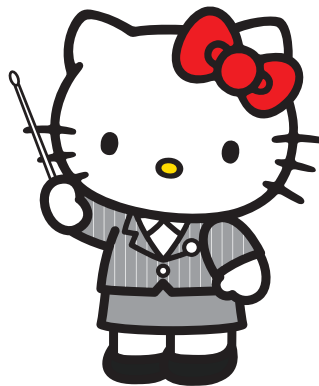


2026

ANNUAL



HelloKitty

©2026 SANRIO CO., LTD.
APPROVAL NO. L670259

REPORT

YEAR ENDED MARCH 31, 2026

FUKOKU MUTUAL LIFE INSURANCE COMPANY

THE MUTUAL Declaration

Fukoku Life was founded in 1923 as a mutual company based on policyholder-oriented principles. These principles have been passed down through our enduring management philosophy of protecting the interests of policyholders, and in our customer-centered values.

Fukoku Life is the only life insurance company in Japan that has maintained a mutual structure since its establishment. We have done so because of the appeal that the ethos underlying mutual insurance has always held for Fukoku management. Our organization's principles are based on mutual support provided by policyholders, while our policyholder-centric approach derives from a spirit of mutual aid.

As a mutual company, we are a go-between, bringing together people who share mutual sentiments, while also protecting their thoughts and feelings. Bringing people together requires empathy. This leads to trust and, finally, peace of mind, which we deliver through face-to-face interaction.

Empathy, connection, and mutual support are the foundations on which are based the motto of THE MUTUAL, our aspirations for the next generation of mutual aid, and our goal to become a mutual organization. Since life insurance is a lifelong, even intergenerational, promise to our customers, it is a never-ending job. Based on the spirit of mutual assistance, we will continue to stand by our customers and forever keep our promises to them.

November 22, 2023

Fukoku Mutual Life Insurance Company

Contents

Value Creation

Management Principle of Fukuoku Life	2
History	4
Message from the President	6
Medium-term Management Plan (2025-2027)	10
Review of Operations in Fiscal 2025.....	12
Financial Soundness and Profitability (Non-consolidated)	14

Foundations Supporting Value Creation

Contributing to a Sustainable Society	16
Cultivating People	23
Corporate Governance	24

Value Creation Strategy

Enterprise Risk Management.....	25
Non-consolidated Financial Statements	26
Consolidated Financial Statements	52

Company Profile

Corporate Organization.....	83
Corporate Information.....	84

Management Principle of Fukoku Life

THE MUTUAL

Our founding spirit

Policyholder-oriented principles

Management philosophy

Protecting
the interests
of our
policyholders

Contributing
to society

Helping
our employees
achieve personal
fulfillment

Values

Customer-
centered
values



Code of conduct

Our customers

- Consistently apply customer-centered values
- Always act in an honorable and upright manner

Our communities

- Continue to emphasize the importance of life insurance
- Facilitate the achievement of a brighter future

Our employees

- Remain willing to act without fear of failure
- Respect each other and pursue growth as a team

Business policies

Further strengthen our management base and provide our customers with stability and security.

Contribute to the realization of a sustainable society as a mutual company engaged in the life insurance business.

Increase employee job satisfaction through human resource development based on customer-centered values.

Motto and company DNA

Valuing quality over quantity

Communication logo



- Japan's only life insurer to have kept its mutual company structure since its founding
- Empathy, connection, and mutual support are the foundations on which are based the motto of THE MUTUAL, our aspirations for the next generation of mutual aid, and our evolution into a mutual organization

Vision

Be Japan's best mutual life insurer in terms of customer satisfaction

Management strategy

Target differentiation in all business areas

Medium-term management plan: THE MUTUAL ACT 2027

- For Fukoku Life to continue as is
- What only Fukoku Life can offer
 - Initiatives targeting growth through asset management and insurance
 - ⇒ We will work to further raise interest margins and undertake the medium-to long-term challenge of improving insurance income
 - Stakeholder-specific initiatives
 - ⇒ Based on employee opinions, we will predict individual stakeholder expectations and aim to take steps that will yield coordinated improvement in CS and ES.
- Combining top-down and bottom-up approaches

Initiatives targeting growth through asset management and insurance

Asset management

Insurance

Growth on two fronts

THE MUTUAL

Deepen empathy, connection, mutual support

Customers

Community and society

Employees

Stakeholder-specific initiatives

Our mission as a mutual company

To alleviate the insurance premium burden on our customers by accelerating dividend returns

Responsibilities as an insurer

To pay insurance claims and other obligations come what may

History

1923 Founding

Fukoku Chohei Insurance Mutual Company is established as the first and only mutual insurance company for conscripts.

1945 Name changed

Company name is changed to Fukoku Mutual Life Insurance Company.

1951 Valuing quality over quantity

To improve quality, rather than focus on company size and number of policies sold, valuing quality becomes part of management policy.

1961 Industry's highest dividends

With the liberalization of policyholder dividends, the industry's highest dividends are offered.

1968 Donations for childhood cancer treatment

Grants start being awarded to the Children's Cancer Association of Japan for pediatric cancer treatment.

1981 Net retention growth

The concept of net retention growth is first introduced. It emphasizes quality over scale, as well as the need to retain and attract holders of high-quality insurance policies, while at the same time increasing renewal rates.

1983 Third-sector focus

Healthcare insurance begins; the focus to date remains on third sectors, such as healthcare insurance and life benefits.

Asset bubble years

Responsible asset management and products (late 1980s to early 1990s)

Investment in risky assets, such as real estate and stocks, is restricted. Variable life insurance is not sold since the principle of personal responsibility has yet to take root.

2002 OTC sales channels

Engages in over the counter (OTC) sales through financial institutions, mainly local credit unions. Starting in 2008, Fukokushinrai Life, a subsidiary of Fukoku Life, is expanding its OTC sales channels.

2005 Corporate transformation

With a view to focusing on customer-centered values, starts corporate transformation.

2008 Customer-centered values

Reconfigures management philosophy to focus on customers' values.

2011 Human Resources Development Department

An HR department is set up, headed by the president. A Human Resources Development Declaration and a Basic Human Resources Development Policy are compiled, in order to develop human resources able to meet customer-centered values.

2013 Launch of Mirai no Tobira

The industry's first flagship product with a rider is launched: Mirai no Tobira (Door to the Future).

2017 Risk taking statement changes

Asset management risks are taken on, as interest and dividend income head to new, annual record highs (from 2018 to 2024).

2023 Centennial

THE MUTUAL Declaration is unveiled—with empathy, connection, and mutual support at its core. It represents the Company's aspirations for the next generation of mutual aid.

2024 New profit distribution policy

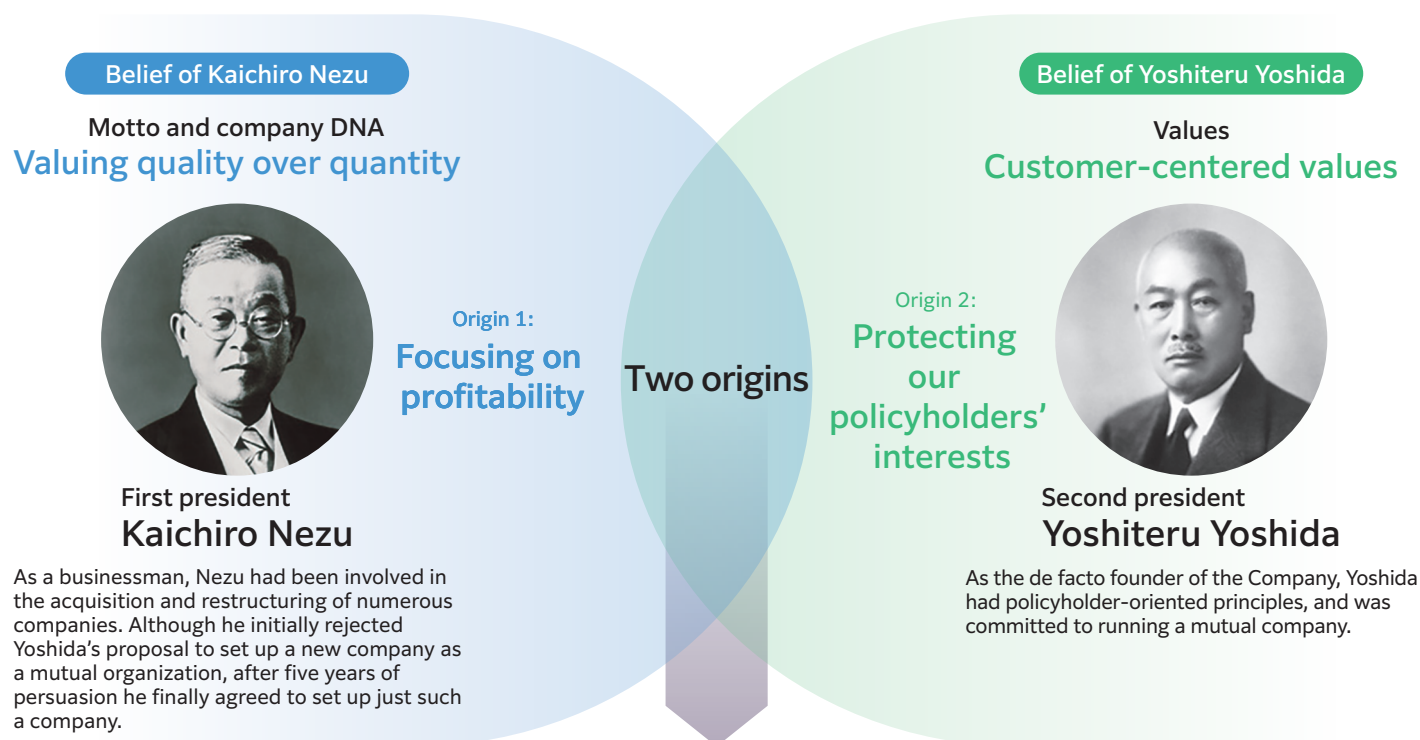
Capital adequacy ratio and other measures of Company soundness stand improved as a result of management's emphasis on quality. The profit distribution policy is updated to emphasize dividend returns and stronger capital. A new profit distribution policy prioritizing returns to employees is introduced, following dividend returns to policyholders.

2025 New Corporate Logo

The new design is based on the concept of unbroken human connections. It symbolizes Fukoku Life's enduring commitment to connecting people through the bonds they share, carrying and protecting their hopes and aspirations for generations to come.

Since its founding, the Company has been guided by two philosophies: the emphasis of the first entrepreneur and president, Kaichiro Nezu, on profit-oriented management; and the commitment by the second president, Yoshiteru Yoshida, to the mutual company principle of protecting the interests of policyholders.

Guided by these principles, we have pursued earnings growth through a differentiated business strategy while taking calculated risks as appropriate. At the same time, we have remained mindful of the public role of life insurance and have steadfastly fulfilled our mission as a mutual company.



Aspiring to Be the Best Mutual Life Insurance Company

THE MUTUAL ACT 2027



To realize our management vision of becoming the No. 1 life insurance company in terms of customer satisfaction, we are pursuing a medium-term management plan, THE MUTUAL ACT 2027, which commenced in FY2025.

Message from the President

Becoming the Best Mutual Life Insurance Company

Our aspiration to become the best mutual life insurance company embodies not only excellence, but also compassion and care.

By further enhancing financial soundness and profitability, and drawing ever closer to our customers, communities, society, and employees, we will be the best company.

Takehiko Watabe

President and Chief Executive Officer

Our Roots

Fukoku Life was founded in 1923 through the efforts of Yoshiteru Yoshida, our second president and one of the most accomplished sales professionals at a stock life insurance company at the time. Driven by a strong desire to establish a mutual company dedicated solely to the interests of policyholders, he repeatedly encouraged Kaichiro Nezu, widely known as the Railway King, to help bring his vision to life. Under the two founding philosophies represented by Nezu, our first president, and Yoshida, we have pursued growth by taking risks when necessary and enhancing our earning power through differentiated strategies.

Nezu's management style as an entrepreneur was characterized by an unwavering focus on profitability, while Yoshida's passion was rooted in the spirit of mutual aid. At the same time, we have remained keenly aware of the public nature of the insurance business, and have worked diligently to fulfill our mission as a mutual company.

For Fukoku Life to maintain its identity, it is essential that all officers and employees share an understanding of the origins of our life insurance business and the aspirations that have been passed down since our founding. Nezu's philosophy lives on in our corporate creed—Value quality over quantity—while Yoshida's philosophy is firmly embedded in our customer-centered perspective and our ideas for the next generation of mutual aid—THE MUTUAL.

A History of Differentiation

From the latter half of the 1990s through the early 2000s, the life insurance industry experienced what became known as the

life insurance crisis. During this time, a number of companies collapsed after having pursued unsustainable expansion and incurring substantial losses. Yet Fukoku Life survived independently because, in accordance with our corporate creed, we did not pursue scale for its own sake. Instead, we practiced management that prioritized quality. This remains the foundation of our management approach and a core part of our corporate DNA.

Subsequently, we faced several challenges, including the global financial crisis triggered by the September 15, 2008, collapse of Lehman Brothers, a major global financial services company; the Great East Japan Earthquake on March 11, 2011; and the COVID-19 pandemic. Nevertheless, we have worked to further strengthen our financial soundness so that, as an insurance company, we can reliably fulfill our obligation to pay insurance claims and other benefits under any circumstances. As a result, in FY2023 our capital exceeded ¥1 trillion for the first time, and in FY2025 it increased further to the ¥1.2 trillion range.

To put into practice our corporate creed, which requires us to value quality over quantity, it is important not only to protect what we have built, but also to maintain the mindset of taking action when the time is right. From proactive investments in equities during Japan's period of high economic growth, to the launching of industry-leading products, and the construction of our head office building—an investment equivalent to approximately 10% of our total assets—Fukoku Life's history of more than 100 years has also been one of differentiation.

During the period of unconventional monetary easing, we strengthened our asset management capabilities by taking risks backed by our enhanced capital position. Specifically, we restrained investment in low-yielding, ultra-long-term Japanese government bonds, while increasing our holdings of domestic and overseas equities.



At the same time, when the United States began tightening monetary policy, we determined that the risk of an extreme appreciation of the yen had diminished, and significantly reduced our foreign exchange hedging. Combined with subsequent rises in stock prices and the yen's depreciation, these actions substantially increased Fukuoku Life's investment income. Furthermore, during the subsequent phase of rising interest rates following the end of unconventional monetary easing, we shifted our strategy and increased our holdings of ultra-long-term government bonds, establishing a foundation for securing a stable and high level of investment spread income.

These investment strategies have resulted in Fukuoku Life being highly appraised for pursuing differentiated asset management. Since 2023, our financial strength ratings—which indicate our ability to pay insurance claims—have been upgraded by four rating agencies. In particular, for our capital and earnings, the U.S.-based credit rating agency Standard & Poor's has awarded us an A+ rating, which is its highest assessment and the equivalent of extremely strong.

Goal: Becoming the Best Mutual Life Insurance Company

Today, Fukuoku Life is pursuing growth on two pillars—asset management and insurance sales. Initiatives are being undertaken organization-wide, in order to make it the best mutual life insurance company.

The end of deflation and the conclusion of the period of unconventional monetary easing represent a positive change in the operating environment for Fukuoku Life. We believe that pursuing quality rather than scale is the key to achieving continued growth even in Japan's domestic market, where the population

decline is accelerating. We thus are striving to be the best and kindest mutual company for each of our key stakeholders: policyholders, communities, society, and employees.

Specifically, we aim to provide our policyholders with products and services offering exceptional value through enhanced policyholder dividends and Fukuoku Life's distinctive consulting-based sales approach.

For communities and society, we seek to earn trust as a corporate citizen by actively advancing initiatives driven by the spirit of mutual aid. For our employees, meanwhile, we aim to provide industry-leading compensation and benefits, as well as progressive working styles. This is the vision we have that will allow us to become the best mutual life insurance company.

Maintaining Our Mutual Company Structure

Life insurance is a highly public-oriented business that is closely connected to people's lives. It should be noted that the Insurance Business Act addresses the public nature of the insurance business in its very first article. We believe that the essence of this public nature lies in protecting policyholders under all circumstances. In order to fulfill our founding management goal of protecting the interests of policyholders, we see as the ideal form the mutual company structure—where there are no shareholders, and each individual policyholder is a member of the company.

Because a mutual company has no shareholders, it can manage its business with a focus on protecting the interests of policyholders, who are our most important stakeholders, without being driven by short-term profit considerations. We are thus able to return a significant portion of our profits to policyholders in the form of dividends.

Message from the President

At the same time, precisely because we operate as a mutual company, we regard strengthening our corporate governance framework and ensuring thorough compliance as being among our top management priorities. In particular, our highest decision-making body, the Policyholder Representatives Meeting, encourages representatives of policyholders to share a wide range of opinions and perspectives. Based on feedback received at last year's meeting—including the view that directors' compensation should be increased in line with employee compensation—we set up the Nomination and Compensation Committee in April this year. The committee advises the Board of Directors, and is designed to ensure greater transparency in the making of decisions regarding the appointment and compensation of directors.

In addition, we consider policyholder meetings held throughout Japan to be one of our most important opportunities for dialogue with policyholders, and we strive to reflect their feedback in our management wherever possible.

As a mutual company, Fukoku Life plays a role in connecting people who support one another. Last October, we renewed our corporate symbol for the first time in 79 years, adopting the concept of ongoing connections among people as the underlying concept. Inspiration for this came from the written Japanese character for a person (人), a symbol that embodies our determination to connect people's thoughts and aspirations and to continue protecting those bonds.



Review of FY2025 Financial Results and the Progress of THE MUTUAL ACT 2027

For Fukoku Life, which dates back more than a century, remaining true to our unique identity while maintaining our fundamental principles in a rapidly changing society requires that we ourselves embrace change. Based on this recognition, we formulated our medium-term management plan, THE MUTUAL ACT 2027. Having begun last fiscal year, it is now in its second year. Under this plan, we are pursuing our management vision of becoming the life insurance company most trusted and valued by customers.

Specifically, through a top-down approach, we are advancing initiatives aimed at growth and driven by our two pillars of asset management and insurance. Meanwhile, through a bottom-up approach, led by mid-career and younger employees, we are promoting stakeholder-specific initiatives

designed to deepen empathy, connections, and mutual support with customers, communities, society, and employees.

1. Overview of FY2025 Results

Under our initiatives for growth driven by our two pillars of asset management and insurance, our goal is to achieve growth and generate profits. We will achieve this through risk-taking, supported by our strong capital base, thus accelerating policyholder dividend returns, which represent a key mission of a mutual company.

In FY2025, our fundamental profit reached a record high for the third consecutive year. Totalling ¥130.6 billion, on a basis excluding the targeted burden of accumulating standard policy reserves, it was driven by strong asset management income. In addition, the realization of unrealized gains through the rebalancing of our equity portfolio and other measures resulted in ordinary profit reaching a record high of ¥155.5 billion, approximately 2.8 times the previous year's level.

Through increased internal reserves and other measures, capital rose to ¥1,205.7 billion, while our capital ratio remained at an industry-leading level of 15.3%. As a result, our economic value-based solvency ratio (ESR), introduced in FY2025, has remained high at 248.5% on an internal model basis, demonstrating our continued financial soundness. We achieved our medium-term management plan targets for fundamental profit, capital, and ESR two years ahead of schedule.

Regarding policyholder dividend returns, in FY2025 we increased dividends in the individual insurance business for the 14th consecutive year. The increase of ¥12.7 billion was the largest ever, and cumulative dividends over 10 years for representative policies exceeded the equivalent of 1.5 years' worth of premiums. As a result, we believe that the goal in our medium-term management plan of increasing cumulative dividends to the equivalent of two years of premiums is becoming increasingly achievable.

2. Achieving Growth in Insurance in Force

The life insurance business is a stock-based business, and continued growth in the amount of insurance in force—the total amount of coverage promised under our insurance contracts—is essential for securing stable earnings. The amount of insurance in force at Fukoku Life has continued to decline since reaching its peak in FY2003, and we are strongly committed to reversing this trend and achieving growth during the period of the current medium-term management plan.

To address the protection gap—the difference between the amount of coverage customers truly need and the amount they actually hold—we have strengthened our efforts to provide thorough explanations at the time of enrollment and enhance our after-sales services. As a result, our net increase in new policies, after deducting cancellations and lapses, has increased significantly, bringing us closer to achieving growth in the amount of insurance in force.

3. Progress in Stakeholder-specific Initiatives and Improved Employee Engagement

Regarding our stakeholder-specific initiatives, mid-career and younger employees have taken the lead in deepening discussions, advancing initiatives to accurately understand customer feedback and utilize it to improve services, while also launching the Connecting Futures Project and expanding flexible working style options.

The confidence demonstrated by employees as they delivered presentations before outside directors was extremely encouraging. It gave us a strong sense that the delegation of authority to mid-career and younger employees, and their participation in management, are steadily progressing.

In addition to these bottom-up initiatives, ongoing efforts in recent years to improve employee compensation and benefits, as well as proactive initiatives to increase recognition of the Fukoku Life name, have contributed to broad improvements across many areas in the FY2025 employee engagement survey.

In particular, scores increased significantly for statements such as “I feel that Fukoku Life is currently undergoing transformation” and “I have a positive outlook for the future of Fukoku Life.” Improvements in employee motivation are expected to become a driving force for Fukoku Life’s future growth.

Developing People Who Practice a Customer-centered Approach

Life insurance represents a lifelong promise to our customers—one that can extend across generations—and it is a responsibility that never ends. To continue honoring our promises to customers far into the future, we must never cause them concern or inconvenience. To this end, we are committed to developing people who practice a customer-centered approach, always acting while asking themselves, “If I were the customer, what would I want?”

In May last year, we distributed *Our Principles*, a desk calendar-style booklet, to all employees. Using the words of our second president, the booklet features the attitudes and actions that should guide us in our work by bringing to life the founding spirit of putting policyholders first.

To earn the trust of customers, communities, and society, it is essential that we continually reinforce our understanding of why we are engaged in the life insurance business in the first place. Guided by a customer-centered approach, we will continue striving to have every employee incorporate these principles and guidelines in their daily work.

To Build on Our Progress

We believe that a proactive mindset and speed of execution will become increasingly important as we seize growth opportunities.

To provide the resources necessary to advance initiatives with greater speed, we recorded in the accounts the reserve to enhance the growth foundation in our FY2025 results. We will further accelerate the application of digital technologies, including AI, and redirect the capacity created through productivity improvements to generating new value. At the same time, we will work to transform our organization by encouraging every employee to maintain a keen awareness of changes, anticipate future developments, and act proactively. By fostering the relevant mindset throughout the organization, we aim to create an environment in which initiatives can be launched without hesitation and executed in shorter cycles.

The level of quality that we aspire to achieve encompasses not only being the most excellent, but also being the kindest. While maintaining an appropriate scale that enables us to preserve what makes Fukoku Life unique, we will continue strengthening our financial soundness and earning power, striving to become a company that stands closer than ever alongside our customers, communities, society, and employees.

We sincerely ask for your continued support and patronage.



Medium-term Management Plan (2025-2027)

Plan Overview

Our current medium-term management plan is the embodiment of THE MUTUAL Declaration,* announced in conjunction with our 100th anniversary on November 22, 2023. We named the current plan THE MUTUAL ACT 2027. It reflects our desire to maintain our presence based on the spirit of mutual assistance, and to stand by our customers indefinitely, while keeping our promises to them.

* Please see the inside cover of this report for the declaration.

THE MUTUAL Declaration

THE MUTUAL ACT 2027

Long-term
management
vision

**Be Japan's best mutual life insurer
in terms of customer satisfaction**

Top customer experience × No. 1 in customer satisfaction among
all Japanese life insurance companies

Management
strategy

Target differentiation in all business areas

Medium-term
management plan
**THE MUTUAL ACT
2027**

Initiatives targeting growth through
asset management and insurance

Asset management

Insurance

Growth on two fronts

Aiming to further increase
superior profitability
through risk-taking
backed by strong capital

THE MUTUAL

Deepen empathy, connection,
mutual support

Customers

Community
and society

Employees

Stakeholder-specific initiatives

Deepening empathy,
connections, and mutual
support focused on
customers, local
communities, society at
large, and our employees

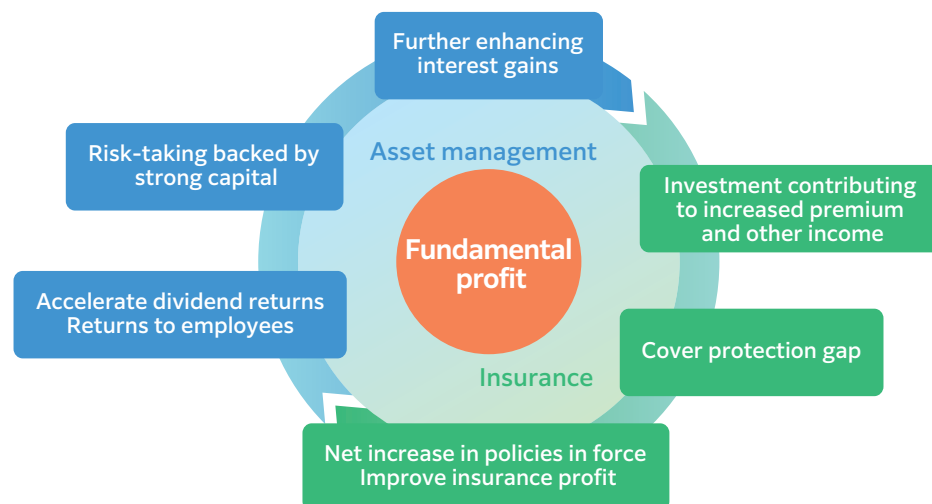
Under THE MUTUAL ACT 2027, we will promote initiatives targeting growth through asset management and insurance, with the aim of further increasing superior profitability through risk-taking strategies backed by strong capital.

We will also promote stakeholder-specific initiatives to deepen empathy, connections, and mutual support focused on stakeholders, comprising customers, local communities, society at large, and employees.

Initiatives targeting growth through asset management and insurance

To accelerate dividend returns, we must achieve growth and increase profits. Rather than expanding overseas or into other areas of business, we will achieve this by focusing on our domestic life insurance business, and through risk-taking backed by strong capital.

We plan to promote initiatives targeting growth in asset management and insurance to achieve key management indicators.



We have established the following key management indicators. In FY2025, we achieved three of these indicators—fundamental profit, capital, and ESR—two years ahead of schedule. Going forward, we will continue pursuing initiatives to drive growth through asset management and insurance, with the aim of consistently achieving our key management indicators from FY2026 onward.

Key management indicators

	FY2025	FY2027 (Target)
Fundamental profit (Excludes standard policy reserve payments)	¥130.6 billion	¥120.0 billion
Capital	¥1,205.7 billion	¥1,200.0 billion
Economic solvency ratio (Our internal model)	248.5%	230–270%
Dividends (Representative policies related to major products signed up in fiscal 2017)	10-year cumulative dividend = over one and a half years' worth of insurance premiums	10-year cumulative dividend = two-years' worth of insurance premiums

Stakeholder-specific Initiatives

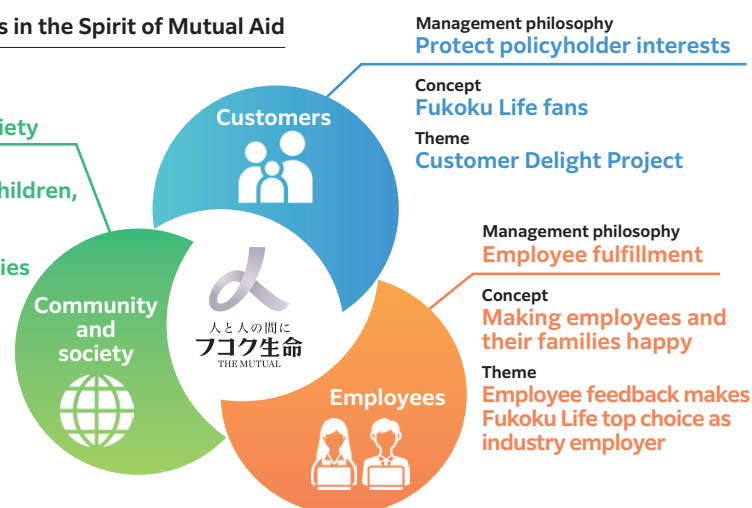
By visualizing what customers, local communities, employees, and other stakeholders expect from Fukoku Life, we plan to implement measures to improve customer satisfaction and employee satisfaction. To this end, we will adopt a bottom-up approach, centered on young and mid-career employees, based on the following concepts and themes.

