
Financial Results for the Fiscal Year Ended March 31, 2026

Nippon Life Insurance Company (the “Company”; President: Satoshi Asahi) announces financial results for the fiscal year ended March 31, 2026.

[Table of Contents]

I. Financial Summary for the Fiscal Year Ended March 31, 2026

1. Business Highlights	1
2. Overview of General Accounts Asset Management for the Fiscal Year Ended March 31, 2026	4
3. Investment Management Performance (General Account)	8
(1) Asset Composition	8
(2) Increases/Decreases in Assets	9
(3) Investment Income	10
(4) Investment Expenses	11
(5) Investment Indicators	12
(6) Net Valuation Gains/Losses on Trading Securities	13
(7) Fair Value Information of Securities	14
(8) Fair Value Information of Assets Held in Trust	15
4. Nonconsolidated Balance Sheets	16
5. Nonconsolidated Statements of Income	43
6. Nonconsolidated Statements of Changes in Net Assets	48
7. Details of Ordinary Profit (Core Operating Profit)	52
8. Nonconsolidated Proposed Appropriations of Surplus	54
9. Status of Nonperforming Assets Based on the Insurance Business Act	55
10. Breakdown of Allowance for Doubtful Accounts	56
11. Status of Separate Accounts as of March 31, 2026	57
12. Status of the Company, Subsidiaries, and Affiliates	61

II. Supplementary Materials for the Fiscal Year Ended March 31, 2026

I. Financial Summary for the Fiscal Year Ended March 31, 2026

1. Business Highlights

(1) Annualized Premium

- Policies in Force

(100 Million Yen, %)

	As of March 31, 2026		As of March 31, 2025	
		As a percentage of March 31, 2025		As a percentage of March 31, 2024
Individual insurance	26,861	100.4	26,758	99.8
Individual annuities	10,050	97.9	10,270	96.9
Total	36,912	99.7	37,028	99.0
Medical coverages, living benefits, and others	6,882	101.2	6,797	100.2

- New Policies

(100 Million Yen, %)

	Year ended March 31, 2026		Year ended March 31, 2025	
		As a percentage of year ended March 31, 2025		As a percentage of year ended March 31, 2024
Individual insurance	2,505	117.1	2,139	90.7
Individual annuities	224	112.4	199	87.7
Total	2,729	116.7	2,339	90.4
Medical coverages, living benefits, and others	465	111.3	418	108.6

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 single 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, 2026				As of March 31, 2025			
	Number of policies		Amount of policies		Number of policies		Amount of policies	
	(thousands)	As a percentage of March 31, 2025 (%)	(100 million yen)	As a percentage of March 31, 2025 (%)	(thousands)	As a percentage of March 31, 2024 (%)	(100 million yen)	As a percentage of March 31, 2024 (%)
Individual insurance	30,156	99.4	1,090,218	95.7	30,336	98.7	1,138,901	95.0
Individual annuities	3,923	98.1	228,165	97.1	3,998	97.8	234,886	96.4
Group insurance	—	—	955,939	99.2	—	—	963,430	99.5
Group annuities	—	—	136,719	99.2	—	—	137,865	98.5

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, 2026						Year ended March 31, 2025					
	Number of policies		Amount of policies				Number of policies		Amount of policies			
	(thousands)	As a percentage of year ended March 31, 2025 (%)	(100 million yen)	As a percentage of year ended March 31, 2025 (%)	New policies	Net increase by conversion	(thousands)	As a percentage of year ended March 31, 2024 (%)	(100 million yen)	As a percentage of year ended March 31, 2024 (%)	New policies	Net increase by conversion
Individual insurance	3,475	94.6	33,265	157.7	50,529	(17,263)	3,674	109.6	21,100	46.5	42,781	(21,680)
Individual annuities	190	146.6	6,218	110.0	6,570	(351)	129	106.9	5,653	90.8	6,069	(415)
Group insurance	—	—	3,701	283.6	3,701		—	—	1,305	21.4	1,305	
Group annuities	—	—	0	17.7	0		—	—	2	201.0	2	

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 represent 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, 2026		Year ended March 31, 2025	
		As a percentage of March 31, 2025		As a percentage of March 31, 2024
Revenues from insurance and reinsurance	54,023	112.7	47,946	90.5
Investment income	32,852	148.2	22,163	100.0
Benefits and other payments	52,975	118.9	44,541	102.3
Investment expenses	21,988	240.6	9,140	131.1
Ordinary profit	1,555	31.6	4,926	75.3

(4) Proposed Appropriations of Surplus

(100 Million Yen, %)

	Year ended March 31, 2026		Year ended March 31, 2025	
		As a percentage of March 31, 2025		As a percentage of March 31, 2024
Unappropriated surplus at the year-end	5,677	121.1	4,687	92.0
Provision of reserve for dividends to policyholders	3,732	128.0	2,916	110.3
Net surplus after deduction	2,060	114.7	1,796	72.7

(5) Total Assets

(100 Million Yen, %)

	As of March 31, 2026		As of March 31, 2025	
		As a percentage of March 31, 2025		As a percentage of March 31, 2024
Total assets	858,318	105.2	816,154	97.7

2. Overview of General Accounts Asset Management for the Fiscal Year Ended March 31, 2026

(1) Investment Environment

In the fiscal year ended March 31, 2026, U.S. tariff policy actions and the worsening situation in the Middle East caused stock markets to decline at certain points; however, uncertainty surrounding tariff actions subsided and heightened demand for AI-related technologies, which, combined with other factors, resulted in both domestic and foreign stocks recovering and remaining firm throughout the fiscal year. In the beginning of the fiscal year, the U.S. interest rates trended downward due to a rate cut policy; however, toward the fiscal year-end, they rose sharply due to concerns over inflation and were mostly flat overall. In contrast, Japan saw a rise in domestic interest rates, mainly driven by increasing concerns over inflation. In this environment, the yen continued to be sold in the foreign exchange market, remaining on a weakening trend.

- The Nikkei Stock Average at the start of the fiscal year was in the ¥35,600 range. Subsequently, although there were periods of temporary correction, the index generally trended upward throughout the fiscal year, reaching new highs, supported by easing concerns over tariff policies, expectations for demand for AI-related technologies, and expectations for expansionary fiscal policy following the inauguration of the Takaichi administration as well as its landslide victory in the House of Representatives election. As a result, the index finished at ¥51,063 at the end of March 2026.
- The yield on 10-year Japanese government bonds at the start of the fiscal year was in the 1.5% range. Subsequently, interest rates rose sharply toward the second half of the fiscal year, driven by expectations of expansionary fiscal policy following the inauguration of the Takaichi administration, a continued trend in yen depreciation, and increasing concerns over inflation due to higher crude oil prices. As a result, the interest rate stood at 2.36% at the end of March 2026.
- The yen-dollar exchange rate at the start of the fiscal year was at the ¥149 level. Although the yen temporarily appreciated due to a declining confidence in the U.S. dollar, it subsequently weakened, pressured by easing uncertainty surrounding tariff policies, diminished expectations for interest rate hikes by the Bank of Japan following the inauguration of the Takaichi administration, and rising crude oil prices arising from the worsening situation in the Middle East. As a result, the yen-dollar exchange rate at the end of March 2026 ultimately stood at ¥159.88.

The yen-euro exchange rate at the start of the fiscal year was at the ¥162 level. Subsequently, the euro continued to appreciate throughout the fiscal year, supported by its function as an alternative currency to the U.S. dollar amid a shift away from the U.S. dollar, as well as continued weakening trend in the yen. The yen-euro exchange rate was ¥183.41 at the end of March 2026.

(2) Investment Summary

The Company's general account assets increased by ¥4,237.7 billion compared with March 31, 2025, totaling ¥84,708.2 billion (5.3% increase compared with the previous fiscal year end) as of March 31, 2026.

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 ¥3,192.5 billion, an increase from ¥2,216.3 billion in the fiscal year ended March 31, 2025. The main factor behind this increase was an increase in interest, dividends, and other income.

Investment expenses amounted to ¥2,198.8 billion, an increase from ¥900.3 billion in the fiscal year ended March 31, 2025. The main factor behind this increase was an increase in losses on sales of securities.

As a result, the Company's net investment income decreased by ¥322.2 billion, compared with the fiscal year ended March 31, 2025, to ¥993.6 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 requires 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, 2026		As of March 31, 2025	
	Amount	%	Amount	%
Cash, deposits, and call loans	11,652	1.4	10,361	1.3
Receivables under resale agreements	—	—	—	—
Receivables under securities borrowing transactions	—	—	—	—
Monetary receivables purchased	1,204	0.1	1,007	0.1
Proprietary trading securities	—	—	—	—
Assets held in trust	—	—	—	—
Investments in securities:	721,661	85.2	682,149	84.8
Domestic bonds	286,997	33.9	305,176	37.9
Domestic stocks	157,968	18.6	131,910	16.4
Foreign securities:	250,029	29.5	219,769	27.3
Foreign bonds	122,521	14.5	110,690	13.8
Foreign stocks and other securities	127,507	15.1	109,078	13.6
Other securities	26,666	3.1	25,294	3.1
Loans:	77,825	9.2	78,660	9.8
Policy loans	3,807	0.4	4,029	0.5
Industrial and consumer loans	74,017	8.7	74,630	9.3
Real estate:	17,378	2.1	17,388	2.2
Investment properties	11,332	1.3	11,550	1.4
Deferred tax assets	—	—	—	—
Other assets	17,398	2.1	15,181	1.9
Allowance for doubtful accounts	(37)	(0.0)	(42)	(0.0)
Total assets (general account):	847,082	100.0	804,705	100.0
Foreign currency-denominated assets	254,008	30.0	215,651	26.8

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, 2026	Year ended March 31, 2025
Cash, deposits, and call loans	1,291	655
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary receivables purchased	197	(180)
Proprietary trading securities	—	—
Assets held in trust	—	—
Investments in securities:	39,511	(18,779)
Domestic bonds	(18,178)	(534)
Domestic stocks	26,058	(13,784)
Foreign securities:	30,259	1,529
Foreign bonds	11,831	(7,570)
Foreign stocks and other securities	18,428	9,100
Other securities	1,371	(5,990)
Loans:	(835)	(1,822)
Policy loans	(222)	(199)
Industrial and consumer loans	(612)	(1,622)
Real estate:	(9)	(41)
Investment properties	(217)	(16)
Deferred tax assets	—	—
Other assets	2,217	1,584
Allowance for doubtful accounts	4	56
Total assets (general account):	42,377	(18,527)
Foreign currency-denominated assets	38,356	4,750

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

(3) Investment Income

(100 Million Yen)

	Year ended March 31, 2026	Year ended March 31, 2025
Interest, dividends, and other income:	19,369	18,269
Interest on deposits and savings	118	125
Interest on securities and dividends	16,269	15,170
Interest on loans	1,649	1,691
Real estate rental income	1,169	1,161
Other income	160	120
Gains on proprietary trading securities	—	—
Gains from assets held in trust, net	—	—
Gains on trading securities	—	—
Gains on sales of securities:	10,871	3,883
Gains on sales of domestic bonds, including national government bonds	88	303
Gains on sales of domestic stocks and other securities	8,681	2,635
Gains on sales of foreign securities	2,101	944
Other gains	—	—
Gains on redemptions of securities	—	—
Gains on derivative financial instruments, net	—	—
Foreign exchange gains, net	1,414	—
Reversal of allowance for doubtful accounts	9	—
Reversal of allowance for investment losses	241	—
Other investment income	20	10
Total	31,925	22,163

(4) Investment Expenses

(100 Million Yen)

	Year ended March 31, 2026	Year ended March 31, 2025
Interest expenses	717	558
Losses on proprietary trading securities	—	—
Losses from assets held in trust, net	—	—
Losses on trading securities	—	—
Losses on sales of securities:	17,292	5,020
Losses on sales of domestic bonds, including national government bonds	13,653	3,234
Losses on sales of domestic stocks and other securities	1,475	599
Losses on sales of foreign securities	2,163	1,186
Other losses	0	—
Losses on valuation of securities:	748	25
Losses on valuation of domestic bonds, including national government bonds	704	—
Losses on valuation of domestic stocks and other securities	43	21
Losses on valuation of foreign securities	0	3
Other losses	0	0
Losses on redemptions of securities	—	—
Losses on derivative financial instruments, net	2,316	2,174
Foreign exchange losses, net	—	305
Provision for allowance for doubtful accounts	—	5
Provision for allowance for investment losses	—	25
Write-offs of loans	—	—
Depreciation of real estate for rental use and other assets	219	215
Other investment expenses	693	672
Total	21,988	9,003

(5) Investment Indicators

1) Yield on primary assets

(%)

	Year ended March 31, 2026	Year ended March 31, 2025
Cash, deposits, and call loans	0.59	0.31
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary receivables purchased	1.40	0.62
Proprietary trading securities	—	—
Assets held in trust	—	—
Investments in securities:	1.38	2.08
Domestic bonds	(3.03)	0.53
Domestic stocks	23.78	11.70
Foreign securities	2.94	2.15
Foreign bonds	1.58	1.60
Foreign stocks and other securities	4.27	2.75
Loans:	1.59	1.38
Industrial and consumer loans	1.46	1.24
Real estate:	2.41	2.47
Investment property	3.55	3.62
General account total:	1.38	1.85
Overseas investments	2.88	2.13

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, 2026	Year ended March 31, 2025
Cash, deposits, and call loans	9,672	9,490
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary receivables purchased	1,152	1,059
Proprietary trading securities	—	—
Assets held in trust	—	—
Investments in securities:	586,597	577,928
Domestic bonds	306,626	309,457
Domestic stocks	51,005	51,465
Foreign securities	202,423	189,789
Foreign bonds	100,147	99,816
Foreign stocks and other securities	102,276	89,973
Loans:	75,869	78,353
Industrial and consumer loans	71,958	74,228
Real estate:	17,394	17,398
Investment property	11,446	11,577
General account total:	721,609	711,506
Overseas investments	224,114	210,276

(6) Net Valuation Gains/Losses on Trading Securities

There were no net valuation gains/losses as of March 31, 2025 and 2026.

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

(100 Million Yen)

		As of March 31, 2026					As of March 31, 2025				
		Book value	Fair value	Net gains/losses			Book value	Fair value	Net gains/losses		
					Gains	Losses				Gains	Losses
	Policy-reserve-matching bonds	254,338	202,768	(51,569)	626	(52,196)	275,180	241,892	(33,287)	3,209	(36,497)
	Held-to-maturity debt securities	—	—	—	—	—	—	—	—	—	—
	Investments in subsidiaries and affiliates	7,511	11,738	4,227	5,462	(1,234)	7,163	10,788	3,624	3,745	(121)
	Available-for-sale securities:	281,931	418,979	137,048	151,609	(14,561)	269,751	373,034	103,282	114,548	(11,265)
	Domestic bonds	40,134	34,535	(5,599)	996	(6,595)	34,475	31,875	(2,599)	789	(3,389)
	Domestic stocks	38,195	145,868	107,672	107,936	(263)	40,836	120,245	79,408	79,927	(518)
	Foreign securities:	177,593	213,066	35,472	40,095	(4,622)	170,594	197,671	27,076	32,016	(4,940)
	Foreign bonds	103,343	121,116	17,773	19,257	(1,483)	95,498	109,476	13,978	15,732	(1,754)
	Foreign stocks and other securities	74,250	91,949	17,698	20,837	(3,138)	75,096	88,195	13,098	16,284	(3,185)
	Other securities	24,535	24,032	(503)	2,574	(3,078)	23,198	22,591	(607)	1,810	(2,417)
	Monetary receivables purchased	511	518	6	6	(0)	206	210	4	5	(0)
	Negotiable certificates of deposit	960	959	(0)	—	(0)	440	439	(0)	—	(0)
Total		543,781	633,487	89,706	157,698	(67,992)	552,096	625,715	73,619	121,503	(47,883)
	Domestic bonds	292,597	235,306	(57,290)	1,448	(58,739)	307,776	271,820	(35,955)	3,909	(39,865)
	Domestic stocks	38,543	146,206	107,663	107,936	(272)	40,836	120,245	79,408	79,927	(518)
	Foreign securities:	185,938	225,817	39,878	45,727	(5,848)	178,833	209,617	30,784	35,846	(5,062)
	Foreign bonds	104,533	122,479	17,946	19,431	(1,484)	96,582	110,645	14,063	15,819	(1,755)
	Foreign stocks and other securities	81,405	103,337	21,932	26,296	(4,364)	82,250	98,971	16,720	20,027	(3,306)
	Other securities	24,544	24,044	(500)	2,577	(3,078)	23,208	22,603	(604)	1,812	(2,417)
	Monetary receivables purchased	1,197	1,152	(45)	7	(52)	1,002	989	(12)	7	(20)
	Negotiable certificates of deposit	960	959	(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, 2026	As of March 31, 2025
Investments in subsidiaries and affiliates	41,395	26,602
Available-for-sale securities:	1,260	1,382
Unlisted domestic stocks	510	571
Unlisted foreign stocks	—	—
Others	750	811
Total	42,656	27,985

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:

¥212.4 billion as of March 31, 2025, and ¥478.6 billion as of March 31, 2026, respectively.

