
Financial Results for the Fiscal Year Ended March 31, 2026

Daiichi Frontier Life Insurance Co., Ltd. (the "Company"; President: Hiroyuki Kanou) announces its financial results for the fiscal year ended March 31, 2026.

[Contents]

1. Business Highlights	.....	p.1
2. Investment of General Account Assets	.....	p.3
3. Unaudited Balance Sheet	.....	p.9
4. Unaudited Statement of Earnings	.....	p.17
5. Breakdown of Ordinary Profit (Fundamental Profit)	.....	p.19
6. Unaudited Statement of Changes in Net Assets	.....	p.21
7. Disclosed Claims Based on Categories of Obligors	.....	p.22
8. Status of Separate Account for the Fiscal Year Ended March 31, 2026	.....	p.23
9. Consolidated Financial Summary	.....	p.24

Please note that this is an unofficial translation of the original disclosure in Japanese.

1. Business Highlights

(1) Annualized Net Premiums

Policies in Force

(millions of yen except percentages)

	As of March 31, 2025		As of March 31, 2026	
		% of March 31, 2024 total		% of March 31, 2025 total
Individual insurance	734,607	107.4	868,767	118.3
Individual annuities	499,554	101.2	577,537	115.6
Total	1,234,161	104.8	1,446,305	117.2
Medical and survival benefits	9,498	121.4	11,636	122.5

New Policies

(millions of yen except percentages)

	Year ended March 31, 2025		Year ended March 31, 2026	
		% of March 31, 2024 total		% of March 31, 2025 total
Individual insurance	121,748	98.3	142,859	117.3
Individual annuities	107,688	60.7	126,871	117.8
Total	229,436	76.2	269,730	117.6
Medical and survival benefits	2,060	96.3	2,060	100.0

Note: 1. Annualized net premiums are calculated by multiplying the per-premium payments by a multiplier that depends on the premium payment terms. For single-premium contracts, the amount is calculated by dividing the premium by the duration of the policy.

2. “Medical and survival benefits” include annualized net premiums related to medical benefits (e.g. hospitalization and surgery benefits), survival benefits (e.g. specified illness and nursing care benefits), and premiums related to premium waiver benefits (e.g. excluding disability-related causes but including causes related to specified illness and nursing care).

(2) Policies in Force and New Policies

Policies in Force

	As of March 31, 2025				As of March 31, 2026			
	Number of policies		Amount		Number of policies		Amount	
	(thousands)	% of March 31, 2024 total	(millions of yen)	% of March 31, 2024 total	(thousands)	% of March 31, 2025 total	(millions of yen)	% of March 31, 2025 total
Individual insurance	1,315	112.0	10,583,823	118.7	1,492	113.4	13,187,280	124.6
Individual annuities	744	95.5	4,269,543	96.7	754	101.4	4,676,627	109.5
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

Note: Policy amount in force for individual annuities is equal to the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

New Policies

Year ended March 31, 2026						
	Number of policies		Amount			
	(thousands)	% of March 31, 2025 total	(millions of yen)	% of March 31, 2025 total	New Business	Net increase from conversions
Individual insurance	255	107.6	1,738,742	113.7	1,738,742	-
Individual annuities	138	83.8	877,889	94.6	877,889	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-
Year ended March 31, 2025						
	Number of policies		Amount			
	(thousands)	% of March 31, 2024 total	(millions of yen)	% of March 31, 2024 total	New Business	Net increase from conversions
Individual insurance	237	80.2	1,529,002	91.7	1,529,002	-
Individual annuities	165	61.5	927,705	62.5	927,705	-
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

Note: Amount of new policies (new business) for individual annuities is equal to the amount required to fund annuity payments when they commence.

2. Investment of General Account Assets

(1) Overview of Investment of General Account Assets for the Fiscal Year ended March 31, 2026

A. Operational environment

In fiscal 2025, the Japanese economy remained on a moderate recovery path. Although steady wage increases amid structural labor shortages supported personal consumption, growth in real wages lagged behind due to persistent inflationary pressures. Overseas, the impact of the U.S. tariff policies on individual countries' economies remained limited. Against a backdrop of easing inflation, the U.S. economy continued to lead global growth, supported by a resilient employment and income environment. Amid these economic conditions, the operational environment was as follows.

[Domestic interest rates]

The yield on 10-year Japanese government bonds (JGBs) rose to the 2.3% range, reflecting expectations of policy rate hikes by the Bank of Japan (BOJ) as well as speculation regarding expansionary fiscal policies under the Takaichi administration.

Yield on ten-year government bonds:	April 1, 2025	1.485%
	March 31, 2026	2.355%

[U.S. Interest Rates and Foreign Currency]

Although Trump's tariffs and the deteriorating situation in the Middle East caused heightened risk-aversion and temporarily pushed the 10-year U.S. Treasury bond yield below 4.0%, the yield largely experienced a period of fluctuations within the 4.0% to 4.6% range on the back of the resilient economy. The dollar-yen exchange rate saw authorities' rate checks, but as concerns over accelerating inflation and deteriorating fiscal conditions grew due to the Takaichi administration's proactive fiscal policy, the yen remained on a weakening trend throughout the fiscal year.

Yield on ten-year U.S. government bonds:	April 1, 2025	4.205%
	March 31, 2026	4.317%
yen/U.S. dollar:	April 1, 2025	¥149.52
	March 31, 2026	¥159.88

[Australian Interest Rates and Foreign Currency]

Although the 10-year Australian government bond yield largely moved within a range of approximately 4.1% to 4.5% until November, the yield was trending upward from December through the end of the fiscal year as expectations grew for the Reserve Bank of Australia to raise rates in response to resurgent inflation. The Australian dollar-yen rate saw the yen weaken due to the Takaichi administration's proactive fiscal policy and other factors, while the Australian dollar strengthened in response to resurgent inflation and rising interest rates in Australia, and the weakening of the yen against the Australian dollar continued throughout the fiscal year.

Yield on ten-year Australian government bonds:	April 1, 2025	4.384%
	March 31, 2026	4.974%
yen/Australian dollar:	April 1, 2025	¥93.97
	March 31, 2026	¥109.68

B. Investment Policies

In view of the liability characteristics of life insurance policies, assets in the general account are invested in accordance with asset-liability management (ALM) principles with the primary objective of steadily paying annuities, insurance proceeds, and benefits over the long term. As to the yen- and foreign currency-denominated fixed products, those assets are primarily invested in yen-denominated bonds and foreign currency-denominated bonds.

The Company also conducts transactions to reduce guaranteed minimum benefit risk related to individual variable annuities.

C. Investment Results

< Assets >

The Company invested primarily in yen-denominated bonds. Foreign-currency denominated insurance were invested in foreign-currency denominated bonds. The Company also entered into derivative transactions to reduce the guaranteed minimum benefit risk related to individual variable annuities.

< Investment Income and Expenses >

Investment income was 630,687 million yen mainly due to foreign exchange gains (333,045 million yen), interest and dividends (213,860 million yen), and gains on money held in trust (78,656 million yen). Investment expenses were 34,160 million yen mainly due to losses on sale of securities (20,944 million yen), derivative transaction losses (10,410 million yen), and other investment expenses (1,762 million yen).