Corporate Activities in the Spirit of Mutual Aid

Management philosophy
Contributing to society

Concept
When it comes to children, think Fukoku Life

Theme
Creating communities that deepen bonds with children



Review of Operations in Fiscal 2025*

* Consolidated: total for both Fukoku Mutual Life Insurance Company and Fukokushinrai Life Insurance Company; non-consolidated: total for Fukoku Mutual Life Insurance Company.

New Policies (Individual Insurance and Individual Annuities, Consolidated)

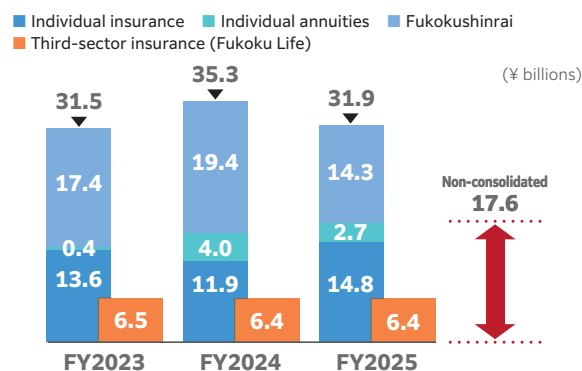
Annualized Premiums

¥31.9 billion (¥17.6 billion, non-consolidated)

Annualized premiums for new policies decreased 9.7% year on year, to ¥31.9 billion. At Fukoku Life, sales amounted to ¥17.6 billion, up 10.7% year on year, reflecting strong sales of single-premium whole life insurance, whose sales resumed in April.

What are annualized premiums?

Annualized premiums are an indicator that demonstrates how much revenue a life insurance company earns from its policies in one year. They are calculated by adjusting for differences in payment methods and payment periods among various policies (monthly payments, yearly payments, single-premium payments, etc.) and determining the average amount of premiums paid over the entire duration of these policies.



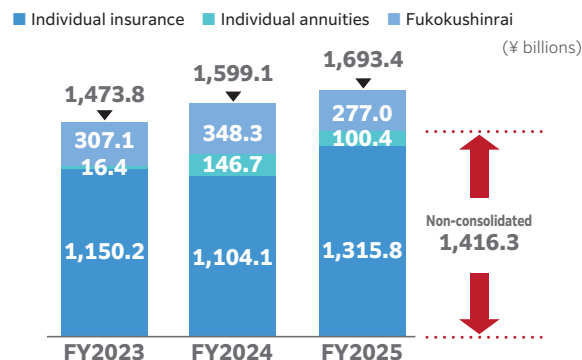
Policy Amounts

¥1,693.4 billion (¥1,416.3 billion, non-consolidated)

Policy amounts for new policies grew 5.9% year on year, amounting to ¥1,693.4 billion. At Fukoku Life, new policies for the protection-oriented insurance product Mirai no Tobira increased, marking the second consecutive year of growth.

What are policy amounts?

Policy amounts indicate the total monetary guarantees for which a life insurance company is responsible.



Surrendered and Lapsed Policies (Individual Insurance and Individual Annuities, Consolidated)

Annualized Premiums

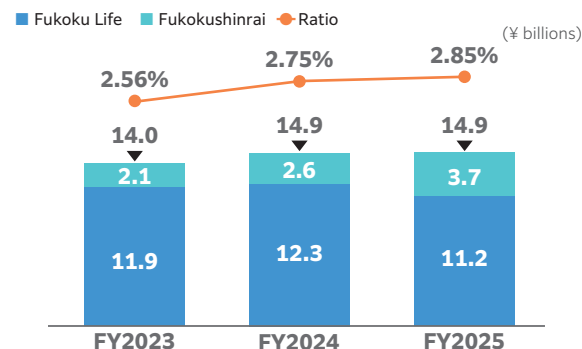
¥14.9 billion (¥11.2 billion, non-consolidated)

Surrendered and Lapsed Ratio (based on annualized premiums)

2.85 % (3.12 %, non-consolidated)

Annualized premiums for surrendered and lapsed policies decreased 0.1% year on year, to ¥14.9 billion. The surrendered and lapsed ratio remained at a favorable level of 2.85%.

$$\text{Surrendered and lapsed policy ratio (based on annualized premiums)} = \frac{\text{Annualized premiums for surrendered and lapsed policies}}{\text{Policies in force at the beginning of the fiscal year}}$$



Policy Amounts

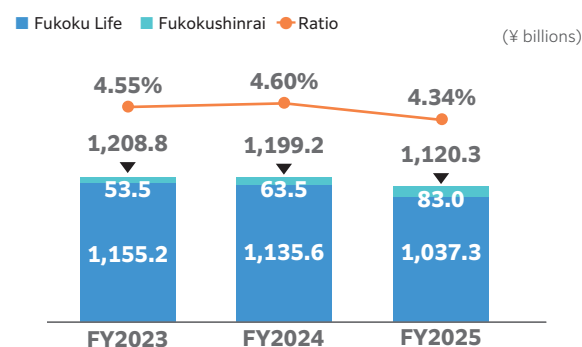
¥1,120.3 billion (¥1,037.3 billion, non-consolidated)

Surrendered and Lapsed Ratio (based on amounts insured)

4.34 % (4.45 %, non-consolidated)

Policy amounts for surrendered and lapsed policies decreased 6.6% year on year, to ¥1,120.3 billion. The surrendered and lapsed ratio remained at a favorable level of 4.34%.

$$\text{Surrendered and lapsed policy ratio (based on amounts insured)} = \frac{\text{Policy amounts for surrendered and lapsed policies}}{\text{Policies in force at the beginning of the fiscal year}}$$

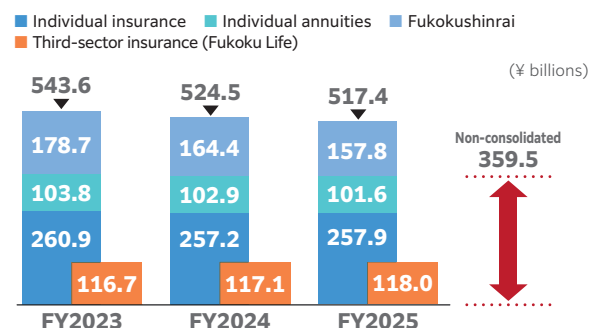


Policies in Force (Individual Insurance and Individual Annuities, Consolidated)

Annualized Premiums

¥517.4 billion (¥359.5 billion, non-consolidated)

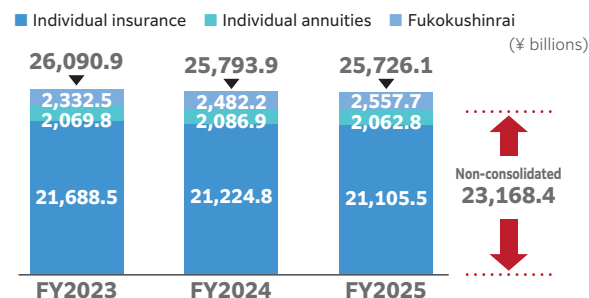
Annualized premiums for policies in force decreased 1.4% from the end of the previous fiscal year to ¥517.4 billion. Annualized premiums in force for Fukoku Life's third-sector insurance have continued to grow every year since the Company began disclosing statistics regarding these benefits in FY2003.



Policy Amounts

¥25,726.1 billion (¥23,168.4 billion, non-consolidated)

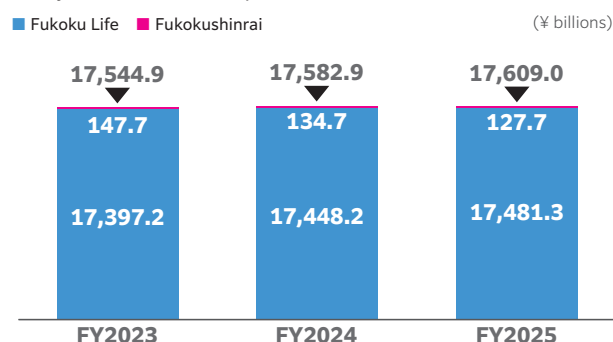
Policy amounts in force dipped 0.3% from the end of the previous fiscal year, to ¥25,726.1 billion. The combined decline for the two companies narrowed, reflecting growth in new policies and an improvement in policy surrender and lapse volume.



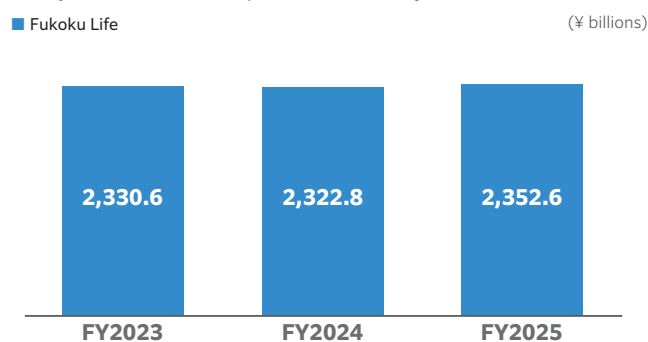
Corporate Insurance (Group Insurance and Group Annuities, Non-consolidated)

We provide comprehensive support to our corporate insurance customers by proposing various products and plans geared to corporations. Policy amounts in force for group insurance increased 0.1% compared with the end of FY2024, to ¥17,609.0 billion. Meanwhile, policy amounts in force for group annuities increased 1.3% at fiscal year-end, to ¥2,352.6 billion.

Policy Amounts for Group Insurance



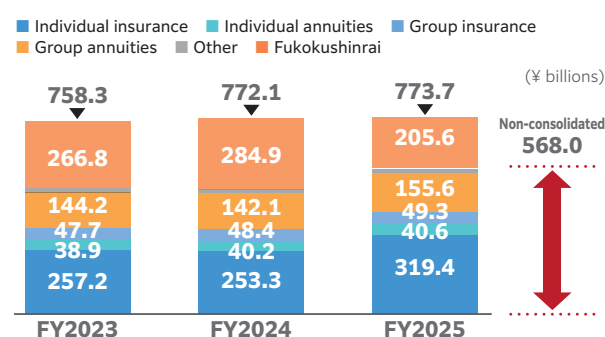
Policy Amounts for Group Annuities (Policy Reserve)



Premiums and Other Income (Consolidated)

¥773.7 billion (¥568.0 billion, non-consolidated)

Premiums and other income increased to ¥773.7 billion, up 0.2% year on year.



Financial Soundness and Profitability (Non-consolidated)

Fundamental Profit*

¥103.7 billion

Fundamental profit totaled ¥103.7 billion, down 0.9% year on year, reflecting higher employee salaries and wages as well as an increase in the burden of contribution to the standard policy reserves. Fundamental profit excluding the burden of contribution to the standard policy reserves, which is used as a key management indicator in our medium-term management plan, totaled ¥130.6 billion, up 9.0% year on year.

What is fundamental profit?

Fundamental profit is an indicator that demonstrates the basic periodic profit and loss of a life insurance company.

What is interest gain/loss?

Interest gain/loss is the difference between the expected investment return based on the interest rate assumed when calculating the insurance premiums and the actual investment return.

What is expense gain/loss?

Expense gain/loss is the difference between projected operating expenditure based on the expenditure rate assumed when calculating the insurance premiums and the actual operating expense.

What is mortality and morbidity gain/loss?

Mortality and morbidity gain/loss is the difference between the estimated payment amount of insurance claims and benefits based on the assumed incidence rate of insured events when calculating the premium, and the actual payment amount.

What is the burden of contribution to the standard policy reserve?

This refers to the contributions required by law to be set aside for the standard policy reserve, and is not included in the interest gains/losses, expense gains/losses, or mortality and morbidity gains/losses mentioned above. After this amount is allocated to contributions to the standard policy reserve, the entire amount is withdrawn throughout the insurance period.

* We designate fundamental profit—excluding the burden of contribution to the standard policy reserves—as a key management indicator in our medium-term management plan.

Ordinary Profit

¥155.5 billion

Ordinary income was ¥155.5 billion, 2.8 times the previous fiscal year's figure.

What is the ordinary profit?

Ordinary profit is the financial result of business activities over the course of a year, calculated as the difference between ordinary revenue and ordinary expenses arising from ordinary business operations.

If the result is negative, it is recorded as ordinary losses.

Economic Solvency Ratio (ESR) (Internal Model)

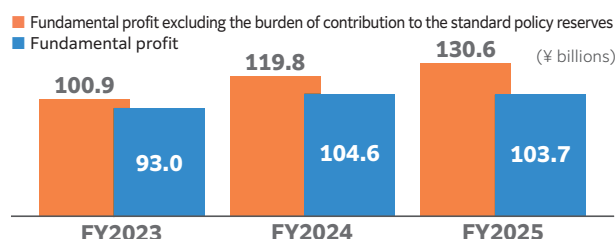
248.5 %

As of the end of FY2025, Fukoku Life's ESR stood at 248.5%, up 6.9 percentage points from the end of the previous fiscal year, mainly due to an increase in capital from the refinancing of subordinated bonds and a reduction in interest rate and foreign exchange risks resulting from additional purchases of ultra-long-term Japanese yen-denominated bonds and the sale of foreign bonds.

What is the ESR?

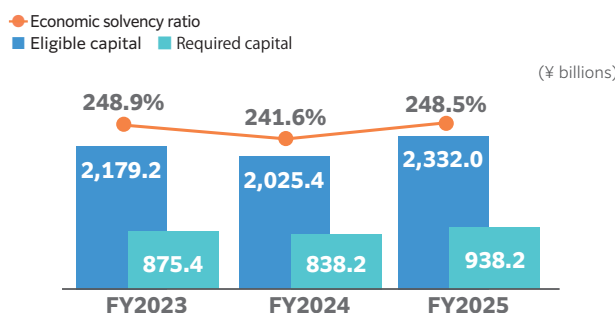
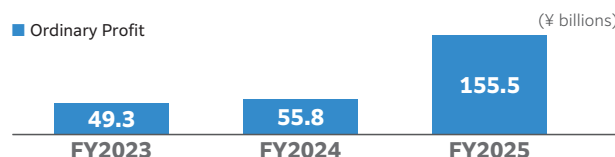
The ESR is an indicator of an insurance company's ability to meet its obligations in the event of risks beyond normal expectations, such as major natural disasters, sharp declines in stock prices, or pandemics. It is calculated using the following formula.

$$\text{Economic solvency ratio (\%)} = \frac{\text{Eligible capital}}{\text{Required capital}}$$



Breakdown of Fundamental Profit and Ordinary Profit (¥ billions)

	FY2023	FY2024	FY2025
A. Fundamental profit excluding the burden of contribution to the standard policy reserves	100.9	119.8	130.6
Interest gains/losses	59.5	85.4	107.6
Insurance-related profit/loss (Excluding the burden of contribution to the standard policy reserve)	41.3	34.3	22.9
Expense gains/losses	(24.5)	(30.9)	(42.6)
Mortality and morbidity gains/losses	65.9	65.3	65.6
B. The burden of contribution to the standard policy reserves	(7.9)	(15.1)	(26.8)
C. Fundamental profit (A + B)	93.0	104.6	103.7
D. Capital gains/losses	9.0	(27.2)	71.1
Gains/losses on sales of securities	9.7	(27.9)	75.1
E. Non-recurring gains/losses	(52.6)	(21.6)	(19.3)
F. Ordinary profit (C + D + E)	49.3	55.8	155.5



Beginning with the fiscal year-end financial results for FY2025, the economic value-based solvency regulation was introduced. Under this framework, ESR is measured based on the standard model, a supervisory standard that differs from the internal model, with more stringent assessments than before, including the market value-based valuation of available capital and higher risk levels. Our ESR based on the standard model is scheduled to be disclosed on our website and other channels.

Capital

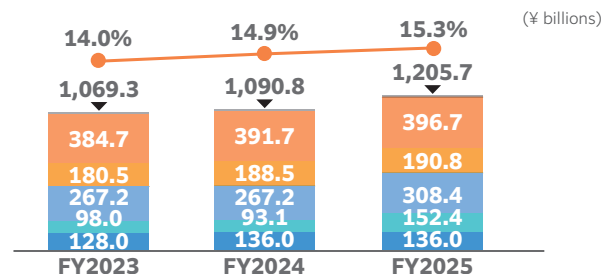
¥1,205.7 billion

On-balance capital increased to ¥1,205.7 billion, up ¥114.9 billion year on year. Our capital ratio (capital ÷ total assets) was 15.3%.

What is on-balance capital?

We place a great deal of importance on a capital base that does not rely on unrealized gains on securities and real estate. Accordingly, we routinely strive to strengthen our capital base, enhancing our internal reserves and obtaining external financing.

■ Foundation funds, Accumulated foundation funds redeemed
■ Voluntary surplus reserve ■ Subordinated bonds ■ Reserve for price fluctuation
■ Contingency reserve and additional policy reserve ■ Other ■ Capital ratio



Unrealized Gains on Securities and Real Estate

¥965.7 billion

Unrealized gains on securities and real estate increased to ¥965.7 billion, up ¥92.5 billion year on year. Although unrealized losses on domestic bonds increased due to rising domestic interest rates, they were offset by an increase in unrealized gains on other assets, enabling the Company to maintain a high level of overall unrealized gains.

What are unrealized gains/losses?

Unrealized gains/losses are calculated by subtracting the book values of assets from their corresponding market values. A positive value indicates an unrealized gain, while a negative value indicates an unrealized loss.

	As of March 31, 2024	As of March 31, 2025	As of March 31, 2026
Securities	951.0	685.6	759.0
Domestic bonds	(8.9)	(149.8)	(459.5)
Domestic stocks	581.5	516.2	820.6
Foreign securities	328.2	276.4	344.9
Real estate (land, leasehold right)	176.2	187.5	206.7
Total	1,127.2	873.2	965.7

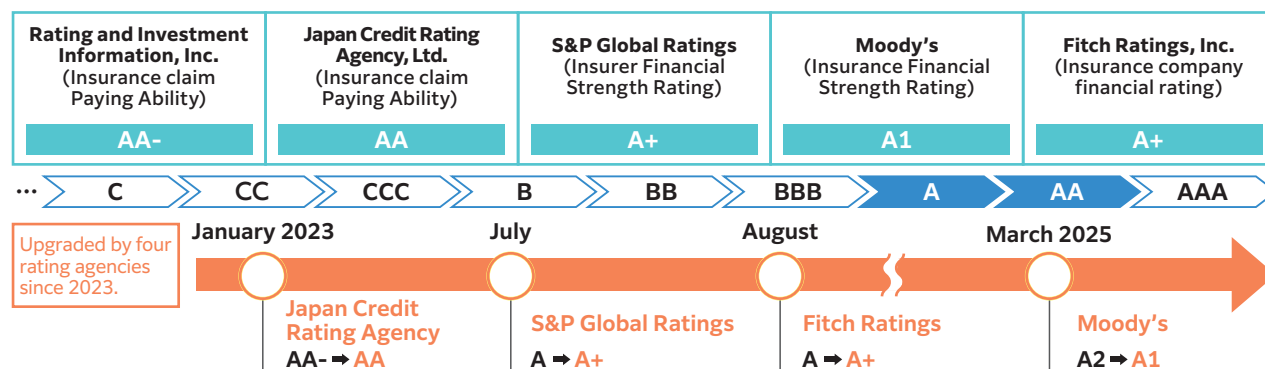
Ratings

To help our customers objectively determine how capable we are of paying claims, Fukoku Life obtains ratings from five neutral and unbiased rating organizations. Our current ratings can be found below. We believe this is a reflection of the strong assessment of our financial soundness and profitability.

Furthermore, in December 2025, Rating and Investment Information, Inc. (R&I) revised Fukoku Life's rating outlook from "stable" to "positive," reflecting recognition of factors including profitability, capital adequacy, and the increasingly favorable outlook for expansion of its sales platform.

What are life insurance company ratings?

Ratings of life insurance companies are determined by independent third-party rating agencies and demonstrate the degree of reliability at which life insurance companies are capable of paying insurance claims and benefits in accordance with policies (insurance claim paying ability).



Notes:

- The ratings indicated are current as of June 1, 2026.
- The ratings indicated are the opinions of their respective rating agencies and do not indicate guarantees regarding the payment of insurance claims. These ratings are also continuously monitored by their respective agencies and are subject to change.
- Rating and Investment Information, Inc., Japan Credit Rating Agency, Standard & Poor's, Moody's, and Fitch Ratings are credit rating agencies stipulated by the Financial Instruments and Exchange Act.
- A + or number may be added after the rating to indicate its relative position within the grade. (Moody's assigns the numbers 1, 2, and 3 to a rating, with 1 being the highest and 3 being the lowest.)

Contributing to a Sustainable Society

Sustainable management

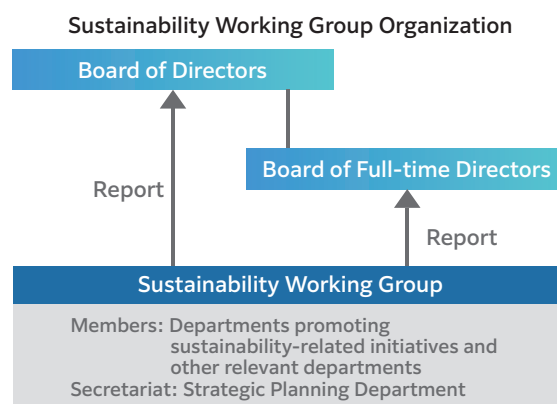
We believe that the issue of climate change, including measures to deal with global warming, will have a tremendous impact on steps taken to attain a sustainable society. For our part, we are pursuing various initiatives to help realize a sustainable society. Environmental conservation activities we are undertaking include those related to forest, energy, and resource conservation. In addition, we are taking part in environmental, social, and governance (ESG) investment and financing, as well as in asset management.

TCFD-related Initiatives

In June 2020, Fukuoka Life officially endorsed recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD). This reflects our recognition of the importance of climate change and our commitment to helping attain a secure and sustainable society. We will further strengthen our climate change-related initiatives while enhancing our disclosures in line with the TCFD recommendations.

(1) Governance

The Company recognizes that addressing social issues, including climate change, is a key management priority and is pursuing sustainable management. Progress on related initiatives is monitored annually by the Sustainability Working Group. The group's secretariat is the Strategic Planning Department, and its members include representatives from the departments promoting sustainability-related initiatives and other relevant departments. The results are reported to the Board of Full-time Directors and the Board of Directors.



(2) Strategy

By managing climate change-related risks, we endeavor to limit downward slides in earnings and use climate change-related issues as opportunities to generate revenue.

Risks

- Increase in payments of insurance claims and other benefits following natural disasters, such as floods caused by global warming, and typhoons; growth in morbidity and mortality rates stemming from outbreaks of mosquito-borne tropical diseases and other infectious contagion caused by rising average temperatures (physical risk)
- Negative impact on the value of invested and financed assets, resulting from policy changes in, and technological innovations associated with, the transition to a low-carbon and decarbonized society (transition risk)
- Reputational damage, resulting from a passive approach toward reducing greenhouse gas emissions, the main cause of climate change (reputational risk)

Opportunities

- Growth in coverage requirements, stemming from risks posed by climate change
- Growth in opportunities to earn returns through investment in, and financing of, companies and projects that contribute to the resolution of climate change issues
- Improvement in reputation of stakeholders, reflecting disaster mitigation and other initiatives

Sustainability-related Initiatives

(3) Risk management

We consider risks associated with global warming and largescale flooding to be emerging risks. We manage them from an integrated risk perspective, while assessing the likelihood and potential impact of their occurrence.

Physical risks

- Scenario-based testing is conducted of tropical infectious disease outbreaks caused by rising average temperatures; quantitative assessments are carried out regarding the financial impact of resultant increases in the payment of insurance claims and benefits

Scenario analyses indicate that payments of hospitalization benefits and death benefits are expected to increase compared with FY2025 levels, due to a rise in the number of heatstroke victims resulting from higher average temperatures. Under all scenarios, however, the financial impact of climate change is expected to remain limited.

Estimated Impact of Increased Heatstroke Cases (2°C and 4°C Scenarios)*

	2°C Scenario	4°C Scenario
Death benefits	+¥90 million	+¥270 million
Hospitalization benefits	+¥60 million	+¥140 million

* The 2°C and 4°C scenarios assume an increase in the global average temperature of approximately 2°C and 4°C relative to the pre-industrial level. These scenarios are based on the SSP scenarios presented in the IPCC Sixth Assessment Report (AR6), with the 2°C scenario broadly corresponding to SSP1-2.6, and the 4°C scenario to SSP5-8.5. Figures in parentheses indicate the percentage of the Company's actual FY2025 death benefit and hospitalization benefit payments, respectively.

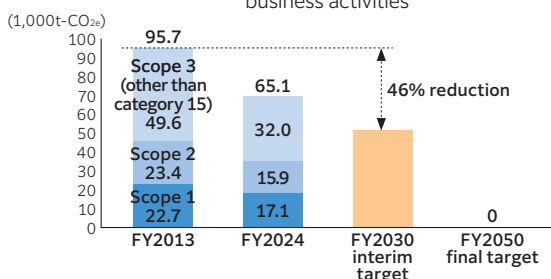
- All operating locations are assigned a major flood and storm-surge risk rating on a five-point scale
- Based on the results of the assessment, we have confirmed that the types of disasters posing significant risks vary by sales office. Accordingly, in addition to developing a manual for responding to wind and flood disasters, we are strengthening our management systems and considering response measures tailored to our offices' individual risk characteristics

Transition risk

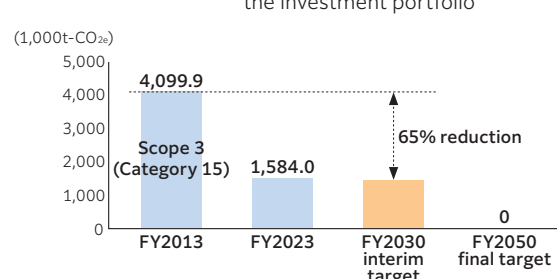
- Appropriate execution and improvement of the management of credit and market risks arising from policy changes and technological innovations associated with the transition to a low-carbon and decarbonized society

(4) Metrics and targets

Life insurance providers Reduction of GHG emissions from business activities



Institutional investors Reduction of GHG emissions in the investment portfolio



Indicators	Results	Goals	
GHG emissions from business activities Scope 1+2+3 ¹	FY2024 (compared to FY2013)	FY2030 (compared to FY2013)	FY2050
	31.9% reduction	46% reduction	Net zero

Indicators	Results	Goals	
GHG emissions in the investment portfolio ² Scope 3 (Category 15)	FY2023 (compared to FY2013)	FY2030 (compared to FY2013)	FY2050
	61.4% reduction	65% reduction	Net zero

Notes:

1. Scope 1, 2, and 3 are concepts in the GHG Protocol's GHG emissions accounting and reporting standards for businesses, and refer to the following:

Scope 1: Direct emissions from the Company's fuel consumption

Scope 2: Indirect emissions from the use of electricity and heat purchased by the Company

Scope 3: Indirect emissions from business activities other than Scope 1 and 2. This covers Category 1 (purchased goods and services), Category 3 (fuel- and energy-related activities (not included in Scope 1 or 2)), Category 4 (upstream transportation and distribution), Category 5 (waste generated in operations), Category 6 (business travel), Category 7 (employee commuting), Category 12 (end-of-life treatment of sold products), and Category 13 (downstream leased assets). Category 15 (investments) is managed separately as "GHG emissions from the investment portfolio."

2. This covers stocks, bonds, and loans of domestic listed companies, and items subject to measurement consist of Scope 1 + 2 of companies in which the Company invests and provides financing.

These figures consist of actual and estimated GHG emissions values provided by MSCI Inc. If no figures are provided, they are included in the parent company or calculated using industry-specific intensity.

