# U-HAUL HOLDING CO /NV/

## FORM 10-Q
(Quarterly Report)

Filed 08/09/23 for the Period Ending 06/30/23

| | |
|---|---|
| Address | 5555 KIETZKE LANE STE 100 |
| | RENO, NV, 89511 |
| Telephone | 7756886300 |
| CIK | 0000004457 |
| Symbol | UHAL |
| SIC Code | 7510 - Services-Auto Rental and Leasing (No Drivers) |
| Industry | Ground Freight & Logistics |
| Sector | Industrials |
| Fiscal Year | 03/31 |

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

# Form 10-Q

(Mark One)
☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.
For the quarterly period ended June 30, 2023

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from __________________ to __________________

Commission File Number 001-11255

| State or other jurisdiction of incorporation or organization | Registrant, State of Incorporation, Address and Telephone Number | I.R.S. Employer Identification No. |
|---|---|---|
| Nevada | **U-Haul Holding Company**<br>(A Nevada Corporation)<br>5555 Kietzke Lane Suite 100<br>Reno , Nevada 89511<br>Telephone ( 775 ) 688-6300 | 88-0106815 |

N/A

**(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)**

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $0.25 par value | UHAL | New York Stock Exchange |
| Series N Non-Voting Common Stock, $0.001 par value | UHAL.B | New York Stock Exchange |

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer ☐

Non-accelerated Filer ☐ Smaller Reporting Company ☐

Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

19,607,788 shares of Common Stock, $0.25 par value, were outstanding at August 4, 2023.

176,470,092 shares of Series N Non-Voting Common Stock, $0.001 par value, were outstanding at August 4, 2023.

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## PART I FINANCIAL INFORMATION

### *Item 1. Financial Statements*

### U-HAUL HOLDING COMPANY AND CONSOLIDATED SUBSIDIARIES
### CONSOLIDATED BALANCE SHEETS

| | June 30, 2023 | March 31, 2023 |
|---|---|---|
| | (Unaudited) | |
| | (In thousands, except share data) | |
| **ASSETS** | | |
| Cash and cash equivalents | $ 2,377,124 | $ 2,060,524 |
| Reinsurance recoverables and trade receivables, net | 206,663 | 189,498 |
| Inventories and parts, net | 164,884 | 151,474 |
| Prepaid expenses | 232,039 | 241,711 |
| Investments, fixed maturities and marketable equities | 2,469,512 | 2,770,394 |
| Investments, other | 620,140 | 575,540 |
| Deferred policy acquisition costs, net | 123,596 | 128,463 |
| Other assets | 60,821 | 51,052 |
| Right of use assets - financing, net | 420,496 | 474,765 |
| Right of use assets - operating, net | 59,496 | 58,917 |
| Related party assets | 43,102 | 48,308 |
| | 6,777,873 | 6,750,646 |
| Property, plant and equipment, at cost: | | |
| Land | 1,555,326 | 1,537,206 |
| Buildings and improvements | 7,364,517 | 7,088,810 |
| Furniture and equipment | 942,036 | 928,241 |
| Rental trailers and other rental equipment | 866,916 | 827,696 |
| Rental trucks | 5,594,132 | 5,278,340 |
| | 16,322,927 | 15,660,293 |
| Less: Accumulated depreciation | (4,486,766) | (4,310,205) |
| Total property, plant and equipment, net | 11,836,161 | 11,350,088 |
| Total assets | $ 18,614,034 | $ 18,100,734 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Liabilities: | | |
| Accounts payable and accrued expenses | $ 778,605 | $ 761,039 |
| Notes, loans and finance leases payable, net | 6,287,231 | 6,108,042 |
| Operating lease liabilities | 58,808 | 58,373 |
| Policy benefits and losses, claims and loss expenses payable | 878,436 | 880,202 |
| Liabilities from investment contracts | 2,384,330 | 2,398,884 |
| Other policyholders' funds and liabilities | 12,218 | 8,232 |
| Deferred income | 64,790 | 52,282 |
| Deferred income taxes, net | 1,371,859 | 1,329,489 |
| Total liabilities | 11,836,277 | 11,596,543 |
| Commitments and contingencies (notes 4 and 9) | | |
| Stockholders' equity: | | |
| Series preferred stock, with or without par value, 50,000,000 shares authorized: | | |
| Series A preferred stock, with no par value, 6,100,000 shares authorized; 6,100,000 shares issued and none outstanding | – | – |
| Series B preferred stock, with no par value, 100,000 shares authorized; none issued and outstanding | – | – |
| Serial common stock, with or without par value, 250,000,000 shares authorized: | | |
| Serial common stock of $0.25 par value, 10,000,000 shares authorized; none issued and outstanding | – | – |
| Common stock, with $0.25 par value, 250,000,000 shares authorized: | | |
| Common stock of $0.25 par value, 250,000,000 shares authorized; 41,985,700 issued and 19,607,788 outstanding | 10,497 | 10,497 |
| Series N Non-Voting Common Stock, with $0.001 par value, 250,000,000 shares authorized | | |
| Series N Non-Voting Common Stock, with $0.001 par value, 250,000,000 shares authorized; 176,470,092 shares issued and outstanding | 176 | 176 |
| Additional paid-in capital | 453,643 | 453,643 |
| Accumulated other comprehensive loss | (261,836) | (285,623) |
| Retained earnings | 7,252,927 | 7,003,148 |
| Cost of common stock in treasury, net (22,377,912 shares) | (525,653) | (525,653) |
| Cost of preferred stock in treasury, net (6,100,000 shares) | (151,997) | (151,997) |
| Total stockholders' equity | 6,777,757 | 6,504,191 |
| Total liabilities and stockholders' equity | $ 18,614,034 | $ 18,100,734 |

