November 20, 2025

Financial Results for the Six Months Ended September 30, 2025

Meiji Yasuda Life Insurance Company (Hideki Nagashima, President and Group CEO) announces financial results for the Six Months ended September 30, 2025.

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

1. Unaudited Consolidated Balance Sheets

(Millions of Yen)

	As of Mar. 31, 2025	As of Sep. 30, 2025
ASSETS:		
Cash and deposits	1,093,824	751,978
Call loans	165,000	226,400
Monetary claims bought	149,806	146,373
Money held in trust	130,232	178,239
Securities	42,834,868	43,511,254
Loans	5,761,005	5,649,661
Tangible fixed assets	984,281	983,966
Intangible fixed assets	619,079	824,435
Due from agents	1,466	917
Reinsurance receivables	236,833	209,714
Other assets	948,630	961,121
Net defined benefit assets	525,685	521,397
Deferred tax assets	10,681	5,349
Customers' liabilities under acceptances and guarantees	4,766	4,778
Allowance for possible loan losses	(6,893)	(7,327)
Total assets	53,459,267	53,968,260

1. Unaudited Consolidated Balance Sheets (continued)

(Millions of Yen)

	As of Mar. 31, 2025	As of Sep. 30, 2025
LIABILITIES:		
Policy reserves and other reserves	40,860,348	41,315,256
Reserve for outstanding claims	1,172,065	877,635
Policy reserves	39,395,766	40,076,204
Policyholders' dividend reserves (mutual company)	292,516	360,549
Policyholders' dividend reserves (limited company)	—	867
Due to agents	8,931	8,512
Reinsurance payables	134,510	134,700
Bonds payable	1,207,793	1,207,793
Total Other liabilities	4,445,205	3,552,608
Payables under securities borrowing transactions	3,246,009	2,201,566
Other liabilities	1,199,195	1,351,041
Net defined benefit liabilities	8,900	8,344
Reserve for price fluctuation	1,173,695	1,156,996
Deferred tax liabilities	426,103	739,552
Deferred tax liabilities for land revaluation	78,575	79,223
Acceptances and guarantees	4,766	4,778
Total liabilities	48,348,829	48,207,765
NET ASSETS:		
Reserve for redemption of foundation funds	980,000	980,000
Reserve for revaluation	452	452
Surplus	204,511	106,612
Total funds, reserve and surplus	1,184,964	1,087,065
Net unrealized gains (losses) on available-for-sale securities	3,373,116	4,232,411
Deferred unrealized gains (losses) on derivatives under hedge accounting	(92,478)	(108,048)
Land revaluation differences	121,149	122,838
Foreign currency translation adjustments	292,609	166,871
Remeasurements of defined benefit plans	228,119	212,615
Net unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries	2,958	41,170
Total accumulated other comprehensive income	3,925,474	4,667,858
Minority interests	—	5,570
Total net assets	5,110,438	5,760,494
Total liabilities and net assets	53,459,267	53,968,260

2. Unaudited Consolidated Statements of Income

(Millions of Yen)

	Six months ended September 30	
	2024	2025
ORDINARY INCOME:	3,093,207	3,530,664
Insurance premiums and other	1,806,672	2,355,751
Investment income	1,007,974	1,103,767
Interest, dividends and other income	667,814	753,806
Gains on money held in trust	885	1,520
Gains on sales of securities	308,679	284,795
Investment gains on separate accounts	—	33,801
Other ordinary income	278,559	71,145
Reversal of policy reserves	218,317	—
ORDINARY EXPENSES:	3,013,528	3,463,746
Benefits and other payments	1,796,388	1,921,284
Claims paid	409,323	384,134
Annuity payments	310,146	329,164
Benefit payments	368,360	377,293
Surrender benefits	529,749	686,658
Provision for policy reserves and other reserves	51,989	438,180
Provision for reserve for outstanding claims	51,970	—
Provision for policy reserves	—	437,912
Provision for interest on policyholders' dividend reserves (mutual company)	19	267
Investment expenses	703,251	626,152
Interest expenses	69,849	86,061
Losses on sales of securities	76,547	279,304
Losses on valuation of securities	1,719	37,010
Foreign exchange losses	205,752	9,053
Investment losses on separate accounts	5,654	—
Operating expenses	355,081	373,481
Other ordinary expenses	106,817	104,647
Ordinary profit	79,679	66,917
Extraordinary gains	3,726	20,073
Gains on disposals of fixed assets	—	3,435
Reversal of reserve for price fluctuation	3,726	16,638
Extraordinary losses	5,147	12,649
Losses on disposals of fixed assets	3,109	8,801
Impairment losses	622	234
Losses on reduction entry of real estate	—	2,008
Contributions for promotion of social welfare project	1,414	1,589
Other extraordinary losses	—	15
Provision for policyholders' dividend reserves(limited company)	—	422
Surplus before income taxes and non-controlling interests	78,258	73,918
Income taxes	9,261	8,561
Current	38,072	11,697
Deferred	(28,810)	(3,136)
Net surplus	68,996	65,356
Net surplus attributable to non-controlling interests	—	(517)
Net surplus attributable to the Parent Company	68,996	65,873

3. Unaudited Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Six months ended September 30	
	2024	2025
Net surplus	68,996	65,356
Other comprehensive income (loss)	(278,755)	680,148
Net unrealized gains (losses) on available-for-sale securities	(426,740)	828,635
Deferred unrealized gains (losses) on derivatives under hedge accounting	1,152	(16,977)
Foreign currency translation adjustments	137,404	(122,313)
Remeasurements of defined benefit plans	(8,290)	(15,503)
Net unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries	—	(7,387)
Share of other comprehensive income (loss) of associates accounted for under the equity method	17,718	13,695
Comprehensive income (loss)	(209,759)	745,505
Comprehensive income (loss) attributable to the Parent Company	(209,759)	746,022
Comprehensive income (loss) attributable to non-controlling interests	—	(517)

4. Unaudited Consolidated Statements of Cash Flows

(Millions of Yen)

	Six months ended September 30	
	2024	2025
I. Cash flows from operating activities		
Surplus before income taxes and non-controlling interests	78,258	73,918
Depreciation	30,878	34,843
Impairment losses	622	234
Provision for policyholders' dividend reserves (limited company)	—	422
Amortization of goodwill	12,543	16,604
Increase (Decrease) in reserve for outstanding claims	40,208	(16,250)
Increase (Decrease) in policy reserves	27,436	493,526
Provision for interest on policyholders' dividend reserves (mutual company)	19	267
Increase (Decrease) in allowance for possible loan losses	(930)	434
Increase (Decrease) in net defined benefit liabilities	(53)	(58)
Increase (Decrease) in reserve for price fluctuation	(3,726)	(16,638)
Interest, dividends, and other income	(667,814)	(753,806)
Losses (Gains) on securities	337,378	(40,872)
Interest expenses	69,849	86,061
Losses (Gains) on tangible fixed assets	3,097	7,374
Others, net	(405,911)	124,265
Subtotal	(478,144)	10,328
Interest, dividends, and other income received	687,303	763,766
Interest paid	(63,577)	(77,310)
Policyholders' dividends paid (mutual company)	(86,209)	(89,685)
Income taxes refunded (paid)	(30,184)	(33,898)
Net cash provided by operating activities	29,187	573,200

