

I Overview and Organization of Insurance Holding Company

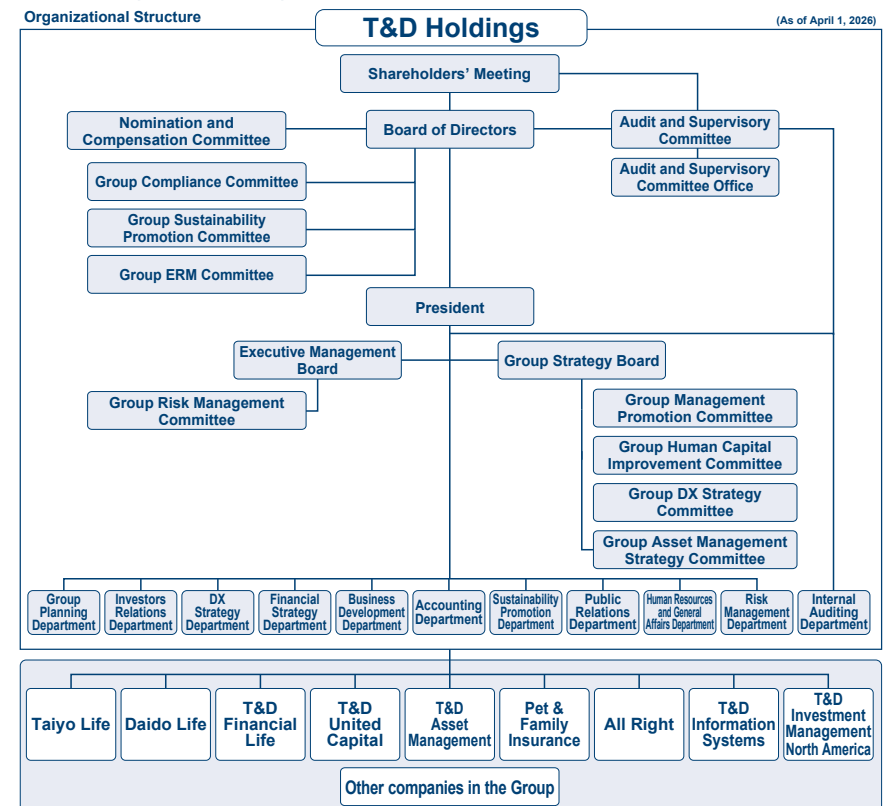
1 History

May	1893	Taiyo Life was founded as Nagoya Life Insurance Co., Ltd.
July	1902	Daido Life Insurance Company was founded as a joint stock company through the merger of three companies—Asahi Life, Gokoku Life and Hokkai Life.
July	1947	Daido Life was reestablished as a mutual company.
February	1948	Taiyo Life was reestablished as a mutual company.
January	1999	Taiyo Life and Daido Life formed a broad business alliance.
June	1999	Taiyo Life and Daido Life decided on T&D Insurance Group as the group name.
October	1999	T&D Taiyo Daido Asset Management Co., Ltd. was launched through the merger of domestic investment advisory companies.
October	1999	Operations of policy confirmation was integrated into T&D Confirm Ltd.
October	2001	Taiyo Life and Daido Life jointly acquired shares of T&D Financial Life (former Tokyo Life Insurance Company).
October	2001	System divisions were integrated into T&D Information System, Ltd.
April	2002	Daido Life was demutualized to a joint stock company, with its shares listed on the Tokyo Stock Exchange and the Osaka Securities Exchange.
July	2002	T&D Taiyo Daido Asset Management and Daido Life Investment Trust Management were merged into T&D Asset Management Co., Ltd.
August	2002	Leasing businesses were integrated into T&D Lease Co., Ltd.
April	2003	Taiyo Life was demutualized to a joint stock company, with its shares listed on the Tokyo Stock Exchange.
March	2004	Taiyo Life and Daido Life delisted their shares.
April	2004	T&D Holdings, Inc. was established with its shares listed on the Tokyo Stock Exchange and the Osaka Securities Exchange. Taiyo Life, Daido Life and T&D Financial Life became wholly owned subsidiaries of T&D Holdings.
April	2004	Group administrative service companies were merged into T&D Customer Services Co., Ltd.
July	2006	Headquarters operations of four group companies (T&D Holdings, Taiyo Life, Daido Life and T&D Financial Life) and T&D Asset Management were consolidated and relocated.
January	2007	T&D Holdings made Japan Family Insurance Planning, Inc. (currently Pet & Family Insurance Co., Ltd.) a subsidiary.
March	2007	T&D Holdings made T&D Asset Management Co., Ltd. a direct subsidiary.
January	2016	Headquarters operations of three group companies (T&D Holdings, Taiyo Life and Daido Life) were relocated to Nihonbashi, Chuo-ku, Tokyo.
April	2019	Pet & Family Small-amount Short-term Insurance Company was converted to a non-life insurance company and renamed to Pet & Family Insurance Co., Ltd.
July	2019	T&D United Capital Co., Ltd. began its business.
October	2022	All Right Co., Ltd. began its business.
September	2024	T&D Holdings made T&D Information System, Ltd. a direct subsidiary.
April	2026	T&D Investment Management North America Inc. began its business.

2 Corporate Overview

Company Name	T&D Holdings, Inc.
Date of Establishment	April 1, 2004
Location of Headquarters	2-7-1, Nihonbashi, Chuo-ku, Tokyo 103-6031, Japan
Telephone	+81-(0)3-3272-6110
The Company's Website	https://www.td-holdings.co.jp/en/
Type of Business	- Management control of life insurance subsidiaries under the Insurance Business Act of Japan and other laws and regulations - Other businesses incidental to the business listed in the preceding item
Paid-in Capital	207,100 million yen
Number of Employees	114 (as of March 31, 2026)

3 Management Organization



4 Name of Independent Auditor

Ernst & Young ShinNihon LLC

II

Overview of Insurance Holding Company and Its Subsidiaries, etc.

1 Main Business Activities and Organizational Structure

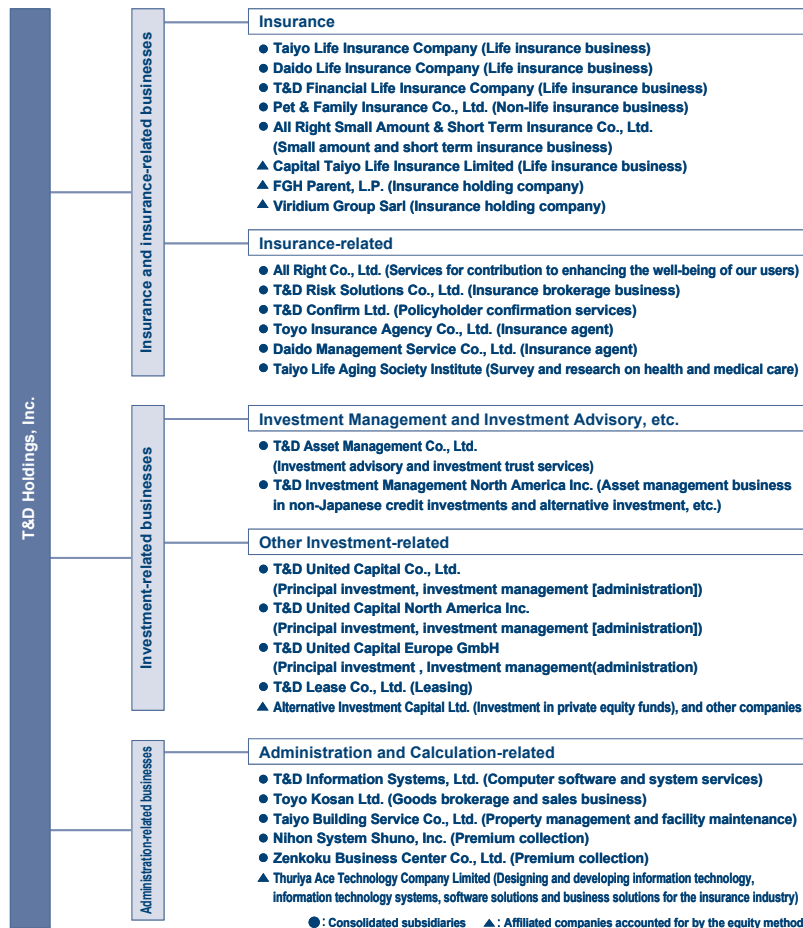
(1) Business Activities

As an insurance holding company, the Company mainly operates the following businesses:

- 1) Management control of life insurance subsidiaries under the Insurance Business Act of Japan and other laws and regulations
- 2) Other business incidental to the business listed in the preceding item

(2) Organizational Structure

As of March 31, 2026, the T&D Insurance Group comprises the Company, 24 subsidiaries, and fifteen affiliated companies. Centered on the life insurance business, the T&D Insurance Group's operations are outlined below:



2 Matters Concerning Subsidiaries, etc.

(As of March 31, 2026)

Company name	Location of principal sales office or office	Business activities	Date of establishment	Paid-in capital (Millions of yen, except where otherwise noted)	Ratio of voting rights held by the Company to total (%)	Ratio of voting rights held by the Company's subsidiaries, etc. to total (%)
Taiyo Life Insurance Company	2-7-1, Nihonbashi, Chuo-ku, Tokyo	Life insurance business	February 16, 1948	62,500	100.0	—
Daido Life Insurance Company	1-2-1, Edobori, Nishi-ku, Osaka, Osaka-fu	Life insurance business	July 14, 1947	110,000	100.0	—
T&D Financial Life Insurance Company	1-1-1, Shiba, Minato-ku, Tokyo	Life insurance business	July 16, 1947	56,000	100.0	—
T&D United Capital Co., Ltd.	2-7-1, Nihonbashi, Chuo-ku, Tokyo	Principal investment, investment management [administration]	June 11, 2019	5,500	100.0	—
T&D Asset Management Co., Ltd.	5-36-7, Shiba, Minato-ku, Tokyo	Investment advisory and investment trust services	December 19, 1980	1,100	100.0	—
Pet & Family Insurance Co., Ltd.	4-27-3, Higashi-Ueno, Taito-ku, Tokyo	Non-life insurance business	August 8, 2003	3,656	100.0	—
All Right Co., Ltd.	7-1, Nihonbashi-Kabutocho, Chuo-ku, Tokyo	Services for contribution to enhancing the well-being of our users	September 15, 2022	1,250	100.0	—
T&D Information System, Ltd.	4-2-18, Harigaya, Urawa-ku, Saitama, Saitama-ken	Computer software and system services	July 15, 1999	300	100.0	—
T&D Investment Management North America Inc.	251 Little Falls Drive, Wilmington, DE 19808, U.S.A.	Management of foreign credits and alternative assets, etc.	August 8, 2025	USD 10	100.0	—
T&D United Capital North America Inc.	485 Lexington Avenue, Suite 3000, New York, NY 10017, U.S.A.	Principal investment, investment management [administration]	December 11, 2019	USD 10	—	100.0
T&D United Capital Europe GmbH	c/o Mindspace, Grünstraße 15, 40212 Düsseldorf, Germany	Principal investment, investment management [administration]	January 21, 2026	EUR 2,500	—	100.0
T&D Risk Solutions Co., Ltd.	Kabutocho 1st Heiwa Bldg. 3rd Floor, 5-1, Nihonbashi-Kabutocho, Chuo-ku, Tokyo	Insurance brokerage business	May 19, 2023	50	—	100.0
All Right Small Amount & Short Term Insurance Co., Ltd.	2-24-3, Hatchobori, Chuo-ku, Tokyo	Small amount and short term insurance business	November 16, 2022	1,685	—	100.0
T&D Confirm Ltd.	2-17-4, Akabane, Kita-ku, Tokyo	Policyholder confirmation services	July 5, 1991	30	—	100.0
T&D Lease Co., Ltd.	2-16-2, Konan, Minato-ku, Tokyo	Leasing	September 5, 1966	150	—	100.0
Toyo Insurance Agency Co., Ltd.	2-17-4, Akabane, Kita-ku, Tokyo	Insurance agent	June 4, 1971	70	—	100.0
Taiyo Life Aging Society Institute	2-11-2, Nihonbashi, Chuo-ku, Tokyo	Survey and research on health and medical care	April 1, 2020	20	—	100.0
Toyo Kosan Ltd.	Toyo Kosan Bldg., 2-29-13, Minami-Ikebukuro, Toshima-ku, Tokyo	Goods brokerage and sales business	November 13, 1957	100	—	100.0
Taiyo Building Service Co., Ltd.	2-7-1, Nihonbashi, Chuo-ku, Tokyo	Real estate management business	April 1, 2025	25	—	100.0
Daido Management Service Co., Ltd.	17-10, Nihonbashi-Koamicho, Chuo-ku, Tokyo	Insurance agent	November 1, 1974	30	—	100.0
Nihon System Shuno, Inc.	1-23-101, Esakacho, Saita, Osaka-fu	Premium collection	October 1, 2002	36	—	50.0
Zenkoku Business Center Co., Ltd.	17-10, Nihonbashi-Koamicho, Chuo-ku, Tokyo	Premium collection	May 18, 1972	12	—	100.0
Capital Taiyo Life Insurance Limited	No. 7, Pyay Road Hlaing Township, Yangon Region, Myanmar	Life insurance business	October 12, 2012	MMK 9,230 million	—	35.0
Thuriya Ace Technology Company Limited	MICT Park Building 18, 8th Floor Hlaing Township, Yangon Region, Myanmar	Designing and developing information technology, information technology systems, software solutions and business solutions for the insurance industry	February 1, 2017	MMK 2,351 million	—	49.0
Alternative Investment Capital Ltd.	1-8-2, Marunouchi, Chiyoda-ku, Tokyo	Investment in private equity funds	July 15, 2002	400	—	36.0
FGH Parent, L.P.	Chesney House - 3rd Floor 96 Pitts Bay Road Pembroke Parish HM 08, Bermuda	Insurance holding company	October 1, 2021	USD 5,321 million	—	26.4



Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

1 Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

Account	As of March 31, 2025	As of March 31, 2026
(Assets)		
Cash and deposits	778,681	422,810
Call loans	10,089	279,703
Monetary claims purchased	170,671	120,609
Monetary trusts	1,115,454	1,220,462
Securities	12,305,953	12,869,591
Loans	1,653,720	1,508,095
Tangible fixed assets	373,697	370,247
Land	208,807	207,188
Buildings	157,831	154,457
Lease assets	405	1,860
Construction in progress	368	713
Other tangible fixed assets	6,284	6,028
Intangible fixed assets	55,057	66,245
Software	53,882	65,119
Lease assets	22	7
Other intangible fixed assets	1,152	1,118
Due from agencies	282	248
Reinsurance receivable	60,578	229,946
Other assets	181,355	215,817
Retirement benefit asset	10,062	17,357
Deferred tax assets	301	359
Reserve for possible loan losses	(2,962)	(3,166)
Total assets	16,712,943	17,318,329
(Liabilities)		
Policy reserves	13,721,161	13,979,640
Reserve for outstanding claims	84,167	86,953
Policy reserve	13,568,704	13,825,376
Reserve for policyholder dividends	68,289	67,311
Due to agencies	1,215	1,293
Reinsurance payable	42,233	36,017
Short-term debentures	7,989	7,980
Bonds	120,000	224,000
Other liabilities	1,063,238	1,028,181
Provision for bonuses to directors and audit and supervisory committee members	349	379
Provision for share-based remuneration	2,265	3,128
Retirement benefit liability	33,767	22,976
Provision for directors' and audit and supervisory committee members' retirement benefits	27	19
Reserves under the special laws	281,262	299,844
Reserve for price fluctuations	281,262	299,844
Deferred tax liabilities	25,897	92,823
Deferred tax liabilities on land revaluation	4,470	4,406
Total liabilities	15,303,878	15,700,692
(Net assets)		
Capital stock	207,111	207,111
Retained earnings	598,756	522,349
Treasury shares	(75,106)	(23,740)
Total shareholders' equity	730,762	705,720
Valuation difference on available-for-sale securities	533,048	735,816
Deferred gains (losses) on hedging instruments	(1,853)	(1,891)
Revaluation reserve for land	(6,124)	(6,232)
Foreign currency translation adjustments	28,079	51,354
Debt value adjustments of foreign subsidiaries and affiliates	(1,704)	(5,135)
Policy value adjustments of foreign subsidiaries and affiliates	(3,618)	(3,440)
Valuation difference on policy reserves of foreign subsidiaries and affiliates	124,448	135,736
Total accumulated other comprehensive income	672,276	906,208
Subscription rights to shares	304	196
Non-controlling interests	5,721	5,511
Total net assets	1,409,064	1,617,637
Total liabilities and net assets	16,712,943	17,318,329

Company name	Location of principal sales office or office	Business activities	Date of establishment	Paid-in capital (Millions of yen, except where otherwise noted)	Ratio of voting rights held by the Company to total (%)	Ratio of voting rights held by the Company's subsidiaries, etc. to total (%)
Viridium Group Sarl	9, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg	Insurance holding company	December 5, 2024	EUR 10million	—	29.9
Viridium Group GmbH & Co. KG	Breidenbachstraße 56, 51373 Leverkusen, Germany	Insurance holding company	July 4, 2013	EUR 500	—	—
Viridium Holding AG	Domhofstraße 36, 63263 Neu-Isenburg, Hessen, Germany	Insurance holding company	March 4, 2013	EUR 50,000	—	—
Proxalto Lebensversicherung Aktiengesellschaft (AG)	Domhofstraße 36, 63263 Neu-Isenburg, Hessen, Germany	Insurance company	December 18, 1987	EUR 223million	—	—
Heidelberger Lebensversicherung AG	Domhofstraße 36, 63263 Neu-Isenburg, Hessen, Germany	Insurance company	December 19, 1990	EUR 13million	—	—
Skandia Lebensversicherung Aktiengesellschaft (AG)	Domhofstraße 36, 63263 Neu-Isenburg, Hessen, Germany	Insurance company	June 3, 1991	EUR 3million	—	—
Entis Lebensversicherung AG	Domhofstraße 36, 63263 Neu-Isenburg, Hessen, Germany	Insurance company	August 15, 2016	EUR 3million	—	—
Viridium Rückversicherung AG	Domhofstraße 36, 63263 Neu-Isenburg, Hessen, Germany	Reinsurance company	May 9, 2018	EUR 3million	—	—

Notes:

- The Company's material consolidated subsidiaries and affiliated entities accounted for under the equity method are listed above.
- Dates of establishment of Taiyo Life Insurance Company and Dai-ichi Life Insurance Company are the dates of incorporation as mutual companies. Both were converted to joint stock companies, the former on April 1, 2003, and the latter on April 1, 2002, respectively.
- Date of establishment of T&D Financial Life Insurance Company is the date of incorporation as Tokyo Mutual Life Insurance Company. Tokyo Mutual Life Insurance Company was converted to a joint stock company on October 17, 2001 and its company name was changed to the current one.
- Date of establishment of Pet & Family Insurance Co., Ltd. is the date of incorporation as Japan Family Insurance Planning, Inc. After changing its business name to Pet & Family Small-amount Short-term Insurance Company on January 5, 2007, it was renamed its current name upon obtaining a non-life insurance business license from Financial Services Agency on April 1, 2019.
- The yen equivalent of the capital amount of Capital Taiyo Life Insurance Limited, calculated using the exchange rate as of the date of the close of the account, is ¥701 million.
- The yen equivalent of the capital amount of Thuriya Ace Technology Company Limited, calculated using the exchange rate as of the date of the close of the account, is ¥178 million.
- Viridium Group GmbH & Co. KG is a wholly owned subsidiary of Viridium Group Sarl.
- Viridium Holding AG is a wholly owned subsidiary of Viridium Group GmbH & Co. KG.
- Proxalto Lebensversicherung Aktiengesellschaft (AG), Heidelberger Lebensversicherung AG, Skandia Lebensversicherung Aktiengesellschaft (AG), Entis Lebensversicherung AG, and Viridium Rückversicherung AG are wholly owned subsidiaries of Viridium Holding AG.
- Development and performance of significant business combination
The Group comprises 24 subsidiaries and fifteen affiliated entities, where the consolidated ordinary revenues and profit attributable to owners of parent of the Group including the Company for fiscal year 2025 were ¥3,482.2 billion and ¥138.9 billion, respectively.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(2) Consolidated Statement of Operations

(Millions of yen)

Account	Year ended March 31, 2025	Year ended March 31, 2026
Ordinary revenues	3,730,479	3,482,214
Income from insurance premiums	2,579,821	2,635,783
Investment income	488,335	747,973
Interest, dividends and income from real estate for rent	356,497	397,775
Gains from monetary trusts, net	—	91,696
Gains on sales of securities	115,711	171,544
Foreign exchange gains, net	9,290	55,942
Reversal of reserve for possible loan losses	1,366	—
Other investment income	4,561	4,472
Gains on separate accounts, net	909	26,542
Other ordinary revenues	662,322	96,489
Equity in earnings of affiliates	—	1,967
Ordinary expenses	3,531,884	3,225,023
Insurance claims and other payments	2,968,213	2,309,106
Insurance claims	305,142	307,743
Annuity payments	340,747	341,183
Insurance benefits	176,981	175,354
Surrender payments	851,478	880,702
Other payments	109,889	130,752
Reinsurance premiums	1,183,974	473,368
Provision for policy reserves	14	259,444
Provision for reserve for outstanding claims	—	2,745
Provision for policy reserve	—	256,641
Interest portion of reserve for policyholder dividends	14	57
Investment expenses	216,038	296,040
Interest expenses	2,403	7,316
Losses from monetary trusts, net	6,807	—
Losses on investments in trading securities, net	228	385
Losses on sales of securities	87,357	158,070
Devaluation losses on securities	10,853	556
Losses from derivatives, net	74,393	90,059
Provision for reserve for possible loan losses	—	287
Write-off of loans	—	0
Depreciation of real estate for rent	6,495	6,744
Other investment expenses	27,499	32,620
Operating expenses	265,445	273,747
Other ordinary expenses	80,968	86,684
Equity in losses of affiliates	1,202	—
Ordinary profit	198,595	257,191
Extraordinary gains	8,232	6,377
Gains on disposal of fixed assets	5,541	4,476
Gains on negative goodwill	1,341	1,721
State subsidy	1,349	179
Extraordinary losses	12,215	46,949
Losses on disposal of fixed assets	2,449	26,442
Impairment losses	1,580	1,126
Provision for reserve for price fluctuations	6,814	18,582
Head office transfer cost	—	603
Subsidized project expenses	1,370	179
Other extraordinary losses	—	15
Provision for reserve for policyholder dividends	25,917	25,459
Profit before income taxes	168,695	191,160
Income taxes (current)	53,704	60,199
Income taxes (deferred)	(12,386)	(9,014)
Total income taxes	41,318	51,185
Profit	127,377	139,974
Profit attributable to non-controlling interests	992	1,006
Profit attributable to owners of parent	126,384	138,968

(3) Consolidated Statement of Comprehensive Income

(Millions of yen)

Account	Year ended March 31, 2025	Year ended March 31, 2026
Profit	127,377	139,974
Other comprehensive income	(128,966)	233,971
Valuation difference on available-for-sale securities	(140,827)	192,409
Deferred gains (losses) on hedging instruments	367	(37)
Revaluation reserve for land	(139)	—
Foreign currency translation adjustments	(3)	180
Share of other comprehensive income of companies accounted for under the equity method	11,635	41,418
Comprehensive income	(1,589)	373,945
Comprehensive income attributable to owners of parent	(2,906)	373,015
Comprehensive income attributable to non-controlling interests	1,316	930

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(4) Consolidated Statement of Changes in Net Assets

Year ended March 31, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedging instruments	Revaluation reserve for land
Balance at the beginning of the year	207,111	—	533,841	(26,610)	714,342	668,135	(2,221)	(19,410)
Cumulative effects of revision in accounting standards for foreign subsidiaries and affiliates			(8,458)		(8,458)	24,088		
Restated balance	207,111	—	525,382	(26,610)	705,883	692,224	(2,221)	(19,410)
Changes in the period								
Dividends			(39,561)		(39,561)			
Profit attributable to owners of parent			126,384		126,384			
Purchase of treasury shares				(48,778)	(48,778)			
Disposal of treasury shares		(24)		283	259			
Reversal of revaluation reserve for land			(13,425)		(13,425)			
Transfer to capital surplus from retained earnings		24	(24)		—			
Net changes of items other than shareholders' equity						(159,176)	367	13,285
Total changes in the period	—	—	73,373	(48,495)	24,878	(159,176)	367	13,285
Balance at the end of the year	207,111	—	598,756	(75,106)	730,762	533,048	(1,853)	(6,124)

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Foreign currency translation adjustments	Debt value adjustments of foreign subsidiaries and affiliates	Insurance contract value adjustments of foreign subsidiaries and affiliates	Valuation difference on policy reserves of foreign subsidiaries and affiliates	Total accumulated other comprehensive income			
Balance at the beginning of the year	38,906	3,810	—	—	689,220	343	6,020	1,409,926
Cumulative effects of revision in accounting standards for foreign subsidiaries and affiliates	(3,048)	(6,299)	(8,764)	92,944	98,921			90,463
Restated balance	35,858	(2,488)	(8,764)	92,944	788,142	343	6,020	1,500,389
Changes in the period								
Dividends								(39,561)
Profit attributable to owners of parent								126,384
Purchase of treasury shares								(48,778)
Disposal of treasury shares								259
Reversal of revaluation reserve for land								(13,425)
Transfer to capital surplus from retained earnings								—
Net changes of items other than shareholders' equity	(7,778)	784	5,146	31,504	(115,865)	(39)	(298)	(116,203)
Total changes in the period	(7,778)	784	5,146	31,504	(115,865)	(39)	(298)	(91,324)
Balance at the end of the year	28,079	(1,704)	(3,618)	124,448	672,276	304	5,721	1,409,064

Year ended March 31, 2026

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedging instruments	Revaluation reserve for land
Balance at the beginning of the year	207,111	—	598,756	(75,106)	730,762	533,048	(1,853)	(6,124)
Changes in the period								
Dividends			(51,437)		(51,437)			
Profit attributable to owners of parent			138,968		138,968			
Purchase of treasury shares				(113,073)	(113,073)			
Disposal of treasury shares		(116)		509	393			
Retirement of treasury shares		(163,929)		163,929	—			
Reversal of revaluation reserve for land			108		108			
Transfer to capital surplus from retained earnings		164,046	(164,046)		—			
Net changes of items other than shareholders' equity						202,768	(37)	(108)
Total changes in the period	—	—	(76,407)	51,365	(25,041)	202,768	(37)	(108)
Balance at the end of the year	207,111	—	522,349	(23,740)	705,720	735,816	(1,891)	(6,232)

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Foreign currency translation adjustments	Debt value adjustments of foreign subsidiaries and affiliates	Insurance contract value adjustments of foreign subsidiaries and affiliates	Valuation difference on policy reserves of foreign subsidiaries and affiliates	Total accumulated other comprehensive income			
Balance at the beginning of the year	28,079	(1,704)	(3,618)	124,448	672,276	304	5,721	1,409,064
Changes in the period								
Dividends								(51,437)
Profit attributable to owners of parent								138,968
Purchase of treasury shares								(113,073)
Disposal of treasury shares								393
Retirement of treasury shares								—
Reversal of revaluation reserve for land								108
Transfer to capital surplus from retained earnings								—
Net changes of items other than shareholders' equity	23,274	(3,431)	177	11,287	233,931	(107)	(209)	233,614
Total changes in the period	23,274	(3,431)	177	11,287	233,931	(107)	(209)	208,572
Balance at the end of the year	51,354	(5,135)	(3,440)	135,736	906,208	196	5,511	1,617,637

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(5) Consolidated Statement of Cash Flows

(Millions of yen)

Account	Year ended March 31, 2025	Year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	168,695	191,160
Depreciation of real estate for rent	6,495	6,744
Depreciation	15,391	16,598
Impairment losses	1,580	1,126
Gains on negative goodwill	(1,341)	(1,721)
Increase (decrease) in reserve for outstanding claims	(413)	2,745
Increase (decrease) in policy reserve	(579,691)	256,641
Interest portion of reserve for policyholder dividends	14	57
Provision for reserve for (reversal of) policyholder dividends	25,917	25,459
Increase (decrease) in reserve for possible loan losses	(1,654)	287
Increase (decrease) in provision for bonuses to directors and audit and supervisory committee members	76	33
Increase (decrease) in provision for share-based remuneration	861	862
Decrease (increase) in retirement benefit asset	673	(7,294)
Increase (decrease) in retirement benefit liability	(1,694)	(10,790)
Increase (decrease) in provision for directors' and audit and supervisory committee members' retirement benefits	2	(7)
Increase (decrease) in reserve for price fluctuations	6,814	18,582
Interest, dividends and income from real estate for rent	(356,497)	(397,775)
Losses (gains) on investment securities	(18,180)	(39,074)
Interest expenses	2,403	7,316
Foreign exchange losses (gains), net	(10,866)	(55,352)
Losses (gains) on disposal of tangible fixed assets	(3,337)	(3,009)
Equity in losses (earnings) of affiliates	1,202	(1,987)
Decrease (increase) in amount due from agencies	42	34
Decrease (increase) in amount reinsurance receivable	17,102	(168,714)
Decrease (increase) in other assets (excluding investment activities-related and financing activities-related)	(32,717)	(17,628)
Increase (decrease) in amount due to agencies	(368)	78
Increase (decrease) in amount reinsurance payable	12,675	(6,215)
Increase (decrease) in other liabilities (excluding investment activities-related and financing activities-related)	(2,772)	3,677
Others, net	104,302	51,579
Subtotal	(645,284)	(126,569)
Interest, dividends and income from real estate for rent received	325,498	368,397
Interest paid	(2,023)	(6,776)
Policyholder dividends	(26,440)	(26,483)
Others, net	1,869	6,741
Income taxes (paid) refunded	(13,486)	(65,087)
Net cash provided by (used in) operating activities	(359,867)	150,221
Cash flows from investing activities		
Net decrease (increase) in cash and deposits	(17,400)	10,300
Investments in monetary claims purchased	(4,194)	(6,997)
Proceeds from sales and redemption of monetary claims purchased	16,350	6,065
Investments in monetary trusts	(90,418)	(79,330)
Proceeds from monetary trusts	124,000	62,000
Purchase of securities	(1,763,246)	(1,817,067)
Proceeds from sales and redemption of securities	1,749,088	1,738,612
Investments in loans	(290,453)	(313,364)
Collection of loans	370,133	470,325
Others, net	5,977	(328,610)
Subtotal	99,836	(258,068)
Total of net cash provided by (used in) operating activities and investment transactions as above	(260,030)	(107,847)
Purchase of tangible fixed assets	(19,598)	(13,424)
Proceeds from disposal of tangible fixed assets	14,563	8,663
Proceeds from acquisition of subsidiaries resulting in change in scope of consolidation	—	1,775
Others, net	(531)	(446)
Net cash provided by (used in) investing activities	94,269	(261,502)
Cash flows from financing activities		
Net increase (decrease) in short-term debentures	(5)	(8)
Proceeds from issuance of debt	16,000	182,900
Repayments of debt	(13,245)	(142,306)
Proceeds from issuance of bond	30,000	104,000
Redemption of bonds	(30,000)	—
Proceeds from share issuance to non-controlling shareholders	92	87
Repayments to non-controlling shareholders	(1,688)	(1,205)
Payment of lease obligations	—	(490)
Purchase of treasury shares	(48,778)	(106,322)
Disposal of treasury shares	220	285
Dividends paid	(39,420)	(51,303)
Dividends paid to non-controlling interests	(23)	(23)
Others, net	0	0
Net cash provided by (used in) financing activities	(87,340)	(14,685)
Effect of exchange rate changes on cash and cash equivalents	2,363	(978)
Net increase (decrease) in cash and cash equivalents	(350,573)	(126,945)
Cash and cash equivalents at the beginning of the year	1,172,006	823,096
Net increase (decrease) in cash and cash equivalents resulting in change in scope of consolidation	1,664	—
Cash and cash equivalents at the end of the year	823,096	696,151