(2) Asset Composition

(millions of yen except percentages)

	As of March 31, 2025		As of March 31, 2026	
	Carrying value	%	Carrying value	%
Cash, deposits, and call loans	536,145	6.2	576,406	5.9
Securities repurchased under resale agreements	-	-	-	-
Deposit paid for securities borrowing transactions	-	-	-	-
Monetary claims bought	15,342	0.2	11,906	0.1
Trading account securities	-	-	-	-
Money held in trust	890,955	10.4	1,380,786	14.1
Securities	6,853,581	79.8	7,419,931	75.6
Domestic bonds	2,134,568	24.8	2,476,521	25.2
Domestic stocks	-	-	-	-
Foreign securities	4,517,146	52.6	4,653,003	47.4
Foreign bonds	4,502,046	52.4	4,563,796	46.5
Foreign stocks and other securities	15,100	0.2	89,206	0.9
Other securities	201,866	2.3	290,406	3.0
Loans	-	-	-	-
Real estate	621	0.0	560	0.0
Deferred tax assets	59,187	0.7	72,002	0.7
Others	236,004	2.7	353,646	3.6
Reserve for possible loan losses	(3)	(0.0)	(3)	(0.0)
Total	8,591,834	100.0	9,815,236	100.0
Foreign currency-denominated assets	4,433,457	51.6	4,436,475	45.2

Note: "Real estate" represents the value of buildings.

(3) Changes (Increase/Decrease) in Assets

(millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Cash, deposits, and call loans	(229,463)	40,261
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	(4,897)	(3,436)
Trading account securities	-	-
Money held in trust	11,107	489,830
Securities	53,886	566,349
Domestic bonds	98,590	341,953
Domestic stocks	-	-
Foreign securities	(97,200)	135,856
Foreign bonds	(112,300)	61,749
Foreign stocks and other securities	15,100	74,106
Other securities	52,496	88,539
Loans	-	-
Real estate	(60)	(60)
Deferred tax assets	2,786	12,814
Others	(121,062)	117,641
Reserve for possible loan losses	(2)	0
Total	(287,706)	1,223,401
Foreign currency-denominated assets	(379,835)	3,017

(4) Investment Income

(millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Interest and dividends	201,701	213,860
Interest from bank deposits	5,676	4,473
Interest and dividends from securities	195,026	208,225
Interest from loans	-	-
Rental income	-	-
Other interest and dividends	998	1,161
Gains on trading account securities	-	-
Gains on money held in trust	-	78,656
Gains on investment in trading securities	-	-
Gains on sale of securities	760	4,763
Gains on sale of domestic bonds	19	233
Gains on sale of domestic stocks	-	-
Gains on sale of foreign securities	740	4,529
Others	-	-
Gains on redemption of securities	20	348
Derivative transaction gains	-	-
Foreign exchange gains	-	333,045
Reversal of reserve for possible loan losses	-	0
Other investment income	8	13
Total	202,491	630,687

(5) Investment Expenses

(millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Interest expenses	119	865
Losses on trading account securities	-	-
Losses on money held in trust	958	-
Losses on investment in trading securities	-	-
Losses on sale of securities	54,920	20,944
Losses on sale of domestic bonds	6,489	6,191
Losses on sale of domestic stocks	-	-
Losses on sale of foreign securities	48,431	14,752
Others	-	-
Losses on valuation of securities	-	-
Losses on valuation of domestic bonds	-	-
Losses on valuation of domestic stocks	-	-
Losses on valuation of foreign securities	-	-
Others	-	-
Losses on redemption of securities	43	178
Derivative transaction losses	6,590	10,410
Foreign exchange losses	73,255	-
Provision for reserve for possible loan losses	2	-
Write-down of loans	-	-
Depreciation of rented real estate and others	-	-
Other investment expenses	4,287	1,762
Total	140,180	34,160

(6) Other Information on Investments

A. Rates of return

	(%)	
	Year ended March 31, 2025	Year ended March 31, 2026
Cash, deposits, and call loans	(1.29)	3.80
Securities repurchased under resale agreements	-	-
Deposit paid for securities borrowing transactions	-	-
Monetary claims bought	0.98	0.96
Trading account securities	-	-
Money held in trust	(0.13)	7.30
Securities	1.30	7.80
Domestic bonds	0.67	1.44
Domestic stocks	-	-
Foreign securities	1.77	11.93
Loans	-	-
Real Estate	-	-
Total	0.79	7.17
Foreign investments	1.51	11.86

Note: 1. Rates of return above were calculated by dividing the net investment income included in net surplus from operations by the average daily balance on a book value basis.

2. "Foreign investments" include yen-denominated assets.

B. Valuation Gains and Losses on Trading Securities

	As of March 31, 2025		As of March 31, 2026	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statement of earnings
Trading securities	667,731	(4,328)	802,047	30,324

Note: Figures in this table include money held in trust and other instruments classified as trading securities.

C. Fair Value Information on Securities (Other than trading securities)

(millions of yen)

	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of March 31, 2026					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	4,917,434	4,522,454	(394,979)	4,715	399,695
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	3,172,076	3,093,141	(78,934)	13,308	92,242
Domestic bonds	496,457	471,026	(25,431)	391	25,822
Domestic stocks	-	-	-	-	-
Foreign securities	1,788,356	1,741,064	(47,292)	11,850	59,143
Foreign bonds	1,699,692	1,651,857	(47,834)	11,307	59,142
Foreign stocks and other securities	88,664	89,206	542	543	1
Other securities	294,828	290,406	(4,422)	992	5,414
Monetary claims bought	13,071	11,906	(1,165)	-	1,165
Certificates of deposit	-	-	-	-	-
Others	579,362	578,739	(623)	74	697
Total	8,089,511	7,615,596	(473,914)	18,023	491,938
Domestic bonds	2,501,952	2,320,429	(181,523)	800	182,324
Domestic stocks	-	-	-	-	-
Foreign securities	4,700,296	4,414,115	(286,180)	16,156	302,336
Foreign bonds	4,611,631	4,324,908	(286,722)	15,612	302,335
Foreign stocks and other securities	88,664	89,206	542	543	1
Other securities	294,828	290,406	(4,422)	992	5,414
Monetary claims bought	13,071	11,906	(1,165)	-	1,165
Certificates of deposit	-	-	-	-	-
Others	579,362	578,739	(623)	74	697
As of March 31, 2025					
Bonds held to maturity	-	-	-	-	-
Policy-reserve-matching bonds	4,562,761	4,248,829	(313,931)	6,023	319,955
Stocks of subsidiaries and affiliates	-	-	-	-	-
Securities available for sale	2,573,116	2,529,386	(43,730)	14,283	58,013
Domestic bonds	530,183	515,981	(14,202)	506	14,709
Domestic stocks	-	-	-	-	-
Foreign securities	1,600,636	1,572,971	(27,664)	12,285	39,950
Foreign bonds	1,585,536	1,557,871	(27,664)	12,285	39,950
Foreign stocks and other securities	15,100	15,100	-	-	-
Other securities	202,834	201,866	(967)	1,353	2,321
Monetary claims bought	16,130	15,342	(787)	-	787
Certificates of deposit	-	-	-	-	-
Others	223,332	223,223	(108)	136	244
Total	7,135,878	6,778,216	(357,662)	20,306	377,968
Domestic bonds	2,148,770	2,047,123	(101,647)	1,360	103,008
Domestic stocks	-	-	-	-	-
Foreign securities	4,544,810	4,290,659	(254,151)	17,455	271,606
Foreign bonds	4,529,710	4,275,559	(254,151)	17,455	271,606
Foreign stocks and other securities	15,100	15,100	-	-	-
Other securities	202,834	201,866	(967)	1,353	2,321
Monetary claims bought	16,130	15,342	(787)	-	787
Certificates of deposit	-	-	-	-	-
Others	223,332	223,223	(108)	136	244

Note: 1. The table above includes assets which are considered appropriate to handle as securities as defined in the Financial Instruments and Exchange Law.