4. Unaudited Consolidated Statements of Cash Flows (continued)

(Millions of Yen)

	Six months ended September 30 2024	Six months ended September 30 2025
Ⅱ. Cash flows from investing activities		
Net decrease (increase) in deposits	15,057	1,918
Proceeds from sales and redemption of monetary claims bought	5,004	3,411
Increase in money held in trust	(62,300)	(33,919)
Decrease in money held in trust	4,500	11,379
Purchase of securities	(3,628,474)	(2,635,109)
Proceeds from sales and redemption of securities	3,773,524	3,291,426
Loans extended	(648,845)	(602,112)
Proceeds from collection of loans	562,964	567,118
Net increase (decrease) in cash collateral under securities borrowing / lending transactions	(243,166)	(1,095,083)
Total investment activities (Ⅱa)	(221,735)	(490,971)
[Ⅰ + Ⅱa]	(192,547)	82,229
Purchase of tangible fixed assets	(15,336)	(32,716)
Proceeds from sales of tangible fixed assets	—	13,680
Purchase of intangible fixed assets	(53,503)	(24,014)
Acquisition of stock of subsidiaries in change in scope of consolidation	(54,503)	(272,279)
Sales of stock of subsidiaries in change in scope of consolidation	—	24,826
Others, net	(1,111)	(3,699)
Net cash used in investing activities	(346,190)	(785,174)
Ⅲ. Cash flows from financing activities		
Repayments of borrowings	(1,466)	(1,226)
Proceeds of corporate bonds payable	249,677	—
Redemption of foundation funds	(50,000)	—
Payment of interest on foundation funds	(145)	—
Others, net	(85)	(199)
Net cash used in financing activities	197,980	(1,425)
Ⅳ. Effect of foreign exchange rate changes on cash and cash equivalents	6,368	(36,880)
Ⅴ. Net increase (decrease) in cash and cash equivalents	(112,653)	(250,279)
Ⅵ. Cash and cash equivalents at the beginning of the period	909,889	1,052,728
Ⅶ. Cash and cash equivalents at the end of the period	797,235	802,449

5. Unaudited Consolidated Statements of Changes in Net Assets

(Millions of Yen)

Six months ended September 30, 2024

	Funds, reserves and surplus				
	Foundation funds	Reserve for redemption of foundation funds	Reserve for revaluation	Surplus	Total funds, reserves and surplus
Beginning balance	50,000	930,000	452	250,733	1,231,186
Changes in the period					
Additions to policyholders' dividend reserves (mutual company)				(150,958)	(150,958)
Additions to reserve for redemption of foundation funds		50,000			50,000
Payment of interest on foundation funds				(145)	(145)
Net surplus attributable to the Parent Company				68,996	68,996
Redemption of foundation funds	(50,000)				(50,000)
Reversal of reserve for fund redemption				(50,000)	(50,000)
Reversal of land revaluation differences				20	20
Net changes, excluding funds, reserves and surplus					—
Net changes in the period	(50,000)	50,000	—	(132,085)	(132,085)
Ending balance	—	980,000	452	118,647	1,099,100

	Accumulated other comprehensive income (loss)								
	Net unrealized gains (losses) on available -for-sale securities	Deferred unrealized gains (losses) on derivatives under hedge accounting	Land revaluation differences	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Net unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Beginning balance	4,174,889	(67,728)	124,222	146,673	171,714	1,871	4,551,643	—	5,782,829
Changes in the period									
Additions to policyholders' dividend reserves (mutual company)									(150,958)
Additions to reserve for redemption of foundation funds									50,000
Payment of interest on foundation funds									(145)
Net surplus attributable to the Parent Company									68,996
Redemption of foundation funds									(50,000)
Reversal of reserve for fund redemption									(50,000)
Reversal of land revaluation differences									20
Net changes, excluding funds, reserves and surplus	(424,282)	962	(20)	151,676	(8,290)	1,178	(278,776)	—	(278,776)
Net changes in the period	(424,282)	962	(20)	151,676	(8,290)	1,178	(278,776)	—	(410,862)
Ending balance	3,750,607	(66,766)	124,201	298,349	163,424	3,049	4,272,866	—	5,371,967

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

(Millions of Yen)

Six months ended September 30, 2025

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

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

Notes to the Unaudited Consolidated Financial Statements

I. Basis for Preparing Consolidated Financial Statements

1. Consolidated Subsidiaries

The number of consolidated subsidiaries was 21 as of September 30, 2025. The consolidated subsidiaries include as follows:

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

American Heritage Life Insurance Company, American Heritage Service Company, AEON Allianz Life Insurance Co., Ltd. and StanCorp Global Services India Private Limited are newly included in the scope of consolidated subsidiaries as of September 30, 2025.

Three subsidiaries of StanCorp Financial Group, Inc. were excluded from the scope of consolidation as of September 30, 2025, due to their merger with another subsidiary of StanCorp Financial Group, Inc.

As of October 1, 2025, AEON Allianz Life Insurance Co., Ltd. has changed its company name to Meiji Yasuda Trust Life Insurance Co., Ltd.

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

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

2. Affiliates

The number of affiliates accounted for by the equity method was 7 as of September 30, 2025. The main affiliates accounted for by the equity method as of September 30, 2025 include as follows:

Founder Meiji Yasuda Life Insurance Co., Ltd. (China)
TU Europa S.A. (Poland)
TUiR Warta S.A. (Poland)
Thai Life Insurance Public Company Limited (Thailand)

The subsidiaries not consolidated (e.g., Meiji Yasuda Life Planning Center Company, Limited and others, and certain affiliates) and certain affiliates are excluded from the scope of the equity method due to their immaterial effect, individually and in aggregate, on the consolidated net income and consolidated surplus.

3. Interim Closing Dates of Consolidated Subsidiaries

The interim closing dates of consolidated overseas subsidiaries are June 30. The consolidated financial statements include the accounts of such subsidiaries as of June 30, 2025, with appropriate adjustments made for material transactions occurring between their respective interim closing dates and the date of the consolidated financial statements.

4. Summary of Significant Accounting Policies

(1) Change in significant accounting policy

a. Certain overseas consolidated subsidiaries adopted FASB Accounting Standards Codification Topic 944 “Financial Services—Insurance”

Effective January 1, 2025, certain overseas consolidated subsidiaries have adopted FASB Accounting Standards Codification Topic 944 “Financial Services—Insurance” to change the accounting treatment of liabilities related to future insurance benefits, fair value measurement of benefits involving market risk, and the amortization method of deferred new contract costs.
This change in accounting policy has been applied retroactively and the cumulative effects of the change in accounting policy are reflected in the beginning balance of the book value of net assets for the six months ended September 30, 2025.