Notes to Consolidated Financial Statements

Summary of Significant Accounting Policies

Year ended March 31, 2025	Year ended March 31, 2026
1. Matters related to the scope of consolidation (1) Number of consolidated subsidiaries: 21 The names of the consolidated subsidiaries: Taiyo Life Insurance Company Daido Life Insurance Company T&D Financial Life Insurance Company T&D United Capital Co., Ltd. T&D Asset Management Co., Ltd. Pet & Family Insurance Co., Ltd. All Right Co., Ltd. T&D United Capital North America Inc. T&D Risk Solutions Co., Ltd. T&D Confirm Ltd. T&D Information System, Ltd. T&D Lease Co., Ltd. Taiyo Credit Guarantee Co., Ltd. Toyo Insurance Agency Co., Ltd. Taiyo Life Aging Society Institute Daido Management Service Co., Ltd. Nihon System Shuno Inc. Zenkoku Business Center Co., Ltd. Toyo Kosan Ltd. and 2 other companies In the consolidated fiscal year ended March 31, 2025, Toyo Kosan Ltd. was included in the scope of consolidation due to an increase in the share of voting rights following its purchase of treasury shares.	1. Matters related to the scope of consolidation (1) Number of consolidated subsidiaries: 24 The names of the consolidated subsidiaries: Taiyo Life Insurance Company Daido Life Insurance Company T&D Financial Life Insurance Company T&D United Capital Co., Ltd. T&D Asset Management Co., Ltd. Pet & Family Insurance Co., Ltd. All Right Co., Ltd. T&D Investment Management North America Inc. T&D United Capital North America Inc. T&D United Capital Europe GmbH T&D Risk Solutions Co., Ltd. T&D Confirm Ltd. T&D Information System, Ltd. T&D Lease Co., Ltd. Toyo Insurance Agency Co., Ltd. Taiyo Life Aging Society Institute Taiyo Building Service Co., Ltd. Daido Management Service Co., Ltd. Nihon System Shuno Inc. Zenkoku Business Center Co., Ltd. Toyo Kosan Ltd. All Right Small Amount & Short Term Insurance Co., Ltd. and 2 other companies In the consolidated fiscal year ended March 31, 2026, the following companies were included in the scope of consolidation: T&D Investment Management North America Inc. due to its establishment; Taiyo Building Service Co., Ltd. due to its establishment by Taiyo Life Insurance Company; T&D United Capital Europe GmbH due to its establishment by T&D United Capital Co., Ltd.; and All Right Small Amount & Short Term Insurance Co., Ltd. (former Aflac Pet Short-Term Insurance Co., Ltd.) due to its conversion to a subsidiary by All Right Co., Ltd. In addition, Taiyo Credit Guarantee Co., Ltd. was excluded from the scope of consolidation, since Taiyo Life Insurance Company transferred all of its shares in its consolidated subsidiary Taiyo Credit Guarantee Co., Ltd. to a company outside the T&D Insurance Group.
(2) Names of main non-consolidated subsidiaries, etc.: none	(2) Names of main non-consolidated subsidiaries, etc.: none
2. Matters related to the application of the equity method (1) Number of non-consolidated subsidiaries accounted for under the equity method: none (2) Number of affiliates accounted for under the equity method: 5 The affiliates accounted for under the equity method are Capital Taiyo Life Insurance, Ltd., Thuriya Ace Technology Co., Ltd., Alternative Investment Capital Ltd., FGH Parent, L.P., and 1 other company.	2. Matters related to the application of the equity method (1) Number of non-consolidated subsidiaries accounted for under the equity method: none (2) Number of affiliates accounted for under the equity method: 15 The affiliates accounted for under the equity method are Capital Taiyo Life Insurance Ltd., Thuriya Ace Technology Co., Ltd., Alternative Investment Capital Ltd., FGH Parent, L.P., a total of 8 companies including Viridium Group Sarl and its 7 affiliated companies, Carlyle FCA Re, L. P., and 2 other companies. In the consolidated fiscal year ended March 31, 2026, Viridium Group Sarl and its 7 affiliate companies, Carlyle FCA Re, L.P., and 1 other company were included in affiliates accounted for under the equity method, following the acquisition of interest in these companies by T&D United Capital Co., Ltd.
(3) Names of non-consolidated subsidiaries and affiliates not accounted for under the equity method, etc.: none	(3) Same as left
(4) For the companies accounted for under the equity method for which the closing date is different from the consolidated closing date, the financial statements of each company's fiscal year are used. In addition, for some of the companies accounted for under the equity method, financial statements, based on provisional settlement of accounts implemented on other record date, are used.	(4) Same as left

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Year ended March 31, 2025	Year ended March 31, 2026
3. Matters related to the fiscal year of consolidated subsidiaries, etc. The closing dates of some consolidated subsidiaries are December 31 and their financial statements as of the same date are used for preparing the consolidated financial statements. The necessary adjustments for consolidation are made when important transactions occur between the closing dates and the consolidated closing date.	3. Matters related to the fiscal year of consolidated subsidiaries, etc. Same as left
4. Matters concerning accounting policy (1) Evaluation criteria and evaluation method for significant assets 1) Evaluation criteria and evaluation method for securities (including cash and deposits/monetary claims purchased which are equivalent to securities and securities invested as trust properties in monetary trusts) a. Trading securities - Fair value method (costs of securities sold are calculated based on the moving average method) b. Held-to-maturity bonds - Amortized cost method based on the moving average method (straight-line method) c. Policy-reserve-matching bonds - Amortized cost method based on the moving average method (straight-line method) d. Available-for-sale securities - Securities other than stocks without market prices are valued by using the fair value method (cost of sales is calculated by using the moving average method). - Stocks without market prices are valued at the cost method using the moving average method. The valuation differences of available-for-sale securities are reported as a component of net assets. For some of the consolidated subsidiaries, translation differences of bonds in foreign currency-denominated available-for-sale securities are treated as follows: the translation differences from foreign currency fair value fluctuations are recorded as "net unrealized gains (losses)" and the remaining differences as "foreign exchange gains (losses)." The overview of the risk management policies of policy-reserve-matching bonds (Taiyo Life) Managed by setting the investment policy of attempting to effectively reduce the risk of the whole portfolio by asset mix which is based on a balanced-type ALM aiming at exceeding medium- and long-term liability cost. Taking into account this investment policy and based on the "Temporary Treatment of Accounting and Auditing Concerning Policy-Reserve-Matching Bonds within the Insurance Industry" (JICPA, Industry Audit Committee Report No. 21), the following insurance policies are identified and classified as a sub-segment. - All policies except for group insurance products segment, other insurance product segment, non-participating currency designation type single-premium individual annuity insurance, non-participating currency designation type special endowment insurance with living benefit, etc. in the general asset segment - All non-participating currency specific-type single-premium individual annuity insurance policies and non-participating currency designation type special endowment insurance with living benefit by currency in the general asset segment - All defined contribution corporate pension insurance policies in the group annuity insurance asset segment - All insurance policies in the variable interest rate type single-premium insurance asset segment	4. Matters concerning accounting policy (1) Evaluation criteria and evaluation method for significant assets 1) Evaluation criteria and evaluation method for securities (including cash and deposits/monetary claims purchased which are equivalent to securities and securities invested as trust properties in monetary trusts) a. Trading securities Same as left b. Held-to-maturity bonds Same as left c. Policy-reserve-matching bonds Same as left d. Available-for-sale securities Same as left (Taiyo Life) Same as left

Year ended March 31, 2025	Year ended March 31, 2026
(Daido Life) Managed by setting the investment policy fully considering the characteristics and the risk tolerance of insurance products in order to ensure the fulfillment of future obligations. Based on this investment policy, sub-segments in accordance with the characteristics of the insurance products are set and bonds held in the attempt to control the duration within each sub-segment are classified as policy-reserve-matching bonds. The sub-segments are set as follows: - Individual insurance/individual annuity insurance in the general asset segment - Individual insurance/individual annuity insurance in the non-participating insurance asset segment (subjects are the cash flows likely to occur in the period of over 5 years and within 40 years in the future) - Group annuity insurance in the group annuity insurance asset segment (T&D Financial Life) Sub-segments are set in accordance with the characteristics of the insurance products and the asset management policy is formulated considering each sub-segment in order to manage interest rate risk appropriately. Further, the matching of the duration of policy reserve and policy-reserve-matching bonds within constant width are verified regularly. The sub-segments are set as follows: - Individual insurance (the portion of the future payout at the certain attained age and above of the subject insurance type) - Accumulation rate type individual insurance - Accumulation rate type fixed annuity insurance Note that some insurance types and benefits are excluded. 2) Evaluation criteria and evaluation method of derivative transactions Evaluation of derivative transactions is processed based on the fair value method. (2) Depreciation method for significant depreciable assets 1) Tangible fixed assets (except for lease assets) Depreciation of tangible fixed assets (except for lease assets) is mainly calculated under the declining-balance method. Depreciation of buildings (except for facilities attached to buildings and structures) acquired on and after April 1, 1998, and facilities attached to buildings and structures acquired on and after April 1, 2016, is calculated under the straight-line method. The main durable years are as follows: Buildings, facilities attached to buildings and structures: 2-50 years Furniture and fixtures: 2-20 years 2) Intangible fixed assets (except for lease assets) Depreciation of software used in-house is calculated under the straight-line method over a useful life of five years. 3) Lease assets For the depreciation of lease assets, lease assets with respect to ownership-transfer finance leases are calculated under the same method for self-owned tangible fixed assets, and lease assets with respect to non-ownership-transfer finance leases are calculated under the straight-line method over the lease period. 4) Treatment of deferred assets Bond issuance expenses are recorded in full as costs at the time of incurrence.	(Daido Life) Same as left (T&D Financial Life) Same as left 2) Evaluation criteria and evaluation method of derivative transactions Same as left (2) Depreciation method for significant depreciable assets 1) Tangible fixed assets (except for lease assets) Same as left 2) Intangible fixed assets (except for lease assets) Same as left 3) Lease assets Same as left 4) Treatment of deferred assets Same as left

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Year ended March 31, 2025	Year ended March 31, 2026
(3) Accounting standard for major reserves 1) Reserve for possible loan losses The reserve for possible loan losses of the Three Life Insurance Companies is allocated in accordance with the self-assessment criteria and amortization/provision criteria of assets in order to provide for losses due to irrecoverable credits, as follows: For loans to borrowers who are in a state of legal/formal bankruptcy such as bankruptcy and civil rehabilitation, or in a state of substantial bankruptcy, the remaining amount of the loan after directly deducting the amount stated below, less the estimated amount collectible from collateral and guarantees is recorded. For loans to borrowers who are not yet bankrupt but highly likely to fall into bankruptcy, the amount deemed necessary from the overall assessment of the borrowers' solvency is recorded from the remaining amount of the loan after deducting the estimated amount collectible from collateral and guarantees. For loans other than the above (performing loans and doubtful loans), historical loan-loss ratio calculated from the loan losses from the fixed period in the past, multiplied by the loan amount, etc., is recorded. All loans are subject to asset assessment by the related division based on the self-assessment criteria of the assets. The reserve mentioned above is implemented based on the assessment results, after the asset auditing division independent from the related division audits the assessment results. For collateralized or guaranteed loans to borrowers subject to bankruptcy or substantial bankruptcy, the amount of loans exceeding the estimated value of collateral or guarantees, which were deemed uncollectible, was directly deducted from the amount of loans in the amount of ¥1,844 million for the year ended March 31, 2025. Consolidated subsidiaries other than the Three Life Insurance Companies allocate reserves for possible loan losses, in accordance with criteria equivalent to the above, based on the results of the assessment which is implemented in the scope deemed necessary considering the importance. 2) Provision for bonuses to directors and Audit and Supervisory Committee members To provide for payment of bonuses to directors and Audit and Supervisory Committee members, a provision for the directors' and Audit and Supervisory Committee members' bonuses is recorded based on the expected amount to be paid as of March 31, 2025. 3) Provision for share-based remuneration To provide for delivery of stock of the Company to employees, etc., the estimated amount of share benefit obligations based on the internal rules of the Company and Group companies is recorded in provision for share-based remuneration. 4) Provision for directors' and Audit and Supervisory Committee members' retirement benefits To provide for directors' and Audit and Supervisory Committee members' retirement benefits, the Company sets up a provision for directors' and Audit and Supervisory Committee members' retirement benefits based on the internal rules of certain consolidated subsidiaries, which is recorded in the amount recognized to have accrued as of March 31, 2025.	(3) Accounting standard for major reserves 1) Reserve for possible loan losses The reserve for possible loan losses of the Three Life Insurance Companies is allocated in accordance with the self-assessment criteria and amortization/provision criteria of assets in order to provide for losses due to irrecoverable credits, as follows: For loans to borrowers who are in a state of legal/formal bankruptcy such as bankruptcy and civil rehabilitation, or in a state of substantial bankruptcy, the remaining amount of the loan after directly deducting the amount stated below, less the estimated amount collectible from collateral and guarantees, is recorded. For loans to borrowers who are not yet bankrupt but highly likely to fall into bankruptcy, the amount deemed necessary from the overall assessment of the borrowers' solvency is recorded from the remaining amount of the loan after deducting the estimated amount collectible from collateral and guarantees. For loans other than the above (performing loans and doubtful loans), historical loan-loss ratio calculated from the loan losses from the fixed period in the past, multiplied by the loan amount, etc., is recorded. All loans are subject to asset assessment by the related division based on the self-assessment criteria of the assets. The reserve mentioned above is implemented based on the assessment results, after the asset auditing division independent from the related division audits the assessment results. For collateralized or guaranteed loans to borrowers subject to bankruptcy or substantial bankruptcy, the amount of loans exceeding the estimated value of collateral or guarantees, which were deemed uncollectible, was directly deducted from the amount of loans in the amount of ¥327 million for the year ended March 31, 2026. Consolidated subsidiaries other than the Three Life Insurance Companies allocate reserves for possible loan losses, in accordance with criteria equivalent to the above, based on the results of the assessment which is implemented in the scope deemed necessary considering the importance. 2) Provision for bonuses to directors and Audit and Supervisory Committee members Same as left 3) Provision for share-based remuneration Same as left 4) Provision for directors' and Audit and Supervisory Committee members' retirement benefits Same as left

Year ended March 31, 2025	Year ended March 31, 2026																												
(4) Accounting method for employees' retirement benefits 1) Method for attributing expected retirement benefits to fiscal periods For the calculation of retirement benefit obligations, the method for attributing the expected retirement benefit amount to each period up to the current fiscal year-end is based on the benefit formula standard. 2) Method for amortizing actuarial gain/loss and past service cost Actuarial gains and losses and past service costs are fully expensed in the fiscal year which they accrue. (5) Allocation method for reserve for price fluctuations Reserves for price fluctuations of the Three Life Insurance Companies are allocated in order to provide for losses due to price fluctuations, which is pursuant to requirements under Article 115 of the Insurance Business Act. (6) Foreign currency translation Foreign currency-denominated assets and liabilities are translated into Japanese yen at the prevailing foreign exchange rates at the consolidated balance sheet date. Assets, liabilities, revenues and expenses of the Company's affiliates located outside Japan are translated into Japanese yen at the exchange rates in effect at the respective balance sheet date. Translation differences of foreign currencies are included in net assets as foreign currency translation adjustments. (7) Method for significant hedge accounting (a) Hedge accounting method for Taiyo Life 1) Method for hedge accounting Deferral hedge treatment and fair value hedge treatment are used in hedge accounting. Special treatment is applied for interest rate swap transactions qualifying for special treatment, and allocation treatment is applied for currency swap transactions qualifying for allocation treatment. 2) Hedging instrument and hedged item <table border="1"> <thead> <tr> <th>(Hedging instrument)</th><th>(Hedged item)</th></tr> </thead> <tbody> <tr> <td>Interest rate swap</td><td>Loans and bonds</td></tr> <tr> <td>Currency swap</td><td>Foreign currency-denominated loans</td></tr> <tr> <td>Foreign exchange contract and currency options</td><td>Foreign currency-denominated assets</td></tr> <tr> <td>Options</td><td>Domestic and foreign stocks, domestic and foreign-listed investment trusts, domestic bonds</td></tr> <tr> <td>Credit transaction</td><td>Domestic and foreign stocks, domestic and foreign-listed investment trusts</td></tr> <tr> <td>Forward contract</td><td>Domestic and foreign stocks, domestic and foreign-listed investment trusts</td></tr> </tbody> </table> 3) Hedging policy Based on internal rules, etc., in accordance with the risk management policy concerning asset management, cash flow and price fluctuation risks related to hedged items are hedged within a certain range. 4) Evaluation method for hedge effectiveness Hedge effectiveness is evaluated semi-annually by methods such as ratio analysis which compares the cumulative total of market fluctuations or cash flow fluctuations of hedged items and hedging instruments. However, evaluation of hedge effectiveness is omitted for interest rate swap transactions under special treatment, etc., currency swap transactions under allocation treatment, foreign exchange contracts and currency options in which both the hedged item and the hedging instrument are denominated in the same currency, option transactions in which hedged items are domestic/foreign stocks and domestic/foreign-listed investment trusts, credit transactions and forward contracts, and option transactions in which domestic bonds are the hedged item.	(Hedging instrument)	(Hedged item)	Interest rate swap	Loans and bonds	Currency swap	Foreign currency-denominated loans	Foreign exchange contract and currency options	Foreign currency-denominated assets	Options	Domestic and foreign stocks, domestic and foreign-listed investment trusts, domestic bonds	Credit transaction	Domestic and foreign stocks, domestic and foreign-listed investment trusts	Forward contract	Domestic and foreign stocks, domestic and foreign-listed investment trusts	(4) Accounting method for employees' retirement benefits 1) Method for attributing expected retirement benefits to fiscal periods Same as left 2) Method for amortizing actuarial gain/loss and past service cost Same as left (5) Allocation method for reserve for price fluctuations Same as left (6) Foreign currency translation Same as left (7) Method for significant hedge accounting (a) Hedge accounting method for Taiyo Life 1) Method for hedge accounting Same as left 2) Hedging instrument and hedged item <table border="1"> <thead> <tr> <th>(Hedging instrument)</th><th>(Hedged item)</th></tr> </thead> <tbody> <tr> <td>Interest rate swap</td><td>Loans</td></tr> <tr> <td>Currency swap</td><td>Foreign currency-denominated loans</td></tr> <tr> <td>Foreign exchange contract and currency options</td><td>Foreign currency-denominated assets</td></tr> <tr> <td>Options</td><td>Domestic and foreign stocks, domestic and foreign-listed investment trusts, domestic bonds</td></tr> <tr> <td>Credit transaction</td><td>Domestic and foreign stocks, domestic and foreign-listed investment trusts</td></tr> <tr> <td>Forward contract</td><td>Domestic and foreign stocks, domestic and foreign-listed investment trusts</td></tr> </tbody> </table> 3) Hedging policy Same as left 4) Evaluation method for hedge effectiveness Same as left	(Hedging instrument)	(Hedged item)	Interest rate swap	Loans	Currency swap	Foreign currency-denominated loans	Foreign exchange contract and currency options	Foreign currency-denominated assets	Options	Domestic and foreign stocks, domestic and foreign-listed investment trusts, domestic bonds	Credit transaction	Domestic and foreign stocks, domestic and foreign-listed investment trusts	Forward contract	Domestic and foreign stocks, domestic and foreign-listed investment trusts
(Hedging instrument)	(Hedged item)																												
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Forward contract	Domestic and foreign stocks, domestic and foreign-listed investment trusts																												

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Year ended March 31, 2025	Year ended March 31, 2026
(b) Hedge accounting method for Daido Life 1) Method for hedge accounting Fair value hedge treatment is adopted for the method for hedge accounting. Allocation treatment is adopted for foreign exchange contract transactions hedging foreign currency-denominated term deposits qualifying for allocation treatment. 2) Hedging instrument and hedged item (Hedging instrument) (Hedged item) Foreign exchange contract Foreign currency-denominated securities and term deposits Currency options Foreign currency-denominated securities 3) Hedging policy Based on internal rules, etc., concerning asset management, foreign exchange fluctuation risks of hedged items are hedged within a certain range. 4) Evaluation method for hedge effectiveness Hedge effectiveness is evaluated by ratio analysis which mainly compares the fair value fluctuation of hedged items and hedging instruments. However, the evaluation is omitted if the material conditions of the hedged item and the hedging instrument are the same and hedge effectiveness is high. (c) Hedge accounting method for T&D United Capital Co., Ltd. 1) Method for hedge accounting Deferral hedge treatment is adopted for the method for hedge accounting. Furthermore, allocation treatment is adopted since the transaction qualify for the treatment. 2) Hedging instrument and hedged item (Hedging instrument) (Hedged item) Foreign exchange contract Foreign currency-denominated stocks (forecast transaction) 3) Hedging policy Based on the resolution made at the Board of Directors' meeting regarding the acquisition of foreign currency-denominated stocks, foreign exchange fluctuation risks of hedged items are hedged within a certain range. 4) Evaluation method for hedge effectiveness The evaluation is omitted, since the material conditions of the hedged item and the hedging instrument are the same and hedge effectiveness is high. -----	(b) Hedge accounting method for Daido Life 1) Method for hedge accounting Same as left 2) Hedging instrument and hedged item Same as left 3) Hedging policy Same as left 4) Evaluation method for hedge effectiveness Same as left ----- (c) Hedge accounting method for T&D Holdings 1) Method for hedge accounting Special treatment is used in hedge accounting, as the requirements for such treatment for interest rate swaps are satisfied. 2) Hedging instrument and hedged item (Hedging instrument) (Hedged item) Interest rate swap Borrowings 3) Hedging policy Based on resolutions of the Board of Directors, etc., concerning borrowings at variable rates, interest rate fluctuation risks related to hedged items are hedged within a certain scope. 4) Evaluation method for hedge effectiveness Evaluation of hedging effectiveness is omitted since special treatment requirements for interest rate swaps are satisfied. (8) Method of amortization of goodwill and amortization period Investment differences (equivalent to goodwill) arising from the application of the equity method are amortized under the straight-line method over the period of up to 20 years during which it remains effective. When the amount is immaterial, it is amortized in full in the fiscal year in which it arises.

Year ended March 31, 2025	Year ended March 31, 2026
(8) Scope of cash and cash equivalents in the consolidated statements of cash flows Cash and cash equivalents in the consolidated statements of cash flows consist of cash, deposits withdrawable at any time and readily convertible into cash, and short-term investments (term deposits, call loans, commercial paper, treasury discount bills, etc.) with insignificant risk of price fluctuations and with a maturity of 3 months or less at the time of acquisition. (9) Other important accounting policies adopted by the Company 1) Accounting treatment for consumption taxes The accounting treatment of consumption tax and local consumption tax is based on the tax exclusion method. However, expenses of the nonlife insurance subsidiary such as loss adjustment expenses, sales and administrative expenses, etc. are treated based on the tax inclusion method. Furthermore, non-deductible consumption tax on assets, etc., which is prescribed in the tax law as deferred consumption tax, etc., is recorded in other assets and amortized over a 5-year period on a straight-line basis, whereas tax other than deferred consumption tax is expensed in the fiscal year in which it accrues. 2) Income from insurance premiums In general, income from insurance premiums (excluding reinsurance income) is recorded by the Three Life Insurance Companies at the amount of premiums received, for insurance policies for which the premiums are received and the contractual liabilities have commenced. Of premiums received, the amount corresponding to the unexpired period as of the end of the consolidated fiscal year ended March 31, 2025 is accounted for as policy reserve 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. 3) Insurance claims and other payments/ Reserve for outstanding claims Insurance claims and other payments (excluding reinsurance premiums) are recognized by the Three Life Insurance Companies at the amount of claims calculated and paid based on the policy conditions, for which the insured events provided in the policy conditions have occurred. Based on Article 117 of the Insurance Business Act and Article 72 of the Ordinance for Enforcement of the Insurance Business Act, reserve for outstanding claims is provided for unpaid insurance proceeds over the contracts for which payment obligations exist as of the end of the consolidated fiscal year ended March 31, 2025 or for which insured events have already incurred but not reported (hereinafter the "IBNR claims"). On May 8, 2023, the special treatment of hospital benefit, etc. for those who are diagnosed with COVID-19 and receive medical treatment at accommodation facilities or home under the supervision of doctors, etc. (hereinafter the "deemed hospitalization") ended. As a result, the reserve for IBNR claims cannot be calculated at an appropriate level based on the main rule in Article 1, Paragraph 1 of Notification of the Ministry of Finance No. 234 (1998) (hereinafter the "IBNR Notification"). Therefore, the reserve is calculated and recognized as follows based on the proviso of Article 1, Paragraph 1 of IBNR Notification.	(9) Scope of cash and cash equivalents in the consolidated statements of cash flows Same as left (10) Other important accounting policies adopted by the Company 1) Accounting treatment for consumption taxes Same as left 2) Income from insurance premiums Same as left 3) Insurance claims and other payments/Reserve for outstanding claims Same as left

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Year ended March 31, 2025	Year ended March 31, 2026
(Overview of calculation method) The reserve is calculated by the same method as the main rule in Article 1, Paragraph 1 of IBNR Notification after excluding the amount relating to deemed hospitalization from the required amount of reserve for IBNR claims and payment amount of insurance claims, etc. for all the consolidated fiscal years stipulated by the main rule in Article 1, Paragraph 1 of IBNR Notification. 4) Reinsurance income and Reinsurance premiums As for reinsurance income of the Three Life Insurance Companies, insurance claims and others to be received based on a reinsurance contract are recorded at the time of payment of insurance claims and others relating to an underlying insurance contract, etc. As for reinsurance premiums of the Three Life Insurance Companies, insurance premiums and others to be paid based on a reinsurance contract are recorded at the time of receipt of insurance premiums and others relating to an underlying insurance contract or at the time of conclusion of the reinsurance contract. As for modified coinsurance, amounts received based on a reinsurance contract as part of amounts equivalent to acquisition costs relating to an underlying insurance contract are recorded on reinsurance income, and the same amounts are recorded on reinsurance receivable as unamortized ceded commissions, which are amortized over the period of the reinsurance contract. Also, part of policy reserve and reserve for outstanding claims equivalent to amounts which have been ceded is not set aside based on Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act. 5) Policy reserve To prepare for future performance of obligations under insurance policies for which contractual liability have commenced on or before the end of the consolidated fiscal year ended March 31, 2025, policy reserve is provided by the Three Life Insurance Companies at the amount calculated in accordance with methodologies stipulated in the statement of calculation procedures for insurance premiums and policy reserve (Article 4, Paragraph 2, Item 4 of the Insurance Business Act) based on Article 116, Paragraph 1 of the Insurance Business Act. Of policy reserve, premium reserve is calculated based on the following methodologies: a. For policies subject to standard policy reserve, the method established by the Commissioner of the Financial Services Agency (Notification No. 48 of the Ministry of Finance (1996)) b. For policies not subject to standard policy reserve, net level premium method Based on Article 121, Paragraph 1 of the Insurance Business Act and Article 80 of the Ordinance for Enforcement of the Insurance Business Act, policy reserve is reviewed by an appointed actuary whether the policy reserve is properly provided as of the fiscal year end. Of policy reserve, contingency reserve is provided at the amount calculated for covering risks which may accrue in the future, so as to secure performance of the future obligations under the insurance policies, based on Article 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 3 of the Ordinance for Enforcement of the Insurance Business Act.	(Overview of calculation method) Same as left 4) Reinsurance income and Reinsurance premiums As for the reinsurance income of the Three Life Insurance Companies, insurance claims and others to be received based on a reinsurance contract are recorded at the time of payment of insurance claims and others relating to an underlying insurance contract, etc. As for reinsurance premiums of the Three Life Insurance Companies, insurance premiums and others to be paid based on a reinsurance contract are recorded at the time of receipt of insurance premiums and others relating to an underlying insurance contract or at the time of conclusion of the reinsurance contract. As for modified coinsurance with funds withheld, amounts received based on a reinsurance contract as part of amounts equivalent to acquisition costs relating to an underlying insurance contract are recorded on reinsurance income, and the same amounts are recorded on reinsurance receivable as unamortized ceded commissions, which are amortized over the period of the reinsurance contract. Also, part of policy reserve and reserve for outstanding claims equivalent to amounts which have been ceded is not set aside based on Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act. 5) Policy reserve Same as left

Significant Accounting Estimates

Year ended March 31, 2025	Year ended March 31, 2026																
1. Policy reserve (1) Amounts recognized on the consolidated financial statements as of March 31, 2025 <table> <tr> <td>Policy reserve</td><td>¥13,568,704 million</td></tr> <tr> <td>Other ordinary revenues</td><td>¥579,691 million</td></tr> </table> (Reversal of policy reserve) (2) Information on significant accounting estimates in connection with items identified 1) Calculation method It is stated in "Summary of Significant Accounting Policies, 4. Matters concerning accounting policy, (9) Other important accounting policies adopted by the Company, 5) Policy reserve." 2) Major assumptions and their effects on the consolidated financial statements of the following fiscal year, etc. If assumptions (base rates such as assumed incidence rate and assumed interest rate) stated in the statement of calculation procedures for insurance premiums and policy reserve significantly deviate from the latest actual rates and it is found to likely to be insufficient to cover the performance of the future obligations, additional policy reserve must be set aside in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act. 2. Accounting treatment for employees' retirement benefits (1) Amounts recognized on the consolidated financial statements as of March 31, 2025 <table> <tr> <td>Retirement benefit asset</td><td>¥10,062 million</td></tr> <tr> <td>Retirement benefit liability</td><td>¥33,767 million</td></tr> </table> (2) Information on significant accounting estimates in connection with items identified 1) Calculation method Retirement benefit obligations and retirement benefit expense are calculated based on actuarial assumptions used for calculation of future retirement benefit obligations, expected long-term rate of return on plan assets and others. The method for attributing the expected retirement benefit amount is stated in "Summary of Significant Accounting Policies, 4. Matters concerning accounting policy, (4) Accounting method for employees' retirement benefits." 2) Major assumptions and their effects on the consolidated financial statements of the following fiscal year, etc. Matters related to actuarial basis are stated in Note "Employees' Retirement Benefits." If any of the major assumptions such as discount rate and expected long-term rate of return on plan assets changes, there may be a significant impact on the retirement benefit asset or liability.	Policy reserve	¥13,568,704 million	Other ordinary revenues	¥579,691 million	Retirement benefit asset	¥10,062 million	Retirement benefit liability	¥33,767 million	1. Policy reserve (1) Amounts recognized on the consolidated financial statements as of March 31, 2026 <table> <tr> <td>Policy reserve</td><td>¥13,825,376 million</td></tr> <tr> <td>Provision for policy reserve</td><td>¥256,641 million</td></tr> </table> (2) Information on significant accounting estimates in connection with items identified The calculation method of policy reserve is stated in "Summary of Significant Accounting Policies, 4. Matters concerning accounting policy, (10) Other important accounting policies adopted by the Company, 5) Policy reserve." If assumptions (base rates such as assumed incidence rate and assumed interest rate) stated in the statement of calculation procedures for insurance premiums and policy reserve significantly deviate from the latest actual rates and it is found likely to be insufficient to cover the performance of the future obligations, additional policy reserve must be set aside in accordance with Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act. 2. Accounting treatment for employees' retirement benefits (1) Amounts recognized on the consolidated financial statements as of March 31, 2026 <table> <tr> <td>Retirement benefit asset</td><td>¥17,357 million</td></tr> <tr> <td>Retirement benefit liability</td><td>¥22,976 million</td></tr> </table> (2) Information on significant accounting estimates in connection with items identified Retirement benefit obligations and retirement benefit expense are calculated based on actuarial assumptions used for calculation of future retirement benefit obligations, expected long-term rate of return on plan assets and others. The method for attributing the expected retirement benefit amount is stated in "Summary of Significant Accounting Policies, 4. Matters concerning accounting policy, (4) Accounting method for employees' retirement benefits." Matters related to actuarial basis are stated in Note "Employees' Retirement Benefits." If any of the major assumptions such as discount rate and expected long-term rate of return on plan assets changes, there may be a significant impact on the retirement benefit asset or liability.	Policy reserve	¥13,825,376 million	Provision for policy reserve	¥256,641 million	Retirement benefit asset	¥17,357 million	Retirement benefit liability	¥22,976 million
Policy reserve	¥13,568,704 million																
Other ordinary revenues	¥579,691 million																
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Provision for policy reserve	¥256,641 million																
Retirement benefit asset	¥17,357 million																
Retirement benefit liability	¥22,976 million																