(8) Fair Value Information of Assets Held in Trust

There were no ending balances as of March 31, 2025 and 2026.

- Assets Held in Trust for Trading Purposes

There were no ending balances as of March 31, 2025 and 2026.

- 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, 2025 and 2026.

4. Nonconsolidated Balance Sheets

(Million Yen)

	As of March 31, 2026	As of March 31, 2025
Assets:		
Cash and deposits:	578,246	507,314
Cash	30	243
Deposits	578,215	507,070
Call loans	788,726	765,505
Monetary receivables purchased	120,444	100,718
Investments in securities:	73,001,116	69,035,272
National government bonds	26,458,875	28,334,096
Local government bonds	699,119	749,834
Corporate bonds	1,814,763	1,758,336
Domestic stocks	15,841,142	13,235,887
Foreign securities	25,239,368	22,164,720
Other securities	2,947,846	2,792,396
Loans:	7,782,526	7,866,042
Policy loans	380,769	402,998
Industrial and consumer loans	7,401,757	7,463,043
Tangible fixed assets:	1,765,838	1,756,360
Land	1,122,635	1,126,575
Buildings	600,369	586,815
Lease assets	3,486	3,293
Construction in progress	14,840	25,426
Other tangible fixed assets	24,506	14,249
Intangible fixed assets:	230,339	215,102
Software	134,827	96,732
Other intangible fixed assets	95,512	118,369
Reinsurance receivables	191	306
Other assets:	1,520,288	1,345,485
Accounts receivable	107,587	119,083
Prepaid expenses	26,318	24,560
Accrued income	401,089	374,213
Money on deposit	33,514	33,191
Deposits for futures transactions	59,640	72,910
Futures transactions' variation margin	925	5
Derivative financial instruments	113,763	93,503
Suspense payments	13,139	13,649
Other assets	764,310	614,369
Customers' liability for acceptances and guarantees	47,911	51,697
Allowance for doubtful accounts	(3,790)	(4,273)
Allowance for investment losses	—	(24,125)
Total assets	85,831,839	81,615,406

4. Nonconsolidated Balance Sheets (Continued)

	(Million Yen)	
	As of March 31, 2026	As of March 31, 2025
Liabilities:		
Policy reserves and other reserves:	62,859,464	62,519,697
Reserve for outstanding claims	198,405	209,835
Policy reserves	61,486,775	61,182,984
Reserve for dividends to policyholders	1,174,282	1,126,878
Reinsurance payables	3,168	399
Corporate bonds	1,487,436	1,438,541
Other liabilities:	7,962,247	6,434,336
Payables under repurchase agreements	3,451,183	2,877,862
Loans payable	1,076,000	1,076,000
Income taxes payable	15,029	6,478
Accounts payable	217,197	171,929
Accrued expenses	65,590	62,303
Deferred income	18,155	17,341
Deposits received	118,413	121,889
Guarantee deposits received	90,026	89,190
Futures transactions' variation margin	156	442
Derivative financial instruments	2,884,297	1,980,367
Cash collateral received for financial instruments	—	10,233
Lease obligations	3,096	3,224
Asset retirement obligations	7,708	7,604
Suspense receipts	15,388	9,469
Other liabilities	2	—
Accrued bonuses for directors, and audit and supervisory board members	453	427
Accrued retirement benefits	358,646	379,563
Reserve for program points	—	6,192
Reserve for price fluctuations	1,200,302	1,673,007
Deferred tax liabilities	1,319,913	623,965
Deferred tax liabilities for land revaluation	99,734	100,413
Acceptances and guarantees	47,911	51,697
Total liabilities	75,339,278	73,228,243

4. Nonconsolidated Balance Sheets (Continued)

(Million Yen)

	As of March 31, 2026	As of March 31, 2025
Net assets:		
Foundation funds	50,000	50,000
Reserve for redemption of foundation funds	1,400,000	1,400,000
Reserve for revaluation	651	651
Surplus:	1,256,468	982,249
Legal reserve for deficiencies	24,804	23,390
Other surplus reserves:	1,231,664	958,859
Equalized reserve for dividends to policyholders	10,000	—
Reserve for social public welfare assistance	2,041	718
Reserve for financial stability	571,917	411,917
Reserve for reduction entry of real estate	79,811	77,279
Other reserves	170	170
Unappropriated surplus	567,725	468,775
Total foundation funds and others	2,707,119	2,432,900
Net unrealized gains on available-for-sale securities	9,779,130	7,377,817
Deferred losses on derivatives under hedge accounting	(1,937,941)	(1,366,998)
Land revaluation losses	(55,747)	(56,555)
Total valuations, conversions, and others	7,785,440	5,954,262
Total net assets	10,492,560	8,387,163
Total liabilities and net assets	85,831,839	81,615,406

Notes to the Nonconsolidated Balance Sheet as of March 31, 2026

1. (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.
2. 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

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

4. (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.

5. 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.

6. (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 ¥67 million (including ¥35 million of credits secured and/or guaranteed) as of March 31, 2026.
7. Accrued bonuses for directors, and audit and supervisory board members are recognized based on amounts estimated to be paid.
8. (1) Accrued retirement benefits are recognized based on the estimated amounts of projected benefit obligations and the fair value of pension plan assets as of March 31, 2026, for future severance payments to employees 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

9. A reserve for price fluctuations is recognized based on Article 115 of the Insurance Business Act.

10. 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 corporate bonds (including forecasted transactions) 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; and
- 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.

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 corporate bonds (including forecasted transactions)
Foreign exchange forward contracts	Foreign currency-denominated bonds and other instruments
Currency options	Foreign currency-denominated bonds

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.

11. 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.
12. 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.
13. 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 single payment policies). Moreover, effective from the fiscal year ended March 31, 2026, the Company has expanded the scope of whole life insurance policies (including single payment policies) for which additional policy reserves will be provided. For such policies with premiums that have been paid and similar policies (including single payment policies), the Company has decided to successively provide these additional policy reserves over the next nine years. As a result, the policy reserves increased by ¥201,047 million, while ordinary profit and surplus before income taxes decreased by ¥201,047 million, compared with amounts that would have been recorded had the additional policy reserves not been provided in the fiscal year ended March 31, 2026.

14. 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.

(Outline of 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.

15. 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, 2026, was ¥4,890,671 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, 2026.

16. 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.
17. 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.

18. 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:	120,444	115,244	(5,199)
Policy-reserve-matching bonds	68,637	63,438	(5,199)
Available-for-sale securities	51,806	51,806	—
Investments in securities (*3, *4, *5):	68,723,046	63,972,493	(4,750,553)
Trading securities	835,003	835,003	—
Policy-reserve-matching bonds	25,386,742	20,213,457	(5,173,284)
Investments in subsidiaries and affiliates	751,119	1,173,851	422,731
Available-for-sale securities	41,750,181	41,750,181	—
Loans (*6):	7,780,137	7,243,036	(537,100)
Policy loans	380,639	380,639	—
Industrial and consumer loans	7,399,497	6,862,396	(537,100)
Derivative financial instruments (*7):	(2,770,534)	(2,770,534)	—
Hedge accounting not applied	24,775	24,775	—
Hedge accounting applied	(2,795,309)	(2,795,309)	—
Corporate bonds (*6 and *8)	(1,487,436)	(1,368,130)	(-119,305)
Loans payable (*8)	(1,076,000)	(1,011,091)	(-64,908)

(*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, 2026, 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 ¥3,080,212 million for investments in subsidiaries and affiliates, and ¥51,139 million for available-for-sale securities as of March 31, 2026.

(*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 “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, hereinafter “Fair Value Measurement Accounting Standard Implementation Guidance”). The amount of such investments in partnerships and other entities presented in the nonconsolidated balance sheet was ¥1,146,717 million as of March 31, 2026.

(*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 concerning securities and others by holding purpose are as follows:

1) Trading securities

Investments in securities for separate accounts are classified as trading securities. Valuation gains of those investments included in profit and loss were ¥64,280 million for the fiscal year ended March 31, 2026.

2) Held-to-maturity debt securities

There were no balances as of March 31, 2026.

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	4,228	4,243	14
	Domestic bonds	4,017,220	4,062,489	45,268
	Foreign securities	47,735	48,064	328
	Subtotal	4,069,185	4,114,796	45,611
Fair value does not exceed the balance sheet amount	Monetary receivables purchased	64,408	59,194	(5,214)
	Domestic bonds	21,229,023	16,014,676	(5,214,347)
	Foreign securities	92,762	88,227	(4,534)
	Subtotal	21,386,195	16,162,098	(5,224,096)
Total		25,455,380	20,276,895	(5,178,484)

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	38,193	38,886	693
	Domestic bonds	577,359	676,980	99,621
	Domestic stocks	3,660,741	14,454,395	10,793,654
	Foreign securities	11,919,229	15,928,729	4,009,500
	Other securities	584,993	842,468	257,474
	Subtotal	16,780,517	31,941,461	15,160,944
Balance sheet amount does not exceed acquisition cost or amortized cost	Monetary receivables purchased	12,957	12,919	(37)
	Domestic bonds	3,436,125	2,776,527	(659,597)
	Domestic stocks	158,838	132,466	(26,371)
	Foreign securities	5,840,137	5,377,877	(462,259)
	Other securities	1,868,572	1,560,735	(307,837)
	Subtotal	11,316,630	9,860,526	(1,456,103)
Total		28,097,147	41,801,987	13,704,840

* Stocks without market prices of ¥51,139 million and the balance of investments in partnerships and other entities of ¥87,378 million are not included in the table above.

5) Securities for which impairment losses were recognized

Impairment losses of ¥74,125 million were recognized for securities during the fiscal year ended March 31, 2026.

Regarding domestic bonds and stocks (including foreign stocks), impairment losses are recognized for securities 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 domestic bond is deemed to have declined significantly are as follows:

- a. A security for which the fair value as of the balance sheet date is 50% or less of the acquisition cost.
- b. A security that meets both of the following criteria:
 - i) The fair value as of the balance sheet date exceeds 50% or less than 100% of the acquisition cost; and
 - ii) The business conditions and other aspects of the issuing company meet certain criteria.

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 the balance sheet date 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 the balance sheet date exceeds 50% but equal to or less than 70% of the acquisition cost.
 - ii) The historical market price, the business conditions and other aspects of the issuing company meet certain criteria.

- (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:	8,000	6,299	10,169	97,302
Policy-reserve-matching bonds	—	6,299	9,623	52,662
Available-for-sale securities	8,000	—	546	44,640
Investments in securities:	1,883,198	8,688,717	7,946,759	34,173,709
Policy-reserve-matching bonds	883,932	3,083,282	1,975,795	20,136,004
Available-for-sale securities	999,265	5,605,434	5,970,963	14,037,705
Loans	1,144,369	2,530,831	2,022,324	1,703,083
Corporate bonds	—	—	—	1,487,436
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 ¥1,033 million, are not included.

19. (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, 2026, are measured by fair value

(Million Yen)

	Level 1	Level 2	Level 3	Total
Monetary receivables purchased:	—	7,994	43,812	51,806
Available-for-sale securities	—	7,994	43,812	51,806
Investments in securities (*1):	21,321,310	18,714,920	219,378	40,255,610
Trading securities	380,892	454,110	—	835,003
Available-for-sale securities	20,940,418	18,260,809	219,378	39,420,607
Domestic bonds	2,229,192	1,224,315	—	3,453,507
National government bonds	2,229,192	—	—	2,229,192
Local government bonds	—	91,926	—	91,926
Corporate bonds	—	1,132,389	—	1,132,389
Domestic stocks	14,437,604	149,258	—	14,586,862
Foreign securities	4,261,013	14,513,419	219,378	18,993,812
Foreign bonds	2,988,846	8,906,261	216,577	12,111,685
Foreign stocks and other securities	1,272,167	5,607,158	2,801	6,882,127
Other securities	12,608	2,373,816	—	2,386,424
Derivative financial instruments (*2):	(2,273)	(2,768,260)	—	(2,770,534)
Interest rate-related	—	(614,776)	—	(614,776)
Currency-related	—	(2,153,488)	—	(2,153,488)
Others	(2,273)	4	—	(2,269)

(*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 ¥2,295,576 million for investment trusts whose investment trust assets are financial instruments, and ¥34,927 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, 2026 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 trusts whose investment trust assets are real estate	Total
Balance at the beginning of the current fiscal year	1,785,995	49,531	1,835,527
Profit or loss for the fiscal year ended March 31, 2026	267,638	2,303	269,941
Recognized in net surplus (loss) (*4)	36,885	3,781	40,667
Recognized in valuations, conversions, and others (*5)	230,753	(1,478)	229,274
Purchases, sales, and redemptions	241,942	(16,907)	225,035
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, 2026	2,295,576	34,927	2,330,503
Unrealized gain or loss on investment trusts held as of March 31, 2026, recognized in profit or loss for the fiscal year ended March 31, 2026 (*4)	—	—	—

(*3) The amount of these investment trusts presented in the nonconsolidated balance sheet was ¥2,268,820 million as of March 31, 2026, 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, 2026.

(*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, 2026.

b. Financial instruments whose amounts presented in the nonconsolidated balance sheet as of March 31, 2026, are not measured by fair value

(Million Yen)

	Level 1	Level 2	Level 3	Total
Monetary receivables purchased:	—	—	63,438	63,438
Policy-reserve-matching bonds	—	—	63,438	63,438
Investments in securities	19,511,632	1,874,270	167	21,386,070
Policy-reserve-matching bonds	19,046,401	1,166,888	167	20,213,457
Domestic bonds	18,945,460	1,131,537	167	20,077,165
Foreign securities	100,941	35,350	—	136,292
Investments in subsidiaries and affiliates	465,231	707,381	—	1,172,612
Loans:	—	—	7,243,036	7,243,036
Policy loans	—	—	380,639	380,639
Industrial and consumer loans	—	—	6,862,396	6,862,396
Corporate bonds (*6)	—	(1,368,130)	—	(1,368,130)
Loans payable (*6)	—	(938,724)	(72,366)	(1,011,091)

(*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 is 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 is 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, 2026, 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, 2026 and unrealized gain or loss recognized in profit or loss for the fiscal year ended March 31, 2026.

(Million Yen)

	Monetary receivables purchased Other securities	Available-for-sale securities Other securities
Balance at the beginning of the current fiscal year	11,087	236,842
Profit or loss for the fiscal year ended March 31, 2026	3,021	16,182
Recognized in net surplus (loss) (*1)	2,822	15,468
Recognized in valuations, conversions, and others (*2)	198	714
Purchases, sales, issuances, and settlements	29,704	(33,646)
Transfers to Fair Value Level 3	—	—
Transfers from Fair Value Level 3	—	—
Balance as of March 31, 2026	43,812	219,378
Unrealized gain or loss on financial instruments held as of March 31, 2026, recognized in profit or loss for the fiscal year ended March 31, 2026 (*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, 2026.

(*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, 2026.

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.

20. The balance sheet amount of investment and rental properties was ¥1,261,838 million, with a fair value of ¥1,912,938 million as of March 31, 2026.

The Company owns rental office buildings and commercial facilities, and the fair value of those properties as of March 31, 2026, 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 ¥4,818 million as of March 31, 2026.

21. (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 ¥21,712 million as of March 31, 2026. The details of those balances were as follows:

- 1) The balance of bankrupt and quasi-bankrupt loans was ¥8,748 million as of March 31, 2026.