Accordingly, for the six months ended September 30, 2025, the beginning balance of intangible fixed assets decreased by ¥4,898 million, reinsurance receivables decreased by ¥17,801 million, other assets decreased by ¥10,775 million, deferred tax assets decreased by ¥4,590 million, policy reserves and other reserves decreased by ¥91,470 million, deferred tax liabilities increased by ¥7,588 million, retained earnings decreased by ¥6,009 million, net unrealized gains (losses) on available-for-sale securities decreased by ¥13,398 million, foreign currency translation adjustments decreased by ¥7 million, net unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries increased by ¥65,232 million.

b. Certain affiliates accounted for by the equity method have applied Thai Financial Reporting Standards (hereinafter, TFRS) 9 Financial Instruments and TFRS 17 Insurance Contracts

Effective January 1, 2025, certain affiliates accounted for by the equity method have applied TFRS 9 Financial Instruments and TFRS 17 Insurance Contracts to measure insurance contract liabilities to reflect the effects of the time value of money, financial risks arising from cash flows from insurance contracts, and uncertainties in cash flows arising from insurance contracts.
This change in accounting policy has been applied retroactively and the cumulative effects of the change in accounting policy is reflected in the beginning balance of the book value of net assets for the six months ended September 30, 2025.

Accordingly, for the six months ended September 30, 2025, the beginning balance of securities increased by ¥10,096 million, retained earnings increased by ¥1,376 million, net unrealized gains on available-for-sale securities increased by ¥18,724 million, deferred unrealized gains (losses) on derivatives under hedge accounting decreased by¥1 million, foreign currency translation adjustments increased by ¥243 million, net unrealized gains (losses) on policy reserves and other reserves of overseas subsidiaries decreased by ¥10,246 million.

(2) Securities

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

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

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

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

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

e. Available-for-sale securities are stated at market value at the balance sheet date. Securities without market prices are stated at cost using the moving average method. Unrealized gains and losses on available-for-sale securities are reported as a component of net assets in the consolidated balance sheets.

(3) Money held in trust

Money held in trust is stated at fair value.

(4) Policy-reserve-matching bonds

The Company classifies bonds held with the aim of matching the duration to outstanding insurance liabilities within the sub-groups (categorized by insurance type, investment policy and other factors) of individual life insurance, individual annuities and group pensions as policy-reserve-matching bonds in accordance with the Industry Audit Committee Report No.21, “Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds in the Insurance Industry” issued by the JICPA.

(5) Derivative transactions

Derivative transactions are stated at fair value.

(6) Tangible fixed assets

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

a. Buildings
Calculated using the straight-line method.

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

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

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

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

(7) Software

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

(8) Allowance for possible loan losses

Allowance for possible loan losses of the Company is provided pursuant to its standards for self- assessment of asset quality and internal rules for write-offs of loans and allowance for possible loan losses.

For loans to borrowers that are legally bankrupt (hereafter, "bankrupt borrowers") and for loans to borrowers that are not yet legally bankrupt but substantially bankrupt (hereafter, "substantially bankrupt borrowers"), an allowance is provided based on the total amounts of the loans after deduction of charge-offs and any amounts expected to be collected through the disposal of collateral and the execution of guarantees.

For loans to borrowers that have high possibility of bankruptcy (hereafter, "borrowers with high possibility of bankruptcy"), an allowance is provided at the amount deemed necessary based on an overall solvency assessment, net of the expected collection by disposal of collateral and by executing guarantees.

For other loans, an allowance is provided by multiplying the claim amount by an anticipated default rate calculated based on the Company's actual default experience for a certain period in the past.

All loans are assessed by the department concerned based on the Company's standards for the self-assessment of asset quality and an independent department is responsible for audit of its self-assessment. The allowance for possible loan losses is provided based on the result of the assessment.

For loans with collateral to bankrupt borrowers and substantially bankrupt borrowers, the amount of loans exceeding the value of estimated recovery through disposal of collateral or execution of guarantees is deemed uncollectible and written off. The amount of loans written off for the period amounted to ¥37 million, respectively.

(9) Net defined benefit liabilities and assets

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

Assumptions of the Company used in accounting for the defined benefit plans for the six months ended September 30, 2025 were as follows:

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

(10) Reserve for price fluctuation

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

(11) Foreign currency translation

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

(12) Method of hedge accounting

Methods of hedge accounting of the Company are in accordance with the ASBJ Statement No. 10, "Accounting Standard for Financial Instruments". These methods consist primarily of:
- the special hedge accounting using interest rate swaps to hedge against cash flow volatility related to loans receivable;
- the fair value hedge accounting using forward exchange contracts to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the deferred hedge accounting using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds;
- the deferred hedge accounting using equity swaps to hedge against price fluctuation risk related to foreign stocks;

- the deferred hedge accounting using forward exchange contracts to hedge against exchange rate fluctuation risk related to foreign currency denominated stocks (planned transactions)
- the allocation method using currency swaps to hedge against exchange rate fluctuation risk related to foreign currency denominated loans and bonds payable; and
- the deferred hedge accounting using interest rate swaps to hedge against interest rate fluctuation risk related to insurance liabilities, from the year ended March 31, 2010, based on the Industry Committee Practical Guidelines No. 26, "Accounting and Auditing Treatments related to Application of Accounting Standard for Financial Instruments in the Insurance Industry," issued by the JICPA.

Hedge effectiveness for the deferred hedge accounting to hedge against interest rate fluctuation risk related to insurance liabilities is assessed by verifying the correlation between interest rates that would be used in calculating theoretical prices of hedged items and hedging instruments.

(13) Cash and cash equivalents

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

(14) Accounting for consumption taxes

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

(15) Policy reserves

Regarding contracts for which the insurer's liability under insurance policies has started as of the end of the six months ended September 30, 2025, policy reserves of the Company are set aside in accordance with the methods stated in the statement of calculation procedures for insurance premiums and policy reserves (Article 4, Paragraph 2, Item 4 of the "Insurance Business Act") pursuant to Article 116, Paragraph 1 of the "Insurance Business Act", in order to prepare for future fulfilment of obligations under the insurance contracts.

Of policy reserves, insurance premium reserves are calculated by the following methods:
a. Reserves for policies subject to the standard policy reserve rules are calculated based on the methods stipulated by the Prime Minister (Notification of the Minister of Finance No. 48, 1996).
b. Reserves for policies not subject to the standard policy reserve requirements are calculated based on the net level premium method.