The accompanying notes are an integral part of these condensed consolidated financial statements.



### U-HAUL HOLDING COMPANY AND CONSOLIDATED SUBSIDIARIES
### CONSOLIDATED STATEMENTS OF OPERATIONS

| | Quarter Ended June 30, | |
|---|---|---|
| | 2023 | 2022 |

| | (Unaudited)<br>(In thousands, except share and per share amounts) | |
|---|---|---|
| Revenues: | | |
| Self-moving equipment rentals | $ 999,206 | $ 1,090,775 |
| Self-storage revenues | 198,961 | 173,177 |
| Self-moving and self-storage products and service sales | 100,872 | 109,351 |
| Property management fees | 9,177 | 9,139 |
| Life insurance premiums | 23,131 | 25,781 |
| Property and casualty insurance premiums | 20,322 | 19,972 |
| Net investment and interest income | 64,592 | 33,573 |
| Other revenue | 124,047 | 136,072 |
| Total revenues | 1,540,308 | 1,597,840 |
| Costs and expenses: | | |
| Operating expenses | 763,241 | 733,167 |
| Commission expenses | 106,927 | 118,493 |
| Cost of sales | 70,675 | 79,671 |
| Benefits and losses | 45,344 | 39,757 |
| Amortization of deferred policy acquisition costs | 8,045 | 7,672 |
| Lease expense | 7,583 | 7,475 |
| Depreciation, net of gains on disposal ($55,661 and $64,348, respectively) | 137,814 | 113,796 |
| Net losses on disposal of real estate | 1,021 | 2,307 |
| Total costs and expenses | 1,140,650 | 1,102,338 |
| Earnings from operations | 399,658 | 495,502 |
| Other components of net periodic benefit costs | (365) | (304) |
| Interest expense | (60,598) | (49,799) |
| Pretax earnings | 338,695 | 445,399 |
| Income tax expense | (81,857) | (107,054) |
| Net earnings available to common stockholders | $ 256,838 | $ 338,345 |
| Basic and diluted earnings per share of Common Stock | $ 1.27 | $ 2.18 |
| Weighted average shares outstanding of Common Stock: Basic and diluted | 19,607,788 | 19,607,788 |
| Basic and diluted earnings per share of Series N Non-Voting Common Stock | 1.31 | 1.68 |
| Weighted average shares outstanding of Series N Non-Voting Common Stock: Basic and diluted | 176,470,092 | 176,470,092 |

Related party revenues for the first quarter of fiscal 2024 and 2023, net of eliminations, were $9.2 million and $9.1 million, respectively.