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 ¥11,669 million as of March 31, 2026.

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, 2026.

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 ¥1,294 million as of March 31, 2026.

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 ¥67million as of March 31, 2026.

22. The amount of accumulated depreciation of tangible fixed assets was ¥1,287,254 million as of March 31, 2026.

23. Separate account assets as provided in accordance with Article 118, Paragraph 1 of the Insurance Business Act were ¥1,123,555 million as of March 31, 2026, and a corresponding liability is recorded in the same amount.

24. The total amounts of receivables from and payables to subsidiaries and affiliates were ¥76,324 million and ¥9,061 million, respectively, as of March 31, 2026.

25. Changes in the reserve for dividends to policyholders for the fiscal year ended March 31, 2026, were as follows:

	Million Yen
	Year ended March 31, 2026
a. Balance at the beginning of the current fiscal year	1,126,878
b. Transfer to reserve from surplus for the previous fiscal year	291,689
c. Dividends paid to policyholders during the current fiscal year	265,257
d. Increase in interest	20,972
e. Balance at the end of the current fiscal year (a+b-c+d)	1,174,282

26. 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
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
April 2025	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
September 2025	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter

On April 2, 2026, the Company issued corporate bonds as follows:

1) US dollar-denominated senior notes due 2031

Issue price	100% of par value
Total amount issued	US\$1,100 million
Interest rate	A fixed rate of 4.748% per annum
Maturity	April 2031
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

2) US dollar-denominated senior notes due 2033

Issue price	100% of par value
Total amount issued	US\$750 million
Interest rate	A fixed rate of 5.046% per annum
Maturity	April 2033
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 the bonds referred to in 1) using the currency swap as a hedging instrument.

On April 27, 2026, the Company redeemed early corporate bonds as follows. The amount of interest expenses recorded for the corporate bonds redeemed early was ¥658 million for the fiscal year ended March 31, 2026.

Name	2nd series JPY-denominated subordinated and unsecured corporate bonds 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 27, 2016
Early redemption value	100% of par value
Total amount redeemed early	¥70 billion
Method of early redemption	Early redemption of the entire unredeemed balance

27. 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.
28. Assets pledged as collateral in the form of investments in securities as of March 31, 2026, were ¥7,526,063million. The total amount of liabilities covered by the assets pledged was ¥3,451,183 million as of March 31, 2026.
These amounts included ¥3,739,660million of sale of securities under repurchase agreements, and ¥3,451,183 million of payables under repurchase agreements.
29. The total amount of stocks and investments in subsidiaries and affiliates was ¥4,890,671 million as of March 31, 2026.
30. The amount of securities lent under lending agreements was ¥1,943,602 million as of March 31, 2026.
31. 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 ¥139,749 million at fair value as of March 31, 2026.
32. The unused amount of commitments related to loans and similar loans agreements was ¥312,696 million as of March 31, 2026.

33. 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	516,396
b. Service costs	19,053
c. Interest cost	9,811
d. Actuarial losses accrued during the year	(33,969)
e. Retirement benefit payments	(35,948)
f. Prior service costs incurred during the year	(3,101)
g. Retirement benefit obligations at the end of the year (a+b+c+d+e)	472,242

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	230,835
b. Expected return on plan assets	3,300
c. Actuarial gains incurred during the year	8,483
d. Contributions by the Company	3,128
e. Retirement benefit payments	(13,072)
f. Pension plan assets at the end of the year (a+b+c+d+e)	232,675

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	147,492
b. Plan assets	(232,675)
	(85,182)
c. Retirement benefit obligations for nonfunded plans	324,749
d. Unrecognized actuarial gains	113,532
e. Unrecognized prior service costs	5,546
f. Accrued retirement benefits (a+b+c+d+e)	358,646

4) Losses (gains) relating to retirement benefits

	Million Yen
a. Service costs	19,053
b. Interest cost	9,811
c. Expected return on plan assets	(3,300)
d. Amortization of actuarial losses for the period	(19,866)
e. Prior service costs accrued during the year	(611)
f. Benefit cost for defined benefit plans (a+b+c+d+e)	5,086

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

a. General account of life insurance	65.5%
b. Domestic stocks	15.5%
c. Domestic bonds	10.6%
d. Foreign securities	6.2%
e. Cash and deposits	2.2%
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, 2026, are as follows:

a. Discount rate	1.9%
b. Long-term expected rate of return on plan assets	1.4%

(3) Defined contribution plans

The Company contributed ¥2,937 million to the defined contribution plans during the fiscal year ended March 31, 2026.

34. (1) Total deferred tax assets were ¥2,768,924 million and total deferred tax liabilities were ¥4,022,309 million as of March 31, 2026. The deferred tax assets were reduced by the valuation allowance of ¥66,528 million. The major components resulting in deferred tax assets were policy reserves and other reserves of ¥1,396,384 million, deferred gains (losses) on derivatives under hedge accounting of ¥788,168 million, and reserve for price fluctuations of ¥346,887 million. The major component resulting in deferred tax liabilities was net unrealized gains on available-for-sale securities of ¥3,938,383 million.
- (2) The effective statutory tax rate was 27.9% for the fiscal year ended March 31, 2026. The major factor for the difference between the effective statutory tax rate and the effective income tax rate after application of tax effect accounting was a decrease of 16.8% due to the amount of reserve for dividends to policyholders.
35. 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. |
36. 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 ¥124 million as of March 31, 2026.
37. The amount per Article 30, Paragraph 2 of the Ordinance for Enforcement of the Insurance Business Act was ¥7,841,840 million as of March 31, 2026.

5. Nonconsolidated Statements of Income

(Million Yen)

	Year ended March 31, 2026	Year ended March 31, 2025
Ordinary income:	8,824,093	7,122,875
Revenues from insurance and reinsurance:	5,402,341	4,794,612
Insurance premiums	5,400,527	4,793,437
Reinsurance revenue	1,813	1,174
Investment income:	3,285,271	2,216,324
Interest, dividends, and other income:	1,936,910	1,826,960
Interest on deposits and savings	11,882	12,564
Interest on securities and dividends	1,626,972	1,517,084
Interest on loans	164,963	169,135
Real estate rental income	116,996	116,130
Other income	16,095	12,044
Gains on sales of securities	1,087,156	388,331
Foreign exchange gains, net	141,418	—
Reversal of allowance for doubtful accounts	933	—
Reversal of allowance for investment loss	24,125	—
Other investment income	2,011	1,033
Gains on separate accounts, net	92,715	—
Other ordinary income:	136,480	111,938
Income from annuity riders	2,988	3,501
Income from deferred benefits	59,054	63,601
Reversal of reserve for outstanding claims	11,429	—
Other ordinary income	63,008	44,836

5. Nonconsolidated Statements of Income (Continued)

(Million Yen)

	Year ended March 31, 2026	Year ended March 31, 2025
Ordinary expenses:	8,668,507	6,630,217
Benefits and other payments:	5,297,531	4,454,171
Death and other claims	1,021,576	1,056,882
Annuity payments	900,339	867,051
Health and other benefits	816,055	795,529
Surrender benefits	2,204,375	1,402,601
Other refunds	349,285	330,234
Reinsurance premiums	5,897	1,872
Provision for policy reserves:	324,763	444,807
Provision for reserve for outstanding claims	—	5,839
Provision for policy reserves	303,791	418,319
Provision for interest on reserve for dividends to policyholders	20,972	20,648
Investment expenses:	2,198,864	914,003
Interest expenses	71,765	55,838
Losses on sales of securities	1,729,210	502,010
Losses on valuation of securities	74,853	2,508
Losses on derivative financial instruments, net	231,699	217,412
Foreign exchange losses, net	—	30,593
Provision for allowance for doubtful accounts	—	595
Provision for allowance for investment loss	—	2,553
Depreciation of real estate for rental use and other assets	21,990	21,583
Other investment expenses	69,344	67,275
Losses on separate accounts, net	—	13,632
Operating expenses	602,580	584,236
Other ordinary expenses:	244,767	232,997
Deferred benefit payments	102,349	104,939
Taxes	57,605	53,232
Depreciation	57,442	48,476
Other ordinary expenses	27,370	26,348

5. Nonconsolidated Statements of Income (Continued)

(Million Yen)

	Year ended March 31, 2026	Year ended March 31, 2025
Ordinary profit	155,585	492,658
Extraordinary gains:	480,488	12,438
Gains on disposals of fixed assets	7,783	12,438
Reversal of reserve for price fluctuations	472,705	—
Extraordinary losses:	17,713	65,514
Losses on disposals of fixed assets	6,424	5,377
Impairment losses	9,246	10,093
Provision for reserve for price fluctuations	—	47,334
Loss on tax purpose reduction entry of real estate	12	28
Contributions for assisting social public welfare	1,677	2,633
Other extraordinary losses	353	47
Surplus before income taxes	618,360	439,582
Income taxes — current	(33,580)	111,278
Income taxes — deferred	85,084	(135,723)
Total income taxes	51,504	(24,445)
Net surplus	566,856	464,027

Notes to the Nonconsolidated Statement of Income for the Fiscal Year Ended March 31, 2026

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 ¥103,400 million and ¥49,709 million, respectively, for the fiscal year ended March 31, 2026.
3. Gains on sales of securities include gains on the sales of domestic bonds, including national government bonds, domestic stocks, and foreign securities of ¥8,892 million, ¥868,130 million, and ¥210,133 million, respectively, for the fiscal year ended March 31, 2026.
4. Losses on sales of securities include losses on sales of domestic bonds, including national government bonds, domestic stocks, and foreign securities of ¥1,365,365 million, ¥147,541 million, and ¥216,303 million, respectively, for the fiscal year ended March 31, 2026.
5. Losses on valuation of securities include losses on valuation of domestic bonds, including national government bonds, domestic stocks and foreign securities of ¥70,475 million, ¥4,310 million, and ¥67 million, respectively, for the fiscal year ended March 31, 2026.
6. Provision for policy reserves for ceded reinsurance that was added to the calculation of provision for policy reserves was ¥37 million for the fiscal year ended March 31, 2026.
7. Losses on derivative financial instruments, net include net valuation losses of ¥34,302 million for the fiscal year ended March 31, 2026.

8. Impairment losses are as follows:

1) Method for grouping the assets

Real estate for rental use and idle properties are classified as a single asset group per property.

Assets utilized for insurance business operations are classified into a single asset group.

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 impairment losses under extraordinary losses.

3) Breakdown of asset groups for which impairment losses were recognized for the fiscal year ended March 31, 2026, is as follows:

(Million Yen)

Purpose of use	Land	Leasehold interests in land	Buildings	Total
Real estate for rental use	—	6,793	174	6,967
Idle properties	1,352	—	925	2,278
Total	1,352	6,793	1,100	9,246

4) Measurement of recoverable amount

The recoverable amount is based on either the value in use or net selling price of the asset depending on the type of 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.

9. The amount of income taxes related to the global minimum tax included in the income tax - current was ¥108 million for the fiscal year ended March 31, 2026.

6. Nonconsolidated Statements of Changes in Net Assets

For the Year Ended March 31, 2026

(Million Yen)

	Foundation funds and others											
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus							Total surplus	Total foundation funds and others
				Legal reserve for deficiencies	Other surplus reserves							
					Equalized reserve for dividends to policyholders	Reserve for social public welfare assistance	Reserve for financial stability	Reserve for reduction entry of real estate	Other reserves	Unappropriated surplus		
Beginning balance	50,000	1,400,000	651	23,390	—	718	411,917	77,279	170	468,775	982,249	2,432,900
Increase/decrease:												
Additions to reserve for dividends to policyholders										(291,689)	(291,689)	(291,689)
Additions to legal reserve for deficiencies				1,414						(1,414)	—	—
Interest on foundation funds										(140)	(140)	(140)
Net surplus										566,856	566,856	566,856
Additions to equalized reserve for dividends to policyholders					10,000					(10,000)	—	—
Additions to reserve for social public welfare assistance						3,000				(3,000)	—	—
Reversal of reserve for social public welfare assistance						(1,677)				1,677	—	—
Additions to reserve for financial stability							160,000			(160,000)	—	—
Additions to reserve for reduction entry of real estate								5,061		(5,061)	—	—
Reversal of reserve for reduction entry of real estate								(2,529)		2,529	—	—
Reversal of land revaluation losses										(807)	(807)	(807)
Net change, excluding foundation funds and others												
Net change	—	—	—	1,414	10,000	1,323	160,000	2,531	—	98,950	274,218	274,218
Ending balance	50,000	1,400,000	651	24,804	10,000	2,041	571,917	79,811	170	567,725	1,256,468	2,707,119

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

For the Year Ended March 31, 2026

	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	7,377,817	(1,366,998)	(56,555)	5,954,262	8,387,163
Increase/decrease:					
Additions to reserve for dividends to policyholders					(291,689)
Additions to legal reserve for deficiencies					—
Interest on foundation funds					(140)
Net surplus					566,856
Additions to equalized reserve for dividends to policyholders					—
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					(807)
Net change, excluding foundation funds and others	2,401,312	(570,942)	807	1,831,178	1,831,178
Net change	2,401,312	(570,942)	807	1,831,178	2,105,397
Ending balance	9,779,130	(1,937,941)	(55,747)	7,785,440	10,492,560

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

For the Year Ended March 31, 2025

(Million Yen)

	Foundation funds and others										
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus							Total foundation funds and others
				Legal reserve for deficiencies	Other surplus reserves					Total surplus	
					Reserve for social public welfare assistance	Reserve for financial stability	Reserve for reduction entry of real estate	Other reserves	Unappropriated surplus		
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

6. 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. Details of Ordinary Profit (Core Operating Profit)

(Million Yen)

	Year ended March 31, 2026	Year ended March 31, 2025
Core operating profit (A)	1,065,562	920,431
Capital gains:	1,409,174	630,098
Gains on proprietary trading securities	—	—
Gains from assets held in trust, net	—	—
Gains on trading securities	—	—
Gains on sales of securities	1,087,156	388,331
Gains on derivative financial instruments, net	—	—
Foreign exchange gains, net	141,418	—
Other capital gains	180,599	241,767
Capital losses:	2,128,800	760,660
Losses on proprietary trading securities	—	—
Losses from assets held in trust, net	—	—
Losses on trading securities	—	—
Losses on sales of securities	1,729,210	502,010
Losses on valuation of securities	74,853	2,508
Losses on derivative financial instruments, net	231,699	217,412
Foreign exchange losses, net	—	30,593
Other capital losses	93,036	8,135
Net capital gains(losses) (B)	(719,625)	(130,561)
Core operating profit, including net capital gains (losses) (A+B)	345,936	789,870
Nonrecurring gains:	24,656	1,098,861
Reinsurance revenue	—	—
Reversal of contingency reserve	—	1,098,861
Reversal of specific allowance for doubtful accounts	530	—
Other nonrecurring gains	24,125	—
Nonrecurring losses:	215,007	1,396,073
Reinsurance premiums	—	—
Provision for contingency reserve	13,960	—
Provision for specific allowance for doubtful accounts	—	1,861
Provision for allowance for specific overseas loans	—	—
Write-offs of loans	—	—
Other nonrecurring losses	201,047	1,394,212
Net nonrecurring losses (C)	(190,350)	(297,212)
Ordinary profit (A+B+C)	155,585	492,658

(Reference) Breakdown of “Other” items

(Million Yen)

	Year ended March 31, 2026	Year ended March 31, 2025
Core operating profit	(87,562)	(233,632)
Interest income and expenses related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes	(937)	8,135
Impact of market exchange rate movements related to foreign currency-denominated insurance policies	93,036	(11,075)
Impact of movements in surrender benefits related to market value adjustment	(5,495)	(19,968)
Hedge cost related to foreign exchange	(174,166)	(210,723)
Other capital gains	180,599	241,767
Interest income related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes	937	—
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	5,495	19,968
Hedge cost related to foreign exchange	174,166	210,723
Other capital losses	93,036	8,135
Interest expenses related to swap transactions for foreign currency-denominated insurance products and swap transactions for hedging purposes	—	8,135
Impact of market exchange rate movements related to foreign currency-denominated insurance policies	93,036	—
Impact of movements in surrender benefits related to market value adjustment	—	—
Hedge cost related to foreign exchange	—	—
Other nonrecurring gains	24,125	—
Reversal of allowance for investment losses	24,125	—
Other nonrecurring losses	201,047	1,394,212
Provision for allowance for investment losses	—	2,553
Provision for policy reserves pursuant to Article 69 Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act in Japan	201,047	1,391,658

8. Nonconsolidated Proposed Appropriations of Surplus

(Thousand Yen)

	Year ended March 31, 2026	Year ended March 31, 2025
Unappropriated surplus	567,725,290	468,775,282
Reversal from voluntary surplus reserve:	11,596,138	2,529,973
Reversal of equalized reserve for dividends to policyholders	10,000,000	—
Reversal of contingency funds	—	—
Reversal of reserve for reduction entry of real estate	1,596,138	2,529,973
Reversal of reserve for reduction entry of real estate to be purchased	—	—
Total	579,321,429	471,305,255
Appropriations:	579,321,429	471,305,255
Reserve for dividends to policyholders	373,278,554	291,689,442
Net surplus:	206,042,874	179,615,812
Legal reserve for deficiencies	1,708,000	1,414,000
Reserve for redemption of foundation funds	50,000,000	—
Interest on foundation funds	140,000	140,000
Voluntary surplus reserve:	154,194,874	178,061,812
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	150,000,000	160,000,000
Reserve for reduction entry of real estate	1,194,874	5,061,812
Reserve for reduction entry of real estate to be purchased	—	—
Surplus carried forward	—	—

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

(Million Yen, %)

	As of March 31, 2026	As of March 31, 2025
Bankrupt and quasi-bankrupt loans	8,748	9,302
Doubtful loans	11,669	12,652
Loans that are delinquent for over three months	—	—
Restructured loans	1,294	1,166
Subtotal	21,712	23,121
(Percentage of total, %)	(0.22)	(0.23)
Normal loans	9,781,528	9,825,371
Total	9,803,240	9,848,493

- 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, 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, 2026 and 2025, were ¥67 million and ¥2,935 million, respectively.