In addition, if there is deemed to be a risk of being unable to fulfill future obligations in the policy reserves set aside in accordance with the statement of calculation procedures approved by the

Financial Service Agency due to a significant deviation between the future cash flows estimated based on the calculation assumptions (such as the expected mortality/morbidity and the expected rate of interest) stipulated in the statement of calculation procedures and recent actual results, additional policy reserves need to be set aside pursuant to Article 69, Paragraph 5 of the “Ordinance for Enforcement of the Insurance Business Act”. In accordance with this provision, the following reserves are set aside:

- The policy reserves set aside in the fiscal year ended March 31, 2015 for single premium endowment contracts concluded on or after September 2, 1995.
- The policy reserves set aside in the fiscal year ended March 31, 2018 for single premium individual annuity contracts concluded on or after April 2, 1998.
- The policy reserves for the difference arising from calculations of premium reserves using the expected rate of interest of 2.00% over 2 years beginning with the fiscal year ended March 31, 2021, for individual annuity contracts concluded on or before April 1, 1999 (excluding the single premium Individual annuity policies listed above).
- The policy reserves set aside in the fiscal years ended March 31, 2015 and 2024 for variable life insurance contracts.
- The policy reserves for the difference arising from calculations of premium reserves using the expected rate of interest of 3.75% over 4 years beginning with the fiscal year ended March 31, 2025 , for certain whole life insurance contracts concluded on or before April 1, 1994.

In the six months ended September 30, 2025, the Company set aside ¥35,702 million. As a result, the balance of the policy reserves set aside thus far accounted for 35.0% of the total amount of required reserves as of September 30, 2025.

Contingency reserves included in policy reserves are set aside in accordance with Article 116 of the “Insurance Business Act”, and Article 69, Paragraph 1, Item 3 of the “Ordinance for Enforcement of the Insurance Business Act” to cover risks that may occur in the future in order to ensure the performance of future obligations under insurance contracts.

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

(16) Reserve for incurred but not reported (IBNR) claims

Reserve for Incurred But Not Reported (IBNR) claims is defined as a reserve for claims and benefits for which incidents prescribed in policy clauses are incurred but not reported to the Company (hereinafter “IBNR claims”). The amount of reserve for IBNR claims can no longer be calculated appropriately by using the formula stipulated in the main text of Article 1, Paragraph 1 of the Ministry of Finance Notification No. 234 (hereinafter referred to as “IBNR Notification”) in 1998, due to the May 8, 2023 termination of special treatments applied for payments of hospitalization and other benefits to policyholders in such status as “quasi hospitalization,” which requires obtaining diagnosis of COVID-19 infection and undergoing treatment at accommodation facilities or their homes under the supervision of physicians or other specialists (hereinafter referred to as “quasi hospitalization”). Accordingly, the Company now records the amount of such reserve by using the following method in accordance with a proviso of Article 1, Paragraph 1 of the IBNR Notification.

(Outline of Calculation Method)

The Company first deducts the amount pertaining to quasi hospitalization from the total amount of required reserve for IBNR claims and payments of benefits and others of all fiscal years set forth in the main text of Article 1, Paragraph 1 of the IBNR Notification, and then calculates the amount of reserve for IBNR claims in the same manner as that stipulated in the main text of Article 1, Paragraph 1 of the IBNR Notification.

(17) Income taxes

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

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

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

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

Also, premiums which corresponds to the period that is not expired at the end of the six months ended September 30, 2025, are set aside in the policy reserves in accordance with Article 116 of the “Insurance Business Act”, and Article 69, Paragraph 1, Item 2 of the “Ordinance for Enforcement of the Insurance Business Act”.

Benefits and claims (excluding reinsurance premiums) of the Company are recorded for contracts for which amounts calculated under policy conditions have been paid in the occurrence of insured events under the policy conditions by the relevant amounts paid.

In addition, the Company recognizes outstanding claims with the amount of unpaid claims over the contracts for which payment obligation exists at the end of the six months ended September 30, 2025 or for which incidents prescribed in policy clause already incurred but not reported to the Company, pursuant to Article 117 of the “Insurance Business Act” and Article 72 of the “Ordinance for Enforcement of the Insurance Business Act”.

II. Notes to the Unaudited Consolidated Balance Sheet as of September 30, 2025

1. Securities Lending

Securities loaned under security lending agreements, including securities under securities borrowing transactions, amounted to ¥5,372,419 million as of September 30, 2025.

2. Securities Sold under Repurchase Agreements

Securities sold under repurchase agreements amounted to ¥222,769 million as of September 30, 2025.

3. Pledged Assets

Assets pledged as collateral were cash and deposits in the amount of ¥1,094 million, securities in the amount of ¥688,950 million and loans in the amount of ¥259,597 million as of September 30, 2025.

4. Rights to disposal

Assets, which can be freely disposed of, but are not recorded in the Company's consolidated balance sheet as of September 30, 2025, consisted of cash collateral totaling ¥7,032 million, which was accepted via securities lending transactions, and securities totaling ¥7,091 million, which were borrowed via securities borrowing transactions. Cash collateral was entirely loaned, while borrowed securities were entirely held by the Company.

5. Loans

The amounts of risk-monitored loans, which comprised (1) bankrupt and quasi-bankrupt loans, (2) doubtful loans, (3) loans in arrears for three months or longer and (4) restructured loans, were ¥42,363 million as of September 30, 2025.

The amounts of bankrupt and quasi-bankrupt loans were ¥338 million as of September 30, 2025.

The amounts of loans deemed uncollectible and directly deducted from the loans in the consolidated balance sheet as of September 30, 2025 were ¥37 million for bankrupt and quasi-bankrupt loans.

Bankrupt and quasi-bankrupt loans are loans to borrowers that have been found or are likely to be found legally bankrupt through fillings for the commencement of bankruptcy, corporate reorganization or civil rehabilitation proceedings, and loans to borrowers of similar status.

The amounts of doubtful loans were ¥6,288 million as of September 30, 2025.

Doubtful loans are loans with a high probability of failure in the receipt of principal or interest under terms of the loan agreement due to the borrower's deteriorated financial status and/or business performance even though the borrower has yet to be in the state of bankruptcy. These loans do not include bankrupt and quasi-bankrupt loans.

The amounts of loans in arrears for three months or longer were ¥113 million as of September 30, 2025.

Loans in arrears for three months or longer represent the loans on which payments of principal or interest are past due over three months from the day following the contractual due date. These loans do not include bankrupt and quasi-bankrupt loans or doubtful loans.

The amounts of restructured loans were ¥35,622 million as of September 30, 2025.

Restructured loans represent the loans which have been restructured to provide relief to the borrowers by reducing or waiving interest payments, by rescheduling repayments of principal or payments of interest, or by waiving claims for borrowers in order to support their recovery from financial difficulties. Restructured loans do not include bankrupt and quasi-bankrupt loans, doubtful loans, or loans in arrears for three months or longer.

6. Loan Commitments

The amounts of loan commitments outstanding were ¥218,816 million as of September 30, 2025.

