of the acquisition cost.

ii) The historical market price, the business conditions of the issuing company, and other aspects are subject to certain requirements.

(3) Scheduled repayment amounts for the major monetary claims and liabilities, and redemption amounts for securities with maturities are as follows:

(Million Yen)

	Within one year	Over one year within five years	Over five years within 10 years	Over 10 years
Monetary receivables purchased:	10,000	6,709	11,125	74,361
Policy-reserve-matching bonds	—	6,709	10,506	62,367
Available-for-sale securities	10,000	—	619	11,994
Investments in securities:	1,592,945	8,210,765	7,387,637	35,825,854
Policy-reserve-matching bonds	737,487	3,390,843	2,256,483	21,565,520
Available-for-sale securities	855,457	4,819,922	5,131,154	14,260,334
Loans	985,428	2,542,726	2,042,336	1,890,395
Corporate bonds	—	—	—	1,438,541
Loans payable	—	—	—	1,076,000

* Financial instruments, such as policy loans, which do not have a stated maturity date, are not included in the table above. Also, loans to legally or substantially bankrupt borrowers, and borrowers who are not currently legally bankrupt but have a high probability of bankruptcy, amounting to ¥4,808 million, are not included.

22. (1) Matters concerning the breakdown of financial instruments by fair value level are as follows:

The fair value of financial instruments is classified into the following three levels according to the observability and significance of inputs used to measure fair value.

Fair Value Level 1: Fair value is measured using unadjusted quoted prices in active markets for identical assets or liabilities.

Fair Value Level 2: Fair value is measured using directly or indirectly observable inputs other than Level 1 inputs.
Fair Value Level 3: Fair value is measured using significant unobservable inputs.
If multiple inputs that have a significant effect on a fair value measurement are used, the fair value is classified as the level that is least significant to the fair value measurement from among the levels into which each of the inputs is classified.

a. Financial instruments whose amounts presented in the nonconsolidated balance sheet as of March 31, 2025, are measured by fair value

(Million Yen)

	Level 1	Level 2	Level 3	Total
Monetary receivables purchased:	—	9,995	11,087	21,082
Available-for-sale securities	—	9,995	11,087	21,082
Investments in securities (*1):	18,142,246	17,844,979	236,842	36,224,067
Trading securities	369,598	450,678	—	820,276
Available-for-sale securities	17,772,647	17,394,300	236,842	35,403,790
Domestic bonds	2,174,317	1,013,246	—	3,187,564
National government bonds	2,174,317	—	—	2,174,317
Local government bonds	—	69,629	—	69,629
Corporate bonds	—	943,617	—	943,617
Domestic stocks	11,915,893	108,608	—	12,024,502
Foreign securities	3,682,436	14,046,487	236,842	17,965,766
Foreign bonds	2,595,018	8,116,940	235,720	10,947,679
Foreign stocks and other securities	1,087,417	5,929,547	1,122	7,018,087
Other securities	—	2,225,956	—	2,225,956
Derivative financial instruments (*2):	(597)	(1,886,266)	—	(1,886,863)
Interest rate-related	—	(454,837)	—	(454,837)
Currency-related	—	(1,431,696)	—	(1,431,696)
Others	(597)	267	—	(329)

(*1) The above table does not include investment trusts to which Paragraph 24-3 or Paragraph 24-9 of the Fair Value Measurement Accounting Standard Implementation Guidance has been applied. The amounts of such investment trusts presented in the nonconsolidated balance sheet were ¥1,785,995 million for investment trusts whose investment trust assets are financial instruments, and ¥49,531 million for investment trusts whose investment trust assets are real estate. The reconciliation of balances at the beginning of the current fiscal year and the balances as of March 31, 2025 is as follows.

(*2) Receivables and payables generated by derivative financial instruments are offset and presented in net amounts. Net payables are presented in parentheses.

(Million Yen)

	Investment trusts whose investment trust assets are financial instruments (*3)	Investment trust assets whose investment trust assets are real estate	Total
Balance at the beginning of the current fiscal year	1,652,225	45,813	1,698,038
Profit or loss for the fiscal year ended March 31, 2025	1,144	(1,404)	(260)
Recognized in net surplus (loss) (*4)	7,763	(485)	7,277
Recognized in valuations, conversions, and others (*5)	(6,619)	(919)	(7,538)
Purchases, sales, and redemptions	132,625	5,123	137,749
Transactions for which the application of Implementation Guidance Paragraph No. 24-3 or No. 24-9 has begun	—	—	—
Transactions for which the application of Implementation Guidance Paragraph No. 24-3 or No. 24-9 has been discontinued	—	—	—
Balance as of March 31, 2025	1,785,995	49,531	1,835,527
Unrealized gain or loss on investment trusts held as of March 31, 2025, recognized in profit or loss for the fiscal year ended March 31, 2025 (*4)	—	—	—

(*3) The amount of these investment trusts presented in the nonconsolidated balance sheet was ¥1,762,031 million as of March 31, 2025, mainly as the cancellation of some investment trusts is restricted after one month.

(*4) These amounts are included in investment income and investment expenses on the nonconsolidated statement of income for the fiscal year ended March 31, 2025.

(*5) These amounts are included in net unrealized gains on available-for-sale securities under total valuations, conversions, and others in the nonconsolidated balance sheet as of March 31, 2025.

b. Financial instruments whose amounts presented in the nonconsolidated balance sheet as of March 31, 2025, are not measured by fair value

(Million Yen)

	Level 1	Level 2	Level 3	Total
Monetary receivables purchased:	—	—	77,895	77,895
Policy-reserve-matching bonds	—	—	77,895	77,895
Investments in securities	23,317,146	1,871,609	281	25,189,037
Policy-reserve-matching bonds	22,741,470	1,369,645	281	24,111,397
Domestic bonds	22,659,182	1,335,029	281	23,994,493
Foreign securities	82,288	34,615	—	116,903
Investments in subsidiaries and affiliates	575,675	501,964	—	1,077,640
Loans:	—	—	7,546,278	7,546,278
Policy loans	—	—	402,865	402,865
Industrial and consumer loans	—	—	7,143,413	7,143,413
Corporate bonds (*6)	—	(1,380,962)	—	(1,380,962)
Loans payable (*6)	—	(949,278)	(75,271)	(1,024,550)

(*6) Corporate bonds and loans payable are recorded in liabilities and presented in parentheses.

(2) Explanation of major valuation techniques and inputs used to measure the fair value of financial instruments is as follows:

1) Financial instruments classified as securities and monetary receivables purchased that are treated as securities based on "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10)

Financial instruments measurable by unadjusted quoted prices in active markets are classified as Fair Value Level 1. These instruments mainly include listed stocks and national government bonds. When financial instruments are measured using published quoted prices from inactive markets, such financial instruments are classified as Fair Value Level 2. These instruments mainly include local government bonds and corporate bonds. When published quoted prices are not available, fair value is measured mainly based on valuations obtained from external information vendors. When unobservable inputs are not used or their effect is insignificant, financial instruments are classified as Fair Value Level 2, and when significant unobservable inputs are used, they are classified as Fair Value Level 3.

2) Loans

a. Policy loans

Policy loans are classified as Fair Value Level 3. Book value is used as the fair value of policy loans, as the fair value is deemed to approximate their book value due to expected repayment periods, interest rate requirements, and other conditions. These loans have no repayment date based on characteristics, such as the loan amount being limited to the extent of the surrender benefit.

b. Industrial and consumer loans

Book value is used as the fair value of variable interest rate loans, as the fair value is deemed to approximate their book value unless there are major changes in the credit status of the borrower after loan execution because market interest rates are reflected in future cash flows over the short term. Meanwhile, with regard to fixed interest rate loans, the fair value, by loan category based on the type of loan, internal rating, and maturity term, is determined by discounting future cash flows to the present value using a discount rate reflecting market interest rates, which are adjusted for credit risk and other factors. In addition, this fair value is reflected in loans subject to designated hedge accounting ("*Furiate-shori*") for currency swaps and exceptional accounting treatment ("*Tokurei-shori*") for interest rate swaps.

For loans to bankrupt or substantially bankrupt borrowers, or borrowers who are not currently legally bankrupt, but have a high probability of bankruptcy, fair value is measured by deducting an estimated uncollectible amount determined by factors, such as the present value of future cash flows or the estimated collectible amount based on collateral or guarantees, from the book value directly before it is written down.

Each of the measured fair values is classified as Fair Value Level 3.

3) Derivative financial instruments

Derivative financial instruments for which unadjusted quoted prices are available in active markets are classified as Fair Value Level 1. These instruments mainly include bond futures and equity index futures. When published quoted prices are not available, fair value is measured mainly based on valuations obtained from external information vendors. When unobservable inputs are not used or their effect is insignificant, derivative financial instruments are classified as Fair Value Level 2, and when significant unobservable inputs are used, these instruments are classified as Fair Value Level 3.

4) Corporate bonds

Corporate bonds issued by the Company are classified as Fair Value Level 2, with market prices used as the fair value. In addition, this fair value is reflected in corporate bonds subject to designated hedge accounting (“Furiate-shori”) for currency swaps.

5) Loans payable

Book value is used as the fair value of variable interest rate loans payable. The fair value is deemed to approximate book value as there have been no major changes in the credit status of the Company after loan execution, and because market interest rates are reflected in future cash flows over the short term. Variable interest rate loans payable are classified as Fair Value Level 3. Meanwhile, the fair value of fixed interest rate loans payable is determined by discounting future cash flows to the present value using a discount rate reflecting interest rates that would be offered for similar borrowings, adjusted for the Company’s credit risk. Fixed interest rate loans payable are classified as Fair Value Level 3; however, loans payable financed by means of public offerings employing securitization schemes are classified as Fair Value Level 2. The market prices of the corporate bonds issued to back such loans payable are used as a fair value.

(3) Information on financial instruments classified as Fair Value Level 3 whose amounts presented in the nonconsolidated balance sheet as of March 31, 2025, are measured by fair value

1) Quantitative information on significant unobservable inputs used in measuring fair value

This note is omitted because the Company does not estimate inputs that it cannot observe independently.

2) Reconciliation of balances at the beginning of the current fiscal year and balances as of March 31, 2025 and unrealized gain or loss recognized in profit or loss for the fiscal year ended March 31, 2025.

(Million Yen)

	Monetary receivables purchased Other securities	Available-for-sale securities Other securities	Derivative financial instruments Interest-related
Balance at the beginning of the current fiscal year	11,301	392,575	—
Profit or loss for the fiscal year ended March 31, 2025	(52)	(1,473)	—
Recognized in net surplus (loss) (*1)	(146)	3,555	—
Recognized in valuations, conversions, and others (*2)	94	(5,028)	—
Purchases, sales, issuances, and settlements	(162)	(154,259)	—
Transfers to Fair Value Level 3	—	—	—
Transfers from Fair Value Level 3	—	—	—
Balance as of March 31, 2025	11,087	236,842	—
Unrealized gain or loss on financial instruments held as of March 31, 2025, recognized in profit or loss for the fiscal year ended March 31, 2025 (*1)	—	—	—

(*1) These amounts are included in investment income and investment expenses in the nonconsolidated statement of income for the fiscal year ended March 31, 2025.

(*2) These amounts are included in net unrealized gains on available-for-sale securities under valuations, conversions, and others in the nonconsolidated balance sheet as of March 31, 2025.

3)Explanation of the valuation process for fair value

The Company measures fair value based on a policy on fair value measurement determined internally. The Company ensures the suitability of the valuation techniques and inputs used to measure fair value, and the appropriateness of the fair value level classifications prescribed by the policy.

In determining fair value, the Company uses valuation models that can most appropriately reflect the features, characteristics, and risks of individual financial instruments. In addition, even when using quoted prices obtained from third parties, the Company verifies the suitability of such prices using appropriate methods, such as ensuring the appropriateness of the valuation techniques and inputs being used, and comparing those with fair values provided by other vendors.

4)Explanation of impact on fair value in case of change in significant unobservable inputs

This note is omitted because the Company does not estimate inputs that it cannot observe independently.

23. The balance sheet amount of investment and rental properties was ¥1,284,090 million, with a fair value of ¥1,894,652 million as of March 31, 2025.

The Company owns rental office buildings and commercial facilities, and the fair value of those properties as of March 31, 2025, is measured based mainly on the “Real Estate Appraisal Standards” in Japan.

The amount corresponding to asset retirement obligations that was included in the balance sheet amount of investment and rental properties was ¥4,941 million as of March 31, 2025.

24. (1) The total amount of bankrupt and quasi-bankrupt loans, doubtful loans, loans that are delinquent for over three months, and restructured loans, which were included in nonperforming assets, was ¥23,121 million as of March 31, 2025. The details of those balances were as follows:

1) The balance of bankrupt and quasi-bankrupt loans was ¥9,302 million as of March 31, 2025.
Bankrupt and quasi-bankrupt loans are nonperforming assets and similar loans that have fallen into bankruptcy due to certain reasons, including initiation of bankruptcy proceedings, start of reorganization proceedings, or submission of an application to start rehabilitation proceedings.

2) The balance of doubtful loans was ¥12,652 million as of March 31, 2025.
Doubtful loans are nonperforming assets with a strong likelihood that loan principal cannot be recovered or interest cannot be received according to the loan contract because of difficulties in the financial condition and business performance of debtors who are not yet legally bankrupt, and do not fall under bankrupt and quasi-bankrupt loans.

3) There is no balance of loans delinquent for over three months as of March 31, 2025.
Loans that are delinquent for over three months are loans with principal or interest unpaid for over three months beginning one day after the due date based on the loan agreement other than the loans classified as bankrupt and quasi-bankrupt loans, and doubtful loans.

4) The balance of restructured loans was ¥1,166 million as of March 31, 2025.
Restructured loans are loans that provide certain concessions favorable to the borrower with the intent of supporting the borrower’s restructuring, such as by reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrowers, and do not fall under bankrupt and quasi-bankrupt loans, doubtful loans, and loans that are delinquent for over three months.

(2) Direct write-offs of loans decreased the balance of bankrupt and quasi-bankrupt loans by ¥2,935 million as of March 31, 2025.

25. The amount of accumulated depreciation of tangible fixed assets was ¥1,276,287 million as of March 31, 2025.

26. Separate account assets as provided in accordance with Article 118, Paragraph 1 of the Insurance Business Act were ¥1,144,870 million as of March 31, 2025, and a corresponding liability is recorded in the same amount.

27. The total amounts of receivables from and payables to subsidiaries and affiliates were ¥71,204 million and ¥5,549 million, respectively, as of March 31, 2025.

28. Changes in the reserve for dividends to policyholders for the fiscal year ended March 31, 2025, were as follows:

	Million Yen
	Year ended March 31, 2025
a. Balance at the beginning of the current fiscal year	1,088,964
b. Transfer to reserve from surplus for the previous fiscal year	264,517
c. Dividends paid to policyholders during the current fiscal year	247,252
d. Increase in interest	20,648
e. Balance at the end of the current fiscal year (a+b-c+d)	1,126,878

29. Corporate bonds within liabilities are subordinated corporate bonds with special provisions that subordinate the fulfillment of obligations on the bonds to all other debt obligations.
The corporate bond issuance dates and callable dates for currency swaps under designated hedge accounting are as follows:

Issue date	Callable date
January 2016	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
September 2017	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
January 2020	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
January 2021	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
September 2021	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
September 2023	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
April 2024	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
January 2025	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter

On April 30, 2025, the Company issued corporate bonds as follows:

Name	US dollar-denominated subordinated notes due 2055 with interest deferral options
Issue price	100% of par value
Total amount issued	US$1,500 million
Interest rate	A fixed rate of 6.50% per annum before April 2035 and a fixed rate reset with step-up thereafter (reset every 5 years).
Maturity	April 2055

	The US dollar-denominated subordinated notes are callable on April 30, 2035 and every date which falls five, or a multiple of five, years thereafter, until the notes are fully redeemed at the discretion of Nippon Life, subject to prior approval by the regulatory authority, etc.
Collateral and guarantees	The corporate bonds are not secured or guaranteed, and there are no specific assets pledged for them.
Use of funds	General working capital

Designated hedge accounting has been applied to these bonds using the currency swap as a hedging instrument.

On April 30, 2025, the Company redeemed early corporate bonds as follows. The amount of interest expenses recorded for the corporate bonds redeemed early was ¥1,140 million for the fiscal year ended March 31, 2025.

Name	JPY-denominated subordinated and unsecured corporate bonds due 2041 with interest deferral options (the corporate bonds were first issued to qualified institutional investors and a small number of investors in domestic securities market)
Issue date	April 30, 2015
Early redemption value	100% of par value
Total amount redeemed early	¥75 billion
Method of early redemption	Early redemption of the entire unredeemed balance

30. Other liabilities include subordinated loans payable of ¥1,076,000 million with special provisions that the fulfillment of obligations on the loans payable is subordinate to all other debt obligations.

31. Assets pledged as collateral in the form of investments in securities as of March 31, 2025, were ¥5,971,228 million. The total amount of liabilities covered by the assets pledged was ¥2,877,862 million as of March 31, 2025.

    These amounts included ¥2,997,369 million of sale of securities under repurchase agreements, and ¥2,877,862 million of payables under repurchase agreements.

32. The Company redeemed ¥50,000 million of foundation funds and credited the same amount to the reserve for redemption of foundation funds as prescribed in Article 56 of the Insurance Business Act.

33. The total amount of stocks and investments in subsidiaries and affiliates was ¥3,376,600 million as of March 31, 2025.

34. The amount of securities lent under lending agreements was ¥1,901,840 million as of March 31, 2025.

35. Assets that the Company has a free disposal right to sell or re-pledge are marketable securities borrowed under lending agreements. These assets were held without being sold or re-pledged and totaled ¥146,141 million at fair value as of March 31, 2025.

36. The unused amount of commitments related to loans and similar loans agreements was ¥276,328 million as of March 31, 2025.

37. Information relating to retirement benefits is as follows:

(1) Summary of retirement benefit plans

The Company has a defined benefit corporate pension plan and a lump-sum retirement payment plan, which are both defined benefit plans, for non-sales management personnel and sales management personnel.

The Company also has a defined contribution pension plan.

In addition, the Company has a lump-sum retirement payment plan and an in-house pension plan for sales representatives as a defined benefit plan.

(2) Defined benefit plans

1)Reconciliation of retirement benefit obligations between the beginning and end of the fiscal year

	Million Yen
a. Retirement benefit obligations at the beginning of the year	608,436
b. Service costs	25,562
c. Interest cost	3,650
d. Actuarial losses accrued during the year	(83,059)
e. Retirement benefit payments	(35,137)
f. Prior service costs incurred during the year	(3,056)
g. Retirement benefit obligations at the end of the year (a+b+c+d+e)	516,396

2)Reconciliation of pension plan assets between the beginning and end of the fiscal year

	Million Yen
a. Pension plan assets at the beginning of the year	239,156
b. Expected return on plan assets	2,869
c. Actuarial gains incurred during the year	(3,260)
d. Contributions by the Company	5,434
e. Retirement benefit payments	(13,365)
f. Pension plan assets at the end of the year (a+b+c+d+e)	230,835

3)Reconciliation of retirement benefit obligations, plan assets, and accrued retirement benefits on the nonconsolidated balance sheet

	Million Yen
a. Retirement benefit obligations for funded plans	155,783
b. Plan assets	(230,835)
	(75,052)
c. Retirement benefit obligations for nonfunded plans	360,612
d. Unrecognized actuarial gains	90,946
e. Unrecognized prior service costs	3,056
f. Accrued retirement benefits (a+b+c+d+e)	379,563

4)Losses (gains) ⊏ elating to retirement benefits

	Million Yen
a. Service costs	25,562
b. Interest cost	3,650
c. Expected return on plan assets	(2,869)
d. Amortization of actuarial losses for the period	437
e. Prior service costs accrued during the year	(1,317)
f. Benefit cost for defined benefit plans (a+b+c+d+e)	25,462

5)Plan assets consist of the following major asset categories:

a. General account of life insurance	65.1%
b. Domestic bonds	13.9%
c. Foreign securities	10.8%
d. Domestic stocks	7.5%
e. Cash and deposits	2.8%
f. Total (a+b+c+d+e)	100.0%

6)Calculation for long-term expected rate of return on plan assets

To determine the long-term expected rate of return on plan assets, the Company takes into consideration present and forecasted allocation of the plan assets, and present and long-term rates of return that are expected from the portfolio of assets that comprise the plan assets.