10. Breakdown of Allowance for Doubtful Accounts

(Million Yen)

	Year ended March 31, 2026	Year ended March 31, 2025	Difference
(1) Breakdown of allowance for doubtful accounts			
(A) General allowance for doubtful accounts	2,370	2,773	(402)
(B) Specific allowance for doubtful accounts	1,419	1,500	(80)
(C) Allowance for specific overseas loans	—	—	—
(2) Specific allowance for doubtful accounts			
(A) Provision	1,486	4,435	(2,948)
(B) Reversal	2,017	2,574	(557)
[excluding reversals with write-offs]			
(C) Net provision	(530)	1,861	(2,391)
(3) Allowance for specific overseas loans			
(A) Number of countries	—	—	—
(B) Loan amount	—	—	—
(C) Provision	—	—	—
(D) Reversal	—	—	—
(4) Write-offs	—	—	—

11. Status of Separate Accounts as of March 31, 2026

(1) Balance of Separate Account Assets

(Million Yen)

	As of March 31, 2026	As of March 31, 2025
Individual variable insurance	114,605	108,178
Individual variable annuities	10,101	10,695
Group annuities	998,847	1,025,996
Separate account total	1,123,555	1,144,870

(2) Status of Separate Accounts for Individual Variable Insurance

1) Policies in Force

	As of March 31, 2026		As of March 31, 2025	
	Number of policies	Amount of policies (million yen)	Number of policies	Amount of policies (million yen)
Variable insurance (defined term type)	8,641	10,789	9,109	10,932
Variable insurance (whole life type)	26,413	368,786	27,371	376,718
Total	35,054	379,576	36,480	387,651

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

(Million Yen, %)

	As of March 31, 2026		As of March 31, 2025	
	Amount	Composition ratio	Amount	Composition ratio
Cash, deposits, and call loans	2,350	2.1	2,374	2.2
Investments in securities:	103,629	90.4	99,410	91.9
Domestic bonds	18,604	16.2	24,088	22.3
Domestic stocks	6,482	5.7	7,922	7.3
Foreign securities:	39,058	34.1	33,583	31.0
Foreign bonds	2,842	2.5	3,414	3.2
Foreign stocks and other securities	36,215	31.6	30,169	27.9
Other securities	39,484	34.5	33,814	31.3
Loans	—	—	—	—
Others	8,625	7.5	6,393	5.9
Allowance for doubtful accounts	—	—	—	—
Total	114,605	100.0	108,178	100.0

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

(Million Yen)

	Year ended March 31, 2026	Year ended March 31, 2025
	Amount	Amount
Interest, dividends, and other income	1,896	2,212
Gain on sales of securities	5,391	3,740
Gain on redemptions of securities	—	—
Gain on valuation of securities	10,056	(4,362)
Foreign exchange gains, net	347	136
Gain on derivative financial instruments, net	3,230	3,883
Other investment income	0	0
Loss on sales of securities	2,874	1,412
Loss on redemptions of securities	—	—
Loss on valuation of securities	(136)	1,337
Foreign exchange losses, net	105	226
Loss on derivative financial instruments, net	2,741	4,072
Other investment expenses	0	0
Net investment income	15,337	(1,438)

(3) Status of Separate Accounts for Individual Variable Annuities

1) Policies in Force

	As of March 31, 2026		As of March 31, 2025	
	Number of policies	Amount of policies (million yen)	Number of policies	Amount of policies (million yen)
Individual variable annuities	2,781	10,101	3,170	10,695

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

(Million Yen, %)

	As of March 31, 2026		As of March 31, 2025	
	Amount	Composition ratio	Amount	Composition ratio
Cash, deposits, and call loans	—	—	—	—
Investments in securities:	9,766	96.7	10,410	97.3
Domestic bonds	900	8.9	1,327	12.4
Domestic stocks	—	—	—	—
Foreign securities:	—	—	—	—
Foreign bonds	—	—	—	—
Foreign stocks and other securities	—	—	—	—
Other securities	8,865	87.8	9,082	84.9
Loans	—	—	—	—
Others	335	3.3	285	2.7
Allowance for doubtful accounts	—	—	—	—
Total	10,101	100.0	10,695	100.0

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

(Million Yen)

	Year ended March 31, 2026	Year ended March 31, 2025
	Amount	Amount
Interest, dividends, and other income	1,255	1,774
Gain on sales of securities	0	0
Gain on redemptions of securities	—	—
Gain on valuation of securities	405	(2,141)
Foreign exchange gains, net	—	—
Gain on derivative financial instruments, net	—	—
Other investment income	0	0
Loss on sales of securities	89	26
Loss on redemptions of securities	—	—
Loss on valuation of securities	147	160
Foreign exchange losses, net	—	—
Loss on derivative financial instruments, net	—	—
Other investment expenses	0	0
Net investment income	1,424	(554)

12. Status of the Company, Subsidiaries, and Affiliates

(1) Selected Financial Data for Major Operations

(100 Million Yen)

	Year ended March 31, 2026	Year ended March 31, 2025
Ordinary income	147,748	110,043
Ordinary profit	1,051	5,055
Net surplus attributable to the parent company	6,064	4,362
Comprehensive income	(28,670)	(15,366)

	As of March 31, 2026	As of March 31, 2025
Total assets	1,188,627	963,426

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

	As of March 31, 2026
Number of consolidated subsidiaries	82
Number of subsidiaries not consolidated but accounted for under the equity method	0
Number of affiliates accounted for under the equity method	16
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, 2026

(3) Policies for Preparing the Consolidated Financial Statements for the Fiscal Year Ended March 31, 2026

1) Consolidated subsidiaries

Number of consolidated subsidiaries: 82 entities

Major consolidated subsidiaries:

Nissay Credit Guarantee Co., Ltd. (Japan)

Nissay Leasing Co., Ltd. (Japan)

Nissay Capital Co., Ltd. (Japan)

Nissay Asset Management Corporation (Japan)

Nissay Information Technology Co., Ltd. (Japan)

TAIJU LIFE INSURANCE COMPANY LIMITED (Japan)

Nippon Wealth Life Insurance Company Limited (Japan)

HANASAKU LIFE INSURANCE Co., Ltd. (Japan)

Nissay Plus SSI Company Inc. (Japan)

Nichii Holdings Co., Ltd.

Medical Data Vision Co., Ltd. (Japan)

Nippon Life Insurance Company of America (U.S.A.)

Nippon Life Americas, Inc. (U.S.A.)

Nippon Life Australia and New Zealand NOHC Pty Ltd. (Australia)

Nippon Life India Asset Management Limited (India)

Resolution Life Group Holdings Ltd. (Bermuda)

Effective from the fiscal year ended March 31, 2026, one group company of the Nichii Holdings Co., Ltd., a consolidated subsidiary of the Company, has been excluded from the scope of consolidation in connection with the absorption-type merger between subsidiaries of Nichii Holdings Co., Ltd.

Effective from the fiscal year ended March 31, 2026, 59 companies, comprising Resolution Life Group Holdings Ltd., Resolution Life NOHC Pty Ltd., and their 57 group companies, have been included in the scope of consolidation in connection with the acquisition of additional shares of Resolution Life Group Holdings Ltd. and the acquisition of shares of Resolution Life NOHC Pty Ltd.

With this acquisition, Resolution Life NOHC Pty Ltd. has changed its name to Nippon Life Australia and New Zealand NOHC Pty Ltd.

Effective from the fiscal year ended March 31, 2026, Medical Data Vision Co., Ltd. has been included in the scope of consolidation in connection with the acquisition of its shares.

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

Unconsolidated subsidiaries have minimal balances or amounts of total assets, revenue, net income, and surplus for the fiscal year ended March 31, 2026, which are immaterial enough to be excluded from consolidation given that they would not affect reasonable judgments 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: 16 entities

Major affiliates accounted for under the equity method:

The Master Trust Bank of Japan, Ltd. (Japan)

Corporate-Pension Business Service Co., Ltd. (Japan)

Great Wall Changsheng Life Insurance Co., Ltd. (China) Bangkok Life Assurance Public Company Limited (Thailand)

IndusInd Nippon Life Insurance Company Limited (India)

PT Sequis (Indonesia)

PT Asuransi Jiwa Sequis Life (Indonesia)

The TCW Group, Inc. (U.S.A.)

Grand Guardian Nippon Life Insurance Company Limited (Myanmar)

Corebridge Financial, Inc. (U.S.A.)

Effective from the fiscal year ended March 31, 2026, Resolution Life Group Holdings Ltd. has been excluded from the scope of application of the equity method as it has become a consolidated subsidiary in connection with a series of transactions related to the acquisition of its additional shares, while one group company of Resolution Life Group Holdings Ltd. has been included within the scope of application of the equity method. In addition, effective from the fiscal year ended March 31, 2026, Blackstone ISG Investment Partners – R (BMU) L.P. has been excluded from the scope of application of the equity method. For details of this transaction, see Note 34 to the consolidated balance sheets. Effective from December 10, 2025, Reliance Nippon Life Insurance Company Limited has changed its name to IndusInd Nippon Life Insurance Company Limited.

Effective from the fiscal year ended March 31, 2026, Post Advisory Group. LLC has been excluded from the scope of application of the equity method in connection with the acquisition of its shares.

Unconsolidated subsidiaries, including Nippon Life Global Investors Americas, Inc. and Nissay Trading Corporation, as well as 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 on the Company's consolidated net income and surplus for the fiscal year ended March 31, 2026, 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 are consolidated using the financial statements as of and for the year ended December 31, and necessary adjustments are made to reflect significant transactions that occurred between December 31 and March 31, the Company's reporting date.

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, 2026	As of March 31, 2025
Assets:		
Cash and deposits	1,672,747	932,037
Call loans	1,011,726	876,505
Monetary receivables purchased	932,235	189,832
Investments in securities	91,607,445	80,309,407
Loans	9,588,553	8,706,575
Tangible fixed assets:	2,004,649	1,986,662
Land	1,185,143	1,189,083
Buildings	673,447	659,045
Lease assets	60,789	59,971
Construction in progress	16,722	27,236
Other tangible fixed assets	68,545	51,326
Intangible fixed assets:	2,877,366	647,931
Software	167,347	124,198
Goodwill	1,208,003	279,416
Lease assets	11	24
Other intangible fixed assets	1,502,003	244,291
Reinsurance receivables	4,730,575	224,252
Other assets	4,282,503	2,386,882
Net defined benefit asset	1,652	1,469
Deferred tax assets	116,028	34,155
Customers' liability for acceptances and guarantees	48,420	52,383
Allowance for doubtful accounts	(11,166)	(5,463)
Total assets	118,862,738	96,342,632

(4) Consolidated Balance Sheets (Continued)

(Million Yen)

	As of March 31, 2026	As of March 31, 2025
Liabilities:		
Policy reserves and other reserves:	91,041,610	75,343,434
Reserve for outstanding claims	500,471	275,520
Policy reserves	89,312,921	73,897,294
Reserve for dividends to policyholders (mutual company)	1,174,282	1,126,878
Reserve for dividends to policyholders (limited company)	53,934	43,740
Reinsurance payables	142,815	17,731
Corporate bonds	1,935,676	1,554,141
Other liabilities	11,162,198	7,763,978
Accrued bonuses for directors, and audit and supervisory board members	453	427
Net defined benefit liability	288,187	342,085
Accrued retirement benefits for directors, and audit and supervisory board members	298	358
Reserve for program points	—	6,192
Reserve for price fluctuations	1,319,259	1,787,849
Deferred tax liabilities	1,615,096	683,281
Deferred tax liabilities for land revaluation	99,734	100,413
Acceptances and guarantees	48,420	52,383
Total liabilities	107,653,751	87,652,277
Net assets:		
Foundation funds	50,000	50,000
Reserve for redemption of foundation funds	1,400,000	1,400,000
Reserve for revaluation	651	651
Consolidated surplus	1,211,876	915,169
Total foundation funds and others	2,662,527	2,365,820
Net unrealized gains on available-for-sale securities	10,082,267	7,397,734
Deferred losses on derivatives under hedge accounting	(1,972,981)	(1,372,500)
Land revaluation losses	(55,747)	(56,555)
Foreign currency translation adjustments	256,052	157,624
Remeasurement of defined benefit plans	87,779	66,053
Valuation difference on policy reserves and other reserves of overseas subsidiaries and affiliates	5,771	(8,852)
Total accumulated other comprehensive income	8,403,139	6,183,502
Share acquisition rights	2,251	1,863
Noncontrolling interests	141,068	139,168
Total net assets	11,208,987	8,690,355
Total liabilities and net assets	118,862,738	96,342,632

Notes to the Consolidated Balance Sheets as of March 31, 2026

1. Effective from the fiscal year ended March 31, 2026, certain overseas affiliates accounted for under the equity method have applied IFRS 9 “Financial Instruments” and IFRS 17 “Insurance Contracts.” With these changes in accounting policies, the Company has changed, among other things, the classification and measurement methods of financial instruments. Also, policy reserves and other reserves are now measured in a manner that reflects the time value of money, the financial risk of cash flows from insurance contracts, and the impact of uncertainty in cash flows from insurance contracts. Additionally, “Valuation difference on policy reserves and other reserves of overseas subsidiaries and affiliates” is newly established under total accumulated other comprehensive income.

These changes in accounting policies are applied retrospectively to the consolidated financial statements for the fiscal year ended March 31, 2025. As a result, in the consolidated statements of income for the fiscal year ended March 31, 2025, ordinary profit and surplus before income taxes increased by ¥786 million, respectively, compared to the amounts before the retrospective application. Additionally, in the consolidated statements of cash flows for the fiscal year ended March 31, 2025, surplus before income taxes increased by ¥786 million while others, net, included in the subtotal of cash flows from operating activities, decreased by ¥786 million. Furthermore, in the consolidated balance sheets for the fiscal year ended March 31, 2025, investments in securities, consolidated surplus, foreign currency translation adjustments, and valuation difference on policy reserves and other reserves of overseas subsidiaries and affiliates decreased by ¥10 million, ¥1,644 million, ¥238 million, and ¥8,852 million, respectively, while net unrealized gains on available-for-sale securities increased by ¥10,725 million. In addition, as the cumulative effect was reflected to net assets as of the beginning of the fiscal year ended March 31, 2025, investments in securities, consolidated surplus, and valuation difference on policy reserves and other reserves of overseas subsidiaries and affiliates decreased by ¥408 million, ¥2,430 million, and ¥90 million, respectively, while net unrealized gains on available-for-sale securities increased by ¥2,112 million as of April 1, 2024.