7. Policyholders’ Dividend Reserves (Mutual Company)

Changes in policyholders’ dividend reserves for the six months ended September 30, 2025 were as follows:

	Millions of Yen
Balance at the beginning of the period	¥292,516
Transfer from surplus in the previous fiscal year	157,450
Dividend payments to policyholders (mutual company) during the period	(89,685)
Interest accrued during the period	267
Balance at the end of the period	360,549

8. Policyholders’ Dividend Reserves (Limited Company)

Changes in policyholders’ dividend reserves for the six months ended September 30, 2025 were as follows:

	Millions of Yen
Balance at the beginning of the period	¥-
Dividend payments to policyholders (limited company) during the period	-
Interest accrued during the period	-
Provision for policyholders' dividend reserves (limited company)	422
Increase due to changes in the scope of consolidation	444
Balance at the end of the period	867

9. Subordinated Bonds

As of September 30, 2025, bonds payable in liabilities consisted entirely of subordinated bonds and foreign currency-denominated subordinated bonds, the repayments of which are subordinated to other obligations. In addition, on October 20, 2025, the Company made an early redemption of subordinated bonds denominated in US dollars with subordinated rider as follows.

Name	US dollar-denominated subordinated notes due 2045 with interest deferral options
Issue date	October 20, 2015
Early redemption value	100% of the face value
Total amount redeemed early	U.S. $2,000 million

Method of early redemption	Full amount early redemption of the outstanding balance

10. Subordinated Borrowings

As of September 30, 2025, other liabilities in liabilities included subordinated loan of ¥271,600 million, and the repayments of which are subordinated to other obligations.

11. Separate Accounts

The total amount of assets held in separate account defined in Article 118, Paragraph 1 of the "Insurance Business Act" was ¥572,693 million as of September 30, 2025. The amount of separate account liabilities was the same as this figure.

12. Revaluation of Land

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

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

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

III. Notes to the Unaudited Consolidated Statements of Income for the Six Months Ended September 30, 2025

1. Impairment of Fixed Assets

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

(1) Method for grouping the assets

The Company and certain consolidated subsidiaries group all the fixed assets held and utilized mainly for the insurance business as one asset group for the impairment test. For real estate for non-insurance business and idle assets, each asset is treated as an independent unit for the impairment test.

(2) Description of impairment losses recognized

For the six months ended September 30, 2025, the Company recognized impairment losses on real estate for non-insurance business that experienced a significant deterioration of profitability and on the idle assets that experienced a significant decline in fair value. For these assets, the Company reduced the carrying amount to a recoverable amount which is either fair value less costs to dispose or value-in-use, and recognized impairment losses as extraordinary losses in the consolidated statements of income.

(3) Details of fixed assets resulting in impairment losses

Asset group	Number of properties impaired	Millions of Yen		
		Land	Buildings	Total
Real estate for non-insurance business	0	¥ -	¥ -	¥ -
Idle assets	6	116	117	234
Total	6	116	117	234

(4) Calculation method of recoverable amounts

The recoverable amounts of real estate for non-insurance business are determined at net realizable value or value in use. The recoverable amounts for idle assets are net realizable value. Value in use is mainly determined as the estimated net future cash flows, reflecting the volatility risk, discounted at 1.77% for the six months ended September 30, 2025. Net realizable value is calculated based on the appraisal value with reference to “Real Estate Appraisal Standards” or the publicly announced appraisal value.

2. Amortization of Goodwill Equivalent

Based on the provisions of Paragraph 32 of Transferred Guidance No.4 "Practical Guidelines on the Procedures to Consolidate Equity Accounts in Consolidated Financial Statements", which is applied by mutatis mutandis in Paragraph 9 of Transferred Guidance No.7 "Practical Guidelines on the Preparation of the Equity Method of Accounting", we have amortized ¥25,621 million of goodwill equivalent at once related to some affiliates and recorded it under "Investment losses by equity method" within other ordinary expenses.

IV. Notes to the Unaudited Consolidated Statements of Cash Flows for the Six Months Ended September 30, 2025

1. Cash and Cash Equivalents

The components of cash and cash equivalents in the consolidated statements of cash flows as of September 30, 2025 were as follows:

	Millions of Yen
Cash and deposits	¥751,978
Time deposits (over 3 months)	(220,031)
Call loans	226,400
Money held in trust (matured within 3 months)	8,500
Securities (matured within 3 months from the date of acquisition)	35,602
Cash and cash equivalents	802,449

2. Breakdown of increased assets and liabilities of the newly consolidated through stock acquisition

Breakdown of assets and liabilities at the start of consolidation, as well as the relationship between the acquisition cost of the shares and the net expenditure for the acquisition, due to the consolidation of American Heritage Life Insurance Company, American Heritage Service Company, and AEON Allianz Life Insurance Co., Ltd. through the acquisition of shares, are as follows.

(1) American Heritage Life Insurance Company and American Heritage Service Company

	Millions of Yen
Assets	¥579,713
Cash and deposits	6,825
Liabilities	(300,609)
Policy reserves and other reserves	(286,531)
Consideration for the acquisition	279,104
Cash and cash equivalents included in acquired assets	(6,825)
Net expenditures for the acquisition of shares of subsidiaries accompanied by changes in the scope of consolidation	272,279

(2) AEON Allianz Life Insurance Co., Ltd.

	Millions of Yen
Assets	¥119,301
Cash and deposits	71,615
Liabilities	(64,724)
Policy reserves and other reserves	(37,134)
Minority interests	(6,087)
Consideration for the acquisition	48,488
Cash and cash equivalents included in acquired assets	(73,315)
Net income for the acquisition of shares of subsidiaries accompanied by changes in the scope of consolidation	24,826

Note: The above amounts are based on estimates.

V. Financial Instruments

1. Fair Value of Financial Instruments

The amounts of the principal financial assets and liabilities reported in the consolidated balance sheets as of September 30, 2025, their fair values and the differences between them, were as presented in the following table. In addition, notes for cash are omitted. Moreover, the Company omitted notes for deposits other than CDs; money held in trust that is jointly invested and has a nature similar to deposits; payables under repurchase agreements; and payables under securities borrowing transactions, based on the assumption that the fair value of these instruments approximates book value due to short-term nature of their contracts.

			Millions of Yen
	Balance sheet amount	Fair value	Difference
Deposits	¥57,994	¥57,994	¥—
Available-for-sale securities (CDs)	57,994	57,994	—
Monetary claims bought	146,373	136,843	(9,530)
Held-to-maturity debt securities	142,740	133,210	(9,530)
Available-for-sale securities	3,633	3,633	—
Money held in trust	159,739	159,146	(592)
Trading securities	4,576	4,576	—
Policy-reserve-matching bonds	13,503	12,910	(592)
Available-for-sale securities	141,659	141,659	—
Securities	43,192,725	41,456,481	(1,736,243)
Trading securities	2,488,673	2,488,673	—
Held-to-maturity debt securities	2,693,491	2,724,315	30,823
Policy-reserve-matching bonds	14,704,404	12,971,607	(1,732,797)
Equity securities issued by subsidiaries and affiliates	129,593	95,323	(34,269)
Available-for-sale securities	23,176,561	23,176,561	—
Loans	5,649,661	5,555,609	(94,051)
Policy loans	166,552	166,552	—
Industrial and consumer loans	5,483,108	5,389,056	(94,051)
Allowance for possible loan losses (*1)	(5,884)	—	—
	5,643,776	5,555,609	(88,167)
Bonds payable	1,207,793	1,194,170	(13,622)
Borrowings	271,600	250,508	(21,091)
Derivative financial instruments (*2)	(301,825)	(301,825)	—
Hedge accounting is not applied	24,167	24,167	—
Hedge accounting is applied	(325,993)	(325,993)	—

(*1) The amounts are general allowance for possible losses on loans and specific allowance for possible loan losses related to the loans.