2. Money held in trust, other than trading securities is included, and its book value and gains (losses) as of March 31, 2026 were 579,362 million yen and (623) million yen respectively.

*The book value of stocks and other securities without market value and of investment partnerships etc. are as follows:

Not applicable.

D. Fair value Information on Money Held in Trust

(millions of yen)

	Carrying value on the balance sheet	Fair value	Gains (losses)	
			Gains	Losses
As of March 31, 2026	1,380,786	1,380,786	79,879	9,801
As of March 31, 2025	890,955	890,955	(177)	12,859

Note: 1. Fair value equivalents appearing in this table are based on prices calculated using a reasonable method by trustees of money held in trust.

2. Gains (losses) are valuation gains (losses) that were included in the statement of earnings.

*Information on money held in trust for investment purposes is as follows:

(millions of yen)

	As of March 31, 2025		As of March 31, 2026	
	Carrying value on the balance sheet	Valuation gains (losses) included in the statements of earnings	Carrying value on the balance sheet	Valuation gains (losses) included in the statements of earnings
Money held in trust for investment purposes	667,731	(4,328)	802,047	30,324

*Information on money held in trust classified as held-to-maturity, policy-reserve-matching, or other money held in trust are as follows:

(millions of yen)

	Book value	Fair value	Gains (losses)		
			Gains	Losses	
As of March 31, 2026					
Money held in trust for held-to-maturity	-	-	-	-	-
Money held in trust for policy-reserve-matching	-	-	-	-	-
Other money held in trust	579,362	578,739	(623)	74	697
As of March 31, 2025					
Money held in trust for held-to-maturity	-	-	-	-	-
Money held in trust for policy-reserve-matching	-	-	-	-	-
Other money held in trust	223,332	223,223	(108)	136	244

3. Unaudited Balance Sheet

(millions of yen)

	As of	As of		As of	As of
	March 31,	March 31,		March 31,	March 31,
	2025	2026		2025	2026
	Amount	Amount		Amount	Amount
(ASSETS)			(LIABILITIES)		
Cash and deposits	503,728	440,235	Policy reserves and others	7,985,115	8,868,086
Bank deposits	503,728	440,235	Reserves for outstanding claims	48,747	45,806
Call loans	36,200	138,200	Policy reserves	7,936,367	8,822,279
Monetary claims bought	15,342	11,906	Reinsurance payable	232,770	205,745
Money held in trust	890,955	1,380,786	Other liabilities	294,266	569,772
Securities	7,081,102	7,553,522	Payable under securities lending transactions	179,613	377,503
Government bonds	747,941	1,136,974	Corporate income tax payable	10,021	3,044
Local government bonds	28,542	23,908	Accounts payable	21,078	20,251
Corporate bonds	1,358,084	1,315,638	Accrued expenses	12,863	14,675
Foreign securities	4,521,969	4,653,274	Deposits received	132	248
Other securities	424,565	423,725	Guarantee deposits received	35,752	73,150
Tangible fixed assets	933	782	Derivatives	17,141	43,502
Buildings	621	560	Cash collateral received for financial instruments	13,438	33,171
Leased assets	85	42	Lease liabilities	93	45
Other tangible fixed assets	226	179	Suspense receipts	4,130	4,179
Intangible fixed assets	16,501	16,850	Reserve for price fluctuations	53,694	56,994
Software	16,500	16,850	Deferred tax liabilities	58	58
Other intangible fixed assets	0	0	Total liabilities	8,565,904	9,700,656
Reinsurance receivables	102,438	142,463	(NET ASSETS)		
Other assets	117,533	194,715	Capital stock	117,500	50,000
Accounts receivable	4,761	13,479	Capital surplus	67,500	135,000
Prepaid expenses	1,297	1,314	Legal capital surplus	67,500	50,000
Accrued revenue	46,150	48,687	Other capital surplus	-	85,000
Deposits	19,622	20,597	Retained earnings	105,147	123,805
Derivatives	40,263	86,625	Retained Earnings Reserves	8,000	-
Cash collateral paid for financial instruments	4,026	21,911	Other retained earnings	97,147	123,805
Suspense payments	880	1,701	Retained earnings brought forward	97,147	123,805
Other assets	530	399	Total shareholders' equity	290,147	308,805
Deferred tax assets	59,187	72,002	Net unrealized gains on securities, net of tax	(32,132)	(58,001)
Reserve for possible loan losses	(3)	(3)	Total of valuation and translation adjustments	(32,132)	(58,001)
Total assets	8,823,919	9,951,460	Total net assets	258,014	250,804
			Total liabilities and net assets	8,823,919	9,951,460

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

- 1 Securities (including those monetary claims bought conforming to marketable securities, and also those marketable securities managed as trust assets in money held in trust) are valued as follows:
 - (a) Trading securities are valued at fair value (sales cost is calculated with the moving-average method).
 - (b) Policy-reserve-matching bonds (bonds defined by the Japanese Institute of Certified Public Accountants (JICPA) Industry Audit Committee Report No.21 entitled Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry) are valued using the moving-average amortized cost (straight-line) method.
 - (c) Other securities are valued at fair value using market prices as of the book closing date (sales cost is calculated with the moving-average method).Valuation adjustments on other securities are reported as a component of net assets.
- 2 Risk management policies regarding policy-reserve-matching bonds are as follows:

The Company categorizes its insurance products into sub-groups by the attributes of each product and, in order to manage risks properly, formulates its policy on investments and resource allocation based on the balance of the sub-groups. Moreover, the Company periodically checks that the duration gap between policy-reserve-matching bonds and policy reserves stays within a certain range. The sub-groups are:

 - (a) Individual insurance and annuities (JP yen-denominated)
 - (b) Individual insurance and annuities (US dollar-denominated)with the exception of certain types and policies.
- 3 Derivative transactions (including those attributable to money held in trust) are reported at fair value.
- 4 Depreciation of tangible fixed assets is as follows:
 - (a) Tangible fixed assets (excluding leased assets)