Related party costs and expenses for the first quarter of fiscal 2024 and 2023, net of eliminations, were $23.7 million and $25.5 million, respectively.

Please see Note 10, Related Party Transactions, of the Notes to Condensed Consolidated Financial Statements for more information on the related party revenues and costs and expenses.

The accompanying notes are an integral part of these condensed consolidated financial statements.



## U-HAUL HOLDING COMPANY AND CONSOLIDATED SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| **Quarter Ended June 30, 2023** | **Pre-tax** | **Tax** | **Net** |
|---|---|---|---|
| | | (Unaudited)<br>(In thousands) | |
| Comprehensive income: | | | |
| Net earnings | $ 338,695 | $ (81,857) | $ 256,838 |
| Other comprehensive income (loss): | | | |
| Foreign currency translation | 469 | – | 469 |
| Unrealized net gain on investments | 25,543 | (5,199) | 20,344 |
| Change in fair value of cash flow hedges | 5,093 | (1,251) | 3,842 |
| Amounts reclassified into earnings on hedging activities | (1,150) | 282 | (868) |
| Total other comprehensive income (loss) | 29,955 | (6,168) | 23,787 |
| Total comprehensive income | $ 368,650 | $ (88,025) | $ 280,625 |
| | + | | |

| **Quarter Ended June 30, 2022** | **Pre-tax** | **Tax** | **Net** |
|---|---|---|---|
| | | (Unaudited)<br>(In thousands) | |
| Comprehensive income: | | | |
| Net earnings | $ 445,399 | $ (107,054) | $ 338,345 |
| Other comprehensive income (loss): | | | |
| Foreign currency translation | 197 | – | 197 |
| Unrealized net loss on investments | (173,046) | 36,664 | (136,382) |
| Change in fair value of cash flow hedges | 170 | (42) | 128 |
| Amounts reclassified into earnings on hedging activities | 566 | (139) | 427 |
| Total other comprehensive income (loss) | (172,113) | 36,483 | (135,630) |
| Total comprehensive income | $ 273,286 | $ (70,571) | $ 202,715 |

The accompanying notes are an integral part of these condensed consolidated financial statements.



### U-HAUL HOLDING COMPANY AND CONSOLIDATED SUBSIDIARIES
### CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

| | Common Stock | Series N Non-Voting Common Stock | Additional Paid-In Capital | Accumulated Other Comprehensive Loss | Retained Earnings | Less: Treasury Common Stock | Less: Treasury Preferred Stock | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|

(Unaudited)
(In thousands)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Balance as of March 31, 2023** | $ 10,497 | $ 176 | $ 453,643 | $ (285,623) | $ 7,003,148 | $ (525,653) | $ (151,997) | $ 6,504,191 |
| Foreign currency translation | – | – | – | 469 | – | – | – | 469 |
| Unrealized net gain on investments, net of tax | – | – | – | 20,344 | – | – | – | 20,344 |
| Change in fair value of cash flow hedges, net of tax | – | – | – | 3,842 | – | – | – | 3,842 |
| Amounts reclassified into earnings on hedging activities | – | – | – | (868) | – | – | – | (868) |
| Net earnings | – | – | – | – | 256,838 | – | – | 256,838 |
| Series N Non-Voting Common Stock dividends: ($0.04 per share for fiscal 2024) | – | – | – | – | (7,059) | – | – | (7,059) |
| Net activity | – | – | – | 23,787 | 249,779 | – – | – | 273,566 |
| **Balance as of June 30, 2023** | $ 10,497 | $ 176 | $ 453,643 | $ (261,836) | $ 7,252,927 | $ (525,653) | (151,997) | $ 6,777,757 |
| | | | | | | | | |
| **Balance as of March 31, 2022** | $ 10,497 | $ – | $ 453,819 | $ (4,992) | $ 6,112,401 | $ (525,653) | $ (151,997) | $ 5,894,075 |
| Foreign currency translation | – | – | – | 197 | – | – | – | 197 |
| Unrealized net loss on investments, net of tax | – | – | – | (136,382) | – | – | – | (136,382) |
| Change in fair value of cash flow hedges, net of tax | – | – | – | 128 | – | – | – | 128 |
| Amounts reclassified into earnings on hedging activities | – | – | – | 427 | – | – | – | 427 |
| Net earnings | – | – | – | – | 338,345 | – | – | 338,345 |
| Common stock dividends: ($0.50 per share for fiscal 2023) | – | – | – | – | (9,804) | – | – | (9,804) |
| Net activity | – | – | – | (135,630) | 328,541 | – | – | 192,911 |
| **Balance as of June 30, 2022** | $ 10,497 | $ – | $ 453,819 | $ (140,622) | $ 6,440,942 | $ (525,653) | $ (151,997) | $ 6,086,986 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