Contributing to a Sustainable Society

Road Map



● Initiatives as a business operator

Scope 1 Initiatives



Scope 2 Initiatives

Environment-friendly real estate development, such as by converting commercial buildings into ZEB buildings, utilizing renewable energy sources, and installing solar power generation facilities

Scope 3 Initiatives

- Paperless customer procedures
- Paperless operations in all other areas
- Environment-friendly real estate development, such as converting rental buildings into ZEB buildings, utilizing renewable energy sources, and installing solar power generation facilities

● Initiatives as an institutional investor

- Encouraging investee companies to reduce GHG emissions through engagement
- Providing green financing investments and loans that contribute to the realization of a decarbonized society, participating in renewable energy project financing, and investing in transition financing to support the transition to a decarbonized society

● Environmental Protection Initiatives

Fukoku Life Forest Project

Since fiscal 2006, we have been conducting the Fukoku Life Forest project, mainly to counter damage caused by bamboo. This forest provides a venue for hands-on, staff participation in environmental preservation activities.

Our employees fell bamboo groves to conserve mountain forests we own in Ito City, Shizuoka Prefecture. The project is designed to help the forest regenerate, and restore the health of bamboo groves through thinning. The activities are led by the Usami Club, which comprises Company volunteers. We also encourage staff to dig for bamboo shoots, which are used in many traditional Japanese dishes, and are prized for their nutritional value and subtle taste. This, we hope, helps arouse workforce interest in nature conservation.



* When the quick-spreading, shallow-rooted Moso bamboo encroaches on forests, it contributes to soil erosion, leading to landslides and forest degradation.

Environmentally Friendly Real Estate Development

As part of our efforts to help achieve a sustainable society, we incorporate energy conservation and environmental protection into the development of new buildings. In addition, three of our office buildings have been certified as ZEB Ready (Net Zero Energy Building Ready) under the Building-Housing Energy-efficiency Labeling System (BELS). This certification is regarded as an important benchmark for next-generation real estate development. Furthermore, four of our rental residential properties have been certified as ZEH-M Oriented (Net Zero Energy House Mansion Oriented).



Kichijoji Fukoku Seimei Building completed in fiscal 2023.



Nagoya Shimizu-Fukoku Building completed in fiscal 2023.

Fukoku Clean Club Activities

Since fiscal 2006, the Fukoku Clean Club, a volunteer group made up of employees of the Chiba New Town head office, has been conducting cleanup activities in front of the nearby Chiba New Town Chuo train station, on the Hokuso line.



Cleanup activity

Sustainability-related Initiatives

Social Contribution Activities

Fukoku Life has been engaged in activities supporting children for many years. In FY2025, the Company further developed these activities under the concept of Fukoku Life for Children, an initiative for local communities and society in our medium-term management plan, THE MUTUAL ACT 2027. We will continue pursuing various social contribution activities designed to help create a better society.

Visiting and Charity Concerts

These activities have been evolving since the first Fukoku Salon Concert, held in the lobby of our Uchisaiwaicho head office in FY1989.

Our visiting concerts feature professional musicians, who perform classical music at special needs schools and facilities for the disabled. At charity concerts, meanwhile, members of the audience are asked for donations to support local community welfare. Charity concerts are held around the nation.

The concerts feature performances by Fukoku Life Partner Artists, who support the purpose of our activities and have developed a mutual understanding with the Company. Takagi Klavia Co., Ltd. supports these concerts as a Fukoku Life Partner Concert Tuner. It transports pianos made by Steinway & Sons, one of the world's three most renowned piano makers, to each concert venue, enabling audiences to enjoy performances with the same quality of sound as in a concert hall.

At the end of FY2025, a total of 317 visiting and charity concerts had been given, with donations having amounted to approximately ¥67.7 million.



Charity Concert

Fukoku Life Smile Concerts

As part of its concert activities, Fukoku Life began holding a program called Smile Concert in FY2022. The program features only visiting concerts and was launched in response to requests from schools and facilities that had hosted the Company's concerts. By delivering the gift of music to more children, we aim to strengthen relationships with special needs schools and facilities for people with disabilities in the communities where the concerts are held, thereby contributing to local social welfare.



Smile Concerts



Smile Gallery—Special Needs School Student Art Exhibition—

Since FY2012, we have been hosting the Smile Gallery exhibition project, which showcases artworks by students from special needs schools throughout Japan as part of our efforts to support artwork by children with disabilities. This initiative was born from interaction fostered through our visiting concerts, which we have been conducting at special needs schools since FY2003.

Since FY2013, as part of our Fukoku Life signature calendar series, we have been producing calendars featuring exhibited artworks. They can be viewed on our Company website as well.



Artworks are displayed in the shopping arcade in the sub-basement of our Uchisaiwaicho headquarters building.

Contributing to a Sustainable Society

THE MUTUAL Art for Children

This initiative helps connect children with society by incorporating artwork from the Smile Gallery into the package designs of Oyasai Crayons.* In FY2025, the Company donated 13,600 sets of vegetable-based crayons to nursery schools and other facilities nationwide (bringing the cumulative total of donations since FY2021 to approximately 130,000 sets). We will continue this initiative involving vegetable-based crayons, delivering them to children mainly through nursery schools and kindergartens.

* Made from oil and wax extracted from rice bran, using both the rice grains and leaves discarded at harvest time. The process helps sustain society by reducing food loss.



Oyasai Crayons

Fukoku Life Hospital Outreach Program

In this activity, Hello Kitty, our Company's mascot character, visits children's hospitals and pediatric wards to provide moral support to hospitalized children and their families. Upon request, we offer commemorative photos taken with Hello Kitty, presented in handmade photo frames crafted by our volunteers.

In FY2025, Hello Kitty visited six hospitals in Tochigi, Osaka, Shiga, and Aichi prefecture.



Hello Kitty with hospitalized child and a family member.



Baby and Hello Kitty

Fukoku Life THE MUTUAL Foundation

THE MUTUAL Foundation was created on November 22, 2023, to coincide with the centennial of our founding.

The empathy-based foundation accepts donations from the Company and anyone else who empathizes with its goals. It supports NPOs and other organizations that help children and families in need.

In FY2025, we donated a total of ¥6 million to 12 organizations, and will continue cooperating with local communities and society in a bid to help build sustainable support mechanisms.



Reconstruction Support

As part of its efforts to support disaster-affected areas, the Company has continuously held local product fairs at its Uchisaiwaicho Head Office and Chiba New Town Head Office since FY2011. In FY2025, the Company held local product fairs featuring items from Miyagi, Iwate, Ishikawa, and Fukushima prefectures.

In addition, during each prefectural product fair, the cafeteria at the Chiba New Town Head Office offered special menu items prepared using local products from disaster-affected areas. To support children affected by the Great East Japan Earthquake, a portion of the proceeds, together with some of the donations collected at the charity concerts, was donated through organizations and funds in each prefecture, as well as through the Japanese Red Cross Society's 2024 Noto Peninsula Earthquake Disaster Relief Fund.



Local product fair

Sustainability-related Initiatives

Other Social Contribution Activities

Green Ribbon Running Festival

In September 2002, we launched the industry's first transplant medical rider. Since then, we have been a special sponsor of Green Ribbon* transplant-related activities.

The Company has been a special sponsor of the Green Ribbon Running Festival, organized since FY2022 by the Tokyo Shimbun. Many of the Company's officers and employees participate in the event. Through this initiative, we will continue to contribute to raising awareness of transplant-related medicine.

* Green ribbons are a symbol used to spread awareness of transplant-related medicine.



Green Ribbon Running Festival

cinéma bird

The cinéma bird mobile cinema project is the brainchild of Takumi Saito. In part because of its affinity with THE MUTUAL, we are a special sponsor of this initiative, which aims to bring the theater experience to children and local residents who have limited access to such opportunities. In FY2025, the project was held on October 4 in Suzu City, Ishikawa Prefecture. We will continue to support the creation of an environment that empowers local children to envision a bright future through theatrical events that connect people, as well as other community-based initiatives.



cinéma bird activity at Suzu City

Sponsorship of Hibiya Music Festival 2025

As part of its efforts to promote the arts and culture, the Company has sponsored the Hibiya Music Festival since the first event in 2019. In FY2025, the Company hosted a booth offering a chance to play with traditional Japanese wooden toys and introduced its insurance products. True to the festival's theme of borderless, the event welcomed diverse participants regardless of age, nationality, or gender. We will continue communicating the appeal of Fukoku Life through initiatives that connect with local communities and society.



Fukoku Life's booth at the Hibiya Music Festival

Communication

Brand mascot

We feature Sanrio Co., Ltd.'s popular Hello Kitty character as a brand mascot on posters, pamphlets, flyers, and merchandise.



Contributing to a Sustainable Society

Sustainability-related Initiatives

ESG Investment and Financing

Basic Approach to ESG Investment and Financing

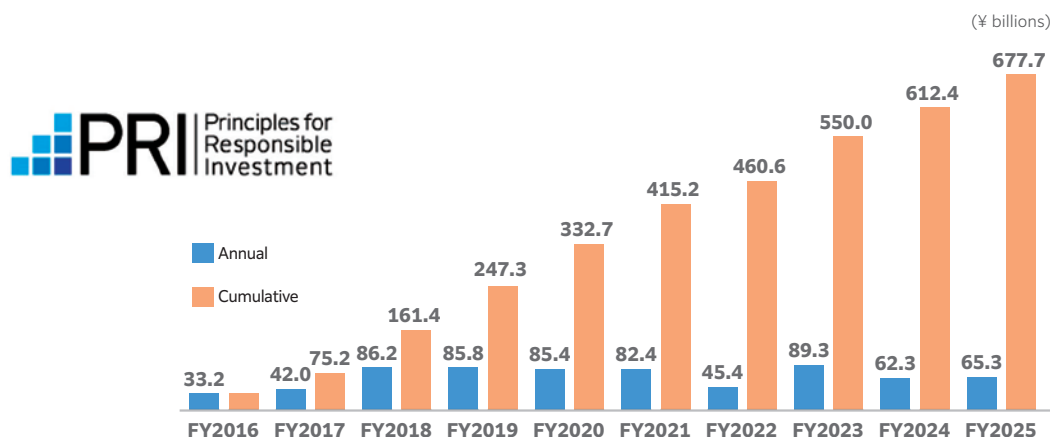
As the only life insurance company in Japan that has maintained a mutual company structure since its establishment, we believe our mission is to alleviate the insurance premium burden on our customers by accelerating dividend returns in line with our philosophy of protecting the interests of our policyholders. Concurrently, we engage in ESG-related (environmental, social, and governance) investments based on our business policy of contributing to the realization of a sustainable society as a mutual company engaged in the life insurance business. It is our belief that ESG investment contributes towards enhancing medium- to long-term investment returns of the precious funds entrusted to us by our customers, while at the same time further fulfilling our responsibilities as an institutional investor whose management philosophy is to contribute to society.

Based on this belief, since becoming a signatory of the Principles for Responsible Investment (PRI) in March 2016, we have incorporated ESG factors into our investment decisions. In addition, in our stewardship activities, we focus on engagement with investee companies with ESG factors as one of the main themes. We also became a supporter of TCFD recommendations in June 2020.

Going forward, while maintaining our awareness of various issues that affect the sustainability of society, including climate change, we aim to contribute to a more sustainable society by promoting ESG investments and stewardship activities while securing profitability.

New ESG Investment and Financing

Investment and financing track record since FY2016.



ESG Investment and Financing Initiatives

Bonds and Loans

Major Initiatives in FY2025

- Green bonds, sustainability bonds, and transition bonds that contribute to the realization of a decarbonized society
- Sustainability-linked bonds that set targets related to climate change
- Sustainability bonds that contribute to addressing social issues in emerging countries
- Social bonds that contribute to improving people's health and quality of life (QOL)
- Social loans that contribute to reducing traffic congestion and accidents

Equities

ESG information obtained through Fukoku Capital Management's ESG evaluations and our stewardship activities is incorporated in investment decisions.*

* Fukoku Capital Management, Inc. has extensive expertise in ESG evaluations and develops its own scores based on proprietary questionnaires and interviews with companies.

Cultivating People

Respect for Human Rights

Employees will better understand human rights issues and respect the human rights of stakeholders.

Fukoku Life Human Rights Policy

Under its management philosophy of protecting the interests of policyholders, contributing to society, and helping our employees achieve personal fulfillment and as a mutual life insurance company, one of our key managerial tenets is a belief in the need to help make society sustainable. As an extension of this, the Company believes its management approach and a fundamental principle of its business activities must include respect for the human rights of all stakeholders—customers, local communities, society, and employees, who are the key constituents. The Company has established the Fukoku Life Human Rights Policy to connect people and their aspirations, protect their lives and livelihoods, and contribute to the realization of a sustainable society through initiatives to respect human rights.

Promoting Respect for Human Rights

The Company is enhancing internal awareness-raising activities and strengthening its systems to ensure there is respect for human rights.

Internal Awareness-raising Initiatives

Human Rights Awareness Promotion Officers for Fair Recruitment and Selection

Activities to boost internal awareness are led by Human Rights Awareness Promotion Officers for Fair Recruitment and Selection. They include the Head Office Human Resources Development Department's internal training manager, and the deputy general managers of internal affairs at Company branches.

External training

As representatives of their respective branches, the promotion officers participate in external training programs. These are organized by relevant organizations and government authorities, and are designed to ensure that employees can acquire knowledge and enhance their understanding of their work requirements.

Internal training

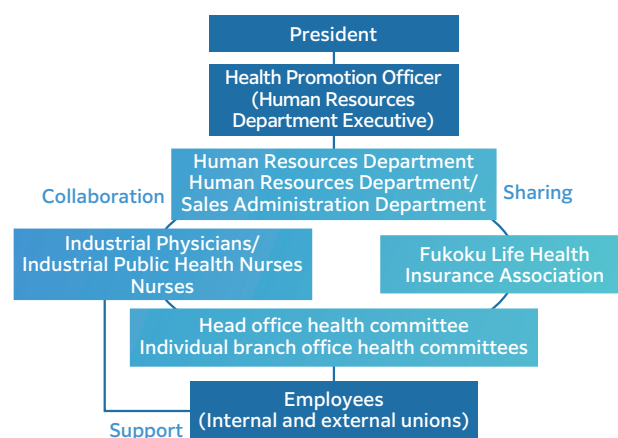
The Human Resources Development Department conducts annual training programs for all employees. Training themes* are selected based on both legal revisions and the Company's internal circumstances. The goal is to foster a culture of respect for human rights among the staff.

* Past training topics include:

- Key objectives and priority items to raise human rights awareness
- The Act for Eliminating Discrimination against Persons with Disabilities
- COVID-19 and human rights
- Internet human rights violations
- Creating a workplace where all are respected

Fukoku Life health promotion framework

To implement health and productivity management, we have set up a secretariat within our Personnel Department (Welfare Team) to coordinate with individual departments. Furthermore, the results of each fiscal year's efforts and the initiatives for the following fiscal year are approved by our Human Resources Department executive officers, who are headed by the president, and it is on the basis of those results and initiatives that we pursue health and productivity management.



Outstanding Organization Recognition

On March 9, 2026, Fukoku Life was selected—for the ninth consecutive year—under the Ministry of Economy, Trade and Industry's Certified Health & Productivity Management Outstanding Organizations Recognition Program. This acknowledged our role in promoting health and productivity management.

Reflecting the management philosophy that we have cultivated since our founding, we will continue both to work with our executives, employees, and their respective families to take care of their health; and to promote health management, to better contribute to the community and society at large.



Corporate Governance

Business Management System

Corporate Governance Enhancement Initiatives

We are a mutual company and therefore are not subject to the Corporate Governance Code formulated by a joint expert panel convened by the Financial Services Agency and the Tokyo Stock Exchange. However, in order to help stakeholders understand our perspective on corporate governance and our initiatives to enhance it, we have established a Basic Policy on Corporate Governance, which we publish along with our Corporate Governance Report.

Basic Approach to Corporate Governance

Our mutual company's insurance business is a business of our policyholders that have entrusted the management of this business to us. No matter the circumstances, we must survive as a life insurance company to continue fulfilling our responsibility of reliably paying insurance claims and benefits.

To this end, we have established a corporate governance system based on this fundamental policy in an effort to stabilize and ensure the stability of our business while providing policyholders with peace of mind.

Establishment of Management Control Measures

The Board of Directors makes important business decisions and monitors business execution. The two external directors bring an outside perspective to the deliberations of the Board. In April 2009, Fukuoku Life introduced an executive officer system. Under this system, we have separated and strengthened decision-making and business execution functions, with the Board of Directors fulfilling decision-making and supervisory functions. The Board of Full-time Directors, comprising the president and executive officer and other titled executive officers, deliberates important business execution policy for the Company. Meanwhile, various committees have been established under the Board of Directors in an effort to strengthen internal controls.

Members of the Audit & Supervisory Board attend meetings of the Board of Directors, the Board of Full-time Directors and other important boards, auditing the execution of operations by directors. The internal audit department performs internal audits, verifies the appropriateness of corporate operations and strives to ensure the soundness of business operations.

Enhancement of Internal Control System

We are a mutual company that operates a highly public life insurance business with the goal of protecting the livelihoods of policyholders. As such, we have established a Basic Internal Control System Policy aimed at ensuring the suitability of our operations, with the ultimate goal of achieving sound and appropriate management.

Compliance Enhancement Initiatives

As members of the Company and society, executives and all other employees are expected to be fully aware of the need to respect the spirit of compliance. It is so not only from the perspective of laws and regulations, but also from that of protocols and social conventions. To this end, as well as to improve and reinforce the system of compliance, our compliance training is ongoing and hands-on.

That said, we recognize that even the most robust of systems cannot guarantee the complete elimination of improper conduct. We thus believe it is important to detect any improper conduct early, deal with it swiftly and appropriately, and make improvements to rectify such behavior and prevent a recurrence.

• Compliance framework

The Compliance Committee—comprising full-time directors and other executives, and chaired by the president—is mandated by the Board of Directors to deliberate matters related to compliance, while promoting it using means such as the formulation of relevant programs. The Compliance Control Department serves as the committee's secretariat.

The head of compliance promotion and compliance promotion officers—in charge of practical compliance-related matters in each department at Head Office and branch offices—ensure adherence to the strictures of, and promote compliance under the direction of, the Compliance Control Department. The chief compliance officer and compliance officers at Head Office carry out regular compliance checks.

• Protection of personal information

Placing the highest priority on remaining an insurance company trusted by our customers, we have formulated a privacy policy and a basic policy on the handling of specific personal information, to ensure appropriate treatment and the safeguarding of personal data.

We will continue to comply with Japan's Act on the Protection of Personal Information and other relevant laws and ordinances, while continuing to properly handle and protect personal data.

Company-wide protection system

The officer in charge of the Compliance Control Department is responsible for the management of personal data. This is done together with personal data administrators and personal data management officers assigned to each department at head office and branch offices.

All those involved strive to ensure the Company-wide appropriate handling and protection of personal information.

Educating employees

To ensure staff correctly understand and observe the rules regarding the appropriate handling of personal information, we conduct Group-wide programs and training for each head office department, branch office, and sales office.

Enterprise Risk Management

Business Management System

Enterprise Risk Management

• Risk management based on customer-centered values

Life insurance is a promise to pay insurance claims and benefits in the event of an unforeseen emergency. It involves a lifetime commitment to customers that even can span generations. Events may occur, such as drastic changes in the economic environment or other catastrophes, during the many months and years in which we accompany customers on their life journey. When this happens, the role of life insurance companies becomes even more important. Only after fulfilling this promise with unwavering reliability regardless of the circumstances can customers enjoy peace of mind.

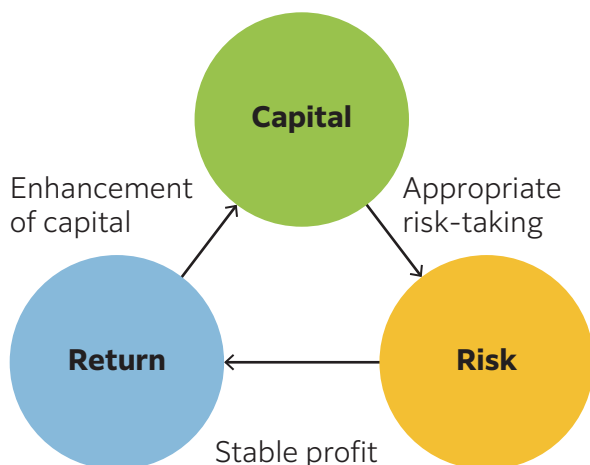
To maintain this reliability in the future, Fukoku Life promotes enterprise risk management (ERM) for overall management of a diverse range of complicated risks from a strategic perspective, based on the recognition that each executive officer and employee is responsible for risk management commensurate with their position.

• Integrated management of capital, risk, and return

As a mutual company, we look ahead several decades and, based on management that prioritizes the interests of our customers, we are working hard to strengthen our capital in order to adequately respond to risks, as well as secure stable profits (return), which are the source of that capital.

Profit and risk are two sides of the same coin, and appropriate risk-taking is necessary to ensure stable profits. Integrated management of capital, risk, and return means securing profits through appropriate risk-taking, based on capital adequacy. This results in the improvement of capital adequacy and promotion of appropriate risk-taking. It is an advanced ERM concept that aims to attain a virtuous cycle.

By utilizing important risk management indicators, such as the economic solvency ratio, return on required capital, and the economic internal rate of return in management, we implement integrated management of capital, risk, and return.



• Comprehensive risk management policies and regulations

Fukoku Life's Risk-taking Statement lays out its management policy-based risk tolerance. Meanwhile, the Company conducts integrated risk management in conjunction with management strategies based on the risk management rules set by the Board of Directors.

We have formulated a set of risk management regulations that define our basic concept of comprehensive risk management, our broad risk management system, and the roles and authorities related to managing risk. Based on these, we have devised practical directives for the implementation of the rules for each type of risk.

Risk-taking Statement

1. Strategic objectives for risk-taking

- Actively take on insurance underwriting risk to achieve growth through both asset management and insurance
- In asset management, promote appropriate risk-taking while maintaining ALM-based investment management as a core pillar
- From a customer-centered perspective, provide industry-leading services through differentiation
- Strengthen resilience underpinned by a robust capital base

2. Risk tolerance

- As a general principle, maintain a standard-model ESR of no less than 170% so as to ensure that a buffer sufficient to sustain business continuity is securely retained by management
- Aim to maintain the internal-model ESR within the range of 230% to 270% so as to consistently maintain the highest level of financial soundness in the industry

• Risk management system

At Fukoku Life, the Board of Directors established the Risk Management Committee to perform ERM. Several subcommittees have been established under this committee to manage the various risks that arise in business operations, and to conduct asset and liability management. The committee consolidates and evaluates risks at the corporate level, before considering the appropriate level of acceptable risk and risk response. In addition, the committee has established a specialized risk management committee to help enhance enterprise risk management.

Full-time directors are members of the Risk Management Committee, which is chaired by the president. Other directors chair subcommittees, creating a risk management structure led by top management.

The specialized risk management committee is central to understanding the Group's overall risk management situation. At Fukuokushinrai Life, the Company's Risk Management Committee secretariat and the secretariats of various subcommittees directly monitor the management status of risks under their jurisdiction.

Furthermore, the audit department verifies that the risk management system is functioning effectively.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

Fukoku Mutual Life Insurance Company
As of March 31, 2025 and 2026

	As of March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Assets:			
Cash and deposits:			
Cash	¥124	¥124	\$0
Bank deposits	185,029	115,132	720
	185,154	115,257	720
Call loans	97,000	313,000	1,957
Money held in trust	23,812	25,317	158
Securities:			
Government bonds	2,277,386	2,793,547	17,472
Local government bonds	83,522	72,626	454
Corporate bonds	494,223	497,034	3,108
Stocks	996,730	1,327,951	8,305
Foreign securities	2,127,924	1,835,548	11,480
Other securities	222,875	228,685	1,430
	6,202,664	6,755,394	42,252
Loans:			
Policy loans	43,775	42,616	266
Ordinary loans	428,381	301,337	1,884
	472,157	343,953	2,151
Tangible fixed assets:			
Land	153,059	153,047	957
Buildings	101,776	102,513	641
Lease assets	783	642	4
Construction in progress	2,763	1,682	10
Other tangible fixed assets	4,268	5,829	36
	262,651	263,716	1,649
Intangible fixed assets:			
Software	19,086	17,698	110
Other intangible fixed assets	5,633	17,452	109
	24,720	35,150	219
Agency receivables	181	55	0
Reinsurance receivables	75	64	0
Other assets:			
Accounts receivable	10,560	5,392	33
Prepaid expenses	3,692	4,175	26
Accrued income	34,323	33,500	209
Deposits	1,777	1,809	11
Derivatives	476	64	0
Suspense payments	3,746	2,908	18
Rest of the other asset	3,336	4,129	25
	57,913	51,981	325
Prepaid pension cost	3,980	5,360	33
Allowance for possible loan losses	(508)	(607)	(3)
Total assets	¥7,329,802	¥7,908,643	\$49,466

As of March 31,

	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Liabilities:			
Policy reserves:			
Reserve for outstanding claims	¥24,893	¥24,098	\$150
Policy reserve	5,869,389	5,965,857	37,314
Reserve for dividends to policyholders	64,117	72,326	452
	5,958,401	6,062,282	37,917
Reinsurance payables	38	33	0
Subordinated bonds	267,260	308,480	1,929
Other liabilities:			
Corporate income tax payable	102	17,611	110
Accounts payable	2,669	6,681	41
Accrued expenses	15,214	17,027	106
Unearned income	446	458	2
Deposits received	6,932	6,850	42
Guarantee deposits received	14,931	15,530	97
Derivatives	175	478	2
Cash collateral received for financial instruments	647	13,820	86
Asset retirement obligations	4,486	4,565	28
Suspense receipts	1,313	1,496	9
	46,920	84,519	528
Reserve for employees' retirement benefits	26,836	26,501	165
Reserve for price fluctuation	188,566	190,830	1,193
Deferred tax liabilities	24,268	111,477	697
Deferred tax liabilities for land revaluation	14,600	14,596	91
Total liabilities	6,526,893	6,798,721	42,523
Net assets:			
Foundation funds	8,000	8,000	50
Accumulated foundation funds redeemed	128,000	128,000	800
Reserve for revaluation	112	112	0
Surplus:			
Legal reserve for future losses	3,660	3,800	23
Other surplus:			
Reserve for redemption of foundation funds	—	1,600	10
Reserve for dividend allowances	20,000	20,000	125
Accumulated fund for price fluctuation	41,000	41,000	256
Reserve for employee returns	—	3,402	21
Reserve for advanced depreciation of real estate for tax purpose	202	199	1
Other reserves	767	767	4
Unappropriated surplus	76,897	155,137	970
	138,867	222,106	1,389
	142,527	225,906	1,412
Total foundation funds, surplus and others	278,640	362,018	2,264
Net unrealized gains (losses) on available-for-sale securities, net of tax	520,242	743,885	4,652
Revaluation reserve for land, net of tax	4,025	4,017	25
Total valuation and translation adjustments	524,268	747,902	4,677
Total net assets	802,908	1,109,921	6,942
Total liabilities and net assets	¥7,329,802	¥7,908,643	\$49,466

See notes to the non-consolidated financial statements.