Annual amount of depreciation estimated by declining balance method (straight-line method being applied to buildings, with the exception of those buildings and accompanying facilities acquired prior to March 31, 2016) is reported pro rata in accordance with the life. However, other tangible fixed assets that were acquired for 100,000 yen or more but less than 200,000 yen are depreciated in an equal installment over three years.
 - (b) Leased assets

Depreciation of leased assets with regard to finance leases whose ownership does not transfer to the lessees is computed under the straight-line method assuming zero residual value and with the lease period being deemed as useful life.
- 5 Amortization of intangible fixed assets is calculated by the straight-line method. Amortization of software for internal use is based on the estimated useful life.
- 6 Foreign currency-denominated assets and liabilities are translated into the yen at market exchange rates as of the book closing date. Changes in market values of bonds, etc. included in foreign currency-denominated other securities are divided into two, and the portion attributable to changes in the securities' nominal market prices in their local currencies is included in "valuation adjustments" on other securities, and the rest in "foreign exchange gains/losses."
- 7 Reserve for possible loan losses is calculated by multiplying the value of loan claims by the historical loan loss rates calculated from actual losses, pursuant to rules on the self-assessment of assets as well as rules on the write-offs on and provisioning of reserves for assets. Relevant departments assess all loan claims based on the self-assessment rules, and an independent department responsible for auditing assets audits the assessment results. Provisions to the reserve for possible loan losses are determined based on the assessment results.
- 8 Reserve for price fluctuations is calculated pursuant to Article 115 of the Insurance Business Act.
- 9 National and local consumption taxes are recorded with the tax-exclusion method. Of the non-recoverable consumption tax on assets, deferred consumption tax as stipulated in the taxation law is capitalized as a prepaid expense and amortized equally over five years, and such taxes other than deferred consumption tax are recognized as an expense in the period in which they are incurred.

- 10 Policy reserves have been calculated and set aside for those insurance policies for which contractual obligations have commenced as of the end of the fiscal year, so as to prepare for the future performance of obligations under those insurance policies, in accordance with the formula specified in the statement of calculation procedures (as set forth in Article 4, Paragraph 2, Item (iv) of the Insurance Business Act) and pursuant to Article 116, Paragraph 1 of the Insurance Business Act.
Insurance premium reserves included in the policy reserves are calculated using the following formula:
(a) For policies subject to the Standard Policy Reserve Method: Method stipulated by the Financial Services Agency Commissioner (Ministry of Finance Notification No. 48, 1996)
(b) For policies not subject to the Standard Policy Reserve Method: Net level premium reserve method
Contingency reserves included in the policy reserves have been set aside pursuant to Article 69, Paragraph 1, Item (iii) of the Ordinance for Enforcement of the Insurance Business Act, for covering risks which may accrue in the future, so as to secure performance of future obligations under insurance contracts.
- 11 Matters concerning unapplied accounting standards are as follows:
• “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024)
• “Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024)
and other related amendments to the ASBJ Statement, ASBJ Guidance, Practical Solution and Transfer Guidance
(1) Overview
This proposal establishes the treatment of all leases by lessees, including the recognition of assets and liabilities for all leases by lessees, in the same manner as international accounting standards.
(2) Effective date
The accounting standard will be effective for fiscal years beginning on or after April 1, 2027.
(3) Impact of the adoption of this accounting standard
The impact of the adoption of this accounting standard is currently being evaluated.
- 12 In view of the liability characteristics of life insurance policies, assets in the general account (i.e., not in separate accounts as defined by Article 118, paragraph 1, of the Insurance Business Act) are invested primarily in fixed-income assets (government and corporate bonds) in accordance with asset-liability management (ALM) principles with the primary objective of steadily paying annuities, insurance proceeds, and benefits over the long term. For the purpose of hedging against the foreign exchange risk on the bond holdings and maintaining financial soundness, the Company engages in derivative transactions (foreign exchange forward contracts, currency swaps, etc.). The Company’s holdings of financial instruments, mainly securities and derivatives, are subject to market risk and credit risk.

Market Risk Management: Under its internal investment policy and market risk management rules, the Company manages market risk by making medium- to long-term investments in a manner appropriate to its liabilities, constantly confirming the consistency of its portfolio positions and investment policies and measuring VaR (value-at-Risk) .

Credit Risk Management: Under its internal investment policy and credit risk management rules, the Company manages credit risk by establishing credit limits designed to avoid excessive concentration of risk toward a specific company or group. Each individual transaction is screened before credit is extended and follow-up checks are conducted regularly. In addition, the Company measures VaR as part of its effort to better grasp and analyze credit risk exposure.

The risk management department reports regularly to the Board of Directors on the status of the Company’s entire risk position.

Amounts of financial instruments recorded on the balance sheet, their fair values, and differences between the two are as follows:
(millions of yen)

	Carrying amount on balance sheet	Fair value	Difference
(1) Monetary claims bought	11,906	11,906	-
(2) Money held in trust	1,380,786	1,380,786	-
(a) Money held in trust for investment purposes	802,047	802,047	-
(b) Money held in trust for other purposes	578,739	578,739	-
(3) Securities *2	7,553,522	7,158,542	(394,979)
(a) Trading securities	133,590	133,590	-
(b) Policy-reserve-matching bonds	4,917,434	4,522,454	(394,979)
(c) Other securities	2,502,496	2,502,496	-
Assets total	8,946,215	8,551,235	(394,979)
Derivative transactions *3			
(a) Derivative transactions to which hedge accounting is not applied	43,122	43,122	-
Derivative transactions total	43,122	43,122	-

(*1) Since cash, deposits and call loans are settled in a short period of time, their book values approximate their fair values, and notes are accordingly omitted.

(*2) Includes mutual funds whose net asset value is deemed to be the fair value in accordance with Paragraph 24-3 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 on June 17, 2021).

(*3) Net derivative assets and liabilities arising from derivative transactions are reported as a net value. A negative total indicates a net liability.

13 Details of the fair values of financial instruments are described by level below.

The fair value of financial instruments is classified into the following three levels in accordance with the observability and materiality of inputs used in calculations:

Level 1 fair value: Fair value calculated using those quoted prices of the measured assets or liabilities that are formed in active markets from among observable valuation inputs.

Level 2 fair value: Fair value calculated using inputs other than inputs included within Level 1 from among observable valuation inputs.

Level 3 fair value: Fair values calculated using material non-observable valuation inputs.

Where there are multiple inputs that have a material impact on the calculation of fair value, the Company classifies fair value in accordance with the level that is lowest in the order of priority in the calculation of fair value selecting from among the respective levels of each of the inputs involved.

(1) Financial instruments reported at fair value in the balance sheet for the fiscal year ended March 31, 2026.