2. Effective from the fiscal year ended March 31, 2026, certain overseas consolidated subsidiaries have applied Accounting Standards Codification (hereinafter, “ASC”) Topic 944 “Financial Services – Insurance” (ASU No. 2018-12 and other related updates) issued by the Financial Accounting Standards Board (hereinafter, “FASB”). As a result of this change in accounting policy, accounting treatment for liabilities for future insurance benefits, the fair value measurement of benefits with market risk, the amortization method for deferred new policy expenses, and other related accounting treatments have been changed. In addition, the effects of changes in discount rates on liabilities for future insurance benefits arising from fluctuations in interest rates and other related items are recorded in “Valuation difference on policy reserves and other reserves of overseas subsidiaries and affiliates” within accumulated other comprehensive income.

Resolution Life Group Holdings Ltd., a consolidated subsidiary of the Company, has applied pushdown accounting as set forth in ASC Topic 805 “Business Combinations” issued by the FASB in the fiscal year ended March 31, 2026. This accounting treatment has not been applied retrospectively to periods prior to the business combination date (October 30, 2025).

3. (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.

4. 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) (excluding insurance policies covered by coinsurance agreements)

(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.

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

6. (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.

Intangible fixed assets acquired through the acquisition of consolidated subsidiaries are amortized over the period during which their benefits are expected to be generated, in a manner reflecting the pattern in which the benefits are expected to be realized.

7. Assets and liabilities of the Company and certain consolidated subsidiaries 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.

8. (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) The 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 ¥94 million (including ¥40 million of credits secured and/or guaranteed) as of March 31, 2026.
 - (5) Certain overseas subsidiaries record allowance for doubtful accounts based on the amount calculated in accordance with the accounting standards of each country.
9. Accrued bonuses for directors, and audit and supervisory board members are recognized based on amounts estimated to be paid.
10. (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, 2026 for future payment of employee retirement benefits that have been accrued as of the balance sheet date.
- (2) Basis used for accounting for retirement benefits of the Company and its certain consolidated subsidiaries is 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
11. 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.
12. A reserve for price fluctuations is recognized based on Article 115 of the Insurance Business Act.
13. In finance leases where the Company or the Company's certain consolidated subsidiary is the lessor that do not transfer ownership of the leased property to the lessee, the Company and 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 corporate bonds (including forecasted transactions) issued by the Company and its consolidated 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; and
 - 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.
- 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 corporate bonds (including forecasted transactions)
Foreign exchange forward contracts	Foreign currency-denominated bonds and other instruments
Currency options	Foreign currency-denominated bonds
- 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) 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 its certain consolidated life insurance companies in Japan provided additional policy reserves in the fiscal year ended March 31, 2026. As a result, policy reserves increased by ¥209,821 million, while ordinary profit and surplus before income taxes decreased by ¥209,821 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 single payment policies). Moreover, effective from the fiscal year ended March 31, 2026, the Company has expanded the scope of whole life insurance policies (including single payment policies) for which additional policy reserves will be provided. For such policies with premiums that have been paid and similar policies (including single payment policies), the Company has decided to successively provide these additional policy reserves over the next nine years. As a result, policy reserves increased by ¥201,047 million, while ordinary profit and surplus before income taxes decreased by ¥201,047 million, compared with amounts that would have been recorded if the additional policy reserve amounts had not been reserved in the fiscal year ended March 31, 2026.

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 ¥8,774 million, while ordinary profit and surplus before income taxes decreased by ¥8,774 million, compared with amounts that would have been recorded had the additional policy reserve amounts not been provided in the fiscal year ended March 31, 2026.

- (2) Policy reserves of consolidated overseas life insurance subsidiaries applying the U.S. GAAP are remeasured at the end of each fiscal period, as liabilities to provide for future insurance benefit payments, using the latest actuarial assumptions and discount rates that reflect prevailing market interest rates. Benefits with market risk incorporated in insurance riders and other arrangements are remeasured at fair value, taking into account attributed fees from insurance contracts, in order to reflect their risk characteristics.

Policy reserves of Resolution Life Group Holdings Ltd. were remeasured at fair value on the business combination date referred to in Note 34 to the consolidated balance sheets. The discount rate used in measuring fair value is estimated based on U.S. risk-free rates adjusted for the Company-specific risk premiums. This is a significant estimation element that requires judgment and involves uncertainty. Further, as policy reserves are highly sensitive to discount rates, the estimation of the discount rates may have a material impact on the fair value of policy reserves. The fair value of policy reserves of Resolution Life Group Holdings Ltd. at the business combination date is estimated at ¥10,442.3 billion.

Furthermore, for universal insurance contracts with no lapse guarantee issued by Resolution Life Group Holdings Ltd., when such guarantees extend over a long period, there is uncertainty in

determining assumptions, such as mortality and termination rates used in estimating policy reserves. In addition, due to the product characteristics of such guarantees, changes in the investment environment may have some impact on policyholders' decision on termination, and termination rates that take into account changes in the investment environment may involve complex estimations and uncertainty. Revisions to assumptions, such as mortality and termination rates, may have a material impact on policy reserves in subsequent fiscal years.

Policy reserves of other consolidated overseas life insurance companies are recorded as the amounts calculated in accordance with their respective local accounting standards.

18. The Company and its certain consolidated domestic life insurance companies 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 subsidiaries have recorded an amount calculated using the following method under the provision of Article 1, Paragraph 1, of the IBNR Notice.

(Outline of calculation method)

The Company and its certain subsidiaries calculated the reserve amount 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, 2026 are as follows:

(1) Goodwill	¥1,208,003 million
Nippon Life Livelihood Support Co., Ltd.	¥191,727 million
(2) Goodwill equivalent	¥114,044 million
The TCW Group, Inc.	¥7,689 million
(3) Intangible fixed assets (customer-related assets)	¥52,648 million
Nippon Life Livelihood Support Co., Ltd.	¥52,648 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, 2026.

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 management.

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. In addition, separate account assets of consolidated overseas life insurance subsidiaries applying the U.S. GAAP, as well as assets and liabilities of consolidated variable interest entities associated with funds withheld modified coinsurance agreements, are not included in the notes, as they are managed together with the related insurance or reinsurance agreements.

(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:	932,235	921,550	(10,685)
Trading securities	27,020	27,020	—
Held-to-maturity debt securities	15,913	14,047	(1,866)
Policy-reserve-matching bonds	109,321	100,503	(8,818)
Available-for-sale securities	779,978	779,978	—
Investments in securities (*3, *4, and *5):	89,856,233	83,509,640	(6,346,592)
Trading securities	4,811,503	4,811,503	—
Held-to-maturity debt securities	951,593	914,276	(37,317)
Policy-reserve-matching bonds	32,869,989	26,818,166	(6,051,823)
Investments in subsidiaries and	766,414	508,962	(257,452)
Available-for-sale securities	50,456,731	50,456,731	—
Loans (*6):	9,579,760	8,983,639	(596,120)
Policy loans	707,217	707,217	—
Industrial and consumer loans	8,872,542	8,276,421	(596,120)
Derivative financial instruments (*7):	(2,912,344)	(2,912,344)	—
Hedge accounting not applied	(49,493)	(49,493)	—
Hedge accounting applied	(2,862,850)	(2,862,850)	—
Other assets	19,020	19,020	—
Corporate bonds (*6 and *8)	(1,935,676)	(1,815,917)	(119,758)
Loans payable (*8)	(1,861,711)	(1,795,011)	(66,699)

(*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, 2026, 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 ¥482,597 million as of March 31, 2026. Stocks, such as unlisted stocks, of certain consolidated overseas subsidiaries that are carried at fair value are included in the above table.

(*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 ¥1,268,614 million as of March 31, 2026.

- (*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 concerning securities and others by holding purpose are as follows:

1)Trading securities

Investments in securities for separate accounts are classified as trading securities. Valuation gains of those investments included in profit and loss were ¥49,524 million for the fiscal year ended March 31, 2026.

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	1,900	1,902	1
	Domestic bonds	38,924	39,629	705
	Foreign securities	217,251	220,649	3,398
	Subtotal	258,076	262,182	4,105
Fair value does not exceed the consolidated balance sheet amount	Monetary receivables purchased	14,012	12,144	(1,868)
	Domestic bonds	152,088	136,294	(15,794)
	Foreign securities	543,329	517,702	(25,626)
	Subtotal	709,431	666,141	(43,289)
Total		967,507	928,323	(39,184)

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	6,201	6,229	28
	Domestic bonds	4,323,069	4,372,082	49,013
	Foreign securities	416,326	421,167	4,841
	Subtotal	4,745,596	4,799,479	53,883
Fair value does not exceed the consolidated balance sheet amount	Monetary receivables purchased	103,120	94,273	(8,847)
	Domestic bonds	24,118,217	18,410,478	(5,707,739)
	Foreign securities	4,012,376	3,614,437	(397,938)
	Subtotal	28,233,715	22,119,189	(6,114,525)
Total		32,979,311	26,918,669	(6,060,641)

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	297,106	298,817	1,710
	Domestic bonds	655,858	768,069	112,210
	Domestic stocks	3,839,388	15,217,542	11,378,154
	Foreign securities	14,046,652	18,246,508	4,199,855
	Other securities	1,543,921	1,828,932	285,011
	Subtotal	20,382,927	36,359,869	15,976,942
Consolidated balance sheet amount does not exceed acquisition cost or amortized cost	Monetary receivables purchased	486,999	481,161	(5,838)
	Domestic bonds	4,133,861	3,396,191	(737,669)
	Domestic stocks	248,293	208,284	(40,008)
	Foreign securities	8,083,153	7,492,487	(590,665)
	Other securities	3,632,057	3,298,714	(333,342)
	Subtotal	16,584,364	14,876,840	(1,707,524)
Total		36,967,292	51,236,710	14,269,418

* Stocks without market prices of ¥192,411 million and the balance of investments in partnerships and other entities of ¥206,519 million are not included in the table above.

5) Securities for which impairment losses were recognized

Impairment losses of ¥74,125 million were recognized for securities during the fiscal year ended March 31, 2026.

Regarding domestic bonds and stocks (including foreign stocks) of the Company and its certain consolidated subsidiaries, impairment losses are recognized for securities whose fair value has declined significantly from the acquisition cost based on the average fair value as of March 31, 2026.

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

- a. A security for which the fair value as of the balance sheet date is 50% or less of the acquisition cost.
- b. A security that meets both of the following criteria:
 - (i) The fair value as of the balance sheet date exceeds 50% or less than 100% of the acquisition cost.
 - (ii) The business conditions and other aspects of the issuing company meet certain criteria.

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 the balance sheet date 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 the balance sheet date exceeds 50%, but equal to or less than 70% of the acquisition cost.
 - (ii) The historical market price, the business conditions and other aspects of the issuing company meet certain criteria.

- (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:	8,018	9,131	10,804	170,766
Held-to-maturity debt securities	—	750	273	14,568
Policy-reserve-matching bonds	—	6,738	9,623	92,903
Available-for-sale securities	8,018	1,642	907	63,294
Investment in securities:	2,255,917	11,240,848	11,206,207	43,486,091
Held-to-maturity debt securities	62,678	438,988	351,323	105,475
Policy-reserve-matching bonds	980,917	3,918,631	3,474,454	25,470,020
Available-for-sale securities	1,212,322	6,883,229	7,380,430	17,910,595
Loans (*1)	1,255,612	3,000,004	2,334,160	2,274,266
Corporate bonds (*2)	—	—	195,700	1,714,113
Loans payable	169,077	318,725	—	1,086,000

(*1) Assets, such as policy loans, which do not have a stated maturity date, are not included.

Also, ¥1,842 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) Corporate bonds 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, 2026 are measured by fair value

(Million Yen)

	Level 1	Level 2	Level 3	Total
Monetary receivables purchased	—	459,385	347,613	806,999
Trading securities	—	27,020	—	27,020
Available-for-sale securities	—	432,364	347,613	779,978
Investments in securities (*1)	25,231,329	25,976,233	1,673,069	52,880,632
Trading securities	2,266,045	1,913,441	632,016	4,811,503
Available-for-sale securities	22,965,283	24,062,791	1,041,052	48,069,128
Domestic bonds	2,581,043	1,583,217	—	4,164,261
National government bonds	2,581,043	—	—	2,581,043
Local government bonds	—	115,924	—	115,924
Corporate bonds	—	1,467,293	—	1,467,293
Domestic stocks	15,267,255	158,572	—	15,425,827
Foreign securities	5,000,871	17,877,703	493,679	23,372,254
Foreign bonds	3,617,372	11,746,028	490,877	15,854,277
Foreign stocks and other securities	1,383,499	6,131,675	2,801	7,517,976
Other securities	116,113	4,443,297	547,373	5,106,785
Derivative financial instruments (*2)	15,461	(2,912,134)	(15,670)	(2,912,344)
Interest rate-related	1,245	(693,645)	25,025	(667,374)
Currency-related	—	(2,232,457)	513	(2,231,943)
Others	14,215	13,967	(41,209)	(13,025)
Other assets	—	—	6,189	6,189

(*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 ¥2,349,522 million for investment trusts whose investment trust assets are financial instruments, and ¥39,010 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, 2026 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	1,816,187	53,169	1,869,356
Profit or loss for the fiscal year ended March 31, 2026	272,398	2,411	274,809
Recognized in net surplus (loss) (*4)	37,715	3,781	41,497
Recognized in other comprehensive income (*5)	234,682	(1,370)	233,311
Purchases, sales, and redemptions	260,937	(16,569)	244,368
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, 2026	2,349,522	39,010	2,388,533
Unrealized gain or loss on investment trusts held as of March 31, 2026, recognized in profit or loss for the fiscal year ended March 31, 2026 (*4)	777	—	777

(*3) The amount of the investment trusts presented in the consolidated balance sheet was ¥2,322,766 million as of March 31, 2026, 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, 2026.

(*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,

- b. Financial instruments whose amounts presented in the consolidated balance sheet as of March 31, 2026 are not measured by fair value

(Million Yen)

	Level 1	Level 2	Level 3	Total
Monetary receivables purchased:	—	—	114,550	114,550
Held-to-maturity debt securities	—	—	14,047	14,047
Policy-reserve-matching bonds	—	—	100,503	100,503
Investments in securities:	22,717,422	5,487,406	35,337	28,240,166
Held-to-maturity debt securities	86,558	792,547	35,170	914,276
Domestic bonds	30,554	145,369	—	175,923
Foreign securities	56,004	647,177	35,170	738,352
Policy-reserve-matching bonds	22,165,632	4,652,366	167	26,818,166
Domestic bonds	21,248,542	1,533,850	167	22,782,560
Foreign securities	917,090	3,118,515	—	4,035,605
Investments in subsidiaries and affiliates	465,231	42,492	—	507,723
Loans:	—	—	8,983,639	8,983,639
Policy loans	—	—	707,217	707,217
Industrial and consumer loans	—	—	8,276,421	8,276,421
Other assets	—	—	12,831	12,831
Corporate bonds (*6)	—	(1,788,842)	(27,074)	(1,815,917)
Loans payable (*6)	—	(938,724)	(856,287)	(1,795,011)

(*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-short*”) 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, 2026, are measured by fair value

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

Certain consolidated overseas subsidiaries estimate significant unobservable inputs.

Category	Valuation technique	Significant unobservable inputs	Range of inputs
Investments in securities:	Income approach	Discount rate	10.35% to 15.15%
Trading securities	Market approach	Valuation multiple (Embedded Value/EBITDA)	3.24 times to 23.1 times

2) Reconciliation of balances at the beginning of the current fiscal year and balances as of March 31, 2026, and unrealized gain or loss recognized in profit or loss for the fiscal year ended March 31, 2026.