## U-HAUL HOLDING COMPANY AND CONSOLIDATED SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Quarter Ended June 30, 2023 | 2022 |
|---|---|---|
| | (Unaudited) (In thousands) | |
| Cash flows from operating activities: | | |
| Net earnings | $ 256,838 | $ 338,345 |
| Adjustments to reconcile net earnings to cash provided by operations: | | |
| Depreciation | 193,475 | 178,144 |
| Amortization of deferred policy acquisition costs | 8,045 | 7,672 |
| Amortization of premiums and accretion of discounts related to investments, net | 4,394 | 4,929 |
| Amortization of debt issuance costs | 1,456 | 1,473 |
| Interest credited to policyholders | 17,538 | 15,157 |
| Provision for allowance (recoveries) for losses on trade receivables, net | 592 | (6,151) |
| Provision for allowance (recoveries) for inventories and parts reserves | (327) | 4,646 |
| Net gains on disposal of personal property | (55,661) | (64,348) |
| Net losses on disposal of real estate | 1,021 | 2,307 |
| Net (gains) losses on sales of investments | (1,914) | 268 |
| Net (gains) losses on equity investments | (2,429) | 1,551 |
| Deferred income taxes | 34,108 | 63,493 |
| Net change in other operating assets and liabilities: | | |
| Reinsurance recoverables and trade receivables | (17,435) | 15,894 |
| Inventories and parts | (13,068) | (10,347) |
| Prepaid expenses | 9,870 | 4,935 |
| Capitalization of deferred policy acquisition costs | (3,177) | (7,398) |
| Other assets and right-of-use assets operations, net | (9,957) | 1,935 |
| Related party assets | 3,132 | 484 |
| Accounts payable and accrued expenses and operations lease liabilities | 33,112 | 74,676 |
| Policy benefits and losses, claims and loss expenses payable | (12,098) | 6,043 |
| Other policyholders' funds and liabilities | 3,986 | 1,187 |
| Deferred income | 11,999 | 14,448 |
| Related party liabilities | 2,197 | 2,028 |
| Net cash provided by operating activities | 465,697 | 651,371 |
| Cash flows from investing activities: | | |
| Escrow deposits | (361) | 4,789 |
| Purchases of: | | |
| Property, plant and equipment | (773,577) | (646,137) |
| Short term investments | (9,957) | (22,017) |
| Fixed maturities investments | (3,251) | (36,488) |
| Equity securities | (242) | (1,366) |
| Real estate | (415) | – |
| Mortgage loans | (52,450) | (42,561) |
| Proceeds from sales and paydowns of: | | |
| Property, plant and equipment | 193,455 | 159,180 |
| Short term investments | 11,745 | 18,073 |
| Fixed maturities investments | 336,859 | 55,808 |
| Equity securities | 236 | 362 |
| Preferred stock | 913 | – |
| Mortgage loans | 8,377 | 32,345 |
| Net cash used by investing activities | (288,668) | (478,012) |
| Cash flows from financing activities: | | |
| Borrowings from credit facilities | 445,493 | 393,264 |
| Principal repayments on credit facilities | (232,824) | (145,369) |
| Payment of debt issuance costs | (2,688) | (1,069) |
| Finance lease payments | (34,168) | (34,982) |
| Securitization deposits | 79 | – |
| Common stock dividends paid | – | (9,804) |
| Series N Non-Voting Common Stock dividends paid | (7,059) | – |
| Investment contract deposits | 51,239 | 85,767 |
| Investment contract withdrawals | (83,331) | (62,911) |
| Net cash provided by financing activities | 136,741 | 224,896 |
| Effects of exchange rate on cash | 2,830 | (4,121) |
| Increase in cash and cash equivalents | 316,600 | 394,134 |
| Cash and cash equivalents at the beginning of period | 2,060,524 | 2,704,137 |
| Cash and cash equivalents at the end of period | $ 2,377,124 | $ 3,098,271 |