7)Matters relating to the basis for actuarial calculations

The major items in the basis for actuarial calculations as of March 31, 2025, are as follows:

a. Discount rate 1.9%

b. Long-term expected rate of return on plan assets 1.2%

(3) Defined contribution plans

The Company contributed ¥2,219 million to the defined contribution plans during the fiscal year ended March 31, 2025.

38. (1) Total deferred tax assets were ¥2,492,587 million and total deferred tax liabilities were ¥3,044,409 million as of March 31, 2025. The deferred tax assets were reduced by the valuation allowance of ¥72,143 million. The major components resulting in deferred tax assets were policy reserves and other reserves of ¥1,376,198 million, reserve for price fluctuations in investments in securities of ¥482,418 million, and deferred gains (losses) on derivatives under hedge accounting of ¥420,677 million. The major component resulting in deferred tax liabilities was net unrealized gains on available-for-sale securities of ¥2,961,055 million.

(2) The effective statutory tax rate was 27.9% for the fiscal year ended March 31, 2025. The major factors for the difference between the effective statutory tax rate and the effective income tax rate after application of tax effect accounting were a decrease of 18.5% due to the amount of reserve for dividends to policyholders and a decrease of 14.3% due to the impact of the change in tax rate.

(3) In accordance with the promulgation of the "Act on Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025), the effective statutory tax rate applied to the calculation of deferred tax assets and deferred tax liabilities has been changed from 27.9% to 28.9% if the recovery or settlement are expected on or after April 1, 2026. Due to this change, as of March 31, 2025, deferred tax liabilities increased by ¥26,391 million, and deferred tax liabilities related to the revaluation increased by ¥3,474 million yen. Net unrealized gains on available-for-sale securities decreased by ¥102,447 million, deferred gains (losses) on derivatives under hedge accounting increased by ¥13,339 million, and land revaluation losses decreased by ¥3,474 million. In addition, income tax adjustments decreased by ¥62,716 million.

39. Revaluation of land used in the operations is performed based on the Act on Revaluation of Land. The tax effect of the amount related to the valuation difference between the book value and the revalued amount for land revaluation is recognized as a deferred tax liability within the liability section. The valuation differences, net of tax, are recognized as land revaluation losses within the net assets section.

Revaluation date March 31, 2002

Revaluation methodology	The amount is calculated by using the listed value of the land and road rate as prescribed by Article 2, Items 1 and 4 of the Order for Enforcement of the Act on Revaluation of Land.

40. The amount of policy reserves provided for the portion of reinsurance (the "policy reserves for ceded reinsurance") as defined in Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act was ¥161 million as of March 31, 2025.

41. The amount per Article 30, Paragraph 2 of the Ordinance for Enforcement of the Insurance Business Act was ¥6,011,469 million as of March 31, 2025.

6. Nonconsolidated Statements of Income

(Million Yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Ordinary income:	**7,122,875**	**7,628,376**
Revenues from insurance and reinsurance:	**4,794,612**	**5,297,399**
Insurance premiums	4,793,437	5,296,086
Reinsurance revenue	1,174	1,312
Investment income:	**2,216,324**	**2,216,890**
Interest, dividends, and other income:	1,826,960	1,607,616
Interest on deposits and savings	12,564	9,032
Interest on securities and dividends	1,517,084	1,312,643
Interest on loans	169,135	160,146
Real estate rental income	116,130	113,658
Other income	12,044	12,135
Gain on sales of securities	388,331	315,349
Foreign exchange gains, net	—	158,236
Reversal of allowance for investment loss	—	6,930
Other investment income	1,033	842
Gain from separate accounts, net	—	127,915
Other ordinary income:	**111,938**	**114,085**
Income from annuity riders	3,501	3,975
Income from deferred benefits	63,601	67,934
Other ordinary income	44,836	42,176

6. Nonconsolidated Statements of Income (Continued)

(Million Yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Ordinary expenses:	**6,630,217**	**6,973,813**
Benefits and other payments:	**4,454,171**	**4,355,896**
Death and other claims	1,056,882	1,080,315
Annuity payments	867,051	844,888
Health and other benefits	795,529	755,761
Surrender benefits	1,402,601	1,398,537
Other refunds	330,234	274,458
Reinsurance premiums	1,872	1,934
Provision for policy reserves:	**444,807**	**1,110,317**
Provision for reserve for outstanding claims	5,839	212
Provision for policy reserves	418,319	1,089,128
Provision for interest on reserve for dividends to policyholders	20,648	20,975
Investment expenses:	**914,003**	**696,982**
Interest expenses	55,838	42,900
Loss on sales of securities	502,010	275,812
Loss on valuation of securities	2,508	6,549
Loss on derivative financial instruments, net	217,412	288,339
Foreign exchange losses, net	30,593	—
Provision for allowance for doubtful accounts	595	614
Provision for allowance for investment loss	2,553	—
Depreciation of real estate for rental use and other assets	21,583	20,320
Other investment expenses	67,275	62,446
Loss on separate accounts, net	13,632	—
Operating expenses	**584,236**	**564,342**
Other ordinary expenses:	**232,997**	**246,274**
Deferred benefit payments	104,939	109,799
Taxes	53,232	55,765
Depreciation	48,476	52,688
Provision for retirement benefits	—	2,973
Other ordinary expenses	26,348	25,048

6. Nonconsolidated Statements of Income (Continued)

(Million Yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Ordinary profit	**492,658**	**654,562**
Extraordinary gains:	**12,438**	**5,549**
Gain on disposals of fixed assets	12,438	5,549
Extraordinary losses:	**65,514**	**62,184**
Loss on disposals of fixed assets	5,377	8,396
Impairment losses	10,093	9,506
Provision for reserve for price fluctuations in investments in securities	47,334	41,245
Loss on tax purpose reduction entry of real estate	28	36
Contributions for assisting social public welfare	2,633	3,000
Other extraordinary losses	47	—
Surplus before income taxes	**439,582**	**597,927**
Income taxes — current	**111,278**	**49,675**
Income taxes — deferred	**(135,723)**	**36,174**
Total income taxes	**(24,445)**	**85,849**
Net surplus	**464,027**	**512,077**

Notes to the Nonconsolidated Statement of Income for the Fiscal Year Ended March 31, 2025

1. The Company uses the following methods to record revenues from insurance and reinsurance, and benefits and other payments.

   (1) Revenues from insurance and reinsurance (excluding revenues from reinsurance) are recorded as the amount of payments that have been received, in principle.

   (2) Benefits and other payments (excluding reinsurance premiums) are recorded as the amount of payments made with respect to policies for which an event that is a reason for payment of claims or benefits has occurred based on the policy clauses and the amount determined based on those policy clauses was paid.

2. The total income and expenses from transactions with subsidiaries and affiliates were ¥95,426 million and ¥45,884 million, respectively, for the fiscal year ended March 31, 2025.

3. Gain on sales of securities includes gains on the sales of domestic bonds, including national government bonds, domestic stocks, and foreign securities of ¥30,312 million, ¥263,541 million, and ¥94,476 million, respectively, for the fiscal year ended March 31, 2025.

4. Loss on sales of securities includes losses on sales of domestic bonds, including national government bonds, domestic stocks, and foreign securities of ¥323,427 million, ¥59,964 million, and ¥118,618 million, respectively, for the fiscal year ended March 31, 2025.

5. Loss on valuation of securities includes losses on valuation of domestic stocks and foreign securities of ¥2,197 million and ¥311 million, respectively, for the fiscal year ended March 31, 2025.

6. Provision for policy reserves for ceded reinsurance that was added to the calculation of provision for policy reserves was ¥9 million for the fiscal year ended March 31, 2025.

7. Loss on derivative financial instruments, net includes net valuation losses of ¥61,835 million for the fiscal year ended March 31, 2025.

8. Impairment losses are as follows:
   1) Method for grouping the assets

Real estate for rental use and idle properties are classified as one asset group per property. Assets utilized for insurance business operations are classified into one asset group for each operation.

2) Recognition of impairment losses

When a significant decrease in profitability or fair value of a certain asset group is noted, the book value is reduced to the recoverable amount, recognizing an impairment loss under extraordinary losses.

3) Breakdown of asset groups for which impairment losses were recognized for the fiscal year ended March 31, 2025, is as follows:

(Million Yen)

Purpose of use	Land	Buildings	Total
Real estate for rental use	676	4,350	5,026
Idle properties	3,766	1,299	5,066
Total	4,443	5,649	10,093

4) Measurement of recoverable amount

The recoverable amount is based on either the value in use or net selling price of the asset.
In principle, the value in use is determined as the discounted future cash flows using a discount rate of 3.0%. Net selling price is determined based on appraisals performed in accordance with the "Real Estate Appraisal Standards" or standard land prices.

7.Nonconsolidated Statements of Changes in Net Assets

For the Year Ended March 31, 2025

(Million Yen)

	Foundation funds and others										
				Surplus							
					Other surplus reserves						
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Legal reserve for deficiencies	Reserve for social public welfare assistance	Reserve for financial stability	Reserve for reduction entry of real estate	Other reserves	Unappropriated surplus	Total surplus	Total foundation funds and others
Beginning balance	100,000	1,350,000	651	21,855	351	221,917	76,815	170	509,780	830,890	2,281,541
Increase/decrease:											
Additions to reserve for dividends to policyholders									(264,517)	(264,517)	(264,517)
Additions to legal reserve for deficiencies				1,535					(1,535)	—	—
Additions to reserve for redemption of foundation funds		50,000							(50,000)	(50,000)	—
Interest on foundation funds									(265)	(265)	(265)
Net surplus									464,027	464,027	464,027
Redemption of foundation funds	(50,000)										(50,000)
Additions to reserve for social public welfare assistance					3,000				(3,000)	—	—
Reversal of reserve for social public welfare assistance					(2,633)				2,633	—	—
Additions to reserve for financial stability						190,000			(190,000)	—	—
Additions to reserve for reduction entry of real estate							2,260		(2,260)	—	—
Reversal of reserve for reduction entry of real estate							(1,797)		1,797	—	—
Reversal of land revaluation losses									2,114	2,114	2,114
Net change, excluding foundation funds and others											
Net change	(50,000)	50,000	—	1,535	366	190,000	463	—	(41,005)	151,359	151,359
Ending balance	50,000	1,400,000	651	23,390	718	411,917	77,279	170	468,775	982,249	2,432,900

7. Nonconsolidated Statements of Changes in Net Assets (Continued)

For the Year Ended March 31, 2025

	Valuations, conversions, and others				Total net assets
	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Total valuations, conversions, and others	
Beginning balance	9,158,865	(1,141,792)	(50,967)	7,966,105	10,247,646
Increase/decrease:					
Additions to reserve for dividends to policyholders					(264,517)
Additions to legal reserve for deficiencies					—
Additions to reserve for redemption of foundation funds					—
Interest on foundation funds					(265)
Net surplus					464,027
Redemption of foundation funds					(50,000)
Additions to reserve for social public welfare assistance					—
Reversal of reserve for social public welfare assistance					—
Additions to reserve for financial stability					—
Additions to reserve for reduction entry of real estate					—
Reversal of reserve for reduction entry of real estate					—
Reversal of land revaluation losses					2,114
Net change, excluding foundation funds and others	(1,781,047)	(225,206)	(5,588)	(2,011,842)	(2,011,842)
Net change	(1,781,047)	(225,206)	(5,588)	(2,011,842)	(1,860,483)
Ending balance	7,377,817	(1,366,998)	(56,555)	5,954,262	8,387,163

7. Nonconsolidated Statements of Changes in Net Assets (Continued)

For the Year Ended March 31, 2024

(Million Yen)

	Foundation funds and others											
				Surplus								
					Other surplus reserves							
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Legal reserve for deficiencies	Reserve for social public welfare assistance	Reserve for financial stability	Reserve for reduction entry of real estate	Reserve for reduction entry of real estate to be purchased	Other reserves	Unappropriated surplus	Total surplus	Total foundation funds and others
Beginning balance	100,000	1,350,000	651	21,282	351	221,917	73,248	2,961	170	186,354	506,285	1,956,936
Increase/decrease:												
Additions to reserve for dividends to policyholders										(181,910)	(181,910)	(181,910)
Additions to legal reserve for deficiencies				573						(573)	—	—
Interest on foundation funds										(265)	(265)	(265)
Net surplus										512,077	512,077	512,077
Additions to reserve for social public welfare assistance					3,000					(3,000)	—	—
Reversal of reserve for social public welfare assistance					(3,000)					3,000	—	—
Additions to reserve for reduction entry of real estate							4,927			(4,927)	—	—
Reversal of reserve for reduction entry of real estate							(1,359)			1,359	—	—
Reversal of reserve for reduction entry of real estate to be purchased								(2,961)		2,961	—	—
Reversal of land revaluation losses										(5,297)	(5,297)	(5,297)
Net change, excluding foundation funds and others												
Net change	—	—	—	573	—	—	3,567	(2,961)	—	323,426	324,605	324,605
Ending balance	100,000	1,350,000	651	21,855	351	221,917	76,815	–	170	509,780	830,890	2,281,541

7.Nonconsolidated Statements of Changes in Net Assets (Continued)

For the Year Ended March 31, 2024

	Valuations, conversions, and others				Total net assets
	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Total valuations, conversions, and others	
Beginning balance	5,297,929	(376,317)	(56,264)	4,865,347	6,822,283
Increase/decrease:					
Additions to reserve for dividends to policyholders					(181,910)
Additions to legal reserve for deficiencies					—
Interest on foundation funds					(265)
Net surplus					512,077
Additions to reserve for social public welfare assistance					—
Reversal of reserve for social public welfare assistance					—
Additions to reserve for reduction entry of real estate					—
Reversal of reserve for reduction entry of real estate					—
Reversal of reserve for reduction entry of real estate to be purchased					—
Reversal of land revaluation losses					(5,297)
Net change, excluding foundation funds and others	3,860,936	(765,475)	5,297	3,100,757	3,100,757
Net change	3,860,936	(765,475)	5,297	3,100,757	3,425,362
Ending balance	9,158,865	(1,141,792)	(50,967)	7,966,105	10,247,646

8. Details of Ordinary Profit (Core Operating Profit)

(Million Yen)

		Year ended March 31, 2025	Year ended March 31, 2024
Core operating profit (A)		920,431	708,743
Capital gains:		630,098	732,077
	Gain on proprietary trading securities	—	—
	Gain from assets held in trust, net	—	—
	Gain on trading securities	—	—
	Gain on sales of securities	388,331	315,349
	Gain on derivative financial instruments, net	—	—
	Foreign exchange gains, net	—	158,236
	Other capital gains	241,767	258,491
Capital losses:		760,660	734,486
	Loss on proprietary trading securities	—	—
	Loss from assets held in trust, net	—	—
	Loss on trading securities	—	—
	Loss on sales of securities	502,010	275,812
	Loss on valuation of securities	2,508	6,549
	Loss on derivative financial instruments, net	217,412	288,339
	Foreign exchange losses, net	30,593	—
	Other capital losses	8,135	163,785
Net capital gains/losses (B)		(130,561)	(2,408)
Core operating profit, including net capital losses (A+B)		789,870	706,334
Nonrecurring gains:		1,098,861	7,463
	Reinsurance revenue	—	—
	Reversal of contingency reserve	1,098,861	—
	Reversal of specific allowance for doubtful accounts	—	533
	Other nonrecurring gains	—	6,930
Nonrecurring losses:		1,396,073	59,235
	Reinsurance premiums	—	—
	Provision for contingency reserve	—	7,000
	Provision for specific allowance for doubtful accounts	1,861	—
	Provision for allowance for specific overseas loans	—	—
	Write-offs of loans	—	—
	Other nonrecurring losses	1,394,212	52,235
Net nonrecurring losses (C)		(297,212)	(51,772)
Ordinary profit (A+B+C)		492,658	654,562

(Reference) Breakdown of “Other” items

(Million Yen)

		Year ended March 31, 2025	Year ended March 31, 2024
Core operating profit		(233,632)	(94,706)
	Interest income and expenses related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes	8,135	16,660
	Impact of market exchange rate movements related to foreign currency-denominated insurance policies	(11,075)	147,125
	Impact of movements in surrender benefits related to market value adjustment	(19,968)	(17,105)
	Hedge cost related to foreign exchange	(210,723)	(241,386)
Other capital gains		241,767	258,491
	Interest income and expenses related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes	—	—
	Impact of market exchange rate movements related to foreign currency-denominated insurance policies	11,075	—
	Impact of movements in surrender benefits related to market value adjustment	19,968	17,105
	Hedge cost related to foreign exchange	210,723	241,386
Other capital losses		8,135	163,785
	Interest income and expenses related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes	8,135	16,660
	Impact of market exchange rate movements related to foreign currency-denominated insurance policies	—	147,125
	Impact of movements in surrender benefits related to market value adjustment	—	—
	Hedge cost related to foreign exchange	—	—
Other nonrecurring gains		—	6,930
	Reversal of allowance for investment loss	—	6,930
Other nonrecurring losses		1,394,212	52,235
	Provision for allowance for investment loss	2,553	—
	Provision for additional policy reserves	1,391,658	52,235

9. Nonconsolidated Proposed Appropriations of Surplus

(Thousand Yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Unappropriated surplus	468,775,282	509,780,820
Reversal from voluntary surplus reserve:	2,529,973	1,797,499
Reversal of equalized reserve for dividends to policyholders	—	—
Reversal of contingency funds	—	—
Reversal of reserve for reduction entry of real estate	2,529,973	1,797,499
Reversal of reserve for reduction entry of real estate to be purchased	—	—
Total	471,305,255	511,578,320
Appropriations:	471,305,255	511,578,320
Reserve for dividends to policyholders	291,689,442	264,517,435
Net surplus:	179,615,812	247,060,884
Legal reserve for deficiencies	1,414,000	1,535,000
Reserve for redemption of foundation funds	—	50,000,000
Interest on foundation funds	140,000	265,000
Voluntary surplus reserve:	178,061,812	195,260,884
Equalized reserve for dividends to policyholders	10,000,000	—
Reserve for social public welfare assistance	3,000,000	3,000,000
Reserve for financial base	160,000,000	190,000,000
Reserve for reduction entry of real estate	5,061,812	2,260,884
Reserve for reduction entry of real estate to be purchased	—	—
Surplus carried forward	—	—

10. Status of Nonperforming Assets Based on the Insurance Business Act

(Million Yen, %)

	As of March 31, 2025	As of March 31, 2024
Bankrupt and quasi-bankrupt loans	9,302	9,526
Doubtful loans	12,652	17,684
Loans that are delinquent for over three months	—	—
Restructured loans	1,166	1,604
Subtotal	23,121	28,814
(Percentage of total, %)	(0.23)	(0.29)
Normal loans	9,825,371	9,755,187
Total	9,848,493	9,784,002

Notes:
1. Bankrupt and quasi-bankrupt loans are nonperforming assets and similar loans that have fallen into bankruptcy due to certain reasons, including initiation of bankruptcy proceedings, start of reorganization proceedings, or submission of an application to start rehabilitation proceedings.
2. Doubtful loans are nonperforming assets with a strong likelihood that loan principal and/or interest cannot be recovered according to the loan contract because of difficulties in the financial condition and business performance of debtors who are not yet legally bankrupt (excluding 1. in the note above).
3. Loans that are delinquent for over three months are loans with principal or interest unpaid for over three months beginning one day after the due date based on the loan agreement (excluding 1. and 2. in the notes above).
4. Restructured loans are loans that provide certain concessions favorable to the borrower with the intent of supporting the borrower's restructuring. Examples of such concessions include reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to borrowers (excluding 1. to 3. in the notes above).
5. Normal loans are loans that do not fall under the classifications for 1. to 4. in the notes above and where the debtor has no financial or business performance problems.