(Million Yen)

	Monetary receivables purchased Available- for-sale securities	Investments in securities Trading securities	Investments in securities Available- for-sale securities	Derivative financial instruments Currency- related	Derivative financial instruments Interest- related	Derivative financial instruments Others	Other assets
Balance at the beginning of the current fiscal year	32,770	—	418,752	53	—	724	—
Profit or loss for the fiscal year ended March 31, 2026	8,068	8,753	38,513	483	810	(18,319)	148
Recognized in net surplus (loss) (*1)	2,647	(15,499)	25,525	479	213	(17,844)	—
Recognized in other comprehensive income (*2)	5,421	24,252	12,987	3	597	(474)	148
Purchases, sales, issuances, and settlements (*3)	308,641	623,263	591,872	(22)	24,214	(23,614)	6,040
Transfers to Fair Value Level 3 (*4)	—	—	42,628	—	—	—	—
Transfers from Fair Value Level 3 (*5)	(1,866)	—	(50,714)	—	—	—	—
Balance as of March 31, 2026	347,613	632,016	1,041,052	513	25,025	(41,209)	6,189
Unrealized gain or loss on financial instruments held as of March 31, 2026, recognized in profit or loss for the fiscal year ended March 31, 2026 (*1)	(165)	(15,499)	14,017	510	213	(18,728)	—

(*1) These amounts are included in investment income and investment expenses in the consolidated statement of income for the fiscal year ended March 31, 2026.

(*2) These amounts are included in net unrealized gains on available-for-sale securities and foreign currency translation adjustments under other comprehensive income in the consolidated statements of comprehensive income for the fiscal year ended March 31, 2026.

(*3) These amounts include increases due to the change in scope of consolidation.

(*4) These amounts represent transfers from Fair Value Level 1 or Fair Value Level 2 to Fair Value Level 3, resulting from changes in the observability of inputs used in the fair value measurement. Such transfers are made at the beginning, during, or at the end of the current fiscal year.

(*5) These amounts represent transfers from Fair Value Level 3 to Fair Value Level 1 or Fair Value Level 2, resulting from changes in the observability of inputs used in the fair value measurement. Such transfers are made at the beginning, during, or at the end of the current fiscal year..

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

An increase (decrease) in the discount rate generally results in a decrease (increase) in fair value. An increase (decrease) in the valuation multiple (Embedded Value/EBITDA) generally results in an increase (decrease) in fair value.

24. The consolidated balance sheet amount for investment and rental properties was ¥1,314,177 million, with a fair value of ¥1,978,860 million as of March 31, 2026.

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, 2026, 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 ¥4,833 million as of March 31, 2026.

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 ¥72,528 million as of March 31, 2026. The details of those balances were as follows:

- 1) The balance of bankrupt and quasi-bankrupt loans was ¥11,255 million as of March 31, 2026.

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 ¥59,076 million as of March 31, 2026.

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) The balance of loans delinquent for over three months was ¥901 million as of March 31, 2026.

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 ¥1,294 million as of March 31, 2026.

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 ¥94 million as of March 31, 2026.

26. The amount of accumulated depreciation of tangible fixed assets was ¥1,440,327 million as of March 31, 2026.

27. Separate account assets as provided in accordance with Article 118, Paragraph 1 of the Insurance Business Act were ¥1,377,672 million as of March 31, 2026, and a corresponding liability is recorded in the same amount.

28. Changes in the reserve for dividends to policyholders (mutual company) for the current fiscal year ended March 31, 2026 were as follows:

	Million Yen
	Year ended March 31, 2026
a. Balance at the beginning of the current fiscal year	1,126,878
b. Transfer to reserve from surplus for the previous fiscal year	291,689
c. Dividends paid to policyholders (mutual company) during the current fiscal year	265,257
d. Increase in interest	20,972
e. Balance at the end of the current fiscal year (a+b-c+d)	1,174,282

29. Changes in the reserve for dividends to policyholders (limited company) for the current fiscal year ended March 31, 2026 were as follows:

	Million Yen
	Year ended March 31, 2026
a. Balance at the beginning of the current fiscal year	43,740
b. Dividends paid to policyholders (limited company) during the current fiscal year	13,710
c. Increase in interest	558
d. Provision for reserve for dividends to policyholders (limited company)	11,060
e. Increase due to the change in scope of consolidation	11,992
f. Adjustment due to foreign currency translation	294
g. Balance at the end of the current fiscal year (a-b+c+d+e+f)	53,934

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 issued by the Company 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
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
April 2025	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter
September 2025	Tenth anniversary date after the issue date and on each fifth anniversary date thereafter

On April 2, 2026, the Company issued corporate bonds as follows:

1) US dollar-denominated senior notes due 2031

Issue price	100% of par value
Total amount issued	US\$1,100 million
Interest rate	A fixed rate of 4.748% per annum
Maturity	April 2031
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

2) US dollar-denominated senior notes due 2033

Issue price	100% of par value
Total amount issued	US\$750 million
Interest rate	A fixed rate of 5.046% per annum
Maturity	April 2033
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 the bonds referred to in 1) using the currency swap as a hedging instrument.

On April 27, 2026, the Company redeemed early corporate bonds as follows.

The amount of interest expenses recorded for the corporate bonds redeemed early was ¥658 million for the fiscal year ended March 31, 2026.

Name	2nd series JPY-denominated subordinated and unsecured corporate bonds 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 27, 2016
Early redemption value	100% of par value
Total amount redeemed early	¥70 billion
Method of early redemption	Early redemption of the entire unredeemed balance

31. Other liabilities include subordinated loans payable of ¥1,124,976 million with special provisions that the fulfillment of obligations on the loans payable is subordinate to all other debt obligations.
32. Assets pledged as collateral in the form of cash and deposits, investments in securities, and loans as of March 31, 2026, were ¥21,159 million, ¥8,364,519 million, and ¥240,070 million, respectively. The total amount of liabilities covered by the assets pledged was ¥4,239,171 million as of March 31, 2026. These amounts included ¥4,106,118 million of sale of securities under repurchase agreements and ¥3,777,335 million of payables under repurchase agreements, as well as ¥113,162 million in securities pledged and ¥102,522 million in cash received as collateral under securities lending transactions secured with cash as of March 31, 2026.
33. The total amount of stocks and investments in nonconsolidated subsidiaries and affiliates was ¥1,998,675 million.

34. The Company completed all transactions through necessary procedures, including approvals from relevant authorities, regarding the following: making its affiliate accounted for under the equity method, Resolution Life Group Holdings Ltd. (hereinafter, “Resolution Life”) its wholly owned subsidiary (hereinafter, “the Transaction”), acquiring 20% of the issued shares of its consolidated subsidiary Nippon Life Insurance Australia and New Zealand Limited (the company name was changed from MLC Limited effective as of September 26, 2025; hereinafter, “NLIANZ”) from National Australia Bank Limited (hereinafter, “NAB”), and integrating businesses of Resolution Life Australasia Limited (hereinafter, “Resolution Australasia”) and NLIANZ, which is a part of Resolution Life (hereinafter, “the Integration”).

(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.

Matters concerning business combinations through acquisitions are as follows:

(Acquisition of Additional Shares of Resolution Life)

The Company acquired 78% of additional equity that it did not already own in the issued shares of Resolution Life from Blackstone ISG Investment Partners – R (BMU) L.P. Consequently, Resolution Life became a wholly owned subsidiary of the Company.

1) Summary of 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. Business combination date

October 30, 2025

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: 22%

Percentage of voting rights additionally acquired on the business combination date: 78%

Percentage of voting rights held after the acquisition: 100%

Due to changes in ownership interest occurred before the Transaction, the percentage of voting rights held before the acquisition date decreased to 22% from 23%.

e. Financing method for payment

Own funds

2) Period for which the acquiree's business results were included in the consolidated financial statements

From October 30, 2025 to December 31, 2025

Although the acquiree's fiscal year-end is December 31, its financial statements as of that date have been used in preparing the consolidated financial statements because the difference between the acquiree's fiscal year-end and the fiscal year-end for the consolidated financial statements does not exceed three months.

3) Matters concerning calculation of acquisition cost

a. Acquisition cost and breakdown by type of consideration

Fair value of the shares held immediately before the business combination measured on the business combination date:		¥0.3645	trillion
--	--	---------	----------

Consideration for additional share acquisition:	Cash	¥1.2155	trillion
---	------	---------	----------

Acquisition cost:		¥1.5801	trillion
-------------------	--	---------	----------

b. Difference between the acquisition cost of the acquiree and the aggregate acquisition cost for each transaction

Gains on step acquisitions: ¥142,800 million

c. Description and amount of main acquisition-related costs

Advisory fees and others: ¥15,000 million

- 4) Matters concerning the allocation of acquisition cost
- a. Amounts of and reasons for recognizing goodwill, and amortization method and period
- (i) Amount of goodwill: ¥898,600 million
- Goodwill attributed to Resolution Life: ¥836,400 million
- Goodwill attributed to Resolution Australasia: ¥62,100 million
- Portion of goodwill arising from the Transaction is attributed to Resolution Australasia in connection with the Integration.
- (ii) Reasons for goodwill
- Goodwill was recognized because the acquisition cost exceeded the net asset value at the time of the business combination.
- (iii) Amortization method and period
- Straight-line amortization over 20 years
- b. Amounts of assets acquired and liabilities assumed and their main components
- Total assets: ¥15,926,600 million
- (including investments in securities of ¥6,663,500 million and reinsurance receivables of ¥4,165,700 million)
- Total liabilities: ¥15,177,000 million
- (including policy reserves and other reserves of ¥13,267,500 million)
- c. Amount of acquisition cost allocated to intangible assets other than goodwill and amortization period
- Amount allocated to intangible assets other than goodwill: ¥1,233,800 million
- Amortization period: Period during which benefits are expected to be generated)
- (including the value of existing policies of ¥1,213,100 million)

- 5) Estimated amount of impact on the consolidated statement of income for the fiscal year ended March 31, 2026, and calculation method, assuming that the business combination was completed at the beginning of the fiscal year ended March 31, 2026

Ordinary income: ¥1,651,500 million

Ordinary profit (loss): ¥(41,800) million

Net surplus (deficit) attributable to the parent company: ¥110,100 million

(Calculation method for estimate)

The estimated amount of the impact represents ordinary income, ordinary profit (loss), 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, 2026. 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, 2026. These estimates have not been audited.

Matters concerning transactions, etc. under common control (acquisition of additional shares of subsidiaries) are as follows:

(Acquisition of Additional Shares of NLIANZ)

The Company acquired an additional 20% of the issued shares in NLIANZ that NAB held. As a result, NLIANZ became a wholly owned subsidiary of the Company.

1) Summary of business combination

- a. Name and business of the acquiree

Name of the acquiree: Nippon Life Insurance Australia and New Zealand Limited

Business: Life insurance business

- b. Business combination date

October 31, 2025

- c. Legal form of the business combination

Share acquisition from a noncontrolling shareholder

2) Overview of the applied accounting treatment

Based on the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21; January 16, 2019) and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10; January 16, 2019), of transactions, etc. under common control, this transaction was accounted for as a transaction with a noncontrolling shareholder.

3) Matters concerning calculation of acquisition cost

- a. Acquisition cost of the subsidiary's shares to be additionally acquired and breakdown by type of consideration

Consideration for additional share acquisition: Cash ¥46,400 million

4) Change in the parent's ownership interest due to transactions with noncontrolling interests

- a. Main reasons for changes in consolidated surplus

Acquisition of additional shares of subsidiaries

- b. Amount of consolidated surplus increased from the transaction with the noncontrolling shareholder
¥16,400 million

Matters concerning transactions under common control are as follows:

(Business Integration of Resolution Australasia and NLIANZ)

Following the completion of the acquisition of additional NLIANZ shares as described above, the Company made an in-kind contribution of all the NLIANZ shares it held to Resolution Life NOHC Pty Ltd (hereinafter, "Australia/NZ NOHC"), Resolution Life's Australian and New Zealand holding company. In exchange, the Company acquired the new shares issued by Australia/NZ NOHC.

As a result of this transaction, the Company directly holds 51% of the voting rights of Australia/NZ NOHC (the Company indirectly holds 49% through Resolution Life), and Australia/NZ NOHC encompasses both Resolution Australasia and NLIANZ as its subsidiaries.

1) Summary of 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:	Nippon Life Insurance Australia and New Zealand Limited
Business:	Life insurance business

- b. Business combination date

October 31, 2025

- c. Legal form of the business combination

In-kind contribution of all the NLIANZ shares that the Company holds to Australia/NZ NOHC

d. Name of the company after business combination

Before change: Resolution Life NOHC Pty Ltd.

After change: Nippon Life Australia and New Zealand NOHC Pty Ltd.

2) Overview of the applied accounting treatment

Based on the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21; January 16, 2019) and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10; January 16, 2019), this transaction was accounted for as a transaction under common control.

35. On December 15, 2025, the Company decided to acquire the shares and other instruments of Medical Data Vision Co., Ltd. (hereinafter, “Medical Data Vision”) by means of a tender offer (hereinafter, “the Tender Offer”) under the Financial Instruments and Exchange Act, and executed the Tender Offer during the period between December 16, 2025 and February 3, 2026. Following the completion of the settlement of the Tender Offer, Medical Data Vision implemented a stock consolidation (hereinafter, “the Stock Consolidation”), effective April 28, 2026, as a squeeze-out procedure to make Medical Data Vision a wholly owned subsidiary of the Company. Subsequently, Medical Data Vision acquired treasury shares held by SBI Holdings, Inc. on May 14, 2026 (hereinafter, the “Treasury Share Acquisition”). As a result of this series of transactions (the “Transactions”), the Company made Medical Data Vision a wholly owned subsidiary.

(Background and Aims of the Transactions)

The Company aims to establish health data and health-data analysis capabilities, among others, as a new business foundation for the Company group and to enhance both healthcare and insurance businesses. In addition, by integrating AI and digital technologies, the Company will also pursue the creation of new customer value propositions, including preventive medicine and health support services.

Matters concerning the business integration through share acquisition are as follows:

(Acquisition of Shares of Medical Data Vision)

On February 9, 2026 (the date on which the settlement of the Tender Offer starts), the Company acquired 53% of the shares of Medical Data Vision. As a result, it became a subsidiary of the Company. Further, Medical Data Vision has become a wholly owned subsidiary of the Company through the Stock Consolidation on April 28, 2026 and the Treasury Share Acquisition on May 14, 2026.

1) Summary of business combination

a. Name and business of the acquiree

Name of the acquiree: Medical Data Vision Co., Ltd.

Business: Development, production, sales, and maintenance of medical information integration systems; analysis, research, and consulting services for various medical data; business consulting services for medical institutions; operations and service provision of various medical data; planning, design, development, and operation of portal websites.

b. Business combination date

Acquisition of control: February 9, 2026 (Deemed acquisition date: March 31, 2026)

Acquisition of additional shares: May 14, 2026 (Deemed acquisition date: April 1, 2026)

c. Legal form of the business combination

Share acquisition for cash consideration

d. Voting rights acquired

February 9, 2026: 53.0%

May 14, 2026: 100%

e. Financing method for payment

Own funds

f. Main reason for determining the acquiree

Due to the acquisition of 53% of voting rights through share acquisition for cash consideration

2) Overview of the applied accounting treatment

The Transactions were accounted for based on the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21; January 16, 2019) and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10; January 16, 2019). The additional acquisition of equity interests through the Stock Consolidation and the Treasury Share Acquisition was treated as a transaction integrated with the acquisition of shares through the Tender Offer. Accordingly, goodwill associated with the equity interests additionally acquired after obtaining control was calculated as if it had been recorded when control was obtained.

3) Period for which the acquiree’s business results were included in the consolidated financial statements
As only the balance sheets were consolidated for the fiscal year ended March 31, 2026, business results of the acquiree were not included.

4) Matters concerning calculation of acquisition cost

a. Acquisition cost and breakdown by type of consideration

At the time of obtaining control:

Consideration for share acquisition:	Cash	¥33,999 million
Acquisition cost:		¥33,999 million

At the time of acquiring additional shares:

Consideration for share acquisition:	Cash	¥22,780 million
Acquisition cost:		¥22,780 million

b. Description and amount of main acquisition-related costs

Advisory fees and others: ¥720 million

5) Matters concerning the allocation of acquisition cost

a. Amounts of and reasons for recognizing goodwill, and amortization method and period

(i) Amount of goodwill: ¥32,336 million

The allocation of acquisition cost was not completed as of December 31, 2025. Therefore, provisional accounting treatment was applied based on the reasonable information currently available.

(ii) Reasons for goodwill

Goodwill was recognized because future excess earning capacity is expected to be generated through future business development.