Non-consolidated Statements of Operations

Fukoku Mutual Life Insurance Company
For the years ended March 31, 2025 and 2026

	Year ended March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Ordinary revenues:			
Premium and other income:			
Premium income	¥487,088	¥567,893	\$3,552
Reinsurance income	98	202	1
	487,187	568,096	3,553
Investment income:			
Interest, dividends and other income:			
Interest on deposits	82	284	1
Interest and dividends on securities	167,326	189,094	1,182
Interest on loans	8,482	8,382	52
Income from real estate for rent	21,171	22,018	137
Other interest and dividends	635	1,617	10
	197,697	221,396	1,384
Gains on money held in trust, net	315	1,510	9
Gains on sales of securities	56,405	147,213	920
Gains on redemption of securities, net	3,011	5,748	35
Foreign exchange gains, net	—	2,033	12
Reversal of allowance for possible loan losses	181	—	—
Other investment income	222	2,491	15
Gains on separate accounts, net	1,418	21,160	132
	259,252	401,555	2,511
Other ordinary revenues:			
Fund receipt from annuity rider	1,122	929	5
Proceeds from deferred insurance	3,697	4,142	25
Reversal of reserve for outstanding claims	—	795	4
Reversal of policy reserves	16,394	—	—
Reversal of reserve for employees' retirement benefits	1,531	1,715	10
Others	5,310	4,642	29
	28,055	12,224	76
Total ordinary revenues	774,495	981,876	6,141
Ordinary expenses:			
Claims and other payments:			
Claims	93,425	83,542	522
Annuities	154,098	151,974	950
Benefits	135,352	139,498	872
Surrenders	72,955	66,493	415
Other payments	25,488	35,040	219
Reinsurance premiums	183	181	1
	481,504	476,730	2,981
Provision of policy reserve and others:			
Provision of reserve for outstanding claims	1,559	—	—
Provision of policy reserves	—	96,467	603
Provision of interest portion of reserve for dividends to policyholders ...	36	258	1
	¥1,595	¥96,725	\$604

Year ended March 31,

	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Investment expenses:			
Interest expenses	¥4,625	¥5,424	\$33
Losses on trading securities, net	1	3	0
Losses on sales of securities	84,395	72,064	450
Losses on valuation of securities	275	6	0
Losses on derivative instruments, net	1,657	3,938	24
Foreign exchange losses, net	510	—	—
Provision of allowance for possible loan losses	—	105	0
Depreciation of real estate for rent and other assets	5,749	5,972	37
Other investment expenses	13,657	26,641	166
	110,872	114,156	714
Operating expenses.....	99,315	112,256	702
Other ordinary expenses:			
Deferred annuity payments	4,162	4,878	30
Taxes	8,088	9,238	57
Depreciation	10,367	10,701	66
Others	2,724	1,600	10
	25,342	26,418	165
Total ordinary expenses	718,630	826,287	5,168
Ordinary profits	55,865	155,589	973
Extraordinary gains:			
Gains on disposal of fixed assets	3	0	0
National subsidies	160	—	—
Total extraordinary gains	164	0	0
Extraordinary losses:			
Losses on disposal of fixed assets	139	307	1
Impairment losses	10	17	0
Provision of reserve for price fluctuation	8,000	2,263	14
Employee returns special expenses	—	1,597	9
Total extraordinary losses.....	8,149	4,185	26
Surplus before income taxes	47,879	151,403	946
Income taxes:			
Current	5,401	25,350	158
Deferred	(10,656)	(3,720)	(23)
Total income taxes	(5,254)	21,629	135
Net surplus for the year	¥53,134	¥129,773	\$811

See notes to the non-consolidated financial statements.

Non-consolidated Statements of Changes in Net Assets

Fukoku Mutual Life Insurance Company
For the years ended March 31, 2025 and 2026

For the year ended March 31, 2025	Millions of yen											
	Foundation funds, surplus and others											
	Surplus											
	Other surplus											
	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Legal reserve for future losses	Reserve for redemption of foundation funds	Reserve for dividend allowances	Accumulated fund for price fluctuation	Reserve for advanced depreciation of real estate for tax purpose	Other reserves	Unappropriated surplus	Total surplus	Total foundation funds, surplus and others
Balance at the beginning of the fiscal year	¥12,000	¥116,000	¥112	¥3,548	¥9,600	¥20,000	¥41,000	¥204	¥767	¥63,509	¥138,628	¥266,740
Changes in the fiscal year												
Financing of additional foundation funds	8,000											8,000
Additions to reserve for dividends to policyholders										(37,138)	(37,138)	(37,138)
Additions to legal reserve for future losses				112						(112)	—	—
Additions to accumulated foundation funds redeemed ...		12,000										12,000
Payment of interest on foundation funds										(102)	(102)	(102)
Net surplus for the fiscal year										53,134	53,134	53,134
Redemption of foundation funds ...	(12,000)											(12,000)
Additions to reserve for redemption of foundation funds					2,400					(2,400)	—	—
Reversal of reserve for redemption of foundation funds					(12,000)						(12,000)	(12,000)
Reversal of reserve for advanced depreciation of real estate for tax purpose								(1)		1	—	—
Reversal of revaluation reserve for land, net of tax										5	5	5
Net changes, excluding foundation funds, surplus and others												
Total changes in the fiscal year	(4,000)	12,000	—	112	(9,600)	—	—	(1)	—	13,388	3,899	11,899
Balance at the end of the fiscal year	¥8,000	¥128,000	¥112	¥3,660	¥—	¥20,000	¥41,000	¥202	¥767	¥76,897	¥142,527	¥278,640

For the year ended March 31, 2025	Millions of yen			
	Valuation and translation adjustments			
	Net unrealized gains (losses) on available-for-sale securities, net of tax	Revaluation reserve for land, net of tax	Total valuation and translation adjustments	Total net assets
Balance at the beginning of the fiscal year	¥659,808	¥4,500	¥664,308	¥931,049
Changes in the fiscal year				
Financing of additional foundation funds				8,000
Additions to reserve for dividends to policyholders				(37,138)
Additions to legal reserve for future losses				—
Additions to accumulated foundation funds redeemed				12,000
Payment of interest on foundation funds				(102)
Net surplus for the fiscal year				53,134
Redemption of foundation funds				(12,000)
Additions to reserve for redemption of foundation funds				—
Reversal of reserve for redemption of foundation funds				(12,000)
Reversal of reserve for advanced depreciation of real estate for tax purpose				—
Reversal of revaluation reserve for land, net of tax				5
Net changes, excluding foundation funds, surplus and others	(139,565)	(475)	(140,040)	(140,040)
Total changes in the fiscal year	(139,565)	(475)	(140,040)	(128,141)
Balance at the end of the fiscal year	¥520,242	¥4,025	¥524,268	¥802,908

Millions of yen												
For the year ended March 31, 2026	Foundation funds, surplus and others											
	Surplus											
	Other surplus											
	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Legal reserve for future losses	Reserve for redemption of foundation funds	Reserve for dividend allowances	Accumulated fund for price fluctuation	Reserve for employee returns	Reserve for advanced depreciation of real estate for tax purpose	Other reserves	Unappropriated surplus	Total surplus and others
Balance at the beginning of the fiscal year	¥8,000	¥128,000	¥112	¥3,660	—	¥20,000	¥41,000	—	¥202	¥767	¥76,897	¥142,527
Changes in the fiscal year												
Additions to reserve for dividends to policyholders											(46,273)	(46,273)
Additions to legal reserve for future losses				140							(140)	—
Payment of interest on foundation funds											(129)	(129)
Net surplus for the fiscal year											129,773	129,773
Additions to reserve for redemption of foundation funds					1,600						(1,600)	—
Additions to reserve for employee returns								5,000			(5,000)	—
Reversal of reserve for employee returns								(1,597)			1,597	—
Reversal of reserve for advanced depreciation of real estate for tax purpose									(3)		3	—
Reversal of revaluation reserve for land, net of tax											8	8
Net changes, excluding foundation funds, surplus and others												
Total changes in the fiscal year	—	—	—	140	1,600	—	—	3,402	(3)	—	78,239	83,378
Balance at the end of the fiscal year	¥8,000	¥128,000	¥112	¥3,800	¥1,600	¥20,000	¥41,000	¥3,402	¥199	¥767	¥155,137	¥225,906

Millions of yen				
For the year ended March 31, 2026	Valuation and translation adjustments			
	Net unrealized gains (losses) on available-for-sale securities, net of tax	Revaluation reserve for land, net of tax	Total valuation and translation adjustments	Total net assets
Balance at the beginning of the fiscal year	¥520,242	¥4,025	¥524,268	¥802,908
Changes in the fiscal year				
Additions to reserve for dividends to policyholders				(46,273)
Additions to legal reserve for future losses				—
Payment of interest on foundation funds				(129)
Net surplus for the fiscal year				129,773
Additions to reserve for redemption of foundation funds				—
Additions to reserve for employee returns				—
Reversal of reserve for employee returns				—
Reversal of reserve for advanced depreciation of real estate for tax purpose				—
Reversal of revaluation reserve for land, net of tax				8
Net changes, excluding foundation funds, surplus and others	223,642	(8)	223,634	223,634
Total changes in the fiscal year	223,642	(8)	223,634	307,013
Balance at the end of the fiscal year	¥743,885	¥4,017	¥747,902	¥1,109,921

Millions of U.S. dollars

For the year ended March 31, 2026	Foundation funds, surplus and others												
	Surplus												
	Other surplus												
	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Legal reserve for future losses	Reserve for redemption of foundation funds	Reserve for dividend allowances	Accumulated fund for price fluctuation	Reserve for employee returns	Reserve for advanced depreciation of real estate for tax purpose	Other reserves	Unappropriated surplus	Total surplus	Total foundation funds, surplus and others
Balance at the beginning of the fiscal year	\$50	\$800	\$0	\$22	—	\$125	\$256	—	\$1	\$4	\$480	\$891	\$1,742
Changes in the fiscal year													
Additions to reserve for dividends to policyholders											(289)	(289)	(289)
Additions to legal reserve for future losses				0							(0)	—	—
Payment of interest on foundation funds											(0)	(0)	(0)
Net surplus for the fiscal year											811	811	811
Additions to reserve for redemption of foundation funds					10						(10)	—	—
Additions to reserve for employee returns								31			(31)	—	—
Reversal of reserve for employee returns								(9)			9	—	—
Reversal of reserve for advanced depreciation of real estate for tax purpose									(0)		0	—	—
Reversal of revaluation reserve for land, net of tax											0	0	0
Net changes, excluding foundation funds, surplus and others													
Total changes in the fiscal year	—	—	—	0	10	—	—	21	(0)	—	489	521	521
Balance at the end of the fiscal year	\$50	\$800	\$0	\$23	\$10	\$125	\$256	\$21	\$1	\$4	\$970	\$1,412	\$2,264

Millions of U.S. dollars

For the year ended March 31, 2026	Valuation and translation adjustments			
	Net unrealized gains (losses) on available-for-sale securities, net of tax	Revaluation reserve for land, net of tax	Total valuation and translation adjustments	Total net assets
Balance at the beginning of the fiscal year	\$3,253	\$25	\$3,279	\$5,021
Changes in the fiscal year				
Additions to reserve for dividends to policyholders				(289)
Additions to legal reserve for future losses				—
Payment of interest on foundation funds				(0)
Net surplus for the fiscal year				811
Additions to reserve for redemption of foundation funds				—
Additions to reserve for employee returns				—
Reversal of reserve for employee returns				—
Reversal of reserve for advanced depreciation of real estate for tax purpose				—
Reversal of revaluation reserve for land, net of tax				0
Net changes, excluding foundation funds, surplus and others	1,398	(0)	1,398	1,398
Total changes in the fiscal year	1,398	(0)	1,398	1,920
Balance at the end of the fiscal year	\$4,652	\$25	\$4,677	\$6,942

Non-consolidated Statements of Surplus

Fukoku Mutual Life Insurance Company
For the years ended March 31, 2025 and 2026

	Year ended March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Unappropriated surplus	¥76,897	¥155,137	\$970
Reversal of voluntary surplus reserve:			
Reversal of reserve for advanced depreciation of real estate for tax purpose	3	19	0
Reversal of other reserves	—	767	4
	3	786	4
Total	76,901	155,923	975
Appropriation of surplus			
Reserve for dividends to policyholders	46,273	69,647	435
Net surplus:			
Legal reserve for future losses	140	270	1
Interest payment for foundation funds	129	129	0
Voluntary surplus reserve:			
Reserve for redemption of foundation funds.....	1,600	1,600	10
Reserve for dividend allowances	—	20,000	125
Reserve for employee returns	5,000	6,597	41
Reserve for enhancing the growth foundation	—	33,920	212
	6,600	62,118	388
	6,869	62,517	391
Total of appropriation of surplus	53,143	132,165	826
Unappropriated surplus carried forward	¥23,758	¥23,758	\$148

Note: Net surplus is calculated by deducting reserve for dividends to policyholders from the sum of unappropriated surplus and reversal of voluntary surplus reserve.

Notes to the Non-consolidated Financial Statements

I. Presentation of the Non-consolidated Financial Statements

1. Basis of presentation

The accompanying non-consolidated financial statements have been prepared from the accounts maintained by Fukuoku Mutual Life Insurance Company (the "Company") in accordance with the provisions set forth in the Insurance Business Act of Japan and its related rules and regulations and in conformity with accounting principles generally accepted in Japan, which are different in certain respects from accounting principles generally accepted in countries and jurisdictions other than Japan.

In addition, the notes to the non-consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts of less than one million yen have been rounded down. As a result, the totals do not add up.

The translations of yen amounts into U.S. dollar amounts are included solely for the convenience of the reader and have been made, as a matter of arithmetical computation only, at the rate of ¥159.88 = US\$1.00, the effective rate of exchange at the balance sheet date of March 31, 2026. The translations should not be construed as representations that such yen amounts have been or could in the future be, converted into U.S. dollars at that or any other rates.

II. Notes to the Non-consolidated Balance Sheets

1. (1) The valuation of securities, including cash and deposits and monetary claims bought which are equivalent to securities, and securities managed as trust assets in money held in trust, is as follows:
 - i) Trading securities are stated at fair market value. Costs of their sales are determined by the moving average method.
 - ii) Held-to-maturity debt securities are stated at amortized cost under the straight-line method, cost being determined by the moving average method.
 - iii) Policy-reserve-matching bonds are stated at amortized cost under the straight-line method, cost being determined by the moving average method in accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry" (Industry Audit Committee Report No. 21, issued by the Japanese Institute of Certified Public Accountants (JICPA) on November 16, 2000).
 - iv) Investments in subsidiaries and affiliates are stated at cost, cost being determined by the moving average method.
 - v) Available-for-sale securities are stated at fair market value based on the market prices at the end of the fiscal year. Costs of their sales are determined by the moving average method. Public and corporate bonds (including foreign bonds) with differences between their acquisition costs and fair values that are considered as adjustments of interest are stated at amortized cost (straight-line method) determined by the moving average method. However, stocks and other securities without quoted market prices are stated at cost, as determined using the moving average method. Net unrealized gains or losses on these available-for-sale securities, net of taxes, are recorded as a separate component of net assets.

- (2) Derivative instruments are stated at fair market value.
- (3) The Company revalued the land used in the operations based on the Act for Revaluation of Land (Act No.34 promulgated on March 31, 1998). The difference between fair value and book value resulting from the revaluation, net of related taxes, is recorded as revaluation reserve for land as a separate component of net assets and the related tax is recorded as deferred tax liabilities for land revaluation.
 - Date of revaluation: March 31, 2002
 - Method of revaluation as prescribed for in Article 3 Paragraph 3 of the said Act:
Calculation is based on the appraisal value for property tax set forth in Article 2 item 3 of the Enforcement Ordinance of the Act for Revaluation of Land (Government Ordinance No.119 promulgated on March 31, 1998) and the road rate set forth in Article 2 item 4 of the said Ordinance with certain reasonable adjustments.
- (4) Depreciation of tangible fixed assets is calculated by the following methods.
 - Tangible fixed assets (excluding lease assets):
Declining-balance method
However, buildings (excluding building attachments and structures acquired on or before March 31, 2016) acquired on or after April 1, 1998 are depreciated using Straight-line method.
 - Lease assets related to finance lease transactions that do not transfer ownership: Straight-line method over the lease term with no residual value.Other tangible fixed assets acquired for ¥100,000 or more but less than ¥200,000 are depreciated equally over three years.
- (5) Assets and liabilities denominated in foreign currencies, except for investments in subsidiaries and affiliates, are translated into Japanese yen at the effective exchange rate prevailing at the balance sheet date. Investments in subsidiaries and affiliates are translated into Japanese yen at the exchange rate on the date of acquisition.
- (6) Allowance for possible loan losses is provided in accordance with the Company's standards of self-assessment and write-offs and reserves on credit quality:
 - i) For the credits of borrowers who are legally bankrupt such as being in the proceedings of bankruptcy or civil rehabilitation (hereinafter called "legally bankrupt borrowers") and who are substantially bankrupt (hereinafter called "substantially bankrupt borrowers"), the Company provides the remaining amounts of credits after the direct write-off described below and the deductions of the amount expected to be collected through the disposal of collateral or the execution of guarantees.
 - ii) For the credits of borrowers who are not currently bankrupt but have a high possibility of bankruptcy (hereinafter called "not currently bankrupt borrowers"), the Company provides the amounts deemed as necessary considering the borrowers' ability to pay, within the amounts after deductions of the amounts expected to be collected through the disposal of collateral or the execution of guarantees.
 - iii) For the credits of borrowers other than the above, the Company provides the amounts calculated by

multiplying the borrowers' balance by the actual ratio of bad debt losses on defaults during a certain past period.

All credits are assessed by the relevant departments in accordance with the Company's standards of self-assessment on credit quality. The results of the assessment are reviewed by the audit department, which is independent of business-related divisions. Subsequently, the allowance for possible loan losses is provided based on the results of these assessments.

For the credits of legally bankrupt borrowers and substantially bankrupt borrowers, the amounts remaining after deductions of collateral value or the amounts collectible through the execution of guarantees are written-off directly from the borrowers' balances as the estimated uncollectible amounts. The amount written-off as of March 31, 2025 and 2026 were ¥1 million and ¥1 million (US\$7 thousand).

- (7) Reserve for employees' retirement benefits and prepaid pension cost are presented based on projected benefit obligations and pension plan assets at the balance sheet date.

The Company uses the following methods for amortizing retirement benefit obligations and retirement benefit expenses:

- Method for allocation of projected retirement benefitsBenefit formula basis
- Amortization period of actuarial gains and losses10 years
- Amortization period of prior service cost10 years

- (8) Reserve for price fluctuation is calculated in accordance with Article 115 of the Insurance Business Act.

- (9) Hedge accounting is based on "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). The Company applies a designated hedge accounting ("Furiate shori") for foreign currency swaps as a hedge against the risk of foreign exchange fluctuation in relation to bonds denominated in foreign currencies issued by the Company.

For assessing the effectiveness of hedge used, ratio analysis of comparing the fluctuations in the fair value or cash flows of hedged items and hedging instruments is mainly applied.

- (10) Accounting of unrecognized actuarial differences and unrecognized prior service cost related to employees' retirement benefits is different to the methods used for these items in the consolidated financial statements.
- (11) The Company accounts for consumption taxes by the tax-exclusion method. The consumption taxes on certain assets, which are not deductible from consumption taxes withheld and that are stipulated to be deferred under the Tax Act, are deferred as prepaid expenses and amortized equally over five years. Consumption taxes other than deferred consumption taxes are recognized as an expense when incurred.

- (12) Initial premium incomes are recorded by the relevant amounts received when the premium incomes have been received and the responsibilities on the insurance contract have been commenced, in principal.

Subsequent premium incomes are also recorded as the amount of payments that have been received.

Of premium incomes that have been received, the portion corresponding to the period that has yet to pass

as of the end of the fiscal year is accumulated as policy reserve in accordance with Article 116 of the Insurance Business Act and Article 69 Paragraph 1 Item 2 of the Enforcement Regulation of the Insurance Business Act.

Premium incomes associated with the acceptance of group annuities are recorded as amounts equivalent to the policy reserve received when accepting the transfers of these group annuities.

- (13) Claims and other payments (excluding reinsurance premiums) are recorded by the relevant amounts paid when the cause for payment under the policy conditions is occurred and the calculated amounts are paid based on the policy conditions.

In accordance with Article 117 of the Insurance Business Act and Article 72 of the Enforcement Regulation of the Insurance Business Act, reserve for outstanding claims are accumulated as for claims for which the Company has a payment due but has not paid, or for which the occurrence of cause for payment has not been reported but the Company recognizes that insured payment has already occurred as of the end of the fiscal year.

Regarding claims for which the occurrence of cause for payment has not been reported but the Company recognizes that insured payment has already occurred ("IBNR reserves"), the special treatment providing payment of hospitalization benefits with respect to those diagnosed with COVID-19 and were under the care of a doctor or the like at an lodging facility or at home ("deemed hospitalization") was discontinued on May 8, 2023. As a result of this change, an appropriate amount of reserves cannot be obtained with the calculation method set forth in the main rules in Article 1, Paragraph 1 of the Notification of the Minister of Finance No.234, 1998 ("IBNR Notification"). The Company therefore records the amount that was calculated using the following method, pursuant to provisions in the proviso of Article 1, Paragraph 1 of IBNR Notification (the "Proviso").

(Overview of the calculation method)

The Company first deducts an amount pertaining to deemed hospitalization of policy holders from a required amount of IBNR reserves and the amount of claim payments for all the fiscal years, as set forth in the main rules in Article 1, Paragraph 1 of IBNR Notification, and then calculates in the same manner as in the main rules in Article 1, Paragraph 1 of IBNR Notification.

Claims and other payments associated with the outgoing transfer of group annuities are recorded as amounts equivalent to the policy reserve transferred when recognizing the transfers of these group annuities.

- (14) Policy reserve of the Company is accumulated in accordance with the methods stated in the statement of calculation procedures for Insurance Premiums and Policy Reserves (Article 4 Paragraph 2 Item 4 of the Insurance Business Act) pursuant to Article 116 Paragraph 1 of the Insurance Business Act to prepare for the future performance of obligations under the insurance contracts for which the insurer's responsibilities have started as of the end of the fiscal year.

Premium reserves, one of the components of policy reserve, are calculated by the following method.

- i) In regard to the policies subject to the standard policy reserve, the method as prescribed by the Commissioner of Financial Services Agency (Ministry of Finance Ordinance No.48, 1996) is applied.
- ii) In regard to the policies not subject to the standard policy reserve, the net level premium method is applied.

In regard to the policy reserve accumulated pursuant to Article 69 Paragraphs 1, 2, and 4 of the Enforcement Regulation of the Insurance Business Act, when the actual assumptions for long-term future cash flows (such as assumed incidence rate and assumed interest rate) deviate from those assumptions set in the "statement of calculation procedures for Insurance Premiums and Policy Reserves" and policy reserve is considered to be possibly insufficient to cover the future performance of obligations, additional policy reserve is required to accumulate in accordance with Article 69 Paragraph 5 of the Enforcement Regulation of the Insurance Business Act. The following reserves have been established in compliance with this regulation.

- Among individual annuity insurance policies with an assumed interest rate of 5.00% or higher, for policies that have begun paying annuities (excluding wife's annuity insurance additional rider), the Company has reduced the assumed interest rate to 1.00% and funded additional policy reserves. As of March 31, 2025, the balance of these policy reserves was ¥67,306 million.
 - Among whole life insurance policies with assumed interest rates of 5.00% or higher following the fiscal year ended March 31, 2025, the Company has reduced assumed interest rates for policies with premiums that have been paid in full (excluding policies that have been converted into paid-up or extended policies, single premium policies, and policies for which premiums have been waived) to 1.00% and funded additional policy reserves. As of March 31, 2025, the balance of these policy reserves was ¥104,482 million.
 - The Company has also funded additional policy reserves for certain new cancer riders and highly advanced medical riders. As of March 31, 2025, the balance of these policy reserves was ¥90 million.
 - Among individual annuity insurance policies with an assumed interest rate of 5.00% or higher, for policies that have begun paying annuities (excluding wife's annuity insurance additional rider), the Company has reduced the assumed interest rate to 1.00% and funded additional policy reserves. As of March 31, 2026, the balance of these policy reserves was ¥63,784 million (US\$398 million).
 - Among whole life insurance policies with assumed interest rates of 5.00% or higher following the fiscal year ended March 31, 2026, the Company has reduced assumed interest rates for policies with premiums that have been paid in full (excluding policies that have been converted into paid-up or extended policies, single premium policies, and policies for which premiums have been waived) to 1.00% and funded additional policy reserves. As of March 31, 2026, the balance of these policy reserves was ¥102,825 million (US\$643 million).
 - The Company has also funded additional policy reserves for certain new cancer riders and highly advanced medical riders. As of March 31, 2026, the balance of these policy reserves was ¥102 million (US\$637 thousand).
- Appointed actuary, for each fiscal year, verify whether policy reserves have been reasonably accumulated in accordance with Article 121 Paragraph 1 of the Insurance Business Act and Article 80 of the Enforcement Regulation of the Insurance Business Act.
- Contingency reserves, one of the components of policy reserve, are accumulated pursuant to Article 116 of the Insurance Business Act and Article 69 Paragraph 1 Item 3 of the Enforcement Regulation of the Insurance Business Act to cover risks that may accrue in the future in order to ensure performing future obligations under the insurance contracts.
- (15) Depreciation of intangible fixed assets is calculated by the following methods.
 - Software: Straight-line method over the estimated useful lives.
 - (16) Of the bonds corresponding to the sub-groups set by insurance types and investment policies, the bonds that are held to match the duration of liabilities are classified as policy-reserve-matching bonds in accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in Insurance Industry" (Industry Audit Committee Report No. 21 issued by JICPA on November 16, 2000).

The sub-groups shall be defined as follows:

 - i) The following insurance policies under individual life insurance and individual annuity insurance:
 - With respect to whole life insurance policies issued between April 1983 and March 1993, among policies for which the premium payment period has been completed (excluding policies converted to paid-up insurance or extended term insurance, single-premium policies, and policies for which premium payment obligations have been waived), those for which the insured's age as of the end of the fiscal year is 75 years or younger
 - With respect to individual annuity insurance policies issued between May 1981 and March 1993, among policies for which annuity payments have commenced (excluding wife's annuity insurance additional rider policies and fixed-term annuity policies), those for which the annuitant's age as of the end of the fiscal year is 70 years or younger
 - Whole life insurance policies, savings-type long-term care insurance policies, and new savings-type long-term care insurance policies issued between April 2, 1996 and April 1, 2013 (excluding policies converted to extended term insurance, and whole life insurance single-premium policies issued between August 1, 2003 and April 1, 2013)
 - Individual annuity insurance policies issued on or after April 2, 2001 (excluding individual annuity insurance policies with accidental death benefit (single-premium policies))
 - ii) Group annuity insurance policies (excluding defined contribution pension insurance policies with a guaranteed fixed interest rate period).
2. The main accounting standards that had been published by the end of the fiscal year ended March 31, 2026, but

have not been applied are as follows: The publication of the "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024) and the "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024) will result in revisions to accounting procedures for leases.

Mandatory application will take effect from the start of fiscal years beginning after April 1, 2027, and we plan to apply them from the start of the fiscal year ending March 31, 2028.

We are currently evaluating the impact of the application of these accounting standards.

3. Matters concerning the status of financial instruments are as follows.

Asset management of the general accounts other than the separate accounts stipulated in Article 118 Paragraph 1 of the Insurance Business Act is conducted on the principle of prudent and profitable investments, considering public and social responsibilities of the insurance business. Based on this policy, the Company allocates the fund, securing its liquidity, from the medium-to-long term viewpoints. The Company is diversifying investments in assets such as foreign securities, stocks and real estates within the acceptable range of risks in order to enhance the profitability, although yen-denominated interest bearing assets including debt securities such as Japanese government bonds and loans are the cores of the portfolios

under the asset liability management. Derivatives are mainly used to hedge the market risk regarding spot-priced assets and liabilities.

Major financial instruments including securities, loans and derivatives are exposed to market risk and credit risk.

The Company manages its asset management risk by establishing internal control systems including various rules pursuant to the "Three Basic Rules related to Enterprise Risk Management" established by the Board of Directors. Specifically, the Company eliminates excessive risk deviating from the basic principle and secures the safety of the assets by utilizing control functions of the Financial and Investment Risk Management Department towards the asset management sections, monitoring the status of market risk and credit risk periodically. In addition, the Company quantifies the market risk and credit risk using value-at-risk (VaR) method in order to control the possible maximum losses which may arise from the holding assets within a certain range of risk buffers.

4. Matters regarding the fair value, etc., of financial instruments are as follows.

Disclosures in the notes have been omitted for financial instruments that are settled over a short period and for which fair value approximates carrying value.