Supplemental information on nonperforming assets based on the Insurance Business Act

- Classifications and calculation methods used in this table are based on the Ordinance for Enforcement of the Insurance Business Act. The table includes guaranteed private offering loans of financial institutions, loans, securities lending, accrued interest, suspense payments, and customers' liability for acceptances and guarantees.
- For bankrupt and quasi-bankrupt loans, etc., the estimated uncollectible amount calculated by subtracting the amount of collateral value or the amount collectible by the execution of guarantees from the balance of loans is directly deducted from the total loan amount. The estimated uncollectible amounts as of March 31, 2025 and 2024, were ¥2,648 million and ¥85 million, respectively.

11. Breakdown of Allowance for Doubtful Accounts

(Million Yen)

	Year ended March 31, 2025	Year ended March 31, 2024	Difference
(1) Breakdown of allowance for doubtful accounts			
(A) General allowance for doubtful accounts	2,773	4,039	(1,265)
(B) Specific allowance for doubtful accounts	1,500	5,909	(4,409)
(C) Allowance for specific overseas loans	—	—	—
(2) Specific allowance for doubtful accounts			
(A) Provision	4,435	5,994	(1,558)
(B) Reversal	2,574	6,527	(3,953)
[excluding reversals with write-offs]			
(C) Net provision	1,861	(533)	2,394
(3) Allowance for specific overseas loans			
(A) Number of countries	—	—	—
(B) Loan amount	—	—	—
(C) Provision	—	—	—
(D) Reversal	—	—	—
(4) Write-offs	—	—	—

12. Solvency Margin Ratio

(Million Yen)

			As of March 31, 2025	As of March 31, 2024
Solvency margin total amount (A)			18,732,146	21,614,981
	Foundation funds (*kikin*) and other reserve funds:		5,124,623	6,036,219
		Foundation funds and others	2,141,071	2,016,759
		Reserve for price fluctuations in investments in securities	1,673,007	1,625,673
		Contingency reserve	1,038,497	2,137,358
		General allowance for doubtful accounts	2,773	4,039
		Others	269,272	252,388
	Net unrealized gains on available-for-sale securities (before tax) and deferred losses on derivatives under hedge accounting (before tax) × 90%		7,992,050	10,251,877
	Net unrealized gains on real estate × 85%		717,226	665,395
	Excess of continued Zillmerized reserve		3,786,038	2,548,820
	Qualifying subordinated debt		2,514,541	2,401,719
	Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations		(1,178,730)	—
	Deduction clause		(450,287)	(449,810)
	Others		226,684	160,759
Total amount of risk (B) $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$			4,346,364	4,410,879
	Underwriting risk (R_1)		99,939	103,629
	Underwriting risk of third-sector insurance (R_8)		88,601	88,558
	Assumed interest rate risk (R_2)		143,255	249,260
	Minimum guarantee risk (R_7)		5,122	5,177
	Investment risk (R_3)		4,104,971	4,061,992
	Business management risk (R_4)		88,837	90,172
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$			861.9%	980.0%

Notes: 1. The amounts and figures in the table above are calculated based on the provisions of Article 86 and Article 87 of the Ordinance for Enforcement of the Insurance Business Act and the Ministry of Finance Public Notice No. 50 of 1996.

2. The standard method is used for the calculation of minimum guarantee risk.

Reference

Policy Reserve Valuation Method and Ratio for Individual Insurance and Annuities

	As of March 31, 2025	As of March 31, 2024
Policies subject to the standard policy reserve	Net level premium method	Net level premium method
Policies not subject to the standard policy reserve	Net level premium method	Net level premium method
Ratio (excluding contingency reserve)	100.0%	100.0%

Notes: 1. Individual insurance and annuities are within the scope of the application of the valuation method and ratio. Policy reserves for group insurance and annuities are not included in the figures above due to the absence of an accumulation method.

2. The valuation ratio for policies subject to the standard policy reserve is calculated in accordance with the method that the Prime Minister prescribed by means of Ordinance No. 48 issued by the Ministry of Finance in 1996. The ratio for policies not subject to the standard policy reserve represents the ratio for the insurance premiums reserve calculated by the net level premium method and unearned premium.

13. Status of Separate Accounts as of March 31, 2025

(1) Balance of Separate Account Assets

(Million Yen)

	As of March 31, 2025	As of March 31, 2024
Individual variable insurance	108,178	119,704
Individual variable annuities	10,695	13,629
Group annuities	1,025,996	1,092,539
Separate account total	1,144,870	1,225,873

(2) Status of Separate Accounts for Individual Variable Insurance

1) Policies in Force

	As of March 31, 2025		As of March 31, 2024	
	Number of policies	Amount of policies (million yen)	Number of policies	Amount of policies (million yen)
Variable insurance (defined term type)	9,109	10,932	9,363	13,061
Variable insurance (whole life type)	27,371	376,718	28,261	391,125
Total	36,480	387,651	37,624	404,186

2) Breakdown of Separate Account Assets' Year-End Balance (Individual Variable Insurance)

(Million Yen, %)

	As of March 31, 2025		As of March 31, 2024	
	Amount	Composition ratio	Amount	Composition ratio
Cash, deposits, and call loans	2,374	2.2	2,079	1.7
Investments in securities:	99,410	91.9	99,429	83.1
Domestic bonds	24,088	22.3	22,942	19.2
Domestic stocks	7,922	7.3	8,596	7.2
Foreign securities:	33,583	31.0	36,751	30.7
Foreign bonds	3,414	3.2	3,091	2.6
Foreign stocks and other securities	30,169	27.9	33,659	28.1
Other securities	33,814	31.3	31,140	26.0
Loans	—	—	—	—
Others	6,393	5.9	18,194	15.2
Allowance for doubtful accounts	—	—	—	—
Total	108,178	100.0	119,704	100.0

3) Investment Income and Expenses from Separate Accounts (Individual Variable Insurance)

(Million Yen)

	Year ended March 31, 2025	Year ended March 31, 2024
	Amount	Amount
Interest, dividends, and other income	2,212	2,304
Gain on sales of securities	3,740	4,457
Gain on redemptions of securities	—	—
Gain on valuation of securities	(4,362)	17,810
Foreign exchange gains, net	136	446
Gain on derivative financial instruments, net	3,883	6,902
Other investment income	0	1
Loss on sales of securities	1,412	1,580
Loss on redemptions of securities	—	0
Loss on valuation of securities	1,337	(736)
Foreign exchange losses, net	226	153
Loss on derivative financial instruments, net	4,072	2,750
Other investment expenses	0	0
Net investment income	(1,438)	28,171

(3) Status of Separate Accounts for Individual Variable Annuities

1) Policies in Force

	As of March 31, 2025		As of March 31, 2024	
	Number of policies	Amount of policies (million yen)	Number of policies	Amount of policies (million yen)
Individual variable annuities	3,170	10,695	3,851	13,627

2) Breakdown of Separate Account Assets' Year-End Balance (Individual Variable Annuities)

(Million Yen, %)

	As of March 31, 2025		As of March 31, 2024	
	Amount	Composition ratio	Amount	Composition ratio
Cash, deposits, and call loans	—	—	—	—
Investments in securities:	10,410	97.3	13,309	97.7
Domestic bonds	1,327	12.4	1,896	13.9
Domestic stocks	—	—	—	—
Foreign securities:	—	—	—	—
Foreign bonds	—	—	—	—
Foreign stocks and other securities	—	—	—	—
Other securities	9,082	84.9	11,413	83.7
Loans	—	—	—	—
Others	285	2.7	319	2.3
Allowance for doubtful accounts	—	—	—	—
Total	10,695	100.0	13,629	100.0

3) Investment Income and Expenses from Separate Accounts (Individual Variable Annuities)

(Million Yen)

	Year ended March 31, 2025	Year ended March 31, 2024
	Amount	Amount
Interest, dividends, and other income	1,774	3,741
Gain on sales of securities	0	28
Gain on redemptions of securities	—	—
Gain on valuation of securities	(2,141)	2,064
Foreign exchange gains, net	—	—
Gain on derivative financial instruments, net	—	—
Other investment income	0	0
Loss on sales of securities	26	0
Loss on redemptions of securities	—	—
Loss on valuation of securities	160	75
Foreign exchange losses, net	—	—
Loss on derivative financial instruments, net	—	—
Other investment expenses	0	0
Net investment income	(554)	5,757

14. Status of the Company, Subsidiaries, and Affiliates

(1) Selected Financial Data for Major Operations

(100 Million Yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Ordinary income	110,035	120,088
Ordinary profit	5,047	5,813
Net surplus attributable to the parent company	4,354	4,124
Comprehensive income	(15,372)	37,732

	As of March 31, 2025	As of March 31, 2024
Total assets	963,426	975,961
Solvency margin ratio	889.4%	1,025.7%

(2) Scope of Consolidation and Application of the Equity Method

	As of March 31, 2025
Number of consolidated subsidiaries	23
Number of subsidiaries not consolidated but accounted for under the equity method	0
Number of affiliates accounted for under the equity method	18
Changes in significant subsidiaries and affiliates during the period	Please see (3) Policies for Preparing the Consolidated Financial Statements for the Fiscal Year Ended March 31, 2025

(3) Policies for Preparing the Consolidated Financial Statements for the Fiscal Year Ended March 31, 2025

1) Consolidated subsidiaries

Number of consolidated subsidiaries: 23 entities

Nissay Credit Guarantee Co., Ltd.
Nissay Leasing Co., Ltd.
Nissay Capital Co., Ltd.
Nissay Asset Management Corporation
Nissay Information Technology Co., Ltd.
TAIJU LIFE INSURANCE COMPANY LIMITED
Nippon Wealth Life Insurance Company Limited
HANASAKU LIFE INSURANCE Co., Ltd.
Nissay Plus SSI Company Inc.
Nichii Holdings Co., Ltd.
Nippon Life Insurance Company of America
Nippon Life Americas, Inc.
MLC Limited
Nippon Life India Asset Management Limited

Effective from the fiscal year ended March 31, 2025, eight companies, comprising Nippon Life Livelihood Support Co., Ltd., as well as Nichii Holdings Co., Ltd. and its six group companies, have been included in the scope of consolidation in connection with the acquisition of shares of Nippon Life Livelihood Support Co., Ltd.

Major unconsolidated subsidiaries are Nippon Life Global Investors Americas, Inc.; Nissay Trading Corporation; and Nissay Insurance Agency Co., Ltd.

Unconsolidated subsidiaries have minimal balances or amounts of total assets, revenue, net income, and surplus for the fiscal year ended March 31, 2025, which are immaterial enough to be excluded from consolidation given that they would not affect reasonable judgements to be made on the financial position and financial results of Nippon Life Group.

2) Equity-method affiliates

Number of unconsolidated equity-method affiliates: None

Number of affiliates accounted for under the equity method: 18 entities

Major affiliates accounted for under the equity method as of March 31, 2025, are listed as follows:

The Master Trust Bank of Japan, Ltd.
Corporate-Pension Business Service Co., Ltd.
Great Wall Changsheng Life Insurance Co., Ltd.
Bangkok Life Assurance Public Company Limited
Reliance Nippon Life Insurance Company Limited
Post Advisory Group, LLC
PT Sequis
PT Asuransi Jiwa Sequis Life
The TCW Group, Inc.
Grand Guardian Nippon Life Insurance Company Limited
Blackstone ISG Investment Partners – R (BMU) L.P.
Resolution Life Group Holdings Ltd.
Corebridge Financial, Inc.

Effective from the fiscal year ended March 31, 2025, Corebridge Financial, Inc. has been included within the scope of application of the equity method in connection with the acquisition of its shares. In addition, provisional accounting treatment has been applied based on currently available information as the allocation of the acquisition cost has not yet been completed as of March 31, 2025.

Unconsolidated subsidiaries, including Nippon Life Global Investors Americas, Inc. and Nissay Trading Corporation, and affiliates other than those listed above, such as SL Towers Co., Ltd., are not accounted for under the equity method as respective and aggregate effects of such companies in the Company's consolidated net income and surplus for the fiscal year ended March 31, 2025, are immaterial.

3) Reporting date for consolidated subsidiaries

The reporting dates for consolidated overseas subsidiaries are December 31 and March 31. In preparing the consolidated financial statements, consolidated overseas subsidiaries with the reporting date of December 31 use the financial statements as of December 31, and necessary adjustments are made to reflect significant transactions that occurred between December 31 and the Company's reporting date of March 31.

4) Amortization of goodwill

Goodwill and the equivalent amount of goodwill from affiliates accounted for under the equity method ("goodwill and other assets") are amortized under the straight-line method within 20 years. However, for items that are immaterial, the total amount of goodwill is fully amortized as incurred.

(4) Consolidated Balance Sheets

(Million Yen)

	As of March 31, 2025	As of March 31, 2024
Assets:		
Cash and deposits	**932,037**	**1,634,522**
Call loans	**876,505**	**522,863**
Monetary receivables purchased	**189,832**	**246,417**
Investments in securities	**80,309,417**	**81,628,564**
Loans	**8,706,575**	**8,911,985**
Tangible fixed assets:	**1,986,662**	**1,896,641**
Land	1,189,083	1,189,388
Buildings	659,045	624,804
Lease assets	59,971	6,386
Construction in progress	27,236	35,922
Other tangible fixed assets	51,326	40,139
Intangible fixed assets:	**647,931**	**383,334**
Software	124,198	103,359
Goodwill	279,416	83,910
Lease assets	24	19
Other intangible fixed assets	244,291	196,044
Reinsurance receivables	**224,252**	**125,362**
Other assets	**2,386,882**	**2,157,928**
Net defined benefit asset	**1,469**	**1,274**
Deferred tax assets	**34,155**	**37,762**
Customers’ liability for acceptances and guarantees	**52,383**	**60,844**
Allowance for doubtful accounts	**(5,463)**	**(11,346)**
Total assets	**96,342,642**	**97,596,154**

(4) Consolidated Balance Sheets (Continued)

(Million Yen)

	As of March 31, 2025	As of March 31, 2024
Liabilities:		
Policy reserves and other reserves:	**75,343,434**	**74,254,041**
Reserve for outstanding claims	275,520	269,478
Policy reserves	73,897,294	72,849,120
Reserve for dividends to policyholders (mutual company)	1,126,878	1,088,964
Reserve for dividends to policyholders (limited company)	43,740	46,477
Reinsurance payables	**17,731**	**27,190**
Corporate bonds	**1,554,141**	**1,516,319**
Other liabilities	**7,763,978**	**7,509,435**
Accrued bonuses for directors, and audit and supervisory board members	**427**	**425**
Net defined benefit liability	**342,085**	**419,981**
Accrued retirement benefits for directors, and audit and supervisory board members	**358**	**429**
Reserve for program points	**6,192**	**8,356**
Reserve for price fluctuations in investments in securities	**1,787,849**	**1,732,830**
Deferred tax liabilities	**683,281**	**1,421,439**
Deferred tax liabilities for land revaluation	**100,413**	**98,340**
Acceptances and guarantees	**52,383**	**60,844**
Total liabilities	**87,652,277**	**87,049,635**
Net assets:		
Foundation funds	**50,000**	**100,000**
Reserve for redemption of foundation funds	**1,400,000**	**1,350,000**
Reserve for revaluation	**651**	**651**
Consolidated surplus	**916,813**	**793,384**
Total foundation funds and others	**2,367,465**	**2,244,035**
Net unrealized gains on available-for-sale securities	**7,387,008**	**9,223,931**
Deferred losses on derivatives under hedge accounting	**(1,372,500)**	**(1,142,459)**
Land revaluation losses	**(56,555)**	**(50,967)**
Foreign currency translation adjustments	**157,862**	**118,139**
Remeasurement of defined benefit plans	**66,053**	**7,774**
Total accumulated other comprehensive income	**6,181,868**	**8,156,418**
Share acquisition rights	**1,863**	**1,509**
Noncontrolling interests	**139,168**	**144,554**
Total net assets	**8,690,365**	**10,546,518**
Total liabilities and net assets	**96,342,642**	**97,596,154**

Notes to the Consolidated Balance Sheets as of March 31, 2025

1. Effective from the fiscal year ended March 31, 2025, the Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022) (the "2022 Revised Accounting Standard") and other related standards. Accordingly, the Company has revised the accounting classifications of corporate tax and inhabitant tax for current income, which are levied on items such as valuation differences arising from the revaluation of assets and liabilities. In applying the 2022 Revised Accounting Standard and other related standards, the Company has followed the transitional treatment set forth in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard. The Company applied the new accounting policies set forth in the 2022 Revised Accounting Standard from the beginning of the fiscal year ended March 31, 2025.

2. (1) Securities of the Company and its certain subsidiaries (including items, such as deposits and monetary receivables purchased, which are treated as securities based on the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10)) are valued as follows:

1) Trading securities are stated at fair value at the consolidated balance sheet date. The moving average method is used for calculating cost of securities sold.
2) Held-to-maturity debt securities are measured at amortized cost using the moving average method. The cost of securities is amortized on a straight-line basis.
3) Policy-reserve-matching bonds are measured at amortized cost using the moving average method. The cost of bonds is amortized on a straight-line basis 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) Investments in subsidiaries and affiliates that are neither consolidated nor accounted for under the equity method (stocks issued by subsidiaries prescribed in Article 2, Paragraph 12 of the Insurance Business Act or subsidiaries prescribed in Article 13-5-2, Paragraph 3 of the Order for Enforcement of the Insurance Business Act and stocks issued by affiliates prescribed in Article 13-5-2, Paragraph 4 of the Order for Enforcement of the Insurance Business Act) are stated at cost using the moving average method.
5) Available-for-sale securities
   a. Available-for-sale securities are measured at fair value based mainly on market prices on the consolidated balance sheet date (cost of securities sold is calculated using the moving average method, and bonds (including foreign bonds) for which the difference between the

purchase price and face value is due to an interest rate adjustment are measured at amortized cost using the moving average method, which is amortized on a straight-line basis).

b. Stocks and other securities without market prices are measured at cost using the moving average method.

(2) Unrealized gains/losses of available-for-sale securities are recorded as a separate component of net assets.

3. Securities that are held for the purpose of matching the duration of outstanding liabilities within the subgroups classified by insurance type, payment method, maturity period, currency, and investment policy are classified 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.
The Company has specified the following types of insurance policies and set those as subcategories:

(1) The Company

1) All insurance policies for products other than single payment products and group annuities
2) All insurance policies for single payment products (denominated in yen) other than variable assumed interest rate-type insurance
3) All insurance policies for group annuities other than guaranteed fixed-term rate products
4) All single payment products (denominated in U.S. dollars) other than the foregoing
5) All single payment products (denominated in Australian dollars) other than the foregoing
6) All single payment products (denominated in euros) other than the foregoing

(2) TAIJU LIFE INSURANCE COMPANY LIMITED

1) Whole life insurance and annuity insurance (up to 40 years) (the component of future cash flows generated from whole life insurance (including whole life insurance with term rider) and annuity insurance for up to 40 years)
2) Insured contributory pension plans (up to 27 years) (future cash flows generated from insured contributory pension plans for the period up to 27 years)
3) Subcategory 1 for foreign currency-denominated single payment endowment insurance (U.S. dollar) (foreign currency-denominated single payment endowment insurance (U.S. dollar) commencing from October 1, 2015, to September 30, 2019)

4) Subcategory 2 for foreign currency-denominated single payment endowment insurance (U.S. dollar) (foreign currency-denominated single payment endowment insurance (U.S. dollar) commencing on or after October 1, 2019)
5) Subcategory 1 for foreign currency-denominated single-payment endowment insurance (Australian dollar) (foreign currency-denominated single payment endowment insurance (Australian dollar) commencing from October 1, 2015, to September 30, 2019)
6) Subcategory 2 for foreign currency-denominated single payment endowment insurance (Australian dollar) (foreign currency-denominated single payment endowment insurance (Australian dollar) commencing on or after October 1, 2019)

(3) Nippon Wealth Life Insurance Company Limited
1) Individual insurance and individual annuity products (however, certain types of insurance are excluded)
2) Whole life cancer insurance and endowment insurance products
3) Single payment whole life insurance (fixed accumulation value type) products
4) Yen-denominated single payment products other than the above (however, certain insurance policies are excluded)
5) U.S. dollar-denominated products other than the above (however, certain insurance policies are excluded)
6) Australian dollar-denominated single payment annuity products other than the above (however, certain types of insurance are excluded)

(4) HANASAKU LIFE INSURANCE Co., Ltd.
All insurance policy groups are classified as a single subcategory, and securities that are held for the purpose of matching the duration of these outstanding insurance liabilities are classified as policy-reserve-matching bonds.