The accompanying notes are an integral part of these condensed consolidated financial statements



## U-HAUL HOLDING COMPANY AND CONSOLIDATED SUBSIDIARIES
## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS –

### 1.Basis of Presentation

U-Haul Holding Company, a Nevada corporation ("U-Haul Holding Company"), has a first fiscal quarter that ends on the 30 th of June for each year that is referenced. Our insurance company subsidiaries have a first quarter that ends on the 31 st of March for each year that is referenced. They have been consolidated on that basis. Our insurance companies' financial reporting processes conform to calendar year reporting as required by state insurance departments. Management believes that consolidating their calendar year into our fiscal year financial statements does not materially affect the presentation of consolidated financial position or consolidated results of operations. We disclose material events, if any, occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2023 and 2022 correspond to fiscal 2024 and 2023 for U-Haul Holding Company.

Accounts denominated in non-U.S. currencies have been translated into U.S. dollars.

The consolidated balance sheet as of June 30, 2023 and the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for the first quarter of fiscal 2024 and 2023 are unaudited.

In our opinion, all adjustments necessary for the fair presentation of such condensed consolidated financial statements have been included. Such adjustments consist only of normal recurring items. Interim results are not necessarily indicative of results for a full year. The information in this Quarterly Report on Form 10-Q ("Quarterly Report") should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2023.

Intercompany accounts and transactions have been eliminated.

***Description of Legal Entities***

U-Haul Holding Company is the holding company for:

U-Haul International, Inc. ("U-Haul");

Amerco Real Estate Company ("Real Estate");

Repwest Insurance Company ("Repwest"); and

Oxford Life Insurance Company ("Oxford").

Unless the context otherwise requires, the terms "Company," "we," "us" or "our" refer to U-Haul Holding Company and all of its legal subsidiaries.

***Description of Operating Segments***

U-Haul Holding Company has three ( 3 ) reportable segments. They are Moving and Storage, Property and Casualty Insurance and Life Insurance.

The Moving and Storage operating segment ("Moving and Storage") includes U-Haul Holding Company, U-Haul and Real Estate and the wholly owned subsidiaries of U-Haul and Real Estate. Operations consist of the rental of trucks and trailers, sales of moving supplies, sales of towing accessories, sales of propane, and the rental of fixed and portable moving and storage units to the "do-it-yourself" mover and management of self-storage properties owned by others. Operations are conducted under the registered trade name U-Haul ® throughout the United States and Canada.

The Property and Casualty Insurance operating segment ("Property and Casualty Insurance") includes Repwest and its wholly owned subsidiaries and ARCOA Risk Retention Group ("ARCOA"). Property and Casualty Insurance provides loss adjusting and claims handling for U-Haul ® through regional offices in the United States and Canada. Property and Casualty Insurance also underwrites components of the Safemove ® , Safetow ® , Safemove Plus ® , Safestor ® and Safestor Mobile ® protection packages to U-Haul customers. The business plan for Property and Casualty Insurance includes offering property and casualty insurance products in other U-Haul-related programs. ARCOA is a group captive insurer owned by us and our wholly owned subsidiaries whose purpose is to provide insurance products related to our moving and storage business.

The Life Insurance operating segment ("Life Insurance") includes Oxford and its wholly owned subsidiaries. Life Insurance provides life and health insurance products primarily to the senior market through the direct writing and reinsuring of life insurance, Medicare supplement and annuity policies.