(*2) The amounts of receivables and payables arising from derivative transactions are shown as net amounts, and items that result in a net payable in total are indicated in ( ).

(*3) In accordance with Paragraph 5 of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19) and Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement(ASBJ Guidance No. 31), unlisted stocks and others of which market value is not available are not included in securities presented in the above table concerning the fair value of financial instruments and the table concerning the fair value hierarchy of financial instruments. Investments in capital partnerships are similarly excluded from the table for the same reason.

The amounts of stocks and others of which market value is not available, as reported in the consolidated balance sheets, were ¥281,851 million as of September 30, 2025. Of this, the amounts of stocks of subsidiaries and affiliates were ¥245,693 million. The amounts of investments in capital partnerships reported in the consolidated balance sheets totaled ¥36,677 million as of September 30, 2025. Impairment losses on unlisted stocks and others of which market value is not available and investments in capital partnerships were ¥4 million for the six months September 30, 2025.

2. Fair Value Hierarchy of Financial Instruments

Fair values of financial instruments are classified into three different levels of fair value hierarchy, defined as follows, in accordance with the observability and significance of input used in fair value measurements.

Level 1: Fair value measured at (unadjusted) quoted prices in active markets for the same assets or liabilities

Level 2: Fair value calculated by using directly or indirectly observable input other than Level 1

Level 3: Fair value calculated using significant unobservable input

In addition, multiple inputs that exert a significant impact on calculation results may be used in fair value measurements. In such cases, the Company classifies the fair value of assets and liabilities into the level with lowest priority among the levels to which each input belongs in terms of fair value measurement.

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

	Millions of Yen			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Deposits (CDs)	¥—	¥57,994	¥—	¥57,994
Monetary claims bought	—	3,633	—	3,633
Available-for-sale securities	—	3,633	—	3,633
Money held in trust	—	146,235	—	146,235
Trading securities	—	4,576	—	4,576
Available-for-sale securities	—	141,659	—	141,659
Securities	13,191,567	11,789,105	83,789	25,064,462
Trading securities	2,270,167	218,505	—	2,488,673
National & local government bonds	74,779	561	—	75,341
Corporate bonds	—	93,943	—	93,943
Stocks	116,068	—	—	116,068
Others	2,079,319	124,000	—	2,203,320
Available-for-sale securities	10,921,399	11,570,600	83,789	22,575,789
National & local government bonds	1,444,550	113,343	—	1,557,894
Corporate bonds	—	1,464,345	—	1,464,345
Stocks	6,707,408	822	—	6,708,230
Others	2,769,440	9,992,088	83,789	12,845,317
Derivative financial instruments	2,139	51,503	17,523	71,166
Currency related	—	47,531	—	47,531
Interest rate related	—	3,972	—	3,972
Stock related	70	—	17,523	17,593
Bond related	2,068	—	—	2,068
Asset Total	13,193,706	12,048,472	101,312	25,343,491
Derivative financial instruments	20	368,426	4,544	372,991
Currency related	—	213,704	—	213,704
Interest rate related	—	154,722	—	154,722
Bond related	20	—	4,544	4,565
Liability Total	20	368,426	4,544	372,991

(*)The above table does not include investment trusts of which net asset value is considered as its fair value in accordance with Article 24-7 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement”. The amount of such investment trusts recognized on the consolidated balance sheet is ¥600,772 million. A reconciliation from the beginning balance to the ending balance of the investment trusts of the period is as follows.

	Millions of Yen
	Investment trusts to which Article 24-3 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” applies and its net asset value is considered as its fair value
Balance at the beginning of the period	¥545,948
Profit (loss) or other comprehensive income (loss) for the period	
Recognized in net unrealized gains on available-for-securities	22,564
Bought, sold and redeemed	
Bought	33,732
Sold	(1,472)
Balance at the end of the period	600,772

In addition, among the investment trusts to which Article 24-3 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” applies, the main content of restrictions on cancelation and others and the amount recognized in the consolidated balance sheet are ¥600,772 million of those that cannot be cancelled voluntary.

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

	Millions of Yen			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	¥—	¥133,210	¥—	¥133,210
Held-to-maturity debt securities	—	133,210	—	133,210
Money held in trust	—	12,910	—	12,910
Policy-reserve-matching bonds	—	12,910	—	12,910
Securities	12,788,576	3,002,669	—	15,791,246
Held-to-maturity debt securities	2,243,011	481,303	—	2,724,315
National & local government bonds	2,233,656	146,975	—	2,380,632
Corporate bonds	—	285,359	—	285,359
Others	9,354	48,968	—	58,323
Policy-reserve-matching bonds	10,450,241	2,521,365	—	12,971,607
National & local government bonds	9,944,082	—	—	9,944,082
Corporate bonds	—	36,888	—	36,888
Others	506,158	2,484,477	—	2,990,636
Equity securities issued by subsidiaries and affiliates	95,323	—	—	95,323
Loans	—	—	5,555,609	5,555,609
Policy loans	—	—	166,552	166,552

Industrial and consumer loans	—	—	5,389,056	5,389,056
Asset Total	12,788,576	3,148,789	5,555,609	21,492,975
Bonds payable	—	1,194,170	—	1,194,170
Borrowings	—	250,508	—	250,508
Liability Total	—	1,444,679	—	1,444,679

Notes:

a. Explanations on valuation methods and inputs used in fair value measurements

(i) Deposits, monetary claims bought, money held in trust and securities

Regarding deposits, monetary claims bought, and money held in trust and securities, the fair values of these instruments are classified into Level 1 when unadjusted quoted prices are available from active markets. This includes mainly listed stocks and government bonds. When publicly announced quoted prices are only available from inactive markets, the Company classifies the fair value of instruments into Level 2. This includes mainly negotiable deposits, local government bonds and corporate bonds.

When quoted prices are unavailable, the Company measures the fair value of instruments based on theoretical prices calculated by discounting the net future cash flows to the present value, or the value at the end of fiscal year based on data provided by pricing vendors or transactional counterparts. In the course of the above valuation process, the Company utilizes observable inputs as much as possible. When significant unobservable inputs are used in its fair value measurement, the Company classifies the fair value into Level 3.

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

(ii) Derivative financial instruments

With regard to derivative financial instruments, the Company classifies their fair values into Level 1 when unadjusted quoted prices from active markets are available. This includes mainly stock index futures and bond futures.