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Year ended March 31, 2025	Year ended March 31, 2026								
3. Impairment losses on fixed assets (1) Amounts recognized on the consolidated financial statements as of March 31, 2025 <table> <tr> <td>Impairment loss</td><td>¥1,580 million</td></tr> </table> (2) Information on significant accounting estimates in connection with items identified 1) Calculation method For the Three Life Insurance Companies, consolidated subsidiaries, real estates, etc. owned for insurance operations, etc., are grouped as a single asset group (operating assets) and other assets such as rental properties and unused real estates are grouped separately by each property (investment assets). For the Company and other consolidated subsidiaries, real estates, etc. owned for their own operations are grouped as a single asset group (operating assets) by each company. For an asset group with an indication of impairment, impairment loss is recognized, when the total amount of undiscounted future cash flows is less than the carrying amount of the asset group, at the amount calculated by deducting the recoverable amount (the larger of discounted future cash flows and net realizable value) from the carrying amount. 2) Major assumptions and their effects on the consolidated financial statements of the following fiscal year, etc. For calculation of undiscounted future cash flows for the purpose of determining impairment recognition, the amounts of future net income from insurance operations on the Mid-Term Management Plan, etc. are used for operating assets, and the track record and future outlook of net income by each property are used for investment assets. If the future net income from insurance operations and the future outlook of net income of each property, which are the major assumptions, deteriorate and the undiscounted future cash flows change, there may be a possibility to recognize impairment loss. -----	Impairment loss	¥1,580 million	3. Impairment losses on fixed assets (1) Amounts recognized on the consolidated financial statements as of March 31, 2026 <table> <tr> <td>Impairment loss</td><td>¥1,126 million</td></tr> </table> (2) Information on significant accounting estimates in connection with items identified For the Three Life Insurance Companies, consolidated subsidiaries, real estates, etc. owned for insurance operations, etc., are grouped as a single asset group (operating assets) and other assets such as rental properties and unused real estates are grouped separately by each property (investment assets). For the Company and other consolidated subsidiaries, real estates, etc. owned for their own operations are grouped as a single asset group (operating assets) by each company. For an asset group with an indication of impairment, impairment loss is recognized, when the total amount of undiscounted future cash flows is less than the carrying amount of the asset group, at the amount calculated by deducting the recoverable amount (the larger of discounted future cash flows and net realizable value) from the carrying amount. For calculation of undiscounted future cash flows for the purpose of determining impairment recognition, the amounts of future net income from insurance operations on the Mid-Term Management Plan, etc. are used for operating assets, and the track record and future outlook of net income by each property are used for investment assets. If the future net income from insurance operations and the future outlook of net income of each property, which are the major assumptions, deteriorate and the undiscounted future cash flows change, there may be a possibility to recognize impairment loss. 4. Evaluation of goodwill of a company accounted for under the equity method (1) Amounts recognized on the consolidated financial statements as of March 31, 2026 Securities <table> <tr> <td>(Equity-method valuation of the investment in Viridium Group Sarl)</td><td>¥124,885 million</td></tr> <tr> <td>Goodwill equivalent included in above securities</td><td>¥65,847 million</td></tr> </table> (2) Information on significant accounting estimates in connection with items identified The difference between the investment made on the date of the acquisition of the equity in Viridium Group Sarl (hereinafter referred to as "Viridium") and the corresponding amount of Viridium's capital was recognized as a goodwill equivalent included in securities and is amortized over 10 years using the straight-line method. With respect to such goodwill equivalent, the Company determines whether there are any indications of impairment in Viridium as a whole. In determining whether there are any indications of impairment, the Company comprehensively considers Viridium's earnings and cash flow conditions and their outlook, whether there has been or is expected to be a significant deterioration in the business environment, and other events.	Impairment loss	¥1,126 million	(Equity-method valuation of the investment in Viridium Group Sarl)	¥124,885 million	Goodwill equivalent included in above securities	¥65,847 million
Impairment loss	¥1,580 million								
Impairment loss	¥1,126 million								
(Equity-method valuation of the investment in Viridium Group Sarl)	¥124,885 million								
Goodwill equivalent included in above securities	¥65,847 million								

Year ended March 31, 2025	Year ended March 31, 2026
	If it is determined that there are indications of impairment, the Company determines whether an impairment loss should be recognized for the securities as a whole, including the goodwill equivalent. If, as a result of this assessment, it is determined that an impairment loss should be recognized, the carrying amount of the securities is reduced to the recoverable amount, and the amount of the reduction in the carrying amount is recognized as an equity in losses of affiliates. If a deterioration in earnings or cash flow conditions, a significant deterioration in the business environment, or other events that constitute indications of impairment occur, an equity in losses of affiliate corresponding to an impairment loss may be recognized in the following fiscal year or beyond. For the consolidated fiscal year ended March 31, 2026, the Company determined that there were no indications of impairment and, accordingly, no equity in losses of affiliates corresponding to an impairment loss was recognized.

Changes in Accounting Policies

Year ended March 31, 2025	Year ended March 31, 2026
"Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022), etc., were adopted from the beginning of the consolidated fiscal year ended March 31, 2025. This change has no impact on the consolidated financial statements.	-----

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Unapplied Accounting Standards, etc.

Year ended March 31, 2025	Year ended March 31, 2026
(1) Accounting standards for leases, etc. - "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024, ASBJ) - "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024, ASBJ) 1) Overview As part of efforts to align J-GAAP with international standards, the Accounting Standards Board of Japan considered the development of accounting standards for leases that require lessees to recognize assets and liabilities for all leases. The fundamental policy is to use the single accounting model of IFRS 16 as a basis, but instead of adopting all of its provisions, only the main provisions are adopted. As a result, the Accounting Standards for Leases, etc. is simple, convenient, and basically does not require any modification even if the provisions of IFRS 16 are used in non-consolidated financial statements. As for the lessee's accounting treatment, a single accounting model for allocating the cost of a lease to the lessee, similar to IFRS 16, which recognizes depreciation on the right-of-use asset and interest expense on the lease liability for all leases, shall be applied all leases, regardless of whether they are finance leases or operating leases. 2) Scheduled date of application The standards, etc. are scheduled to be applied from the beginning of the fiscal year ending March 31, 2028. 3) Impact of applying the accounting standards, etc. The impact amount is currently being evaluated. (2) Practical Guidelines on Accounting for Financial Instruments (Transferred Guidance No. 9, March 11, 2025, ASBJ) 1) Overview The Accounting Standards Board of Japan revised the "Practical Guidelines on Accounting for Financial Instruments" in order to improve the transparency of financial statements and enhance information disclosure to investors by valuing unlisted stocks included in funds at fair value, and in the expectation that this will result in even more growth capital being supplied to venture capital funds, etc., by domestic and foreign institutional investors. Under the revision, a provision has been established allowing investors in certain qualifying partnerships or similar entities to base their accounting treatment on the fair value of all unlisted shares included in the assets of such partnerships or entities. When applying such provision, unlisted shares held as part of the partnership's assets should be measured at fair value, and the portion corresponding to the investor's share of valuation difference is to be recorded under net assets. Impairment treatment shall follow the provisions applicable to impairment of securities that have fair value. 2) Scheduled date of application The guidelines are scheduled to be applied from the beginning of the fiscal year ending March 31, 2027. 3) Impact of applying the accounting standards, etc. The impact amount is currently being evaluated.	(1) Accounting standards for leases, etc. - "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024, ASBJ) - "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024, ASBJ) 1) Overview Same as left 2) Scheduled date of application Same as left 3) Impact of applying the accounting standards, etc. Same as left (2) Practical Guidelines on Accounting for Financial Instruments (Transferred Guidance No. 9, March 11, 2025, ASBJ) 1) Overview Same as left 2) Scheduled date of application Same as left 3) Impact of applying the accounting standards, etc. Same as left

Changes in Presentation Method

Year ended March 31, 2025	Year ended March 31, 2026
(Consolidated Statement of Operations) In the previous fiscal year, "Subsidized project expenses" which were included in "Other extraordinary losses" under "Extraordinary losses" exceeded 10% of the total extraordinary losses. Therefore, these expenses are presented independently from the consolidated fiscal year ended March 31, 2025. To reflect this change in presentation method, the consolidated financial statements for the previous fiscal year have been reclassified. As a result, ¥819 million presented in "Other extraordinary losses" under "Extraordinary losses" has been reclassified as "Subsidized project expenses" in the consolidated statement of operations for the previous fiscal year.	

Additional Information

Year ended March 31, 2025	Year ended March 31, 2026
(Transactions of delivering the Company's own stock to employees etc. through trusts) (1) Stock compensation plan for officers The Company has introduced a trust type stock compensation plan (the "Plan"), the Board Incentive Plan (BIP) Trust, which uses a trust to deliver the Company's shares, etc. to directors who are not Audit and Supervisory Committee members of the Company (excluding those who are part-time directors such as outside directors and non-residents in Japan) and executive officers of the Company (excluding those who are non-residents in Japan, and together with directors who are not Audit and Supervisory Committee members, collectively referred to as "Directors, etc.") and directors of the Three Life Insurance Companies (excluding those who are part-time directors such as outside directors and non-residents in Japan) and executive officers of the Three Life Insurance Companies (excluding those who are non-residents in Japan, and together with Directors, etc., collectively referred to as "Eligible Directors, etc."), with an aim to enhance the motivation of Eligible Directors, etc. to contribute to improving business performance and enhancing corporate value over the medium-to long-term. The accounting treatment of the Plan is based on "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (ASBJ Practical Issues Task Force (PITF) No. 30, March 26, 2015). 1) Summary Based on the internal rules of the Company and Three Life Insurance Companies, the points are granted to Eligible Directors, etc. and they are delivered and provided through a trust of the Company's shares equivalent to accumulated points upon retirement and a monetary equivalent of the substitution value of the Company's shares. The Company's shares to be delivered to Eligible Directors, etc. will be acquired in advance by money in trust by the Company. 2) The Company's shares remaining in BIP Trust For the Company's shares remaining in BIP Trust, the carrying value in the trust is recorded as the treasury share in net asset (excluding ancillary expenses). As of the end of the fiscal year ended March 31, 2025, the carrying value of treasury share in the Trust is ¥2,299 million, and the number of treasury share in the Trust is 1,303,900 shares.	(Transactions of delivering the Company's own stock to employees etc. through trusts) (1) Stock compensation plan for officers The Company has introduced a trust type stock compensation plan (the "Plan"), the Board Incentive Plan (BIP) Trust, which uses a trust to deliver the Company's shares, etc. to directors who are not Audit and Supervisory Committee members of the Company (excluding those who are part-time directors such as outside directors and non-residents in Japan) and executive officers of the Company (excluding those who are non-residents in Japan, and together with directors who are not Audit and Supervisory Committee members, collectively referred to as "Directors, etc.") and directors of the Three Life Insurance Companies (excluding those who are part-time directors such as outside directors and non-residents in Japan) and executive officers of the Three Life Insurance Companies (excluding those who are non-residents in Japan, and together with Directors, etc., collectively referred to as "Eligible Directors, etc."), with an aim to enhance the motivation of Eligible Directors, etc. to contribute to improving business performance and enhancing corporate value over the medium-to long-term. The accounting treatment of the Plan is based on "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (ASBJ Practical Issues Task Force (PITF) No. 30, March 26, 2015). 1) Summary Based on the internal rules of the Company and Three Life Insurance Companies, the points are granted to Eligible Directors, etc. and they are delivered and provided through a trust of the Company's shares equivalent to accumulated points upon retirement and a monetary equivalent of the substitution value of the Company's shares. The Company's shares to be delivered to Eligible Directors, etc. will be acquired in advance by money in trust by the Company. 2) The Company's shares remaining in BIP Trust For the Company's shares remaining in BIP Trust, the carrying value in the trust is recorded as the treasury share in net asset (excluding ancillary expenses). As of the end of the fiscal year ended March 31, 2026, the carrying value of treasury shares in the Trust is ¥2,031 million, and the number of treasury shares in the Trust is 1,151,800 shares.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Year ended March 31, 2025	Year ended March 31, 2026				
(2) Stock ownership plan for employees To further raise Group employees' awareness of company performance and stock price increases, and thereby enhance their commitment to improving medium- to long-term corporate value and promote the sharing of value with shareholders, the Company introduced a stock ownership plan (ESOP) trust based on trust structure (hereinafter referred to as the "ESOP") in the fiscal year ended March 31, 2025. The eligible participants in the ESOP are employees of the Company, Taiyo Life Insurance Company, Daido Life Insurance Company, T&D Financial Life Insurance Company, T&D Asset Management Co., Ltd., Pet & Family Insurance Co., Ltd., T&D Information Systems, Ltd., T&D Lease Co., Ltd., Toyo Insurance Agency Co., Ltd., and Daido Management Services Co., Ltd. (excluding non-resident employees in Japan). The accounting treatment for the ESOP adopts the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (PITF No. 30, March 26, 2015). 1) Summary Based on the stock grant rules established by each Group company, points are granted to employees, and shares of the Company are delivered to employees who meet certain requirements through the trust, equivalent to their accumulated points. The shares of the Company delivered to employees are acquired in advance using funds entrusted to the trust by the Company. 2) The Company's shares remaining in the ESOP trust For the Company's shares remaining in the ESOP trust, the carrying value in the trust is recorded as the treasury share in net asset (excluding ancillary expenses). As of the end of the fiscal year ended March 31, 2025, the carrying value of treasury share in the Trust is ¥4,096 million, and the number of treasury share in the Trust is 1,563,331 shares. (Reinsurance of insurance contracts to the Fortitude Group at Taiyo Life Insurance Company) Taiyo Life Insurance Company has reinsured a block of existing contracts (excluding some) for lifetime dementia and long-term care annuities to Fortitude International Reinsurance Ltd. through coinsurance. The impact of this ceded reinsurance transaction is as follows: <table> <tr> <td>- Other ordinary revenues (reversal of policy reserve):</td><td>¥656,997 million</td></tr> <tr> <td>- Reinsurance premiums:</td><td>¥658,500 million</td></tr> </table>	- Other ordinary revenues (reversal of policy reserve):	¥656,997 million	- Reinsurance premiums:	¥658,500 million	(2) Stock ownership plan for employees To further raise Group employees' awareness of company performance and stock price increases, and thereby enhance their commitment to improving medium- to long-term corporate value and promote the sharing of value with shareholders, the Company has introduced a stock ownership plan (ESOP) trust based on a trust structure (hereinafter referred to as the "ESOP"). The eligible participants in the ESOP are employees of the Company, Taiyo Life Insurance Company, Daido Life Insurance Company, T&D Financial Life Insurance Company, T&D Asset Management Co., Ltd., Pet & Family Insurance Co., Ltd., T&D Information Systems, Ltd., T&D Lease Co., Ltd., Toyo Insurance Agency Co., Ltd., and Daido Management Services Co., Ltd. (excluding non-resident employees in Japan). The accounting treatment for the ESOP adopts the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (PITF No. 30, March 26, 2015). 1) Summary Based on the stock grant rules established by each Group company, points are granted to employees, and shares of the Company are delivered to employees who meet certain requirements through the trust, equivalent to their accumulated points. The shares of the Company delivered to employees are acquired in advance using funds entrusted to the trust by the Company. 2) The Company's shares remaining in the ESOP trust For the Company's shares remaining in the ESOP trust, the carrying value in the trust is recorded as the treasury share in net assets (excluding ancillary expenses). As of the end of the fiscal year ended March 31, 2026, the carrying value of treasury shares in the Trust is ¥4,079 million, and the number of treasury shares in the Trust is 1,556,843 shares. ----- (Application of revised generally accepted accounting principles in the United States (U.S. GAAP) at foreign affiliates) Some of our foreign affiliates that adopt U.S. GAAP have applied "Financial Services – Insurance" (Topic 944) (ASU 2018-12, ASU 2019-09, ASU 2020-11) from the beginning of the consolidated fiscal year ended March 31, 2026. The accounting standard was revised with respect to the accounting treatment of liabilities for future insurance benefits and other matters. As a result of the application of this accounting standard, certain insurance liabilities of these affiliates have been evaluated using new calculation methods, including changes in discount rates and revisions to insurance assumptions. The accounting standard has been applied retrospectively, and the consolidated financial statements for the consolidated fiscal year ended March 31, 2025 present figures after retrospective application. The cumulative effect of applying the accounting standard has been added to or deducted from net assets as of the beginning of the consolidated fiscal year ended March 31, 2025.
- Other ordinary revenues (reversal of policy reserve):	¥656,997 million				
- Reinsurance premiums:	¥658,500 million				

Year ended March 31, 2025	Year ended March 31, 2026
	As a result, compared to the figures prior to the retrospective application, profit attributable to owners of parent for the consolidated fiscal year ended March 31, 2025 decreased by ¥27 million, while income taxes (deferred) increased by ¥27 million. Securities increased by ¥93,933 million, other liabilities decreased by ¥8,329 million, deferred tax liabilities increased by ¥27 million, retained earnings decreased by ¥8,486 million, valuation difference on available-for-sale securities increased by ¥6,067 million, foreign currency translation adjustments decreased by ¥10,662 million, and debt value adjustments of foreign subsidiaries and affiliates decreased by ¥5,514 million. Furthermore, policy value adjustments of foreign subsidiaries and affiliates of ¥(3,618) million and valuation difference on policy reserves of foreign subsidiaries and affiliates of ¥124,448 million were newly recognized.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Consolidated Balance Sheet

As of March 31, 2021	As of March 31, 2020																								
1. The amounts of Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto, Claims with risks, Loans overdue for three months or more, and Restructured loans are as follows: <table> <tr> <td>Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto</td><td>¥388 million</td></tr> <tr> <td>Claims with risks</td><td>¥35 million</td></tr> <tr> <td>Loans overdue for three months or more</td><td>¥763 million</td></tr> <tr> <td>Restructured loans</td><td>¥20 million</td></tr> <tr> <td>Total</td><td>¥1,207 million</td></tr> </table>	Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto	¥388 million	Claims with risks	¥35 million	Loans overdue for three months or more	¥763 million	Restructured loans	¥20 million	Total	¥1,207 million	1. The amounts of Claims subject to bankruptcy proceedings and reorganization proceeding and any other type of claims equivalent thereto, Claims with risks, Loans overdue for three months or more, and Restructured loans are as follows: <table> <tr> <td>Claims subject to bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto</td><td>¥27 million</td></tr> <tr> <td>Claims with risks</td><td>¥6 million</td></tr> <tr> <td>Loans overdue for three months or more</td><td>¥12 million</td></tr> <tr> <td>Restructured loans</td><td>¥36 million</td></tr> <tr> <td>Total</td><td>¥82 million</td></tr> </table>	Claims subject to bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto	¥27 million	Claims with risks	¥6 million	Loans overdue for three months or more	¥12 million	Restructured loans	¥36 million	Total	¥82 million				
Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto	¥388 million																								
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Loans overdue for three months or more	¥763 million																								
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Claims subject to bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto	¥27 million																								
Claims with risks	¥6 million																								
Loans overdue for three months or more	¥12 million																								
Restructured loans	¥36 million																								
Total	¥82 million																								
Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto are claims held against debtors with failed business status due to the grounds such as commencement of bankruptcy proceedings, commencement of reorganization proceedings, or commencement of rehabilitation proceedings, and any other type of claims equivalent thereto.	Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto are claims held against debtors with failed business status due to the grounds such as commencement of bankruptcy proceedings, commencement of reorganization proceedings, or commencement of rehabilitation proceedings, and any other type of claims equivalent thereto.																								
Claims with risks are claims whose debtor is not yet in the status of failure in business although such debtor's financial status and business performance are worsening, and for which it is highly likely that the collection of principal or receipt of interest in accordance with the contract is impossible excluding the claims described in Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto.	Claims with risks are claims whose debtor is not yet in the status of failure in business although such debtor's financial status and business performance are worsening, and for which it is highly likely that the collection of principal or receipt of interest in accordance with the contract is impossible excluding the claims described in Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto.																								
Loans overdue for three months or more are loans, other than Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto and Claims with risks, on which principal and/or interest are in arrears for three months or more beginning the day after the agreed due date.	Loans overdue for three months or more are loans, other than Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto and Claims with risks, on which principal and/or interest are in arrears for three months or more beginning the day after the agreed due date.																								
Restructured loans are loans, other than Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto, Claims with risks and Loans overdue for three months or more, for which agreements have been made between the relevant parties to provide a concessionary interest rate, rescheduling of due dates for interest and/or principal payments, waiver of claims, and/or other terms in favor of the obligor for purposes of restructuring or supporting the obligor.	Restructured loans are loans, other than Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto, Claims with risks and Loans overdue for three months or more, for which agreements have been made between the relevant parties to provide a concessionary interest rate, rescheduling of due dates for interest and/or principal payments, waiver of claims, and/or other terms in favor of the obligor for purposes of restructuring or supporting the obligor.																								
The direct write-downs of estimated uncollectable loans are as follows:	The direct write-downs of estimated uncollectable loans are as follows:																								
<table> <tr> <td>Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto</td><td>¥1,638 million</td></tr> </table>	Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto	¥1,638 million	<table> <tr> <td>Claims subject to bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto</td><td>¥122 million</td></tr> </table>	Claims subject to bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto	¥122 million																				
Claims subject to bankruptcy proceeding and reorganization proceedings and any other type of claims equivalent thereto	¥1,638 million																								
Claims subject to bankruptcy proceedings and reorganization proceedings and any other type of claims equivalent thereto	¥122 million																								
In addition, the amount of normal claims, which are classified as claims other than those listed above and for which there are no particular problems with the debtor's financial status and business performance, is ¥3,175,899 million.	In addition, the amount of normal claims, which are classified as claims other than those listed above and for which there are no particular problems with the debtor's financial status and business performance, is ¥2,825,543 million.																								
2. The amounts of accumulated depreciation of tangible fixed assets are as follows:	2. The amounts of accumulated depreciation of tangible fixed assets are as follows:																								
<table> <tr> <td></td><td>¥243,172 million</td></tr> </table>		¥243,172 million	<table> <tr> <td></td><td>¥241,044 million</td></tr> </table>		¥241,044 million																				
	¥243,172 million																								
	¥241,044 million																								
3. The amounts of separate account assets as provided in Article 118, Paragraph 1 of the Insurance Business Act are as follows. The amounts of liabilities are equal to the amounts of assets.	3. The amounts of separate account assets as provided in Article 118, Paragraph 1 of the Insurance Business Act are as follows. The amounts of liabilities are equal to the amounts of assets.																								
<table> <tr> <td></td><td>¥127,831 million</td></tr> </table>		¥127,831 million	<table> <tr> <td></td><td>¥156,710 million</td></tr> </table>		¥156,710 million																				
	¥127,831 million																								
	¥156,710 million																								
4. The changes in reserve for policyholder dividends included in policy reserves are as follows:	4. The changes in reserve for policyholder dividends included in policy reserves are as follows:																								
<table> <tr> <td>Balance at the beginning of the year</td><td>¥68,752 million</td></tr> <tr> <td>Policyholder dividends</td><td>¥26,440 million</td></tr> <tr> <td>Increase in interest</td><td>¥14 million</td></tr> <tr> <td>Increase due to other reasons</td><td>¥46 million</td></tr> <tr> <td>Provision for reserve for policyholder dividends</td><td>¥25,917 million</td></tr> <tr> <td>Balance at the end of the year</td><td>¥68,289 million</td></tr> </table>	Balance at the beginning of the year	¥68,752 million	Policyholder dividends	¥26,440 million	Increase in interest	¥14 million	Increase due to other reasons	¥46 million	Provision for reserve for policyholder dividends	¥25,917 million	Balance at the end of the year	¥68,289 million	<table> <tr> <td>Balance at the beginning of the year</td><td>¥68,289 million</td></tr> <tr> <td>Policyholder dividends</td><td>¥26,483 million</td></tr> <tr> <td>Increase in interest</td><td>¥57 million</td></tr> <tr> <td>Decrease due to other reasons</td><td>¥11 million</td></tr> <tr> <td>Provision for reserve for policyholder dividends</td><td>¥25,459 million</td></tr> <tr> <td>Balance at the end of the year</td><td>¥67,311 million</td></tr> </table>	Balance at the beginning of the year	¥68,289 million	Policyholder dividends	¥26,483 million	Increase in interest	¥57 million	Decrease due to other reasons	¥11 million	Provision for reserve for policyholder dividends	¥25,459 million	Balance at the end of the year	¥67,311 million
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Increase in interest	¥14 million																								
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Decrease due to other reasons	¥11 million																								
Provision for reserve for policyholder dividends	¥25,459 million																								
Balance at the end of the year	¥67,311 million																								

As of March 31, 2025	As of March 31, 2026																								
5. The unused loan balance under loan commitments is as follows: <table border="0"> <tr> <td>Total amount of loan commitments</td><td>¥24,935 million</td></tr> <tr> <td>Balance of loans outstanding</td><td>¥10,627 million</td></tr> <tr> <td>Balance</td><td>¥14,307 million</td></tr> </table>	Total amount of loan commitments	¥24,935 million	Balance of loans outstanding	¥10,627 million	Balance	¥14,307 million	5. The unused loan balance under loan commitments is as follows: <table border="0"> <tr> <td>Total amount of loan commitments</td><td>¥33,491 million</td></tr> <tr> <td>Balance of loans outstanding</td><td>¥12,687 million</td></tr> <tr> <td>Balance</td><td>¥20,803 million</td></tr> </table>	Total amount of loan commitments	¥33,491 million	Balance of loans outstanding	¥12,687 million	Balance	¥20,803 million												
Total amount of loan commitments	¥24,935 million																								
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Balance of loans outstanding	¥12,687 million																								
Balance	¥20,803 million																								
6. The lending securities for loan agreements are as follows: ¥1,517,548 million	6. The lending securities for loan agreements are as follows: ¥1,311,244 million																								
7. Bonds include subordinated bonds, of which the payment priority is subordinated to other debts. The amounts are as follows: ¥90,000 million	7. Bonds include subordinated bonds, of which the payment priority is subordinated to other debts. The amounts are as follows: ¥90,000 million																								
8. Other liabilities include subordinated borrowings, of which the payment priority is subordinated to other debts. The amounts are as follows: ¥13,500 million	8. Same as left																								
9. Taiyo Life revalued its land for operating purposes based on Act on Revaluation of Land (Act No. 34 of 1998). Regarding the valuation differences between the previous and the revalued amounts, the tax equivalent to this valuation differences has been recorded in Liabilities section as "Deferred tax liabilities on land revaluation" and the amount after deducting the tax equivalent from the valuation differences is recorded in Net Assets as "Revaluation reserve for land." The method of revaluation provided for in Article 3, Paragraph 3 of the same law. The amount is rationally adjusted and calculated based on the listed land price value as prescribed in Article 2, Item 1 of the Order for Enforcement of the Act on Revaluation of Land (Order No. 119 of 1998), the benchmark land price as prescribed in Article 2, Item 2 of the same, and an appraisal by the real estate appraisers as prescribed in Article 2, Item 5 of the same, etc. Date of revaluation: March 31, 2022	9. Same as left																								
10. The amounts of the organizational change surplus prescribed in Article 91 of the Insurance Business Act, are ¥63,158 million for Taiyo Life Insurance Company and ¥10,836 million for Daido Life Insurance Company.	10. Same as left																								
11. Stocks and capital of affiliates are as follows: <table border="0"> <tr> <td>Stocks</td><td>¥1,276 million</td></tr> <tr> <td>Capital</td><td>¥107,597 million</td></tr> </table>	Stocks	¥1,276 million	Capital	¥107,597 million	11. Stocks and capital of affiliates are as follows: <table border="0"> <tr> <td>Stocks</td><td>¥126,846 million</td></tr> <tr> <td>Capital</td><td>¥118,683 million</td></tr> </table> Note: As stated in "Additional Information," a certain foreign affiliate has applied "Financial Services – Insurance" (Topic 944) (ASU 2018-12, ASU 2019-09, ASU 2020-11) from the beginning of the consolidated fiscal year ended March 31, 2026. In accordance with this application, certain insurance liabilities of these affiliates were evaluated using a new calculation method, which included a change in discount rate and a review of insurance assumptions. Accordingly, the consolidated financial statements for the consolidated fiscal year ended March 31, 2025 present figures after retrospective application, reflecting the relevant accounting treatment.	Stocks	¥126,846 million	Capital	¥118,683 million																
Stocks	¥1,276 million																								
Capital	¥107,597 million																								
Stocks	¥126,846 million																								
Capital	¥118,683 million																								
12. Assets pledged as collateral and secured debts are as follows: <table border="0"> <tr> <td colspan="2">Assets pledged as collateral</td></tr> <tr> <td>Securities (Japanese government bonds)</td><td>¥1,652,505 million</td></tr> <tr> <td>Securities (Foreign securities)</td><td>¥127,805 million</td></tr> <tr> <td>Cash collateral pledged for financial instruments</td><td>¥1,298 million</td></tr> <tr> <td>Balance</td><td>¥1,781,608 million</td></tr> </table> Of these assets, securities are mainly pledged as a substitute for the overdraft limit of the exclusive account of real-time gross settlement of government bonds with the Bank of Japan, bond-lending transactions secured by securities, and margin for futures contracts, etc. Secured debts <table border="0"> <tr> <td>Cash collateral received for bond-lending transactions</td><td>¥849,918 million</td></tr> </table>	Assets pledged as collateral		Securities (Japanese government bonds)	¥1,652,505 million	Securities (Foreign securities)	¥127,805 million	Cash collateral pledged for financial instruments	¥1,298 million	Balance	¥1,781,608 million	Cash collateral received for bond-lending transactions	¥849,918 million	12. Assets pledged as collateral and secured debts are as follows: <table border="0"> <tr> <td colspan="2">Assets pledged as collateral</td></tr> <tr> <td>Securities (Japanese government bonds)</td><td>¥1,457,585 million</td></tr> <tr> <td>Securities (Foreign securities)</td><td>¥127,300 million</td></tr> <tr> <td>Cash collateral pledged for financial instruments</td><td>¥4,542 million</td></tr> <tr> <td>Balance</td><td>¥1,589,428 million</td></tr> </table> Of these assets, securities are mainly pledged as a substitute for the overdraft limit of the exclusive account of real-time gross settlement of government bonds with the Bank of Japan, bond-lending transactions secured by securities, and margin for futures contracts, etc. Secured debts <table border="0"> <tr> <td>Cash collateral received for bond-lending transactions</td><td>¥731,104 million</td></tr> </table>	Assets pledged as collateral		Securities (Japanese government bonds)	¥1,457,585 million	Securities (Foreign securities)	¥127,300 million	Cash collateral pledged for financial instruments	¥4,542 million	Balance	¥1,589,428 million	Cash collateral received for bond-lending transactions	¥731,104 million
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Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Consolidated Statement of Operations