Carrying amounts, fair values, and differences for major financial assets and financial liabilities were as follows:

	As of March 31,		
	2025		
	Millions of yen		
	Carrying amount	Fair value	Difference
Money held in trust:			
Trading securities	¥22,812	¥22,812	¥—
Total money held in trust	22,812	22,812	—
Securities:			
Held-to-maturity debt securities	645,682	666,692	21,010
Policy-reserve-matching bonds	627,193	568,591	(58,601)
Available-for-sale securities	4,676,064	4,676,064	—
Total securities	5,948,939	5,911,347	(37,591)
Loans:			
Policy loans	43,775	43,775	(0)
Ordinary loans	428,381	424,720	(3,661)
Total loans	472,157	468,496	(3,661)
Assets total	6,443,909	6,402,656	(41,252)
Subordinated bonds*1	267,260	258,447	(8,812)
Liabilities total	267,260	258,447	(8,812)
Derivative instruments*2:			
Hedge accounting not applied	300	300	—
Total derivative instruments	¥300	¥300	¥—

*1 The fair value of derivative instruments that are currency swaps under designated hedge accounting is included in the fair value of subordinated bonds because it is accounted for as an integral part of the subordinated bonds that are the hedge items.

*2 Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in parentheses.

Notes: 1. Stocks without market prices, such as unlisted stocks, are not included in Securities of the above table.

The amount of these stocks on the balance sheet as of March 31, 2025 was ¥73,455 million.

2. In accordance with Paragraph 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021. Hereinafter called "Implementation Guidance on Accounting Standard for Fair Value Measurement"), investments in partnerships are not included in Securities of the above table. As of March 31, 2025, the amount of investments in partnerships included on the balance sheet was ¥52,065 million.

3. Investment trusts with real estate as investment trust properties which have applied Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement are included in Securities.

4. For the fiscal year ended March 31, 2025, amounts related to separate accounts are excluded. In addition, the general allowance for doubtful accounts and the specific allowance for doubtful accounts relating to loans are not deducted.

As of March 31,

	2026			2026		
	Millions of yen			Millions of U.S. dollars		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Money held in trust:						
Trading securities	¥24,317	¥24,317	¥—	\$152	\$152	\$—
Total money held in trust	24,317	24,317	—	152	152	—
Securities:						
Trading securities	127,076	127,076	—	794	794	—
Held-to-maturity debt securities	625,104	627,439	2,335	3,909	3,924	14
Policy-reserve-matching bonds	1,334,207	1,058,541	(275,666)	8,345	6,620	(1,724)
Available-for-sale securities	4,518,631	4,518,631	—	28,262	28,262	—
Total securities	6,605,020	6,331,689	(273,330)	41,312	39,602	(1,709)
Loans:						
Policy loans	42,616			266		
Ordinary loans	301,337			1,884		
Allowance for possible loan losses*1	(351)			(2)		
Total loans	343,601	339,678	(3,923)	2,149	2,124	(24)
Assets total	6,972,939	6,695,685	(277,254)	43,613	41,879	(1,734)
Subordinated bonds*2	308,480	287,151	(21,328)	1,929	1,796	(133)
Liabilities total	308,480	287,151	(21,328)	1,929	1,796	(133)
Derivative instruments*3:						
Hedge accounting not applied	(414)	(414)	—	(2)	(2)	—
Total derivative instruments	¥(414)	¥(414)	¥—	\$ (2)	\$ (2)	\$—

*1 General and specific allowance for doubtful accounts relating to loans have been deducted.

*2 The fair value of derivative instruments that are currency swaps under designated hedge accounting is included in the fair value of subordinated bonds because it is accounted for as an integral part of the subordinated bonds that are the hedge items.

*3 Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in parentheses.

Notes: 1. Stocks without market prices, such as unlisted stocks, are not included in Securities of the above table.

The amount of these stocks on the balance sheet as of March 31, 2026 was ¥73,420 million (US\$459 million).

2. In accordance with Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, investments in partnerships are not included in Securities of the above table. As of March 31, 2026, the amount of investments in partnerships included on the balance sheet was ¥76,953 million (US\$481 million).

3. Investment trusts with real estate as investment trust properties which have applied Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement are included in Securities.

5. Matters concerning the breakdown of financial instruments by fair value level are as follows.

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

Fair Value Level 1: Fair values measured using (unadjusted) quoted prices in active markets for identical assets or liabilities

Fair Value Level 2: Fair values measured using directly or indirectly observable inputs other than Level 1 inputs

Fair Value Level 3: Fair values measured using material unobservable inputs

When multiple inputs with material impact are used to measure fair value, the resulting fair value is classified into the lowest fair value level into which any of these inputs can be categorized.

(1) Financial assets and liabilities with fair values recorded on the balance sheet were as follows:

Classification	As of March 31,			
	2025			
	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Money held in trust:				
Trading securities	¥—	¥22,812	¥—	¥22,812
Total money held in trust	—	22,812	—	22,812
Securities:				
Available-for-sale securities:				
Government bonds	1,036,491	—	—	1,036,491
Local government bonds	—	75,676	—	75,676
Corporate bonds	—	439,329	—	439,329
Stocks	894,051	—	—	894,051
Foreign securities	954,500	1,056,844	24,304	2,035,649
Other securities	56,535	128,027	—	184,563
Total available-for-sale securities	2,941,578	1,699,878	24,304	4,665,761
Total securities	2,941,578	1,699,878	24,304	4,665,761
Assets total	2,941,578	1,722,690	24,304	4,688,573
Derivative instruments*:				
Currency-related	—	300	—	300
Total derivative instruments	¥—	¥300	¥—	¥300

* Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in parentheses.

Notes: 1. Investment trusts with real estate as investment trust properties that have applied Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement are not included in the figures above. The amount of the investment trusts on the balance sheet as of March 31, 2025 was ¥10,302 million. Reconciliation of balances from the beginning of the current fiscal year to balances as of March 31, 2025 for the investment trusts were as follows:

As of March 31,	
2025	
Millions of yen	
Balance at the beginning of the fiscal year.....	¥9,945
Changes in net unrealized gains or losses	356
Balance at the end of the fiscal year.....	¥10,302

2. For the fiscal year ended March 31, 2025, amounts related to separate accounts are excluded.

As of March 31,								
Classification	2026				2026			
	Millions of yen				Millions of U.S. dollars			
	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Money held in trust:								
Trading securities.....	¥—	¥24,317	¥—	¥24,317	\$—	\$152	\$—	\$152
Total money held in trust.....	—	24,317	—	24,317	—	152	—	152
Securities:								
Trading securities.....	109,456	17,619	—	127,076	684	110	—	794
Available-for-sale securities:								
Government bonds.....	894,951	—	—	894,951	5,597	—	—	5,597
Local government bonds.....	—	64,451	—	64,451	—	403	—	403
Corporate bonds.....	—	415,183	—	415,183	—	2,596	—	2,596
Stocks.....	1,220,076	—	—	1,220,076	7,631	—	—	7,631
Foreign securities.....	755,425	952,545	23,516	1,731,487	4,724	5,957	147	10,829
Other securities.....	37,160	144,260	—	181,421	232	902	—	1,134
Total available-for-sale securities	2,907,613	1,576,441	23,516	4,507,571	18,186	9,860	147	28,193
Total securities.....	3,017,070	1,594,061	23,516	4,634,648	18,870	9,970	147	28,988
Assets total	3,017,070	1,618,379	23,516	4,658,965	18,870	10,122	147	29,140
Derivative instruments*:								
Currency-related.....	—	(414)	—	(414)	—	(2)	—	(2)
Total derivative instruments	¥—	¥(414)	¥—	¥(414)	\$—	\$(2)	\$—	\$(2)

* Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in parentheses.

Note: Investment trusts with real estate as investment trust properties that have applied Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement are not included in the figures above. The amount of the investment trusts on the balance sheet as of March 31, 2026 was ¥11,059 million (US\$69 million). Reconciliation of balances from the beginning of the current fiscal year to balances as of March 31, 2026 for the investment trusts were as follows:

As of March 31,		
	2026	2026
	Millions of yen	Millions of U.S. dollars
Balance at the beginning of the fiscal year.....	¥10,302	\$64
Changes in net unrealized gains or losses	261	1
Purchase, sales, and redemption	496	3
Purchase	500	3
Redemption.....	(3)	(0)
Balance at the end of the fiscal year.....	¥11,059	\$69

(2) Financial assets and liabilities with fair values not recorded on the balance sheet were as follows:

As of March 31,				
Classification	2025			
	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Securities:				
Held-to-maturity debt securities:				
Government bonds.....	¥653,179	¥—	¥—	¥653,179
Local government bonds.....	—	6,418	—	6,418
Corporate bonds.....	—	7,094	—	7,094
Total held-to-maturity debt securities	653,179	13,512	—	666,692
Policy-reserve-matching bonds:				
Government bonds.....	536,568	—	—	536,568
Local government bonds.....	—	1,565	—	1,565
Corporate bonds.....	—	30,456	—	30,456
Total policy-reserve-matching bonds	536,568	32,022	—	568,591
Total securities.....	1,189,748	45,535	—	1,235,283
Loans:				
Policy loans	—	—	43,775	43,775
Ordinary loans	—	—	424,720	424,720
Total loans	—	—	468,496	468,496
Assets total	1,189,748	45,535	468,496	1,703,780
Subordinated bonds.....	—	258,447	—	258,447
Liabilities total	¥—	¥258,447	¥—	¥258,447

As of March 31,

Classification	2026				2026			
	Millions of yen				Millions of U.S. dollars			
	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities:								
Held-to-maturity debt securities:								
Government bonds.....	¥614,929	¥—	¥—	¥614,929	\$3,846	\$—	\$—	\$3,846
Local government bonds.....	—	5,822	—	5,822	—	36	—	36
Corporate bonds.....	—	6,687	—	6,687	—	41	—	41
Total held-to-maturity debt securities	614,929	12,510	—	627,439	3,846	78	—	3,924
Policy-reserve-matching bonds:								
Government bonds.....	1,009,185	—	—	1,009,185	6,312	—	—	6,312
Local government bonds.....	—	1,464	—	1,464	—	9	—	9
Corporate bonds.....	—	47,891	—	47,891	—	299	—	299
Total policy-reserve-matching bonds	1,009,185	49,355	—	1,058,541	6,312	308	—	6,620
Total securities.....	1,624,114	61,866	—	1,685,981	10,158	386	—	10,545
Loans:								
Policy loans.....	—	—	42,616	42,616	—	—	266	266
Ordinary loans.....	—	—	297,062	297,062	—	—	1,858	1,858
Total loans.....	—	—	339,678	339,678	—	—	2,124	2,124
Assets total.....	1,624,114	61,866	339,678	2,025,659	10,158	386	2,124	12,669
Subordinated bonds.....	—	287,151	—	287,151	—	1,796	—	1,796
Liabilities total.....	¥—	¥287,151	¥—	¥287,151	\$—	\$1,796	\$—	\$1,796

(3) Explanation of valuation techniques and inputs used to measure fair value

- i) Securities (including deposits and monetary claims bought which are treated as securities based on "Accounting Standards for Financial Instruments" [ASBJ Statement No.10, July 4, 2019])

The fair values of securities for which unadjusted quoted market prices in active markets are available (primarily listed stocks and government bonds [including some foreign securities]) are classified as Fair Value Level 1. Meanwhile, the fair values of securities for which quoted market prices are available, but are not available in active markets, are classified as Fair Value Level 2 (This category primarily includes local government bonds and corporate bonds [including some foreign securities]). When quoted market prices are not available for securities, prices obtained from third parties (mainly from information vendors and financial institutions with which the Company conducts business) and determined to have been measured in accordance with prescribed accounting standards are used to measure the fair values of these securities. If the inputs used to measure the fair value of a given security are material but unobservable, the resulting fair value is classified as Fair Value Level 3.

- ii) Money held in trust

In principle, the fair values of securities managed as trust assets and classified as money held in trust are measured using the Company's prescribed method for determining the value of securities. These fair values are categorized as Fair Value Level 2.

- iii) Loans

The fair values of policy loans are deemed to approximate book values, considering estimated repayment period and interest rate conditions since their repayment deadlines have not been set up due

to the characteristics that the loans are limited to the amount of cash surrender values. Therefore, the book values are used as the fair values of policy loans.

The fair values of floating interest rate loans among the ordinary loans approximate the book values because the market interest rates are reflected in future cash flows in a short period. Therefore, the fair values of floating interest rate loans are used as their book values. The fair values of fixed interest rate loans are primarily calculated by discounting the future cash flows to the present values.

The fair values of loans from legally bankrupt borrowers, substantially bankrupt borrowers and not currently bankrupt borrowers are computed by deducting the amount of the allowance for possible loan losses from the book values before direct write-offs.

Because significant unobservable inputs used to measure the fair values of loans, the resulting fair values are classified as Fair Value Level 3.

- iv) Subordinated bonds

The fair values of corporate bonds issued by the Company are classified as Fair Value Level 2 and are measured using the same method applied to securities.

- v) Derivative instruments

The fair values of derivative instruments for which unadjusted quoted market prices in active markets are available (primarily exchange-traded futures and options) are classified as Fair Value Level 1. However, most derivative instruments are traded over the counter and have no quoted market prices. Accordingly, prices obtained from third parties (mainly from information vendors and financial institutions with which the Company conducts business) and determined to have been measured in accordance with prescribed accounting standards are used to measure

the fair values of these derivative instruments. Fair values of derivative instruments that were measured using only observable inputs or with unobservable inputs considered to be immaterial are classified as

Fair Value Level 2. Meanwhile, fair values of derivative instruments that have been measured using material unobservable inputs are categorized as Fair Value Level 3.

(4) Information concerning fair values of financial assets and liabilities that have been recorded on the balance sheet and classified as Fair Value Level 3

i) Quantitative information regarding material unobservable inputs

When measuring fair value, the Company does not adjust quoted prices obtained from third parties and does not make estimates related to inputs that it cannot observe. Accordingly, quantitative information regarding material unobservable inputs have been omitted.

ii) Reconciliation of balances at the beginning of the current fiscal year and balances as of March 31, 2025 and 2026, and valuation gains or losses recognized in the statements of operations for the respective fiscal years were as follows:

Year ended March 31,		
2025		
Millions of yen		
	Securities, Available-for-sale securities, Foreign securities	Total
Balance at the beginning of the current fiscal year.....	¥26,352	¥26,352
Gains or losses during the fiscal year	(10)	(10)
Values recognized as gains or losses*	(10)	(10)
Changes in net unrealized gains or losses	(2,037)	(2,037)
Balance at the end of the current fiscal year.....	¥24,304	24,304

* These amounts are included in investment income and investment expenses in the non-consolidated statements of operations for the fiscal year ended March 31, 2025.

Year ended March 31,				
2026			2026	
Millions of yen			Millions of U.S. dollars	
	Securities, Available-for-sale securities, Foreign securities	Total	Securities, Available-for-sale securities, Foreign securities	Total
Balance at the beginning of the current fiscal year.....	¥24,304	¥24,304	\$152	\$152
Gains or losses during the fiscal year	(10)	(10)	(0)	(0)
Values recognized as gains or losses*	(10)	(10)	(0)	(0)
Changes in net unrealized gains or losses	(777)	(777)	(4)	(4)
Balance at the end of the current fiscal year.....	¥23,516	¥23,516	\$147	\$147

* These amounts are included in investment income and investment expenses in the non-consolidated statements of operations for the fiscal year ended March 31, 2026.

iii) Explanation of the valuation process for fair value

The Company's asset management division is responsible for the formulation of policies and procedures related to the measurement of fair value and the actual measurement of fair value. These fair values are subsequently checked by the risk management department to ensure their appropriateness and compliance with relevant policies and procedures.

The Company verifies the appropriateness of the fair values it measures using a variety of suitable methods, which include comparing quoted market prices obtained from different third parties; confirming techniques and inputs utilized for calculation; and further comparing measured fair values with the fair values of similar financial instruments.

iv) Explanation of the impact on fair value in case of change in material unobservable inputs

When measuring fair value, the Company does not adjust quoted prices obtained from third parties and does not make estimates related to inputs that it cannot observe. Accordingly, it has omitted information concerning impact on fair value stemming from changes in material unobservable inputs.

6. The Company holds investment and rental properties such as office buildings in Tokyo and other areas. The carrying amounts and the fair values of investment and rental properties were ¥212,058 million and ¥385,247 million as of March 31, 2025, and ¥210,912 million (US\$1,319 million) and ¥403,030 million (US\$2,520 million) as of March 31, 2026, respectively. The fair value is mainly based on the value calculated by the Company in accordance with real estate appraisal standards which includes some adjustments using the reference prices.

The amount corresponding to asset retirement obligations included in the carrying amount of investment and

rental properties were ¥1,891 million as of March 31, 2025, and ¥1,508 million (US\$9 million) as of March 31, 2026.

7. The amount of securities lent under lending agreements were ¥467,473 million and ¥483,448 million (US\$3,023 million) as of March 31, 2025 and 2026, respectively.

8. The total amount of claims against bankrupt and quasi-bankrupt obligors, claims with collection risk, delinquent loans past three months or more, and restructured loans were ¥727 million and ¥566 million (US\$3 million) as March 31, 2025 and 2026, respectively. The details are as follows.

i) The balance of claims against bankrupt and quasi-bankrupt obligors were ¥110 million and ¥183 million (US\$1 million) as of March 31, 2025 and 2026, respectively.

Of which, the estimated uncollectible amount written-off were ¥1 million and ¥1 million (US\$7 thousand) as of March 31, 2025 and 2026, respectively.

Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.

ii) The balance of claims with collection risk were ¥372 million and ¥187 million (US\$1 million) as of March 31, 2025 and 2026, respectively.

Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.

iii) There was no balance of delinquent loans past three months or more as of March 31, 2025 and 2026, respectively.

Delinquent loans past three months or more are loans for which interest payments or repayments of principal are delinquent for three months or more from the due date under the terms of the related loan agreements, excluding those loans classified as claims against bankrupt and quasi-bankrupt obligors, claims with collection risk.

iv) The balance of restructured loans were ¥244 million and ¥196 million (US\$1 million) as of March 31, 2025 and 2026, respectively.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reduction or exemption, rescheduling of due date for repayments of principal or interest payment, waiver of claim or other terms, have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their business. This category excludes loans classified as claims against bankrupt and quasi-bankrupt obligors, claims with collection risk, and delinquent loans past three months or more.

9. Accumulated depreciation of tangible fixed assets were ¥188,839 million and ¥194,196 million (US\$1,214 million) as of March 31, 2025 and 2026, respectively.

10. Total assets in separate accounts provided for in Article 118 of the Insurance Business Act were ¥136,390 million and ¥132,705 million (US\$830 million) as of March 31, 2025 and 2026, respectively. The amounts of separate account liabilities were the same as separate account assets.

11. The total amounts of receivables from/payables to subsidiaries were ¥3,172 million and ¥2,471 million as of March 31, 2025, and ¥3,222 million (US\$20 million) and ¥6,258 million (US\$39 million) as of March 31, 2026, respectively.

12. Deferred tax assets and deferred tax liabilities as of March 31, 2025 were ¥197,479 million and ¥216,996 million, respectively. Valuation allowance for deferred tax assets was ¥4,752 million.

Major components of deferred tax assets were ¥120,533 million of policy reserves, ¥54,552 million of reserve for price fluctuation and ¥13,427 million of reserve for employees' retirement benefits as of March 31, 2025.

Major component of deferred tax liabilities was ¥209,381 million of net unrealized gains on available-for-sale securities as of March 31, 2025.

The statutory tax rate and the actual effective tax rate for the year ended March 31, 2025 were 28.0% and -11.0%, respectively. The difference between the statutory tax rate and the actual effective tax rate was attributable mainly to -27.1% of reserve for dividends to policyholders, and -12.0% from an upward revision in deferred tax assets at fiscal year-end due to tax rate change.

Deferred tax assets and deferred tax liabilities as of March 31, 2026 were ¥202,339 million (US\$1,265 million) and ¥309,071 million (US\$1,933 million), respectively. Valuation allowance for deferred tax assets was ¥4,745 million (US\$29 million).

Major components of deferred tax assets were ¥124,388 million (US\$778 million) of policy reserves, ¥55,207 million (US\$345 million) of reserve for price fluctuation and ¥13,248 million (US\$82 million) of reserve for employees' retirement benefits as of March 31, 2026.

Major component of deferred tax liabilities was ¥300,307 million (US\$1,878 million) of net unrealized gains on available-for-sale securities as of March 31, 2026.

The statutory tax rate and the actual effective tax rate for the year ended March 31, 2026 were 28.0% and 14.3%, respectively. The difference between the statutory tax rate and the actual effective tax rate was attributable mainly to -12.9% of reserve for dividends to policyholders.

13. Changes in reserve for dividends to policyholders were as follows:

	Year ended March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Balance at the beginning of the fiscal year	¥61,903	¥64,117	\$401
Transfer from surplus in the previous fiscal year	37,138	46,273	289
Dividend payments to policyholders during the fiscal year	(34,960)	(38,322)	(239)
Increase in interest	36	258	1
Balance at the end of the fiscal year	¥64,117	¥72,326	\$452

14. The amount of stocks of subsidiaries were ¥64,787 million and ¥64,787 million (US\$405 million) as of March 31, 2025 and 2026, respectively.

15. Assets pledged as collateral as of March 31, 2025 were ¥106,493 million of securities.

Secured debts as of March 31, 2025, were ¥5,972 million.

Assets pledged as collateral as of March 31, 2026 were ¥108,723 million (US\$680 million) of securities.

Secured debts as of March 31, 2026, were ¥6,057 million (US\$37 million).

16. Reserve for outstanding claims for the reinsurance contracts provided in accordance with Article 71 Paragraph 1 of the Enforcement Regulation of the Insurance Business Act (hereinafter called "reserve for outstanding claims for ceded reinsurance") were ¥40 million and ¥0 million (US\$3 thousand) as of March 31, 2025 and 2026, respectively.

20. Matters Related to Employees' Retirement Benefits

(1) Overview of Employees' Retirement Benefit Plan

As for a defined benefit plan for office-based employees, the Company has a defined benefit corporate pension plan and retirement lump-sum payments. As for a defined contribution plan for these employees, the Company also has a defined contribution pension plan.

As for a defined benefit plan for sales employees, the Company has retirement lump-sum payments.

The Company places a retirement benefit trust in relation to the retirement lump-sum grant plan for sales employees.

The simplified method for calculating retirement benefit obligation is applied to a portion of the Company's retirement lump-sum grant plans.

(2) Defined Benefit Plan

i) Reconciliation of beginning and end of balance of retirement benefit obligation

	As of March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Retirement benefit obligation at the beginning of the fiscal year	¥74,720	¥75,506	\$472
Service cost	3,047	3,069	19
Interest cost	1,190	1,205	7
Actuarial differences occurred during the fiscal year	340	(12,736)	(79)
Retirement benefit payments	(3,793)	(3,598)	(22)
Retirement benefit obligation at the end of the fiscal year	¥75,506	¥63,446	\$396

Policy reserve for the reinsurance contracts provided in accordance with Article 71 Paragraph 1 of the Enforcement Regulation of the Insurance Business Act (hereinafter called "policy reserve for ceded reinsurance") were ¥18 million and ¥17 million (US\$109 thousand) as of March 31, 2025 and 2026, respectively.

17. The total amounts of adjustment items for redemption of foundation funds and appropriation of net surplus defined in Article 30 Paragraph 2 of the Enforcement Regulation of the Insurance Business Act were ¥524,380 million and ¥748,014 million (US\$4,678 million) as of March 31, 2025 and 2026, respectively.

18. There were unused commitment line agreements under which the Company is the lender of ¥22,236 million and ¥16,723 million (US\$104 million) as of March 31, 2025 and 2026, respectively.

19. Repayments of subordinated bonds are subordinated to other obligations.

ii) Reconciliation of beginning and end of balance of pension plan assets

	As of March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Pension plan assets at the beginning of the fiscal year	¥79,620	¥80,322	\$502
Expected return on pension plan assets.....	1,378	1,377	8
Actuarial differences occurred during the fiscal year	888	13,049	81
Contributions by the employer.....	763	770	4
Retirement benefit payments.....	(2,328)	(1,898)	(11)
Pension plan assets at the end of the fiscal year	¥80,322	¥93,621	\$585

iii) Reconciliation of retirement benefit obligation and pension plan assets with reserve for employees' retirement benefits and prepaid pension cost presented on the non-consolidated balance sheet

	As of March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
a. Funded plan retirement benefit obligation	¥66,718	¥55,734	\$348
b. Pension plan assets.....	(80,322)	(93,621)	(585)
c. (a + b).....	(13,603)	(37,887)	(236)
d. Unfunded plan retirement benefit obligation.....	8,787	7,712	48
e. Unrecognized actuarial differences.....	21,812	46,143	288
f. Unrecognized prior service cost.....	5,860	5,172	32
g. Net amount of liabilities and assets presented on the non-consolidated balance sheet	22,856	21,141	132
h. Reserve for employees' retirement benefits.....	26,836	26,501	165
i. Prepaid pension cost.....	(3,980)	(5,360)	(33)
j. Net amount of liabilities and assets presented on the non-consolidated balance sheet	¥22,856	¥21,141	\$132

iv) Breakdown of retirement benefit gains and losses

	As of March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Service cost.....	¥3,047	¥3,069	\$19
Interest cost.....	1,190	1,205	7
Expected return on pension plan assets.....	(1,378)	(1,377)	(8)
Amortization of actuarial differences	(1,474)	(1,455)	(9)
Amortization of prior service cost.....	(687)	(687)	(4)
Retirement benefit expenses related to defined benefit plan.....	¥697	¥754	\$4

v) Breakdown of pension plan assets

The breakdown of asset categories as a percentage of total pension plan assets were as follows:

	As of March 31,	
	2025	2026
Domestic stocks.....	50.5%	54.5%
Life insurance general account.....	27.2%	24.6%
Foreign stocks.....	8.4%	8.3%
Domestic bonds	8.7%	8.1%
Foreign bonds.....	2.9%	2.8%
Assets under joint management	2.2%	1.7%
Total.....	100.0%	100.0%

Within the total of pension assets as of March 31, 2025 and 2026, 42.8% and 46.9% of this amount is accounted for by the retirement benefit trust established in relation to the retirement lump-sum payments plan for sales employees, respectively.

vi) Method for setting the expected long-term rate of return

To set the expected long-term rate of return on pension plan assets, the Company takes into account the present and future allocation of pension plan assets, and the present and expected future long-term rate of return on a variety of assets that makes up the pension assets.

vii) Underlying actuarial assumptions

Main underlying actuarial assumptions were as follows:

	As of March 31,	
	2025	2026
Discount rate	1.6%	3.3%
Expected long-term rate of return on pension plan assets		
Defined Benefit Plan.....	3.0%	3.0%
Retirement benefit trust	0.0%	0.0%

(3) Defined Contribution Plan

The required contribution amount by the Company to the defined contribution plan were ¥252 million and ¥256 million (US\$1 million) as of March 31, 2025 and 2026, respectively.

III. Notes to the Non-consolidated Statements of Operations

1. The total amounts of revenues and expenses in connection with subsidiaries were ¥3,494 million and ¥12,040 million for the year ended March 31, 2025, and ¥2,179 million (US\$13 million) and ¥12,308 million (US\$76 million) for the year ended March 31, 2026, respectively.

2. The details of gains on sales of securities were as follows:

	Year ended March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Domestic bonds	¥2,596	¥5,248	\$32
Domestic stocks and others.....	22,372	54,435	340
Foreign securities	31,436	86,620	541
Others	¥—	¥908	\$5

3. The details of losses on sales of securities were as follows:

	Year ended March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Domestic bonds	¥81,611	¥58,994	\$368
Domestic stocks and others.....	369	2,134	13
Foreign securities	2,414	10,849	67
Others	¥—	¥85	\$0

4. The details of losses on valuation of securities were as follows:

	Year ended March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Domestic stocks and others.....	¥275	¥—	\$—
Foreign securities	¥—	¥6	\$0

5. For the year ended March 31, 2025, in calculating the provision of reserve for outstanding claims, a provision of reserve for outstanding claims for ceded reinsurance of ¥39 million was deducted. In calculating the reversal of policy reserves, a reversal of policy reserve for ceded reinsurance of ¥0 million was deducted.

For the year ended March 31, 2026, in calculating the reversal of reserve for outstanding claims, a reversal of reserve for outstanding claims for ceded reinsurance of ¥39 million (US\$248 thousand) was deducted. In calculating the provision of policy reserves, a reversal of policy reserve for ceded reinsurance of ¥0 million (US\$3 thousand) was added.