***Accounting Policy Updates*** :

The following accounting policies were updated since the filing of our Annual Report on Form 10-K for the fiscal year ended March 31, 2023 due to the adoption of Accounting Standards Update ("ASU") 2018-12, *Financial Services - Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts* (ASU 2018-12). Please refer to Note 18,



Accounting Pronouncements for additional information on the financial statement impacts related to the adoption of this standard.

**Deferred Policy Acquisition Costs**

Certain costs of acquiring new insurance business are deferred and recorded as an asset. These costs are capitalized on a grouped contract basis and amortized over the expected term of the related contracts, and are essential for the acquisition of new insurance business. Deferred acquisition costs (DAC) are directly related to the successful issuance of an insurance contract, and primarily include sales commissions, policy issue costs, direct to consumer advertising costs, and underwriting costs. Additionally, DAC includes the value of business acquired (VOBA), which are the costs of acquiring blocks of insurance from other companies or through the acquisition of other companies. These costs represent the difference between the fair value of the contractual insurance assets acquired and liabilities assumed, compared against the assets and liabilities for insurance contracts that the Company issues or holds measured in accordance with GAAP.

DAC is amortized on a constant-level basis over the expected term of the grouped contracts, with the related expense included in amortization of deferred acquisition costs. The in-force metric used to compute the DAC amortization rate is premium deposit in-force for deferred annuities, policy count in-force for health insurance, and face amount in-force for life insurance. The assumptions used to amortize acquisition costs include mortality, morbidity, and persistency. These assumptions are reviewed at least annually and revised in conjunction with any change in the future policy benefit assumptions. The effect of changes in the assumptions are recognized over the remaining expected contract term as a revision of future amortization amounts.

**Policy Benefits and Losses, Claims and Loss Expenses Payable**

The liability for future policy benefits for traditional and limited-payment long duration life and health products comprises approximately 91% of the total liability for future policy benefits. The liability is determined each reporting period based on the net level premium method. This method requires the liability for future policy benefits be calculated as the present value of estimated future policyholder benefits and the related termination expenses, less the present value of estimated future net premiums to be collected from policyholders. Net level premiums reflect a recomputed net premium ratio 1 using actual experience since the issue date or the Transition Date, and expected future experience. The liability is accrued as premium revenue is recognized and adjusted for differences between actual and expected experience. Long-duration insurance contracts issued by the Company are grouped into cohorts based on the contract issue year, distribution channel, legal entity and product type.

Both the present value of expected future benefit payments and the present value of expected future net premiums are based primarily on assumptions of discount rates, mortality, morbidity, lapse, and persistency. Each quarter, the Company remeasures its liability for future policy benefits using current discount rates with the effect of the change recognized in Other Comprehensive Income, a component of shareholders' equity. In addition, the Company recognizes a liability remeasurement gain or using original discount rates, and relating to actual experience under the net premium calculation, as compared to the prior reporting period assumptions.

The Company reviews, and updates as necessary, its cash flow assumptions (mortality, morbidity, lapses and persistency) used to calculate the change in the liability for future policy benefits at least annually. These cash flow assumptions are reviewed at the same time every year, or more frequently, if suggested by experience. If cash flow assumptions are changed, the net premium ratio is recalculated from the original issue date, or the Transition Date, using actual experience and projected future cash flows. When the expected future net premiums exceed the expected future gross premiums, or the present value of future policyholder benefits exceeds the present value of expected future gross premiums, the liability for future policy benefits is adjusted with changes recognized in policyholder benefits. The cash flow assumptions do not include an adjustment for adverse deviation. Mortality tables used for individual life insurance include various industry tables and reflect modifications based on Company experience. Morbidity assumptions for individual health are based on Company experience and industry data. Lapse and persistency assumptions are based on Company experience.

The liability for future policy benefits is discounted as noted above, using a current upper-medium grade fixed-income instrument yield that reflects the duration characteristics of the liability for future policy benefits. The methodology for determining current discount rates consists of constructing a discount rate curve intended to be reflective of the currency and tenor of the insurance liability cash flows. The methodology is designed to prioritize observable inputs based on market data available in the local debt markets denominated in the same currency as the policies. For the discount rates applicable to tenors for which the single-A debt market is not liquid or there is little or no observable market data, the Company will use estimation techniques consistent with the fair value guidance in ASC 820. We further accrete interest as a component of policyholder benefits using the original discount rate that is locked-in during the year of contract issuance. The original discount rates (or the locked-in discount rates) are used for interest accretion purposes and for the determination of net premiums, whereas the current discount rates are used for purposes of valuing the liability.