Year ended March 31, 2025	Year ended March 31, 2026																																																						
1. The items regarding impairment losses on fixed assets are as follows: (1) Grouping of assets For the Three Life Insurance Companies, real estates, etc. owned for insurance operations, etc., are grouped as a single asset group and other assets such as rental properties and unused real estates are grouped separately by each property. For the Company and the consolidated subsidiaries other than the Three Life Insurance Companies, real estates, etc. owned for their own operations are grouped as a single asset group. (2) Circumstances which led to the recognition of impairment losses For some asset groups, carrying amount was reduced to the recoverable amount and the reduced amount was recorded in extraordinary losses as impairment losses because of a significant drop in the market price and a decline in profitability due to the stagnant rental income level, etc. (3) Impairment losses recognized by asset group and the breakdown of the amounts of impairment losses by fixed asset type <table><tr><th colspan="5">(Millions of yen)</th></tr><tr><th rowspan="2">Asset</th><th rowspan="2">Location</th><th colspan="2">Type</th><th rowspan="2">Total</th></tr><tr><th>Land</th><th>Buildings, etc.</th></tr><tr><td>Unused real estates, etc.</td><td>Kanazawa City, Ishikawa Prefecture, etc. (5 assets)</td><td>290</td><td>131</td><td>422</td></tr><tr><td>Rental properties, etc.</td><td>Koriyama City, Fukushima Prefecture, etc. (4 assets)</td><td>605</td><td>552</td><td>1,157</td></tr><tr><td>Total</td><td>-</td><td>896</td><td>683</td><td>1,580</td></tr></table>	(Millions of yen)					Asset	Location	Type		Total	Land	Buildings, etc.	Unused real estates, etc.	Kanazawa City, Ishikawa Prefecture, etc. (5 assets)	290	131	422	Rental properties, etc.	Koriyama City, Fukushima Prefecture, etc. (4 assets)	605	552	1,157	Total	-	896	683	1,580	1. Losses on disposal of fixed assets include a loss on the sale of Taiyo Life Insurance Company loan receivables of ¥24,913 million (including related expenses). 2. The items regarding impairment losses on fixed assets are as follows: (1) Grouping of assets Same as left (2) Circumstances which led to the recognition of impairment losses Same as left (3) Impairment losses recognized by asset group and the breakdown of the amounts of impairment losses by fixed asset type <table><tr><th colspan="5">(Millions of yen)</th></tr><tr><th rowspan="2">Asset</th><th rowspan="2">Location</th><th colspan="2">Type</th><th rowspan="2">Total</th></tr><tr><th>Land</th><th>Buildings, etc.</th></tr><tr><td>Unused real estates, etc.</td><td>Kurume City, Fukuoka Prefecture, etc. (3 assets)</td><td>156</td><td>65</td><td>222</td></tr><tr><td>Rental properties, etc.</td><td>Kochi City, Kochi Prefecture, etc. (5 assets)</td><td>334</td><td>568</td><td>903</td></tr><tr><td>Total</td><td>-</td><td>491</td><td>634</td><td>1,126</td></tr></table>	(Millions of yen)					Asset	Location	Type		Total	Land	Buildings, etc.	Unused real estates, etc.	Kurume City, Fukuoka Prefecture, etc. (3 assets)	156	65	222	Rental properties, etc.	Kochi City, Kochi Prefecture, etc. (5 assets)	334	568	903	Total	-	491	634	1,126
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Unused real estates, etc.	Kanazawa City, Ishikawa Prefecture, etc. (5 assets)	290	131	422																																																			
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Total	-	491	634	1,126																																																			
(4) Method for calculating the recoverable amount The recoverable amount is based on net realizable value for all real estates. In principle, the net realizable value is calculated by subtracting the estimated costs of disposal from the appraisal value calculated in accordance with the real estate appraisal standard. The value in use is calculated by discounting the future cash flows by 5.20%.	(4) Method for calculating the recoverable amount The recoverable amount is based on net realizable value or value in use. In principle, the net realizable value is calculated by subtracting the estimated costs of disposal from the appraisal value calculated in accordance with the real estate appraisal standard. The value in use is calculated by discounting the future cash flows by 5.20%.																																																						

Consolidated Statement of Comprehensive Income

Year ended March 31, 2025	Year ended March 31, 2026
1. Reclassification adjustments and tax effects regarding other comprehensive income are as follows: Valuation difference on available-for-sale securities: Amount occurred during the year ¥(119,270) million Reclassification adjustments ¥(64,636) million Amount before income taxes and tax effects ¥(183,906) million Income taxes and tax effects ¥43,078 million Valuation difference on available-for-sale securities ¥(140,827) million Deferred gains (losses) on hedging instruments: Amount occurred during the year ¥272 million Reclassification adjustments ¥212 million Amount before income taxes and tax effects ¥484 million Income taxes and tax effects ¥(117) million Deferred gains (losses) on hedging instruments ¥367 million Revaluation reserve for land: Income taxes and tax effects ¥(139) million Foreign currency translation adjustments: Amount occurred during the year ¥(3) million Share of other comprehensive income of companies accounted for under the equity method: Amount occurred during the year ¥11,635 million Total other comprehensive income ¥(128,966) million	1. Reclassification adjustments and tax effects regarding other comprehensive income are as follows: Valuation difference on available-for-sale securities: Amount occurred during the year ¥345,709 million Reclassification adjustments ¥(77,458) million Amount before income taxes and tax effects ¥268,250 million Income taxes and tax effects ¥(75,840) million Valuation difference on available-for-sale securities ¥192,409 million Deferred gains (losses) on hedging instruments: Amount occurred during the year ¥(272) million Reclassification adjustments ¥212 million Amount before income taxes and tax effects ¥(59) million Income taxes and tax effects ¥21 million Deferred gains (losses) on hedging instruments ¥(37) million Foreign currency translation adjustments: Amount occurred during the year ¥180 million Share of other comprehensive income of companies accounted for under the equity method: Amount occurred during the year ¥41,418 million Total other comprehensive income ¥233,971 million Note: As stated in "Additional Information," a certain foreign affiliate has applied "Financial Services – Insurance" (Topic 944) (ASU 2018-12, ASU 2019-09, ASU 2020-11) from the beginning of the consolidated fiscal year ended March 31, 2026. In accordance with this application, certain insurance liabilities of these affiliates were evaluated using a new calculation method, which included a change in discount rate and a review of insurance assumptions. Accordingly, for the consolidated financial statements for the consolidated fiscal year ended March 31, 2025 present figures after retrospective application, reflecting the relevant accounting treatment.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Consolidated Statement of Changes in Net Assets

For the year ended March 31, 2025

1. Type and number of issued shares and treasury shares

(Shares)

	Number of shares at the beginning of the fiscal year	Number of shares increased in the fiscal year	Number of shares decreased in the fiscal year	Number of shares at the end of the fiscal year
Issued shares: Common stock	544,000,000	—	—	544,000,000
Treasury shares: Common stock	13,996,963	18,084,777	175,569	31,906,171

Notes:

- Treasury shares of common stock increased due to the following reasons:
Purchase of treasury shares based on the resolution made at the Board of Directors' meeting held on May 15, 2024: 16,144,700 shares
Acquisition through the ESOP Trust: 1,564,500 shares
Acquisition through the BIP Trust: 355,400 shares
Purchase of odd-lot shares: 20,177 shares
- Treasury shares of common stock decreased due to the following reasons:
Exercise of stock option: 32,600 shares
Delivery by the BIP Trust: 119,300 shares
Sale of the BIP Trust: 22,500 shares
Delivery by the ESOP Trust: 1,019 shares
Sale of the ESOP Trust: 150 shares
- The number of treasury shares of common stock as of the end of the fiscal year includes 1,303,900 shares of the Company's treasury share owned by the BIP Trust (1,090,300 shares as of beginning of the fiscal year) and 1,563,331 shares of the Company's treasury share owned by the ESOP Trust (0 shares as of beginning of the fiscal year).

2. Subscription rights to shares

(Millions of yen)

Category	Breakdown of subscription rights to shares	Balance at the end of the fiscal year
The Company	Share subscription rights as stock options	304

3. Shareholder dividends

(1) Shareholder dividends paid

Date of resolution	Type of shares	Amount of shareholder dividends	Shareholder dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2024	Common stock	¥18,588 million	¥35.0	March 31, 2024	June 27, 2024
Board of Directors' meeting held on November 14, 2024	Common stock	¥20,973 million	¥40.0	September 30, 2024	December 6, 2024

Notes:

- The total amount of shareholder dividends, which based on the resolution made at the Ordinary General Meeting of Shareholders held on June 26, 2024, includes ¥38 million of the dividends for the Company's treasury share owned by the BIP Trust.
- The total amount of shareholder dividends, which based on the resolution made at the Board of Directors' meeting held on November 14, 2024, includes ¥52 million of the dividends for the Company's treasury share owned by the BIP Trust and ¥62 million of the Company's treasury share owned by the ESOP Trust.

(2) Shareholder dividends whose record date was in the fiscal year ended March 31, 2025, while their effective date is in the fiscal year ending March 31, 2026

Date of resolution	Type of shares	Amount of shareholder dividends	Underlying assets	Shareholder dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2025	Common stock	¥20,598 million	Retained earnings	¥40.0	March 31, 2025	June 27, 2025

Notes:

- It is planned to submit the bill to the Ordinary General Meeting of Shareholders scheduled to be held on June 26, 2025.
- The total amount of shareholder dividends includes ¥52 million of the dividends for the Company's treasury share owned by the BIP Trust and ¥62 million of the dividends for the Company's treasury share owned by the ESOP Trust.

For the year ended March 31, 2026

1. Type and number of issued shares and treasury shares

(Shares)

	Number of shares at the beginning of the fiscal year	Number of shares increased in the fiscal year	Number of shares decreased in the fiscal year	Number of shares at the end of the fiscal year
Issued shares: Common stock	544,000,000	—	56,000,000	488,000,000
Treasury shares: Common stock	31,906,171	32,478,888	56,250,888	8,134,171

Notes:

- The number of issued shares of common stock decreased due to the following reason:
Retirement of treasury shares based on the resolution made at the Board of Directors' meeting held on February 13, 2026: 56,000,000 shares
- Treasury shares of common stock increased due to the following reasons:
Purchase of treasury shares based on the resolution made at the Board of Directors' meeting held on March 31, 2025: 27,980,400 shares
Purchase of treasury shares based on the resolution made at the Board of Directors' meeting held on May 15, 2024: 2,265,800 shares
Purchase of treasury shares under Article 155, Item8 of the Companies Act: 2,211,219 shares
Purchase of odd-lot shares: 21,469 shares
- Treasury shares of common stock decreased due to the following reasons:
Retirement of treasury shares based on the resolution made at the Board of Directors' meeting held on February 13, 2026: 56,000,000 shares
Exercise of stock options: 92,300 shares
Delivery by the BIP Trust: 101,200 shares
Sale of the BIP Trust: 50,900 shares
Delivery by the ESOP Trust: 6,009 shares
Sale of the ESOP Trust: 479 shares
- The number of treasury shares of common stock as of the end of the fiscal year includes 1,151,800 shares of the Company's treasury share owned by the BIP Trust (1,303,900 shares as of beginning of the fiscal year) and 1,556,843 shares of the Company's treasury share owned by the ESOP Trust (1,563,331 shares as of beginning of the fiscal year).

2. Subscription rights to shares

(Millions of yen)

Category	Breakdown of subscription rights to shares	Balance at the end of the fiscal year
The Company	Share subscription rights as stock options	196

3. Shareholder dividends

(1) Shareholder dividends paid

Date of resolution	Type of shares	Amount of shareholder dividends	Shareholder dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2025	Common stock	¥20,598 million	¥40.0	March 31, 2025	June 27, 2025
Board of Directors' meeting held on November 14, 2025	Common stock	¥30,839 million	¥62.0	September 30, 2025	December 5, 2025

Notes:

- The total amount of shareholder dividends, which based on the resolution made at the Ordinary General Meeting of Shareholders held on June 26, 2025, includes ¥52 million of the dividends for the Company's treasury share owned by the BIP Trust and ¥62 million of the dividends for the Company's treasury share owned by the ESOP Trust.
- The total amount of shareholder dividends, which based on the resolution made at the Board of Directors' meeting held on November 14, 2025, includes ¥72 million of the dividends for the Company's treasury share owned by the BIP Trust and ¥96 million of the Company's treasury share owned by the ESOP Trust.

(2) Shareholder dividends whose record date was in the fiscal year ended March 31, 2026, while their effective date is in the fiscal year ending March 31, 2027

Date of resolution	Type of shares	Amount of shareholder dividends	Underlying assets	Shareholder dividends per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2026	Common stock	¥32,815 million	Retained earnings	¥68.0	March 31, 2026	June 26, 2026

Notes:

- It is planned to submit the bill to the Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2026.
- The total amount of shareholder dividends includes ¥78 million of the dividends for the Company's treasury share owned by the BIP Trust and ¥105 million of the dividends for the Company's treasury share owned by the ESOP Trust.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Consolidated Statement of Cash Flows

Year ended March 31, 2025	Year ended March 31, 2026
1. The following table provides a reconciliation of cash and cash equivalents in the consolidated statement of cash flows to cash and cash deposits as stated in the consolidated balance sheet.	1. The following table provides a reconciliation of cash and cash equivalents in the consolidated statement of cash flows to cash and cash deposits as stated in the consolidated balance sheet.
Cash and deposits ¥778,681 million	Cash and deposits ¥422,810 million
Less: Term deposits with an original maturity of more than three months ¥(21,660) million	Less: Term deposits with an original maturity of more than three months ¥(11,360) million
Call loans ¥10,089 million	Call loans ¥279,703 million
Monetary claims purchased ¥170,671 million	Monetary claims purchased ¥120,609 million
Less: monetary claims purchased other than cash equivalents ¥(115,686) million	Less: monetary claims purchased other than cash equivalents ¥(115,612) million
Monetary trusts ¥1,115,454 million	Monetary trusts ¥1,220,462 million
Less: monetary trusts other than cash equivalents ¥(1,114,453) million	Less: monetary trusts other than cash equivalents ¥(1,220,462) million
Cash and cash equivalents ¥823,096 million	Cash and cash equivalents ¥696,151 million

Lease Transactions

[As lessee]

1. Finance leases

(1) Ownership-transfer finance leases

Not applicable.

(2) Non-ownership-transfer finance leases

1) Details of lease assets

(a) Tangible fixed assets

Office appliances such as computer servers

(b) Intangible fixed assets

Software

2) Depreciation method for lease assets

Straight-line method over the lease period is applied.

2. Operating leases

Future lease payments under non-cancellable operating leases are as follows:

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Due within one year	15	15
Due after one year	13	25
Total	29	40

[As lessor]

1. Details of Lease investment assets

Other assets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Lease income receivables	53,833	53,815
Estimated residual value	319	343
Interest income	(5,011)	(5,299)
Total lease investment assets	49,140	48,860

2. Projected collection amounts of lease income receivables related to lease receivables and lease investment assets after the consolidated closing dates

Other assets

(Millions of yen)

	As of March 31, 2025					
	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Lease receivables	1,848	1,573	1,353	1,038	617	900
Lease investment assets	12,783	10,920	8,857	6,861	5,026	9,383

(Millions of yen)

	As of March 31, 2026					
	Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Lease receivables	2,069	1,848	1,528	1,101	679	1,186
Lease investment assets	12,858	10,807	8,835	7,027	5,017	9,269

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Financial Instruments

1. Matters related to the condition of financial instruments

(1) Policy for handling financial instruments

T&D Insurance Group's main business is life insurance business. The Group underwrites various classes of life insurance and invests the money collected as insurance premiums in financial assets including securities and loans.

In order to efficiently invest the insurance premiums trusted to us by the policyholders, the Group's asset management policy aims to build a portfolio which ensures long-term stable returns considering the characteristics of obligations involved in life insurance policies, based on the concept of ERM which integrally manages capital, profit, and risk, and at the same time, paying adequate attention to the soundness and public nature of the investments.

Derivative financial instruments are used to hedge fluctuation risks involved in our investment in financial instruments, as well as partially complement physical assets.

Furthermore, in order to pursue greater financial soundness, the Group has been financing the subordinated-class capital (bonds and borrowings).

(2) Details and risks of financial instruments

Financial assets held by the Group mainly comprise securities and loans.

Securities include public and corporate bonds, stocks and investment trusts offered at home and abroad that are held on a long-term basis for the purpose of investment geared to market prospects to ensure stable returns. These financial instruments are exposed to credit risks of the issuing entities and market risks associated with fluctuations in interest rate, exchange rates and stock prices, as well as market liquidity risks.

Loans here include policy loans for policyholders and commercial loans (non-policy loans) provided mainly to domestic businesses and individuals. Commercial loans, though intended to ensure stable returns, are exposed to credit risks of borrowers' default. A policy loan is provided within the surrender value of each insurance policy, thus its credit risk is minimal.

Derivative transactions including stock index futures contracts, forward exchange contracts and interest rate swap agreements are used primarily to hedge price fluctuation risks of our financial assets, and partially to complement physical assets by, for example, providing a solution to the time constraint prior to the inclusion of physical assets into our portfolio. Accordingly, the Group does not enter into those transactions for speculative purposes.

Stringent risk management is in place for derivative transactions, by clearly defining tolerable allowances in terms of the details, hedged items and trading limits of the transactions as well as by properly controlling their status.

Hedge accounting is appropriately practiced in interest rate swap agreements for loans and forward exchange contracts for foreign currency-denominated assets, under the internal rules clearly defining qualifications, applicable types of transactions, methods of evaluation of its effectiveness and methods of its designation. Effectiveness of hedging is determined by ratio analysis methodology comparing the movements of fair values of the hedged items and hedging instruments.

(3) Risk management system for financial instruments

1) Overall risk management system

The Group, in consideration of the social and public nature of the life insurance business which is its main business, defines precise identification and management of risks as one of the crucial management tasks for ensuring the soundness and adequacy of management, where the Company, as the Group's holding company, has developed a "Group Risk Management Policy" which sets out the basic risk management philosophy within the Group and provides the appropriate risk management structure according to the business characteristics and risk profiles of each of the Company including the Three Life Insurance Companies.

As an organizational structure, the Group Risk Management Committee has been established for the purpose of coordinated management of risks within the Group, and has a clear understanding of the status of various risks at each company including the Three Life Insurance Companies, through reports prepared on a regular or as-needed basis at each company using the unified risk management criteria. Further, the Company provides guidance and advice as appropriate to companies including the Three Life Insurance Companies, to carry out thorough risk management at each company and strengthen the Group's entire risk management system.

At each of the Three Life Insurance Companies, a committee has been established to supervise company-wide risk management at an enhanced level, while a mutual check-and-balance system is in place under the internal organizational arrangement including the separation of the investment and loan execution function from the administration function within the investment division, independence of the credit check function and implementation of the internal audits by the Internal Auditing Department.

Furthermore, the Group has established the ERM committee to manage risks integrally with profit and capital on an economic value basis. Through the promotion and enhancement of ERM, the Group aims for steady and sustainable growth in its corporate value.

2) Management of market risk

Market risks are properly controlled according to the risk characteristic of each asset based on a precise understanding of the sensitivity of investment assets to parameters reflecting changes in the investment environment, including interest rate, stock prices and exchange rates, as well as by reviewing asset allocation and risk hedging based on identification of the overall risk of the portfolio using the Value at Risk criterion (hereafter referred to as "VaR").

3) Management of credit risk

Credit risk of the entire portfolio is identified and controlled through its quantification by the use of VaR based on an internal rating for individual borrowers. Meanwhile, the aggregate amount of investment and loans is capped by each industry sector or by group of companies according to the corresponding risks, whereby concentration of loans to specific industry sectors or groups of companies is restrained.

4) Management of liquidity risk

Liquidity risks are properly managed by ensuring a constant amount of liquidity based on the Risk Management Department's precise understanding of the latest risk information, including the share of highly liquid assets, cash flow situation, trends of the general financial/securities markets and the status of individual financial instruments, as well as by developing a management structure that enables smooth liquidation of assets for financing.

(4) Supplementary notes concerning the matters related to fair value, etc., of financial instruments

Estimation of fair value requires the use of certain assumptions, etc. Therefore, the use of different assumptions, etc. may lead to a different value.

In addition, notional amounts of derivative financial instruments shown in "2. Matters related to fair value, etc., of financial instruments" do not represent exposure to market risks.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

2. Matters related to fair value, etc., of financial instruments

The following tables show consolidated balance sheet amounts, fair values and differences. Stocks without market prices and investments in partnerships and other similar business entities that are recorded at net value which is equivalent to the Company's equity interest on the consolidated balance sheet (hereinafter the "Investments in capital of partnerships and so forth") are not included. (See Annotation 1.) In addition, cash and deposits, call loans, commercial paper out of monetary claims purchased, monetary trusts which have similar nature with cash and deposits, short-term debentures, and cash collateral received for bond-lending transactions are omitted, because these are settled in a short period and their fair values are proximate to the carrying amounts.

As of March 31, 2025

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Monetary claims purchased	115,686	105,715	(9,970)
1) Treated as securities	113,183	103,338	(9,845)
- Held-to-maturity bonds	83,479	73,634	(9,845)
- Available-for-sale securities	29,703	29,703	—
2) Others	2,502	2,377	(125)
(2) Monetary trusts	1,114,453	1,013,554	(100,898)
1) Monetary trusts for trading purposes	2,351	2,351	—
2) Monetary trusts for held-to-maturity purposes	27,094	22,219	(4,874)
3) Monetary trusts for policy-reserve-matching purposes	863,136	767,112	(96,024)
4) Monetary trusts for other than trading, held-to-maturity or policy-reserve-matching purposes	221,871	221,871	—
(3) Securities	11,667,514	10,738,791	(928,723)
1) Trading securities (*1)	122,536	122,536	—
2) Held-to-maturity bonds	651,016	622,881	(28,134)
3) Policy-reserve-matching bonds	5,523,396	4,622,807	(900,588)
4) Available-for-sale securities (*1)	5,370,565	5,370,565	—
(4) Loans	1,651,491	1,607,839	(43,651)
1) Policy loans (*2)	104,233	108,915	4,691
2) Commercial loans (*2)	1,549,487	1,498,923	(48,342)
3) Reserve for possible loan losses (*3)	(2,229)	—	—
Total assets	14,549,145	13,465,901	(1,083,244)
(1) Bonds	120,000	115,957	(4,043)
(2) Borrowings within other liabilities	56,369	55,196	(1,172)
Total liabilities	176,369	171,153	(5,215)
Derivative financial instruments (*4)			
(1) Hedge accounting not applied	3,239	3,239	—
(2) Hedge accounting applied	3,960	3,960	(0)
Total derivative financial instruments	7,199	7,199	(0)

*1. Net asset value of a part of investment trusts is regarded as fair value in accordance with generally accepted accounting principles and such investment trusts are included in the above table.

*2. Difference indicates the difference between the amount after deducting the reserve for possible loan losses recorded in the consolidated balance sheet and its current fair value.

*3. Reserve for possible loan losses for loans is deducted.

*4. Claims and liabilities arising from derivative transactions are shown at net value. In the case of net liabilities, amounts are shown in square brackets.

As of March 31, 2026

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Monetary claims purchased	115,612	101,351	(14,260)
1) Treated as securities	113,281	99,228	(14,053)
- Held-to-maturity bonds	86,500	72,447	(14,053)
- Available-for-sale securities	26,781	26,781	—
2) Others	2,330	2,123	(206)
(2) Monetary trusts	1,220,462	1,061,854	(158,608)
1) Monetary trusts for trading purposes	1,989	1,989	—
2) Monetary trusts for held-to-maturity purposes	26,849	19,692	(7,157)
3) Monetary trusts for policy-reserve-matching purposes	962,091	810,641	(151,450)
4) Monetary trusts for other than trading, held-to-maturity or policy-reserve-matching purposes	229,531	229,531	—
(3) Securities	12,029,486	10,435,480	(1,594,005)
1) Trading securities (*1)	149,310	149,310	—
2) Held-to-maturity bonds	650,366	559,939	(90,426)
3) Policy-reserve-matching bonds	5,526,433	4,022,854	(1,503,578)
4) Available-for-sale securities (*1)	5,703,375	5,703,375	—
(4) Loans	1,505,512	1,447,981	(57,530)
1) Policy loans (*2)	107,060	109,671	2,620
2) Commercial loans (*2)	1,401,035	1,338,309	(60,151)
3) Reserve for possible loan losses (*3)	(2,583)	—	—
Total assets	14,871,073	13,046,668	(1,824,405)
(1) Bonds	224,000	216,643	(7,357)
(2) Borrowings within other liabilities	96,962	94,830	(2,131)
Total liabilities	320,962	311,473	(9,488)
Derivative financial instruments (*4)			
(1) Hedge accounting not applied	[3,099]	[3,099]	—
(2) Hedge accounting applied	[26,844]	[24,795]	2,048
Total derivative financial instruments	[29,943]	[27,895]	2,048

*1. Net asset value of a part of investment trusts is regarded as fair value in accordance with generally accepted accounting principles and such investment trusts are included in the above table.

*2. Difference indicates the difference between the amount after deducting the reserve for possible loan losses recorded in the consolidated balance sheet and its current fair value.

*3. Reserve for possible loan losses for loans is deducted.

*4. Claims and liabilities arising from derivative transactions are shown at net value. In the case of net liabilities, amounts are shown in square brackets.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(Annotation 1) The balance sheet amounts of stocks, etc. without market prices such as unlisted stocks, etc. and the investments in capital of partnerships and so forth are not included in "(3) Securities" in the above table and summarized as follows:

(Millions of yen)

Category	As of March 31, 2025	As of March 31, 2026
Unlisted stocks of affiliates, etc.	108,873	245,529
Unlisted stocks, etc. (*2)	1,276	126,846
Investments in capital of partnerships and so forth (*1) (*3)	107,597	118,683
Available-for-sale securities	529,564	594,574
Unlisted stocks, etc. (*2) (*4)	28,996	29,780
Investments in capital of partnerships and so forth (*3) (*4)	500,568	564,793

*1. As stated in "Additional Information," some of our foreign affiliates have applied "Financial Services - Insurance" (Topic 944) (ASU 2018-12, ASU 2019-09, ASU2020-11) from the beginning of the consolidated fiscal year ended March 31, 2026. In accordance with this application, certain insurance liabilities of the affiliates were evaluated using a new calculation method, which included changes in discount rate and a review of insurance assumptions. Accordingly, figures after retrospective application were stated for the consolidated fiscal year ended March 31, 2025, reflecting the relevant accounting treatment.

*2. Unlisted stocks, etc. are excluded from disclosure of fair value due to the lack of market prices based on the paragraph 5 of "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, issued on March 31, 2020).

*3. The investments in capital of partnerships and so forth are excluded from disclosure of fair value based on the paragraph 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, issued on June 17, 2021).

*4. Unlisted stocks, etc. and the investments in capital of partnerships and so forth were impaired by ¥2,173 million in the consolidated fiscal year ended March 31, 2025. Unlisted stocks, etc. and the investments in capital of partnerships and so forth were impaired by ¥437 million in the consolidated fiscal year ended March 31, 2026.

(Annotation 2) Scheduled redemption amounts after the consolidated closing date for monetary claims and fixed-maturity securities are as follows:

(Millions of yen)

As of March 31, 2025	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Deposits	778,651	—	—	—
Call loans	10,089	—	—	—
Monetary claims purchased	55,610	2,461	1,889	111,470
Securities:				
1) Held-to-maturity bonds:				
Government bonds	8,853	32,836	145,673	261,901
Municipal bonds	100	1,170	3,397	36,150
Corporate bonds	10,200	19,650	39,076	66,757
Foreign securities	—	7,810	3,000	25,872
2) Policy-reserve-matching bonds:				
Government bonds	4,395	176,045	440,849	3,572,397
Municipal bonds	17,427	28,238	23,821	238,522
Corporate bonds	15,900	111,014	280,500	711,123
Foreign securities	2,541	21,642	11,763	6,065
3) Available-for-sale fixed maturity securities:				
Government bonds	1,239	23,483	76,913	439,956
Municipal bonds	4,163	19,000	3,448	10,102
Corporate bonds	25,537	126,635	125,640	145,221
Foreign securities	10,134	173,247	209,783	294,700
Other securities	—	11	—	—
Loans	177,655	643,537	481,449	208,906

Note:
Securities without contractual maturity dates in the amount of ¥1,348,921 million are not included. In addition, loans without contractual maturity dates such as policy loans in the amount of ¥141,751 million are not included.

As of March 31, 2026

(Millions of yen)

	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Deposits	412,783	10,000	—	—
Call loans	279,703	—	—	—
Monetary claims purchased	5,612	2,905	933	112,910
Securities:				
1) Held-to-maturity bonds:				
Government bonds	8,527	77,037	99,330	269,215
Municipal bonds	—	1,570	2,449	37,799
Corporate bonds	19,681	10,215	28,431	68,357
Foreign securities	—	10,917	3,000	25,269
2) Policy-reserve-matching bonds:				
Government bonds	16,465	199,011	418,653	3,716,192
Municipal bonds	13,845	9,757	27,121	215,901
Corporate bonds	14,200	131,280	272,920	659,074
Foreign securities	5,437	25,320	6,858	4,918
3) Available-for-sale fixed maturity securities:				
Government bonds	13,600	136,783	114,113	494,216
Municipal bonds	9,964	15,038	3,450	100
Corporate bonds	33,286	147,067	112,941	131,804
Foreign securities	9,942	194,993	187,052	147,990
Other securities	—	1	—	0
Loans	175,427	602,408	444,085	134,880

Note:

Securities without contractual maturity dates in the amount of ¥1,499,474 million are not included. In addition, loans without contractual maturity dates such as policy loans in the amount of ¥152,060 million are not included.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(Annotation 3) Scheduled repayment amounts after the consolidated closing date for bonds, borrowings, and other interest-bearing liabilities are as follows:

As of March 31, 2025 (Millions of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Short-term debentures	8,000	—	—	—	—	—
Bonds	—	—	—	—	30,000	90,000
Cash collateral received for bond-lending transactions within other liabilities	849,918	—	—	—	—	—
Borrowings within other liabilities	12,245	10,251	7,938	5,403	3,551	16,978

As of March 31, 2026 (Millions of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Short-term debentures	8,000	—	—	—	—	—
Bonds	—	—	34,000	30,000	50,000	110,000
Cash collateral received for bond-lending transactions within other liabilities	731,104	—	—	—	—	—
Borrowings within other liabilities	12,176	8,946	6,411	4,559	20,078	44,789

3. Breakdown of fair values of financial instruments by levels

Fair values of financial instruments are categorized into the following three levels according to observability and importance of inputs related to calculation of the fair values.

Level 1 : Fair values calculated by using quoted prices that are formed in active markets and related to assets or liabilities for which the fair values are calculated among inputs related to calculation of observable fair values.

Level 2 : Fair values calculated by using inputs related to calculation of observable fair values other than level 1 inputs.

Level 3 : Fair values calculated by using inputs related to calculation of unobservable fair values.

When multiple inputs that have some significant impact on calculation of fair values are used, the fair values are categorized into the lowest priority level in the calculation of fair values among the levels to which each of those inputs belongs.

(1) Financial instruments for which fair values are used as consolidated balance sheet amount

As of March 31, 2025 (Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims purchased	—	28,404	1,299	29,703
Available-for-sale securities	—	28,404	1,299	29,703
Monetary trusts	2,288	221,934	—	224,223
Monetary trusts for trading purposes	2,288	62	—	2,351
Monetary trusts for other than trading, held-to-maturity or policy-reserve-matching purposes	—	221,871	—	221,871
Securities	2,196,900	2,541,065	—	4,737,965
Trading securities	—	122,024	—	122,024
Foreign securities	—	20	—	20
Foreign other securities	—	20	—	20
Other securities	—	122,003	—	122,003
Available-for-sale securities	2,196,900	2,419,040	—	4,615,940
Domestic bonds	534,331	864,627	—	1,398,958
Government bonds	478,864	—	—	478,864
Municipal bonds	—	35,171	—	35,171
Corporate bonds	55,467	829,455	—	884,923
Domestic stocks	707,508	—	—	707,508
Foreign securities	650,244	1,455,099	—	2,105,344
Foreign bonds	337,723	275,831	—	613,555
Foreign stocks	12,372	—	—	12,372
Foreign other securities	300,148	1,179,267	—	1,479,416
Other securities	304,815	99,313	—	404,129
Derivative financial instruments	—	21,176	—	21,176
Currency-related transactions	—	12,823	—	12,823
Stock-related transactions	—	8,353	—	8,353
Total assets	2,199,188	2,812,581	1,299	5,013,068
Derivative financial instruments	—	13,976	—	13,976
Currency-related transactions	—	13,522	—	13,522
Stock-related transactions	—	454	—	454
Total liabilities	—	13,976	—	13,976

Note:

Net asset value of a part of investment trusts is regarded as fair value in accordance with generally accepted accounting principles and such investment trusts are not included in the above table.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

As of March 31, 2026

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims purchased	—	25,606	1,174	26,781
Available-for-sale securities	—	25,606	1,174	26,781
Monetary trusts	1,933	229,587	—	231,521
Monetary trusts for trading purposes	1,933	56	—	1,989
Monetary trusts for other than trading, held-to-maturity or policy-reserve-matching purposes	—	229,531	—	229,531
Securities	2,355,230	2,560,641	—	4,915,872
Trading securities	—	149,252	—	149,252
Foreign securities	—	21	—	21
Foreign other securities	—	21	—	21
Other securities	—	149,231	—	149,231
Available-for-sale securities	2,355,230	2,411,388	—	4,766,619
Domestic bonds	684,972	847,569	—	1,532,541
Government bonds	624,180	—	—	624,180
Municipal bonds	—	28,210	—	28,210
Corporate bonds	60,791	819,359	—	880,151
Domestic stocks	768,423	—	—	768,423
Foreign securities	548,301	1,479,849	—	2,028,150
Foreign bonds	229,639	267,751	—	497,391
Foreign stocks	38,169	—	—	38,169
Foreign other securities	280,492	1,212,097	—	1,492,589
Other securities	353,533	83,970	—	437,504
Derivative financial instruments	455	8,368	—	8,824
Currency-related transactions	—	3,825	—	3,825
Stock-related transactions	455	4,543	—	4,999
Total assets	2,357,620	2,824,204	1,174	5,182,999
Derivative financial instruments	—	38,082	686	38,768
Currency-related transactions	—	37,768	—	37,768
Stock-related transactions	—	313	686	999
Total liabilities	—	38,082	686	38,768

Note:

Net asset value of a part of investment trusts is regarded as fair value in accordance with generally accepted accounting principles and such investment trusts are not included in the above table.