	Fair value			Total
	Level 1	Level 2	Level 3	
Monetary claims bought	-	-	11,906	11,906
Money held in trust				
Investment purposes	337,663	464,384	-	802,047
Other purposes	-	578,739	-	578,739
Securities *				
Trading securities	-	133,590	-	133,590
Other securities				
Government bonds	41,442	-	-	41,442
Local government bonds	-	11,218	-	11,218
Corporate bonds	-	418,365	-	418,365
Foreign public and corporate bonds	40,045	1,584,206	27,604	1,651,857
Other securities	-	290,406	-	290,406
Derivative transactions				
Currency-related	-	85,831	-	85,831
Interest-related	-	571	-	571
Others	-	222	-	222
Assets total	419,151	3,567,535	39,511	4,026,198
Derivative transactions				
Currency-related	-	40,709	-	40,709
Interest-related	-	2,792	-	2,792
Total liabilities	-	43,502	-	43,502

(*) The above table does not include mutual funds whose net asset value is deemed to be the fair value in accordance with Paragraph 24-3 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31 on June 17, 2021). The amount of the mutual funds reported on the balance sheet is 89,206 million yen.

The table on the adjustment from the outstanding balance as of the beginning of the fiscal year to the balance as of fiscal year end (March 31, 2026) for the mutual funds is as follows.

	Balance at the beginning of the year	Profit (losses) or net unrealized gains on securities, net of tax		(Net) changes for the year due to purchases, sales, issuance, and settlement	Mutual funds whose net asset value is deemed to be the fair value in accordance	Balance as of March 31, 2026
		Recorded under profit (losses) *	Recorded under net unrealized gains (losses) on securities, net of tax			
Mutual funds whose net asset value is deemed to be the fair value in accordance with Paragraph 24-3 of the Implementation Guidance on Accounting Standard for Fair Value Measurement	15,100	-	542	73,564	89,206	89,206

(*) Included in “Investment income” and “Investment expenses” of the Statement of Earnings for the fiscal year ended March 31, 2026.

Moreover, the main content of restrictions on cancellation, etc., of mutual funds to which the treatment of Paragraph 24-3 of the Implementation Guidance on Accounting Standard for Fair Value Measurement has been applied, and the amount reported on the balance sheet is 89,206 million yen for mutual funds that require a certain period of time for cancellation.

(2) Financial instruments other than those reported at fair value in the balance sheet for the fiscal year ended March 31, 2026.

(millions of yen)

	Fair value			Total
	Level 1	Level 2	Level 3	
Securities				
Policy-reserve-matching bonds				
Government bonds	1,014,825	-	-	1,014,825
Local government bonds	-	10,914	-	10,914
Corporate bonds	-	823,662	-	823,662
Foreign public and corporate bonds	385,629	2,287,421	-	2,673,051
Assets total	1,400,455	3,121,999	-	4,522,454

Note 1. Explanation of methodologies and inputs employed in fair value calculation

Asset

Monetary claims bought

The fair value of monetary claims bought are determined using the prices obtained from financial institutions. The inputs used for those prices thus obtained include material non-observable inputs and therefore monetary claims bought are classified as Level 3.

Money held in trust

For money held in trust, fair value is classified as Level 1 in cases where unadjusted quoted prices in active markets can be used. This includes Japanese Government bonds. If the market is not active, fair value is classified as Level 2, irrespective of whether publicly disclosed quoted prices are used.

For money held in trust where fair value is not based on quoted market prices, fair value is measured based on prices obtained from external brokers and financial institutions, and is classified as Level 2.

Securities

For securities, fair value is classified as Level 1 in cases where unadjusted quoted prices in active markets can be used. This includes Japanese Government Bonds. If the market is not active then fair value is classified as Level 2, regardless of whether publicly disclosed quoted prices are used.

For bonds where fair value is not based on quoted market prices, fair value is measured based mainly on prices obtained from external brokers and financial institutions. For these prices, present values are calculated by discounting their future cash flows at a risk-free rate adjusted to their credit spreads. When measuring, fair value is classified as Level 2 in cases where observable inputs are used, and classified as Level 3 where material non-observable inputs are used.

In addition, for mutual funds for which there is no market trading price, the unit price is the fair value if there are no significant restrictions on cancellation, etc. for which market participants seek consideration for risk, and the funds are classified as Level 2 fair value or Level 3 fair value based on the level of the components of main trust assets.

Derivative transactions

For exchange-traded derivative transactions, fair value is classified as Level 1 in cases where unadjusted quoted prices in active markets can be used.

For OTC (over-the-counter) derivatives, fair value is determined using amounts discounted to present value obtained from external brokers and financial institutions as well as prices calculated using evaluation techniques such as the discounted cash flow method in accordance with the type of transaction and the maturity period.

Since inputs used for evaluation techniques for calculating OTC derivative prices are mainly interest rates, exchange rates, implied volatility, and the like, and material non-observable inputs are not used or their impacts are not material, OTC derivatives are classified as Level 2.

Note 2. Information on the financial instruments classified as Level 3, from among those reported at fair value in the balance sheet for the fiscal year ended March 31, 2026.

(1) Table on the adjustment from the outstanding balance as of the beginning of the fiscal year to the balance as of fiscal year end (March 31, 2026), and valuation gains or losses recognized in the current fiscal year.

(millions of yen)

	Balance at the beginning of the year	Profit (losses) or net unrealized gains on securities, net of tax		(Net) changes for the year due to purchases, sales, issuance, and settlement	Transfers to Level 3 fair value *2	Balance as of March 31, 2026
		Recorded under profit (losses) *1	Recorded under net unrealized gains (losses) on securities, net of tax			
Monetary claims bought	15,342	-	(377)	(3,058)	-	11,906
Securities						
Other securities						
Foreign public and corporate bonds	10,057	663	(716)	7,599	10,000	27,604

(*1) Included in “Investment income” and “Investment expenses” of the Statement of Earnings for the fiscal year ended March 31, 2026.

(*2) Transfer from Level 2 to Level 3 due to the change in the observability of inputs as a result of the change in the fair value measurement method. The transfer was recognized at the end of the fiscal year.

(2) Explanation of fair value valuation process

The Company determines the policies and processes for fair value calculations and fair value level classifications at its business unit in charge of the preparing financial statements. In accordance with the said policies and processes, the Company’s operational and administrative divisions select the fair value valuation model and thereby calculate fair values and classify them into the relevant levels. When the Company obtains a market quoted price from a third party, and uses this as a fair value, the Company verifies the appropriateness of the valuation methodology and inputs employed, through appropriate means involving comparative analyses of the fair values of similar financial products.

- 14 Accumulated depreciation on tangible fixed assets is 1,173 million yen.
- 15 Securities lent under lending agreements are included in the non-consolidated balance sheets. Total balance of securities lent as of March 31, 2026 was 695,189 million yen.
- 16 Assets in separate accounts, as defined by Article 118 of the Insurance Business Act, total 136,224 million yen. Liabilities in separate accounts total the same amount.
- 17 The total amount of financial credits against affiliated companies is 48 million yen, and the total amount of financial debts is 817 million yen.
- 18 The total amount of deferred tax assets was 78,594 million yen, and the total amount of deferred tax liabilities was 64 million yen. The amount deducted from the deferred tax assets as valuation reserves was 6,586 million yen. The major components causing the deferred tax assets were policy reserves and others of 37,861 million yen and reserve for price fluctuations of 16,488 million yen. The major reasons for the change in the amount deducted from the deferred tax assets as the valuation reserves were changes in the policy reserves and others and the reserve for price fluctuations.