However, most derivative financial instruments are traded over the counter and, accordingly, publicly announced quoted prices for these instruments are unavailable. Because of this, the fair value of foreign exchange contracts is stated at theoretical prices based on the TTM, WM Reuters rate or discount rate at the balance sheet date, while the fair value of currency swaps, interest rate swaps and other similar derivative financial instruments is stated at value based on data provided by pricing vendors. The fair values of the above instruments are classified into Level 2.

Since instruments subject to the allocation method for currency swaps are treated as an integral part of the hedged foreign currency denominated loans and bonds payable, their fair values are included in the fair values of the relevant loans and bonds payable. Moreover, since instruments subject to special hedge accounting treatment for interest rate swaps are treated as an integral part of the hedged foreign currency denominated loans, their fair values are included in the fair values of the relevant loans. When significant unobservable inputs are used in its fair value measurement, the Company classifies the fair value into Level 3.

(iii) Loans

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

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

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

(iv) Bonds payable

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

(v) Borrowings

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

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

(i) Quantitative information regarding significant unobservable inputs

Category	Valuation technique	Significant unobservable inputs	Range of input
Derivative financial instruments			
Index option transactions	Black–Scholes model	(*2)	(*2)

(*1) In addition to the above, trading securities and available-for-sales securities classified under securities include instruments whose fair values are classified into Level 3. However, these instruments are not included in the above table as they are valued based on unadjusted prices provided by third parties.

(*2) Inputs used include implied volatility, such as S&P 500 Index.

(ii) Reconciliation from the beginning balance to the ending balance and net unrealized gains and losses recognized in the statement of income

				Millions of Yen
	Securities	Derivative Financial Instruments		Total
	Available-for-sale securities	Stock-related	Index option transaction	
	Others			
Balance at the beginning of the period	¥90,066		¥9,330	¥99,396
Profit (losses) or other comprehensive income for six months ended September 30, 2025				
Appropriated as profit (losses) (*1)	41	(2,925)	1,118	(1,765)
Appropriated as other comprehensive income (*2)	(1,398)		(788)	(2,187)
Purchase, Sale, Issue and Settlement				
Purchase	1,963		3,964	5,927
Sale	(4,532)		—	(4,532)
Settlement	—		(4,346)	(4,346)
Redemption	(1,305)		—	(1,305)
Transferred to Level 3 fair value (*3)	12,416	6,624	—	19,041
Transfer from Level 3 fair value (*4)	(13,461)		—	(13,461)
Balance at the end of the period	83,789	3,699	9,278	96,767
Unrealized gains (losses) of financial assets and liabilities held at the balance sheet date within the amount appropriated as profit (losses) during the period (*1)	—	(2,925)	1,526	(1,398)

(*1) Included in interest, dividends, and other income and gains on trading securities under investment income and losses on derivative financial instruments under investment expenses.
(*2) Included in net unrealized gains (losses) on available-for-sale securities and foreign currency translation adjustments under other comprehensive income.
(*3) Indicating transfer from Level 2 fair value to Level 3 fair value due to the lack of observable data. This transfer is carried out at the end of the six months ended September 30, 2025.
(*4) Indicating transfer from Level 3 fair value to Level 2 fair value due to the availability of observable data. This transfer is carried out at the end of the six months ended September 30, 2025.

(iii) Explanation of fair value measurement process

When quoted prices provided by third parties are used in fair value measurement, the Company verifies the appropriateness of such prices in a proper manner via, for example, confirming valuation techniques and inputs used and comparing fair values with those of similar financial instruments. Verification results are reported to departments in charge of risk management. In this way, the Company ensures the appropriateness of its fair value measurement policies and procedures.

(iv) Explanation of impacts on fair value due to changes in significant unobservable inputs

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

VI. Securities

1. Held-to-Maturity Debt Securities

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

	Millions of Yen		
	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount			
1) National & local government bonds	¥1,932,392	¥1,984,207	¥51,814
2) Corporate bonds	99,812	101,969	2,157
3) Others	44,006	44,787	780
Total	2,076,211	2,130,964	54,752
Securities whose fair value does not exceed the balance sheet amount			
1) National & local government bonds	415,027	396,424	(18,603)
2) Corporate bonds	187,904	183,390	(4,514)
3) Others	157,088	146,746	(10,342)
Total	760,021	726,561	(33,459)

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

2. Policy-Reserve-Matching Bonds

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

	Millions of Yen		
	Balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the balance sheet amount			
1) National & local government bonds	¥3,212,920	¥3,254,994	¥42,074
2) Corporate bonds	4,645	4,790	145
3) Others	1,744,492	1,793,903	49,411

Total	4,962,057	5,053,688	91,631
Securities whose fair value does not exceed the balance sheet amount			
1) National & local government bonds	8,365,165	6,691,347	(1,673,818)
2) Corporate bonds	46,032	42,720	(3,311)
3) Others	1,344,652	1,196,760	(147,891)
Total	9,755,850	7,930,828	(1,825,021)

3. Available-for-Sale Securities

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

			Millions of Yen
	Acquisition or amortized costs	Balance sheet amount	Difference
Securities whose balance sheet amount exceeds the acquisition or amortized costs			
(1) Domestic stocks	¥1,493,706	¥6,691,449	¥5,197,743
(2) Bonds	1,424,235	1,470,023	45,788
1) National & local government bonds	942,920	970,374	27,453
2) Corporate bonds	481,314	499,649	18,334
(3) Others	7,265,974	8,469,597	1,203,622
Total	10,183,916	16,631,071	6,447,154
Securities whose balance sheet amount does not exceed the acquisition or amortized costs			
(1) Domestic stocks	19,347	16,781	(2,565)
(2) Bonds	1,707,189	1,552,216	(154,973)
1) National & local government bonds	719,010	587,519	(131,490)
2) Corporate bonds	988,179	964,696	(23,483)
(3) Others	5,577,179	5,179,780	(397,399)
Total	7,303,716	6,748,777	(554,938)

(*) This table includes financial instruments that are deemed appropriate to be treated as securities under the “Financial Instruments and Exchange Act”. “Acquisition or amortized costs” in the table above refers to book values after deduction of impairment losses.

VII. Fair Value of Investment and Rental Properties

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

VIII. Business combination

1. American Heritage Life Insurance Company and American Heritage Service Company

StanCorp Financial Group, Inc. (hereinafter “StanCorp”), a consolidated subsidiary of the Company, acquired all shares issued by two subsidiaries of The Allstate Corporation on April 1, 2025, of which a subsidiary handles group insurance business.

StanCorp recognizes this acquisition of shares as a business acquisition in accordance with Topic 805 “Business Combinations” announced by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Details follow.