(2) Financial instruments for which fair values are not used as consolidated balance sheet amount

As of March 31, 2025

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims purchased	—	73,634	2,377	76,011
Held-to-maturity bonds	—	73,634	—	73,634
Not treated as securities	—	—	2,377	2,377
Monetary trusts	789,331	—	—	789,331
Monetary trusts for held-to-maturity purposes	22,219	—	—	22,219
Monetary trusts for policy-reserve-matching purposes	767,112	—	—	767,112
Securities	3,841,758	1,403,930	—	5,245,689
Held-to-maturity bonds	426,818	196,063	—	622,881
Domestic bonds	426,006	165,079	—	591,086
Government bonds	426,006	—	—	426,006
Municipal bonds	—	38,501	—	38,501
Corporate bonds	—	126,577	—	126,577
Foreign securities	811	30,983	—	31,795
Foreign bonds	811	30,983	—	31,795
Policy-reserve-matching bonds	3,414,940	1,207,866	—	4,622,807
Domestic bonds	3,392,374	1,189,435	—	4,581,809
Government bonds	3,383,040	—	—	3,383,040
Municipal bonds	—	254,570	—	254,570
Corporate bonds	9,333	934,865	—	944,199
Foreign securities	22,566	18,431	—	40,997
Foreign bonds	22,566	18,431	—	40,997
Loans	—	—	1,607,839	1,607,839
Policy loans	—	—	108,915	108,915
Commercial loans	—	—	1,498,923	1,498,923
Derivative financial instruments	—	(0)	—	(0)
Interest-related transactions	—	(0)	—	(0)
Total assets	4,631,090	1,477,564	1,610,217	7,718,871
Bonds	—	115,957	—	115,957
Borrowings within other liabilities	—	12,693	42,503	55,196
Total liabilities	—	128,650	42,503	171,153

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

As of March 31, 2026

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims purchased	—	72,447	2,123	74,570
Held-to-maturity bonds	—	72,447	—	72,447
Not treated as securities	—	—	2,123	2,123
Monetary trusts	830,333	—	—	830,333
Monetary trusts for held-to-maturity purposes	19,692	—	—	19,692
Monetary trusts for policy-reserve-matching purposes	810,641	—	—	810,641
Securities	3,410,798	1,171,995	—	4,582,794
Held-to-maturity bonds	384,701	175,238	—	559,939
Domestic bonds	383,783	141,761	—	525,544
Government bonds	383,311	—	—	383,311
Municipal bonds	—	35,357	—	35,357
Corporate bonds	472	106,403	—	106,876
Foreign securities	917	33,477	—	34,394
Foreign bonds	917	33,477	—	34,394
Policy-reserve-matching bonds	3,026,097	996,757	—	4,022,854
Domestic bonds	3,002,761	979,285	—	3,982,047
Government bonds	2,992,631	—	—	2,992,631
Municipal bonds	—	183,784	—	183,784
Corporate bonds	10,130	795,501	—	805,631
Foreign securities	23,336	17,471	—	40,807
Foreign bonds	23,336	17,471	—	40,807
Loans	—	—	1,447,981	1,447,981
Policy loans	—	—	109,671	109,671
Commercial loans	—	—	1,338,309	1,338,309
Derivative financial instruments	—	2,048	—	2,048
Interest-related transactions	—	2,048	—	2,048
Total assets	4,241,132	1,246,491	1,450,104	6,937,728
Bonds	—	216,643	—	216,643
Borrowings within other liabilities	—	58,028	36,801	94,830
Total liabilities	—	274,671	36,801	311,473

(Annotation 1) Description of the valuation techniques and inputs used to measure fair value

Monetary claims purchased

Fair value of monetary claims purchased which are deemed appropriate to treat as securities is based on the value calculated by the same method as that of securities. Fair value of monetary claims purchased which are deemed appropriate to treat as loans is based on the value calculated by the same method as that of loans.

Monetary trusts

Fair value of monetary trusts invested mainly in securities is based on the value calculated by the same method as that for securities. Monetary trusts are classified based on levels of constituents held in trust.

In addition to the above, currency options and stock index options, etc. are used within monetary trusts and fair value of them is calculated by the same method as that for derivatives.

See Note "Monetary Trusts" for notes related to monetary trust by holding purposes.

Securities

Fair value of listed stocks is based on the quoted prices in markets, and listed stocks of which the fair value is based on the quoted prices in active markets with no adjustment are classified into Level 1.

Fair value of bonds is based on the observable transaction prices, etc. Bonds of which the fair value is based on the transaction prices, etc. in active markets with no adjustment are classified into Level 1. Bonds of which the fair value is based on the observable transaction prices, etc. in inactive markets are classified into Level 2. If the transaction prices, etc. are not available, the fair value is calculated by the discounted present value method of future cash flow, etc. The Company makes maximum use of observable inputs in the calculations, including government bond yields and credit risk premiums, etc. If a significant unobservable input is used in the calculation, the fair value is classified into Level 3, and if not, the fair value is classified into Level 2.

Fair value of investment trusts is based on quoted prices in markets or net asset value, etc. announced by industry groups and settlor companies of investment trusts. If the fair value is based on the quoted prices in markets with no adjustment, it is classified into Level 1; otherwise, it is classified into Level 2.

See Note "Securities" for notes related to securities by holding purposes.

Loans

1) Policy loans

Fair value of policy loans is calculated by discounting the expected future cash flow derived from the repayment rate based on the past actual repayment performance by the risk-free rate and classified into Level 3.

2) Commercial loans

Variable interest rate loans reflect the market interest rate in a short period. Therefore, carrying amount is recorded as fair value since fair value is proximate to the carrying amount unless the borrower's credit standing significantly changes after the loan is provided.

Fair value of fixed interest rate loans is calculated by discounting the total amount of principal and interest by risk-free rates weighted by credit risks involved.

For loans to bankrupt companies, effectively bankrupt companies and potentially bankrupt companies, estimated uncollectible amounts are calculated based on the present value of the estimated future cash flows or estimated amounts recoverable through pledge or guarantee, etc. and fair values are proximate to consolidated balance sheet amounts less the estimated uncollectible amounts at the consolidated closing date, and thus the amounts are recorded as fair values.

For these transactions, unobservable inputs are used. Therefore, they are classified into Level 3.

Bonds

Fair value of bonds is based on quoted price, or calculated by discounting the total amount of principal and interest by discount rate that takes into account the remaining period of the bond and credit risk of the issuer. Those of which the fair value is based on the quoted prices in active markets are classified into Level 2. If not, those are classified into Level 3 as the discount rate is unobservable.

Borrowings

Fair value of borrowings is calculated by discounting the total amount of principal and interest by discount rate that takes into account the remaining period of the borrowing and credit risk of the borrower. If the discount rate is observable, borrowings are classified into Level 2. If not, those are classified into Level 3. Variable interest rate borrowings reflect the market interest rate in a short period. Therefore, carrying amount is recorded as fair value since fair value is proximate to the carrying amount unless the borrower's credit standing significantly changes after the borrowings are provided.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Derivatives

- (1) Fair value of forward exchange contract transactions use forward exchange rates, etc., and are classified into Level 2.
- (2) Fair value of stock index futures, stock forward contracts, stock index options, individual stock options, bond futures, bond options, currency options, currency swaps, and interest swap transactions are based on the quoted prices in markets, or the prices calculated based on observable market data, etc. Those of which the fair value is based on the quoted prices in active markets with no adjustment are classified into Level 1. If not, those are classified into Level 2. If a significant unobservable input is used, the fair value is classified into Level 3.

(Annotation 2) Financial instruments for which Level 3 fair values are used as consolidated balance sheet amount

(1) Quantitative information about significant unobservable input

As of March 31, 2025

Category	Valuation techniques	Significant unobservable input	Range of inputs	Weighted average of inputs
Monetary claims purchased	Discounted-cash-flow method	Discount rate	2.47%	2.47%

As of March 31, 2026

Category	Valuation techniques	Significant unobservable input	Range of inputs	Weighted average of inputs
Monetary claims purchased	Discounted-cash-flow method	Discount rate	3.11%	3.11%

- (2) Reconciliations between the beginning and ending balances, valuation gains / losses recognized in the gains / losses in the period

Year ended March 31, 2025

(Millions of yen)

	Monetary claims purchased	Domestic bonds	Foreign securities	Total
Balance at the beginning of the fiscal year	2,224	0	22,023	24,248
Gains/losses or other comprehensive income in the period	(36)	0	(23)	(59)
Recorded in gains/losses	—	—	—	—
Recorded in other comprehensive income (*1)	(36)	0	(23)	(59)
Net amount for purchase, sale, issuance and settlement	(889)	(0)	(22,000)	(22,889)
Transfer to Level 3 fair values	—	—	—	—
Transfer from Level 3 fair values	—	—	—	—
Balance at the end of the fiscal year	1,299	—	—	1,299
Valuation gains / losses on financial assets and liabilities held at the end of the period out of the amount recorded in gains / losses for the period	—	—	—	—

Note:

*1. It is included in "Valuation difference on available-for-sale securities" under "Other comprehensive income" of the consolidated statement of comprehensive income.

Year ended March 31, 2026

(Millions of yen)

	Monetary claims purchased	Derivative transactions	Total
Balance at the beginning of the fiscal year	1,299	—	1,299
Gains/losses or other comprehensive income in the period	(33)	(461)	(495)
Recorded in gains/losses	—	(461)	(461)
Recorded in other comprehensive income (*2)	(33)	—	(33)
Net amount for purchase, sale, issuance and settlement	(91)	(224)	(315)
Transfer to Level 3 fair values	—	—	—
Transfer from Level 3 fair values	—	—	—
Balance at the end of the fiscal year	1,174	(686)	488
Valuation gains / losses on financial assets and liabilities held at the end of the period out of the amount recorded in gains / losses for the period	—	(461)	(461)

Note:

*1. It is included in "Investment income" and "Investment expenses" in the consolidated statement of operations.

*2. It is included in "Valuation difference on available-for-sale securities" under "Other comprehensive income" of the consolidated statement of comprehensive income.

(3) Description of the fair value valuation process

The Group has established policies and procedures for calculating the fair value, and calculates the fair value in accordance with them. The calculated fair value is checked by an independent valuation department to confirm operations for the validity of the valuation technique and inputs used in the calculation of the fair value and the appropriateness of the classification of the fair value level, thereby ensuring the appropriateness of the policies and procedures for calculating the fair value.

In calculating the fair value, we use a valuation model that can most appropriately reflect the nature, characteristics and risks of individual assets. In addition, when using the quoted price obtained from a third party, the validity of the price is verified by appropriate methods such as confirmation of the valuation technique and inputs used and comparison with the fair value of similar financial instruments.

(4) Explanation of the sensitivity of the fair value to changes in significant unobservable input

A significant unobservable input used in calculating the fair value of monetary claims purchased and securities is the discount rate. The discount rate consists of government bond interest rates and credit risk premiums. In general, a significant increase (decrease) in the discount rate results in a significant decrease (increase) in the fair value.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

4. Investment trusts for which net asset value is regarded as fair value in accordance with generally accepted accounting principles

Investment trusts for which net asset value is regarded as fair value in accordance with generally accepted accounting principles are not disclosed in "3. Breakdown of fair values of financial instruments by levels." The amount of the investment trusts on the consolidated balance sheet is ¥936,813 million in financial assets. (¥755,136 million in financial assets for the previous fiscal year.)

(1) Reconciliations between the beginning and ending balances of investment trusts whose properties are financial instruments

Year ended March 31, 2025

(Millions of yen)

	Trading securities	Available-for-sale securities	Total
	Foreign other securities	Foreign other securities	
Balance at the beginning of the fiscal year	746	656,746	657,492
Gains/losses or other comprehensive income in the period	(229)	28,262	28,032
Recorded in gains/losses (*1)	(229)	35,731	35,501
Recorded in other comprehensive income (*2)	—	(7,469)	(7,469)
Net amount for purchase, sale and redemption	(4)	1,805	1,800
Amount of investment trusts for which net asset value is regarded as fair value from the period	—	—	—
Amount of investment trusts for which net asset value is not regarded as fair value from the period	—	—	—
Balance at the end of the fiscal year	511	686,814	687,326
Valuation gains/losses on investment trusts held at the end of the period out of the amount recorded in gains/losses for the period (*1)	(229)	1,469	1,240

*1. It is included in "Investment income" and "Investment expenses" in the consolidated statement of operations.

*2. It is included in "Valuation difference on available-for-sale securities" under "Other comprehensive income" of the consolidated statement of comprehensive income.

Year ended March 31, 2026

(Millions of yen)

	Trading securities	Available-for-sale securities	Total
	Foreign other securities	Foreign other securities	
Balance at the beginning of the fiscal year	511	686,814	687,326
Gains/losses or other comprehensive income in the period	(385)	94,490	94,104
Recorded in gains/losses (*1)	(385)	67,156	66,770
Recorded in other comprehensive income (*2)	—	27,333	27,333
Net amount for purchase, sale and redemption	(67)	79,894	79,826
Amount of investment trusts for which net asset value is regarded as fair value from the period	—	—	—
Amount of investment trusts for which net asset value is not regarded as fair value from the period	—	—	—
Balance at the end of the fiscal year	58	861,199	861,257
Valuation gains/losses on investment trusts held at the end of the period out of the amount recorded in gains/losses for the period (*1)	(41)	5,898	5,856

*1. It is included in "Investment income" and "Investment expenses" in the consolidated statement of operations.

*2. It is included in "Valuation difference on available-for-sale securities" under "Other comprehensive income" of the consolidated statement of comprehensive income.

(2) Breakdown of restriction regarding cancellation or buyback request of investment trusts whose properties are financial assets

As of March 31, 2025

(Millions of yen)

	Trading securities	Available-for-sale securities	Total
	Foreign other securities	Foreign other securities	
Having limitation in frequency, etc., of cancellation or buyback request	511	524,511	525,022
Others	—	162,303	162,303
Total	511	686,814	687,326

As of March 31, 2026

(Millions of yen)

	Trading securities	Available-for-sale securities	Total
	Foreign other securities	Foreign other securities	
Having limitation in frequency, etc., of cancellation or buyback request	58	654,634	654,692
Others	—	206,564	206,564
Total	58	861,199	861,257

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(3) Reconciliations between the beginning and ending balances of investment trusts whose properties are real estates

Year ended March 31, 2025

(Millions of yen)

	Available for sale securities		Total
	Foreign other securities	Other securities	
Balance at the beginning of the fiscal year	7,489	58,530	66,019
Gains/losses or other comprehensive income in the period	(436)	1,025	588
Recorded in gains/losses	—	—	—
Recorded in other comprehensive income (*)	(436)	1,025	588
Net amount for purchase, sale and redemption	—	1,202	1,202
Amount of investment trusts for which net asset value is regarded as fair value from the period	—	—	—
Amount of investment trusts for which net asset value is not regarded as fair value from the period	—	—	—
Balance at the end of the fiscal year	7,052	60,757	67,810
Valuation gains/losses on investment trusts held at the end of the period out of the amount recorded in gains/losses for the period	—	—	—

* It is included in "Valuation difference on available-for-sale securities" under "Other comprehensive income" of the consolidated statement of comprehensive income.

Year ended March 31, 2026

(Millions of yen)

	Available for sale securities		Total
	Foreign other securities	Other securities	
Balance at the beginning of the fiscal year	7,052	60,757	67,810
Gains/losses or other comprehensive income in the period	376	1,592	1,968
Recorded in gains/losses	—	—	—
Recorded in other comprehensive income (*)	376	1,592	1,968
Net amount for purchase, sale and redemption	—	5,777	5,777
Amount of investment trusts for which net asset value is regarded as fair value from the period	—	—	—
Amount of investment trusts for which net asset value is not regarded as fair value from the period	—	—	—
Balance at the end of the fiscal year	7,429	68,127	75,556
Valuation gains/losses on investment trusts held at the end of the period out of the amount recorded in gains/losses for the period	—	—	—

* It is included in "Valuation difference on available-for-sale securities" under "Other comprehensive income" of the consolidated statement of comprehensive income.

Securities

1. Trading securities

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Valuation difference included in earnings (losses) of the consolidated fiscal year	(7,328)	13,652

2. Held-to-maturity bonds

As of March 31, 2025

(Millions of yen)

Category	Consolidated balance sheet amount	Fair value	Difference
Fair value exceeding consolidated balance sheet amount:			
(1) Domestic bonds	314,683	326,261	11,577
1) Government bonds	228,351	237,044	8,693
2) Municipal bonds	19,417	20,063	645
3) Corporate bonds	66,914	69,152	2,238
(2) Foreign securities	802	811	8
1) Foreign bonds	802	811	8
(3) Other securities	7,173	7,262	89
Total	322,659	334,335	11,675
Fair value not exceeding consolidated balance sheet amount:			
(1) Domestic bonds	299,308	264,825	(34,483)
1) Government bonds	208,984	188,962	(20,022)
2) Municipal bonds	21,648	18,438	(3,210)
3) Corporate bonds	68,675	57,424	(11,250)
(2) Foreign securities	36,222	30,983	(5,238)
1) Foreign bonds	36,222	30,983	(5,238)
(3) Other securities	76,306	66,371	(9,934)
Total	411,836	362,180	(49,655)
Grand total	734,496	696,516	(37,979)

Note:

Other securities include beneficiary trust certificates (consolidated balance sheet amount of ¥83,479 million) which are represented as monetary claims purchased in the consolidated balance sheet.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

As of March 31, 2026

(Millions of yen)

Category	Consolidated balance sheet amount	Fair value	Difference
Fair value exceeding consolidated balance sheet amount:			
(1) Domestic bonds	119,750	121,186	1,435
1) Government bonds	91,517	92,547	1,029
2) Municipal bonds	3,229	3,248	18
3) Corporate bonds	25,003	25,391	387
(2) Foreign securities	912	917	5
1) Foreign bonds	912	917	5
(3) Other securities	2,528	2,554	25
Total	123,191	124,658	1,467
Fair value not exceeding consolidated balance sheet amount:			
(1) Domestic bonds	491,105	404,357	(86,747)
1) Government bonds	351,099	290,763	(60,335)
2) Municipal bonds	38,568	32,109	(6,459)
3) Corporate bonds	101,437	81,484	(19,952)
(2) Foreign securities	38,598	33,477	(5,121)
1) Foreign bonds	38,598	33,477	(5,121)
(3) Other securities	83,972	69,892	(14,079)
Total	613,675	507,728	(105,947)
Grand total	736,867	632,386	(104,480)

Note:

Other securities include beneficiary trust certificates (consolidated balance sheet amount of ¥86,500 million) which are represented as monetary claims purchased in the consolidated balance sheet.

3. Policy-reserve-matching bonds

As of March 31, 2025

(Millions of yen)

Category	Consolidated balance sheet amount	Fair value	Difference
Fair value exceeding consolidated balance sheet amount:			
(1) Domestic bonds	1,085,092	1,117,612	32,520
1) Government bonds	721,472	743,413	21,941
2) Municipal bonds	64,415	66,142	1,727
3) Corporate bonds	299,204	308,056	8,851
(2) Foreign securities	2,523	2,540	16
1) Foreign bonds	2,523	2,540	16
Total	1,087,615	1,120,152	32,536
Fair value not exceeding consolidated balance sheet amount:			
(1) Domestic bonds	4,395,368	3,464,197	(931,170)
1) Government bonds	3,326,868	2,639,626	(687,241)
2) Municipal bonds	244,751	188,427	(56,324)
3) Corporate bonds	823,747	636,143	(187,604)
(2) Foreign securities	40,411	38,457	(1,954)
1) Foreign bonds	40,411	38,457	(1,954)
Total	4,435,780	3,502,654	(933,125)
Grand total	5,523,396	4,622,807	(900,588)

As of March 31, 2026

(Millions of yen)

Category	Consolidated balance sheet amount	Fair value	Difference
Fair value exceeding consolidated balance sheet amount:			
(1) Domestic bonds	313,087	316,141	3,054
1) Government bonds	216,602	218,580	1,978
2) Municipal bonds	22,806	23,028	221
3) Corporate bonds	73,678	74,532	854
(2) Foreign securities	1,597	1,598	1
1) Foreign bonds	1,597	1,598	1
Total	314,684	317,740	3,055
Fair value not exceeding consolidated balance sheet amount:			
(1) Domestic bonds	5,170,020	3,665,905	(1,504,115)
1) Government bonds	3,917,633	2,774,050	(1,143,583)
2) Municipal bonds	244,635	160,756	(83,879)
3) Corporate bonds	1,007,751	731,099	(276,652)
(2) Foreign securities	41,727	39,208	(2,519)
1) Foreign bonds	41,727	39,208	(2,519)
Total	5,211,748	3,705,113	(1,506,634)
Grand total	5,526,433	4,022,854	(1,503,578)

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

4. Available-for-sale securities

As of March 31, 2025

(Millions of yen)

Category	Consolidated balance sheet amount	Acquisition cost	Difference
Consolidated balance sheet amount exceeding acquisition cost:			
(1) Domestic bonds	324,252	314,228	10,024
1) Government bonds	146,849	141,416	5,433
2) Municipal bonds	20,410	19,919	490
3) Corporate bonds	156,992	152,892	4,100
(2) Domestic stocks	655,850	289,604	366,245
(3) Foreign securities	1,798,607	1,527,235	271,372
1) Foreign bonds	152,829	151,004	1,824
2) Foreign stocks	27	0	27
3) Foreign other securities	1,645,750	1,376,230	269,519
(4) Other securities	454,244	319,379	134,864
Total	3,232,954	2,450,447	782,507
Consolidated balance sheet amount not exceeding acquisition cost:			
(1) Domestic bonds	1,074,705	1,166,689	(91,983)
1) Government bonds	332,014	397,094	(65,080)
2) Municipal bonds	14,761	16,813	(2,052)
3) Corporate bonds	727,930	752,781	(24,851)
(2) Domestic stocks	51,658	53,986	(2,328)
(3) Foreign securities	1,000,603	1,097,843	(97,239)
1) Foreign bonds	460,726	524,053	(63,327)
2) Foreign stocks	12,417	12,433	(16)
3) Foreign other securities	527,460	561,356	(33,895)
(4) Other securities	97,332	100,668	(3,335)
Total	2,224,300	2,419,187	(194,887)
Grand total	5,457,255	4,869,635	587,619

Note:

Other securities include certificates of deposit (consolidated balance sheet amount of ¥2,000 million) which are represented as cash and deposits, commercial paper (consolidated balance sheet amount of ¥54,985 million) and beneficiary trust certificates (consolidated balance sheet amount of ¥29,703 million) which are represented as monetary claims purchased in the consolidated balance sheet.

As of March 31, 2026

(Millions of yen)

Category	Consolidated balance sheet amount	Acquisition cost	Difference
Consolidated balance sheet amount exceeding acquisition cost:			
(1) Domestic bonds	186,144	182,358	3,786
1) Government bonds	74,126	73,208	918
2) Municipal bonds	10,564	10,458	106
3) Corporate bonds	101,453	98,691	2,762
(2) Domestic stocks	711,752	267,488	444,263
(3) Foreign securities	2,076,617	1,732,043	344,574
1) Foreign bonds	168,112	158,452	9,659
2) Foreign stocks	38,207	12,887	25,319
3) Foreign other securities	1,870,297	1,560,702	309,595
(4) Other securities	491,420	285,213	206,207
Total	3,465,934	2,467,103	998,831
Consolidated balance sheet amount not exceeding acquisition cost:			
(1) Domestic bonds	1,346,396	1,462,674	(116,277)
1) Government bonds	550,053	631,925	(81,871)
2) Municipal bonds	17,645	18,142	(496)
3) Corporate bonds	778,697	812,606	(33,909)
(2) Domestic stocks	43,950	46,138	(2,188)
(3) Foreign securities	832,882	884,054	(51,172)
1) Foreign bonds	329,279	356,979	(27,700)
2) Foreign stocks	12,753	14,584	(1,831)
3) Foreign other securities	490,850	512,490	(21,640)
(4) Other securities	50,990	55,069	(4,079)
Total	2,274,219	2,447,936	(173,716)
Grand total	5,740,154	4,915,039	825,114

Note:

Other securities include certificates of deposit (consolidated balance sheet amount of ¥5,000 million) which are represented as cash and deposits, commercial paper (consolidated balance sheet amount of ¥4,997 million) and beneficiary trust certificates (consolidated balance sheet amount of ¥26,781 million) which are represented as monetary claims purchased in the consolidated balance sheet.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

5. Sales of securities classified as held-to-maturity bonds

Year ended March 31, 2025

There were no sales of securities classified as held-to-maturity bonds.

Year ended March 31, 2026

There were no sales of securities classified as held-to-maturity bonds.

6. Sales of securities classified as policy-reserve-matching bonds

Year ended March 31, 2025

(Millions of yen)

Category	Proceeds of sales	Gross gains	Gross losses
(1) Domestic bonds	209,830	792	49,358
1) Government bonds	208,919	782	49,358
2) Corporate bonds	910	10	—
(2) Foreign securities	2,241	55	6
1) Foreign bonds	2,241	55	6
Total	212,071	847	49,365

Year ended March 31, 2026

(Millions of yen)

Category	Proceeds of sales	Gross gains	Gross losses
(1) Domestic bonds	336,743	1,733	66,048
1) Government bonds	246,402	368	59,696
2) Municipal bonds	31,775	368	1,141
3) Corporate bonds	58,566	996	5,210
(2) Foreign securities	686	30	14
1) Foreign bonds	686	30	14
Total	337,430	1,763	66,063

7. Sales of securities classified as available-for-sale securities

Year ended March 31, 2025

(Millions of yen)

Category	Proceeds of sales	Gross gains	Gross losses
(1) Domestic bonds	110,370	62	3,026
1) Government bonds	88,283	—	2,295
2) Municipal bonds	—	—	—
3) Corporate bonds	22,086	62	731
(2) Domestic stocks	90,575	54,350	3,100
(3) Foreign securities	710,112	48,738	31,864
1) Foreign bonds	516,864	4,702	27,737
2) Foreign stocks	4,640	1,073	19
3) Foreign other securities	188,606	42,963	4,107
(4) Other securities	52,068	11,712	0
Total	963,125	114,863	37,991

Year ended March 31, 2026

(Millions of yen)

Category	Proceeds of sales	Gross gains	Gross losses
(1) Domestic bonds	295,609	653	42,134
1) Government bonds	233,835	2	36,441
2) Municipal bonds	15,480	123	2,638
3) Corporate bonds	46,293	528	3,054
(2) Domestic stocks	186,949	105,827	3,060
(3) Foreign securities	449,927	37,712	46,810
1) Foreign bonds	281,698	1,871	43,671
2) Foreign stocks	173	3	8
3) Foreign other securities	168,055	35,837	3,130
(4) Other securities	67,330	25,586	1
Total	999,817	169,780	92,006

8. Impairment of securities

The Company and its consolidated subsidiaries recognized ¥8,679 million as impairment losses for the available-for-sale securities other than stocks without market prices and the investments in capital of partnerships and so forth and ¥2,173 million as impairment losses for the available-for-sale securities of stocks without market prices and the investments in capital of partnerships and so forth for the fiscal year ended March 31, 2025.

The Company and its consolidated subsidiaries recognized ¥119 million as impairment losses for the available-for-sale securities other than stocks without market prices and the investments in capital of partnerships and so forth and ¥437 million as impairment losses for the available-for-sale securities of stocks without market prices and the investments in capital of partnerships and so forth for the fiscal year ended March 31, 2026.

The Company and its consolidated subsidiaries recognize impairment losses on the securities in principle if fair value as of the end of the fiscal year declines by 30% or more from their acquisition cost.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Monetary Trusts

1. Monetary trusts for trading purposes

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Valuation difference included in earnings (losses) of the consolidated fiscal year	(11)	20

2. Monetary trusts for held-to-maturity purposes

As of March 31, 2025

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
Monetary trusts	27,094	22,219	(4,874)

As of March 31, 2026

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
Monetary trusts	26,849	19,692	(7,157)

3. Monetary trusts for policy-reserve-matching purposes

As of March 31, 2025

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
Monetary trusts	863,136	767,112	(96,024)

As of March 31, 2026

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
Monetary trusts	962,091	810,641	(151,450)

4. Monetary trusts for those other than trading, held-to-maturity or policy-reserve-matching purposes

As of March 31, 2025

(Millions of yen)

	Consolidated balance sheet amount	Acquisition cost	Difference
Monetary trusts	222,872	221,059	1,813

As of March 31, 2026

(Millions of yen)

	Consolidated balance sheet amount	Acquisition cost	Difference
Monetary trusts	229,531	219,529	10,001

Derivative Transactions

1. Derivative financial instruments for which hedge accounting is not applied

(1) Currency-related transactions

As of March 31, 2025

(Millions of yen)

Category	Type of transaction	Notional amount		Fair value	Valuation gains (losses)
			Over one year		
Over-the-counter transactions	Foreign exchange contracts:				
	Sold	311,574	—	3,236	3,236
	(U.S. dollar)	91,826	—	1,082	1,082
	(Euro)	6,579	—	134	134
	(British pound)	39,888	—	(243)	(243)
	(Canadian dollar)	19,787	—	(367)	(367)
	(Australian dollar)	153,493	—	2,629	2,629
	Bought	17,959	—	(2)	(2)
	(U.S. dollar)	1,808	—	(15)	(15)
	(British pound)	227	—	(1)	(1)
	(Australian dollar)	15,923	—	14	14
Total				3,233	3,233

Note:

Monetary claims and liabilities denominated in foreign currencies, etc., which have fixed settlement amounts in yen under foreign exchange contracts, etc. and are disclosed in yen amounts in the consolidated balance sheet, are not subject to this disclosure.

As of March 31, 2026

(Millions of yen)

Category	Type of transaction	Notional amount		Fair value	Valuation gains (losses)
			Over one year		
Over-the-counter transactions	Foreign exchange contracts:				
	Sold	443,697	—	(2,844)	(2,844)
	(U.S. dollar)	213,716	—	(1,417)	(1,417)
	(Euro)	14,449	—	30	30
	(British pound)	34,153	—	188	188
	(Canadian dollar)	17,116	—	195	195
	(Australian dollar)	164,260	—	(1,841)	(1,841)
	Bought	33,733	—	(20)	(20)
	(U.S. dollar)	26,963	—	(8)	(8)
	(Euro)	3,779	—	(3)	(3)
	(Australian dollar)	2,990	—	(8)	(8)
	Currency options:				
	Sold				
	Call	43,285	—		
	[63]		[—]	(63)	(0)
	(U.S. dollar)	43,285	—		
	[63]		[—]	(63)	(0)
	Bought				
	Call	35,987	—		
	[63]		[—]	59	(3)
	(U.S. dollar)	35,987	—		
	[63]		[—]	59	(3)
Total				(2,868)	(2,868)

Notes:

- Monetary claims and liabilities denominated in foreign currencies, etc., which have fixed settlement amounts in yen under foreign exchange contracts, etc. and are disclosed in yen amounts in the consolidated balance sheet, are not subject to this disclosure.
- Figures in square brackets for "Notional amount" represent option premiums that are reported on the consolidated balance sheet.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(2) Interest-related transactions

As of March 31, 2025

There were no Interest-related transactions for the fiscal year ended March 31, 2025.