6. The details of gains (losses) on trading securities were as follows:

	Year ended March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Losses on sales of trading securities	¥(1)	¥(3)	\$(0)

7. Gains on money held in trust for the year ended March 31, 2025 included valuation losses of ¥0 million.

Gains on money held in trust for the year ended March 31, 2026 included valuation losses of ¥0 million (US\$0 thousand).

8. Losses on derivative instruments for the year ended March 31, 2025 included valuation gains of ¥1,329 million.

Losses on derivative instruments for the year ended March 31, 2026 included valuation losses of ¥714 million (US\$4 million).

Independent Auditor's Report

September 25, 2026

To the Board of Directors of
Fukoku Mutual Life Insurance Company:

Moore Mirai & Co.
Tokyo, Japan

Designated Engagement Partner
Certified Public Accountant


Shinnosuke Tsuruta

Designated Engagement Partner
Certified Public Accountant


Osamu Sano

< Financial Statements Audit >

Opinion

We have audited the accompanying non-consolidated financial statements of Fukoku Mutual Life Insurance Company (collectively referred to as “the Company”), which comprise the non-consolidated balance sheets as at March 31, 2026, the non-consolidated statements of operations, the non-consolidated statements of changes in net assets, and the non-consolidated statements of surplus for the year then ended, and notes to the non-consolidated financial statements, all expressed in Japanese yen.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2026, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, the non-consolidated financial statements and our auditor's report thereon. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of

their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and Audit & Supervisory Board for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional

judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Convenience Translation

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note I.1 to the accompanying non-consolidated financial statements with respect to the year ended March 31, 2026.

Fee-related Information



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

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

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Consolidated Financial Statements

Consolidated Balance Sheets

Fukoku Mutual Life Insurance Company and consolidated subsidiaries
As of March 31, 2025 and 2026

	As of March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Assets:			
Cash and deposits	¥238,322	¥180,950	\$1,131
Call loans	97,000	313,000	1,957
Money held in trust.....	23,812	25,317	158
Securities.....	8,019,332	8,599,975	53,790
Loans.....	475,424	346,946	2,170
Tangible fixed assets:			
Land	153,059	153,047	957
Buildings.....	101,974	102,697	642
Lease assets	1,141	932	5
Construction in progress.....	2,763	1,682	10
Other tangible fixed assets.....	4,541	6,098	38
	263,480	264,458	1,654
Intangible fixed assets:			
Software.....	18,690	17,206	107
Lease assets	1,820	1,950	12
Other intangible fixed assets.....	5,691	17,515	109
	26,202	36,672	229
Agency receivables	0	0	0
Reinsurance receivables	120	96	0
Other assets.....	65,107	59,453	371
Net defined benefit assets	15,163	38,360	239
Deferred tax assets.....	7,907	9,995	62
Allowance for possible loan losses.....	(508)	(607)	(3)
Total assets.....	¥9,231,364	¥9,874,620	\$61,762

As of March 31,

	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Liabilities:			
Policy reserves:			
Reserve for outstanding claims.....	¥30,104	¥29,530	\$184
Policy reserve	7,714,518	7,852,920	49,117
Reserve for dividends to policyholders.....	64,117	72,326	452
Reserve for dividends to policyholders (subsidiary)	291	290	1
	7,809,032	7,955,068	49,756
Agency payables	507	295	1
Reinsurance payables	48	42	0
Subordinated bonds.....	267,260	308,480	1,929
Other liabilities	52,811	89,131	557
Net defined benefit liabilities.....	10,424	8,265	51
Reserve for price fluctuation.....	205,681	209,859	1,312
Deferred tax liabilities	36,766	131,409	821
Deferred tax liabilities for land revaluation	14,600	14,596	91
Total liabilities	8,397,132	8,717,149	54,523
Net assets:			
Foundation funds.....	8,000	8,000	50
Accumulated foundation funds redeemed	128,000	128,000	800
Reserve for revaluation	112	112	0
Consolidated surplus.....	148,280	233,188	1,458
Total foundation funds, surplus and others	284,393	369,300	2,309
Net unrealized gains (losses) on available-for-sale securities, net of tax.....	517,928	739,352	4,624
Revaluation reserve for land, net of tax	4,025	4,017	25
Foreign currency translation adjustment.....	629	770	4
Accumulated remeasurements of defined benefit plans	19,667	36,470	228
Total accumulated other comprehensive income	542,251	780,610	4,882
Non-controlling interests	7,587	7,560	47
Total net assets	834,231	1,157,470	7,239
Total liabilities and net assets	¥9,231,364	¥9,874,620	\$61,762

See notes to the consolidated financial statements.

Consolidated Statements of Operations

Fukoku Mutual Life Insurance Company and consolidated subsidiaries
For the year ended March 31, 2025 and 2026

	Year ended March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Ordinary revenues:			
Premium and other income	¥772,142	¥773,750	\$4,839
Investment income:			
Interest, dividends and other income.....	221,487	248,914	1,556
Gains on money held in trust, net	315	1,510	9
Gains on sales of securities.....	56,619	147,800	924
Gains on redemption of securities, net	3,011	5,748	35
Foreign exchange gains, net.....	—	2,042	12
Reversal of allowance for possible loan losses.....	180	—	—
Other investment income	214	2,483	15
Gains on separate accounts, net	1,418	21,160	132
	283,247	429,661	2,687
Other ordinary revenues.....	11,774	13,251	82
Total ordinary revenues	1,067,164	1,216,663	7,609
Ordinary expenses:			
Claims and other payments:			
Claims	109,916	102,121	638
Annuities	260,338	239,868	1,500
Benefits	138,688	142,115	888
Surrenders	110,847	121,995	763
Other payments.....	25,955	35,496	222
	645,747	641,597	4,012
Provision of policy reserve and others:			
Provision of reserve for outstanding claims.....	1,299	—	—
Provision of policy reserves	101,382	138,402	865
Provision of interest portion of reserve for dividends to policyholders	36	258	1
Provision of interest portion of reserve for dividends to policyholders (subsidiary).....	0	0	0
	102,718	138,660	867
Investment expenses:			
Interest expenses	4,646	5,451	34
Losses on trading securities, net	1	3	0
Losses on sales of securities.....	87,328	77,477	484
Losses on valuation of securities	275	6	0
Losses on derivative instruments, net	1,657	3,938	24
Foreign exchange losses, net.....	509	—	—
Provision of allowance for possible loan losses	—	105	0
Depreciation of real estate for rent and other assets	5,749	5,972	37
Other investment expenses.....	12,200	24,907	155
	112,368	117,862	737
Operating expenses.....	113,881	127,130	795
Other ordinary expenses	29,457	29,965	187
Total ordinary expenses	1,004,173	1,055,216	6,600
Ordinary profits	¥62,990	¥161,447	\$1,009

Year ended March 31,

	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Extraordinary gains:			
Gains on disposal of fixed assets	¥3	¥0	\$0
National subsidies	160	—	—
Total extraordinary gains	164	0	0
Extraordinary losses:			
Losses on disposal of fixed assets	146	307	1
Impairment losses	10	17	0
Provision of reserve for price fluctuation	12,402	4,178	26
Employee returns special expenses	—	1,701	10
Total extraordinary losses	12,559	6,205	38
Provision of reserve for dividends to policyholders (subsidiary)	194	162	1
Surplus before income taxes	50,399	155,079	969
Income taxes:			
Current	7,895	27,692	173
Deferred	(11,888)	(4,212)	(26)
Total income taxes	(3,993)	23,479	146
Net surplus	54,393	131,599	823
Net surplus attributable to non-controlling interests	221	297	1
Net surplus attributable to the parent company	¥54,171	¥131,301	\$821

See notes to the consolidated financial statements.

Consolidated Statements of Comprehensive Income

Fukoku Mutual Life Insurance Company and consolidated subsidiaries
For the year ended March 31, 2025 and 2026

Year ended March 31,

	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Net surplus	¥54,393	¥131,599	\$823
Other comprehensive income:			
Net unrealized gains (losses) on available-for-sale securities, net of tax ...	(146,015)	221,166	1,383
Revaluation reserve for land, net of tax	(469)	—	—
Foreign currency translation adjustments	372	140	0
Remeasurements of defined benefit plan, net of tax	(1,420)	16,803	105
	(147,532)	238,109	1,489
Comprehensive income:			
Comprehensive income attributable to the parent company	(92,688)	369,669	2,312
Comprehensive income attributable to non-controlling interests	(450)	39	0
	¥(93,139)	¥369,709	\$2,312

See notes to the consolidated financial statements.

Consolidated Statements of Cash Flows

Fukoku Mutual Life Insurance Company and consolidated subsidiaries
For the year ended March 31, 2025 and 2026

	Year ended March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Cash flows from operating activities:			
Surplus before income taxes	¥50,399	¥155,079	\$969
Depreciation of real estate for rent and other assets	5,749	5,972	37
Depreciation	11,161	11,491	71
Impairment losses	10	17	0
Increase (decrease) in reserve for outstanding claims	1,299	(574)	(3)
Increase (decrease) in policy reserve.....	101,382	138,402	865
Provision of interest portion of reserve for dividends to policyholders	36	258	1
Provision of interest portion of reserve for dividends to policyholders (subsidiary)	0	0	0
Provision of reserve for dividends to policyholders (subsidiary)	194	162	1
Increase (decrease) in allowance for possible loan losses	(194)	98	0
Increase (decrease) in net defined benefit liabilities	(1,572)	(1,712)	(10)
Increase (decrease) in reserve for price fluctuation.....	12,402	4,178	26
Interest, dividends and other income.....	(221,487)	(248,914)	(1,556)
Losses (gains) on securities, net	27,898	(94,794)	(592)
Interest expenses	4,646	5,451	34
Foreign exchange losses (gains), net	509	(2,051)	(12)
Losses (gains) on tangible fixed assets, net	68	264	1
Decrease (increase) in agency receivable.....	(0)	0	0
Decrease (increase) in reinsurance receivable.....	1	23	0
Decrease (increase) in other assets except from investing and financing activities.....	592	(3)	(0)
Increase (decrease) in agency payable	58	(212)	(1)
Increase (decrease) in reinsurance payable	(5)	(5)	(0)
Increase (decrease) in other liabilities except from investing and financing activities.....	4,737	5,425	33
Others.....	24,336	32,901	205
Subtotal	22,223	11,458	71
Interest, dividends and other income received.....	209,355	224,215	1,402
Interest expenses paid	(4,620)	(5,433)	(33)
Dividends to policyholders paid.....	(34,960)	(38,322)	(239)
Dividends to policyholders paid (subsidiary)	(193)	(163)	(1)
Corporate income tax (paid) refunded	(19,138)	(6,114)	(38)
Net cash provided by (used in) operating activities (a).....	172,666	185,640	1,161
Cash flows from investing activities:			
Net decrease (increase) in deposits	4,795	(2,841)	(17)
Increase in money held in trust.....	(1,396)	—	—
Decrease in money held in trust	1,396	—	—
Payments for purchase of securities.....	(1,074,990)	(1,474,612)	(9,223)
Proceeds from sales and redemption of securities	858,598	1,327,381	8,302
Payments for additions to loans	(61,198)	(58,004)	(362)
Proceeds from collections of loans	78,521	168,407	1,053
Proceeds from and payments for settlements of derivatives, net.....	(2,361)	9,948	62
Increase (decrease) in cash received as collateral under securities lending transactions	(121,299)	—	—
Others.....	(10,102)	(9,888)	(61)
Subtotal (b).....	(328,037)	(39,609)	(247)
(a + b).....	¥(155,370)	¥146,031	\$913

Year ended March 31,

	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Payments for purchase of tangible fixed assets	¥(13,804)	¥(9,661)	\$(60)
Proceeds from sales of tangible fixed assets.....	12	0	0
Payments for purchase of intangible fixed assets	(10,770)	(18,940)	(118)
Proceeds from sales of intangible fixed assets	0	—	—
Net cash provided by (used in) investing activities	(352,599)	(68,210)	(426)
Cash flows from financing activities:			
Proceeds from issuance of subordinated bonds	—	102,013	638
Redemption of subordinated bonds.....	—	(62,065)	(388)
Proceeds from financing of additional foundation funds.....	8,000	—	—
Payments for redemption of foundation funds.....	(12,000)	—	—
Payment of interest on foundation funds	(102)	(129)	(0)
Dividends paid to non-controlling interests	(66)	(66)	(0)
Payments for lease obligations	(1,076)	(894)	(5)
Net cash provided by (used in) financing activities.....	(5,244)	38,857	243
Effect of exchange rate changes on cash and cash equivalents.....	349	(620)	(3)
Net increase (decrease) in cash and cash equivalents	(184,828)	155,666	973
Cash and cash equivalents at the beginning of the fiscal year	506,141	321,312	2,009
Cash and cash equivalents at the end of the fiscal year	¥321,312	¥476,979	\$2,983

See notes to the consolidated financial statements.

Consolidated Statements of Changes in Net Assets

Fukoku Mutual Life Insurance Company and consolidated subsidiaries
For the years ended March 31, 2025 and 2026

Millions of yen					
For the year ended March 31, 2025	Foundation funds, surplus and others				
	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Consolidated surplus	Total foundation funds, surplus and others
Balance at the beginning of the fiscal year	¥12,000	¥116,000	¥112	¥143,344	¥271,456
Changes in the fiscal year					
Financing of additional foundation funds.....	8,000				8,000
Additions to reserve for dividends to policyholders				(37,138)	(37,138)
Additions to accumulated foundation funds redeemed.....		12,000			12,000
Payment of interest on foundation funds.....				(102)	(102)
Net surplus attributable to the parent company for the fiscal year				54,171	54,171
Redemption of foundation funds.....	(12,000)				(12,000)
Reversal of reserve for redemption of foundation funds.....				(12,000)	(12,000)
Reversal of revaluation reserve for land, net of tax.....				5	5
Net changes, excluding foundation funds, surplus and others.....					
Total changes in the fiscal year.....	(4,000)	12,000	—	4,936	12,936
Balance at the end of the fiscal year	¥8,000	¥128,000	¥112	¥148,280	¥284,393

Millions of yen							
For the year ended March 31, 2025	Accumulated other comprehensive income						Total net assets
	Net unrealized gains (losses) on available-for-sale securities, net of tax	Revaluation reserve for land, net of tax	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
Balance at the beginning of the fiscal year	¥663,271	¥4,500	¥257	¥21,087	¥689,116	¥8,104	¥968,677
Changes in the fiscal year							
Financing of additional foundation funds.....							8,000
Additions to reserve for dividends to policyholders							(37,138)
Additions to accumulated foundation funds redeemed							12,000
Payment of interest on foundation funds.....							(102)
Net surplus attributable to the parent company for the fiscal year							54,171
Redemption of foundation funds.....							(12,000)
Reversal of reserve for redemption of foundation funds.....							(12,000)
Reversal of revaluation reserve for land, net of tax.....							5
Net changes, excluding foundation funds, surplus and others.....	(145,342)	(475)	372	(1,420)	(146,865)	(517)	(147,382)
Total changes in the fiscal year.....	(145,342)	(475)	372	(1,420)	(146,865)	(517)	(134,445)
Balance at the end of the fiscal year	¥517,928	¥4,025	¥629	¥19,667	¥542,251	¥7,587	¥834,231

Millions of yen					
	Foundation funds, surplus and others				
	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Consolidated surplus	Total foundation funds, surplus and others
For the year ended March 31, 2026					
Balance at the beginning of the fiscal year	¥8,000	¥128,000	¥112	¥148,280	¥284,393
Changes in the fiscal year					
Additions to reserve for dividends to policyholders				(46,273)	(46,273)
Payment of interest on foundation funds.....				(129)	(129)
Net surplus attributable to the parent company for the fiscal year				131,301	131,301
Reversal of revaluation reserve for land, net of tax.....				8	8
Net changes, excluding foundation funds, surplus and others.....					
Total changes in the fiscal year.....	—	—	—	84,907	84,907
Balance at the end of the fiscal year	¥8,000	¥128,000	¥112	¥233,188	¥369,300

Millions of yen							
	Accumulated other comprehensive income						Total net assets
	Net unrealized gains (losses) on available-for-sale securities, net of tax	Revaluation reserve for land, net of tax	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
For the year ended March 31, 2026							
Balance at the beginning of the fiscal year	¥517,928	¥4,025	¥629	¥19,667	¥542,251	¥7,587	¥834,231
Changes in the fiscal year							
Additions to reserve for dividends to policyholders.....							(46,273)
Payment of interest on foundation funds.....							(129)
Net surplus attributable to the parent company for the fiscal year							131,301
Reversal of revaluation reserve for land, net of tax.....							8
Net changes, excluding foundation funds, surplus and others.....	221,424	(8)	140	16,803	238,358	(27)	238,331
Total changes in the fiscal year.....	221,424	(8)	140	16,803	238,358	(27)	323,239
Balance at the end of the fiscal year	¥739,352	¥4,017	¥770	¥36,470	¥780,610	¥7,560	¥1,157,470

Millions of U.S. dollars

	Foundation funds, surplus and others				
	Foundation funds	Accumulated foundation funds redeemed	Reserve for revaluation	Consolidated surplus	Total foundation funds, surplus and others
For the year ended March 31, 2026					
Balance at the beginning of the fiscal year	\$50	\$800	\$0	\$927	\$1,778
Changes in the fiscal year					
Additions to reserve for dividends to policyholders				(289)	(289)
Payment of interest on foundation funds.....				(0)	(0)
Net surplus attributable to the parent company for the fiscal year				821	821
Reversal of revaluation reserve for land, net of tax.....				0	0
Net changes, excluding foundation funds, surplus and others.....					
Total changes in the fiscal year.....	—	—	—	531	531
Balance at the end of the fiscal year	\$50	\$800	\$0	\$1,458	\$2,309

Millions of U.S. dollars

	Accumulated other comprehensive income						Total net assets
	Net unrealized gains (losses) on available- for-sale securities, net of tax	Revaluation reserve for land, net of tax	Foreign currency translation adjustments	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	
For the year ended March 31, 2026							
Balance at the beginning of the fiscal year	\$3,239	\$25	\$3	\$123	\$3,391	\$47	\$5,217
Changes in the fiscal year							
Additions to reserve for dividends to policyholders.....							(289)
Payment of interest on foundation funds.....							(0)
Net surplus attributable to the parent company for the fiscal year							821
Reversal of revaluation reserve for land, net of tax.....							0
Net changes, excluding foundation funds, surplus and others.....	1,384	(0)	0	105	1,490	(0)	1,490
Total changes in the fiscal year.....	1,384	(0)	0	105	1,490	(0)	2,021
Balance at the end of the fiscal year	\$4,624	\$25	\$4	\$228	\$4,882	\$47	\$7,239

Notes to the Consolidated Financial Statements

I. Presentation of the Consolidated Financial Statements

1. Basis of Presentation

The accompanying consolidated financial statements have been prepared from the accounts maintained by Fukoku Mutual Life Insurance Company (the "Company") and its consolidated subsidiaries in accordance with the provisions set forth in the Insurance Business Act of Japan and its related rules and regulations and in conformity with accounting principles generally accepted in Japan, which are different in certain respects from accounting principles generally accepted in countries and jurisdictions other than Japan.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Amounts of less than one million yen have been rounded down. As a result, the totals do not add up.

The translations of yen amounts into U.S. dollar amounts are included solely for the convenience of the reader and have been made, as a matter of arithmetical computation only, at the rate of ¥159.88 = US\$1.00, the effective rate of exchange at the balance sheet date of March 31, 2026. The translations should not be construed as representations that such yen amounts have been or could in the future be, converted into U.S. dollars at that or any other rates.

2. Principles of Consolidation

(1) Scope of Consolidation

Consolidated subsidiaries as of March 31, 2025 and 2026 are listed below:

Fukoku Capital Management, Inc.
Fukokushinrai Life Insurance Co., Ltd.
Fukoku Information Systems Co., Ltd.
Fukoku Life International (U.K.) Ltd.
Fukoku Life International (America) Inc.
Fukoku Life Investments Singapore Pte. Ltd.

Major unconsolidated subsidiary is Fukoku Business Service Company Limited.

Four subsidiaries are excluded from the scope of consolidation, as each one of them is small in its total assets, amount of sales, net surplus for the period and surplus and are sufficiently insignificant to reasonable judgement on their impact on the financial position and results of operation of the Company's group.

(2) Application of Equity Method

Unconsolidated subsidiaries (such as Fukoku Business Service Company Limited, etc.) are insignificant in their impact on net surplus attributable to the parent company and consolidated surplus, and also immaterial as a whole, therefore, application of equity method is not applied.

There are no affiliates for the year ended March 31, 2025 and 2026.

(3) Fiscal Year of Consolidated Subsidiaries

Among the subsidiaries to be consolidated, fiscal year-end of overseas subsidiaries is December 31. For the preparation of consolidated financial statements, financial statements as of that date are used and concerning any important transaction taking place in between December

31 and the consolidated closing date, necessary adjustments for consolidation are made.

II. Notes to the Consolidated Balance Sheets

1. (1) The valuation of securities, including cash and deposits and monetary claims bought which are equivalent to securities, and securities managed as trust assets in money held in trust, is as follows:
 - i) Trading securities are stated at fair market value. Costs of their sales are determined by the moving average method.
 - ii) Held-to-maturity debt securities are stated at amortized cost under the straight-line method, cost being determined by the moving average method.
 - iii) Policy-reserve-matching bonds are stated at amortized cost under the straight-line method, cost being determined by the moving average method in accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" (Industry Audit Committee Report No.21 issued by the Japanese Institute of Certified Public Accountants on November 16, 2000).
 - iv) Investments in unconsolidated subsidiaries and affiliates which are not accounted for under the equity method are stated at cost, cost being determined by the moving average method.
 - v) Available-for-sale securities are stated at fair market value based on the market prices at the end of the fiscal year. Costs of their sales are determined by the moving average method. Public and corporate bonds (including foreign bonds) with differences between their acquisition costs and fair values that are considered as adjustments of interest are stated at amortized cost (straight-line method) determined by the moving average method. However, stocks and other securities without quoted market prices are stated at cost, as determined using the moving average method. Net unrealized gains or losses on these available-for-sale securities, net of taxes, are recorded as a separate component of net assets.
- (2) Derivative instruments are stated at fair market value.
- (3) The Company revalued the land used in the operations based on the Act for Revaluation of Land (Act No.34 promulgated on March 31, 1998). The difference between fair value and book value resulting from the revaluation, net of related taxes, is recorded as revaluation reserve for land as a separate component of net assets and the related tax is recorded as deferred tax liabilities for land revaluation.
 - Date of revaluation: March 31, 2002
 - Method of revaluation as prescribed for in Article 3 Paragraph 3 of the said Act:

Calculation is based on the appraisal value for property tax set forth in Article 2 item 3 of the Enforcement Ordinance of the Act for Revaluation of Land (Government Ordinance No.119 promulgated on March 31, 1998) and the road rate set forth in Article 2 item 4 of the said Ordinance with certain reasonable adjustments.
- (4) Depreciation of the Company's tangible fixed assets is calculated by the following methods.

- Tangible fixed assets (excluding lease assets):
Declining-balance method
However, buildings (excluding building attachments and structures acquired on or before March 31, 2016) acquired on or after April 1, 1998 are depreciated using Straight-line method.
 - Lease assets related to finance lease transactions that do not transfer ownership: Straight-line method over the lease term with no residual value.
Other tangible fixed assets acquired for ¥100,000 or more but less than ¥200,000 are depreciated equally over three years.
- (5) Assets and liabilities denominated in foreign currencies, except for investments in unconsolidated subsidiaries and affiliates, are translated into Japanese yen at the effective exchange rate prevailing at the balance sheet date. Investments in unconsolidated subsidiaries and affiliates are translated into Japanese yen at the exchange rate on the date of acquisition.
- (6) Allowance for possible loan losses for the Company is provided in accordance with the standards of self-assessment and write-offs and reserves on credit quality:
- i) For the credits of borrowers who are legally bankrupt such as being in the proceedings of bankruptcy or civil rehabilitation (hereinafter called "legally bankrupt borrowers") and who are substantially bankrupt (hereinafter called "substantially bankrupt borrowers"), the Company provides the remaining amounts of credits after the direct write-off described below and the deductions of the amount expected to be collected through the disposal of collateral or the execution of guarantees.
 - ii) For the credits of borrowers who are not currently bankrupt but have a high possibility of bankruptcy (hereinafter called "not currently bankrupt borrowers"), the Company provides the amounts deemed as necessary considering the borrowers' ability to pay, within the amounts after deductions of the amounts expected to be collected through the disposal of collateral or the execution of guarantees.
 - iii) For the credits of borrowers other than the above, the Company provides the amounts calculated by multiplying the borrowers' balance by the actual ratio of bad debt losses on defaults during a certain past period.
- All credits are assessed by the relevant departments in accordance with the Company's standards of self-assessment on credit quality. The results of the assessment are reviewed by the audit department, which is independent of business-related divisions. Subsequently, the allowance for possible loan losses is provided based on the results of these assessments.
- For the credits of legally bankrupt borrowers and substantially bankrupt borrowers, the amounts remaining after deductions of collateral value or the amounts collectible through the execution of guarantees are written-off directly from the borrowers' balances as the estimated uncollectible amounts. The amount written-off as of March 31, 2025 and 2026 were ¥1 million and ¥1 million (US\$7 thousand).
- (7) Net defined benefit liabilities and assets, which are provided for employees' retirement benefits, are calculated by deducting the amount of pension assets from the amount of retirement benefit obligations incurred as of the balance sheet date based on the projected retirement benefits as of the current fiscal year end.
The Company uses the following methods of accounting in relation to retirement benefits:
- Method for allocation of projected retirement benefits Benefit formula basis
 - Amortization period of actuarial gains and losses10 years
 - Amortization period of prior service cost10 years
- (8) Reserve for price fluctuation is calculated in accordance with Article 115 of the Insurance Business Act.
- (9) Hedge accounting is based on "Accounting Standards for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). The Company applies a designated hedge accounting ("Furiate shori") for foreign currency swaps as a hedge against the risk of foreign exchange fluctuation in relation to bonds denominated in foreign currencies issued by the Company.
For assessing the effectiveness of hedge used, ratio analysis of comparing the fluctuations in the fair value or cash flows of hedged items and hedging instruments is mainly applied.
- (10) The Company accounts for consumption taxes by the tax-exclusion method. The consumption taxes on certain assets, which are not deductible from consumption taxes withheld and that are stipulated to be deferred under the Tax Act, are deferred as prepaid expenses and amortized equally over five years. Consumption taxes other than deferred consumption taxes are recognized as an expense when incurred.
- (11) Initial premium incomes are recorded by the relevant amounts received when the premium incomes have been received and the responsibilities on the insurance contract have been commenced, in principal.
Subsequent premium incomes are also recorded as the amount of payments that have been received.
Of premium incomes that have been received, the portion corresponding to the period that has yet to pass as of the end of the fiscal year is accumulated as policy reserve in accordance with Article 116 of the Insurance Business Act and Article 69 Paragraph 1 Item 2 of the Enforcement Regulation of the Insurance Business Act.
Premium incomes associated with the acceptance of group annuities are recorded as amounts equivalent to the policy reserve received when accepting the transfers of these group annuities.
- (12) Claims and other payments (excluding reinsurance premiums) are recorded by the relevant amounts paid when the cause for payment under the policy conditions is occurred and the calculated amounts are paid based on the policy conditions.
In accordance with Article 117 of the Insurance Business Act and Article 72 of the Enforcement Regulation of the Insurance Business Act, reserve for

outstanding claims are accumulated as for claims for which the Company has a payment due but has not paid, or for which the occurrence of cause for payment has not been reported but the Company recognizes that insured payment has already occurred as of the end of the fiscal year.

Regarding claims for which the occurrence of cause for payment has not been reported but the Company recognizes that insured payment has already occurred ("IBNR reserves"), the special treatment providing payment of hospitalization benefits with respect to those diagnosed with COVID-19 and were under the care of a doctor or the like at an lodging facility or at home ("deemed hospitalization") was discontinued on May 8, 2023. As a result of this change, an appropriate amount of reserves cannot be obtained with the calculation method set forth in the main rules in Article 1, Paragraph 1 of the Notification of the Minister of Finance No.234, 1998 ("IBNR Notification"). The Company therefore records the amount that was calculated using the following method, pursuant to provisions in the proviso of Article 1, Paragraph 1 of IBNR Notification (the "Proviso").