(1) Overview of business combination
i) Name of the acquired companies and the content of the acquired business

Name of the acquired companies	American Heritage Life Insurance Company American Heritage Service Company
Content of the acquired business	Group insurance business and related administrative service business

ii) Main reasons for the business combination
This business combination was aimed at enabling StanCorp to achieve further growth in the group insurance business through the strengthening of its operating base and the streamlining of its operations.

iii) Date of the business combination
April 1, 2025

iv) Legal form of the business combination
Acquisition of shares

v) Name of acquired companies after the business combination
American Heritage Life Insurance Company
American Heritage Service Company

vi) Voting rights acquired
100%

vii) Main reason for determining the controlling company
Having acquired majority stakes in the acquired companies, StanCorp, a consolidated subsidiary of the Company, has acquired full control of their decision-making bodies.

(2) The period of the acquired companies’ operating results included in the consolidated financial statements
From April 1, 2025 to June 30, 2025

(3) Acquisition costs of the acquired businesses and their breakdown

Consideration for the acquisition:	U.S. $1,927 million
Acquisition costs:	U.S. $1,927 million

(4) Main component of acquisition-related expenses and their amount

Advisory fees and others: U.S. $30 million

(5) Amount of assets received and liabilities assumed at the date of business combination and their breakdown

Total assets:	U.S. $4,003 million
Securities:	U.S. $1,676 million
Total liabilities:	U.S. $2,075 million
Policy reserves and other reserves:	U.S. $1,978 million

(6) Amount of goodwill recorded, reasons for recording goodwill and amortization method and period
i) Amount of goodwill recorded
U.S. $1,019 million

ii) Reasons for recording goodwill
Goodwill is recognized based on the expected profitability in excess of fair value as a result of strengthening the customer base and streamlining operations in StanCorp's group insurance business.

iii) Amortization method and period
Straight-line method: 10 years

(7) Amount of assets allocated to other intangible fixed assets other than goodwill, their breakdown by primary type, and weighted average amortization periods for the entirety of these assets and each primary type

Primary type	Amount	Amortization period
Value of Business Acquired (VOBA)	U.S. $738 million	30 years

(8) Finalization of provisional accounting treatment for business combination
Provisional accounting treatment was applied in the three months ended June 30, 2025, but it has been finalized in the six months ended September 30, 2025. The change in the amount of goodwill due to the finalization of this provisional accounting treatment is minor.

2. AEON Allianz Life Insurance Co., Ltd.

(1) Overview of business combination
i) Name of the acquired companies and the content of the acquired business

Name of the acquired companies	AEON Allianz Life Insurance Co., Ltd.
Content of the acquired business	Life insurance business

ii) Main reasons for the business combination
This business combination was aimed at enabling the Company to achieve further growth by building comprehensive partnership with AEON Group.

iii) Date of the business combination
July 1, 2025

iv) Legal form of the business combination

Acquisition of shares

v) Name of acquired companies after the business combination
AEON Aliantz Life Insurance Company, Ltd.
As of October 1, 2025, AEON Allianz Life Insurance Co., Ltd. has changed its company name to Meiji Yasuda Trust Life Insurance Co., Ltd.

vi) Voting rights acquired
85.1%

vii) Main reason for determining the controlling company
Having acquired majority stakes in the acquired companies, the Company, has acquired full control of their decision-making bodies.

(2) The period of the acquired companies' operating results included in the consolidated financial statements
From July 1, 2025 to September 30, 2025

(3) Acquisition costs of the acquired businesses and their breakdown

Consideration for the acquisition:	¥48,488 million
Acquisition costs:	¥48,488 million

(4) Main component of acquisition-related expenses and their amount
Advisory fees and others: ¥866 million

(5) Amount of assets received and liabilities assumed at the date of business combination and their breakdown

Total assets:	¥105,583 million
Cash and deposits:	¥71,615 million
Total liabilities:	¥64,724 million
Policy reserves and other reserves:	¥37,134 million

Note: The amount is not finalized and is currently presented as an estimate.

(6) Amount of goodwill recorded, reasons for recording goodwill and amortization method and period
i) Amount of goodwill recorded
¥13,717 million
Note: The amount is not finalized and is currently presented as an estimate.

ii) Reasons for recording goodwill
Goodwill is recognized based on the expected profitability in excess of fair value as a result of building a comprehensive partnership.

iii) Amortization method and period
Straight-line method: 5 years

(7) Allocation of acquisition costs
As of the end of the first six months of the fiscal year ending March 31, 2026, examinations are under way to measure the fair value of relevant assets and liabilities. Accordingly, the allocation of

acquisition costs has yet to be completed and, therefore, is provisionally accounted for based on reasonable information available at that point.

IX. Additional Information

a. On February 7, 2025, the Company entered into an agreement with Legal & General Group plc (hereinafter “L&G”) to acquire all shares issued by Legal & General America, Inc., a U.S.-based holding company owned by L&G and tasked with overseeing such businesses as Banner Life Insurance Company, a life insurer based in the United States. Premised on such conditions as the approval of regulatory authorities in Japan and the United States, the acquisition of these shares is expected to be completed during the second half of the fiscal year ending March 31, 2026.

(1) Overview of business combination

i) Name of the acquired company and the content of the acquired business

Name of the acquired company	Legal & General America, Inc.
Content of the acquired business	Life insurance business and pension risk transfer (PRT) business in the United States

ii) Main reasons for business combination

This business combination is aimed at making Banner Life Insurance Company a subsidiary as it is equipped with access to the U.S. market for individual life insurance, cutting-edge digital technologies, the PRT business and other advantages. Through this business combination, the Meiji Yasuda Group intends to further strengthen its profit base in the life insurance market in the United States.

(2) Acquisition costs of the acquired business and their breakdown

Consideration for the acquisition: U.S. $2,281 million

Note: The amount is not finalized and is currently presented as an estimate.

b. On December 23, 2024, the Company entered into an agreement with Talanx AG (hereinafter “Talanx”) to terminate the strategic alliance agreement signed between the two parties in 2010, with the termination date set at December 31, 2025. Although the Company jointly acquired TUiR Warta S.A.(hereinafter “Warta”) and TU Europa S.A. (hereinafter “Europa”) with Talanx, these two parties also agreed on conditions related to the transfer of its shares in Warta and Europa to Talanx.

(1) Reasons for transferring shares in Warta and Europa

The Company decided to transfer its shares in Warta and Europa as Talanx expressed its intention to acquire these shares in the course of negotiations regarding the strategic alliance in question.

(2) The name of the transferee

Talanx

(3) Schedule for the transfer

Premised on the approval of relevant authorities and other conditions, the transfer of these shares is scheduled approximately for the period from January to March 2026.

(4) The name of affiliates involved in the share transfer, the content of their business and the status of transactions with the Company

Warta: Nonlife insurance business
Europa: Nonlife insurance business
The Company has no business transactions with these two affiliates about their business.

(5) The number of shares to be transferred and the Company's equity stake after the transfer

The number of shares to be divested:	Warta: 4,559 thousand shares Europa: 4,724 thousand shares
Equity stake after the divestment:	The Company will have no equity stake in these affiliates after the divestment