As of March 31, 2026

There were no Interest-related transactions for the fiscal year ended March 31, 2026.

(3) Stock-related transactions

As of March 31, 2025

(Millions of yen)

Category	Type of transaction	Notional amount		Fair value	Valuation gains (losses)
			Over one year		
Over-the-counter transactions	Stock index options:				
	Bought				
	Put	98,800	—		
		[104]	[—]	5	(99)
Total				5	(99)

Note:

Figures in square brackets for "Notional amount" represent option premiums that are reported on the consolidated balance sheet.

As of March 31, 2026

(Millions of yen)

Category	Type of transaction	Notional amount		Fair value	Valuation gains (losses)
			Over one year		
Market transactions	Stock index options:				
	Bought				
	Put	24,990	—		
		[989]	[—]	455	(534)
Over-the-counter transactions	Individual stock options				
	Sold				
	Call	31,483	31,483		
		[224]	[224]	(686)	(461)
Total				(230)	(996)

Note:

Figures in square brackets for "Notional amount" represent option premiums that are reported on the consolidated balance sheet.

T&D Financial Life uses monetary trusts to execute derivative transactions. The following tables show a summary of the notional amount and fair value of derivative financial instruments.

As of March 31, 2025

(Millions of yen)

Category	Type of subject	Type of transaction	Notional amount		Fair value	Valuation gains (losses)
				Over one year		
Over-the-counter transactions	Currency-related transactions	Foreign exchange contracts:				
		Sold	20,792	—	(121)	(121)
		(U.S. dollar)	20,792	—	(121)	(121)
		Bought	6,188	—	8	8
		(Australian dollar)	6,188	—	8	8
		Currency options:				
		Bought				
		Put	313	186		
			[85]	[53]	2	(82)
		(U.S. dollar)	204	134		
			[62]	[42]	1	(60)
		(Euro)	109	52		
			[23]	[10]	0	(22)
	Stock-related transactions	Stock index options:				
		Bought				
		Put	989	686		
			[232]	[175]	12	(220)
Total					(97)	(415)

Note:

Figures in square brackets for "Notional amount" represent option premiums that are reported on the consolidated balance sheet.

As of March 31, 2026

(Millions of yen)

Category	Type of subject	Type of transaction	Notional amount		Fair value	Valuation gains (losses)
				Over one year		
Over-the-counter transactions	Currency-related transactions	Foreign exchange contracts:				
		Sold	28,188	—	(191)	(191)
		(U.S. dollar)	20,561	—	(366)	(366)
		(Australian dollar)	7,626	—	175	175
		Currency options:				
		Bought				
		Put	186	105		
			[53]	[33]	0	(52)
		(U.S. dollar)	134	87		
			[42]	[29]	0	(41)
		(Euro)	52	17		
			[10]	[4]	0	(10)
	Stock-related transactions	Stock index options:				
		Bought				
Put		686	484			
		[175]	[138]	7	(167)	
Total					(182)	(411)

Note:

Figures in square brackets for "Notional amount" represent option premiums that are reported on the consolidated balance sheet.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

2. Derivative financial instruments for which hedge accounting is applied

(1) Currency-related transactions

As of March 31, 2025

(Millions of yen)

As of March 31, 2020			(millions of yen)		
Hedge accounting method	Type of transaction	Hedged item	Notional amount		Fair value
				Over one year	
Recognition of valuation gains/losses on hedged items	Foreign exchange contracts:	Foreign currency-denominated assets			
	Sold		1,379,899	—	(6,545)
	(U.S. dollar)		1,114,292	—	(3,804)
	(Euro)		249,194	—	(3,212)
	(Australian dollar)		16,412	—	471
	Bought		22,735	—	9
	(U.S. dollar)		20,529	—	7
	(Australian dollar)		2,205	—	1
	Currency options:	Foreign currency-denominated assets			
	Sold				
	Call		161,940	—	
	(U.S. dollar)		[2,176]	[—]	423
	Bought		161,940	—	
	Put		[2,176]	[—]	423
	(U.S. dollar)		158,908	—	
	[2,176]		[—]	2,754	
	158,908	—			
	[2,176]	[—]	2,754		
Allocation treatment for foreign exchange contracts, etc.	Foreign exchange contracts:	Foreign currency-denominated stocks (forecast transaction)			
	Bought		107,850	—	272
	(Euro)		107,850	—	272
	Currency swaps:	Foreign currency-denominated loans			
	Receive yen/pay foreign currency		29,442	23,278	—
	(U.S. dollar)		29,442	23,278	—
Total					(3,086)

Notes:

1. Fair value of foreign exchange contracts, etc., with allocation treatments are included in fair value of the relevant hedged items which are foreign currency-denominated loans, because the hedging instruments and the hedged items are treated as a unit.
2. Figures in square brackets for "Notional amount" represent option premiums that are reported on the consolidated balance sheet.

As of March 31, 2026

(Millions of yen)

Hedge accounting method		Type of transaction	Hedged item	Notional amount		Fair value
					Over one year	
Recognition of valuation gains/losses on hedged items	Foreign exchange contracts:	Foreign currency-denominated assets				
	Sold		1,368,692	—	(26,207)	
	(U.S. dollar)		1,103,557	—	(27,208)	
	(Euro)		243,559	—	588	
	(Australian dollar)		21,575	—	412	
	Bought		46,070	—	25	
	(U.S. dollar)		37,630	—	32	
	(Australian dollar)		8,439	—	(6)	
	Currency options:	Foreign currency-denominated assets				
	Sold					
	Call		295,773	—		
	(U.S. dollar)		[3,282]	[—]	(5,962)	
	Bought		295,773	—		
	Put		[3,282]	[—]	(5,962)	
	(U.S. dollar)		290,809	—		
Allocation treatment for foreign exchange contracts, etc.	Currency swaps:	Foreign currency-denominated loans				
	Receive yen/pay foreign currency		23,278	13,336	—	
	(U.S. dollar)		23,278	13,336	—	
Total					(31,074)	

Notes:

1. Fair value of foreign exchange contracts, etc., with allocation treatments are included in fair value of the relevant hedged items which are foreign currency-denominated loans, because the hedging instruments and the hedged items are treated as a unit.
2. Figures in square brackets for "Notional amount" represent option premiums that are reported on the consolidated balance sheet.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(2) Interest-related transactions

As of March 31, 2025

(Millions of yen)

Hedge accounting method	Type of transaction	Hedged item	Notional amount	Over one year	Fair value
Special treatment for interest rate swaps	Interest rate swaps:	Loans	947	—	(0)
	Receive fixed/pay floating				
Total					(0)

As of March 31, 2026

(Millions of yen)

Hedge accounting method	Type of transaction	Hedged item	Notional amount	Over one year	Fair value
Special treatment for interest rate swaps	Interest rate swaps:	Borrowings	29,250	29,250	2,048
	Pay fixed/receive floating				
Total					2,048

(3) Stock-related transactions

As of March 31, 2025

(Millions of yen)

Hedge accounting method	Type of transaction	Hedged item	Notional amount	Over one year	Fair value
Recognition of valuation gains/losses on hedged items	Stock forward:	Domestic stocks Foreign stocks	132,162	—	7,893
	Sold				
Total					7,893

As of March 31, 2026

(Millions of yen)

Hedge accounting method	Type of transaction	Hedged item	Notional amount	Over one year	Fair value
Recognition of valuation gains/losses on hedged items	Stock forward:	Domestic stocks Foreign stocks	116,103	—	4,230
	Sold				
Total					4,230

Employees' Retirement Benefits

1. Overview of the retirement benefit plan adopted by the T&D Insurance Group

The Company and domestic consolidated subsidiaries have defined benefit retirement plans such as a defined benefit corporate pension plan, a retirement pension plan, and a retirement lump-sum payment plan.

Further, certain consolidated subsidiaries have defined contribution pension plans as their defined contribution retirement plan as well as retirement benefit trusts.

2. Defined benefit retirement plan

(1) Reconciliations of the beginning- and end-of-the-year balances of retirement benefit obligations are as follows:

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Balance at the beginning of the year	136,943	131,240
Service cost	5,054	4,794
Interest cost	1,920	2,435
Actuarial gains and losses	(6,088)	(16,560)
Retirement benefit paid	(6,462)	(6,431)
Others	(127)	27
Balance at the end of the year	131,240	115,505

Note:

Retirement benefit expense for companies using the simplified method is recorded in service cost.

(2) Reconciliations of the beginning- and end-of-the-year balances of pension plan assets are as follows:

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Balance at the beginning of the year	112,221	107,535
Expected return on plan assets	1,753	2,157
Actuarial gains and losses	(5,720)	(2,501)
Employer contribution	3,962	7,445
Benefit obligation paid	(4,680)	(4,749)
Balance at the end of the year	107,535	109,886

(3) Reconciliations of retirement benefit obligations and pension plan assets to retirement benefit liabilities and retirement benefit assets stated in the consolidated balance sheet are as follows:

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Retirement benefit obligations for funded plans	106,626	93,795
Plan assets	(107,535)	(109,886)
[Employee pension trusts]	[(50,903)]	[(48,571)]
	(909)	(16,091)
Retirement benefit obligations for unfunded plans	24,613	21,709
Net amount of defined benefit liability and defined benefit asset stated in the consolidated balance sheet	23,704	5,618
Retirement benefit liability	33,767	22,976
Retirement benefit asset	(10,062)	(17,357)
Net amount of defined benefit liability and defined benefit asset stated in the consolidated balance sheet	23,704	5,618

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(4) Components of retirement benefit expense are as follows:

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Service cost	5,054	4,794
Interest cost	1,920	2,435
Expected return on plan assets	(1,753)	(2,157)
Recognized actuarial gains and losses	(367)	(14,058)
Others	(129)	27
Retirement benefit expense relating to defined benefit retirement plan	4,724	(8,958)

Note:
Retirement benefit expense for companies using the simplified method is recorded in service cost.

(5) Matters related to pension plan assets

1) Components of pension plan assets as follows:

	As of March 31, 2025	As of March 31, 2026
Bonds	61.6%	58.1%
General account	14.9%	15.5%
Foreign securities	11.6%	11.5%
Stocks	5.9%	7.5%
Cash and deposits	3.2%	3.4%
Joint assets	1.1%	2.1%
Real estate	1.7%	1.8%
Others	0.0%	0.0%
Total	100.0%	100.0%

Note:
The total includes 47.3% and 44.2% of employee pension trusts set up for corporate pension plans for the fiscal years ended March 31, 2025 and 2026, respectively.

2) The setting method for long-term expected rate of return

The long-term expected rate of return on pension plan assets is set by considering the present and the prospective asset allocation of pension plan assets, as well as the present and the expected long-term rate of return arising from various assets that comprise the plan assets.

(6) Matters related to actuarial basis

	Year ended March 31, 2025	Year ended March 31, 2026
Discount rate	1.30% - 2.04%	2.12% - 3.40%
Expected long-term rate of return on plan assets	1.03% - 2.29%	1.75% - 2.75%

3. Defined contribution retirement plan

The required contribution for the defined contribution retirement plan of the consolidated subsidiaries amounted to ¥281 million and ¥287 million for the fiscal years ended March 31, 2025 and 2026, respectively.

Stock Options

1. Amount of expenses related to stock options

There were no operating expenses related to stock options for the fiscal years ended March 31, 2025 and 2026.

2. Details, size and status of stock options

(1) Details of stock options

	T&D Holdings, Inc. stock subscription rights (1st series)
Title and number of grantees	Directors (excluding outside directors) and executive officers of the Company: 7 Directors (excluding outside directors) and executive officers of subsidiaries of the Company: 40
Number of stock options by class (Note)	Common stock: 449,600 shares
Grant date	July 31, 2012
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable
Exercise period	August 1, 2012 to July 31, 2042

Note:
Translated to the number of common stock.

	T&D Holdings, Inc. stock subscription rights (2nd series)
Title and number of grantees	Directors (excluding outside directors) and executive officers of the Company: 7 Directors (excluding outside directors) and executive officers of subsidiaries of the Company: 39
Number of stock options by class (Note)	Common stock: 235,500 shares
Grant date	August 1, 2013
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable
Exercise period	August 2, 2013 to August 1, 2043

Note:
Translated to the number of common stock.

	T&D Holdings, Inc. stock subscription rights (3rd series)
Title and number of grantees	Directors (excluding outside directors) and executive officers of the Company: 6 Directors (excluding outside directors) and executive officers of subsidiaries of the Company: 41
Number of stock options by class (Note)	Common stock: 231,300 shares
Grant date	August 1, 2014
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable
Exercise period	August 2, 2014 to August 1, 2044

Note:
Translated to the number of common stock.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

	T&D Holdings, Inc. stock subscription rights (4th series)
Title and number of grantees	Directors (excluding outside directors) and executive officers of the Company: 15 Directors (excluding outside directors) and executive officers of subsidiaries of the Company: 43
Number of stock options by class (Note)	Common stock: 170,700 shares
Grant date	August 3, 2015
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable
Exercise period	August 4, 2015 to August 3, 2045

Note:
Translated to the number of common stock.

	T&D Holdings, Inc. stock subscription rights (5th series)
Title and number of grantees	Directors (excluding outside directors) and executive officers of the Company: 10 Directors (excluding outside directors) and executive officers of subsidiaries of the Company: 48
Number of stock options by class (Note)	Common stock: 379,800 shares
Grant date	August 1, 2016
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable
Exercise period	August 2, 2016 to August 1, 2046

Note:
Translated to the number of common stock.

	T&D Holdings, Inc. stock subscription rights (6th series)
Title and number of grantees	Directors (excluding outside directors) and executive officers of the Company: 10 Directors (excluding outside directors) and executive officers of subsidiaries of the Company: 47
Number of stock options by class (Note)	Common stock: 208,200 shares
Grant date	August 1, 2017
Conditions for vesting	Stock options are vested on the grant date.
Requisite service period	Not applicable
Exercise period	August 2, 2017 to August 1, 2047

Note:
Translated to the number of common stock.

(2) Size and status of stock options

For stock options which existed during the consolidated fiscal year ended March 31, 2026, the number of stock options is translated to the number of common stock.

1) Number of stock options

	T&D Holdings, Inc. stock subscription rights (1st series)	T&D Holdings, Inc. stock subscription rights (2nd series)	T&D Holdings, Inc. stock subscription rights (3rd series)	T&D Holdings, Inc. stock subscription rights (4th series)	T&D Holdings, Inc. stock subscription rights (5th series)	T&D Holdings, Inc. stock subscription rights (6th series)
Before vesting:						
At the end of previous fiscal year	—	—	—	—	—	—
Granted	—	—	—	—	—	—
Forfeited	—	—	—	—	—	—
Vested	—	—	—	—	—	—
Outstanding	—	—	—	—	—	—
After vesting:						
At the end of previous fiscal year	31,700	21,400	34,100	36,100	79,800	56,500
Vested	—	—	—	—	—	—
Exercised	12,000	6,900	12,000	15,300	29,500	16,600
Forfeited	—	—	—	—	—	—
Exercisable	19,700	14,500	22,100	20,800	50,300	39,900

2) Unit price information

	T&D Holdings, Inc. stock subscription rights (1st series)	T&D Holdings, Inc. stock subscription rights (2nd series)	T&D Holdings, Inc. stock subscription rights (3rd series)	T&D Holdings, Inc. stock subscription rights (4th series)	T&D Holdings, Inc. stock subscription rights (5th series)	T&D Holdings, Inc. stock subscription rights (6th series)
Exercise price	1	1	1	1	1	1
Average stock price at the time of exercise	3,179	3,179	3,179	3,178	3,178	3,178
Fair value at the granted date	685	1,143	1,153	1,708	918	1,485

3. Method for estimating the number of stock options vested

Only the actual number of forfeited stock options is reflected because it is difficult to rationally estimate the actual number of stock options that will be forfeited in the future.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Tax-Effect Accounting

As of March 31, 2025	As of March 31, 2026																																																																
1. Breakdown of the accrual of deferred tax assets and liabilities by main causes (Deferred tax assets) (Millions of yen) <table> <tr><td>Reserve for price fluctuations</td><td>81,284</td></tr> <tr><td>Policy reserves</td><td>65,656</td></tr> <tr><td>Retirement benefit liability</td><td>25,541</td></tr> <tr><td>Devaluation losses on securities</td><td>16,686</td></tr> <tr><td>Valuation difference on available-for-sale securities</td><td>4,983</td></tr> <tr><td>Others</td><td>34,002</td></tr> <tr><td>Subtotal</td><td>228,155</td></tr> <tr><td>Valuation allowance</td><td>(18,883)</td></tr> <tr><td>Total deferred tax assets</td><td>209,271</td></tr> </table> (Deferred tax liabilities) (Millions of yen) <table> <tr><td>Valuation difference on available-for-sale securities</td><td>(220,722)</td></tr> <tr><td>Others</td><td>(14,145)</td></tr> <tr><td>Total deferred tax liabilities</td><td>(234,867)</td></tr> <tr><td>Net deferred tax assets (liabilities)</td><td>(25,596)</td></tr> </table> Note: Tax loss carried forward and the deferred tax assets by carry forward period were as follows: There is no significance in tax loss carried forward for the year ended March 31, 2025. Therefore, notes are omitted. 2. Breakdown of important differences between the statutory effective tax rate and the corporate tax rate, etc., after applying tax-effect accounting by main item of the causes <table> <tr><td>Effective statutory tax rate (Adjustments)</td><td>28.0</td></tr> <tr><td>Revision of year-end deferred tax assets due to changes in tax rates</td><td>(3.3)</td></tr> <tr><td>Reversal of revaluation reserve for land</td><td>(2.3)</td></tr> <tr><td>Valuation allowance</td><td>1.0</td></tr> <tr><td>Others</td><td>1.1</td></tr> <tr><td>Corporate tax rate, etc., after applying tax-effect accounting</td><td>24.5</td></tr> </table> 3. Adjustment of deferred tax assets and deferred tax liabilities due to changes in statutory tax rates for income taxes Following the enactment of the "Act for Partial Amendment to the Income Tax Act, etc." by the Diet on March 31, 2025, deferred tax assets and deferred tax liabilities for the consolidated fiscal year ended March 31, 2025 (however, limited to those to be reversed on or after April 1, 2026) have been calculated using a statutory effective tax rate of 28.9% instead of 28.0%. This change resulted in a decrease of ¥5,609 million in income taxes (deferred), and an increase of ¥5,609 million in profit attributable to owners of parent. Additionally, deferred tax liabilities increased by ¥1,658 million, and valuation difference on available-for-sale securities decreased by ¥7,178 million.	Reserve for price fluctuations	81,284	Policy reserves	65,656	Retirement benefit liability	25,541	Devaluation losses on securities	16,686	Valuation difference on available-for-sale securities	4,983	Others	34,002	Subtotal	228,155	Valuation allowance	(18,883)	Total deferred tax assets	209,271	Valuation difference on available-for-sale securities	(220,722)	Others	(14,145)	Total deferred tax liabilities	(234,867)	Net deferred tax assets (liabilities)	(25,596)	Effective statutory tax rate (Adjustments)	28.0	Revision of year-end deferred tax assets due to changes in tax rates	(3.3)	Reversal of revaluation reserve for land	(2.3)	Valuation allowance	1.0	Others	1.1	Corporate tax rate, etc., after applying tax-effect accounting	24.5	1. Breakdown of the accrual of deferred tax assets and liabilities by main causes (Deferred tax assets) (Millions of yen) <table> <tr><td>Reserve for price fluctuations</td><td>86,655</td></tr> <tr><td>Policy reserves</td><td>69,221</td></tr> <tr><td>Retirement benefit liability</td><td>23,132</td></tr> <tr><td>Devaluation losses on securities</td><td>15,947</td></tr> <tr><td>Valuation difference on available-for-sale securities</td><td>6,636</td></tr> <tr><td>Others</td><td>38,265</td></tr> <tr><td>Subtotal</td><td>239,858</td></tr> <tr><td>Valuation allowance</td><td>(18,029)</td></tr> <tr><td>Total deferred tax assets</td><td>221,828</td></tr> </table> (Deferred tax liabilities) (Millions of yen) <table> <tr><td>Valuation difference on available-for-sale securities</td><td>(298,033)</td></tr> <tr><td>Others</td><td>(16,258)</td></tr> <tr><td>Total deferred tax liabilities</td><td>(314,292)</td></tr> <tr><td>Net deferred tax assets (liabilities)</td><td>(92,463)</td></tr> </table> Notes: 1. As stated in "Additional Information," a certain foreign affiliate has applied "Financial Services – Insurance" (Topic 944) (ASU 2018-12, ASU 2019-09, ASU 2020-11) from the beginning of the consolidated fiscal year ended March 31, 2026. In accordance with this application, certain insurance liabilities of these affiliates were evaluated using a new calculation method, which included a change in discount rate and a review of insurance assumptions. Accordingly, the consolidated financial statements for the consolidated fiscal year ended March 31, 2025 present figures after retrospective application, reflecting the relevant accounting treatment. 2. Tax loss carried forward and the deferred tax assets by carry forward period were as follows: There is no significance in tax loss carried forward for the year ended March 31, 2026. Therefore, notes are omitted. 2. Breakdown of important differences between the statutory effective tax rate and the corporate tax rate, etc., after applying tax-effect accounting by main item of the causes The effective statutory tax rate for the year ended March 31, 2026 was 28.0%. As the difference between the effective statutory tax rate and the corporate tax rate, etc., after applying tax-effect accounting was 5% or less of the effective statutory tax rate. Therefore, notes are omitted.	Reserve for price fluctuations	86,655	Policy reserves	69,221	Retirement benefit liability	23,132	Devaluation losses on securities	15,947	Valuation difference on available-for-sale securities	6,636	Others	38,265	Subtotal	239,858	Valuation allowance	(18,029)	Total deferred tax assets	221,828	Valuation difference on available-for-sale securities	(298,033)	Others	(16,258)	Total deferred tax liabilities	(314,292)	Net deferred tax assets (liabilities)	(92,463)
Reserve for price fluctuations	81,284																																																																
Policy reserves	65,656																																																																
Retirement benefit liability	25,541																																																																
Devaluation losses on securities	16,686																																																																
Valuation difference on available-for-sale securities	4,983																																																																
Others	34,002																																																																
Subtotal	228,155																																																																
Valuation allowance	(18,883)																																																																
Total deferred tax assets	209,271																																																																
Valuation difference on available-for-sale securities	(220,722)																																																																
Others	(14,145)																																																																
Total deferred tax liabilities	(234,867)																																																																
Net deferred tax assets (liabilities)	(25,596)																																																																
Effective statutory tax rate (Adjustments)	28.0																																																																
Revision of year-end deferred tax assets due to changes in tax rates	(3.3)																																																																
Reversal of revaluation reserve for land	(2.3)																																																																
Valuation allowance	1.0																																																																
Others	1.1																																																																
Corporate tax rate, etc., after applying tax-effect accounting	24.5																																																																
Reserve for price fluctuations	86,655																																																																
Policy reserves	69,221																																																																
Retirement benefit liability	23,132																																																																
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Total deferred tax liabilities	(314,292)																																																																
Net deferred tax assets (liabilities)	(92,463)																																																																

As of March 31, 2025	As of March 31, 2026
4. Accounting treatment for corporate tax and local corporate tax, and tax-effect accounting related to these taxes The Company and some domestic consolidated subsidiaries have adopted group tax sharing system which regards the Company as the parent company of tax sharing. These companies have accounted for and made disclosure of corporate tax and local corporate tax, and tax effect accounting, based on the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ Practical Issues Task Force (PITF) No. 42, issued on August 12, 2021).	3. Accounting treatment for corporate tax and local corporate tax, and tax-effect accounting related to these taxes Same as left

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Asset Retirement Obligations

Asset retirement obligations recorded in the consolidated balance sheet are as follows:

1. Overview of the asset retirement obligations

Asbestos removal obligations for office buildings and rental properties are recorded as asset retirement obligations.

2. Calculation method for the amount of the asset retirement obligations

For the estimation of the present value of asset retirement obligations, 50 years from the acquisition of buildings is used as an estimated period before the cost will accrue and 2.11% as a discount rate.

3. Increase or decrease of the total amount of the asset retirement obligations

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Balance at the beginning of the year	2,200	2,200
Increase or decrease resulting from changes in the scope of consolidation	—	8
Decrease due to performance of asset retirement obligations	—	(8)
Balance at the end of the year	2,200	2,200

Real Estate for Rent

T&D Insurance Group owns real estate for rent, consisting mainly of office buildings in major cities in Japan. Their balance sheet amount, net increase or decrease and fair value at the end of the year are as follows:

(Millions of yen)

		Year ended March 31, 2025	Year ended March 31, 2026
Balance sheet amount	Balance at the beginning of the year	277,492	276,660
	Net increase (decrease)	(832)	(2,447)
	Balance at the end of the year	276,660	274,213
Fair value at the end of the year		408,848	419,455

Notes:

- Balance sheet amount represents acquisition cost less accumulated depreciation and accumulated impairment losses.
- For the year ended March 31, 2025, the increase mainly consisted of purchase of real estate totaling ¥10,819 million and the decrease mainly consisted of depreciation totaling ¥6,271 million and sales of real estate totaling ¥3,363 million. For the year ended March 31, 2026, the increase mainly consisted of purchase of real estate totaling ¥8,467 million and the decrease mainly consisted of depreciation totaling ¥6,545 million and sales of real estate totaling ¥3,640 million.
- Fair value at the end of the year of major properties is calculated based on their appraisal value by external real estate appraisers. The value of other properties is calculated in-house based on the posted price.

Gains (losses) on real estate for rent are as follows:

(Millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Ordinary revenues	21,895	22,077
Ordinary expenses	13,976	14,533
Ordinary profit	7,919	7,543
Other gains (losses)	505	1,041

Notes:

- Ordinary revenues and ordinary expenses constitute income from lease and corresponding expenses, such as depreciation, repair expenses, insurance expenses and taxes. These amounts are recorded in investment income and investment expenses.
- For the years ended March 31, 2025 and 2026, other gains mainly consisted of gains on disposal of fixed assets and other assets, which were recorded as extraordinary income.

Revenue Recognition

Year ended March 31, 2025	Year ended March 31, 2026
Revenues arising from contracts with customers for the Company are immaterial since a large part of Ordinary revenues, substitute for Sales, consists of Income from insurance premiums and Investment income not subject to the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, issued on March 31, 2020) in accordance with Paragraph 3 of the standard. Therefore, the Company discloses the revenues without separating from other revenues on the consolidated statement of operations as well as discloses contract assets, contract liabilities and claims arising from contracts with customers without separating from other assets and liabilities on the consolidated balance sheet. Also, the Company omits notes on the following information. 1. Information on disaggregated revenue arising from contracts with customers 2. Information providing a basis for understanding revenue arising from contracts with customers (1) Information on contracts with customers and performance obligations (2) Information on determining the transaction price (3) Information on the calculation of the price allocated to a performance obligation (4) Information regarding the timing of satisfaction of performance obligations (5) Significant judgements on applying the Revenue Recognition Accounting Standard 3. Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from these contracts, and the amount and timing of revenue from contracts with existing customers at the end of the current fiscal year that are expected to be recognized in the following fiscal year or beyond (1) Balance of contract assets and contract liabilities, etc. (2) Transaction price allocated to remaining performance obligations	Same as left

Segment Information

1. Overview of reportable segments

The reportable segments of the Company are components of the Company for which separate financial information is available. These segments are subject to regular review by the Company's Board of Directors to determine the allocation of business resources and evaluate business performances.

The Company is an insurance holding company which manages life insurance companies and other subsidiaries in accordance with the Insurance Business Act. Under the Company, the Three Life Insurance Companies, with unique product strategies and sales strategies, operate life insurance business which is the Group's core business. Each of the Three Life Insurance Companies focuses on different markets. Taiyo Life focuses on the households market, Daido Life focuses on the small and medium enterprises market and T&D Financial Life focuses on independent insurance agent market and each company has different products under its unique marketing strategy.

In addition, T&D United Capital aims for diversification and optimization of the Group's business portfolio and focuses on establishing and strengthening functions as a profit center through the strategic investment in new growth business fields with a strong affinity for the life insurance business.

Therefore, the Company's four reportable segments are the Taiyo Life Insurance Company segment, the Daido Life Insurance Company segment, the T&D Financial Life Insurance Company segment and the T&D United Capital Company (consolidated) segment.

2. Method for calculating ordinary revenues, income or loss, assets and liabilities, and others by reportable segment

The method for the accounting treatment of the reportable segments is the same as described in "Summary of Significant Accounting Policies."

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(Application of the Revised U.S. Accounting Standards at Foreign Affiliates)

As stated in "Additional Information," a certain foreign affiliate has applied "Financial Services – Insurance" (Topic 944) (ASU 2018-12, ASU 2019-09, ASU 2020-11) from the beginning of the consolidated fiscal year ended March 31, 2026. In accordance with this application, certain insurance liabilities of these affiliates were evaluated using a new calculation method, which included a change in discount rate and a review of insurance assumptions. Accordingly, the consolidated financial statements for the consolidated fiscal year ended March 31, 2025 present figures after retrospective application, reflecting the relevant accounting treatment.

As a result, compared with the figures before retrospective application, segment assets of "T&D United Capital (Consolidated)" for the consolidated fiscal year ended March 31, 2025 increased by ¥93,933 million, segment liabilities decreased by ¥8,301 million, and tax expenses increased by ¥27 million.

3. Information on ordinary revenues, income or loss, assets and liabilities, and others by reportable segment

Year ended March 31, 2025

(Millions of yen)

	Reportable segments					Others	Total	Adjustments	Amount on consolidated financial statements
	Taiyo Life	Daido Life	T&D Financial Life	T&D United Capital (consolidated)	Subtotal				
Ordinary revenues	1,712,800	1,147,323	959,073	1,879	3,821,077	46,516	3,867,594	(137,115)	3,730,479
Intergroup transfers	3,500	1,150	—	—	4,651	96,284	100,935	(100,935)	—
Total	1,716,301	1,148,473	959,073	1,879	3,825,728	142,801	3,968,529	(238,050)	3,730,479
Segment income (loss)	79,486	113,562	7,783	(1,973)	198,858	82,674	281,533	(82,938)	198,595
Segment assets	6,692,604	7,964,439	1,861,932	109,063	16,628,039	1,163,611	17,791,650	(1,078,707)	16,712,943
Segment liabilities	6,319,150	7,029,948	1,782,150	149,425	15,280,675	328,143	15,608,819	(304,941)	15,303,878
Others									
Depreciation of real estate for rent	3,591	3,266	—	—	6,858	—	6,858	(362)	6,495
Depreciation	5,894	7,375	1,051	4	14,325	775	15,100	290	15,391
Provision for (reversal of) policy reserve	(687,842)	134,265	(26,336)	—	(579,912)	221	(579,691)	—	(579,691)
Provision for (reversal of) reserve for policyholder dividends	14,396	11,518	1	—	25,917	—	25,917	—	25,917
Interest, dividends and income from real estate for rent	148,611	206,265	5,433	273	360,583	82,017	442,600	(86,103)	356,497
Interest expenses	1,722	56	0	1,121	2,901	1,629	4,530	(2,127)	2,403
Equity in earnings (losses) of affiliates	—	—	—	—	—	—	—	(1,202)	(1,202)
Extraordinary gains	3,426	2,958	—	—	6,384	1,349	7,733	498	8,232
(Gains on negative goodwill)	—	—	—	—	—	—	—	1,341	1,341
Extraordinary losses	4,389	5,856	595	—	10,842	1,373	12,215	—	12,215
(Impairment losses)	459	1,120	—	—	1,580	—	1,580	—	1,580
(Provision for reserve for price fluctuations)	2,893	3,324	595	—	6,814	—	6,814	—	6,814
Taxes	12,267	26,530	1,600	794	41,193	681	41,874	(556)	41,318
Investments in affiliates	453	365	—	142,019	142,838	—	142,838	—	142,838
Increase in tangible fixed assets and intangible fixed assets	14,597	25,114	1,051	7	40,772	1,163	41,935	(68)	41,867

Notes:

1. Ordinary revenues instead of net sales are presented here.

2. Adjustments are as follows:

(1) The adjustment of ¥(137,115) million to ordinary revenues is the transferred amount, which mainly consists of provision for policy reserve of ¥134,486 million, provision for reserve for outstanding claims of ¥1,322 million, and foreign exchange losses, net of ¥811 million of ordinary expenses which are in ordinary revenues of the consolidated statement of operations as reversal of policy reserve, reversal of reserve for outstanding claims, and foreign exchange gains, net.