(Overview of the calculation method)

The Company first deducts an amount pertaining to deemed hospitalization of policy holders from a required amount of IBNR reserves and the amount of claim payments for all the consolidated fiscal years, as set forth in the main rules in Article 1, Paragraph 1 of IBNR Notification, and then calculates in the same manner as in the main rules in Article 1, Paragraph 1 of IBNR Notification.

Claims and other payments associated with the outgoing transfer of group annuities are recorded as amounts equivalent to the policy reserve transferred when recognizing the transfers of these group annuities.

- (13) Policy reserve of the Company is accumulated in accordance with the methods stated in the statement of calculation procedures for Insurance Premiums and Policy Reserves (Article 4 Paragraph 2 Item 4 of the Insurance Business Act) pursuant to Article 116 Paragraph 1 of the Insurance Business Act to prepare for the future performance of obligations under the insurance contracts for which the insurer's responsibilities have started as of the end of the consolidated fiscal year.

Premium reserves, one of the components of policy reserve, are calculated by the following method.

- i) In regard to the policies subject to the standard policy reserve, the method as prescribed by the Commissioner of Financial Services Agency (Ministry of Finance Ordinance No.48, 1996) is applied.
- ii) In regard to the policies not subject to the standard policy reserve, the net level premium method is applied.

In regard to the policy reserve accumulated pursuant to Article 69 Paragraphs 1,2, and 4 of the Enforcement Regulation of the Insurance Business Act, when the actual assumptions for long-term future cash flows (such as assumed incidence rate and assumed interest rate) deviate from those assumptions set in the "statement of calculation procedures for Insurance Premiums and Policy Reserves" and policy reserve is considered to be possibly insufficient to cover the future

performance of obligations, additional policy reserve is required to accumulate in accordance with Article 69 Paragraph 5 of the Enforcement Regulation of the Insurance Business Act. The following reserves have been established in compliance with this regulation.

- Among individual annuity insurance policies with an assumed interest rate of 5.00% or higher, for policies that have begun paying annuities (excluding wife's annuity insurance additional rider), the Company has reduced the assumed interest rate to 1.00% and funded additional policy reserves. As of March 31, 2025, the balance of these policy reserves was ¥67,306 million.
- Among whole life insurance policies with assumed interest rates of 5.00% or higher following the fiscal year ended March 31, 2025, the Company has reduced assumed interest rates for policies with premiums that have been paid in full (excluding policies that have been converted into paid-up or extended policies, single premium policies, and policies for which premiums have been waived) to 1.00% and funded additional policy reserves. As of March 31, 2025, the balance of these policy reserves was ¥104,482 million.
- The Company has also funded additional policy reserves for certain new cancer riders and highly advanced medical riders. As of March 31, 2025, the balance of these policy reserves was ¥90 million.
- Among individual annuity insurance policies with an assumed interest rate of 5.00% or higher, for policies that have begun paying annuities (excluding wife's annuity insurance additional rider), the Company has reduced the assumed interest rate to 1.00% and funded additional policy reserves. As of March 31, 2026, the balance of these policy reserves was ¥63,784 million (US\$398 million).
- Among whole life insurance policies with assumed interest rates of 5.00% or higher following the fiscal year ended March 31, 2026, the Company has reduced assumed interest rates for policies with premiums that have been paid in full (excluding policies that have been converted into paid-up or extended policies, single premium policies, and policies for which premiums have been waived) to 1.00% and funded additional policy reserves. As of March 31, 2026, the balance of these policy reserves was ¥102,825 million (US\$643 million).
- The Company has also funded additional policy reserves for certain new cancer riders and highly advanced medical riders. As of March 31, 2026, the balance of these policy reserves was ¥102 million (US\$637 thousand).

Appointed actuary, for each fiscal year, verify whether policy reserves have been reasonably accumulated in accordance with Article 121 Paragraph 1 of the Insurance Business Act and Article 80 of the Enforcement Regulation of the Insurance Business Act.

Contingency reserves, one of the components of policy reserve, are accumulated pursuant to Article 116 of the Insurance Business Act and Article 69 Paragraph 1 Item 3 of the Enforcement Regulation of the Insurance Business Act to cover risks that may accrue in the future in order to ensure performing future obligations under the insurance contracts.

- (14) Depreciation of intangible fixed assets is calculated by the following methods.

- Software: Straight-line method over the estimated useful lives
- Lease assets related to finance lease transactions that do not transfer ownership: Straight-line method over the lease term with no residual value

(15) Of the bonds corresponding to the sub-groups set by insurance types and investment policies, the bonds that are held to match the duration of liabilities are classified as policy-reserve-matching bonds in accordance with “Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in Insurance Industry” (Industry Audit Committee Report No. 21 issued by JICPA on November 16, 2000).

The sub-groups shall be defined as follows:

- i) The Company
 - a. The following insurance policies under individual life insurance and individual annuity insurance:
 - With respect to whole life insurance policies issued between April 1983 and March 1993, among policies for which the premium payment period has been completed (excluding policies converted to paid-up insurance or extended term insurance, single-premium policies, and policies for which premium payment obligations have been waived), those for which the insured's age as of the end of the fiscal year is 75 years or younger
 - With respect to individual annuity insurance policies issued between May 1981 and March 1993, among policies for which annuity payments have commenced (excluding wife's annuity insurance additional rider policies and fixed-term annuity policies), those for which the annuitant's age as of the end of the fiscal year is 70 years or younger
 - Whole life insurance policies, savings-type long-term care insurance policies, and new savings-type long-term care insurance policies issued between April 2, 1996 and April 1, 2013 (excluding policies converted to extended term insurance, and whole life insurance single-premium policies issued between August 1, 2003 and April 1, 2013)
 - Individual annuity insurance policies issued on or after April 2, 2001 (excluding individual annuity insurance policies with accidental death benefit (single-premium policies))
 - b. Group annuity insurance policies (excluding defined contribution pension insurance policies with a guaranteed fixed interest rate period)
- ii) Fukuokushinrai Life Insurance Co., Ltd.
 - a. Single-premium individual annuity insurance policies with accidental death benefits and triennial interest surplus dividends, classified under the Individual Annuities (Accidental Benefits) category
 - b. Single-premium whole life insurance policies with quinquennial interest surplus dividends, classified under the Individual Insurance (interest surplus dividends) category
 - c. Interest rate revision-type single-premium whole life insurance, classified under the Individual Insurance (Interest Rate Revision-Type) category

2. The main accounting standards that had been published by the end of the fiscal year ended March 31, 2026, but have not been applied are as follows: The publication of the “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024) and the “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024) will result in revisions to accounting procedures for leases.

Mandatory application will take effect from the start of fiscal years beginning after April 1, 2027, and we plan to apply them from the start of the fiscal year ending March 31, 2028.

We are currently evaluating the impact of the application of these accounting standards.

3. Matters concerning the status of financial instruments are as follows.

Asset management of the general accounts other than the separate accounts stipulated in Article 118 Paragraph 1 of the Insurance Business Act is conducted on the principle of prudent and profitable investments by the Company, considering public and social responsibilities of the insurance business. Based on this policy, the Company allocates the fund, securing its liquidity, from the medium-to-long term viewpoints. The Company is diversifying investments in assets such as foreign securities, stocks and real estates within the acceptable range of risk in order to enhance the profitability, although yen-denominated interest bearing assets including debt securities such as Japanese government bonds and loans are the cores of the portfolios under the asset liability management. Derivatives are mainly used to hedge the market risk regarding spot-priced assets and liabilities.

Major financial instruments including securities, loans and derivatives are exposed to market risk and credit risk.

The Company manages its asset management risk by establishing internal control systems including various rules pursuant to the “Three Basic Rules related to Enterprise Risk Management” established by the Board of Directors. Specifically, the Company eliminates excessive risk deviating from the basic principle and secures the safety of the assets by utilizing control functions of the Financial and Investment Risk Management Department towards the asset management sections, monitoring the status of market risk and credit risk periodically. In addition, the Company quantifies the market risk and credit risk using value-at-risk (VaR) method in order to control the possible maximum losses which may arise from the holding assets within a certain range of risk buffers.

4. Matters regarding the fair value, etc., of financial instruments are as follows.

Disclosures in the notes have been omitted for financial instruments that are settled over a short period and for which fair value approximates carrying value.

Carrying amounts, fair values, and differences for major financial assets and financial liabilities were as follows:

As of March 31,			
2025			
Millions of yen			
	Carrying amount	Fair value	Difference
Money held in trust:			
Trading securities.....	¥22,812	¥22,812	¥—
Total money held in trust.....	22,812	22,812	—
Securities:			
Held-to-maturity debt securities.....	1,144,909	1,152,860	7,950
Policy-reserve-matching bonds.....	1,758,765	1,598,478	(160,287)
Available-for-sale securities.....	4,926,314	4,926,314	—
Total securities.....	7,829,990	7,677,653	(152,336)
Loans:			
Policy loans	47,042	47,042	(0)
Ordinary loans	428,381	424,720	(3,661)
Total loans	475,424	471,762	(3,661)
Assets total	8,328,226	8,172,228	(155,998)
Subordinated bonds*1	267,260	258,447	(8,812)
Liabilities total	267,260	258,447	(8,812)
Derivative instruments*2 :			
Hedge accounting not applied	300	300	—
Total derivative instruments	¥300	¥300	¥—

*1 The fair value of derivative instruments that are currency swaps under designated hedge accounting is included in the fair value of subordinated bonds because it is accounted for as an integral part of the subordinated bonds that are the hedge items.

*2 Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in parentheses.

Notes: 1. Stocks without market prices, such as unlisted stocks, are not included in Securities of the above table.

The amount of these stocks on the balance sheet as of March 31, 2025, was ¥9,073 million.

2. In accordance with Paragraph 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No.31, June 17, 2021. Hereinafter called "Implementation Guidance on Accounting Standard for Fair Value Measurement"), investments in partnerships are not included in Securities of the above table.

As of March 31, 2025, the amount of investments in partnerships included on the balance sheet was ¥52,065 million.

3. Investment trusts with real estate as investment trust properties which have applied Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement are included in Securities.

4. For the fiscal year ended March 31, 2025, amounts related to separate accounts are excluded. In addition, the general allowance for doubtful accounts and the specific allowance for doubtful accounts relating to loans are not deducted.

As of March 31,						
2026			2026			
Millions of yen			Millions of U.S. dollars			
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Money held in trust:						
Trading securities.....	¥24,317	¥24,317	¥—	\$152	\$152	\$—
Total money held in trust.....	24,317	24,317	—	152	152	—
Securities:						
Trading securities.....	127,076	127,076	—	794	794	—
Held-to-maturity debt securities.....	1,118,524	1,073,207	(45,317)	6,996	6,712	(283)
Policy-reserve-matching bonds.....	2,461,023	1,981,654	(479,368)	15,392	12,394	(2,998)
Available-for-sale securities.....	4,807,359	4,807,359	—	30,068	30,068	—
Total securities.....	8,513,984	7,989,298	(524,686)	53,252	49,970	(3,281)
Loans:						
Policy loans	45,809			286		
Ordinary loans	301,337			1,884		
Allowance for possible loan losses*1	(351)			(2)		
Total loans	346,795	342,871	(3,923)	2,169	2,144	(24)
Assets total	8,885,097	8,356,487	(528,609)	55,573	52,267	(3,306)
Subordinated bonds*2	308,480	287,151	(21,328)	1,929	1,796	(133)
Liabilities total	308,480	287,151	(21,328)	1,929	1,796	(133)
Derivative instruments*3 :						
Hedge accounting not applied	(414)	(414)	—	(2)	(2)	—
Total derivative instruments	¥(414)	¥(414)	¥—	\$(2)	\$(2)	\$—

*1 General and specific allowance for doubtful accounts relating to loans have been deducted.

*2 The fair value of derivative instruments that are currency swaps under designated hedge accounting is included in the fair value of subordinated bonds because it is accounted for as an integral part of the subordinated bonds that are the hedge items.

*3 Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in parentheses.

Notes: 1. Stocks without market prices, such as unlisted stocks, are not included in Securities of the above table.

The amount of these stocks on the balance sheet as of March 31, 2026 was ¥9,038 million (US\$56 million).

2. In accordance with Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, investments in partnerships are not included in Securities of the above table. As of March 31, 2026, the amount of investments in partnerships included on the balance sheet was ¥76,953 million (US\$481 million).

3. Investment trusts with real estate as investment trust properties which have applied Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement are included in Securities.

5. Matters concerning the breakdown of financial instruments by fair value level are as follows.

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

Fair Value Level 1: Fair values measured using (unadjusted) quoted prices in active markets for identical assets or liabilities

Fair Value Level 2: Fair values measured using directly or indirectly observable inputs other than Level 1 inputs

Fair Value Level 3: Fair values measured using material unobservable inputs

When multiple inputs with material impact are used to measure fair value, the resulting fair value is classified into the lowest fair value level into which any of these inputs can be categorized.

(1) Financial assets and liabilities with fair values recorded on the balance sheet were as follows:

Classification	As of March 31,			
	2025			
	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Money held in trust:				
Trading securities	¥—	¥22,812	¥—	¥22,812
Total money held in trust.....	—	22,812	—	22,812
Securities:				
Available-for-sale securities:				
Government bonds.....	1,087,179	—	—	1,087,179
Local government bonds	—	92,661	—	92,661
Corporate bonds	—	596,064	—	596,064
Stocks.....	894,129	—	—	894,129
Foreign securities.....	954,500	1,058,803	24,304	2,037,608
Other securities.....	77,154	131,214	—	208,368
Total available-for-sale securities	3,012,964	1,878,743	24,304	4,916,012
Total securities.....	3,012,964	1,878,743	24,304	4,916,012
Assets total	3,012,964	1,901,555	24,304	4,938,824
Derivative instruments*:				
Currency-related.....	—	300	—	300
Total derivative instruments	¥—	¥300	¥—	¥300

* Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in parentheses.

Note: 1. Investment trusts with real estate as investment trust properties that have applied Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement are not included in the figures above. The amount of the investment trusts on the balance sheet as of March 31, 2025 was ¥10,302 million. Reconciliation of balances from the beginning of the current fiscal year to balances as of March 31, 2025 for the investment trusts were as follows:

	As of March 31,
	2025
	Millions of yen
Balance at the beginning of the fiscal year	¥9,945
Gains or losses and other comprehensive income during the fiscal year.....	356
Values recognized as other comprehensive income*	356
Balance at the end of the fiscal year	¥10,302

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

2. For the fiscal year ended March 31, 2025, amounts related to separate accounts are excluded.

Classification	As of March 31,							
	2026				2026			
	Millions of yen				Millions of U.S. dollars			
	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Money held in trust:								
Trading securities	¥—	¥24,317	¥—	¥24,317	\$—	\$152	\$—	\$152
Total money held in trust.....	—	24,317	—	24,317	—	152	—	152
Securities:								
Trading securities.....	109,456	17,619	—	127,076	684	110	—	794
Available-for-sale securities:								
Government bonds.....	945,696	—	—	945,696	5,915	—	—	5,915
Local government bonds	—	82,661	—	82,661	—	517	—	517
Corporate bonds	—	597,467	—	597,467	—	3,736	—	3,736
Stocks.....	1,220,076	—	—	1,220,076	7,631	—	—	7,631
Foreign securities.....	755,425	954,473	23,516	1,733,415	4,724	5,969	147	10,841
Other securities.....	69,179	147,802	—	216,981	432	924	—	1,357
Total available-for-sale securities	2,990,377	1,782,406	23,516	4,796,299	18,703	11,148	147	29,999
Total securities.....	3,099,834	1,800,025	23,516	4,923,376	19,388	11,258	147	30,794
Assets total	3,099,834	1,824,343	23,516	4,947,693	19,388	11,410	147	30,946
Derivative instruments*:								
Currency-related.....	—	(414)	—	(414)	—	(2)	—	(2)
Total derivative instruments	¥—	¥(414)	¥—	¥(414)	\$—	\$(2)	\$—	\$(2)

* Assets and liabilities generated by derivative instruments are offset and presented net. Net liabilities in total are presented in parentheses.

Note: Investment trusts with real estate as investment trust properties that have applied Paragraph 24-9 of the Implementation Guidance on Accounting Standard for Fair Value Measurement are not included in the figures above. The amount of the investment trusts on the balance sheet as of March 31, 2026 was ¥11,059 million (US\$69 million). Reconciliation of balances from the beginning of the current fiscal year to balances as of March 31, 2026 for the investment trusts were as follows:

As of March 31,

	2026	2026
	Millions of yen	Millions of U.S. dollars
Balance at the beginning of the fiscal year	¥10,302	\$64
Gains or losses and other comprehensive income during the fiscal year.....	261	1
Values recognized as other comprehensive income*	261	1
Purchase, sales, and redemption.....	496	3
Purchase	500	3
Redemption.....	(3)	(0)
Balance at the end of the fiscal year	¥11,059	\$69

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

(2) Financial assets and liabilities with fair values not recorded on the balance sheet were as follows:

Classification	As of March 31,			
	2025			
	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Securities:				
Held-to-maturity debt securities:				
Government bonds.....	¥991,433	¥—	¥—	¥991,433
Local government bonds	—	83,617	—	83,617
Corporate bonds	—	77,809	—	77,809
Total held-to-maturity debt securities ...	991,433	161,426	—	1,152,860
Policy-reserve-matching bonds:				
Government bonds.....	1,136,934	—	—	1,136,934
Local government bonds	—	110,525	—	110,525
Corporate bonds	—	351,018	—	351,018
Total policy-reserve-matching bonds...	1,136,934	461,544	—	1,598,478
Total securities.....	2,128,367	622,971	—	2,751,338
Loans:				
Policy loans	—	—	47,042	47,042
Ordinary loans	—	—	424,720	424,720
Total loans	—	—	471,762	471,762
Assets total	2,128,367	622,971	471,762	3,223,101
Subordinated bonds.....	—	258,447	—	258,447
Liabilities total	¥—	¥258,447	¥—	¥258,447

As of March 31,

Classification	2026				2026			
	Millions of yen				Millions of U.S. dollars			
	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities:								
Held-to-maturity debt securities:								
Government bonds.....	¥926,305	¥—	¥—	¥926,305	\$5,793	\$—	\$—	\$5,793
Local government bonds	—	76,776	—	76,776	—	480	—	480
Corporate bonds	—	70,125	—	70,125	—	438	—	438
Total held-to-maturity debt securities ...	926,305	146,902	—	1,073,207	5,793	918	—	6,712
Policy-reserve-matching bonds:								
Government bonds.....	1,581,216	—	—	1,581,216	9,890	—	—	9,890
Local government bonds	—	75,326	—	75,326	—	471	—	471
Corporate bonds	—	325,112	—	325,112	—	2,033	—	2,033
Total policy-reserve- matching bonds....	1,581,216	400,438	—	1,981,654	9,890	2,504	—	12,394
Total securities.....	2,507,521	547,340	—	3,054,862	15,683	3,423	—	19,107
Loans:								
Policy loans	—	—	45,809	45,809	—	—	286	286
Ordinary loans	—	—	297,062	297,062	—	—	1,858	1,858
Total loans	—	—	342,871	342,871	—	—	2,144	2,144
Assets total	2,507,521	547,340	342,871	3,397,733	15,683	3,423	2,144	21,251
Subordinated bonds.....	—	287,151	—	287,151	—	1,796	—	1,796
Liabilities total	¥—	¥287,151	¥—	¥287,151	\$—	\$1,796	\$—	\$1,796

(3) Explanation of valuation techniques and inputs used to measure fair value

- i) Securities (including deposits and monetary claims bought which are treated as securities based on "Accounting Standards for Financial Instruments" [ASBJ Statement No.10, July 4, 2019])

The fair values of securities for which unadjusted quoted market prices in active markets are available (primarily listed stocks and government bonds [including some foreign securities]) are classified as Fair Value Level 1. Meanwhile, the fair values of securities for which quoted market prices are available, but are not available in active markets, are classified as Fair Value Level 2 (This category primarily includes local government bonds and corporate bonds [including some foreign securities]). When quoted market prices are not available for securities, prices obtained from third parties (mainly from information vendors and financial institutions with which the Company conducts business) and determined to have been measured in accordance with prescribed accounting standards are used to measure the fair values of these securities. If the inputs used to measure the fair value of a given security are material but unobservable, the resulting fair value is classified as Fair Value Level 3.

- ii) Money held in trust

In principle, the fair values of securities managed as trust assets and classified as money held in trust are measured using the Company's prescribed method for determining the value of securities. These fair values are categorized as Fair Value Level 2.

- iii) Loans

The fair values of policy loans are deemed to approximate book values, considering estimated repayment period and interest rate conditions since their repayment deadlines have not been set up due to the characteristics that the loans are limited to the amount of cash surrender values. Therefore, the book values are used as the fair values of policy loans.

The fair values of floating interest rate loans among the ordinary loans approximate the book values because the market interest rates are reflected in future cash flows in a short period. Therefore, the fair values of floating interest rate loans are used as their book values. The fair values of fixed interest rate loans are primarily calculated by discounting the future cash flows to the present values.

The fair values of loans from legally bankrupt borrowers, substantially bankrupt borrowers and not currently bankrupt borrowers are computed by deducting the amount of the allowance for possible loan losses from the book values before direct write-offs.

Because significant unobservable inputs used to measure the fair values of loans, the resulting fair values are classified as Fair Value Level 3.

- iv) Subordinated bonds

The fair values of corporate bonds issued by the Company are classified as Fair Value Level 2 and are measured using the same method applied to securities.

- v) Derivative instruments

The fair values of derivative instruments for which unadjusted quoted market prices in active markets are available (primarily exchange-traded futures and options) are classified as Fair Value Level 1. However, most derivative instruments are traded over the counter and have no quoted market prices. Accordingly, prices obtained from third parties (mainly from information vendors and financial institutions with which the Company conducts business) and determined to have been measured in accordance with prescribed accounting standards are used to measure the fair values of these derivative instruments. Fair values of derivative instruments that were measured using only observable inputs or with unobservable inputs considered to be immaterial are classified as Fair Value Level 2. Meanwhile, fair values of derivative instruments that have been measured using material unobservable inputs are categorized as Fair Value Level 3.

(4) Information concerning fair values of financial assets and liabilities that have been recorded on the balance sheet and classified as Fair Value Level 3

- i) Quantitative information regarding material unobservable inputs

When measuring fair value, the Company does not adjust quoted prices obtained from third parties and does not make estimates related to inputs that it cannot observe. Accordingly, quantitative information regarding material unobservable inputs have been omitted.

- ii) Reconciliation of beginning to end of balance as of March 31, 2025 and 2026, and valuation gains or losses recognized in the statements of operations for the respective consolidated fiscal years were as follows:

	Year ended March 31,					
	2025		2026		2026	
	Millions of yen				Millions of U.S. dollars	
	Securities, Available-for-sale securities, Foreign securities	Total	Securities, Available-for-sale securities, Foreign securities	Total	Securities, Available-for-sale securities, Foreign securities	Total
Balance at the beginning of the fiscal year ...	¥26,352	¥26,352	¥24,304	¥24,304	\$152	\$152
Gains or losses and other comprehensive income during the fiscal year.....	(2,048)	(2,048)	(788)	(788)	(4)	(4)
Values recognized as gains or losses*1	(10)	(10)	(10)	(10)	(0)	(0)
Values recognized as other comprehensive income*2	(2,037)	(2,037)	(777)	(777)	(4)	(4)
Balance at the end of the fiscal year	¥24,304	¥24,304	¥23,516	¥23,516	\$147	\$147

*1 These amounts are included in investment income and investment expenses in the consolidated statements of operations.

*2 These amounts are included in net unrealized gains (losses) on available-for-sale securities, net of tax under other comprehensive income in the consolidated statements of comprehensive income.

iii) Explanation of the valuation process for fair value

The Company's asset management division is responsible for the formulation of policies and procedures related to the measurement of fair value and the actual measurement of fair value. These fair values are subsequently checked by the risk management department to ensure their appropriateness and compliance with relevant policies and procedures.

The Company verifies the appropriateness of the fair values it measures using a variety of suitable methods, which include comparing quoted market prices obtained from different third parties; confirming techniques and inputs utilized for calculation; and further comparing measured fair values with the fair values of similar financial instruments.

iv) Explanation of the impact on fair value in case of change in material unobservable inputs

When measuring fair value, the Company does not adjust quoted prices obtained from third parties and does not make estimates related to inputs that it cannot observe. Accordingly, it has omitted information concerning impact on fair value stemming from changes in material unobservable inputs.

6. The Company holds investment and rental properties such as office buildings in Tokyo and other areas. The carrying amounts and the fair values of investment and rental properties were ¥210,554 million and ¥382,821 million as of March 31, 2025, and ¥209,212 million (US\$1,308 million) and ¥400,708 million (US\$2,506 million) as of March 31, 2026, respectively. The fair value is mainly based on the value calculated by the Company in accordance with real estate appraisal standards which includes some adjustments using the reference prices.

The amount corresponding to asset retirement obligations included in the carrying amount of investment and rental properties were ¥1,859 million and ¥1,482 million (US\$9 million) as of March 31, 2025 and 2026, respectively.

7. The amount of securities lent under lending agreements were ¥467,473 million and ¥483,448 million (US\$3,023 million) as

of March 31, 2025 and 2026, respectively.

8. The total amount of claims against bankrupt and quasi-bankrupt obligors, claims with collection risk, delinquent loans past three months or more, and restructured loans were ¥749 million and ¥595 million (US\$3 million) as March 31, 2025 and 2026, respectively. The details are as follows.

i) The balance of claims against bankrupt and quasi-bankrupt obligors were ¥133 million and ¥212 million (US\$1 million) as of March 31, 2025 and 2026, respectively.

Of which, the estimated uncollectible amount written-off were ¥1 million and ¥1 million (US\$7 thousand) as of March 31, 2025 and 2026, respectively.

Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.

ii) The balance of claims with collection risk were ¥372 million and ¥187 million (US\$1 million) as of March 31, 2025 and 2026, respectively.

Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered.

iii) There was no balance of delinquent loans past three months or more as of March 31, 2025 and 2026.

Delinquent loans past three months or more are loans for which interest payments or repayments of principal are delinquent for three months or more from the due date under the terms of the related loan agreements, excluding those loans classified as claims against bankrupt and quasi-bankrupt obligors, claims with collection risk.

iv) The balance of restructured loans were ¥244 million and ¥196 million (US\$1 million) as of March 31, 2025 and 2026, respectively.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest

reduction or exemption, rescheduling of due date for repayments of principal or interest payment, waiver of claim or other terms, have been negotiated for the purpose of assisting and supporting the borrowers in the restructuring of their business. This category excludes loans classified as claims against bankrupt and quasi-bankrupt obligors, claims with collection risk, and delinquent loans past three months or more.

9. Accumulated depreciation of tangible fixed assets were ¥189,696 million and ¥195,168 million (US\$1,220 million) as of March 31, 2025 and 2026, respectively.

10. Total assets in separate accounts provided for in Article 118 of the Insurance Business Act were ¥136,390 million and ¥132,705 million (US\$830 million) as of March 31, 2025 and 2026, respectively. The amounts of separate account liabilities were the same as separate account assets.

11. The total amounts of receivables from/payables to unconsolidated subsidiaries were ¥2,900 million and ¥37 million as of March 31, 2025, and ¥2,885 million (US\$18 million) and ¥228 million (US\$1 million) as of March 31, 2026, respectively.

12. Deferred tax assets and deferred tax liabilities as of March 31, 2025 were ¥200,732 million and ¥224,744 million, respectively. Valuation allowance for deferred tax assets was ¥4,846 million.

Major components of deferred tax assets were ¥121,884 million of policy reserves, ¥59,503 million of reserve for price

fluctuation and ¥8,692 million of net defined benefit liabilities as of March 31, 2025.

Major component of deferred tax liabilities was ¥209,381 million of net unrealized gains on available-for-sale securities as of March 31, 2025.