4. Derivative financial instruments and derivative financial instruments within assets held in trust are stated at fair value based on quoted market prices.

5. (1) Tangible fixed assets are depreciated based on the following methods:
1) Tangible fixed assets (except for lease assets)
(i) Buildings
Straight-line method.

(ii) Assets other than the above

Primarily, the declining-balance method.

Certain other tangible fixed assets with an acquisition cost of less than ¥200,000 of the Company and its certain consolidated subsidiaries are depreciated over three years on a straight-line basis.

2) Lease assets

(i) Lease assets related to financial leases that transfer ownership of the leased property to the lessee

The same depreciation method applied to self-owned fixed assets.

(ii) Lease assets other than the above

Straight-line method over the lease term

(2) Software, which is included in intangible fixed assets, is amortized using the straight-line method.

6. Assets and liabilities denominated in foreign currencies are translated into Japanese yen in accordance with the "Accounting Standards for Foreign Currency Transactions" (Business Accounting Council). Foreign currency-denominated available-for-sale securities of the Company with exchange rates that have significantly fluctuated and where those recoveries are not expected are converted to Japanese yen using either the rate at the consolidated balance sheet date or the one-month average rate prior to the consolidated balance sheet date, whichever indicates a weaker yen. The translation difference is recorded as a loss on valuation of securities.

Translation differences related to bonds included in translation differences of foreign currency-denominated available-for-sale securities held by certain consolidated subsidiaries are recorded as foreign exchange gains/losses in net, while translation differences related to other foreign currency-denominated available-for-sale securities are recorded as a separate component of net assets.

7. (1) An allowance for doubtful accounts for the Company is recognized in accordance with the Company's internal Asset Valuation Regulation and Write-off/Provision Rule as follows:

1) An allowance for loans to borrowers who are legally or substantially bankrupt, such as being bankrupt or being in the process of civil rehabilitation proceedings, is recognized based on the amount of credit remaining after directly deducting amounts expected to be collected through the disposal of collateral or the execution of guarantees from the balance of loans (as mentioned at (4) below).

2) An allowance for loans to borrowers who are not currently legally bankrupt, but have a high possibility of bankruptcy is recognized at the amounts deemed necessary considering the borrowers' overall solvency and the amounts remaining after deduction of amounts expected to be collected through the disposal of collateral or the execution of guarantees.
3) An allowance for loans to borrowers other than the above is provided based on the borrowers' balance multiplied by the historical average percentage of bad debt for a certain period.

(2) All credits extended by the Company are assessed by responsible sections in accordance with the Company's internal Asset Valuation Regulation. The assessments are verified by the independent Asset Auditing Department. The results of the assessments are reflected in the calculation of the allowance for doubtful accounts.

(3) For consolidated subsidiaries, the Company and its consolidated subsidiaries record allowance for doubtful accounts deemed necessary mainly in accordance with the Company's internal Asset Valuation Regulation and Write-off/Provision Rule.

(4) The estimated uncollectible amount calculated by subtracting the amount of collateral value or the amount collectible by the execution of guarantees from the balance of loans is directly deducted from the balance of loans (including loans with credits secured and/or guaranteed) made to legally or substantially bankrupt borrowers. The estimated uncollectible amount was ¥2,961 million (including ¥43 million of credits secured and/or guaranteed) as of March 31, 2025.

8. Accrued bonuses for directors, and audit and supervisory board members are recognized based on amounts estimated to be paid.

9. (1) Net defined benefit liability is recognized based on the estimated amount of projected benefit obligations in excess of the fair value of pension plan assets as of March 31, 2025, for future payment of employee retirement benefits that have been accrued.

(2) Basis used for accounting for retirement benefits of the Company and its certain consolidated subsidiaries are as follows:
1) Attribution method for estimated retirement benefits: Benefit formula basis
2) Amortization period for actuarial gains/losses: 5 years
3) Amortization period for prior service costs: 5 years

10. In order to provide for payments of retirement benefits to directors, and audit and supervisory board members at certain consolidated subsidiaries, accrued retirement benefits for directors, and audit and supervisory board members are recognized based on estimated payment amounts under internal rules.

11. A reserve for program points is recognized based on the amount projected to be incurred for expenses from the use of points granted to policyholders.

12. A reserve for price fluctuations in investments in securities is recognized based on Article 115 of the Insurance Business Act.

13. In finance leases where the Company's consolidated subsidiary is the lessor that do not transfer ownership of the leased property to the lessee, the consolidated subsidiary recognizes sales revenue and cost of sales at the time of receiving the lease payments.

14. Hedge accounting is applied by the Company and its certain consolidated subsidiaries based on the following methods:
    (1) The Company and its consolidated subsidiaries mainly apply the following hedge accounting methods:
    - The exceptional accounting treatment ("*Tokurei-shori*") is applied to interest rate swaps to hedge the cash flow volatility of certain loans denominated in foreign currencies;
    - Deferred hedge accounting is applied to interest rate swaps to hedge the interest rate fluctuation exposures on certain insurance policies, based on the Industry Audit Committee Report No. 26, "Accounting and Auditing Treatments related to Application of Accounting for Financial Instruments in the Insurance Industry," issued by the JICPA;
    - Deferred hedge accounting and designated hedge accounting ("*Furiate-shori*") are applied to currency swaps to hedge the cash flow volatility caused by foreign exchange rate fluctuations on certain foreign currency-denominated bonds, loans, and subordinated corporate bonds issued by the Company and its consolidates subsidiaries;
    - Fair value hedge accounting and deferred hedge accounting are applied to foreign exchange forward contracts to hedge the price fluctuation exposures related to foreign exchange rate fluctuations on certain foreign currency-denominated bonds and other instruments as well as certain foreign currency-denominated stocks (forecasted transactions);

・ Fair value hedge accounting is applied to currency options to hedge the price fluctuation exposures related to foreign exchange rate fluctuations on certain foreign currency-denominated bonds; and

・ Fair value hedge accounting is applied to equity forward contracts to hedge the price fluctuation exposures on certain domestic stocks.

(2) Hedging instruments and hedged items

(Hedging instruments)	(Hedged items)
Interest rate swaps	Foreign currency-denominated loans, and insurance policies
Currency swaps	Foreign currency-denominated bonds, foreign currency-denominated loans, and foreign currency-denominated subordinated corporate bonds
Foreign exchange forward contracts	Foreign currency-denominated bonds and other instruments, foreign currency-denominated stocks (forecasted transactions)
Currency options	Foreign currency-denominated bonds
Equity forward contracts	Domestic stocks

(3) Effectiveness of hedging activities is mainly evaluated by a ratio analysis of fair value movement comparisons of the hedging instruments and hedged items in accordance with the internal risk management policies of the Company and its certain consolidated subsidiaries.

15. All transactions are accounted for exclusive of consumption taxes and local consumption taxes of the Company and its certain consolidated subsidiaries; however, consumption taxes paid on certain asset transactions, which are not deductible from consumption taxes withheld and are stipulated to be deferred under the Consumption Tax Act, are deferred as prepaid expenses and amortized over a five-year period on a straight-line basis. Consumption taxes other than deferred consumption taxes are expensed as incurred.

16. The Company and certain subsidiaries have transitioned from the Consolidated Taxation System to the Group Tax Sharing System, with the Company serving as the tax sharing parent company. As a result, the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ PITF No.42, August 12, 2021) has been followed for the accounting treatment of corporate tax and local corporate tax and the deferred tax accounting treatment related to those taxes.

17. (1) Policy reserves of the Company and its consolidated subsidiaries that are domestic life insurance companies are reserves set forth in accordance with Article 116 of the Insurance Business Act. These reserves are accumulated in order to prepare for payments of future obligations based on insurance policies. Insurance premium reserves are recognized based on the following methodology. In

accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act, policy reserves include those that are reserved for certain individual annuity policies and for certain whole life insurance policies.

1) Reserves for policies subject to the standard policy reserve are calculated in accordance with the method prescribed by the Commissioner of the Financial Services Agency (Ordinance No. 48 issued by the Ministry of Finance in 1996).
2) Reserves for other policies are calculated based on the net level premium method.

In addition, the Company and some of its consolidated life insurance companies in Japan provided additional policy reserves in the fiscal year ended March 31, 2025. As a result, policy reserves increased by ¥310,009 million, while ordinary profit and surplus before income taxes decreased by ¥310,009 million.

a. The Company

   Effective from the fiscal year ended March 31, 2020, the Company has provided additional policy reserves to cover a possible deficiency in the reserve for paid-up insurance policies and similar policies among certain whole life insurance policies (including lump-sum payment policies). Moreover, during the fiscal year ended March 31, 2025, the Company has collectively provided policy reserves related to those whole life insurance policies (including lump-sum payment policies) which were included in the scope of provision of additional policy reserves from the fiscal year ended March 31, 2022 and for which the Company has decided to successively provide such additional policy reserves over the next five years, as well as those whole life insurance policies (including lump-sum payment policies) which were included in the scope of provision of additional policy reserves from the fiscal year ended March 31, 2025. When providing additional policy reserves in the fiscal year ended March 31, 2025, certain contingency reserve, which was recorded based on Article 69, Paragraph 1(iii) of the Ordinance for Enforcement of the Insurance Business Act, was reversed not in accordance with the standard prescribed by the Commissioner of the Financial Services Agency based on Article 69, Paragraph 7 of that Ordinance, to cover some of additional policy reserves to be provided. As a result, the policy reserves increased by ¥301,138 million, while ordinary profit and surplus before income taxes decreased by ¥301,138 million, compared with amounts that would have been recorded had the additional policy reserves not been provided and had the contingency reserve not been reversed in the fiscal year ended March 31, 2025.

b. TAIJU LIFE INSURANCE COMPANY LIMITED

TAIJU LIFE INSURANCE COMPANY LIMITED has provided additional policy reserves to cover a possible deficiency in the reserve for certain individual annuity policyholders. As a result, policy reserves increased by ¥8,870 million, while ordinary profit and surplus before income taxes decreased by ¥8,870 million, compared with amounts that would have been recorded if the additional policy reserves had not been provided in the fiscal year ended March 31, 2025.

(2) Policy reserves of consolidated overseas life insurance companies are recorded as the amounts calculated in accordance with the accounting standards of each country, such as Australian accounting standards.

18. The Company and its certain consolidated substantive subsidiaries cannot calculate an appropriate amount of the reserve for incurred but not reported (IBNR) claims (insurance claims and benefits whose reasons for payment have not yet been reported, but whose reasons for payment stipulated by insurance policies are deemed to have already occurred) pursuant to the calculation based on Article 1, Paragraph 1, Principles of the Ministry of Finance Public Notice No. 234 of 1998 (hereinafter, "the IBNR Notice") due to the end of special treatment from May 8, 2023. Under this special treatment, payment was made for hospitalization and related benefits in cases where the insured was diagnosed with COVID-19 and recuperated at a lodging facility or at home under the supervision of a physician or other medical personnel (hereinafter, "deemed hospitalization"). Accordingly, the Company and its certain consolidated substantive subsidiaries have recorded an amount calculated using the following method under the provision of Article 1, Paragraph 1 of the IBNR Notice.
(Outline of the calculation method)
The reserve amount is calculated using the same method as that set forth in Article 1, Paragraph 1, Principles of the IBNR Notice, after excluding the amounts related to deemed hospitalization from the required amount of provisions to reserve for IBNR claims over all periods under Article 1, Paragraph 1, Principles of the IBNR Notice and the amount of payments for insurance claims and benefits under said notice.

19. Significant accounting estimates identified based on the "Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31) comprise goodwill and other assets and other intangible fixed assets (customer-related assets). Their amounts recorded in the consolidated balance sheet as of March 31, 2025 are as follows:

(1) Goodwill	¥279,416 million
Nippon Life Livelihood Support Co., Ltd.	¥202,233 million
(2) Goodwill equivalent	¥48,910 million
Reliance Nippon Life Insurance Company Limited	¥29,456 million
PT Sequis	¥11,037 million
The TCW Group, Inc.	¥8,416 million
(3) Intangible fixed assets (customer-related assets)	¥55,533 million
Nippon Life Livelihood Support Co., Ltd.	¥55,533 million

For details on the accounting estimates used to conduct impairment assessments on goodwill and other assets and other intangible fixed assets (customer-related assets), please see Note 3 in the notes to the consolidated statement of income for the fiscal year ended March 31, 2025.

20. The Company has not applied the "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024), the "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024) and other related publications.
    (1) Overview
    These accounting standards, etc. pertaining to leases have been developed as part of the Accounting Standards Board of Japan's initiative to align Japanese GAAP with international standards. They require the recognition of assets and liabilities for all leases as a lessee.
    The lessee treats all leases as the acquisition of right-of-use assets and recognizes them on the consolidated balance sheet. For the allocation of lease expenses, a single accounting treatment model will be applied, similarly to IFRS 16, whereby depreciation related to right-of-use assets and interest equivalent amounts related to lease liabilities are recognized, regardless of whether a lease is a finance lease or operating lease.
    (2) Scheduled date of application
    The accounting standards, etc. are scheduled to be applied from the beginning of the fiscal year ending March 31, 2028.
    (3) Effect of the accounting standards, etc.
    The Company is currently evaluating the effect of the application of the accounting standards, etc.

21. Regarding the investment of the general accounts (except for separate accounts as provided in Article 118, Paragraph 1 of the Insurance Business Act), in light of the characteristics of life insurance policies, the Company and its certain consolidated subsidiaries have built a portfolio geared toward mid- to long-

term investment and formulated an investment plan, considering the outlook of the investment environment.

Based on the plan above, in order to reliably perform benefits and other payments in the future, the Company and its certain consolidated subsidiaries have positioned yen-denominated assets that can be expected to provide stable income, such as bonds and loans, as the core assets of the Company and its certain consolidated subsidiaries, and from the viewpoint of improving profit in the mid- to long-term, the Company and its certain consolidated subsidiaries invest in stocks and foreign securities. Also, the Company and certain consolidated subsidiaries mainly use derivative transactions for controlling asset or liability risks. Specifically, the Company and its certain consolidated subsidiaries use interest rate swaps and interest rate swaptions for interest rate-related investments; foreign exchange forward contracts, currency options, and currency swaps for currency- related investments; and equity forward contracts, equity index futures, and equity index options for equity-related investments. The Company and its certain consolidated subsidiaries apply hedge accounting to certain derivative transactions above.

Primarily, securities are exposed to market risk and credit risk, loans are exposed to credit risk, and derivative transactions are exposed to market risk and credit risk. Market risk refers to risk of incurring losses when the fair value of investment assets declines due to factors, such as fluctuations in interest rates, exchange rates, or stock prices. Credit risk refers to the risk of incurring losses when the value of assets, primarily loans and bonds, declines due to deterioration of the financial condition of a party to whom credit has been extended. Credit risk includes country risk. These risks are managed according to internal rules regarding investment risk managements.

To manage market risk, the Company and its certain consolidated subsidiaries have set investment limits based on the nature of the assets in order to avoid excessive losses from financing and investment transactions. In addition, the Company and its certain consolidated subsidiaries monitor and regularly report on the status of compliance to the Risk Management Committee, the advisory body of the Management Committee, and have developed a framework to control risk within acceptable levels in the event of a breach of the internal rules. Also, to control market risk in the portfolio of the Company and its certain consolidated subsidiaries, they use a statistical analysis method to rationally calculate the market value-at-risk of the portfolio as a whole and appropriately allocate assets within acceptable boundaries of risk.

To manage credit risk, the Company and certain consolidated subsidiaries have built a system to perform credit analysis, including strict assessment of individual transactions by the Assessment Management Department, which is independent of the departments handling investment and finance activities. The Company and its certain consolidated subsidiaries also continue to build a sound portfolio through the establishment and monitoring of interest guidelines to ensure the returns that the Company and its certain consolidated subsidiaries obtain are commensurate with the risk; a system of internal ratings for classifying the creditworthiness of borrowers; and credit ceilings to ensure that credit risk is not excessively concentrated in a particular company, group, or country. In addition, the Company and its certain consolidated subsidiaries calculate credit value-at-risk as a measurement of the magnitude of credit risk across the portfolio of the Company and its certain consolidated subsidiaries as a whole, and monitor whether the magnitude of risk stays within an appropriate range.

22. Matters concerning the fair value of financial instruments and related items are as follows:

Notes have been omitted for financial instruments whose fair values approximate their book values due to their short-term settlement.

(1) Consolidated balance sheet amounts and fair values of major financial instruments, and their differences are as follows:

(Million Yen)

	Consolidated balance sheet amount (*1)	Fair value (*2)	Difference
Monetary receivables purchased:	189,832	185,347	(4,485)
Held-to-maturity debt securities	17,138	16,026	(1,112)
Policy-reserve-matching bonds	124,928	121,555	(3,373)
Available-for-sale securities	47,765	47,765	—
Investments in securities (*3, *4 and *5):	78,725,060	74,776,204	(3,948,855)
Trading securities	1,671,554	1,671,554	—
Held-to-maturity debt securities	745,803	727,870	(17,932)
Policy-reserve-matching bonds	34,138,084	30,233,602	(3,904,481)
Investments in subsidiaries and	638,239	611,798	(26,441)
Available-for-sale securities	41,531,377	41,531,377	—
Loans (*6):	8,703,359	8,342,794	(360,564)
Policy loans	438,966	438,966	—
Industrial and consumer loans	8,264,392	7,903,827	(360,564)
Derivative financial instruments (*7):	(1,934,506)	(1,934,506)	—
Hedge accounting not applied	(20,809)	(20,809)	—
Hedge accounting applied	(1,913,697)	(1,913,697)	—
Corporate bonds (*6 and *8)	(1,554,141)	(1,495,393)	(-58,748)
Loans payable (*8)	(1,301,457)	(1,248,558)	(-52,899)

(*1) For transactions for which an allowance for doubtful accounts was recorded, the amounts are presented net of the allowance.

(*2) For securities for which impairment losses were recognized in the fiscal year ended March 31, 2025, the fair value is the consolidated balance sheet amount net of the impairment losses recognized.

(*3) Stocks without market prices, such as unlisted stocks, are not included in the above table. The amounts presented in the consolidated balance sheet for investments in securities were ¥290,275 million as of March 31, 2025.

(*4) The balance of investments in partnerships and other entities is not included in the above table based on application of Paragraph 24-16 of the Fair Value Measurement Accounting Standard Implementation Guidance. The amount of such investments in partnerships and other entities presented in the consolidated balance sheet was ¥1,294,081 million as of March 31, 2025.

(*5) The above table includes investment trusts to which Paragraph 24-3 or Paragraph 24-9 of the Fair Value Measurement Accounting Standard Implementation Guidance has been applied.

(*6) The fair values of derivative financial instruments that are interest rate swaps to which exceptional accounting treatment (“*Tokurei-shori*”) is applied or currency swaps to which designated hedge accounting (“*Furiate-shori*”) is applied are included in the fair values of loans and corporate bonds because they are accounted for as an integral part of the loans and corporate bonds that are the hedged items.

(*7) Receivables and payables generated by derivative financial instruments are offset and presented in net amounts. Net payables in total are presented in parentheses.

(*8) Corporate bonds and loans payable are recorded in liabilities and presented in parentheses.

(2) Matters regarding securities and others by holding purpose are as follows:

1) Trading securities

Investments in securities for separate accounts are classified as trading securities. Valuation losses of those investments included in profit and loss were ¥(34,529) million for the fiscal year ended March 31, 2025.