(2) The adjustment of ¥(82,938) million to segment income (loss) is mainly due to the elimination of dividends from subsidiaries and affiliates.

(3) The adjustment of ¥(1,078,707) million to segment assets is mainly due to the elimination of investments in stocks of subsidiaries and affiliates and the elimination of intersegment receivables and payables.

(4) The adjustment of ¥(304,941) million to segment liabilities is mainly due to the elimination of intersegment receivables and payables.

3. Segment income (loss) is adjusted to align with the ordinary profit set forth in the consolidated statement of operations.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Year ended March 31, 2026

(Millions of yen)

	Reportable segments					Others	Total	Adjustments	Amount on consolidated financial statements
	Taiyo Life	Daido Life	T&D Financial Life	T&D United Capital (consolidated)	Subtotal				
Ordinary revenues	1,275,387	1,246,058	912,827	4,218	3,438,491	44,596	3,483,087	(872)	3,482,214
Intergroup transfers	4,579	672	—	—	5,252	184,890	190,143	(190,143)	—
Total	1,279,966	1,246,730	912,827	4,218	3,443,743	229,487	3,673,230	(191,015)	3,482,214
Segment income (loss)	116,588	134,680	12,328	(1,816)	261,780	160,555	422,335	(165,144)	257,191
Segment assets	6,754,113	8,224,988	1,960,191	272,295	17,211,588	1,304,612	18,516,201	(1,197,871)	17,318,329
Segment liabilities	6,295,197	7,200,712	1,874,879	283,055	15,653,843	474,515	16,128,358	(427,666)	15,700,692
Others									
Depreciation of real estate for rent	3,620	3,510	—	—	7,131	—	7,131	(387)	6,744
Depreciation	6,403	7,827	1,084	7	15,323	935	16,258	339	16,598
Provision for (reversal of) policy reserve	49,287	107,311	99,328	—	255,927	713	256,641	—	256,641
Provision for (reversal of) reserve for policyholder dividends	14,612	10,847	(0)	—	25,459	—	25,459	—	25,459
Interest, dividends and income from real estate for rent	163,313	233,680	6,140	363	403,497	162,450	565,948	(168,173)	397,775
Interest expenses	5,220	22	0	2,532	7,776	3,049	10,825	(3,509)	7,316
Equity in earnings (losses) of affiliates	—	—	—	3,684	3,684	—	3,684	(1,717)	1,967
Extraordinary gains	963	3,513	—	—	4,476	179	4,655	1,721	6,377
(Gains on negative goodwill)	—	—	—	—	—	—	—	1,721	1,721
Extraordinary losses	29,691	17,799	907	1	48,400	192	48,593	(1,644)	46,949
(Impairment losses)	405	720	—	—	1,126	—	1,126	—	1,126
(Provision for reserve for price fluctuations)	2,623	15,663	295	—	18,582	—	18,582	—	18,582
Taxes	20,986	27,318	3,199	371	51,874	122	51,997	(812)	51,185
Investments in affiliates	453	365	—	244,476	245,295	—	245,295	—	245,295
Increase in tangible fixed assets and intangible fixed assets	9,121	22,656	4,428	6	36,211	1,643	37,855	16	37,872

Notes:

1. Ordinary revenues instead of net sales are presented here.

2. Adjustments are as follows:

- The adjustment of ¥(872) million to ordinary revenues is the transferred amount, which mainly consists of reversal of reserve for possible loan losses of ¥361 million, gains on financial derivatives of ¥160 million, and reversal of reserve for outstanding claims of ¥126 million of ordinary revenues which are in ordinary expenses of the consolidated statement of operations as provision for reserve for possible loan losses, losses on financial derivatives, and provision for reserve for outstanding claims, respectively, and provision for employees' retirement benefits of ¥118 million of ordinary expenses which is in ordinary revenues of the consolidated statement of operations as reversal of provision for employees' retirement benefits.
 - The adjustment of ¥(165,144) million to segment income (loss) is mainly due to the elimination of dividends from subsidiaries and affiliates.
 - The adjustment of ¥(1,197,871) million to segment assets is mainly due to the elimination of investments in stocks of subsidiaries and affiliates and the elimination of intersegment receivables and payables.
 - The adjustment of ¥(427,666) million to segment liabilities is mainly due to the elimination of intersegment receivables and payables.
3. Segment income (loss) is adjusted to align with the ordinary profit set forth in the consolidated statement of operations.

Related Information

Year ended March 31, 2025

1. Information by product and service

Sales to external customers

(Millions of yen)

	Taiyo Life	Daido Life	T&D Financial Life	T&D United Capital (consolidated)	Others	Total
Income from insurance premiums	805,591	841,262	921,711	—	11,256	2,579,821
Insurance premiums	725,062	821,887	684,260	—	11,256	2,242,466
Individual insurance and individual annuities	626,776	769,627	684,117	—	—	2,080,521
Group insurance	27,824	19,698	—	—	—	47,523
Group annuities	69,545	31,242	126	—	—	100,914
Others	915	1,318	16	—	11,256	13,507
Ceded reinsurance recoveries	80,528	19,375	237,450	—	—	337,355

Note:

Income from insurance premiums instead of net sales is presented here.

2. Information by geographic area

(1) Net sales

Information by geographic area is omitted, as net sales (ordinary revenues) to external customers in Japan exceed 90% of net sales (ordinary revenues) in the consolidated statement of operations.

(2) Tangible fixed assets

Information by geographic area is omitted, as the amount of tangible fixed assets in Japan exceeds 90% of the amount of tangible fixed assets in the consolidated balance sheet.

3. Information by major customer

Information by major customer is omitted, as there are no customers to whom sales exceed 10% of net sales (ordinary revenues) to external customers in the consolidated statement of operations.

Year ended March 31, 2026

1. Information by product and service

Sales to external customers

(Millions of yen)

	Taiyo Life	Daido Life	T&D Financial Life	Others	Total
Income from insurance premiums	983,087	855,326	784,664	12,706	2,635,783
Insurance premiums	649,130	834,345	625,354	12,706	2,121,537
Individual insurance and individual annuities	557,146	784,555	625,215	—	1,966,917
Group insurance	28,088	19,424	0	—	47,513
Group annuities	63,016	29,128	121	—	92,266
Others	878	1,237	16	12,706	14,838
Ceded reinsurance recoveries	333,956	20,980	159,309	—	514,246

Note:

Income from insurance premiums instead of net sales is presented here.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

2. Information by geographic area

(1) Net sales

Information by geographic area is omitted, as net sales (ordinary revenues) to external customers in Japan exceed 90% of net sales (ordinary revenues) in the consolidated statement of operations.

(2) Tangible fixed assets

Information by geographic area is omitted, as the amount of tangible fixed assets in Japan exceeds 90% of the amount of tangible fixed assets in the consolidated balance sheet.

3. Information by major customer

Information by major customer is omitted, as there are no customers to whom sales exceed 10% of net sales (ordinary revenues) to external customers in the consolidated statement of operations.

Information on impairment losses on fixed assets by reportable segment

Year ended March 31, 2025

Information on impairment losses on fixed assets by reportable segment is disclosed in "Segment Information."

Year ended March 31, 2026

Information on impairment losses on fixed assets by reportable segment is disclosed in "Segment Information."

Information on amortization of goodwill and unamortized balance of goodwill by reportable segment

Year ended March 31, 2025

Not applicable.

Year ended March 31, 2026

Not applicable.

Information on gains on negative goodwill by reportable segment

Year ended March 31, 2025

Information on gains on negative goodwill by reportable segment is disclosed in "Segment Information."

Year ended March 31, 2026

Information on gains on negative goodwill by reportable segment is disclosed in "Segment Information."

Related Party Information

Year ended March 31, 2025

1. Related party transactions

(1) Transactions with the Company

Not applicable.

(2) Transactions with the Company's consolidated subsidiaries

1) The Company's parent company and major shareholders (limited to companies, etc.), etc.

Not applicable.

2) The Company's non-consolidated subsidiaries and affiliates, etc.

Type	Name	Location	Paid-in Capital	Type of business	Voting rights ownership (%)	Relation of related party	Transaction	Amount of Transaction (Millions of yen)	Accounting item	Balance at the end of the year (Millions of yen)
Subsidiary of affiliate	Fortitude International Reinsurance Ltd.	Bermuda (British territory)	\$1 million	Reinsurance	Indirect ownership 26.37	Conclusion of reinsurance contract with Taiyo Life	Payment of reinsurance premiums	658,500	—	—
Subsidiary of affiliate	Fortitude International Reinsurance Ltd.	Bermuda (British territory)	\$1 million	Reinsurance	Indirect ownership 26.37	Conclusion of reinsurance contract with T&D Financial Life	Payment of reinsurance premiums	231,163	Reinsurance payable	14,142

Note:

Reinsurance premiums agreed with the reinsurer based on the reinsurance contract were recorded at the time of receipt of insurance premiums relating to the underlying insurance contract or at the time of conclusion of the reinsurance contract. Reinsurance premiums were determined by considering multiple quotes.

3) Companies, etc. having the same parent company as the Company and subsidiaries, etc. of the Company's other subsidiaries and affiliates

Not applicable.

4) The Company's officer and major shareholders (limited to individuals), etc.

Not applicable.

2. Notes on the parent company or any important affiliates

(1) Notes on the parent company

Not applicable.

(2) Summarized financial information of important affiliates

For the consolidated fiscal year ended March 31, 2025, the important affiliate was FGH Parent, L.P. and its summarized consolidated financial information (main consolidated balance sheet items and consolidated statement of operations items) is as follows.

The consolidated financial statements of the company have been prepared in accordance with U.S. GAAP.

	(Millions of yen)
	FGH Parent, L.P.
Total assets	16,562,416
Total liabilities	16,204,463
Total net assets	357,953
Total revenues	481,768
Total expenses	671,002
Income before income taxes	(189,233)
Profit	(143,828)

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

Year ended March 31, 2026

1. Related party transactions

(1) Transactions with the Company
Not applicable.

(2) Transactions with the Company's consolidated subsidiaries

1) The Company's parent company and major shareholders (limited to companies, etc.), etc.
Not applicable.

2) The Company's non-consolidated subsidiaries and affiliates, etc.

Type	Name	Location	Paid-in Capital	Type of business	Voting rights ownership (%)	Relation of related party	Transaction	Amount of Transaction (Millions of yen)	Accounting item	Balance at the end of the year (Millions of yen)
Subsidiary of affiliate	Fortitude International Reinsurance Ltd.	Bermuda (British territory)	\$1 million	Reinsurance	Indirect ownership 26.37	Conclusion of reinsurance contract with T&D Financial Life	Payment of reinsurance premiums	146,751	Reinsurance payable	6,570
Subsidiary of affiliate	Fortitude International Reinsurance Ltd.	Bermuda (British territory)	\$1 million	Reinsurance	Indirect ownership 26.37	Conclusion of reinsurance contract with Taiyo Life	Receipt of reinsurance recoveries	258,663	Reinsurance receivable	147,215

Note:
Reinsurance premiums agreed with the reinsurer based on the reinsurance contract were recorded at the time of receipt of insurance premiums relating to the underlying insurance contract or at the time of conclusion of the reinsurance contract. Reinsurance premiums were determined by considering multiple quotes.
Reinsurance recoveries and other amounts receivable under reinsurance agreements are recognized when insurance claims and other payments relating to the underlying insurance contracts are paid.

3) Companies, etc. having the same parent company as the Company and subsidiaries, etc. of the Company's other subsidiaries and affiliates
Not applicable.

4) The Company's officer and major shareholders (limited to individuals), etc.
Not applicable.

2. Notes on the parent company or any important affiliates

(1) Notes on the parent company
Not applicable.

(2) Summarized financial information of important affiliates

For the consolidated fiscal year ended March 31, 2026, the important affiliate was FGH Parent, L.P. and its summarized consolidated financial information (main consolidated balance sheet items and consolidated statement of operations items) is as follows.

The consolidated financial statements of the company have been prepared in accordance with U.S. GAAP.

	(Millions of yen)
	FGH Parent, L.P.
Total assets	18,339,853
Total liabilities	17,933,734
Total net assets	406,118
Total revenues	872,215
Total expenses	725,580
Income before income taxes	146,635
Profit	122,453

Note:FGH Parent, L.P. has applied "Financial Services – Insurance" (Topic 944) (ASU 2018-12, ASU 2019-09, ASU 2020-11) from the beginning of the consolidated fiscal year ended March 31, 2026. In accordance with this application, certain insurance liabilities of the company were evaluated using a new calculation method, which included a change in discount rate and a review of insurance assumptions. Accordingly, the consolidated financial statements for the consolidated fiscal year ended March 31, 2025 present figures after retrospective application, reflecting the relevant accounting treatment.

Per Share Information

	Year ended March 31, 2025	Year ended March 31, 2026
Net assets per share	¥2,739.81	¥3,359.12
Net income per share	¥241.67	¥279.64
Net income per share (fully diluted)	¥241.55	¥279.54

Note:

A summary of the net assets per share, the net income per share and the net income per share (fully diluted) computations is as follows:

(1) Net income per share and net income per share (fully diluted) (Millions of yen)		
	Year ended March 31, 2025	Year ended March 31, 2026
Net income per share:		
Profit attributable to owners of parent	126,384	138,968
Amount not attributable to common shareholders	—	—
Profit attributable to owners of parent attributable to common shareholders	126,384	138,968
Weighted-average number of common stocks outstanding	522,960,330 shares	496,951,329 shares
Net income per share (fully diluted):		
Adjusted profit attributable to owners of parent	—	—
Increase in common stock	261,726 shares	186,303 shares
[Subscription rights to shares]	[261,726 shares]	[186,303 shares]
Summary of potential shares that are not included in computation of net income per share (fully diluted) due to lack of dilution effect	—	—

(2) Net assets per share (Millions of yen)		
	As of March 31, 2025	As of March 31, 2026
Net assets	1,409,064	1,617,637
Deduction from net assets	6,025	5,708
[Subscription rights to shares]	[304]	[196]
[Non-controlling interests]	[5,721]	[5,511]
Net assets available to common shareholders	1,403,038	1,611,928
The number of common stock outstanding	512,093,829 shares	479,865,829 shares

(3) The Company's shares remaining in the BIP (Board Incentive Plan) Trust, which are recorded as treasury shares in shareholders' equity, are included in treasury shares to be deducted in the calculation of the average number of shares during the period for calculation of net income per share and net income per share (fully diluted). Also, for the calculation of net assets per share, it is included in the number of treasury shares deducted from the total number of outstanding shares at the end of the fiscal year.

Accordingly, the average number of treasury shares to be deducted in calculation of net income per share and net income per share (fully diluted) is 2,761,401, and the number of treasury shares to be deducted in calculation of net assets per share is 2,708,643 for the consolidated fiscal year ended March 31, 2026. Also, for the consolidated fiscal year ended March 31, 2025, the average number of treasury shares to be deducted in calculation of net income per share and net income per share (fully diluted) was 2,491,583, and the number of treasury shares to be deducted in calculation of net assets per share was 2,867,231.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(4) As stated in "Additional Information," a certain foreign affiliate has applied "Financial Services – Insurance" (Topic 944) (ASU 2018-12, ASU 2019-09, ASU 2020-11) from the beginning of the consolidated fiscal year ended March 31, 2026. In accordance with this application, certain insurance liabilities of these affiliates were evaluated using a new calculation method, which included a change in discount rate and a review of insurance assumptions. Accordingly, the consolidated financial statements for the consolidated fiscal year ended March 31, 2025 present figures after retrospective application, reflecting the relevant accounting treatment.

As a result, compared to the figures prior to the retrospective application, net assets per share for the consolidated fiscal year ended March 31, 2025 increased by ¥199.64, while net income per share and net income per share (fully diluted) each decreased by ¥0.05.

Significant Subsequent Events

(Transfer of shares of a consolidated subsidiary)

The Company has resolved at the Board of Directors meeting held on June 4, 2026 to enter into separate share purchase agreements with PayPay Corporation ("PayPay") and with OneIM Indigo Holdings Ltd ("OneIM Indigo"), an affiliated entity of investment management firm One Investment Management Ltd ("OneIM"), to transfer shares of T&D Financial Life Insurance Company ("T&D Financial Life"), a consolidated subsidiary of the Company, to PayPay and OneIM Indigo.

The share transfer is expected to be completed on October 1, 2027, subject to the satisfaction of conditions precedent, including obtaining the necessary regulatory approvals and completing the International Financial Reporting Standards (IFRS) conversion required for consolidation into the PayPay group. Upon the completion of the share transfer, T&D Financial Life is expected to be excluded from the Company's consolidated subsidiaries.

(1) Purpose of the share transfer

In light of recent changes in the business environment, the Company has determined that to support T&D Financial Life's further growth, transferring its shares to PayPay, which leverages its payment platform to provide financial services, including credit card, banking, and securities services, represents the best course of action.

Going forward, PayPay aims to further enhance T&D Financial Life's bancassurance business and, by adding T&D Financial Life's life insurance products to PayPay's financial services ecosystem, to provide comprehensive financial services tailored to users' life stages. Through these initiatives, T&D Financial Life is expected to achieve further business growth.

Additionally, OneIM has strengths in alternative investments and is expected to contribute to enhancing T&D Financial Life's asset management capabilities.

The Company also intends to allocate the proceeds from this share transfer for shareholder returns and reallocate them to investments aimed at increasing group resilience (including the DX strategy) set forth in the Group long-term vision, thereby achieving further sustainable growth in profits and dividends.

(2) Names of counterparties to the transfer

- PayPay Corporation
- OneIM Indigo Holdings Ltd

(3) Timing of the transfer

- 1) Date of execution of the agreement: June 4, 2026
- 2) Date of completion of the transfer: October 1, 2027 (planned)

(4) Overview of the subsidiary

- 1) Name: T&D Financial Life Insurance Company
- 2) Business description: Life insurance business
- 3) Relationship between the Company and the subsidiary

Capital relationship	The subsidiary is a consolidated and wholly owned subsidiary of the Company.
Personnel relationship	An executive officer of the Company serves concurrently as a representative director of the subsidiary. The Company and the subsidiary also have a mutual employee secondment arrangement.
Business relationship	The Company provides corporate support including management administration to the subsidiary.

(5) Number of shares to be transferred, ownership ratio after transfer, and transfer price

- 1) Number of shares to be transferred 1,361,600 shares
- 2) Transfer price Approximately ¥160.0 billion
- 3) Ownership ratio after transfer 14.9%

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

*The above amount has been calculated on the basis that the share transfer will be completed on October 1, 2027. The final purchase price will be determined after certain adjustments are made in accordance with the method set forth in the share purchase agreement.

(6) Others

The impact of this share transfer on the consolidated financial results for the fiscal year ending March 31, 2028 is currently being assessed. The Company will promptly disclose the results as soon as they are finalized. Under the shareholders' agreement to be entered into among the Company, PayPay and OneIM on the closing date of the share transfer, the parties are expected to agree on a call option exercisable by PayPay from the closing date and a put option exercisable by the Company from the date falling three years after the closing date, with respect to the 238,400 shares of T&D Financial Life that the Company will continue to hold, representing an ownership ratio of 14.9%.

(Acquisition of treasury shares)

The Company has resolved the acquisition of treasury shares at the Board of Director's meeting held on June 4, 2026, based on the provisions of Article 31 of the Company's Articles of Incorporation complying with Article 459, Paragraph 1, Item 1 of the Companies Act of Japan.

(1) Reasons for the acquisition of treasury shares

To increase shareholder returns and improve the capital efficiency.

(2) Details of the acquisition

- 1) Type of shares to be acquired: Shares of common stock
- 2) Total number of shares to be acquired: Up to 12,000,000 shares
- 3) Total amount of acquisition: Up to ¥30,000 million
- 4) Period of acquisition: From June 8, 2026, to September 30, 2026
- 5) Method of acquisition: Open-market repurchase by the discretionary trading method

(6) Consolidated Supplementary Schedules

1) Schedule of bonds

(Millions of yen)

Company name	Name of bond	Date of issue	Balance at the beginning of the fiscal year	Balance at the end of the fiscal year	Interest rate	Secured	Maturity date
The Company	First Series of Domestic Subordinated Unsecured Bonds with Interest Deferral Option and Early Redemption Option	September 20, 2018	50,000	50,000	1.12%	No	September 23, 2048
The Company	Third Series of Domestic Subordinated Unsecured Bonds with Interest Deferral Option and Early Redemption Option	January 30, 2020	40,000	40,000	0.94%	No	February 4, 2050
The Company	First Series of Domestic Unsecured Straight Bonds with Inter-bond Pari Passu Clause	December 23, 2024	10,000	10,000	0.99%	No	December 21, 2029
The Company	Second Series of Domestic Unsecured Straight Bonds with Inter-bond Pari Passu Clause	December 12, 2024	20,000	20,000	0.99%	No	December 12, 2029
The Company	Third Series of Domestic Unsecured Straight Bonds with Inter-bond Pari Passu Clause	September 4, 2025	—	34,000	1.23%	No	September 4, 2028
The Company	Fourth Series of Domestic Unsecured Straight Bonds with Inter-bond Pari Passu Clause	September 4, 2025	—	40,000	1.49%	No	September 4, 2030
The Company	Fifth Series of Domestic Unsecured Straight Bonds with Inter-bond Pari Passu Clause	September 4, 2025	—	10,000	1.75%	No	September 3, 2032
The Company	Sixth Series of Domestic Unsecured Straight Bonds with Inter-bond Pari Passu Clause	September 4, 2025	—	10,000	2.07%	No	September 4, 2035
The Company	Seventh Series of Domestic Unsecured Straight Bonds with Inter-bond Pari Passu Clause	March 12, 2026	—	10,000	1.90%	No	March 12, 2031

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

T&D Lease Co., Ltd.	Short-term bonds	February 21, 2025 – March 23, 2026	7,989	7,980 [7,980]	0.67% – 1.44%	No	May 22, 2025 – June 24, 2026
Total	—	—	127,989	231,980 [7,980]	—	—	—

Notes:

1. The interest rate presented for First Series of Domestic Subordinated Unsecured Bonds with Interest Deferral Option and Early Redemption Option is the annual interest rate from the day after September 20, 2018 to September 20, 2028. From the day after September 20, 2028, 1.74% is added to the base interest rate.
2. The interest rate presented for Third Series of Domestic Subordinated Unsecured Bonds with Interest Deferral Option and Early Redemption Option is the annual interest rate from the day after January 30, 2020 to February 4, 2030. From the day after February 4, 2030, 1.80% is added to the base interest rate.
3. Amounts in square brackets under balance at the end of the fiscal year represent corporate bonds due to mature within one year.
4. Amounts of bonds due to mature within five years after the consolidated closing date are as follows:

(Millions of yen)

Due within one year	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
8,000	—	34,000	30,000	50,000

2) Schedule of borrowings

(Millions of yen)

Category	Balance at the beginning of the fiscal year	Balance at the end of the fiscal year	Average interest rate	Repayment periods
Short-term borrowings	—	—	—	—
Current portion of long-term borrowings	12,245	12,176	0.66%	—
Current portion of lease obligations	577	912	0.39%	—
Long-term borrowings (excluding the current portion due within one year)	44,123	84,785	1.36%	April 2027–June2051
Lease obligations (excluding the current portion within one year)	1,242	2,356	0.33%	April 2027–August2035
Other interest-bearing liabilities				
Accounts payable - installment purchase (due within one year)	94	72	0.67%	—
Accounts payable - installment purchase (due after one year)	72	—	—	—
Total	58,356	100,303	—	—

Notes:

1. The average interest rates represent weighted average interest rates based on the balances at the end of the fiscal year of borrowings, etc.
2. Amounts of long-term borrowings, lease obligations, and other interest-bearing liabilities (excluding the current portion due within one year) due within five years after the consolidated closing date are as follows:

(Millions of yen)

Category	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
Long-term borrowings	8,946	6,411	4,559	20,078
Lease obligations	795	731	596	197
Other interest-bearing liabilities	—	—	—	—

3) Schedule of asset retirement obligations

The schedule of asset retirement obligations is omitted as the amount of asset retirement obligations at the beginning and end of the fiscal year ended March 31, 2026 was no more than 1% of the total amount of liabilities and net assets at the beginning and end of the fiscal year ended March 31, 2026.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

2 Adequacy of Insurance Holding Company and Its Subsidiaries, etc. in Terms of Solvency to Meet Insurance Payments (solvency margin ratio)

What is the solvency margin ratio?

Solvency margin means the ability to pay claims.

The Company is fully capable of handling risks that are normally foreseeable by accumulating policy reserves for future insurance claims and other payments. However, risks beyond normal expectations, such as major natural disasters, share price plunges, and pandemics may occur. The solvency margin ratio is an indicator used in administrative supervision to determine whether an insurance company possesses sufficient ability to cope with such risks and pay claims.

If the solvency margin ratio of the insurance holding company or insurance companies has fallen below 100%, the regulatory authorities take early corrective measures.

Following the introduction of the economic value-based solvency regulations from the fiscal year ended March 31, 2026, the calculation standards were revised. Accordingly, no figure as of March 31, 2025 is provided.

(1) T&D Holdings, Inc.

1) Solvency margin ratio, eligible capital and required capital

(Millions of yen)

Summary (Consolidated)			
Item	a	b	c
	As of March 31, 2025	As of March 31, 2026	Change
Eligible capital (A)	—	4,469,973	—
Required capital (B)	—	2,064,186	—
Solvency margin ratio ((A) / (B))	—	216.5%	—

2) Matters related to the composition of eligible capital

(Millions of yen)

Composition of eligible capital (Consolidated)		
Item	a	b
	As of March 31, 2025	As of March 31, 2026
Tier 1 eligible capital ((B)–(C)) (A)	—	4,345,712
Basic items of Tier 1 eligible capital (B)	—	4,455,202
Tier 1 capital procurement instruments not subject to inclusion limits	—	207,111
Tier 1 capital procurement instruments subject to inclusion limits	—	—
Tier 1 eligible capital other than capital procurement instruments	—	4,248,090
Surplus, etc. or retained earnings, etc.	—	996,196
Capital surplus (excluding amounts included in Tier 2 eligible capital)	—	—
Accumulated other comprehensive income or valuation and translation adjustment	—	906,208
Other contributions, etc.	—	196
Non-controlling interests (after applying the cap)	—	3,164
Economic value-based adjustments	—	2,342,324
Adjustment items for Tier 1 eligible capital (C)	—	109,490
Intangible fixed assets (net of deferred tax liabilities)	—	65,251
Deferred tax assets	—	335
Prepaid pension costs or retirement benefit assets (net of deferred tax liabilities)	—	12,497
Tier 1 capital procurement instruments intentionally held by other financial institutions, etc.	—	—
Investments in own Tier 1 capital procurement instruments	—	23,740
Ineligible reinsurance assets	—	—
Amount of restricted assets in excess of related liabilities and required capital	—	7,665
Tier 2 eligible capital ((E)–(F)–(G)) (D)	—	124,261
Basic items of Tier 2 eligible capital (E)	—	124,261
Tier 2 capital procurement instruments	—	103,500
Amount exceeding the limit for Tier 1 capital procurement instruments subject to inclusion limits	—	—
Paid-in Tier 2 capital procurement instruments	—	103,500
Unpaid Tier 2 capital procurement instruments	—	—
Tier 2 eligible capital other than capital procurement instruments	—	20,761
Capital surplus resulting from the issuance of capital procurement instruments included in Tier 2 capital procurement instruments	—	—
Amount of restricted assets deducted from Tier 1 eligible capital	—	7,665
Tier 2 basket (after applying the cap)	—	13,096
Adjustment items for Tier 2 eligible capital (F)	—	—
Tier 2 capital procurement instruments intentionally held by other financial institutions, etc.	—	—
Investments in own Tier 2 capital procurement instruments	—	—
Deduction resulting from applying the cap to Tier 2 eligible capital (G)	—	—
Eligible capital ((A)+(D))	—	4,469,973

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

3) Matters related to the composition of required capital

(Millions of yen)

Composition of required capital (Consolidated)		
Item	a	b
	As of March 31, 2025	As of March 31, 2026
Life insurance risk (A)	—	1,461,844
Mortality risk	—	195,051
Longevity risk	—	20,329
Morbidity/disability risk	—	151,794
Surrender and lapse risk	—	1,347,583
Expense risk	—	133,830
Effect of management actions	—	—
Non-life insurance risk (B)	—	2,235
Catastrophe risk (C)	—	41,847
Market risk (D)	—	1,642,411
Interest rate risk	—	71,730
Spread risk	—	110,775
Equity risk	—	1,191,722
Real estate risk	—	192,772
Currency risk	—	541,976
Asset concentration risk	—	40,315
Effect of management actions	—	—
Credit risk (E)	—	242,909
Operational risk (F)	—	82,320
Amount exceeding the cap on the effect of management actions (G)	—	—
Diversification effects (H)	—	832,936
Required capital for non-insurance business (I)	—	13,795
Required capital (before tax effects) ((A)+(B)+(C)+(D)+(E)+(F)+(G)-(H)+(I)) (J)	—	2,654,427
Tax effect on required capital (K)	—	590,240
Required capital (after tax effects) ((J)-(K))	—	2,064,186

Notes:

- As the amounts of each risk comprising required capital are calculated by aggregating the amounts listed in the breakdown using prescribed correlation coefficients that take into account diversification effects, among other factors, it does not match the simple sum of the amounts presented in the breakdown.
- Since the amount of non-life insurance risk is immaterial, the breakdown has been omitted.
- Since the amount of catastrophe risk is immaterial, the breakdown has been omitted.