The statutory tax rate and the actual effective tax rate for the year ended March 31, 2025 were 28.0% and -7.9%, respectively. The difference between the statutory tax rate and the actual effective tax rate was attributable mainly to -25.7% of reserve for dividends to policyholders, and -11.5% from an upward revision in deferred tax assets at fiscal year-end due to tax rate change.

Deferred tax assets and deferred tax liabilities as of March 31, 2026 were ¥203,016 million (US\$1,269 million) and ¥319,584 million (US\$1,998 million), respectively. Valuation allowance for deferred tax assets was ¥4,846 million (US\$30 million).

Major components of deferred tax assets were ¥126,432 million (US\$790 million) of policy reserves, ¥60,712 million (US\$379 million) of reserve for price fluctuation and ¥3,846 million (US\$24 million) of net defined benefit liabilities as of March 31, 2026.

Major component of deferred tax liabilities was ¥300,307 million (US\$1,878 million) of net unrealized gains on available-for-sale securities as of March 31, 2026.

The statutory tax rate and the actual effective tax rate for the year ended March 31, 2026 were 28.0% and 15.1%, respectively. The difference between the statutory tax rate and the actual effective tax rate was attributable mainly to -12.6% of reserve for dividends to policyholders.

13. Changes in reserve for dividends to policyholders were as follows:

	Year ended March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Balance at the beginning of the fiscal year	¥61,903	¥64,117	\$401
Transfer from surplus in the previous fiscal year	37,138	46,273	289
Dividend payments to policyholders during the fiscal year	(34,960)	(38,322)	(239)
Increase in interest	36	258	1
Balance at the end of the fiscal year	¥64,117	¥72,326	\$452

14. Changes in reserve for dividends to policyholders (Fukokushinrai Life Insurance Co., Ltd.) were as follows:

	Year ended March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Balance at the beginning of the fiscal year	¥290	¥291	\$1
Dividend payments to policyholders during the fiscal year	(193)	(163)	(1)
Increase in interest	0	0	0
Provision of reserve for dividends to policyholders	194	162	1
Balance at the end of the fiscal year	¥291	¥290	\$1

15. The amount of stocks of unconsolidated subsidiaries were ¥404 million and ¥404 million (US\$2 million) as of March 31, 2025 and 2026, respectively.

16. Assets pledged as collateral as of March 31, 2025 were ¥106,493 million of securities.
Secured debts as of March 31, 2025, were ¥5,972 million.
Assets pledged as collateral as of March 31, 2026 were ¥108,723 million (US\$680 million) of securities.
Secured debts as of March 31, 2026, were ¥6,057 million (US\$37 million).

17. Reserve for outstanding claims for the reinsurance contracts provided in accordance with Article 71 Paragraph 1 of the Enforcement Regulation of the Insurance Business Act (hereinafter called "reserve for outstanding claims for ceded reinsurance") were ¥40 million and ¥19 million (US\$121 thousand) as of March 31, 2025 and 2026, respectively.
Policy reserve for the reinsurance contracts provided in accordance with Article 71 Paragraph 1 of the Enforcement Regulation of the Insurance Business Act (hereinafter called "policy reserve for ceded reinsurance") were ¥30 million and ¥29 million (US\$187 thousand) as of March 31, 2025 and 2026, respectively.

18. There were unused commitment line agreements under which the Company is the lender of ¥12,236 million and ¥6,723 million (US\$42 million) as of March 31, 2025 and 2026, respectively.

19. Repayments of subordinated bonds are subordinated to other obligations.

20. Matters Related to Employees' Retirement Benefits
(1) Overview of Employees' Retirement Benefit Plan
As for a defined benefit plan for office-based employees, the Company and its consolidated subsidiaries have a defined benefit corporate pension plan and retirement lump-sum payments. As for a defined contribution plan for these employees, the Company also has a defined contribution pension plan.
As for a defined benefit plan for sales employees, the Company has retirement lump-sum payments.
The Company places a retirement benefit trust in relation to the retirement lump-sum grant plan for sales employees.
The simplified method for calculating retirement benefit obligation is applied to a portion of the Company and some consolidated subsidiaries' retirement lump-sum grant plans.

(2) Defined Benefit Plan

i) Reconciliation of beginning and end of balance of retirement benefit obligation

	As of March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Retirement benefit obligation at the beginning of the fiscal year.....	¥75,319	¥76,101	\$475
Service cost.....	3,132	3,186	19
Interest cost.....	1,190	1,205	7
Actuarial differences occurred during the fiscal year.....	340	(12,736)	(79)
Retirement benefit payments.....	(3,882)	(3,671)	(22)
Retirement benefit obligation at the end of the fiscal year.....	¥76,101	¥64,085	\$400

ii) Reconciliation of beginning and end of balance of pension plan assets

	As of March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Pension plan assets at the beginning of the fiscal year	¥80,101	¥80,840	\$505
Expected return on pension plan assets.....	1,378	1,377	8
Actuarial differences occurred during the fiscal year.....	888	13,049	81
Contributions by the employer.....	796	806	5
Retirement benefit payments.....	(2,328)	(1,899)	(11)
Others	4	5	0
Pension plan assets at the end of the fiscal year	¥80,840	¥94,180	\$589

iii) Reconciliation of retirement benefit obligation and pension plan assets with net defined benefit liabilities and assets presented on the consolidated balance sheet

	As of March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
a. Funded plan retirement benefit obligation	¥66,793	¥55,820	\$349
b. Pension plan assets	(80,840)	(94,180)	(589)
c. (a + b)	(14,046)	(38,360)	(239)
d. Unfunded plan retirement benefit obligation	9,307	8,265	51
e. Net amount of liabilities and assets presented on the consolidated balance sheet	(4,739)	(30,094)	(188)
f. Net defined benefit liabilities	10,424	8,265	51
g. Net defined benefit assets	(15,163)	(38,360)	(239)
h. Net amount of liabilities and assets presented on the consolidated balance sheet	¥(4,739)	¥(30,094)	\$(188)

iv) Breakdown of retirement benefit gains and losses

	As of March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Service cost	¥3,132	¥3,186	19
Interest cost	1,190	1,205	7
Expected return on pension plan assets	(1,378)	(1,377)	(8)
Amortization of actuarial differences	(1,474)	(1,455)	(9)
Amortization of prior service cost	(687)	(687)	(4)
Others	(4)	(5)	(0)
Retirement benefit expenses related to defined benefit plan	¥777	¥865	\$5

v) Remeasurements of defined benefit plan

Remeasurements of defined benefit plan (before tax effects) comprised the following:

	As of March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Actuarial differences	¥(927)	¥24,330	\$152
Prior service cost	(687)	(687)	(4)
Total	¥(1,615)	¥(23,643)	\$(147)

vi) Accumulated remeasurements of defined benefit plan

Accumulated remeasurements of defined benefit plan (before tax effects) comprised the following:

	As of March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Unrecognized actuarial differences	¥21,812	¥46,143	\$288
Unrecognized prior service cost	5,860	5,172	32
Total	¥27,672	¥51,315	\$320

vii) Breakdown of pension plan assets

The breakdown of asset categories as a percentage of total pension plan assets were as follows:

	As of March 31,	
	2025	2026
Domestic stocks	50.2%	54.2%
Life insurance general account	27.7%	25.1%
Foreign stocks	8.4%	8.2%
Domestic bonds	8.6%	8.1%
Foreign bonds	2.9%	2.8%
Assets under joint management	2.2%	1.7%
Total	100.0%	100.0%

Within the total of pension assets as of March 31, 2025 and 2026, 42.5% and 46.6% of this amount is accounted for by the retirement benefit trust established in relation to the retirement lump-sum payments plan for sales employees, respectively.

viii) Method for setting the expected long-term rate of return

To set the expected long-term rate of return on pension plan assets, the Company takes into account the present and future allocation of pension plan assets, and the present and expected future long-term rate of return on a variety of assets that makes up the pension assets.

ix) Underlying actuarial assumptions

Main underlying actuarial assumptions were as follows:

	As of March 31,	
	2025	2026
Discount rate	1.6%	3.3%
Expected long-term rate of return on pension plan assets		
Defined Benefit Plan.....	3.0%	3.0%
Retirement benefit trust	0.0%	0.0%

(3) Defined Contribution Plan

The required contribution amount by the Company and its consolidated subsidiaries to the defined contribution plan were ¥380 million and ¥393 million (US\$2 million) as of March 31, 2025 and 2026, respectively.

III. Notes to the Consolidated Statements of Operations

- The total amounts of revenues and expenses in connection with unconsolidated subsidiaries were ¥101million and ¥1,355 million for the year ended March 31, 2025, and ¥80 million (US\$505 thousand) and ¥1,710 million (US\$10 million) for the year ended March 31, 2026, respectively.
- For the year ended March 31, 2025, in calculating the provision of reserve for outstanding claims, a provision of reserve for outstanding claims for ceded reinsurance of ¥39 million was deducted. In calculating the provision of policy reserves, a reversal of policy reserve for ceded reinsurance of ¥2 million was added.
For the year ended March 31, 2026, in calculating the reversal of reserve for outstanding claims, a reversal of reserve for outstanding claims for ceded reinsurance of ¥20 million (US\$130 thousand) was deducted. In calculating the provision of policy reserves, a reversal of policy reserve for ceded reinsurance of ¥1 million (US\$6 thousand) was added.

IV. Notes to the Consolidated Statements of Comprehensive Income

1. Other Comprehensive Income

The reclassification adjustments and tax effect amounts related to other comprehensive income were as follows:

i) Net unrealized gains (losses) on available-for-sale securities, net of tax

	Year ended March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Amount incurred during the fiscal year	¥(217,435)	¥391,892	\$2,451
Reclassification adjustments	24,070	(80,802)	(505)
Before tax adjustments.....	(193,365)	311,090	1,945
Tax effects	47,350	(89,924)	(562)
Net unrealized gains (losses) on available-for-sale securities, net of tax.....	¥(146,015)	¥221,166	\$1,383

ii) Revaluation reserve for land, net of tax

	Year ended March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Amount incurred during the fiscal year	¥—	¥—	\$—
Reclassification adjustments	—	—	—
Before tax adjustments.....	—	—	—
Tax effects	(469)	—	—
Revaluation reserve for land, net of tax	¥(469)	¥—	\$—

iii) Foreign currency translation adjustments

	Year ended March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Amount incurred during the fiscal year	¥372	¥140	\$0
Reclassification adjustments	—	—	—
Before tax adjustments.....	372	140	0
Tax effects	—	—	—
Foreign currency translation adjustments.....	¥372	¥140	\$0

iv) Remeasurements of defined benefit plans, net of tax

	Year ended March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Amount incurred during the fiscal year	¥547	¥25,785	\$161
Reclassification adjustments	(2,162)	(2,142)	(13)
Before tax adjustments.....	(1,615)	23,643	147
Tax effects	194	(6,839)	(42)
Remeasurements of defined benefit plans, net of tax	(1,420)	16,803	105
Total other comprehensive income	¥(147,532)	¥238,109	\$1,489

V. Notes to the Consolidated Statements of Cash Flows

- Cash and cash equivalents as of March 31, 2025 and 2026 consist of "Cash," "Deposits in transfer account," "Current deposits," "Ordinary deposits," "Notice deposits," "Time deposits maturing within 3 months of the date of acquisition," "Foreign currency deposits maturing within three months of the date of acquisition," "Negotiable certificate of deposits maturing within three months of the date of acquisition," "Call loans" and "Monetary claims bought maturing within three months of the date of acquisition. "
- Reconciliations of cash and cash equivalents in the consolidated statements of cash flows to the consolidated balance sheet accounts were as follows:

	Year ended March 31,		
	2025	2026	2026
	Millions of yen		Millions of U.S. dollars
Cash and deposits	¥238,322	¥180,950	\$1,131
Call loans	97,000	313,000	1,957
Time deposits maturing over 3 months of the date of acquisition.....	(12,020)	(15,080)	(94)
Foreign currency deposits maturing over 3 months of the date of acquisition	(1,989)	(1,891)	(11)
Cash and cash equivalents.....	¥321,312	¥476,979	\$2,983

Management's Report on Internal Control over Financial Reporting

1. Matters relating to the basic framework of internal control over financial reporting

Takehiko Watabe, President of Fukoku Mutual Life Insurance Company (the Company), is responsible for the design and operation of internal control over financial reporting for the Company's financial statements, namely, consolidated balance sheet and the related consolidated statements of operations, comprehensive income, cash flows, changes in net assets and a summary of significant accounting policies and other explanatory information for the year ended March 31, 2026, prepared in accordance with Article 110 Paragraph 2 of the Insurance Business Act. The Company designs and operates its internal control over financial reporting in accordance with the basic framework for internal control set forth in the Revision of Standards and Practice Standards for Management Assessment and Audit Concerning Internal Control Over Financial Reporting (Council Opinions) issued by the Business Accounting Council of the Financial Service Agency of Japan.

Internal control aims at achieving the objectives to a reasonable extent with the organized and integrated function of individual components of internal control as a whole. Therefore, internal control over financial reporting cannot always ensure the prevention or detection of misstatements in the presentation of financial reporting.

2. Matters relating to the scope of assessment, the basis date of assessment and the assessment procedures

The Company performed an assessment of internal control over financial reporting for its consolidated financial statements as of the end of the fiscal year, March 31, 2026 in accordance with generally accepted assessment standards in Japan for internal control over financial reporting.

In the assessment of internal control over financial reporting, the Company first assessed internal controls that have a material impact on overall consolidated financial reporting (company-level controls) and, based on the results, the Company selected the business processes to be assessed. In assessing those business processes, the Company analyzed selected business processes, identified a key control that would have a material impact on the reliability of financial reporting, and assessed the establishment and operation with regard to the key control. The Company assessed the effectiveness of internal control by the aforementioned procedures.

For the Company and its consolidated subsidiaries, the Company determined the scope of assessment of internal control over financial reporting from the perspective of their materiality to the reliability of financial reporting. The materiality to the reliability of financial reporting is determined in light of their degree of quantitative and qualitative impact. The Company rationally determined the scope of assessment of internal controls incorporated into business processes (process-level controls) based on the results of assessment of company-level controls regarding the Company and one consolidated subsidiary. Other than those indicated above, five consolidated subsidiaries were determined to be immaterial from quantitative and qualitative perspectives. Consequently, they are excluded from the scope of assessment of company-level controls.

With respect to the scope of assessment of process-level controls, the locations or business units were selected in descending order of ordinary revenues (after elimination of inter-company transactions) in the previous fiscal year until their combined amount reached about two-thirds of consolidated ordinary revenues. As a result, two companies (the Company and its consolidated subsidiary) were selected as significant locations or business units. At selected significant locations and business units, business processes related to accounting items that were closely associated with the company's business objectives, including securities, ordinary loans and policy reserves, as well as premium and other income and claims and other payments, which have a material impact on the calculation of policy reserves, were determined to be within the scope of assessment. Furthermore, at selected significant locations and business units and any other locations and business units, added to the scope of assessment were business processes relating to important accounting items that have a high possibility of material misstatements and involve estimates and judgments, and business processes relating to businesses or operations dealing with high-risk transactions.

3. Matters relating to the results of the assessment

As a result of performing the assessment, the Company concluded that the design and operation of internal control over financial reporting for the Company were effective as of March 31, 2026.

4. Supplementary information

Not applicable

5. Other special information

Not applicable

May 18, 2026
Takehiko Watabe
President
Fukoku Mutual Life Insurance Company

Independent Auditor's Report

September 25, 2026

To the Board of Directors of
Fukoku Mutual Life Insurance Company:

Moore Mirai & Co.
Tokyo, Japan

Designated Engagement Partner
Certified Public Accountant


Shinnosuke Tsuruta

Designated Engagement Partner
Certified Public Accountant


Osamu Sano

< Consolidated Financial Statements Audit >

Opinion

We have audited the accompanying consolidated financial statements of Fukoku Mutual Life Insurance Company (collectively referred to as “the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”), which comprise the consolidated balance sheets as at March 31, 2026, the consolidated statements of operations, the consolidated statements of comprehensive income, the consolidated statements of cash flows, and the consolidated statements of changes in net assets for the year then ended, and notes to the consolidated financial statements, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of

the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Appropriateness of the amount of policy reserve for individual life insurance and individual annuity insurance
(The key audit matter) In the consolidated financial statements of the Group, policy reserve amounted to ¥7,852,920 million, which represented 90.1% of the total liabilities. As described in the Notes to the Consolidated Balance Sheets 1.(13), policy reserve is accumulated in accordance with the methods stated in the “statement of calculation procedures for Insurance Premiums and Policy Reserves” (Article 4 Paragraph 2 Item 4 of the Insurance Business Act) pursuant to Article 116 Paragraph 1 of the Insurance Business Act to prepare for the future performance of obligations under the insurance contracts for which the insurer’s responsibilities have started. In addition, when the estimated future cash flows based on the assumptions set in the “statement of calculation procedures for Insurance Premiums and Policy Reserves” (such as assumed incidence rate and assumed interest rate) deviate from recent actual results and policy reserve is considered to be possibly insufficient to cover the future performance of obligations, additional policy reserve is recorded in accordance with Article 69 Paragraph 5 of the Enforcement Regulation of the Insurance Business Act. The appointed actuary verifies the sufficiency of policy reserve based on the future cash flow analysis in accordance with Article 121 Paragraph 1 of the Insurance Business Act and Article 80 of the Enforcement Regulation of the Insurance Business Act. The policy reserve is significant in terms of amount. In particular, policy reserve for individual life insurance and individual annuity insurance is calculated based on actuarial methodologies in respect of insurance claims and other payments expected to arise in the future, including those under long-term insurance contracts. Accordingly, the process of calculating the policy reserve is complex and requires specialized expertise. We therefore determined that the appropriateness of the amount of policy reserve for individual life insurance and individual annuity insurance was a key audit matter.
(How the key audit matter was addressed in our audit) In order to assess whether the amount of policy reserve for individual life insurance and individual annuity insurance was appropriate, we primarily performed the following audit procedures. It should be noted that actuarial specialists and IT specialists were involved in those audit procedures since the policy reserve is automatically calculated by IT systems based on actuarial methodologies. In addition, our internal IT specialists evaluated IT general controls over the relevant systems, including those related to access controls, program change controls, and IT operations controls. (1) Completeness of contracts subject to the policy reserve calculation • With the involvement of our internal IT specialists, we evaluated the design and operating

effectiveness of automated application controls over the process by which contracts subject to the policy reserve calculation are automatically extracted from the policy administration system and automatically transferred to the policy reserve calculation system.

- We verified whether all in-force policy data imported from the policy administration system into the policy reserve calculation system were included in the scope of the policy reserve calculation.

(2) Accuracy of the calculation of the amount of policy reserve

- For insurance contracts relating to newly sold products, our internal actuarial specialists recalculated the policy reserve.
- For insurance contracts relating to existing products, we performed substantive analytical procedures by type of base policy and rider.

Other Information

The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, the non-consolidated financial statements, and our auditor's reports thereon. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and Audit & Supervisory Board for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability

to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial

statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the Group as a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

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

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Convenience Translation

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note I.1 to the accompanying consolidated financial statements with respect to the year ended March 31, 2026.

< Internal Control Audit >

Opinion

We also have audited the accompanying management's report on internal control over financial reporting of the Company, which comprise the consolidated balance sheets as at March 31, 2026, the consolidated statements of operations, the consolidated statements of comprehensive income, the consolidated statements of cash flows, and the consolidated statements of changes in net assets for the year then ended, and notes to the consolidated financial statements.

In our opinion, the management's report on internal control over financial reporting referred to above, which represents that the internal control over financial reporting of the consolidated financial statements of the Company as at March 31, 2026 is effectively maintained, presents fairly, in all material respects, the results of management's assessment of internal control over financial reporting in conformity with standards for assessment of internal control over financial reporting generally accepted in Japan.



Basis for Opinion

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Internal Control Audit* section of our report. We are independent of the Group in accordance with the ethical requirements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit & Supervisory Board Members and Audit & Supervisory Board for the Management's Report on Internal Control over Financial Reporting

Management is responsible for designing and operating effective internal control over financial reporting and for the preparation and fair presentation of its report on internal control in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing and verifying the design and operating effectiveness of internal control over financial reporting.

There is a possibility that misstatements may not be completely prevented or detected by internal control over financial reporting.

Auditor's Responsibilities for the Internal Control Audit

Our responsibility is to obtain reasonable assurance about whether the management's report on internal control over financial reporting is free from material misstatement, and to express an opinion from an independent perspective on an internal control report, based on our internal control audit.

As part of our audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence for the assessment results for internal control over financial reporting in management's report on internal control. Internal control audit procedures selected and applied depend on the auditor's judgment, taking into account the significance of effects on the reliability of financial reporting.
- Examine representations on the scope, procedures, and results of assessment of internal control over financial reporting made by management, as well as evaluating the overall presentation of management's report on internal control.
- Plan and perform the audit of internal control to obtain sufficient appropriate audit evidence regarding the results of assessment of internal control over financial reporting in the management's report on internal



control. We are responsible for the direction, supervision and review of the audit of the management's report on internal control. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and Audit & Supervisory Board regarding the planned scope and timing of the internal control audit, results of the internal control audit, including identified material weakness which should be disclosed, the results of remediation, and other matters that are required by auditing standards for internal control.

We also provide Audit & Supervisory Board Members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Fee-related Information

Fees paid to our firm and other firms within the same network as our firm for audit and non-audit services provided to the Company and the Group for the current year are ¥98 million and ¥45 million, respectively.

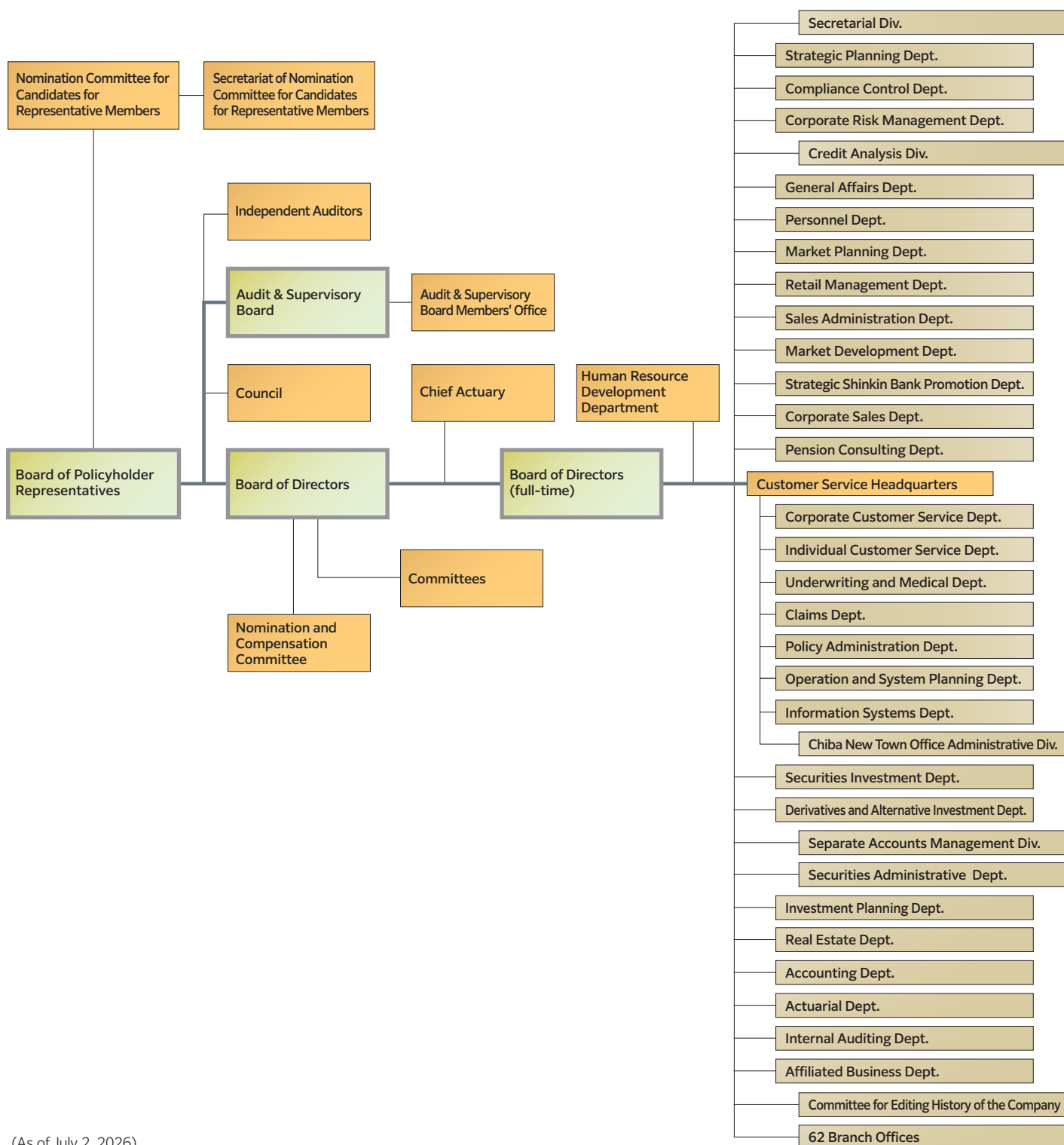
Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Corporate Organization

Employees (As of March 31, 2026)

Office Staff	2,924
Sales Representatives	10,322



(As of July 2, 2026)

Corporate Information

Directors, Audit & Supervisory Board Members, and Executive Officers

Chairman of the Board
Yoshiteru Yoneyama

President and Chief Executive Officer
Takehiko Watabe*

Deputy President and Executive Officer
Toshikatsu Hayashi

Director and Managing Executive Officer
Naoki Sunamoto

Director and Managing Executive Officer
Ichiro Yamada

Director and Managing Executive Officer
Takeshi Kondou

Director
Hiroshi Sato**

Director
Aya Komaki**

Director
Hajime Watanabe**

Director and Executive Officer
Yuuji Yoshida

Director and Executive Officer
Hitoshi Yazaki

Director and Executive Officer
Kenichi Yoshioka

Audit & Supervisory Board Member
Yoshizumi Nezu***

Audit & Supervisory Board Member
Kyohei Takahashi***

Audit & Supervisory Board Member
Toshifumi Watanabe***

Audit & Supervisory Board Member (Standing)
Keiichi Kurota

Audit & Supervisory Board Member (Standing)
Hideaki Shigematsu

Managing Executive Officer
Hiroataka Kurihara

Executive Officer
Osamu Eguchi

Executive Officer
Yasuhiro Kinoshita

Executive Officer
Yusuke Onodera

Executive Officer
Hitomi Nakazawa

Executive Officer
Jun Morita

Executive Officer
Tsuyoshi Yoshimoto

Executive Officer
Shougo Kumazawa

Executive Officer
O Kobayashi

Executive Officer
Kazuaki Kayama

Executive Officer
Shinya Arioka

Executive Officer
Ken Niikura

Executive Officer
Taku Horikawa

* Representative Director

** External Director

*** External Audit & Supervisory Board Member

(As of July 2, 2026)

Directory

Fukoku Mutual Life Insurance Company

(Uchisaiwaicho head office)

2-2, Uchisaiwaicho 2-chome, Chiyoda-ku, Tokyo 100-0011, Japan

Phone: +81-3-3508-1101

(Chiba New Town head office)

10, Otsuka 2-chome, Inzai City, Chiba 270-1352, Japan

Phone: +81-476-47-5111

Fukoku Life International (U.K.) Ltd.

1st Floor, 19 Great Winchester Street, London, EC2N 2JA, U.K.

Phone: +44-20-7283-1331

From left: K. Tsujimoto, Y. Shinada, J. Doran, K. Nishizawa, K. Sato,
and A. H. Alonso



Fukoku Life International (America) Inc.

1251 Avenue of the Americas, 9th Floor, New York,
NY 10020 U.S.A.

Phone: +1-212-221-7760

From left: M. Xu, J. Ralph, T. Naka, D. Hachigo,
Y. Shoji, and A. Chang



Fukoku Life Investments Singapore Pte. Ltd.

80 Robinson Road #16-04 Singapore 068898

Phone: +65-6220-8308

From left: T. Takenaga, I. Chan, Y. Yanagi, M. Wan, and Q. Wei Ren





This report is made of LIMEX, a new material mainly made from limestone.

Printed in Japan