(iii) Amortization method and period

Currently under determination.

b. Amounts of assets acquired and liabilities assumed and their main components

Total assets: ¥4,511 million

(including deposits of ¥1,586 million)

Total liabilities: ¥1,344 million

(including accounts payable of ¥1,103 million)

36. On March 26, 2026, Corebridge Financial, Inc. (hereinafter, “Corebridge”), the Company’s affiliate accounted for under the equity method, announced that it had entered into an agreement with Equitable Holdings, Inc. (hereinafter, “Equitable”), which operates pension and asset management businesses in the United States, to effect a business integration through a share transfer. This business integration is intended to combine complementary capabilities and scale, among other objectives. It will be executed by establishing a new holding company, with both companies becoming its subsidiaries, and is expected to be completed by the end of December 2026. 1.0000 shares of the common stock of the new holding company will be issued for each outstanding share of Corebridge common stock, and 1.55516 shares of common stock of the new holding company will be issued for each outstanding share of Equitable common stock. As a result, the ownership ratio of the new holding company is expected to be approximately 51% for Corebridge shareholders and approximately 49% for Equitable shareholders.

37. Matters concerning stock options are as follows:

1) Stock option-related expenses and line items

(Million Yen)

Operating expenses	739
--------------------	-----

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

(Million Yen)

Gain on reversal of share acquisition rights	0
--	---

3) Description of stock options

	Nippon Life India Asset Management Limited				
	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	2019 Third Series of Share Acquisition Rights
Title and number of grantees	Representative Director: 1 Employees: 137	Representative Director: 1 Employees: 157	Representative Director: 1 Employees: 156	Representative Director: 1 Employees: 31	Employees: 203
Number of stock options granted by class of shares (*1)	Common shares: 4,598,135	Common shares: 11,190,706	Common shares: 18,081,008	Common shares: 469,772	Common shares: 5,430,538
Grant date	April 25, 2018	April 29, 2019	August 1, 2019	June 10, 2020	July 19, 2021
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.	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 April 25, 2019 to April 24, 2025	From April 29, 2020 to April 28, 2026	From August 1, 2020 to July 31, 2026	From June 10, 2021 to June 9, 2027	From July 19, 2022 to July 18, 2028

	Nippon Life India Asset Management Limited				
	2019 Forth Series of Share Acquisition Rights	2023 First Series of Share Acquisition Rights	2023 First Series of PSU Share Acquisition Rights	2023 Second Series Of Share Acquisition Rights	2023 Second Series of PSU Share Acquisition Rights
Title and number of grantees	Employees: 1	Representative Director: 1 Employees: 184	Employees: 184	Representative Director: 1 Employees: 225	Employees: 225
Number of stock options granted by class of shares (*1)	Common shares: 77,065	Common shares: 2,877, 566	Common shares: 753,350	Common shares: 1,723,149	Common shares: 416,972
Grant date	August 7, 2021	April 24, 2024	April 24, 2024	April 28, 2025	April 28, 2025
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.	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 7, 2022 to August 6, 2028	From April 24, 2025 to April 23, 2031	From April 24, 2025 to April 23, 2031	From April 28, 2026 to April 27, 2032	From April 28, 2026 to April 27, 2032

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

4) Volume and changes in stock options

a. Number of stock options

(Stock)

	Nippon Life India Asset Management Limited				
	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	2019 Third Series of Share Acquisition Right
Before vesting					
As of March 31, 2025	—	—	—	—	941,469
Granted	—	—	—	—	—
Forfeited	—	—	—	—	46,462
Vested	—	—	—	—	895,007
Outstanding	—	—	—	—	—
After vesting					
As of March 31, 2025	3,380	2,092,126	10,690,469	238,404	2,155,221
Vested	—	—	—	—	895,007
Exercised	—	2,092,126	714,152	20,669	413,461
Forfeited	3,380	—	—	—	—
Exercisable	—	—	9,976,317	217,735	2,636,767

	Nippon Life India Asset Management Limited				
	2019 Forth Series of Share Acquisition Rights	2023 First Series of Share Acquisition Rights	2023 First Series of PSU Share Acquisition Rights	2023 Second Series of Share Acquisition Rights	2023 Second Series of PSU Share Acquisition Rights
Before vesting					
As of March 31, 2025	19,267	2,804,579	721,052	—	—
Granted	—	—	—	1,723,149	416,972
Forfeited	—	155,468	49,438	72,211	19,987
Vested	19,267	677,534	172,809	—	—
Outstanding	—	1,971,577	498,805	1,650,938	396,985
After vesting					
As of March 31, 2025	15,266	—	—	—	—
Vested	19,267	677,534	172,809	—	—
Exercised	34,533	92,152	74,045	—	—
Forfeited	—	—	—	—	—
Exercisable	—	585,382	98,764	—	—

b. Price information

(Rupee)

	Nippon Life India Asset Management Limited				
	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	2019 Third Series of Share Acquisition Right
Exercise price	256.10	202.35	223.32	247.60	372.71
Average stock price when exercised	478.96	526.95	487.45	548.57	634.57
Fair value on the grant date	45.71	38.94	43.06	65.51	85.73

	Nippon Life India Asset Management Limited				
	2019 Fourth Series of Share Acquisition Right	2023 First Series of Share Acquisition Right	2023 First Series of PSU Share Acquisition Right	2023 Second Series of Share Acquisition Right	2023 Second Series of PSU Share Acquisition Right
Exercise price	389.28	499.76	10.00	577.79	10.00
Average stock price when exercised	719.53	807.01	783.68	—	—
Fair value on the grant date	78.29	171.16	503.92	144.23	548.23

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 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	2019 Third Series of Share Acquisition Right
Expected volatility (*1)	14.21%	16.66%	16.46%	16.17%	12.92%
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)	3.25%	2.97%	3.22%	1.98%	2.54%
Risk-free interest rate (*4)	7.06% to 7.15%	6.32% to 6.55%	6.22% to 6.45%	4.37% to 4.88%	5.49% to 5.99%

	Nippon Life India Asset Management Limited				
	2019 Forth Series of Share Acquisition Right	2023 First Series of Share Acquisition Right	2023 First Series of PSU Share Acquisition Right	2023 Second Series of Share Acquisition Right	2023 Second Series of PSU Share Acquisition Right
Expected volatility (*1)	12.92%	18.49%	18.49%	15.34%	15.34%
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)	2.01%	2.82%	2.82%	2.83%	2.83%
Risk-free interest rate (*4)	5.48% to 5.98%	7.08% to 7.09%	7.08% to 7.09%	6.05% to 6.14%	6.05% to 6.14%

(*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 ¥2,401,934 million as of March 31, 2026.

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 ¥139,749 million at fair value as of March 31, 2026.

40. The unused amount of commitments related to loans and similar loan agreements was ¥212,806 million as of March 31, 2026.

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, 2026
a. Retirement benefit obligations at the beginning of the year	578,412
b. Service costs	21,969
c. Interest cost	10,398
d. Actuarial losses accrued during the year	(39,403)
e. Retirement benefit payments	(41,845)
f. Prior service costs incurred during the year	(3,632)
g. Others	192
h. Retirement benefit obligations at the end of the year (a+b+c+d+e+f+g)	526,090

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

	Million Yen
	Year ended March 31, 2026
a. Pension plan assets at the beginning of the year	238,636
b. Expected return on plan assets	3,561
c. Actuarial gains incurred during the year	8,511
d. Contributions by the Company	3,463
e. Retirement benefit payments	(13,911)
f. Others	(21)
g. Pension plan assets at the end of the year (a+b+c+d+e+f)	240,239

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, 2026
a. Net defined benefit liability at the beginning of the year	839
b. Benefit costs	112
c. Retirement benefit payments	(267)
d. Net defined benefit liability at the end of the year (a+b+c)	684

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, 2026
a. Retirement benefit obligations for funded plans	153,326
b. Plan assets	(240,239)
	(86,912)
c. Retirement benefit obligations for nonfunded plans	373,448
d. Net defined benefit liability recorded in the consolidated balance sheet	286,535
e. Net defined benefit liability	288,187
f. Net defined benefit asset	(1,652)
g. Net defined benefit liability recorded in the consolidated balance sheet	286,535

5) Losses (gains) relating to retirement benefits

	Million Yen
	Year ended
	March 31, 2026
a. Service costs	21,969
b. Interest cost	10,398
c. Expected return on plan assets	(3,561)
d. Amortization of actuarial losses for the period	(19,355)
e. Amortization of prior service costs for the period	(745)
f. Benefit cost under the simplified valuation method	112
g. Others	61
h. Benefit cost for defined benefit plans (a+b+c+d+e+f+g)	8,878

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, 2026
a. Actuarial losses	28,724
b. Prior service costs	2,886
c. Total (a+b)	31,610

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, 2026
a. Unrecognized actuarial losses	(117,908)
b. Unrecognized prior service costs	(6,067)
c. Total (a+b)	(123,975)

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

a. General account of life insurance	63.62%
b. Domestic stocks	15.36%
c. Domestic bonds	11.95%
d. Foreign securities	6.91%
e. Cash and deposits	2.14%
f. Other	0.02%
g. Total (a+b+c+d+e+f)	<u>100.0%</u>

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, 2026, are as follows:

a. Discount rate	1.5 to 6.7%
b. Long-term expected rate of return on plan assets	1.4 to 6.7%

(3) Defined contribution plans

The Company and its consolidated subsidiaries contributed ¥7,380 million to the defined contribution plans during the fiscal year ended March 31, 2026.

42. (1) Total deferred tax assets were ¥3,305,768 million and total deferred tax liabilities were ¥4,604,820 million as of March 31, 2026. The deferred tax assets were reduced by the valuation allowance of ¥ 200,013 million. The major components resulting in deferred tax assets were policy reserves and other reserves of ¥1,472,492 million, deferred gains (losses) on derivatives under hedge accounting of ¥803,120 million, and reserve for price fluctuations of ¥381,248 million. The major component resulting in deferred tax liabilities was net unrealized gains on available-for-sale securities of ¥4,167,470 million.
- (2) The effective statutory tax rate was 27.9% for the fiscal year ended March 31, 2026. The major factor for the difference between the effective statutory tax rate and the effective income tax rate after application of tax effect accounting was a decrease of 15.2% in the amount of reserve for dividends to policyholders.

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 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.
-------------------------	--

44. Modified coinsurance agreements executed by TAIJU LIFE INSURANCE COMPANY LIMITED, Nippon Wealth Life Insurance Company Limited, and HANASAKU LIFE INSURANCE Co., Ltd., which are the Company's consolidated subsidiaries, are as described hereinafter.

TAIJU LIFE INSURANCE COMPANY LIMITED has executed 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 executed 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.

Following the abolition of the Ministry of Finance Public Notice No. 50 of 1996 due to the enforcement of the Financial Services Agency Public Notice No. 74, unamortized ceding commissions related to reinsurance agreements as prescribed in Article 1, Paragraph 5 of the Ministry of Finance Public Notice No. 50 of 1996 are as follows:

Unamortized ceding commissions related to certain reinsurance agreements (excluding those related to the reinsurance defined in Article 71, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act; hereinafter "surplus relief and similar reinsurance agreements") that fall under 1) and 2) below based on the terms and conditions of the agreements (which represent commissions received from reinsurers that are payable to the reinsurers from future profits or profits in relation to the reinsured portion under the relevant reinsurance agreements):

- 1) The agreement stipulates that unamortized ceding commissions, together with any associated expenses or similar items, will be paid to the reinsurer in the future.
- 2) Among the risks associated with the underlying insurance agreement, a portion of the risks associated with the portion ceded under the reinsurance agreement will be transferred.

The outstanding balance of reinsurance receivables, reinsurance payables and policy reserves as of March 31, 2026 includes the following amounts:

1) Reinsurance receivables	¥4,730,575 million
(Nippon Wealth Life Insurance Company Limited)	
Reinsurance receivables related to modified coinsurance agreements	¥443,554 million
Unamortized ceding commissions related to surplus relief and similar reinsurance agreements	¥443,554 million
(HANASAKU LIFE INSURANCE Co., Ltd.)	
Unamortized ceding commissions related to surplus relief and similar reinsurance agreements	¥46,142 million
2) Reinsurance payables	¥142,815 million
(TAIJU LIFE INSURANCE COMPANY LIMITED)	
Reinsurance payables related to modified coinsurance agreements	¥6,825 million
3) Policy reserves	¥89,312,921 million
(TAIJU LIFE INSURANCE COMPANY LIMITED)	
Policy reserves related to modified coinsurance agreements	¥1,524,224 million
(Nippon Wealth Life Insurance Company Limited)	
Policy reserves related to modified coinsurance agreements	¥5,052,268 million
(HANASAKU LIFE INSURANCE Co., Ltd.)	
Policy reserves related to modified coinsurance agreements	¥16,565 million

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

(Million Yen)

	Year ended March 31, 2026	Year ended March 31, 2025
Ordinary income:	14,774,855	11,004,360
Revenues from insurance and reinsurance	9,437,386	7,861,341
Investment income:	4,629,817	2,614,011
Interest, dividends, and other income	2,429,936	2,158,973
Gains on trading securities	30,017	30,745
Gains on sales of securities	1,227,324	423,073
Gains on redemptions of securities	105	4
Foreign exchange gains, net	787,124	—
Other investment income	31,316	1,214
Gains on separate accounts, net	123,992	—
Other ordinary income	707,651	529,006
Ordinary expenses:	14,669,658	10,498,813
Benefits and other payments:	8,212,372	6,819,176
Death and other claims	1,311,630	1,255,232
Annuity payments	1,135,266	1,074,335
Health and other benefits	1,074,873	1,018,860
Surrender benefits	2,505,581	1,643,240
Other refunds	407,970	338,282
Reinsurance premiums	1,520,280	1,235,223
Other benefits and other payments	256,770	254,002
Provision for policy reserves:	2,181,090	1,065,931
Provision for reserve for outstanding claims	34,168	4,967
Provision for policy reserves	2,125,908	1,040,307
Provision for interest on reserve for dividends to policyholders (mutual company)	20,972	20,648
Provision for interest on reserve for dividends to policyholders (limited company)	41	6
Investment expenses:	2,640,226	1,190,383
Interest expenses	100,172	71,503
Losses on sales of securities	1,842,382	539,603
Losses on valuation of securities	74,877	2,516
Losses on redemptions of securities	197	715
Losses on derivative financial instruments, net	470,239	254,323
Foreign exchange losses, net	—	212,852
Provision for allowance for doubtful accounts	5,014	391
Depreciation of real estate to rental use and other assets	23,973	23,552
Other investment expenses	123,369	69,269
Losses on separate accounts, net	—	15,656
Operating expenses	1,231,159	1,044,815
Other ordinary expenses	404,808	378,506

[Consolidated Statements of Income] (Continued)

(Million Yen)

	Year ended March 31, 2026	Year ended March 31, 2025
Ordinary profit	105,197	505,546
Extraordinary gains:	619,259	12,980
Gains on disposals of fixed assets	7,789	12,976
Reversal of reserve for price fluctuations	468,590	—
Gains on step acquisitions	142,879	—
Gains on reversal of share acquisition rights	0	4
Extraordinary losses:	27,820	74,348
Losses on disposals of fixed assets	7,072	5,924
Impairment losses	10,868	10,696
Provision for reserve for price fluctuations	—	55,018
Losses on reduction entry of real estate	12	28
Contributions for assisting social public welfare	1,677	2,633
Losses on change in equity	7,836	—
Other extraordinary losses	353	47
Provision for reserve for dividends to policyholders (limited company)	11,705	11,901
Surplus before income taxes	684,930	432,277
Income taxes - current	(860)	136,432
Income taxes - deferred	75,808	(144,357)
Total income taxes	74,947	(7,924)
Net surplus	609,983	440,201
Net surplus attributable to noncontrolling interests	3,532	3,943
Net surplus attributable to the parent company	606,450	436,258

Notes to the Consolidated Statements of Income for the Fiscal Year Ended March 31, 2026

1. The following is a breakdown of ordinary income and ordinary expenses for the fiscal year ended March 31, 2026:

(Million Yen)

Ordinary income items		Ordinary expenses items	
Revenues from insurance and reinsurance	9,437,386	Benefits and other payments	8,212,372
Premiums	7,824,948	Death and other claims	1,311,630
Reinsurance revenue	1,612,437	Annuity payments	1,135,266
		Health and other benefits	1,074,873
		Surrender benefits	2,505,581
		Other refunds	407,970
		Reinsurance premiums	1,520,280
		Others	256,770

Certain overseas consolidated subsidiaries have applied the accounting standard “Insurance Contracts” issued by the Australian Accounting Standards Board (hereinafter, “AASB No.17”). Based on the “Comprehensive Guidelines for Supervision of Insurance Companies” announced by the Financial Services Agency, insurance revenue recognized under AASB No.17 is reclassified as a written 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 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.