- 19 The effective statutory tax rate for the fiscal year ended March 31, 2026 was 28.00%, and the Company's corporate income tax burden (corporate income tax as a percentage of pretax income) was 27.81%. The difference was due mainly to the effect of the valuation reserves of 1.16%
- 20 The Company has applied the group tax-sharing system under which Dai-ichi Life Holdings(*), Inc. is the tax-sharing parent company. Accounting for income taxes and local income taxes, or accounting for and disclosure of tax effect accounting related to these taxes are in accordance with "Accounting and Disclosure under the Group Tax-Sharing System" (Practical Issues Task Force No. 42, August 12, 2021).
(*Dai-ichi Life Holdings, Inc. changed its corporate name to "Daiichi Life Group, Inc." on April 1, 2026.
- 21 The value of assets (marketable securities) pledged as collateral is 430,166 million yen. The amounts of secured liabilities were 377,503 million yen.
- 22 Assets for which rights held can be freely disposed of by means of sale or collateralization are available-for-sale securities that have been accepted as collateral of reinsurance dealings and derivative transactions, and in this period ownership was maintained for total market value of 66,851 million yen as of March 31, 2026, and we have no assets pledged as a re-collateral.
- 23 Reserves for outstanding claims attributable to the portion of reinsurance specified in Article 71, paragraph 1, of the Ordinance for Enforcement of the Insurance Business Act, applied under Article 73, paragraph 3 of said Ordinance ("reserves for outstanding ceding insurance claims"), amount to 3,098 million yen. Policy reserves attributable to the portion of reinsurance specified in Article 71, paragraph 1 of said Ordinance ("ceding reinsurance policy reserves") amount to 6,008,420 million yen.
- 24 Net assets per share is 135,569,912.08 yen.
- 25 In accordance with the terms and conditions of the relevant contracts, the undepreciated balance at the end of the fiscal year of ceding commissions related to certain reinsurance contracts that fall under (a) and (b) below (excluding reinsurance as stipulated in Article 71, paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act), defined as commissions received from assuming reinsurers that are to be paid to such reinsurers out of future revenues or profits attributable to the portion reinsured under the relevant reinsurance contracts, amounts to 1,152 million yen.
(a) The contract provides that the undepreciated ceding commissions and expenses incidental thereto, or other items equivalent thereto, are to be paid to the assuming reinsurer in the future.
(b) The contract transfers a portion of the risk related to the insurance contracts to the extent reinsured (excluding cases where the entire risk of the original insurance contracts is transferred in proportion to the ceding ratio).

4. Unaudited Statement of Earnings

(millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
	Amount	Amount
ORDINARY REVENUES	3,495,741	3,773,474
Premium and other income	2,999,213	3,123,328
Premium income	2,259,631	2,442,248
Reinsurance Income	739,581	681,079
Investment Revenue	202,491	647,182
Interest and dividends	201,701	213,860
Interest from bank deposits	5,676	4,473
Interest and dividends from securities	195,026	208,225
Other interest and dividends	998	1,161
Gains on money held in trust	-	78,656
Gains on sale of securities	760	4,763
Gains on redemption of securities	20	348
Foreign exchange gains	-	333,045
Reversal of reserve for possible loan losses	-	0
Other investment revenue	8	13
Gains on investment in separate accounts	-	16,494
Other ordinary revenues	294,037	2,964
Reversal of reserves for outstanding claims	-	2,941
Reversal of policy reserve	294,008	-
Other ordinary revenues	28	22
ORDINARY EXPENSES	3,445,798	3,744,288
Benefits and claims	3,177,302	2,716,162
Claims	253,616	280,610
Annuities	347,221	260,818
Benefits	213,029	239,642
Surrender values	883,018	578,559
Other refunds	12,106	11,369
Ceding reinsurance commissions	1,468,310	1,345,162
Provision for policy reserves and other	10,514	885,911
Provision for reserves for outstanding claims	10,514	-
Provision for policy reserves	-	885,911
Investment expenses	147,502	34,160
Interest expenses	119	865
Losses on money held in trust	958	-
Losses on sale of securities	54,920	20,944
Losses on redemption of securities	43	178
Derivative transaction losses	6,590	10,410
Foreign exchange losses	73,255	-
Provision for reserves for possible loan losses	2	-
Other investment expenses	4,287	1,762
Losses on investment in separate accounts	7,322	-
Operating expenses	90,005	87,090
Other ordinary expenses	20,473	20,962
National and local taxes	14,772	14,935
Depreciation	5,683	5,906
Other ordinary expenses	17	120
ORDINARY GAIN	49,943	29,186
EXTRAORDINARY LOSSES	5,903	3,342
Losses on disposal of fixed assets	103	42
Provision for reserves for price fluctuations	5,800	3,300
Profit before income taxes	44,039	25,843
Corporate income taxes-current	15,013	10,664
Corporate income taxes-deferred	(3,873)	(3,478)
Total of corporate income taxes	11,139	7,185
Net profit for the year	32,899	18,657

- 1 The accounting standards for reporting premium and other income, and for benefits and claims, are as follows:
 - a) Premium and Other Income (Excluding Reinsurance Income)
 Premium and other income (excluding reinsurance income) that has been received and for which contractual obligations have commenced, are recorded in accordance with the amounts received.
 Of the premium and other income (excluding reinsurance income) received, however, the portion corresponding to the unexpired period as of the end of the fiscal year, has been transferred to policy reserves, pursuant to Article 69, Paragraph 1, Item (ii) of the Ordinance for Enforcement of the Insurance Business Act.
 - b) Reinsurance Income
 Of the amount paid as insurance benefits and claims related to the primary insurance contract, the amount reinsured is, pursuant to the reinsurance agreement, recorded as reinsurance income at the time of payment of said insurance benefits and claims.
 In some transactions involving no cash transfer, pursuant to the reinsurance agreement, the amount to be received as a portion of the amount equivalent to new contract expenses of the primary insurance contract is recorded as reinsurance income. In addition, the same amount is recorded under reinsurance receivables as the undepreciated balance of the fee of the reinsurance contract, and is to be amortized over a certain period of time.
 - c) Benefits and Claims (Excluding Ceding Reinsurance Commissions)
 Benefits and claims (excluding ceding reinsurance commissions), the amount of which is calculated and paid in accordance with the insurance contract, are recorded in cases when reasons for payment provided for in insurance contracts have arisen.
 Pursuant to Article 117 of the Insurance Business Act, the Company has set aside, as reserves for outstanding claims, insurance proceeds that are due and payable as of the end of the fiscal year but payment is yet to have been made, and insurance proceeds in cases where reasons for payment are deemed to have arisen but reports concerning the reasons for payment are yet to be received.
 - d) Ceding Reinsurance Commissions
 Ceding reinsurance commissions are recorded, upon receipt of the insurance premium related to the primary insurance contract as agreed upon pursuant to the reinsurance agreement or at the time of the conclusion of the reinsurance agreement concerned.
 Note that pursuant to Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act, the Company has opted not to set aside policy reserves and the reserves for outstanding claims corresponding to certain portions of reinsurance amounts.
- 2 The total amounts of expenses from transactions with affiliated companies were 319 million yen, respectively.
- 3 Gains on sale of securities included gains on sales of domestic bonds and foreign securities of 233 million yen and 4,529 million yen, respectively.
- 4 Losses on sale of securities included losses on sales of domestic bonds and foreign securities of 6,191 million yen and 14,752 million yen, respectively.
- 5 In calculating the reversal of reserves for outstanding claims, 1,097 million yen was added to the provision for reserves outstanding claims reinsured. In calculating the reversal of policy reserves, 1,369,156 million yen was deducted from the provision for policy reserves reinsured.
- 6 Gains on money held in trust included a valuation gain of 78,620 million yen.
- 7 Derivative transaction losses included a valuation gain of 20,268 million yen.
- 8 Net income per share for the fiscal year ended March 31, 2026 was 10,085,215.74 yen.
- 9 Ceding reinsurance commissions includes 2,792 million yen decrease in the undepreciated balance of the fee of reinsurance contract, as set forth in Note 25 to the consolidated balance sheet.