2) Held-to-maturity debt securities

Consolidated balance sheet amounts and fair values, and their differences by type are as follows:

(Million Yen)

	Type	Consolidated balance sheet amount	Fair value	Difference
Fair value exceeds the consolidated balance sheet amount	Monetary receivables purchased	1,904	1,934	29
	Domestic bonds	39,660	40,521	860
	Foreign securities	287,056	292,645	5,589
	Subtotal	328,622	335,101	6,478
Fair value does not exceed the consolidated balance sheet amount	Monetary receivables purchased	15,233	14,091	(1,142)
	Domestic bonds	132,041	123,937	(8,103)
	Foreign securities	287,044	270,766	(16,278)
	Subtotal	434,319	408,795	(25,524)
Total		762,941	743,896	(19,045)

3) Policy-reserve-matching bonds

Consolidated balance sheet amounts and fair values, and their differences by type are as follows:

(Million Yen)

	Type	Consolidated balance sheet amount	Fair value	Difference
Fair value exceeds the consolidated balance sheet amount	Monetary receivables purchased	40,934	41,254	320
	Domestic bonds	9,500,177	9,856,474	356,296
	Foreign securities	446,075	453,687	7,612
	Subtotal	9,987,187	10,351,416	364,229
Fair value does not exceed the consolidated balance sheet amount	Monetary receivables purchased	83,994	80,300	(3,693)
	Domestic bonds	21,140,597	17,170,605	(3,969,991)
	Foreign securities	3,051,233	2,752,834	(298,398)
	Subtotal	24,275,825	20,003,741	(4,272,084)
Total		34,263,013	30,355,158	(3,907,855)

4) Available-for-sale securities

Acquisition cost or amortized cost, consolidated balance sheet amounts, and their differences by type are as follows:

(Million Yen)

	Type	Acquisition cost or amortized cost	Consolidated balance sheet amount	Difference
Consolidated balance sheet amount exceeds acquisition cost or amortized cost	Monetary receivables purchased	8,034	8,538	504
	Domestic bonds	923,166	1,014,852	91,686
	Domestic stocks	4,021,198	12,280,501	8,259,303
	Foreign securities	12,246,667	15,555,828	3,309,160
	Other securities	677,260	864,918	187,657
	Subtotal	17,876,328	29,724,639	11,848,311
Consolidated balance sheet amount does not exceed acquisition cost or amortized cost	Monetary receivables purchased	41,183	39,227	(1,956)
	Domestic bonds	3,405,607	3,010,671	(394,936)
	Domestic stocks	386,295	310,892	(75,402)
	Foreign securities	7,569,419	6,973,365	(596,053)
	Other securities	1,772,603	1,520,347	(252,256)
	Subtotal	13,175,109	11,854,503	(1,320,605)
Total		31,051,437	41,579,143	10,527,705

* Stocks without market prices of ¥64,601 million and the balance of investments in partnerships and other entities of ¥197,400 million are not included in the table above.

Impairment losses of ¥1,198 million were recognized for securities during the fiscal year ended March 31, 2025.

Regarding stocks (including foreign stocks) of the Company and its certain consolidated subsidiaries, impairment losses are recognized for stocks whose fair value has declined significantly from the acquisition cost based on the average fair value as of March 31, 2025.

The criteria by which the fair value of a stock is deemed to have declined significantly are as follows:

a. A security for which the average fair value in the month preceding March 31, 2025, is 50% or less of the acquisition cost.

b. A security that meets both of the following criteria:

(i) The average fair value in the month preceding March 31, 2025, exceeds 50%, but equal to or less than 70% of the acquisition cost.

(ii) The historical market price, the business conditions of the issuing company, and other aspects are subject to certain requirements.

(3) Scheduled repayment amounts for the major monetary claims and liabilities and redemption amounts for securities with maturities are as follows:

(Million Yen)

	One year	Over one year within five years	Over five years within 10 years	Over 10 years
Monetary receivables purchased:	15,000	9,314	14,070	154,216
Held-to-maturity debt securities	—	1,000	345	15,420
Policy-reserve-matching bonds	—	7,258	10,744	106,866
Available-for-sale securities	15,000	1,055	2,981	31,929
Investment in securities:	1,952,411	10,028,298	9,676,919	42,315,028
Held-to-maturity debt securities	41,068	344,927	256,446	113,769
Policy-reserve-matching bonds	830,318	4,114,406	3,449,842	26,434,476
Available-for-sale securities	1,081,023	5,568,964	5,970,630	15,766,782
Loans (*1)	1,103,821	2,800,768	2,251,671	2,090,891
Corporate bonds (*2)	—	—	—	1,528,541
Loans payable	38,530	176,927	—	1,086,000

(*1) Assets, such as policy loans, which do not have a stated maturity date, are not included.
Also, ¥5,668 million in loans to legally or substantially bankrupt borrowers or borrowers who are not currently legally bankrupt, but have a high probability of bankruptcy is not included.

(*2) Subordinated corporate bonds and others that do not have a stated maturity date are not included in the table above.

23. (1) Matters concerning the breakdown of financial instruments by fair value level are as follows:

The fair value of financial instruments is classified into the following three levels according to the observability and significance of inputs used to measure fair value.

Fair Value Level 1: Fair value is measured using unadjusted quoted prices in active markets for identical assets or liabilities

Fair Value Level 2: Fair value is measured using directly or indirectly observable inputs other than Level 1 inputs.

Fair Value Level 3: Fair value is measured using significant unobservable inputs.

If multiple inputs that have a significant effect on a fair value measurement are used, the fair value is classified as the level that is least significant to the fair value measurement from among the levels into which each of the inputs is classified.

a. Financial instruments whose amounts presented in the consolidated balance sheet as of March 31, 2025, are measured by fair value

(Million Yen)

	Level 1	Level 2	Level 3	Total
Monetary receivables purchased:	—	14,995	32,770	47,765
Available-for-sale securities	—	14,995	32,770	47,765
Investments in securities (*1):	20,073,790	20,841,962	418,752	41,334,504
Trading securities	728,704	942,850	—	1,671,554
Available-for-sale securities	19,345,085	19,899,112	418,752	39,662,951
Domestic bonds	2,607,702	1,417,821	—	4,025,523
National government bonds	2,607,702	—	—	2,607,702
Local government bonds	—	108,616	—	108,616
Corporate bonds	—	1,309,204	—	1,309,204
Domestic stocks	12,474,956	116,438	—	12,591,394
Foreign securities	4,230,779	16,048,386	418,418	20,697,584
Foreign bonds	3,074,561	9,739,299	417,296	13,231,156
Foreign stocks and other securities	1,156,218	6,309,087	1,122	7,466,427
Other securities	31,647	2,316,466	334	2,348,448
Derivative financial instruments (*2):	(734)	(1,934,549)	777	(1,934,506)
Interest rate-related	(146)	(467,003)	—	(467,149)
Currency-related	—	(1,470,142)	53	(1,470,089)
Others	(588)	2,596	724	2,732

(*1) The above table does not include investment trusts to which Paragraph 24-3 or Paragraph 24-9 of the Fair Value Measurement Accounting Standard Implementation Guidance has been applied. The amounts of such investment trusts presented in the consolidated balance sheet were ¥1,816,187 million for investment trusts whose investment trust assets are financial instruments, and ¥53,169 million for investment trusts whose investment trust assets are real estate. The reconciliation of balances at the beginning of the current fiscal year and the balances as of March 31, 2025 is as follows.

(*2) Receivables and payables generated by derivative financial instruments are offset and presented in net amounts. Net payables are presented in parentheses.

(Million Yen)

	Investment trusts whose investment trust assets are financial instruments (*3)	Investment trust assets whose investment trust assets are real estate	Total
Balance at the beginning of the current fiscal year	1,666,190	47,495	1,713,685
Profit or loss for the fiscal year ended March 31, 2025	637	(1,353)	(715)
Recognized in net surplus (loss) (*4)	7,819	(485)	7,333
Recognized in other comprehensive income (*5)	(7,181)	(868)	(8,049)
Purchases, sales, and redemptions	149,359	7,026	156,386
Transactions for which the application of Implementation Guidance Paragraph No. 24-3 or No. 24-9 has begun	—	—	—
Transactions for which the application of Implementation Guidance Paragraph No. 24-3 or No. 24-9 has been discontinued	—	—	—
Balance as of March 31, 2025	1,816,187	53,169	1,869,356
Unrealized gain or loss on investment trusts held as of March 31, 2025, recognized in profit or loss for the fiscal year ended March 31, 2025 (*4)	—	—	—

(*3) The amount of these investment trusts presented in the consolidated balance sheet was ¥1,792,223 million as of March 31, 2025, mainly as the cancellation of some investment trusts is restricted after one month.

(*4) These amounts are included in investment income and investment expenses on the consolidated statement of income for the fiscal year ended March 31, 2025.

(*5) These amounts are included in net unrealized gains on available-for-sale securities under other comprehensive income in the consolidated statement of comprehensive income for the fiscal year ended March 31, 2025.

b. Financial instruments whose amounts presented in the consolidated balance sheet as of March 31, 2025, are not measured by fair value

(Million Yen)

	Level 1	Level 2	Level 3	Total
Monetary receivables purchased:	—	—	137,581	137,581
Held-to-maturity debt securities	—	—	16,026	16,026
Policy-reserve-matching bonds	—	—	121,555	121,555
Investments in securities:	26,723,240	4,821,447	27,385	31,572,073
Monetary receivables purchased	86,086	614,680	27,103	727,870
Domestic bonds	36,066	128,392	—	164,458
Foreign securities	50,020	486,287	27,103	563,412
Policy-reserve-matching bonds	26,061,477	4,171,843	281	30,233,602
Domestic bonds	25,267,360	1,759,438	281	27,027,080
Foreign securities	794,117	2,412,405	—	3,206,522
Investments in subsidiaries and affiliates	575,675	34,923	—	610,599
Loans:	—	—	8,342,794	8,342,794
Policy loans	—	—	438,966	438,966
Industrial and consumer loans	—	—	7,903,827	7,903,827

Corporate bonds (*6)	—	(1,469,823)	(25,569)	(1,495,393)
Loans payable (*6)	—	(1,024,700)	(223,857)	(1,248,558)

(*6) Corporate bonds and loans payable are recorded in liabilities and presented in parentheses.

(2) Explanation of major valuation techniques and inputs used to measure the fair value of financial instruments of the Company and its certain consolidated subsidiaries are as follows:

1) Financial instruments classified as securities and monetary receivables purchased that are treated as securities based on "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10)

Financial instruments measurable by unadjusted quoted prices in active markets are classified as Fair Value Level 1. These instruments mainly include listed stocks, national government bonds, and listed investment trusts. When financial instruments are measured using published quoted prices from inactive markets, such financial instruments are classified as Fair Value Level 2. These instruments mainly include local government bonds and corporate bonds. When published quoted prices are not available, fair value is measured mainly based on valuations obtained from external information vendors or on net asset value per unit computed by management companies. When unobservable inputs are not used or their effect is insignificant, financial instruments are classified as Fair Value Level 2, and when significant unobservable inputs are used, they are classified as Fair Value Level 3.

2) Loans

a. Policy loans

Policy loans are classified as Fair Value Level 3. Book value is used as the fair value of policy loans, as the fair value is deemed to approximate their book value due to expected repayment periods, interest rate requirements, and other conditions. These loans have no repayment date based on characteristics, such as the loan amount being limited to the extent of the surrender benefit.

b. Industrial and consumer loans

Book value is used as the fair value of variable interest rate loans, as the fair value is deemed to approximate their book value unless there are major changes in the credit status of the borrower after loan execution because market interest rates are reflected in future cash flows over the short term. Meanwhile, with regard to fixed interest rate loans, the fair value, by loan category based on the type of loan, internal rating, and maturity term, is determined by discounting future cash flows to the present value using a discount rate reflecting market interest rates, which are adjusted for credit risk and other factors. In addition, this fair value is

reflected in loans subject to designated hedge accounting ("*Furiate-shori*") for currency swaps and exceptional accounting treatment ("*Tokurei-shori*") for interest rate swaps.
For loans to bankrupt or substantially bankrupt borrowers, or borrowers who are not currently legally bankrupt, but have a high probability of bankruptcy, fair value is measured by deducting an estimated uncollectible amount determined by factors, such as the present value of future cash flows or the estimated collectible amount based on collateral or guarantees, from the book value directly before it is written down. Each of the measured fair values is classified as Level 3.

3) Derivative financial instruments

Derivative financial instruments for which unadjusted quoted prices are available in active markets are classified as Fair Value Level 1. These instruments mainly include bond futures and equity index futures. When published quoted prices are not available, valuations mainly obtained from external information vendors or valuations determined by the Company itself are used. When unobservable inputs are not used or their effect is insignificant, derivative financial instruments are classified as Fair Value Level 2, and when significant unobservable inputs are used, these instruments are classified as Fair Value Level 3.

4) Corporate bonds

Corporate bonds that use market prices as fair value are classified as Fair Value Level 2. Meanwhile, fixed interest rate corporate bonds whose fair value is determined by discounting future cash flows to the present value using a discount rate according to the expected remaining terms of the bonds are classified as Fair Value Level 3. In addition, this fair value is reflected in corporate bonds subject to designated hedge accounting ("*Furiate-shori*") for currency swaps.

5) Loans payable

Book value is used as the fair value of variable interest rate loans payable. The fair value is deemed to approximate book value as there have been no major changes in the credit status of the Company after loan execution, and because market interest rates are reflected in future cash flows over the short term. Variable interest rate loans payable are classified as Fair Value Level 3. Meanwhile, the fair value of fixed interest rate loans payable is determined by discounting future cash flows to the present value using a discount rate reflecting interest rates that would be offered for similar borrowings, adjusted for the Company's credit risk. Fixed interest rate loans payable are classified as Fair Value Level 3; however, loans payable financed by means of public offerings employing securitization schemes are classified as Fair

Value Level 2. The market prices of the corporate bonds issued to back such loans payable are used as a fair value.

(3) Information on financial instruments classified as Fair Value Level 3 whose amounts presented in the consolidated balance sheet as of March 31, 2025, are measured by fair value

1) Quantitative information on significant unobservable inputs used in measuring fair value

This note is omitted because the Company does not estimate inputs that it cannot observe independently.

2) Reconciliation of balances at the beginning of the current fiscal year and balances as of March 31, 2025, and unrealized gain or loss recognized in profit or loss for the fiscal year ended March 31, 2025.

(Million Yen)

	Monetary receivables purchased Other securities	Available-for-sale securities Other securities	Derivative financial instruments Currency-related	Derivative financial instruments Others
Balance at the beginning of the current fiscal year	42,303	496,560	(548)	3,131
Profit or loss for the fiscal year ended March 31, 2025	(632)	1,254	149	(2,606)
Recognized in net surplus (loss) (*1)	(179)	1,543	149	(2,606)
Recognized in other comprehensive income (*2)	(452)	(288)	―	―
Purchases, sales, issuances, and settlements	(8,900)	(79,062)	451	199
Transfers to Fair Value Level 3 (*3)	―	―	―	―
Transfers from Fair Value Level 3 (*4)	―	―	―	―
Balance as of March 31, 2025	32,770	418,752	53	724
Unrealized gain or loss on financial instruments held as of March 31, 2025, recognized in profit or loss for the fiscal year ended March 31, 2025 (*1)	―	(1,126)	53	(884)

(*1) These amounts are included in investment income and investment expenses in the consolidated statement of income for the fiscal year ended March 31, 2025.

(*2) These amounts are included in net unrealized gains on available-for-sale securities under other comprehensive income in the consolidated statement of comprehensive income for the fiscal year ended March 31, 2025.

(*3) There is no transfer from Fair Value Level 1 or Fair Value Level 2 to Fair Value Level 3.

(*4) These is no transfer from Fair Value Level 3 to Fair Value Level 1 or Fair Value Level 2.

3) Explanation of the valuation process for fair value

The Company and its certain subsidiaries measure fair value based on a policy on fair value measurement determined internally. The Company and its certain subsidiaries ensure the suitability of the valuation techniques and inputs used to measure fair value, and the appropriateness of the fair value level classifications prescribed by the policy.

In determining fair value, the Company and its certain subsidiaries use valuation models that can most appropriately reflect the features, characteristics, and risks of individual financial instruments. In addition, even when using quoted prices obtained from third parties, the Company and its certain subsidiaries verify the suitability of such prices using appropriate methods, such as ensuring the appropriateness of the valuation techniques and inputs being used, and comparing those with fair values supplied by other vendors.

4) Explanation of impact on fair value in case of change in significant unobservable inputs

This note is omitted because the Company does not estimate inputs that it cannot observe independently.

24. The consolidated balance sheet amount for investment and rental properties was ¥1,340,339 million, with a fair value of ¥1,965,382 million as of March 31, 2025.

The Company and its certain consolidated subsidiaries own rental office buildings and commercial facilities, and the fair value of those properties as of March 31, 2025, is measured based mainly on the "Real Estate Appraisal Standards in Japan."

The amount corresponding to asset retirement obligations that was included in the consolidated balance sheet amounts of investment and rental properties was ¥4,959 million as of March 31, 2025.

25. (1) The total amount of bankrupt and quasi-bankrupt loans, doubtful loans, loans that are delinquent for over three months, and restructured loans, which were included in nonperforming assets, was ¥23,149 million as of March 31, 2025. The details of those balances were as follows:

1) The balance of bankrupt and quasi-bankrupt loans was ¥9,301 million as of March 31, 2025.

Bankrupt and quasi-bankrupt loans are nonperforming assets and similar loans that have fallen into bankruptcy due to certain reasons, including initiation of bankruptcy proceedings, start of reorganization proceedings, or submission of an application to start rehabilitation proceedings.

2) The balance of doubtful loans was ¥12,681 million as of March 31, 2025.

Doubtful loans are nonperforming assets with a strong likelihood that loan principal cannot be recovered or interest cannot be received according to the loan contract because of difficulties in the financial condition and business performance of debtors who are not yet legally bankrupt, and do not fall under bankrupt and quasi-bankrupt loans.

3) There is no balance of loans delinquent for over three months as of March 31, 2025.

Loans that are delinquent for over three months are loans with principal or interest unpaid for over three months beginning one day after the due date based on the loan agreement other than the loans classified as bankrupt and quasi-bankrupt loans, and doubtful loans.

4) The balance of restructured loans was ¥1,166 million as of March 31, 2025.

Restructured loans are loans that provide certain concessions favorable to the borrower with the intent of supporting the borrower's restructuring, such as by reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to the borrowers, and do not fall under bankrupt and quasi-bankrupt loans, doubtful loans, and loans that are delinquent for over three months.

(2) Direct write-offs of loans decreased the balance of bankrupt and quasi-bankrupt loans by ¥2,675 million as of March 31, 2025.

26. The amount of accumulated depreciation of tangible fixed assets was ¥1,406,554 million as of March 31, 2025.

27. Separate account assets as provided in accordance with Article 118, Paragraph 1 of the Insurance Business Act were ¥1,381,881 million as of March 31, 2025, and a corresponding liability is recorded in the same amount.

28. Changes in the reserve for dividends to policyholders of a mutual company for the current fiscal year ended March 31, 2025, were as follows:

	Million Yen Year ended March 31, 2025
a. Balance at the beginning of the current fiscal year	1,088,964
b. Transfer to reserve from surplus for the previous fiscal year	264,517
c. Dividends paid to policyholders of a mutual company during the current fiscal year	247,252
d. Increase in interest	20,648
e. Balance at the end of the current fiscal year (a+b-c+d)	1,126,878

29. Changes in the reserve for dividends to policyholders of a limited company for the current fiscal year ended March 31, 2025, were as follows:

	Million Yen Year ended March 31, 2025
a. Balance at the beginning of the current fiscal year	46,477
b. Dividends paid to policyholders of a mutual company during the current fiscal year	14,644
c. Increase in interest	6
d. Provision for reserve for dividends to policyholders (limited company)	11,901
e. Balance at the end of the current fiscal year (a-b+c+d)	43,740

30. Corporate bonds within liabilities are subordinated corporate bonds with special provisions that subordinate the fulfillment of obligations on the bonds to all other debt obligations.
The corporate bonds are callable at the discretion of the issuer, subject to the pre-approval of the regulatory authorities and other conditions.
The corporate bond issuance dates and callable dates for currency swaps under designated hedge accounting are as follows:

Issue date	Callable date
January 2016	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
September 2017	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
January 2020	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
January 2021	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
September 2021	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
September 2023	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
April 2024	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
January 2025	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter

On April 30, 2025, the Company issued corporate bonds as follows:

Name	US dollar-denominated subordinated notes due 2055 with interest deferral options
Issue price	100% of par value
Total amount issued	US$1,500 million
Interest rate	A fixed rate of 6.50% per annum before April 2035 and a fixed rate reset with step-up thereafter (reset every 5 years).
Maturity	April 2055 The US dollar-denominated subordinated notes are callable on April 16, 2035 and every date which falls five, or a multiple of five, years thereafter, until the notes are fully redeemed at the discretion of Nippon Life, subject to prior approval by the regulatory authority, etc.
Collateral and guarantees	The corporate bonds are not secured or guaranteed, and there are no specific assets pledged for them.
Use of funds	General working capital

Designated hedge accounting has been applied to these bonds using the currency swap as a hedging instrument.