For revenues from insurance and reinsurance and benefits and other payments of certain consolidated overseas life insurance subsidiaries, relevant items recognized in accordance with the accounting standards of each country are adjusted as necessary for consolidation purposes, and are aggregated and presented as revenues from insurance and reinsurance and benefits and other payments.

3. Impairment losses are as follows:

1) Method for grouping the assets

a. Real estate

Real estate for rental use and idle properties of the Company and certain consolidated subsidiaries are classified as a single asset group per property. Assets utilized for insurance business operations are classified into a single asset group.

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

Goodwill and other assets and other intangible fixed assets (customer-related assets) of the Company are classified as a single asset group on a company basis, in principle.

To evaluate goodwill and other intangible fixed assets (customer-related assets) 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 a single asset group because Nichii Holdings, which is owned by Nippon Life Livelihood Support as an intermediate holding company, substantially conducts business operations.

2) Identification of indicators of impairment

a. Real estate

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

As of March 31, 2026, the Company identified indicators of impairment in certain asset groups because the conditions above were applicable.

b. Goodwill 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, 2026, the Company has identified indicators of impairment on the equivalent amount of goodwill related to The TCW Group, Inc.
For goodwill and other intangible fixed assets (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 other intangible fixed assets (customer-related assets) related to Nippon Life Livelihood Support.

3) Recognition and measurement of impairment losses

a. Real estate

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 3.0-3.7%. 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, 2026, 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

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.

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, 2026, is as follows:

(Million Yen)

Purpose of use	Land	Leasehold interests in land	Buildings and others	Total
Real estate for operational use	—	—	1,540	1,540
Real estate for rental use	—	6,793	256	7,049
Idle properties	1,352	—	925	2,278
Total	1,352	6,793	2,722	10,868

4. The amount of income taxes related to the global minimum tax included in the income tax - current was ¥108 million for the fiscal year ended March 31, 2026.
5. 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 executed modified coinsurance agreements as follows:

1) TAIJU LIFE INSURANCE COMPANY LIMITED

It has executed 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 value 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 recognition 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 recognition 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 recognition of benefits and other payments for the covered 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 recognition 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 ¥1,612,437 million

(TAIJU LIFE INSURANCE COMPANY
LIMITED)

Reinsurance revenue related to modified
coinsurance agreements ¥83,158 million

Adjustment to policy reserves for ceded
reinsurance (excluding additional policy
reserves (reversals) associated with market
value adjustments and related items ¥(30,070) million

Additional policy reserves (reversals)
associated with market value adjustments
and related items ¥2,265 million

(Nippon Wealth Life Insurance Company
Limited)

Reinsurance revenue related to modified
coinsurance agreements ¥1,354,601 million

Ceding commission ¥2,277 million

Increase in the policy reserve component ¥1,163,253 million

Increase equivalent to additional
provisions related to the standard policy
reserve system ¥226,635 million

Additional policy reserves (reversals)
associated with market value adjustments
and related items ¥122 million

Increase in unamortized ceding commissions
related to surplus relief and similar reinsurance
agreement ¥249,143 million

(HANASAKU LIFE INSURANCE Co., Ltd.)

Increase in unamortized ceding commissions
related to surplus relief and similar reinsurance
agreements ¥42,103 million

5) Reinsurance premiums ¥1,520,280 million

(Nippon Wealth Life Insurance Company
Limited)

Reinsurance premiums related to modified
coinsurance agreements ¥1,132,975 million

(HANASAKU LIFE INSURANCE Co., Ltd.)

Decrease in unamortized ceding commissions
related to surplus relief and similar reinsurance
agreements ¥22,479 million

Through these reinsurance items, ordinary profit and surplus before income taxes increased by
¥241,609 million each.

[Consolidated Statements of Comprehensive Income]

(Million Yen)

	Year ended March 31, 2026	Year ended March 31, 2025
Net surplus	609,983	440,201
Other comprehensive income (loss):	2,257,111	(1,976,844)
Net unrealized gains on available-for-sale securities	2,628,870	(1,822,522)
Deferred gains (losses) on derivatives under hedge accounting	(603,948)	(229,528)
Land revaluation losses	—	(3,474)
Foreign currency translation adjustments	116,659	7,853
Remeasurement of defined benefit plans	22,262	58,263
Valuation difference on policy reserves and other reserves of overseas subsidiaries and affiliates	37,095	—
Share of other comprehensive income (loss) of affiliates accounted for under the equity method	56,172	12,563
Comprehensive income (loss):	2,867,094	(1,536,643)
Comprehensive income (loss) attributable to the parent company	2,825,279	(1,536,327)
Comprehensive income (loss) attributable to noncontrolling interests	41,815	(315)

Note to the Consolidated Statements of Comprehensive Income for the Fiscal Year Ended March 31, 2026

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	4,739,824	
Reclassification adjustments to profit or loss	(1,030,125)	3,709,699
Deferred losses on derivatives under hedge accounting:		
Losses arising during the year	(1,168,246)	
Reclassification adjustments to profit or loss	312,286	(855,959)
Foreign currency translation adjustments:		
Gains arising during the year	116,659	
Reclassification adjustments to profit or loss	—	116,659
Remeasurement of defined benefit plans:		
Gains arising during the year	51,652	
Reclassification adjustments to profit or loss	(20,209)	31,442
Valuation difference on policy reserves and other reserves of overseas subsidiaries and affiliates:		
Gains arising during the year	39,359	
Reclassification adjustments to profit or loss	—	39,359
Share of other comprehensive income of affiliates accounted for under the equity method:		
Gains arising during the year	102,540	
Reclassification adjustments to profit or loss	(46,368)	56,172
Amount before income taxes and income tax effect		3,097,374
Income taxes and income tax effect		(840,262)
Total other comprehensive income		2,257,111

(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	3,709,699	(1,080,829)	2,628,870
Deferred losses on derivatives under hedge accounting	(855,959)	252,011	(603,948)
Foreign currency translation adjustments	116,659	—	116,659
Remeasurement of defined benefit plans	31,442	(9,180)	22,262
Valuation difference on policy reserves and other reserves of overseas subsidiaries and affiliates	39,359	(2,264)	37,095
Share of other comprehensive income of affiliates accounted for under the equity method	56,172	—	56,172
Total other comprehensive income	3,097,374	(840,262)	2,257,111

(6) Consolidated Statements of Cash Flows

(Million Yen)

	Year ended March 31, 2026	Year ended March 31, 2025
I. Cash flows from operating activities:		
Surplus before income taxes	684,930	432,277
Depreciation of real estate for rental use and other assets	23,973	23,552
Depreciation	87,746	74,897
Impairment losses	10,868	10,696
Amortization of goodwill	23,350	13,257
Net increase (decrease) in reserve for outstanding claims	(19,113)	5,430
Net increase in policy reserve	2,014,233	1,035,283
Provision for interest on reserve for dividends to policyholders (mutual company)	20,972	20,648
Provision for interest on reserve for dividends to policyholders (limited company)	41	6
Provision for reserve for dividends to policyholders (limited company)	11,705	11,901
Net (decrease) increase in allowance for doubtful accounts	4,927	288
Net increase in accrued bonuses for directors, and audit and supervisory board members	25	1
Net increase (decrease) in net defined benefit liability	(22,782)	(4,225)
Net decrease in accrued retirement benefits for directors, and audit and supervisory board members	(59)	(70)
Net increase in reserve for price fluctuations	(468,590)	55,018
Interest, dividends, and other income	(2,429,936)	(2,158,973)
Net gains on investments in securities	697,863	119,757
Net losses on policy loans	90,589	88,975
Losses on derivative financial instruments, net	470,239	254,323
Interest expenses	100,172	71,503
Net foreign exchange gains	(788,232)	213,613
Net (gains) losses on tangible fixed assets	4,188	(6,482)
Gains on equity method investments	(49,096)	(1,945)
Gains on step acquisitions	(123,992)	15,656
Gains on separate accounts	(142,879)	—
Net decrease in reinsurance receivables	(238,117)	(98,827)
Net decrease (increase) in other assets (excluding those related to investing activities and financing activities)	31,695	17,143
Net increase in reinsurance payables	(28,000)	(9,477)
Net (decrease) increase in other liabilities (excluding those related to investing activities and financing activities)	127,443	(6,805)
Others, net	(12,501)	(17,060)
Subtotal	81,666	160,364
Interest, dividends, and other income received	2,310,033	2,074,257
Interest paid	(96,936)	(69,591)
Dividends paid to policyholders (mutual company)	(191,539)	(182,811)
Dividends paid to policyholders (limited company)	(13,170)	(14,644)
Others, net	(45,175)	(18,207)
Income taxes paid	18,713	(198,569)
Net cash provided by operating activities	2,063,591	1,750,797

(6) Consolidated Statements of Cash Flows (Continued)

(Million Yen)

	Year ended March 31, 2026	Year ended March 31, 2025
II. Cash flows from investing activities:		
Net (increase) decrease in deposits	(2,279)	5,880
Purchases of monetary receivables purchased	(30,586)	(12,256)
Proceeds from sales and redemptions of monetary receivables purchased	32,001	70,306
Purchases of securities	(11,557,313)	(10,263,193)
Proceeds from sales and redemptions of securities	11,230,346	8,895,185
Disbursements for loans	(1,353,171)	(1,438,372)
Proceeds from collections of loans	1,542,203	1,537,748
Net (losses) gains from the settlement of derivative financial instrument	(925,128)	(161,068)
Net increase in sales under repurchase agreements	632,833	(248,785)
Net (decrease) increase in cash received as collateral under securities lending transactions	55,928	(9,948)
Others, net	(231,472)	(168,607)
Total of asset management activities	(606,638)	(1,793,110)
[Sum of operating activities and asset management activities]	[1,456,953]	[(42,312)]
Purchases of tangible fixed assets	(79,341)	(83,287)
Proceeds from sales of tangible fixed assets	15,318	26,681
Payment for acquisition of subsidiary's shares resulting in change in scope of consolidation	(565,986)	(188,025)
Others, net	(67,961)	(59,756)
Net cash used in investing activities	(1,304,608)	(2,097,499)
III. Cash flows from financing activities:		
Proceeds from debt borrowing	60,064	143,484
Repayments of debt	(65,272)	(64,339)
Proceeds from issuance of corporate bonds	414,725	280,372
Redemption of bonds	(299,514)	(242,550)
Redemption of foundation funds	—	(50,000)
Interest payments on foundation funds	(140)	(265)
Payment for acquisition of subsidiary's shares not resulting in change in scope of consolidation	(54,648)	(845)
Others, net	(3,163)	(26,586)
Net cash provided by financing activities	52,051	39,270
IV. Effect of exchange rate changes on cash and cash equivalents	51,511	(11,106)
V. Net increase (decrease) in cash and cash equivalents	862,545	(318,537)
VI. Cash and cash equivalents at the beginning of the year	1,836,812	2,155,349
VII. Cash and cash equivalents at the end of the year	2,699,357	1,836,812

Notes to the Consolidated Statements of Cash Flows for the Fiscal Year Ended March 31, 2026

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 34 of Notes to the Consolidated Balance Sheets, at the time of acquisition of shares of Resolution Life Group Holdings Ltd., as well as the acquisition cost and net payment for the acquisition of the shares, are as follows:

	(Million Yen)
Total assets:	15,926,670
Goodwill	898,613
Total liabilities:	(15,177,029)
Foreign currency translation adjustments	68,136
Acquisition cost for shares of consolidated subsidiary	1,580,117
Equity method carrying amount prior to obtaining control	(221,701)
Gains on step acquisition	(142,879)
Cash and equivalents of consolidated subsidiary	(681,962)
Net payments for acquisition of shares of consolidated subsidiary	533,573

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 of shares of Medical Data Vision Co., Ltd., as well as the acquisition cost and net payment for the acquisition of the shares, are as follows:

	(Million Yen)
Total assets:	4,511
Goodwill	32,336
Total liabilities:	(1,344)
Share acquisition rights	(4)
Noncontrolling interests	(1,499)
Acquisition cost for shares of consolidated subsidiary	33,999
Cash and equivalents of consolidated subsidiary	(1,587)
Net payments for acquisition of shares of consolidated subsidiary	32,412

(7) Consolidated Statements of Changes in Net Assets
For the Year Ended March 31, 2026

(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	50,000	1,400,000	651	915,169	2,365,820
Increase/decrease:					
Additions to reserve for dividends to policyholders (mutual company)				(291,689)	(291,689)
Interest on foundation funds				(140)	(140)
Net surplus attributable to the parent company				606,450	606,450
Reversal of land revaluation losses				(807)	(807)
Change in the parent's ownership interest due to transactions with noncontrolling interests				(17,106)	(17,106)
Net change, excluding foundation funds and others					
Net change	—	—	—	296,707	296,707
Ending balance	50,000	1,400,000	651	1,211,876	2,662,527

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

For the Year Ended March 31, 2026

(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	Remeasurements of defined benefit plans	Valuation difference on policy reserves and other reserves of overseas subsidiaries and affiliates	Total accumulated other comprehensive income			
Beginning balance	7,397,734	(1,372,500)	(56,555)	157,624	66,053	(8,852)	6,183,502	1,863	139,168	8,690,355
Increase/decrease:										
Additions to reserve for dividends to policyholders (mutual company)										(291,689)
Interest on foundation funds										(140)
Net surplus attributable to the parent company										606,450
Reversal of land revaluation losses										(807)
Change in the parent's ownership interest due to transactions with noncontrolling interests										(17,106)
Net change, excluding foundation funds and others	2,684,533	(600,481)	807	98,427	21,725	14,623	2,219,636	387	1,900	2,221,924
Net change	2,684,533	(600,481)	807	98,427	21,725	14,623	2,219,636	387	1,900	2,518,631
Ending balance	10,082,267	(1,972,981)	(55,747)	256,052	87,779	5,771	8,403,139	2,251	141,068	11,208,987

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

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
Cumulative effects of changes in accounting policies				(2,430)	(2,430)
Beginning balance reflecting changes in accounting policies	100,000	1,350,000	651	790,953	2,241,605
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				436,258	436,258
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	—	124,215	124,215
Ending balance	50,000	1,400,000	651	915,169	2,365,820

(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	Remeasurements of defined benefit plans	Valuation difference on policy reserves and other reserves of overseas subsidiaries and affiliates	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
Cumulative effects of changes in accounting policies	2,112					(90)	2,022			(408)
Beginning balance reflecting changes in accounting policies	9,226,044	(1,142,459)	(50,967)	118,139	7,774	(90)	8,158,441	1,509	144,554	10,546,110
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										436,258
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	(1,828,309)	(230,040)	(5,588)	39,485	58,278	(8,762)	(1,974,938)	353	(5,386)	(1,979,970)
Net change	(1,828,309)	(230,040)	(5,588)	39,485	58,278	(8,762)	(1,974,938)	353	(5,386)	(1,855,755)
Ending balance	7,397,734	(1,372,500)	(56,555)	157,624	66,053	(8,852)	6,183,502	1,863	139,168	8,690,355

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, 2026
Nippon Life India Asset Management Limited	Share acquisition rights provided as stock options	2,246

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

(Million Yen, %)

	As of March 31, 2026	As of March 31, 2025
Bankrupt and quasi-bankrupt loans	11,255	9,301
Doubtful loans	59,076	12,681
Loans that are delinquent for over three months	901	—
Restructured loans	1,294	1,166
Subtotal	72,528	23,149
[Percentage of total, %]	(0.60)	(0.21)
Normal loans	12,043,793	11,130,170
Total	12,116,321	11,153,320

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, 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, 2026 and 2025, were ¥94 million and ¥2,961 million, respectively.

(9) Segment Information

For the fiscal years ended March 31, 2026 and 2025, 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.