10 Details of transactions with related parties are as follows:

Attributes	Name of company, etc. (*)	Percentage of voting rights, etc. holding/held	Relationship with related parties	Details of transactions	Amount of transaction (million yen)	Subject	Balance at the end of the year (million yen)
Subsidiary of the parent company	Dai-ichi Life Reinsurance Bermuda Ltd.	-	Reinsurance counterparty	Reinsurance income	488,006	Reinsurance receivables	101,932
				Ceding reinsurance commissions	493,604	Reinsurance payable	-

(*)Dai-ichi Life Reinsurance Bermuda Ltd. changed its corporate name to "Daiichi Life Reinsurance Bermuda Ltd." on April 1, 2026.

(Terms and conditions of transactions and policy for determining terms and conditions of transactions, etc.)

The terms and conditions of the above transactions are determined based on market interest rates or market values.

5. Breakdown of Ordinary Profit (Fundamental Profit)

(millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Fundamental revenues	3,531,657	3,821,435
Premium and other income	2,999,213	3,123,328
Investment income	201,731	230,716
[Interest and dividends]	201,701	213,860
Other ordinary revenues	294,037	2,964
Other fundamental revenues (a)	36,675	464,426
Fundamental expenses	3,443,521	3,740,742
Benefits and claims	3,177,302	2,716,162
Provision for policy reserves and others	6,822	878,384
Investment expenses	11,773	2,806
Operating expenses	90,005	87,090
Other ordinary expenses	20,473	20,962
Other fundamental expenses (b)	137,144	35,336
Fundamental profit	A	88,135
Capital gains	137,904	451,802
Gains on money held in trust	-	78,656
Gains on investments in trading securities	-	-
Gains on sale of securities	760	4,763
Derivative transaction gains	-	-
Foreign exchange gains	-	333,045
Others (c)	137,144	35,336
Capital losses	170,323	495,022
Losses on money held in trust	958	-
Losses on investments in trading securities	-	-
Losses on sale of securities	54,920	20,944
Losses on valuation of securities	-	-
Derivative transaction losses	6,590	10,410
Foreign exchange losses	73,255	-
Others (d)	34,596	463,667
Net capital gains (losses)	B	(32,418)
Fundamental profit plus net capital gains (losses)	A + B	55,716
Other one-time gains	-	0
Reinsurance income	-	-
Reversal of contingency reserve	-	-
Reversal of specific reserve for possible loan losses	-	0
Others (e)	-	-
Other one-time losses	5,773	8,285
Ceding reinsurance commissions	-	-
Provision for contingency reserve	3,692	7,527
Provision for specific reserve for possible loan losses	2	-
Provision for specific reserve for loans to refinancing countries	-	-
Write-down of loans	-	-
Others (f)	2,078	758
Other one-time profits (losses)	C	(5,773)
Ordinary profit	A + B + C	49,943
		29,186

(Reference)

Breakdown of other fundamental revenues, etc.

(millions of yen)

	Year ended March 31, 2025	Year ended March 31, 2026
Other fundamental revenues (a)	36,675	464,426
Gains and losses from cancellation of mutual funds	46	-
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	-	409,676
Interest received and/or paid related to currency swap and interest rate swap contracts covering foreign-currency denominated insurance policies	34,549	51,939
Impact from assets held in money trusts and others related to reinsurance dealings	-	2,052
Amount of reinsurance premium for cancellation of existing reinsurance	2,078	758
Other fundamental expenses (b)	137,144	35,336
Forex hedge cost	5,953	11,725
Impact from increase or decrease in surrender values in accordance with Market Value Adjustment (MVA)	43,067	23,610
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	86,624	-
Impact from assets held in money trusts and others related to reinsurance dealings	1,498	-
The impact on fundamental profit (a) - (b)	(100,468)	429,089
Other capital gains (c)	137,144	35,336
Forex hedge cost	5,953	11,725
Impact from increase or decrease in surrender values in accordance with Market Value Adjustment (MVA)	43,067	23,610
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	86,624	-
Impact from assets held in money trusts and others related to reinsurance dealings	1,498	-
Other capital losses (d)	34,596	463,667
Gains and losses from cancellation of mutual funds	46	-
Impact from market rate fluctuations of foreign exchange on foreign-currency denominated insurance policies	-	409,676
Interest received and/or paid related to currency swap and interest rate swap contracts covering foreign-currency denominated insurance policies	34,549	51,939
Impact from assets held in money trusts and others related to reinsurance dealings	-	2,052
The impact on net capital gains (losses) (c) - (d)	102,547	(428,331)
Other one-time gains (e)	-	-
Other one-time losses (f)	2,078	758
Amount of Reinsurance Premium for Cancellation of Existing Reinsurance	2,078	758
The impact on other one-time profits (losses) (e) - (f)	(2,078)	(758)

6. Unaudited Statement of Changes in Net Assets

Year ended March 31, 2025

(millions of yen)

	Shareholders' equity							Total shareholders' equity
	Capital stock	Capital surplus			Retained earnings reserves	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings	Total retained earnings	
Balance at the beginning of the year	117,500	67,500	-	67,500	8,000	64,248	72,248	257,248
Changes for the year								
Net gain						32,899	32,899	32,899
Net changes of items other than shareholders' equity								
Total changes for the year	-	-	-	-	-	32,899	32,899	32,899
Balance at the end of the year	117,500	67,500	-	67,500	8,000	97,147	105,147	290,147

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on securities, net of tax	Total valuation and translation adjustments	
Balance at the beginning of the year	(35,891)	(35,891)	221,357
Changes for the year			
Net gain			32,899
Net changes of items other than shareholders' equity	3,758	3,758	3,758
Total changes for the year	3,758	3,758	36,657
Balance at the end of the year	(32,132)	(32,132)	258,014

Year ended March 31, 2026

(millions of yen)