On April 30, 2025, the Company redeemed early corporate bonds as follows.

The amount of interest expenses recorded for the corporate bonds redeemed early was ¥1,140 million for the fiscal year ended March 31, 2025.

Name	JPY-denominated subordinated and unsecured corporate bonds due 2041 with interest deferral options (the corporate bonds were first issued to qualified institutional investors and a small number of investors in domestic securities market)
Issue date	April 30, 2015
Early redemption value	100% of par value
Total amount redeemed early	¥75 billion
Method of early redemption	Early redemption of the entire unredeemed balance

31. Other liabilities include subordinated loans payable of ¥1,086,000 million with special provisions that the fulfillment of obligations on the bonds is subordinate to all other debt obligations.

32. Assets pledged as collateral in the form of investments in securities and lease receivables as of March 31, 2025, were ¥6,365,842 million and ¥3,995 million, respectively. The total amount of liabilities covered by the assets pledged was ¥3,162,794 million as of March 31, 2025.
These amounts included ¥3,276,224 million of sale of securities under repurchase agreements and ¥3,123,499 million of payables under repurchase agreements, as well as ¥38,159 million in securities pledged and ¥35,714 million in cash received as collateral under securities lending transactions secured with cash as of March 31, 2025.

33. The Company redeemed ¥50,000 million of foundation funds and credited the same amount to the reserve for redemption of foundation funds as prescribed in Article 56 of the Insurance Business Act.

34. The total amount of stocks and investments in nonconsolidated subsidiaries and affiliates was ¥1,960,595 million.

35. Matters concerning business combinations through acquisitions are as follows:
At a meeting of the Board of Directors held on November 28, 2023, the Company passed a resolution to acquire shares of K.K. BCJ-43, which owns all shares of Nichii Holdings Co., Ltd. (hereinafter, “Nichii Holdings”). Th Company acquired the shares of BCJ-43 on June 3, 2024.
1) Overview of the business combination

a. Name and business of the acquiree
Name of the acquiree: K.K. BCJ-43
Business: Ownership and management of shares of Nichii Holdings

b. Main reasons for executing the business combination
Nichii Holdings has operated through its core company Nichiigakkan Co., Ltd., which has carried out the contracted medical administration, nursing, and child care businesses since its founding, and has established strong long-term positions in each of these markets. The Company and Nichii Holdings have collaborated in various domains. By increasing operational activity, productivity, and sustainability through this transaction, the Company aims to provide further comfort to its customers and to realize a society in which all generations can live comfortably.

c. Business combination date
June 3, 2024 (The deemed acquisition date is June 30, 2024)

d. Legal form of the business combination
Share acquisition for cash consideration

e. Name of the company after business combination
Nippon Life Livelihood Support Co., Ltd.

f. Percentage of voting rights acquired
99.5%

g. Financing method for payment
Own funds

h. Main rationale for determining the acquirer
The Company has acquired 99.5% of the voting rights through a share acquisition for cash consideration.

2) Period for which the acquiree’s business results were included in the consolidated statement of income for the fiscal year ended March 31, 2025
From July 1, 2024 to March 31, 2025

3) Acquisition cost and breakdown by type of consideration
Consideration for acquisition: Cash ¥205,021 million
Acquisition cost: ¥205,021 million

4) Description and amount of main acquisition-related costs
Advisory fees and others: ¥3,610 million

5) Amount of and reasons for recognizing goodwill, and amortization method and period
a. Amount of goodwill
¥210,112 million

b. Reasons for goodwill

Goodwill was recognized because the acquisition cost exceeded the fair value of net assets at the time of the business combination.

c. Amortization method and period

Straight-line amortization over 20 years

6) Amounts of assets acquired and liabilities assumed and their main components

Total assets: ¥223,482 million

(including the amount allocated to intangible assets other than goodwill of ¥57,697 million)

Total liabilities: ¥228,430 million

(including borrowings of ¥76,405 million)

7) Amount of acquisition cost allocated to intangible assets other than goodwill and amortization period

Amount allocated to intangible assets other than goodwill: ¥57,697 million

Amortization period: 20 years

(including customer-related assets of ¥57,697 million and amortization period of 20 years)

8) Estimated amount of impact on the consolidated statement of income for the fiscal year ended March 31, 2025, and calculation method, assuming that the business combination was completed at the beginning of the fiscal year ended March 31, 2025

Ordinary income: ¥306,872 million

Ordinary profit: ¥2,587 million

Net surplus (deficit) attributable to the parent company: ¥(2,356) million

(Calculation method for estimate)

The estimated amount of the impact represents ordinary income, ordinary profit, and net surplus (deficit) attributable to the parent company calculated as if the business combination had been completed at the beginning of the fiscal year ended March 31, 2025. Additionally, amortization amounts are calculated based on the assumption that the goodwill and intangible assets recognized at the time of the business combination were accounted for at the beginning of the fiscal year ended March 31, 2025. These estimates have not been audited.

9) Other

The Company has transferred 1.0% of the shares outstanding of Nippon Life Livelihood Support Co., Ltd. it has acquired to Nissay Information Technology Co., Ltd. (hereinafter, “Nissay Information Technology”), which is the Company’s consolidated subsidiary as of the date of business combination. During the fiscal year ended March 31, 2025, the Company acquired 0.4% of the shares outstanding of Nippon Life Livelihood Support Co., Ltd. from non-controlling shareholders. As a result, the percentage of voting rights owned by the Company became 98.7%. Nippon Life, Nissay

Information Technology, and Nichii Holdings will engage in a three-way strategic collaboration to promote DX (digital transformation) in the nursing care, medical-related, and child care domains.

36. On December 11, 2024, the Company reached an agreement to make its equity affiliate, Resolution Life Group Holdings Ltd. (hereinafter, “Resolution Life”) its wholly owned subsidiary (hereinafter, “the Transaction”). The agreement was reached by the relevant parties, including the Company and Resolution Life, along with Blackstone ISG Investment Partners - R(BMU) L.P. (hereinafter, “Blackstone L.P.”), which is the investment limited partnership which invests in Resolution Life, and Blackstone ISG Investment Associates - R(BMU) Ltd. (hereinafter, “Blackstone Ltd.”), which is a general partner of Blackstone L.P. In addition, an agreement was reached on the same date between the Company and National Australia Bank Limited (hereinafter, “NAB”) wherein the Company would acquire the remaining 20% of the issued shares of its consolidated subsidiary MLC Limited (hereinafter, “MLC”) from NAB. Furthermore, the relevant parties, including the Company, Resolution Life, Blackstone L.P., and Blackstone Ltd., reached an agreement on a business integration (hereinafter, “the Integration”) of MLC and Resolution Life Australasia Limited (hereinafter, “Resolution Australasia”), which is a part of Resolution Life.

(Background and Aims of the Transaction and the Integration)
The Company has decided to conduct the Transaction and the Integration in order to expand in the U.S. life insurance market and other areas by converting Resolution Life, a global insurance group focusing on the acquisition and management of portfolios of life insurance policies and reinsurance business, into a wholly owned subsidiary, as well as further enhancing its Australian life insurance business through the Integration. Through these efforts, the Company aims to achieve long-term stable growth in overseas business profit and, ultimately, to maximize the benefits of its policyholders.

(Acquisition of Additional Shares of Resolution Life)
The Company will acquire approximately 77% of additional equity that it does not already own in the issued shares of Resolution Life from Blackstone L.P. Consequently, Resolution Life will become a wholly owned subsidiary of the Company.

1) Overview of the business combination
a. Name and business of the acquiree
Name of the acquiree: Resolution Life Group Holdings Ltd.

Business: Insurance holding company (business of acquisition and management of portfolios of life insurance policies and reinsurance business)

b. Schedule of business combination

The business combination is scheduled to be completed by the second half (July-December) of 2025, subject to approval and other procedures by the relevant authorities.

c. Legal form of the business combination

Share acquisition for cash and other consideration

d. Matters concerning percentage of voting rights

Percentage of voting rights held before the acquisition date: Approximately 23%

Percentage of voting rights to be additionally acquired on the business combination date: Approximately 77%

Percentage of voting rights held after the acquisition: 100%

e. Financing method for payment

Own funds

2) Acquisition cost and breakdown by type of consideration

Consideration for additional share acquisition: Cash Approximately US$8.2 billion (approximately ¥1.2 trillion)

* The acquisition cost and gains and losses for the step acquisition have not yet been determined at this time.

(Acquisition of Additional MLC Shares)

The Company will acquire the remaining 20% of the issued shares in MLC that NAB holds. Consequently, MLC will become a wholly owned subsidiary of the Company.

1) Overview of the business combination

a. Name and business of the acquiree

Name of the acquire: MLC Limited

Business: Life insurance business

b. Schedule of business combination

The business combination is scheduled to be completed by the second half (July-December) of 2025, subject to approval and other procedures by the relevant authorities.

The transaction is expected to be executed on the business day after Resolution Life becomes a wholly owned subsidiary.

c. Legal form of the business combination

Share acquisition from a non-controlling shareholder

d. Matters concerning percentage of voting rights

Percentage of voting rights held before the acquisition date: 80%

Percentage of voting rights to be additionally acquired on the business combination date: 20%

Percentage of voting rights held after the acquisition: 100%

e. Financing method for payment

Own funds

2) Acquisition cost and breakdown by type of consideration

Consideration for share acquisition: Cash Approximately A$500 million (approximately ¥50.0 billion)

(Business Integration of Resolution Australasia and MLC)

Following the completion of the acquisition of additional MLC shares as described above, the Company will make an in-kind contribution of all the MLC shares it holds to Resolution Life NOHC Pty Ltd (hereinafter, "Australian NOHC"), Resolution Life's Australian holding company. In exchange, the Company will acquire the new shares issued by Australian NOHC. As a result of this transaction, the Company will directly hold 51% of the voting rights of Australian NOHC (the Company will indirectly hold 49% through Resolution Life), and Australian NOHC will encompass both Resolution Australasia and MLC as its subsidiaries.

1) Overview of the business combination

a. Names of the companies undergoing business combination and their business

Name of company undergoing business combination: Resolution Life NOHC Pty Ltd.

Business: Insurance holding company (business of acquisition and management of portfolios of life insurance policies)

Name of company undergoing business combination: MLC Limited

Business: Life insurance business

b. Schedule of transaction

The transaction is scheduled to be completed by the second half (July-December) of 2025, subject to approval and other procedures by the relevant authorities.

The transaction is expected to be executed on the business day after Resolution Life becomes a wholly owned subsidiary.

37. Matters concerning stock options are as follows:

1) Stock option-related expenses and line items

(Million Yen)

Operating expenses	771

2) Gains related to the forfeiture of unexercised stock options and line items

(Million Yen)

Gain on reversal of share acquisition rights	4

3) Description of stock options

	Nippon Life India Asset Management Limited				
	2017 First Series of Share Acquisition Rights	2017 Second Series of Share Acquisition Rights	2017 Third Series of Share Acquisition Rights	2019 First Series of Share Acquisition Rights	2019 Second Series of Share Acquisition Rights
Title and number of grantees	Representative Director: 1 Employees: 84	Representative Director: 1 Employees: 137	Representative Director: 1 Employees: 157	Representative Director: 1 Employees: 156	Representative Director: 1 Employees: 31
Number of stock options granted by class of shares (*1)	Common shares: 4,944,246	Common shares: 4,598,135	Common shares: 11,190,706	Common shares: 18,081,008	Common shares: 469,772
Grant date	August 8, 2017	April 25, 2018	April 29, 2019	July 29, 2019	June 10, 2020
Vesting conditions	25% of the stock options are vested every year after being granted. (*2)	25% of the stock options are vested every year after being granted.	25% of the stock options are vested every year after being granted.	25% of the stock options are vested every year after being granted.	25% of the stock options are vested every year after being granted.
Requisite service period	From the grant date to the date when the vesting conditions are satisfied	From the grant date to the date when the vesting conditions are satisfied	From the grant date to the date when the vesting conditions are satisfied	From the grant date to the date when the vesting conditions are satisfied	From the grant date to the date when the vesting conditions are satisfied
Exercise period	From August 8, 2018 to August 7, 2024	From April 25, 2019 to April 24, 2025	From April 29, 2020 to April 28, 2026	From July 29, 2020 to July 28, 2026	From June 10, 2021 to June 9, 2027

	Nippon Life India Asset Management Limited			
	2019 Third Series of Share Acquisition Rights	2019 Forth Series of Share Acquisition Rights	2023 First Series of Share Acquisition Rights	2023 First Series of PSU Share Acquisition Rights
Title and number of grantees	Employees: 203	Employees: 1	Representative Director: 1 Employees: 184	Representative Director: 1 Employees: 183
Number of stock options granted by class of shares (*1)	Common shares: 5,430,538	Common shares: 77,065	Common shares: 2,877,566	Common shares: 753,350
Grant date	July 19, 2021	August 7, 2021	April 24, 2024	April 24, 2024

Vesting conditions	25% of the stock options are vested every year after being granted.	25% of the stock options are vested every year after being granted.	25% of the stock options are vested every year after being granted.	25% of the stock options are vested every year after being granted.
Requisite service period	From the grant date to the date when the vesting conditions are satisfied	From the grant date to the date when the vesting conditions are satisfied	From the grant date to the date when the vesting conditions are satisfied	From the grant date to the date when the vesting conditions are satisfied
Exercise period	From July 19, 2022 to July 18, 2028	From August 7, 2022 to August 6, 2028	From April 24, 2025 to April 24, 2031	From April 24, 2025 to April 24, 2031

(*1) The number of stock options granted has been converted into the number of shares.

(*2) The stock options granted to the representative director will vest at once in three years after the grant date.

4) Volume and changes in stock options

a. Number of stock options

(Stock)

	Nippon Life India Asset Management Limited				
	2017 First Series of Share Acquisition Rights	2017 Second Series of Share Acquisition Rights	2017 Third Series of Share Acquisition Rights	2019 First Series of Share Acquisition Rights	2019 Second Series of Share Acquisition Right
Before vesting					
As of March 31, 2024	—	—	—	—	92,448
Granted	—	—	—	—	—
Forfeited	—	—	—	—	1,831
Vested	—	—	—	—	90,617
Outstanding	—	—	—	—	—
After vesting					
As of March 31, 2024	266,720	1,231,996	3,221,111	11,471,812	221,501
Vested	—	—	—	—	90,617
Exercised	266,720	1,228,616	1,128,985	781,343	71,059
Forfeited	—	—	—	—	2,655
Exercisable	—	3,380	2,092,126	10,690,469	238,404

	Nippon Life India Asset Management Limited			
	2019 Third Series of Share Acquisition Rights	2019 Forth Series of Share Acquisition Rights	2023 First Series of Share Acquisition Rights	2023 First Series of PSU Share Acquisition Rights
Before vesting				
As of March 31, 2024	2,111,222	38,533	—	—
Granted	—	—	2,877,566	753,350
Forfeited	179,496	—	72,987	32,298
Vested	990,257	19,266	—	—
Outstanding	941,469	19,267	2,804,579	721,052
After vesting				
As of March 31, 2024	1,800,968	38,532	—	—
Vested	990,257	19,266	—	—
Exercised	610,881	42,532	—	—
Forfeited	25,123	—	—	—
Exercisable	2,155,221	15,266	—	—

b. Price information

(Rupee)

	Nippon Life India Asset Management Limited				
	2017 First Series of Share Acquisition Rights	2017 Second Series of Share Acquisition Rights	2017 Third Series of Share Acquisition Rights	2019 First Series of Share Acquisition Rights	2019 Second Series of Share Acquisition Right
Exercise price	204.25	256.10	202.35	223.32	247.60
Average stock price when exercised	414,18	478,96	433,56	434,16	509,54
Fair value on the grant date	10.82	45.71	38.94	43.06	65.51

	Nippon Life India Asset Management Limited			
	2019 Third Series of Share Acquisition Right	2019 Forth Series of Share Acquisition Right	2023 First Series of Share Acquisition Right	2023 First Series of PSU Share Acquisition Right
Exercise price	372.71	389.28	499.76	10
Average stock price when exercised	563,85	648,61	—	—
Fair value on the grant date	85.73	78.29	171.16	503.92

5) Method of estimating fair valuation unit price of stock options

a. Method used

Black-Scholes option-pricing model

b. Principal parameters used in the option-pricing model and estimation method

	Nippon Life India Asset Management Limited				
	2017 First Series of Share Acquisition Rights	2017 Second Series of Share Acquisition Rights	2017 Third Series of Share Acquisition Rights	2019 First Series of Share Acquisition Rights	2019 Second Series of Share Acquisition Right
Expected volatility (*1)	13.92% to 20.81%	14.21%	16.66%	16.46%	16.17%
Expected remaining life (*2)	4.0 to 5.5 years	4.0 to 5.5 years	4.0 to 5.5 years	4.0 to 5.5 years	4.0 to 5.5 years
Expected dividends rates (*3)	3.09%	3.25%	2.97%	3.22%	1.98%
Risk-free interest rate (*4)	6.20% to 6.34%	7.06% to 7.15%	6.32% to 6.55%	6.22% to 6.45%	4.37% to 4.88%

	Nippon Life India Asset Management Limited			
	2019 Third Series of Share Acquisition Right	2019 Forth Series of Share Acquisition Right	2023 First Series of Share Acquisition Right	2023 First Series of PSU Share Acquisition Right
Expected volatility (*1)	12.92%	12.92%	18.49%	18.49%
Expected remaining life (*2)	4.0 to 5.5 years	4.0 to 5.5 years	4.0 to 5.5 years	4.0 to 5.5 years
Expected dividends rates (*3)	2.54%	2.01%	2.82%	2.82%
Risk-free interest rate (*4)	5.49% to 5.99%	5.48% to 5.98%	7.08% to 7.09%	7.08% to 7.09%

(*1) Calculated based on indices provided by the National Stock Exchange of India.

(*2) The expected remaining life is calculated as a half of the sum of the shortest and longest exercisable periods after stock options are granted.

(*3) Expected dividend rates are based on historical dividend performance.

(*4) The risk-free interest rate is based on the yields on government bonds in India with remaining terms equal to the expected remaining life of the stock options.

6) Method of estimating the number of stock options vested

The estimate basically reflects only the actual number of forfeited stock options because it is difficult to reasonably estimate the actual number of stock options that will be forfeited in the future.

38. The amount of securities lent under lending agreements was ¥2,270,712 million as of March 31, 2025.

39. Assets that the Company has a free disposal right to sell or re-pledge are marketable securities borrowed under lending agreements. These assets were held without being sold or re-pledged and totaled ¥ 146,141 million at fair value as of March 31, 2025.

40. The unused amount of commitments related to loans and similar loan agreements was ¥186,728 million as of March 31, 2025.

41. Information relating to retirement benefits is as follows:

(1) Summary of retirement benefit plans

The Company has a defined benefit corporate pension plan and a lump-sum retirement payment plan, which are both defined benefit plans, for non-sales management personnel and sales management personnel.

The Company also has a defined contribution pension plan as a defined contribution plan.

In addition, the Company has a lump-sum retirement payment plan and an in-house pension plan for sales representatives as a defined benefit plan.

Certain consolidated subsidiaries mainly have a lump-sum retirement payment plan as a defined benefit plan and a defined contribution pension plan as a defined contribution plan.

