

(FY2025) Definition of Adjusted Profit

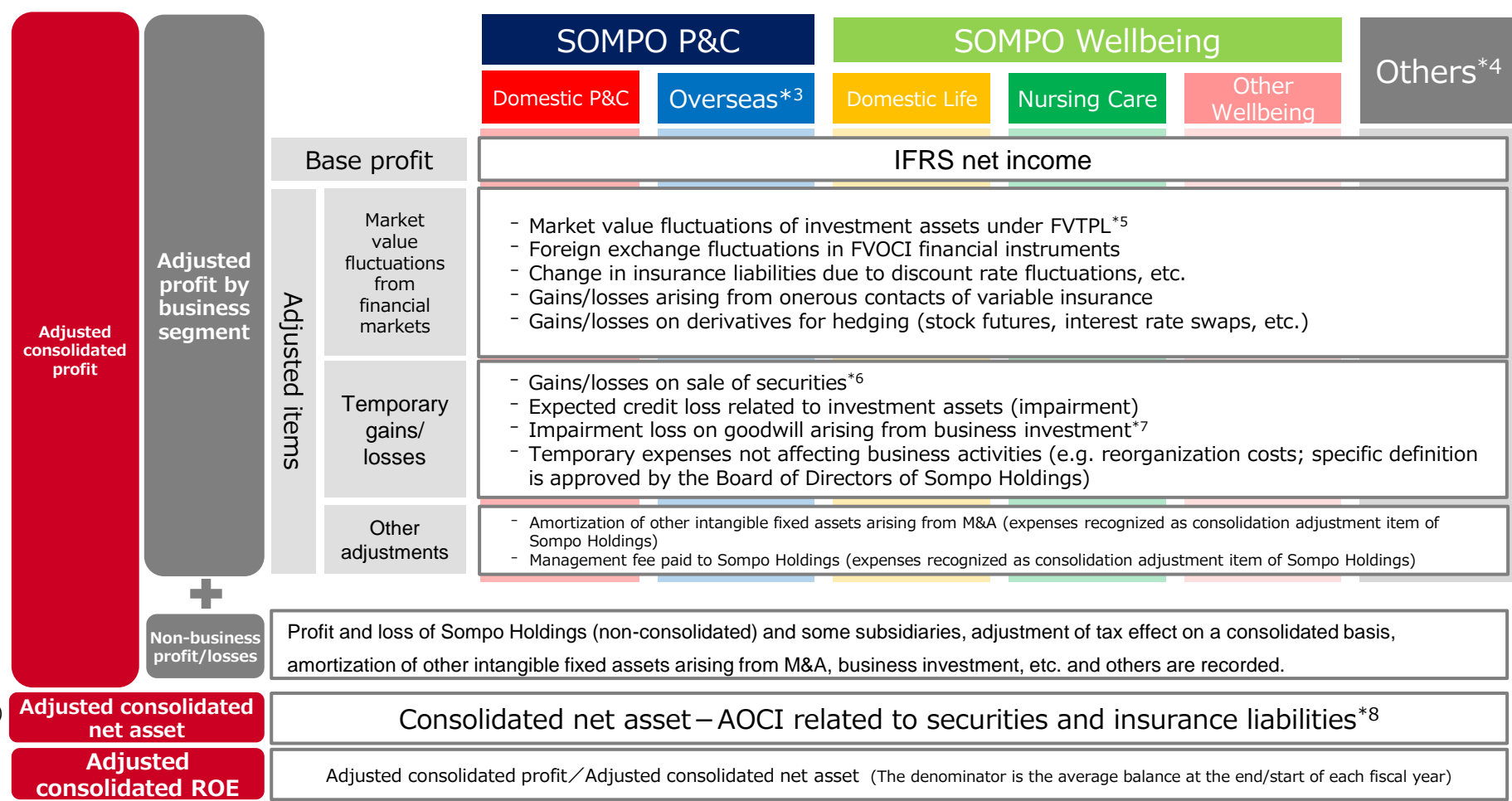
Old standards
(J-GAAP)

Definition of adjusted profit*1

Domestic P&C insurance
Net income + Provisions for catastrophic loss reserve, etc. (after tax) + Provisions for reserve for price fluctuation (after tax) - Gains/losses on sales of securities and impairment losses on securities (after tax) - Others
Overseas insurance
Operating Income*2 Equity-method affiliates are in principle included as net income
Domestic life insurance
Net income + Provision of contingency reserve (after tax) + Provision of reserve for price fluctuation (after tax) + Adjustment of underwriting reserve (after tax) + Deferral of acquisition costs (after tax) - Depreciation of acquisition costs (after tax) - Gains/losses on sales of securities and impairment losses on securities (after tax) - Surplus relief reinsurance effect (after tax)
Nursing care
Net income
Others
Net income - Gains/losses and impairment losses on investment (after tax)

Definition of IFRS adjusted profit

IFRS basis



*1 Adjusted profit for each business excludes one-time factors and special factors such as subsidiary dividends, etc.

*2 Operating income excluding one-time factors (= Net income - Net foreign exchange gains/losses - Net realized and unrealized gains/losses - Net impairment losses recognized in earnings, etc.)

*3 Adjusted profit of Overseas Business is measured for the January to December accounting period (adjusted consolidated profit is for the April to March accounting period).

*4 Direct business companies, digital business companies, etc.

*5 Mutual funds. In addition, stocks and bonds, etc. held in the overseas insurance business, excluding non-traditional assets.

*6 Some adjustment made to the scope of exclusion for the domestic P&C insurance and overseas insurance businesses.

*7 Includes impairment losses (reversal) on tangible fixed assets and leases in Nursing Care Business

*8 Unrealized gains and losses on securities held and insurance liabilities (AOCI : Accumulated Other Comprehensive Income)