	Shareholders' equity							Total shareholders' equity
	Capital stock	Capital surplus			Retained earnings reserves	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings	Total retained earnings	
Balance at the beginning of the year	117,500	67,500	-	67,500	8,000	97,147	105,147	290,147
Changes for the year								
Reduction of Capital Stock, Legal Capital Surplus, and Retained Earnings Reserves	(67,500)	(17,500)	85,000	67,500	(8,000)	8,000	-	-
Net gain						18,657	18,657	18,657
Net changes of items other than shareholders' equity								
Total changes for the year	(67,500)	(17,500)	85,000	67,500	(8,000)	26,657	18,657	18,657
Balance at the end of the year	50,000	50,000	85,000	135,000	-	123,805	123,805	308,805

	Valuation and translation adjustments		Total net assets
	Net unrealized gains on securities, net of tax	Total valuation and translation adjustments	
Balance at the beginning of the year	(32,132)	(32,132)	258,014
Changes for the year			
Reduction of Capital Stock, Legal Capital Surplus, and Retained Earnings Reserves			-
Net gain			18,657
Net changes of items other than shareholders' equity	(25,868)	(25,868)	(25,868)
Total changes for the year	(25,868)	(25,868)	(7,210)
Balance at the end of the year	(58,001)	(58,001)	250,804

Notes to Non-Consolidated Statement of Changes in Net assets for the fiscal year ended March 31, 2026

1. Number of outstanding shares by class

(shares)

	No. shares as of April 1, 2025	Increase in number of shares	Decrease in number of shares	No. shares as of March 31, 2026
Outstanding shares				
Common stock	1,850	-	-	1,850

7. Disclosed Claims Based on Categories of Obligors

(millions of yen except percentages)

	As of March 31, 2025	As of March 31, 2026
Claims against bankrupt and quasi-bankrupt obligors	-	-
Claims with collection risk	-	-
Claims that are overdue for 3 months or more	-	-
Claims with repayment relaxation	-	-
Subtotal	-	-
[Percentage]	[-]	[-]
Claims against normal obligors	454,010	695,257
Total	454,010	695,257

- Notes: 1. Claims against bankrupt and quasi-bankrupt obligors are loans to borrowers who are subject to bankruptcy, corporate reorganization or rehabilitation or other similar proceedings and other borrowers in serious financial difficulties.
2. Claims with collection risk are loans to obligors (other than bankrupt and quasi-bankrupt obligors) with deteriorated financial condition and results of operations from which it is unlikely that the principal and interest on the loans will be recovered (Excludes the claims listed in Note 1).
3. Loans that are overdue for three months or more are loans for which payment of principal or interest is delayed for three months or more from the day following the contracted payment date. (Excludes the claims listed in Note 1 and 2)
4. Claims with repayment relaxation are arrangements that are advantageous to the debtor, such as interest rate reduction and exemption, interest payment deferment, principal repayment deferment, debt waiver, etc., for the purpose of rebuilding or supporting the debtor. (Excluding items mentioned in Note from 1 to 3 above)
5. Claims against normal obligors are all other loans. (Excluding items mentioned in Note from 1 to 4 above)

8. Status of Separate Account for the Fiscal Year Ended March 31, 2026

(1) Separate Account Assets by Product

(millions of yen)

	As of March 31, 2025 Amount	As of March 31, 2026 Amount
Individual variable insurance	10,491	11,935
Individual variable annuities	221,598	124,289
Group annuities	-	-
Separate account total	232,090	136,224

(2) Individual Variable Insurance (Separate Account)

A. Policies in force

	As of March 31, 2025		As of March 31, 2026	
	Number of policies (thousands)	Amount (millions of yen)	Number of policies (thousands)	Amount (millions of yen)
Variable insurance (defined term type)	-	-	-	-
Variable insurance (whole life type)	25	229,316	23	212,732
Total	25	229,316	23	212,732

Note: The outstanding policies in force for individual variable insurance include those managed in general account.

B. Breakdown of separate account assets for individual variable insurance

(millions of yen except percentages)

	As of March 31, 2025		As of March 31, 2026	
	Amount	%	Amount	%
Cash, deposits, and call loans	42	0.4	50	0.4
Securities	10,443	99.5	11,884	99.6
Domestic bonds	-	-	-	-
Domestic stocks	-	-	-	-
Foreign securities	-	-	-	-
Foreign bonds	-	-	-	-
Foreign stocks and other securities	-	-	-	-
Other securities	10,443	99.5	11,884	99.6
Loans	-	-	-	-
Others	5	0.1	0	0.0
Reserve for possible loan losses	-	-	-	-
Total	10,491	100.0	11,935	100.0

C. Investment gains and losses on separate accounts for individual variable insurance

(millions of yen)

	As of March 31, 2025		As of March 31, 2026	
	Amount		Amount	
Interest and dividends	3,185		1,510	
Gains on sale of securities	-		-	
Gains on redemption of securities	-		-	
Gains on valuation of securities	-		2,640	
Foreign exchange gains	-		-	
Derivative transaction gains	-		-	
Other investment income	-		-	
Losses on sale of securities	-		-	
Losses on redemption of securities	-		-	
Losses on valuation of securities	3,651		-	
Foreign exchange losses	-		-	
Derivative transaction losses	-		-	
Other investment losses	20		23	
Net investment income	(486)		4,127	

(3) Individual Variable Annuities (Separate Account)

A. Policies in force

	As of March 31, 2025		As of March 31, 2026	
	Number of policies (thousands)	Amount (millions of yen)	Number of policies (thousands)	Amount (millions of yen)
Individual variable annuities	120	573,158	83	352,245

Note: 1. Total policy amount in force for individual annuities is equal to the sum of (a) the amount required to fund annuity payments when they commence for annuities that have not yet commenced paying out and (b) policy reserves for annuities that have commenced paying out.

2. The outstanding policies in force for individual variable annuities include those managed in general account.

B. Breakdown of separate account assets for individual variable annuities

(millions of yen except percentages)

	As of March 31, 2025		As of March 31, 2026	
	Amount	%	Amount	%
Cash, deposits, and call loans	3,741	1.7	1,979	1.6
Securities	217,077	98.0	121,706	97.9
Domestic bonds	-	-	-	-
Domestic stocks	-	-	-	-
Foreign securities	4,822	2.2	271	0.2
Foreign bonds	-	-	-	-
Foreign stocks and other securities	4,822	2.2	271	0.2
Other securities	212,255	95.8	121,435	97.7
Loans	-	-	-	-
Others	779	0.4	603	0.5
Reserve for possible loan losses	-	-	-	-
Total	221,598	100.0	124,289	100.0

C. Investment gains and losses on separate accounts for individual variable annuities

(millions of yen)

	As of March 31, 2025	As of March 31, 2026
	Amount	Amount
Interest and dividends	20,528	8,099
Gains on sale of securities	-	-
Gains on redemption of securities	-	-
Gains on valuation of securities	-	7,471
Foreign exchange gains	-	-
Derivative transaction gains	-	-
Other investment income	-	-
Losses on sale of securities	-	-
Losses on redemption of securities	-	-
Losses on valuation of securities	25,200	-
Foreign exchange losses	-	-
Derivative transaction losses	-	-
Other investment losses	2,163	3,203
Net investment income	(6,835)	12,367

9. Consolidated Financial Summary

Not applicable.