(2) Defined benefit plans

1) Reconciliation of retirement benefit obligations between the beginning and end of the fiscal year

	Million Yen Year ended March 31, 2025
a. Retirement benefit obligations at the beginning of the year	665,721
b. Service costs	28,367
c. Interest cost	4,130
d. Actuarial losses accrued during the year	(83,049)
e. Retirement benefit payments	(41,684)
f. Prior service costs incurred during the year	(3,212)
g. Increase due to the change in scope of consolidation	8,156
h. Others	(18)
i. Retirement benefit obligations at the end of the year (a+b+c+d+e+f)	578,412

2)Reconciliation of pension plan assets between the beginning and end of the fiscal year

	Million Yen Year ended March 31, 2025
a. Pension plan assets at the beginning of the year	247,843
b. Expected return on plan assets	3,156
c. Actuarial gains incurred during the year	(3,677)
d. Contributions by the Company	5,666
e. Retirement benefit payments	(14,325)
f. Others	(27)
g. Pension plan assets at the end of the year (a+b+c+d+e+f)	238,636

3)Reconciliation of net defined benefit liability between the beginning and end of the fiscal year by computational short cut

	Million Yen Year ended March 31, 2025
a. Net defined benefit liability at the beginning of the year	829
b. Benefit costs	98
c. Retirement benefit payments	(88)
d. Net defined benefit liability at the end of the year (a+b+c)	839

4)Reconciliation of retirement benefit obligations, plan assets, and net defined benefit liability and asset in the consolidated balance sheet

	Million Yen Year ended March 31, 2025
a. Retirement benefit obligations for funded plans	162,381
b. Plan assets	(238,636)
	(76,254)
c. Retirement benefit obligations for nonfunded plans	416,870
d. Net defined benefit liability recorded in the consolidated balance sheet	340,615
e. Net defined benefit liability	342,085
f. Net defined benefit asset	(1,469)
g. Net defined benefit liability recorded in the consolidated balance sheet	340,615

5) Losses (gains) relating to retirement benefits

	Million Yen
	Year ended March 31, 2025
a. Service costs	28,367
b. Interest cost	4,130
c. Expected return on plan assets	(3,156)
d. Amortization of actuarial losses for the period	805
e. Amortization of prior service costs for the period	(1,348)
f. Benefit cost under the simplified valuation method	98
g. Others	61
h. Benefit cost for defined benefit plans (a+b+c+d+e+f+g)	28,958

6) Breakdown of items included in other comprehensive income

The breakdown of items included in other comprehensive income (before tax) is as follows:

	Million Yen
	Year ended March 31, 2025
a. Actuarial losses	80,051
b. Prior service costs	1,863
c. Total (a+b)	81,914

7) Breakdown of items included in total accumulated other comprehensive income

The breakdown of items included in total accumulated other comprehensive income (before tax) is as follows:

	Million Yen
	Year ended March 31, 2025
a. Unrecognized actuarial losses	(89,054)
b. Unrecognized prior service costs	(3,181)
c. Total (a+b)	(92,235)

8) Plan assets consist of the following major asset categories:

a. General account of life insurance	63.17%
b. Domestic bonds	15.22%
c. Foreign securities	11.32%
d. Domestic stocks	7.60%
e. Cash and deposits	2.68%
f. Other	0.02%
g. Total (a+b+c+d+e+f)	100.0%

9) Calculation for long-term expected rate of return on plan assets

To determine the long-term expected rate of return on plan assets, the Company takes into consideration present and forecasted allocation of the plan assets, and present and long-term rates of return that are expected from the portfolio of assets that comprise the plan assets.

10) Matters relating to the basis for actuarial calculations

The major items in the basis for actuarial calculations of the Company and its certain consolidated subsidiaries as of March 31, 2025, are as follows:

a. Discount rate	0.6 to 7.2%
b. Long-term expected rate of return on plan assets	1.2 to 7.2%

(3) Defined contribution plans

The Company and its consolidated subsidiaries contributed ¥5,859 million to the defined contribution plans during the fiscal year ended March 31, 2025.

42. (1) Total deferred tax assets were ¥2,733,359 million and total deferred tax liabilities were ¥3,242,853 million as of March 31, 2025. The deferred tax assets were reduced by the valuation allowance of ¥139,632 million. The major components resulting in deferred tax assets were policy reserves and other reserves of ¥1,445,601 million, reserve for price fluctuations in investments in securities of ¥515,578 million, and deferred gains (losses) on derivatives under hedge accounting of ¥ 422,850 million. The major component resulting in deferred tax liabilities was net unrealized gains on available-for-sale securities of ¥3,041,475 million.

(2) The effective statutory tax rate was 27.9% for the fiscal year ended March 31, 2025. The major factors for the difference between the effective statutory tax rate and the effective income tax rate after application of tax effect accounting were a decrease of 18.9% in the amount of reserve for dividends to policyholders and a decrease of 15.2% due to the impact of the change in tax rate.

(3) In accordance with the promulgation of the "Act on Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025), the effective statutory tax rate applied to the calculation of deferred tax assets and deferred tax liabilities has been changed from 27.9% to 28.9% if the recovery or settlement are expected on or after April 1, 2026. Due to this change, as of March 31, 2025, deferred tax liabilities increased by ¥30,645 million, deferred tax liabilities related to the revaluation increased by ¥3,474 million, and deferred tax assets increased by ¥968 million. Net unrealized gains on available-for-sale securities decreased by ¥104,839 million, deferred gains (losses) on derivatives under hedge accounting increased by ¥13,383 million, land revaluation losses decreased by ¥3,474 million, and remeasurement of defined benefit plans decreased by ¥871 million. In addition, income tax adjustments decreased by ¥62,651 million.

43. Revaluation of land used in the operations of the Company is performed based on the Act on Revaluation of Land. The tax effect of the amount related to the valuation difference between the book value and the revalued amount for land revaluation is recognized as a deferred tax liability within the liability section. The valuation differences, net of tax, are recognized as land revaluation losses within the net assets section.

Revaluation date	March 31, 2002
Revaluation methodology	The amount is calculated using the listed value of the land and road rate as prescribed by Article 2, Items 1 and 4 of the Order for Enforcement of the Act on Revaluation of Land.

44. TAIJU LIFE INSURANCE COMPANY LIMITED, Nippon Wealth Life Insurance Company Limited, and HANASAKU LIFE INSURANCE Co., Ltd., which are the Company's consolidated subsidiaries, have concluded modified coinsurance agreements.
TAIJU LIFE INSURANCE COMPANY LIMITED has concluded a modified coinsurance agreement covering foreign currency-denominated single payment endowment insurance (U.S. dollar/Australian dollar) and foreign currency-denominated single payment whole life insurance (U.S. dollar/Australian dollar).
HANASAKU LIFE INSURANCE Co., Ltd. has concluded modified coinsurance agreements covering whole life medical insurance and related insurance products. For modified coinsurance agreements involving non-cash transactions, HANASAKU LIFE INSURANCE Co., Ltd. records as reinsurance revenue the amount received as a portion of equivalent new policy expenses related to the original insurance policy based on the reinsurance agreement. Concurrently, the same amount is recorded as

unamortized ceding commissions under reinsurance receivables and is amortized over the term of the reinsurance policy.

The outstanding balance of reinsurance receivables, reinsurance payables and policy reserves as of March 31, 2025 includes the following amounts:

1) Reinsurance receivables	¥224,252 million
(Nippon Wealth Life Insurance Company Limited)	
Reinsurance receivables related to modified coinsurance agreements	¥194,411 million
Unamortized ceding commissions related to reinsurance agreements under Article 1, Paragraph 5 of the Ministry of Finance Public Notice No. 50 of 1996	¥194,411 million
(HANASAKU LIFE INSURANCE Co., Ltd.)	
Reinsurance receivables related to modified coinsurance agreements	¥26,518 million
Unamortized ceding commissions related to reinsurance agreements under Article 1, Paragraph 5 of the Ministry of Finance Public Notice No. 50 of 1996	¥26,518 million
2) Reinsurance payables	¥17,731 million
(TAIJU LIFE INSURANCE COMPANY LIMITED)	
Reinsurance payables related to modified coinsurance agreements	¥7,699 million
3) Policy reserves	¥73,897,294 million
(TAIJU LIFE INSURANCE COMPANY LIMITED)	
Policy reserves related to modified coinsurance agreements	¥1,387,349 million
(Nippon Wealth Life Insurance Company Limited)	
Policy reserves related to modified coinsurance agreements	¥1,528,807 million
(HANASAKU LIFE INSURANCE Co., Ltd.)	
Policy reserves related to modified coinsurance agreements	¥5,187 million

(5) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

[Consolidated Statements of Income]

(Million Yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Ordinary income:	**11,003,573**	**12,008,823**
Revenues from insurance and reinsurance	**7,861,341**	**8,598,316**
Investment income:	**2,614,011**	**3,119,937**
Interest, dividends, and other income	2,158,973	1,875,713
Gain on trading securities	30,745	44,496
Gain on sales of securities	423,073	397,306
Gain on redemptions of securities	4	66
Foreign exchange gains, net	—	632,478
Other investment income	1,214	872
Gain on separate accounts, net	—	169,002
Other ordinary income	528,220	290,569
Ordinary expenses:	**10,498,813**	**11,427,426**
Benefits and other payments:	**6,819,176**	**6,623,108**
Death and other claims	1,255,232	1,266,814
Annuity payments	1,074,335	1,044,853
Health and other benefits	1,018,860	941,269
Surrender benefits	1,643,240	1,619,059
Other refunds	338,282	352,037
Reinsurance premiums	1,235,223	1,158,376
Other benefits and other payments	254,002	240,696
Provision for policy reserves:	**1,065,931**	**2,699,398**
Provision for reserve for outstanding claims	4,967	7,049
Provision for policy reserves	1,040,307	2,671,366
Provision for interest on reserve for dividends to policyholders (mutual company)	20,648	20,975
Provision for interest on reserve for dividends to policyholders (limited company)	6	7
Investment expenses:	**1,190,383**	**944,029**
Interest expenses	71,503	49,679
Loss on sales of securities	539,603	292,591
Loss on valuation of securities	2,516	7,340
Loss on redemptions of securities	715	55
Loss on derivative financial instruments, net	254,323	507,070
Foreign exchange losses, net	212,852	—
Provision for allowance for doubtful accounts	391	825
Depreciation of real estate to rental use and other assets	23,552	22,263
Other investment expenses	69,269	64,203

	Year ended March 31, 2025	Year ended March 31, 2024
Loss on separate accounts, net	15,656	—
Operating expenses	**1,044,815**	**789,959**
Other ordinary expenses	**378,506**	**370,931**

[Consolidated Statements of Income] (Continued)

(Million Yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Ordinary profit	**504,760**	**581,396**
Extraordinary gains:	**12,980**	**5,574**
Gain on disposals of fixed assets	12,976	5,555
Gain on reversal of share acquisition rights	4	18
Extraordinary losses:	**74,348**	**69,993**
Loss on disposals of fixed assets	5,924	8,747
Impairment losses	10,696	10,096
Provision for reserve for price fluctuations in investments in securities	55,018	48,113
Loss on reduction entry of real estate	28	36
Contributions for assisting social public welfare	2,633	3,000
Other extraordinary losses	47	—
Provision for reserve for dividends to policyholders (limited company)	**11,901**	**11,805**
Surplus before income taxes	**431,490**	**505,171**
Income taxes - current	**136,432**	**52,632**
Income taxes - deferred	**(144,357)**	**43,737**
Total income taxes	**(7,924)**	**96,369**
Net surplus	**439,415**	**408,801**
Net surplus attributable to noncontrolling interests	**3,943**	**(3,683)**
Net surplus attributable to the parent company	**435,471**	**412,485**

Notes to the Consolidated Statement of Income for the Fiscal Year Ended March 31, 2025

1. The following is a breakdown of ordinary income and ordinary expenses for the fiscal year ended March 31, 2025:

(Million Yen)

Ordinary income items		Ordinary expenses items	
Revenues from insurance and reinsurance	7,861,341	Benefits and other payments	6,819,176
Premiums	6,771,409	Death and other claims	1,255,232
Reinsurance revenue	1,089,932	Annuity payments	1,074,335
		Health and other benefits	1,018,860
		Surrender benefits	1,643,240
		Other refunds	338,282
		Reinsurance premiums	1,235,223
		Other benefits and other payments	254,002

MLC Limited, the Company's consolidated substantive subsidiary, applies the AASB Standard "Insurance Contracts" issued by the Australian Accounting Standards Board. Based on the "Comprehensive Guidelines for Supervision of Insurance Companies" announced by the Financial Services Agency, insurance revenue recorded by MLC Limited is restated as a revenue amount and recorded in revenues from insurance and reinsurance.

2. The Company uses the following methods to record revenues from insurance and reinsurance, and benefits and other payments.
   (1) Revenues from insurance and reinsurance (excluding reinsurance revenue) are recorded as the amount of payments that have been received, in principle.
   (2) Benefits and other payments (excluding reinsurance premiums) are recorded as the amount of payments made with respect to policies for which an event that is a reason for payment of claims or benefits has occurred based on the policy clauses and the amount determined based on those policy clauses was paid.
3. The main notes concerning impairment losses are as follows:
   1) Method for grouping the assets
      a. Real estate and other assets
         Real estate for rental use and idle properties of the Company and certain consolidated subsidiaries are classified as one asset group per property. Real estate and other assets utilized for insurance business operations are classified into one asset group for the whole insurance business.
      b. Goodwill and other assets, and other intangible fixed assets (customer-related assets)
         Goodwill and other assets and customer-related assets of the Company are classified as one asset group on a company basis, in principle.

To evaluate goodwill related to Nippon Life Livelihood Support Co., Ltd. ("Nippon Life Livelihood Support"), Nippon Life Livelihood Support and Nichii Holdings Co., Ltd. ("Nichii Holdings") are classified into one asset group because Nichii Holdings, which is owned by Nippon Life Livelihood Support as an intermediate holding company, substantially conducts business operations.

To evaluate the equivalent amount of goodwill related to PT Sequis, PT Sequis and PT Asuransi Jiwa Sequis Life are classified into one asset group because PT Asuransi Jiwa Sequis Life, which is owned by PT Sequis as an intermediate holding company, substantially conducts business operations.

2) Identification of indicators of impairment

a. Real estate and other assets

The Company identifies indicators of impairment if the operating activities of an asset group result in loss in consecutive fiscal periods or there are events indicating that the asset may be impaired.

As of March 31, 2025, the Company identified indicators of impairment in certain asset groups because the conditions above were applicable.

b. Goodwill and other assets, and other intangible fixed assets (customer-related assets)

The Company identifies indicators of impairment if any of the following conditions applies to an asset group:

(i) Profit or loss in the current period, or cash flows from operating activities are, or expected to be, negative for two consecutive fiscal periods.

(ii) Businesses or management strategies have been substantially revised from initial plans, and a continuing future deterioration in business performance that could lead to a large decline in actual value is expected.

(iii) A continuing future deterioration in business performance that could lead to a large decline in actual value is expected based on the outlook for a drastic or anticipated worsening of the business environment. As of March 31, 2025, the Company has identified indicators of impairment on the equivalent amount of goodwill related to Reliance Nippon Life Insurance Company Limited, the equivalent amount of goodwill related to PT Sequis, and the equivalent amount of goodwill related to The TCW Group, Inc.

For goodwill and customer-related assets related to Nippon Life Livelihood Support, the Company has assessed for indication of impairment by taking into consideration Nichii Holdings' business plan that reflects, among other things, changes in the external environment (e.g. increase in wages) and IT investments. As a result, the Company has determined that there is no indication of impairment with respect to goodwill and customer-related assets related to Nippon Life Livelihood Support.

3) Recognition and measurement of impairment losses

a. Real estate and other assets

Asset groups for which indicators of impairment are recognized are treated as follows. If the total amount of undiscounted cash flows from such an asset group is lower than the book value, an impairment loss is recognized and the book value is reduced to the recoverable amount. The recoverable amount is based on either the value in use or net selling price. In principle, the value in use is determined as the discounted future cash flows using a discount rate of 3.0-3.3%. Net selling price is determined based on appraisals performed in accordance with the “Real Estate Appraisal Standards” or standard land prices.

As of March 31, 2025, the book values of certain asset groups for which indicators of impairment were recognized were reduced to the recoverable amounts, and impairment losses were recognized under extraordinary losses.

b. Goodwill and other assets, and other intangible fixed assets (customer-related assets)

Asset groups for which indicators of impairment are recognized are treated as follows. If the total amount of undiscounted future cash flows from such an asset group is lower than the book value, the book value is reduced to the recoverable amount, with the reduction not to exceed the amount of goodwill and other assets. The recoverable amount is based on either the value in use or net selling price. The value in use is determined as the amount by discounting the future cash flows calculated based on future projections, medium-term management plans and other information for each asset group. Net selling price is determined based on the amount obtained by multiplying the market value of shares by the number of shares held.

In impairment assessments related to life insurance companies, the corporate valuation amount (the sum of Embedded Value (“EV”) and the value of new business) may be used in some cases as an alternative to the undiscounted future cash flows and recoverable amount above, after ensuring that the requirements of the “Accounting Standard for Impairment of Fixed Assets” (Business Accounting Deliberation Council) are satisfied. EV is the sum of “adjusted net assets, reflecting necessary adjustments to the total amount of the net assets in the balance sheet” and “the value of existing policies that is the present value of future after-tax profits from policies in force.” EV represents corporate value attributable to shareholders. It is used to grasp matters such as the shareholder value of limited insurance companies and the acquisition price of an acquiree company in M&A deals. Moreover, the value of new business represents “the present value of future after-tax profit from policies to be acquired in the future.”

As of March 31, 2025, the Company used TEV as EV to determine the corporate valuation amounts related to Reliance Nippon Life Insurance Company Limited and PT Sequis, which are life insurance companies for which indications of impairment had been identified. TEV is a method for calculating EV that evaluates cash flow with a risk-adjusted discount rate. The calculation of the EV of those life insurance companies involves uncertainties in factors, such as future cash flows based on the projected acquisition of new insurance policies in each sales channel as the basis of the value of new business, discount rates, which are the basis of the calculation of the value of new business, and insurance-related actuarial assumptions, such as the lapse rates and the insurance accident rates, which are the basis for the calculation of EV. No impairment was recognized on the equivalent amount of goodwill related to Reliance Nippon Life Insurance Company Limited because its corporate valuation amount was higher than the book value.

No impairment was recognized on the equivalent amount of goodwill related to PT Sequis, because the undiscounted future cash flows were higher than the book value. The undiscounted future cash flows were calculated by adding the future after-tax profit from policies in force (undiscounted value of existing policies) and future after-tax profit from policies to be acquired in the future (undiscounted value of new business) to adjusted net assets.

No impairment was recognized on the equivalent amount of goodwill related to The TCW Group Inc. because the undiscounted future cash flows were higher than the book value.

4) Breakdown of asset groups for which impairment losses were recognized for the fiscal year ended March 31, 2025, is as follows:

(Million Yen)

Purpose of use	Land	Buildings and others	Total
Real estate for operational use	—	578	578
Real estate for rental use	676	4,374	5,051
Idle properties	3,766	1,299	5,066
Total	4,443	6,252	10,696

4. TAIJU LIFE INSURANCE COMPANY LIMITED, Nippon Wealth Life Insurance Company Limited, and HANASAKU LIFE INSURANCE Co., Ltd., which are the Company’s consolidated subsidiaries, have concluded modified coinsurance agreements.

Through these reinsurance items, ordinary profit and surplus before income taxes increased by ¥101,040 million.

1) TAIJU LIFE INSURANCE COMPANY LIMITED

It has concluded a modified coinsurance agreement covering foreign currency-denominated single payment endowment insurance (U.S. dollar/Australian dollar) and foreign currency-denominated single payment whole life insurance (U.S. dollar/Australian dollar).

a. Reinsurance revenue

Through this modified coinsurance agreement, insurance risk has been transferred, and items including additional policy reserves or reversals associated with market price adjustments upon interest rate fluctuations are recorded as reinsurance revenue and presented in revenues from insurance and reinsurance.

b. Reinsurance premiums

In cases where reinsurance revenue related to this modified coinsurance agreement is negative, the items are recorded as reinsurance premiums and presented as benefits and other payments.