4) Matters relating to the economic value-based balance sheet

(As of March 31, 2026)

(Millions of yen)

Consolidated economic value-based balance sheet					
Account	a	b	c	d	e
	Financial accounting-based amount	Adjustments relating to the scope of consolidation	Reclassification	Revaluation	Economic value-based amount (a+b+c+d)
Assets					
Total assets	17,318,329	—	3,140,164	(1,732,640)	18,725,853
Cash and deposits	416,182	—	32,840	—	449,022
Call loans	279,703	—	5,370	—	285,073
Monetary claims purchased	120,609	—	(397)	(14,260)	105,951
Monetary trusts	1,220,462	—	(1,220,462)	—	—
Securities	12,720,338	—	775,512	(1,716,218)	11,779,632
Loans	1,508,095	—	286,338	(60,113)	1,734,320
Tangible fixed assets	370,247	—	114,212	221,668	706,129
Land	207,188	—	35,794	221,197	464,180
Buildings	154,457	—	78,415	471	233,344
Lease assets	1,860	—	—	—	1,860
Construction in progress	713	—	2	—	715
Other tangible fixed assets	6,028	—	—	—	6,028
Intangible fixed assets	66,245	—	(994)	—	65,251
Software	65,119	—	—	—	65,119
Lease assets	7	—	—	—	7
Other intangible fixed assets	1,118	—	(994)	—	124
Retirement benefit asset	17,357	—	—	—	17,357
Deferred tax assets	359	—	—	(24)	335
Reserve for possible loan losses	(3,166)	—	28	2,940	(198)
Other assets	445,739	—	7,552	—	453,292
Assets in separate account, etc.	156,154	—	—	—	156,154
Reinsurance recoverables	—	—	3,140,164	(166,632)	2,973,532
Liabilities					
Total liabilities	15,700,692	—	2,666,316	(4,074,965)	14,292,043
Insurance liabilities (Policy reserves)	13,979,640	—	2,966,161	(5,161,078)	11,784,723
Current estimate (Policy reserves other than regulatory reserves)	13,805,637	—	—	—	11,173,387
Margin over current estimate (MOCE)	—	—	—	—	611,336
Regulatory reserves (contingency reserve, etc.)	174,002	—	(174,002)	—	—
Non-insurance liabilities	1,721,051	—	(299,844)	1,086,113	2,507,320
Short-term debentures	7,980	—	—	—	7,980
Bonds	224,000	—	—	(3,382)	220,618
Retirement benefit liability	22,976	—	—	—	22,976
Provision for directors' and audit and supervisory committee members' retirement benefits	19	—	—	—	19
Other provisions	3,557	—	—	—	3,557
Reserve for price fluctuations	299,844	—	(299,844)	—	—
Deferred tax liabilities	92,823	—	4,406	1,091,914	1,189,143
Deferred tax liabilities on land revaluation	4,406	—	(4,406)	—	—
Income taxes payable	28,647	—	—	—	28,647
Other liabilities	1,036,795	—	—	(2,419)	1,034,376

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(Millions of yen)

Consolidated economic value-based balance sheet					
Account	a	b	c	d	e
	Financial accounting-based amount	Adjustments relating to the scope of consolidation	Reclassification	Revaluation	Economic value-based amount (a+b+c+d)
Net assets					
Net assets	1,617,637	—	473,847	—	4,433,809
Total shareholders' equity	705,720	—	473,847	—	1,179,568
Capital stock	207,111	—	—	—	207,111
Retained earnings	522,349	—	—	—	522,349
Regulatory reserves		—	473,847	—	473,847
(-) Treasury shares	23,740	—	—	—	23,740
Total accumulated other comprehensive income	906,208	—	—	—	906,208
Valuation difference on available-for-sale securities	735,816	—	—	—	735,816
Deferred gains (losses) on hedging instruments	(1,891)	—	—	—	(1,891)
Revaluation reserve for land	(6,232)	—	—	—	(6,232)
Foreign currency translation adjustments	51,354	—	—	—	51,354
Valuation difference on policy reserves of foreign subsidiaries and affiliates	127,160	—	—	—	127,160
Subscription rights to shares	196	—	—	—	196
Non-controlling interests	5,511	—	—	—	5,511
Economic value-based adjustments					2,342,324

[Notes]

- Applicable laws and regulations
The economic value-based balance sheet is prepared in accordance with the Public Notice of the Financial Services Agency No. 74 of 2025 and the Public Notice of the Financial Services Agency No. 75 of 2025, pursuant to Article 210-10-2, Paragraph 1, Item 4(c) of the Regulation for Enforcement of the Insurance Business Act.
- Policy for the preparation of the economic value-based balance sheet
 - Asset valuation method
 - The valuation method of major assets is as follows.
 - Financial instruments, etc. recognized under assets
Among financial instruments, held-to-maturity bonds, policy-reserve-matching bonds, stocks without market prices, loans, etc., that have not been subject to fair value valuation under financial accounting have also been revalued at fair value.
Investment trusts, subject to reclassification are, to the extent practicable, recognized based on the individual assets and transactions underlying the exposures held (the "look-through approach") and are then revalued at fair value.
In the revaluation of financial instruments at fair value, we use the fair values disclosed in accordance with the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" ASBJ Guidance No. 19. For the fair value measurement of stocks without market prices, fair values are determined for major holdings based on their net asset value at fair value.
Among tangible fixed assets, real estate is revalued at fair value, and the fair value of major properties is calculated based on their appraisal value by external real estate appraisers. The value of other properties is calculated in-house based on the posted price.
 - Reinsurance recoverables for reinsured insurance contracts
Reinsurance recoverables for reinsured insurance contracts are recognized under assets as the probability-weighted average of the present value of future cash flows. The assumptions regarding future cash flows and discount rates are used in a manner consistent with those used for the underlying reinsured insurance contracts.
Additionally, the estimated uncollectible amount of reinsurance recoverables and other items is calculated using expected default rates and other factors set for each credit rating.
 - With respect to the valuation of assets of consolidated subsidiaries and affiliates that are classified as non-insurance companies, the general treatment is to measure such assets at fair value. However, taking into account the materiality of the impact on the calculation results, the proportionality principle is applied, and the carrying amounts on the balance sheet are used as a simplified treatment. The impact of applying the proportionality principle on the calculation results, including the solvency margin ratio, is immaterial.
 - No revaluation is performed for consolidated subsidiaries and subsidiaries and affiliates classified as non-insurance companies.
 - Liability valuation method
 - The evaluation method of liabilities is mainly as follows.
 - Economic value-based insurance liabilities
Economic value-based insurance liabilities are measured by first estimating the future cash flows arising from insurance contracts recognized as of the valuation date and calculating the present value of such cash flows using specified discount rates. The current estimate is then measured as the probability-weighted average of these present values, and an amount of margin that takes into account the uncertainty inherent in the current estimate ("MOCE") is added to the current estimate to determine the insurance liabilities. The details are as follows.
 - Recognition
As of the valuation date, all insurance contracts to which the Company is a party, are recognized until all obligations under such insurance contracts have been extinguished.
 - Estimates of future cash flows
 - Contract boundary
The contract boundary defining future cash flows included in the measurement of the current estimate is determined based on the rights and obligations under the insurance contracts.
 - Assumptions included in the estimates of cash flows
Assumptions used to estimate future cash flows, including mortality rates, morbidity rates, loss ratios, policyholder behavior such as surrender and lapse rates, renewal rates, and the operating expense rate, are established by product type, reflecting the latest actual results and policyholder characteristics.
The assumptions underlying the mortality rate incorporate future improvement trends based on the latest actual results and publicly available data such as demographic statistics.
The assumptions underlying surrender and lapse rates are estimated by insurance product type and policy duration based on the latest actual results.
The operating expense rate is based on recent expense levels and used to estimate future expenses. These future expense estimates are adjusted for inflation.
The actual results used in setting these assumptions are monitored periodically, and the results of such monitoring are reflected in the measurement of the current estimate.
Additionally, for policyholder dividends, the dividend rate assumptions are set based on the current level of dividend returns and set in line with economic scenarios, including yield curves that take into account adjusted spreads.
The measurement of future cash flows reflects dynamic policyholder dividends for participating contracts, minimum guarantees for variable products, minimum guaranteed interest rates for products with variable assumed interest rates, dynamic surrender, and other guarantees and options. These guarantees and options are evaluated using stochastic calculations to measure insurance liabilities.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

iii. Discount rates

Discount rates are calculated by adding an adjusted spread for each group of insurance contracts underwritten by the Company (an "insurance contract portfolio") to the yield curve of the risk-free rate.

The yield curve for the risk-free rate is set primarily based on market interest rates derived from liquid interest rate swaps or government bonds.

Adjusted spreads are calculated by classifying the insurance contract portfolios established based on product categories into the top bucket, middle bucket, and general bucket. The applicable buckets for each major insurance contract portfolio and the discount rates for the main maturities are as follows.

Major product category	Applicable bucket	5 years	10 years	15 years	20 years
Products of Taiyo Life classified as insurance liabilities subject to matching asset management	Middle bucket	2.080%	2.681%	3.204%	3.770%
Individual insurance, individual annuities, group insurance, etc. in the general assets category of Daido Life	Middle bucket	1.923%	2.524%	3.045%	3.607%
Other yen-denominated products	General bucket	1.889%	2.490%	3.013%	3.579%

iv. MOCE

MOCE is calculated by multiplying the cost of capital rate the discounted present value of estimated future required capital, which is calculated using the run-off pattern.

b. Financial instruments, etc. recognized under liabilities

Financial instruments have been revalued at fair value. The revaluation does not take into account changes in the credit status.

However, financial instruments, etc. included in eligible capital are recognized at the amounts on the balance sheet.

c. Deferred tax liabilities

Deferred tax liabilities are calculated by adding the amount of deferred tax liabilities arising from adjustments to economic value valuation to the amount of deferred tax liabilities recognized for financial accounting purposes.

- 2) In the valuation of liabilities, insurance liabilities relating to certain lines of insurance with relatively small amounts in force, as well as reserves for outstanding claims and other liabilities for expired portions of coverage, should, in principle, be revalued to economic value-based insurance liabilities using the method described in 1) above. However, taking into account the materiality of the impact on the calculation results, the proportionality principle is applied, and such liabilities are calculated using the accounting-basis amounts as a practical expedient. In addition, for low-cost, short-term insurers, no revaluation to an economic-value basis is performed. The application of the proportionality principle has a minimal impact on the results of calculations such as the solvency margin ratio.

- 3) We have determined that the valuations of liabilities are based on the latest reliable information and realistic assumptions, without any conservative or optimistic bias. However, expert judgment has been applied to certain assumptions underlying policyholder behavior included in the estimates of future cash flows.

- 4) No revaluation is performed for consolidated subsidiaries and subsidiaries and affiliates classified as non-insurance companies.

(3) Scope of consolidation and scope of application of the equity method in the calculation on a consolidated basis

The scope of consolidation has not changed from the scope of consolidation or the scope of application of the equity method of the consolidated balance sheet.

3. Accounting estimates in the preparation of the economic value-based balance sheet

(1) Economic value-based insurance liabilities

- 1) Amount recognized on the economic value-based balance sheet as of March 31, 2026 ¥11,784,723 million

2) Information that contributes to an understanding of accounting estimates

- a. Calculation method of amounts recognized on the economic value-based balance sheet as of March 31, 2026

As described in [Notes] 2. "(2) Liability valuation method."

- b. Major assumptions underlying the amounts recognized on the economic value-based balance sheet as of March 31, 2026 and the impact on the economic value-based balance sheet as of March 31, 2027

In terms of economic value-based insurance liabilities, the current estimate and MOCE may fluctuate significantly in the fiscal year ending March 31, 2027, due to the following changes in major assumptions. Information on these assumptions is as described in [Notes] 2. "(2) Liability valuation method."

- Assumptions used to estimate future cash flows, including mortality rates, morbidity rates, loss ratios, policy holder behavior such as surrender and lapse rates, renewal rates, and the operating expense rate
- Assumptions related to the discount rate

4. Assets in separate account, etc.

Amounts of assets classified as separate account assets as provided in Article 118, Paragraph 1 of the Insurance Business Act are recognized under "Assets in separate account, etc."

5. Significant subsequent events

(Transfer of shares of a consolidated subsidiary)

The Company has resolved at the Board of Directors meeting held on June 4, 2026 to enter into separate share purchase agreements with PayPay Corporation ("PayPay") and with OneIM Indigo Holdings Ltd ("OneIM Indigo"), an affiliated entity of investment management firm One Investment Management Ltd ("OneIM"), to transfer shares of T&D Financial Life Insurance Company ("T&D Financial Life"), a consolidated subsidiary of the Company, to PayPay and OneIM Indigo.

The share transfer is expected to be completed on October 1, 2027, subject to the satisfaction of conditions precedent, including obtaining the necessary regulatory approvals and completing the International Financial Reporting Standards (IFRS) conversion required for consolidation into the PayPay group. Upon the completion of the share transfer, T&D Financial Life is expected to be excluded from the Company's consolidated subsidiaries.

(1) Purpose of the share transfer

In light of recent changes in the business environment, the Company has determined that to support T&D Financial Life's further growth, transferring its shares to PayPay, which leverages its payment platform to provide financial services, including credit card, banking, and securities services, represents the best course of action.

Going forward, PayPay aims to further enhance T&D Financial Life's bancassurance businesses and, by adding T&D Financial Life's life insurance products to PayPay's financial services ecosystem, to provide comprehensive financial services tailored to users' life stages. Through these initiatives, T&D Financial Life is expected to achieve further business growth.

Additionally, OneIM has strengths in alternative investments and is expected to contribute to enhancing T&D Financial Life's asset management capabilities.

The Company also intends to allocate the proceeds from this share transfer for shareholder returns and reallocate them to investments aimed at increasing group resilience (including the DX strategy) set forth in the Group long-term vision, thereby achieving further sustainable growth in profits and dividends.

(2) Names of counterparties to the transfer

- PayPay Corporation
- OneIM Indigo Holdings Ltd

(3) Timing of the transfer

- 1) Date of execution of the agreement: June 4, 2026
- 2) Date of completion of the transfer: October 1, 2027 (planned)

(4) Overview of the subsidiary

- 1) Name: T&D Financial Life Insurance Company
- 2) Business description: Life insurance business
- 3) Relationship between the Company and the subsidiary

Capital relationship	The subsidiary is a consolidated and wholly owned subsidiary of the Company.
Personnel relationship	An executive officer of the Company serves concurrently as a representative director of the subsidiary. The Company and the subsidiary have a mutual employee secondment arrangement.
Business relationship	The Company provides corporate support including management administration to the subsidiary.

(5) Number of shares to be transferred, ownership ratio after transfer, and transfer price

- 1) Number of shares to be transferred 1,361,600 shares
- 2) Transfer price Approximately ¥160.0 billion
- 3) Ownership ratio after transfer 14.9%

*The above amount has been calculated on the basis that the share transfer will be completed on October 1, 2027. The final purchase price will be determined after certain adjustments are made in accordance with the method set forth in the share purchase agreement.

(6) Others

The economic value-based balance sheet as of March 31, 2026 has been prepared without taking into account the impact of this share transfer. Its impact is currently being assessed.

Under the shareholders' agreement to be entered into among the Company, PayPay and OneIM on the closing date of the share transfer, the parties are expected to agree on a call option exercisable by PayPay from the closing date and a put option exercisable by the Company from the date falling three years after the closing date, with respect to the 238,400 shares of T&D Financial Life that the Company will continue to hold, representing an ownership ratio of 14.9%.

(Acquisition of treasury shares)

The Company has resolved the acquisition of treasury shares at the Board of Directors' meeting held on June 4, 2026, based on the provisions of Article 31 of the Company's Articles of Incorporation complying with Article 459, Paragraph 1, Item 1 of the Companies Act of Japan.

(1) Reasons for the acquisition of treasury shares

To increase shareholder returns and improve the capital efficiency.

(2) Details of the acquisition

- 1) Type of shares to be acquired: Shares of common stock
- 2) Total number of shares to be acquired: Up to 12,000,000 shares
- 3) Total amount of acquisition: Up to ¥30,000 million
- 4) Period of acquisition: From June 8, 2026, to September 30, 2026
- 5) Method of acquisition: Open-market repurchase by the discretionary trading method

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

5) Information on economic value-based valuation amounts by type of securities

(As of March 31, 2026)

(Millions of yen)

Details of economic value-based valuation amounts by type of securities (Consolidated)	
Securities	11,779,632
Government bonds	4,359,374
Municipal bonds	384,384
Corporate bonds	1,855,138
Domestic stocks	1,216,101
Foreign securities	3,922,918
Foreign government bonds	507,467
Foreign municipal bonds	267,501
Foreign corporate bonds	1,420,231
Foreign stocks	1,056,541
Foreign other securities	671,175
Other securities	41,714

Note:

The amounts presented in this format do not include amounts attributable to separate accounts and other specified accounts.

6) Information on adjustments for differences in insurance liabilities by product

(As of March 31, 2026)

(Millions of yen)

Adjustments for differences in insurance liabilities by product (Consolidated)						
Item	a	b	c	d	e	f
	Financial accounting-based amount	Gross-up for reinsurance	Updates to non-economic assumptions	Updates to economic assumptions	Others	Economic value-based amounts (excluding MOCE)
Insurance liabilities	13,805,637	3,140,164	(2,665,000)	(3,245,298)	137,883	11,173,387
Life insurance contracts, etc.	13,799,509	3,140,164	(2,664,535)	(3,245,265)	137,883	11,167,756
Individual insurance	10,096,017	1,741,400	(3,033,616)	(2,578,738)	25,859	6,250,922
Individual annuities	2,120,628	1,398,764	56,897	(195,583)	22,242	3,402,949
Group insurance	52,651	—	(2,228)	(6,598)	—	43,825
Group annuities	1,521,867	—	314,400	(462,740)	89,781	1,463,308
Other than the above	8,345	—	10	(1,605)	—	6,750
Non-life insurance contracts, etc.	6,128	—	(465)	(32)	—	5,630
Reinsurance recoverables	—	3,140,164	(99,326)	(68,266)	961	2,973,532
Life insurance contracts, etc.	—	3,140,164	(99,326)	(68,266)	961	2,973,532
Individual insurance	—	1,741,400	(100,058)	(40,098)	961	1,602,204
Individual annuities	—	1,398,764	731	(28,168)	—	1,371,328
Group insurance	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—
Other than the above	—	—	—	—	—	—
Non-life insurance contracts, etc.	—	—	—	—	—	—

Note:

Since the amounts of insurance liabilities related to non-life insurance contracts, etc., and reinsurance recoverables are immaterial, the breakdown of each item under "Non-life insurance contracts, etc." has been omitted.

7) Information on sensitivity analysis of the solvency margin ratio, amounts of eligible capital and required capital

(As of March 31, 2026)

(Millions of yen)

Sensitivity analysis (Consolidated)								
Item	a	b	c	d	e	f	g	h
	Figures as of March 31, 2026	JPY interest rate increase of 50 bps	JPY interest rate decrease of 50 bps	USD interest rate increase of 50 bps	USD interest rate decrease of 50 bps	JPY interest rate UFR decrease by 50 bps	Decline in value of shares and real estate of 10%	Appreciation of JPY by 10%
Solvency margin ratio	216.5%	(6.5%)	7.4%	(0.5%)	0.5%	0.0%	(5.9%)	1.1%
Eligible capital	4,469,973	(19,944)	18,468	(23,431)	24,587	(6,819)	(309,567)	(112,253)
Total assets	18,725,853	(446,034)	486,651	(51,754)	53,800	2,138	(429,604)	(290,165)
Insurance liabilities (excluding MOCE)	11,173,387	(419,067)	464,462	(19,245)	19,716	16,564	—	(135,335)
Margin over current estimate (MOCE)	611,336	734	(3,467)	19	(49)	(4,962)	—	1,055
Non-insurance liabilities	2,507,320	(7,756)	7,187	(9,097)	9,546	(2,643)	(120,036)	(43,632)
Net assets	4,433,809	(19,944)	18,468	(23,431)	24,587	(6,819)	(309,567)	(112,253)
Required capital	2,064,186	53,987	(59,593)	(6,181)	6,423	(3,475)	(89,379)	(61,739)
Life insurance risk	1,461,844	90,112	(99,829)	(152)	66	(4,593)	—	1,778
Market risk	1,642,411	1,670	(3,399)	(8,671)	9,094	(1,210)	(143,360)	(94,794)

8) Information on assumptions and methods used in the calculation of the consolidated solvency margin ratio

(As of March 31, 2026)

1. Scope of consolidation The scope of consolidation has not changed from the scope of consolidation or the scope of application of the equity method of the consolidated balance sheet.
2. Assumptions and methods in the calculation of the current estimate The following items are as described in "(2) Liability valuation method" of "[Notes] 2. Policy for the preparation of the economic value-based balance sheet" under "4) Matters relating to the economic value-based balance sheet." • Discount rates • Method of setting non-economic assumptions in the calculation of future cash flows associated with insurance contracts • The value of guarantees and options reflected in the future cash flows associated with insurance contracts and the valuation methods thereof
3. Assumptions and methods in the calculation of required capital The calculation of required capital reflects the effects of risk mitigation techniques as follows. • Risk mitigation effects through reinsurance in the evaluation of life insurance risk • Risk mitigation effects through financial instruments such as derivatives in the evaluation of market risk • Risk mitigation effects through collateral assets of co-insurance-based reinsurance in the evaluation of credit risk

9) Overview of procedures and framework for the calculation and verification of the consolidated solvency margin ratio

(As of March 31, 2026)

In the internal rules, etc., we have designated the department responsible for calculating the consolidated solvency margin ratio. In addition, a person responsible for verifying the entire calculation process of the consolidated solvency margin ratio, and a person responsible for verifying the insurance liabilities used in the calculation of the consolidated solvency margin ratio (the "Verification Officers") are appointed independently of the operational departments. In the appointment of Verification Officers, we take into account their qualifications, including their knowledge and experience in actuarial science or risk management sufficient to verify the calculation of the solvency margin ratio and make necessary recommendations to management, as well as their independence from operational departments. Furthermore, the authority and responsibilities of the Verification Officers are set forth in the internal rules, etc. and have been approved by the Board of Directors. Such authority includes the right of the Verification Officers to report directly to the Board of Directors and other relevant bodies without being restricted by individuals within the organization or the Group. The Verification Officers prepare a report on the verification of the consolidated solvency margin ratio, and the Board of Directors receives reports on the verification results.
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Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

3 Adequacy of the Subsidiaries in Terms of Solvency to Meet Insurance Payments (solvency margin ratio)**(1) Taiyo Life Insurance Company**

(Millions of yen)

Summary (Non-consolidated)			
Item	a	b	c
	As of March 31, 2025	As of March 31, 2026	Change
Eligible capital (A)	—	1,268,006	—
Required capital (B)	—	687,746	—
Solvency margin ratio ((A) / (B))	—	184.3%	—

(Millions of yen)

Summary (Consolidated)			
Item	a	b	c
	As of March 31, 2025	As of March 31, 2026	Change
Eligible capital (A)	—	1,271,148	—
Required capital (B)	—	684,862	—
Solvency margin ratio ((A) / (B))	—	185.6%	—

(2) Daido Life Insurance Company

(Millions of yen)

Summary (Non-consolidated)			
Item	a	b	c
	As of March 31, 2025	As of March 31, 2026	Change
Eligible capital (A)	—	2,879,490	—
Required capital (B)	—	1,256,160	—
Solvency margin ratio ((A) / (B))	—	229.2%	—

(Millions of yen)

Summary (Consolidated)			
Item	a	b	c
	As of March 31, 2025	As of March 31, 2026	Change
Eligible capital (A)	—	2,886,419	—
Required capital (B)	—	1,255,753	—
Solvency margin ratio ((A) / (B))	—	229.8%	—

(3) T&D Financial Life Insurance Company

(Millions of yen)

Summary (Non-consolidated)			
Item	a	b	c
	As of March 31, 2025	As of March 31, 2026	Change
Eligible capital (A)	—	208,299	—
Required capital (B)	—	114,215	—
Solvency margin ratio ((A) / (B))	—	182.3%	—

(4) Pet & Family Insurance Co., Ltd.

(Millions of yen)

Summary (Non-consolidated)			
Item	a	b	c
	As of March 31, 2025	As of March 31, 2026	Change
Eligible capital (A)	—	4,728	—
Required capital (B)	—	2,604	—
Solvency margin ratio ((A) / (B))	—	181.5%	—

4 Adequacy of Low-cost, Short-term Insurers in Terms of Solvency to Meet Insurance Payments (solvency margin ratio)**(1) All Right Small Amount & Short Term Insurance Co., Ltd.**

(Millions of yen)

Summary (Non-consolidated)			
Item	a	b	c
	As of March 31, 2025	As of March 31, 2026	Change
Solvency margin total (A)	—	1,540	—
Total amount of risk (B)	—	52	—
Solvency margin ratio ((A) / ((1/2) × (B))) × 100	—	5,911.9%	—

Notes:

- Low-cost, short-term insurers have different calculation standards from insurance companies, and the regulatory authorities will take early corrective measures if the solvency margin ratio has fallen below 200%.
- As All Right Small Amount & Short Term Insurance Co., Ltd. became a subsidiary in April 2025, there are no corresponding figures as of March 31, 2025.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

5 Embedded Value (EV)**(1) About embedded value**

Embedded value (EV) refers to the value considered to be attributable to shareholders, and is the sum of adjusted net assets calculated based on balance sheets, etc., and the value of in-force business calculated based on policies in force. EV is an indicator used for measuring the corporate value of a life insurance company.

Under current financial accounting practices for life insurance companies, there is a time lag between the acquiring of new policies and the realization of profit. However, with EV, the future profit contribution is recognized at the time of the acquiring of new policies, so it is regarded as complementing financial information based on financial accounting practices.

The Group has previously disclosed Market Consistent Embedded Value (MCEV) based on the European Insurance CFO Forum Market Consistent Embedded Value Principles¹⁾ (MCEV Principles). However, in light of the introduction of the economic value-based solvency regulation (the "New Regulation"), from the end of the fiscal year ended March 31, 2026, the Group has disclosed EV reflecting calculation methods in line with the New Regulation as an indicator of the Group's corporate value.

Note:

The figures for the Group and the Three Life Insurance Companies as of March 31, 2025 have not been retrospectively restated, and the Group MCEV and the MCEV of each company are presented.

For details including the calculation method, please see the T&D Holdings' website (<https://www.td-holdings.co.jp/en/>).

(2) Group EV

	(Billions of yen)	
	As of March 31, 2025	As of March 31, 2026
Group EV	3,945.7	4,238.6
Adjusted net assets	988.8	777.7
Value of in-force business	2,956.9	3,460.8
Value of new business	166.1	169.0

(3) Factors behind changes in EV

	(Billions of yen)
Group EV	Group EV
Group EV as of March 31, 2025	3,945.7
1) Adjustment of Group EV as of March 31, 2025	(191.4)
Group EV as of March 31, 2025 (after adjustment)	3,754.2
2) FY2025 value of new business	169.0
3) Expected contribution of policies in force (made by reference interest rate)	59.6
4) Expected contribution of policies in force (made by excess over reference interest rate)	121.9
5) Difference between insurance-related assumptions and actual results	(24.3)
6) Changes in insurance-related assumptions	(166.3)
7) Impact of economic fluctuations and changes in economic assumptions	289.8
8) Changes in net assets outside the covered business	34.5
9) Changes due to other factors	—
Group EV as of March 31, 2026	4,238.6

1) Adjustment of Group EV as of March 31, 2025

This is the total amount of dividends paid by T&D Holdings to shareholders in FY2025, treasury shares acquired through market purchases, financial impacts of reflecting calculation methods in line with the New Regulation, and the financial impact of changes in U.S. GAAP (LDTI).

2) FY2025 value of new business

This represents the value as of March 31, 2026 of new policies (including converted policies) sold during FY2025.

3) Expected contribution of policies in force (made by reference interest rate)

This is the total amount of expected investment income (after tax) if assets equivalent to adjusted net assets were invested at the reference interest rate for a period of one year, one-year interest equivalent calculated by discounting the future value of in-force business as of March 31, 2025 using the reference interest rate, and the time value of options and guarantees and expenses for non-hedgeable risk, for FY2025.

4) Expected contribution of policies in force (made by excess over reference interest rate)

This is the portion of expected investment income (after tax) from each asset for one year in excess of what would be earned at the reference interest rate.

5) Difference between insurance-related assumptions and actual results

This is the impact of the difference between the insurance-related assumptions used in the calculation of EV as of March 31, 2026 and the actual results for FY2025.

6) Changes in insurance-related assumptions

This is the impact of changes in insurance-related assumptions made at the start of FY2025, of the occurrence rate of events insured against, surrender and lapse rate, operating expense rate, and the like.

7) Impact of economic fluctuations and changes in economic assumptions

This is the impact on future value of the difference between expected investment income and investment performance, and changes in the economic assumptions made on March 31, 2026. It includes the impact of inflation rate changes.

8) Changes in net assets outside the covered business

This is the total amount of profits earned from businesses within the Group other than the covered business and changes in the unrealized gains and losses on assets and liabilities held in such businesses. Note that the covered business refers to the life insurance subsidiaries in which T&D Holdings holds 100% of the shares (Taiyo Life, Daido Life, and T&D Financial Life), as well as their subsidiaries and affiliates.

9) Changes due to other factors

This represents changes due to factors not included in 1)–8).

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

(4) EV of the Three Life Insurance Companies

		(Billions of yen)	
		As of March 31, 2025	As of March 31, 2026
Taiyo Life	EV	1,133.2	1,159.4
	Adjusted net assets	374.7	294.9
	Value of in-force business	758.4	864.5
	Value of new business	27.2	27.4
Daido Life	EV	2,731.9	2,845.7
	Adjusted net assets	694.7	479.9
	Value of in-force business	2,037.1	2,365.8
	Value of new business	130.0	132.6
T&D Financial Life	EV	171.7	184.6
	Adjusted net assets	10.4	(45.7)
	Value of in-force business	161.3	230.4
	Value of new business (Note)	8.8	8.9

Note:
T&D Financial Life's single-premium savings products are recorded based on the value at the time of acquiring of policies.

(5) Impact of changes in assumptions (sensitivities)

	(Billions of yen)	
	Change in Group EV	Change in value of new business
As of March 31, 2026	4,238.6	169.0
Sensitivity 1: Interest rate increase of 50 bps (Note)	(25.4)	0.2
Sensitivity 2: Interest rate decrease of 50 bps (Note)	18.7	(0.6)
Sensitivity 3: Decline in value of shares and real estate of 10%	(204.0)	0.0
Sensitivity 4: Surrender and lapse rate decrease of 10%	221.7	21.7
Sensitivity 5: Operating expense rate (operating expenses related to policy maintenance) decrease of 10%	58.9	5.8
Sensitivity 6: Decrease in occurrence rate of events insured against by life insurance of 5%	78.9	6.9

Note:
The ultimate forward rate level is unchanged.

(6) Main assumptions

• Reference interest rate

The reference interest rate (discount rate and investment yield) is the relevant government bond interest rate on the valuation date. Given the level of liquidity in the ultra-long-term zone, the ultimate forward rate (UFR) is used. Specifically, an UFR of 2.9% for the Japanese yen (3.8% for the U.S. dollar and Australian dollar) is assumed, and the extrapolation year is set as the 40th fiscal year (30th fiscal year for the U.S. dollar and Australian dollar). Forward rates beyond the extrapolation year are extrapolated using the Smith-Wilson method such that they converge to the UFR level over a period of 30 years.

Period	Japanese government bonds	
	As of March 31, 2025	As of March 31, 2026
1 year	0.641%	1.105%
5 years	1.114%	1.822%
10 years	1.521%	2.426%
20 years	2.322%	3.540%
30 years	2.688%	4.082%
40 years	2.970%	4.106%
50 years	3.029%	3.913%

Period	USD government bonds		AUD government bonds	
	As of March 31, 2025	As of March 31, 2026	As of March 31, 2025	As of March 31, 2026
1 year	4.018%	3.669%	3.781%	4.610%
5 years	3.963%	3.953%	3.858%	4.693%
10 years	4.256%	4.399%	4.468%	5.011%
20 years	4.756%	5.124%	5.002%	5.407%
30 years	4.639%	5.037%	5.254%	5.537%
40 years	4.460%	4.811%	5.118%	5.330%
50 years	4.337%	4.625%	4.884%	5.054%

• Other assumptions

Cash flows such as insurance premiums, operating expenses, insurance claims, insurance benefits, surrender payments, taxes, etc. are forecast for each life insurance subsidiary after taking into account past, current, and expected future performance (best estimate assumption) for each type of insurance over the duration of the policies.

(7) Note to use of EV

EV calculations use assumptions that include future forecasts involving risks and uncertainties, so future performance may differ greatly from the assumptions used in EV calculations. Furthermore, while EV is an indicator used for measuring the corporate value of a life insurance company, the actual market value of shares may deviate significantly from the EV.

Financial Positions of Insurance Holding Company and Its Subsidiaries, etc.

6 Certification of consolidated financial statements by certified public accountants or audit firm

Pursuant to the provisions of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act, the Company has its consolidated financial statements for FY2025 audited by Ernst & Young ShinNihon LLC.

7 Submission of confirmation letter concerning content of securities report

Representative Director and President of the Company submits, along with the securities report, a confirmation letter confirming that the content of the securities report has been properly presented in accordance with the Financial Instruments and Exchange Act.

8 Submission of internal control report related to financial reporting

Representative Director and President of the Company assesses internal controls related to financial reporting on a consolidated basis, and then submits, along with the securities report, an internal control report to the effect that the Company's internal controls related to financial reporting are effective.

9 Existence of events or circumstances that may raise significant doubt regarding the assumption of the insurance holding company's ability to continue its business operations into the future, or the existence of other events that may materially affect the management of the insurance holding company, if any, as of the last day of the fiscal year, the indication and details thereof, details of analyses and examinations of such material events, etc., and specific measures to resolve or address such material events, etc.

No applicable issues to report.