2) Nippon Wealth Life Insurance Company Limited

a. Reinsurance revenue

It is recorded according to the timing of accrual of benefits and other payments for covered insurance products and to the ceding ratio for those products based on the reinsurance agreement. In addition, the ceding commission and policy reserve components are recorded according to the covered period and ceding ratio stipulated by the reinsurance agreement.

b. Reinsurance premiums

These are recorded according to factors such as the timing of accrual of premiums for covered insurance premiums and the ceding ratio for those products based on the reinsurance agreement.

3) HANASAKU LIFE INSURANCE Co., Ltd.

It has concluded modified coinsurance agreements covering whole life medical insurance and related insurance products.

a. Reinsurance revenue

It is recorded according to the timing of accrual of benefits and other payments for the original insurance policy and to the ceding ratio for such policy, based on the reinsurance agreement.

b. Reinsurance premiums

These are recorded according to factors such as the timing of accrual of premiums received from the original insurance policy covered by the reinsurance agreement and to the ceding ratio for such policy, based on the reinsurance agreement.

Reinsurance revenue and reinsurance premiums include the following amounts:

4) Reinsurance revenue	¥1,089,932 million
(TAIJU LIFE INSURANCE COMPANY LIMITED)	
Reinsurance revenue related to modified coinsurance agreements	¥236,705 million
Adjustment to policy reserves for ceded reinsurance (excluding additional policy reserves (reversals) associated with market value adjustments and related items	¥135,205 million
Additional policy reserves (reversals) associated with market value adjustments and related items	¥910 million
(Nippon Wealth Life Insurance Company Limited)	
Reinsurance revenue related to modified coinsurance agreements	¥754,080 million
Ceding commission	¥3,113 million
Increase in the policy reserve component	¥672,236 million
Increase equivalent to additional provisions related to the standard policy reserve system	¥83,388 million
Increase in unamortized ceding commissions related to reinsurance agreements under Article 1, Paragraph 5 of the Ministry of Finance Public Notice No. 50 of 1996	¥79,734 million
(HANASAKU LIFE INSURANCE Co., Ltd.)	
Reinsurance revenue related to modified coinsurance agreements	¥26,928 million
Increase in unamortized ceding commissions related to reinsurance agreements under Article 1, Paragraph 5 of the Ministry of Finance Public Notice No. 50 of 1996	¥26,928 million

5) Reinsurance premiums	¥1,235,223 million
(Nippon Wealth Life Insurance Company Limited)	
Reinsurance premiums related to modified coinsurance agreements	¥672,375 million
(HANASAKU LIFE INSURANCE Co., Ltd.)	
Reinsurance premiums related to modified coinsurance agreements	¥8,798 million
Decrease in unamortized ceding commissions related to reinsurance agreements under Article 1, Paragraph 5 of the Ministry of Finance Public Notice No. 50 of 1996	¥8,798 million

[Consolidated Statements of Comprehensive Income]

(Million Yen)

	Year ended March 31, 2025	Year ended March 31, 2024
Net surplus	**439,415**	**408,801**
Other comprehensive income:	**(1,976,694)**	**3,364,445**
Net unrealized gains on available-for-sale securities	(1,822,522)	4,043,936
Deferred gains on derivatives under hedge accounting	(229,528)	(765,493)
Land revaluation losses	(3,474)	—
Foreign currency translation adjustments	7,853	39,641
Remeasurement of defined benefit plans	58,263	13,828
Share of other comprehensive loss of affiliates accounted for under the equity method	12,713	32,533
Comprehensive income:	**(1,537,279)**	**3,773,247**
Comprehensive income attributable to the parent company	(1,536,964)	3,746,824
Comprehensive income attributable to noncontrolling interests	(315)	26,422

Note to the Consolidated Statement of Comprehensive Income for the Fiscal Year Ended March 31, 2025

Breakdown of other comprehensive income is as follows:

(1) Reclassification adjustments to profit or loss relating to other comprehensive income

(Million Yen)

Net unrealized gains on available-for-sale securities:		
Gains arising during the year	(2,079,851)	
Reclassification adjustments to profit or loss	(299,974)	(2,379,826)
Deferred losses on derivatives under hedge accounting:		
Losses arising during the year	(471,162)	
Reclassification adjustments to profit or loss	134,435	(336,727)
Foreign currency translation adjustments:		
Gains arising during the year	7,853	
Reclassification adjustments to profit or loss	—	7,853
Remeasurement of defined benefit plans:		
Gains arising during the year	82,642	
Reclassification adjustments to profit or loss	(608)	82,034
Share of other comprehensive income (loss) of affiliates accounted for under the equity method:		
Gains arising during the year	12,824	
Reclassification adjustments to profit or loss	(111)	12,713
Amount before income taxes and income tax effect		(2,613,951)
Income taxes and income tax effect		637,257
Total other comprehensive income		(1,976,694)

(2) Income taxes and income tax effect relating to other comprehensive income

(Million Yen)

	Before income taxes and income tax effect	Income taxes and income tax effect	After income taxes and income tax effect
Net unrealized gains on available-for-sale securities	(2,379,826)	557,303	(1,822,522)
Deferred losses on derivatives under hedge accounting	(336,727)	107,198	(229,528)
Land revaluation losses	—	(3,474)	(3,474)
Foreign currency translation adjustments	7,853	—	7,853
Remeasurement of defined benefit plans	82,034	(23,770)	58,263
Share of other comprehensive income of affiliates accounted for under the equity method	12,713	—	12,713
Total other comprehensive income	(2,613,951)	637,257	(1,976,694)

(6) Consolidated Statements of Cash Flows

(Million Yen)

	Year ended March 31, 2025	Year ended March 31, 2024
I. Cash flows from operating activities:		
Surplus before income taxes	431,490	505,171
Depreciation of real estate for rental use and other assets	23,552	22,263
Depreciation	74,897	69,823
Impairment losses	10,696	10,096
Amortization of goodwill	13,257	5,206
Net increase (decrease) in reserve for outstanding claims	5,430	7,803
Net increase in policy reserve	1,035,283	2,665,719
Provision for interest on reserve for dividends to policyholders (mutual company)	20,648	20,975
Provision for interest on reserve for dividends to policyholders (limited company)	6	7
Provision for reserve for dividends to policyholders (limited company)	11,901	11,805
Net (decrease) increase in allowance for doubtful accounts	288	717
Net increase in accrued bonuses for directors, and audit and supervisory board members	1	(14)
Net increase (decrease) in net defined benefit liability	(4,225)	1,256
Net decrease in accrued retirement benefits for directors, and audit and supervisory board members	(70)	(205)
Net increase in reserve for price fluctuations in investments in securities	55,018	48,113
Interest, dividends, and other income	(2,158,973)	(1,875,713)
Net gains on investments in securities	119,757	(97,385)
Net losses on policy loans	88,975	85,600
Losses on derivative financial instruments, net	254,323	507,070
Interest expenses	71,503	49,679
Net foreign exchange gains	213,613	(632,809)
Net (gains) losses on tangible fixed assets	(6,482)	4,687
Gains on equity method investments	(1,945)	(14,193)
Gains from separate accounts	15,656	(169,002)
Net decrease in reinsurance receivables	(98,827)	(121,147)
Net decrease (increase) in other assets (excluding those related to investing activities and financing activities)	17,143	(85,043)
Net increase in reinsurance payables	(9,477)	6,706
Net (decrease) increase in other liabilities (excluding those related to investing activities and financing activities)	(6,805)	11,180
Others, net	(16,273)	23,048
Subtotal	160,364	1,061,417
Interest, dividends, and other income received	2,074,257	1,818,296
Interest paid	(69,591)	(47,639)
Dividends paid to policyholders (mutual company)	(182,811)	(170,284)
Dividends paid to policyholders (limited company)	(14,644)	(16,382)
Others, net	(18,207)	3,317
Income taxes paid	(198,569)	51,938
Net cash provided by operating activities	1,750,797	2,700,662

(6) Consolidated Statements of Cash Flows (Continued)

(Million Yen)

	Year ended March 31, 2025	Year ended March 31, 2024
II. Cash flows from investing activities:		
Net increase (decrease) in deposits	5,880	(4,145)
Purchases of monetary receivables purchased	(12,256)	(36,731)
Proceeds from sales and redemptions of monetary receivables purchased	70,306	34,365
Purchases of securities	(10,263,193)	(10,039,454)
Proceeds from sales and redemptions of securities	8,895,185	7,755,469
Disbursements for loans	(1,438,372)	(1,795,398)
Proceeds from collections of loans	1,537,748	1,579,215
Net (losses) gains from the settlement of derivative financial instrument	(161,068)	(1,091,597)
Net increase in sales under repurchase agreements	(248,785)	1,001,245
Net (decrease) increase in cash received as collateral under securities lending transactions	(9,948)	(17,403)
Others, net	(168,607)	(174,320)
Total of asset management activities	(1,793,110)	(2,788,755)
[Sum of operating activities and asset management activities]	[(42,312)]	[(88,092)]
Purchases of tangible fixed assets	(83,287)	(113,393)
Proceeds from sales of tangible fixed assets	26,681	25,207
Payment for acquisition of subsidiary’s shares resulting in change in scope of consolidation	(188,025)	—
Others, net	(59,756)	(56,276)
Net cash used in investing activities	(2,097,499)	(2,933,217)
III. Cash flows from financing activities:		
Proceeds from debt borrowing	143,484	173,135
Repayments of debt	(64,339)	(82,910)
Proceeds from issuance of corporate bonds	280,372	137,454
Redemption of bonds	(242,550)	—
Redemption of foundation funds	(50,000)	—
Interest payments on foundation funds	(265)	(265)
Payment for acquisition of subsidiary’s shares not resulting in change in scope of consolidation	(845)	—
Others, net	(26,586)	(1,403)
Net cash provided by financing activities	39,270	226,010
IV. Effect of exchange rate changes on cash and cash equivalents	(11,106)	22,099
V. Net increase (decrease) in cash and cash equivalents	(318,537)	15,554
VI. Cash and cash equivalents at the beginning of the year	2,155,349	2,139,794
VII. Cash and cash equivalents at the end of the year	1,836,812	2,155,349

Note to the Consolidated Statement of Cash Flows for the Fiscal Year Ended March 31, 2025

1. Cash and cash equivalents

Cash and cash equivalents, for the purpose of reporting consolidated cash flows, are composed of cash in hand, deposits held at call with banks, 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.

2. Major components of assets and liabilities of newly consolidated subsidiaries due to acquisition of shares

Major assets and liabilities of companies that were newly consolidated due to the acquisition of shares, described in Note 35 of Notes to the Consolidated Balance Sheets, at the time of acquisition, as well as the acquisition cost and net payment for the acquisition of the shares, are as follows:

	(Million Yen)
Total assets:	223,482
Goodwill	210,112
Total liabilities:	(228,430)
Noncontrolling interests	(142)
Acquisition cost for shares of consolidated subsidiaries	205,021
Cash and equivalents of consolidated subsidiaries	(18,470)
Net payments for acquisition of shares of consolidated subsidiaries	186,551

(7) Consolidated Statements of Changes in Net Assets
For the Year Ended March 31, 2025

(Million Yen)

	Foundation funds and others				
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Consolidated surplus	Total foundation funds and others
Beginning balance	100,000	1,350,000	651	793,384	2,244,035
Increase/decrease:					
Additions to reserve for dividends to policyholders (mutual company)				(264,517)	(264,517)
Additions to reserve for redemption of foundation funds		50,000		(50,000)	—
Interest on foundation funds				(265)	(265)
Net surplus attributable to the parent company				435,471	435,471
Redemption of foundation funds	(50,000)				(50,000)
Reversal of land revaluation losses				2,114	2,114
Change in the parent's ownership interest due to transactions with noncontrolling interests				625	625
Net change, excluding foundation funds and others					
Net change	(50,000)	50,000	—	123,429	123,429
Ending balance	50,000	1,400,000	651	916,813	2,367,465

(7) Consolidated Statements of Changes in Net Assets (Continued)

For the Year Ended March 31, 2025

(Million Yen)

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Foreign currency translation adjustments	Remeasur-ements of defined benefit plans	Total accumulated other comprehensive income			
Beginning balance	9,223,931	(1,142,459)	(50,967)	118,139	7,774	8,156,418	1,509	144,554	10,546,518
Increase/decrease:									
Additions to reserve for dividends to policyholders (mutual company)									(264,517)
Additions to reserve for redemption of foundation funds									—
Interest on foundation funds									(265)
Net surplus attributable to the parent company									435,471
Redemption of foundation funds									(50,000)
Reversal of land revaluation losses									2,114
Change in the parent’s ownership interest due to transactions with noncontrolling interests									625
Net change, excluding foundation funds and others	(1,836,922)	(230,040)	(5,588)	39,723	58,278	(1,974,550)	353	(5,386)	(1,979,582)
Net change	(1,836,922)	(230,040)	(5,588)	39,723	58,278	(1,974,550)	353	(5,386)	(1,856,153)
Ending balance	7,387,008	(1,372,500)	(56,555)	157,862	66,053	6,181,868	1,863	139,168	8,690,365

(7) Consolidated Statements of Changes in Net Assets (Continued)
For the Year Ended March 31, 2024

(Million Yen)

	Foundation funds and others				
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Consolidated surplus	Total foundation funds and others
Beginning balance	100,000	1,350,000	651	566,733	2,017,384
Increase/decrease:					
Additions to reserve for dividends to policyholders (mutual company)				(181,910)	(181,910)
Interest on foundation funds				(265)	(265)
Net surplus attributable to the parent company				412,485	412,485
Reversal of land revaluation losses				(5,297)	(5,297)
Change in the parent’s ownership interest due to transactions with noncontrolling interests				1,638	1,638
Net change, excluding foundation funds and others					
Net change	—	—	—	226,651	226,651
Ending balance	100,000	1,350,000	651	793,384	2,244,035

(7) Consolidated Statements of Changes in Net Assets (Continued)

For the Year Ended March 31, 2024

(Million Yen)

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Net unrealized gains on available-for-sale securities	Deferred losses on derivatives under hedge accounting	Land revaluation losses	Foreign currency translation adjustments	Remeasur-ements of defined benefit plans	Total accumulated other comprehensive income			
Beginning balance	5,176,583	(375,789)	(56,264)	52,239	(5,938)	4,790,829	1,921	120,492	6,930,628
Increase/decrease:									
Additions to reserve for dividends to policyholders (mutual company)									(181,910)
Interest on foundation funds									(265)
Net surplus attributable to the parent company									412,485
Reversal of land revaluation losses									(5,297)
Change in the parent’s ownership interest due to transactions with noncontrolling interests									1,638
Net change, excluding foundation funds and others	4,047,348	(766,669)	5,297	65,900	13,712	3,365,588	(411)	24,062	3,389,239
Net change	4,047,348	(766,669)	5,297	65,900	13,712	3,365,588	(411)	24,062	3,615,890
Ending balance	9,223,931	(1,142,459)	(50,967)	118,139	7,774	8,156,418	1,509	144,554	10,546,518

Notes to Consolidated Statements of Changes in Net Assets

1. Matters concerning share acquisition rights

(Million Yen)

Classification	Breakdown of share acquisition rights	Balance as of March 31, 2025
Nippon Life India Asset Management Limited	Share acquisition rights provided as stock options	1,863

(8) Status of Nonperforming Assets Based on the Insurance Business Act (Consolidated)

(Million Yen, %)

	As of March 31, 2025	As of March 31, 2024
Bankrupt and quasi-bankrupt loans	9,301	9,572
Doubtful loans	12,681	17,718
Loans that are delinquent for over three months	—	—
Restructured loan	1,166	1,604
Subtotal	23,149	28,895
[Percent of total, %]	(0.21)	(0.25)
Normal loans	11,130,170	11,368,762
Total	11,153,320	11,397,657

Notes:
1. Bankrupt and quasi-bankrupt loans are nonperforming assets and similar loans that have fallen into bankruptcy due to certain reasons, including initiation of bankruptcy proceedings, start of reorganization proceedings, or submission of an application to start rehabilitation proceedings.
2. Doubtful loans are nonperforming assets with a strong likelihood that loan principal and/or interest cannot be recovered according to the loan contract because of difficulties in the financial condition and business performance of debtors who are not yet legally bankrupt (excluding 1. in the notes above).
3. Loans that are delinquent for over three months are loans with principal or interest unpaid for over three months beginning one day after the due date based on the loan agreement (excluding 1. and 2. in the notes above).
4. Restructured loans are loans that provide certain concessions favorable to the borrower with the intent of supporting the borrower's restructuring. Examples of such concessions include reducing or exempting interest, postponing principal or interest payments, releasing credits, or providing other benefits to borrowers (excluding 1. to 3. in the notes above).
5. Normal loans are loans that do not fall under the classifications for 1. to 4. in the notes above and where the debtor has no financial or business performance problems.

Supplemental information on nonperforming assets based on the Insurance Business Act

- Classifications and calculation methods used in this table are based on the Ordinance for Enforcement of the Insurance Business Act. The table includes guaranteed private offering loans of financial institutions, loans, securities lending, accrued interest, suspense payments, and customers' liability for acceptances and guarantees.
- For bankrupt and quasi-bankrupt loans, etc., the estimated uncollectible amount calculated by subtracting the amount of collateral value or the amount collectible by the execution of guarantees from the balance of loans is directly deducted from the total loan amount. The estimated uncollectible amounts as of March 31, 2025 and 2024, were ¥2,961 million and ¥104 million, respectively.

(9) Consolidated Solvency Margin Ratio

(Million Yen)

	As of March 31, 2025	As of March 31, 2024
Solvency margin total amount (A):	18,146,088	22,536,034
Foundation funds (*kikin*) and other reserve funds:	5,100,241	6,251,249
Foundation funds and others	1,852,115	1,997,150
Reserve for price fluctuations in investments in securities	1,787,849	1,732,830
Contingency reserve	1,187,001	2,263,258
Extraordinary contingency reserve	—	—
General allowance for doubtful accounts	3,404	5,015
Others	269,871	252,993
Net unrealized gains on available-for-sale securities (before tax) and deferred losses on derivatives under hedge accounting (before tax) × 90%	8,032,152	10,340,828
Net unrealized gains on real estate × 85%	762,609	701,888
Total amount of unrecognized actuarial gains/losses and unrecognized prior service cost	92,657	10,724
Excess of continued Zillmerized reserve	4,089,993	2,844,977
Qualifying subordinated debt	2,640,141	2,527,319
Excess of continued Zillmerized reserve and qualifying subordinated debt not included in margin calculations	(1,828,628)	—
Deduction clause	(1,019,121)	(345,603)
Others	276,041	204,650
Total amount of risk (B): $\sqrt{(\sqrt{R_1^2+R_5^2}+R_8+R_9)^2+(R_2+R_3+R_7)^2}+R_4+R_6$	4,080,229	4,394,139
Underwriting risk (R_1)	183,013	188,389
General underwriting risk (R_5)	—	—
Huge disaster risk (R_6)	—	—
Underwriting risk of third-sector insurance (R_8)	104,154	102,987
Underwriting risk related to small amount and short-term insurance providers (R_9)	8	0
Assumed interest rate risk (R_2)	268,066	355,452
Minimum guarantee risk (R_7)	8,010	8,090
Investment risk (R_3)	3,708,383	3,929,039
Business management risk (R_4)	85,432	91,679
Solvency margin ratio $\dfrac{(A)}{(1/2)\times(B)} \times 100$	889.4%	1,025.7%

Notes: 1. The amounts and figures in the table above are calculated based on the provisions of Article 86-2 and Article 88 of the Ordinance for Enforcement of the Insurance Business Act and the Financial Services Agency Public Notice No. 23 of 2011.

2. The standard method is used for the calculation of minimum guarantee risk.

(10) Segment Information

For the fiscal years ended March 31, 2025 and 2024, the Company and its consolidated subsidiaries engaged in insurance business and insurance-related businesses (including asset management-related business and general administration-related business) in Japan and overseas. Segment information and its related information are omitted because there are no other significant segments to be reported.