The liability for future policy benefits for annuity and interest sensitive life-type products is represented by policy account value. For limited-payment contracts, a deferred profit liability is also recorded, with changes recognized in income over the life of the contract in proportion to the amount of insurance in-force.

## 2. Earnings per Share

We calculate earnings per share using the two-class method in accordance with Accounting Standards Codification ("ASC") Topic 260, *Earnings Per Share* . The two-class method allocates the undistributed earnings available to common stockholders to the Company's outstanding common stock, $ 0.25 par value (the "Voting Common Stock") and the Series N Non-Voting Common Stock, $ 0.001 par value (the "Non-Voting Common Stock") based on each share's percentage of total weighted average shares outstanding. The Voting Common Stock and Non-Voting Common Stock are allocated 10 % and 90 %, respectively, of our undistributed earnings available to common stockholders. This represents earnings available to common stockholders less the dividends declared for both the Voting Common Stock and Non-Voting Common Stock.

Our undistributed earnings per share is calculated by taking the undistributed earnings available to common stockholders and dividing this number by the weighted average shares outstanding for the respective stock. If there was a dividend declared for that period, the dividend per share is added to the undistributed earnings per share to calculate the basic and diluted earnings per share. The process is used for both Voting Common Stock and Non-Voting Common Stock.

The calculation of basic and diluted earnings per share for the quarters ended June 30, 2023 and 2022 for our Voting Common Stock and Non-Voting Common Stock were as follows:

| | For the Quarters Ended June 30, 2023 | For the Quarters Ended June 30, 2022 |
|---|---|---|
| | (Unaudited) (In thousands, except share and per share amounts) | |
| Weighted average shares outstanding of Voting Common Stock | 19,607,788 | 19,607,788 |
| Total weighted average shares outstanding for Voting Common Stock and Non-Voting Common Stock | 196,077,880 | 196,077,880 |
| Percent of weighted average shares outstanding of Voting Common Stock | 10% | 10% |
| Net earnings available to common stockholders | $ 256,838 | $ 338,345 |
| Voting Common Stock dividends declared | – | (9,804) |
| Non-Voting Common Stock dividends declared | (7,059) | – |
| Undistributed earnings available to common stockholders | $ 249,779 | $ 328,541 |
| Undistributed earnings available to common stockholders allocated to Voting Common Stock | $ 24,978 | $ 32,854 |
| Undistributed earnings per share of Voting Common Stock | $ 1.27 | $ 1.68 |
| Dividends declared per share of Voting Common Stock | $ – | $ 0.50 |
| Basic and diluted earnings per share of Voting Common Stock | $ 1.27 | $ 2.18 |
| Weighted average shares outstanding of Non-Voting Common Stock | 176,470,092 | 176,470,092 |
| Total weighted average shares outstanding for Voting Common Stock and Non-Voting Common Stock | 196,077,880 | 196,077,880 |
| Percent of weighted average shares outstanding of Non-Voting Common Stock | 90% | 90% |
| Net earnings available to common stockholders | $ 256,838 | $ 338,345 |
| Voting Common Stock dividends declared | – | (9,804) |
| Non-Voting Common Stock dividends declared | (7,059) | – |
| Undistributed earnings available to common stockholders | $ 249,779 | $ 328,541 |
| Undistributed earnings available to common stockholders allocated to Non-Voting Common Stock | $ 224,801 | $ 295,687 |
| Undistributed earnings per share of Non-Voting Common Stock | $ 1.27 | $ 1.68 |
| Dividends declared per share of Non-Voting Common Stock | $ 0.04 | $ – |
| Basic and diluted earnings per share of Non-Voting Common Stock | $ 1.31 | $ 1.68 |





## 3. Investments

We deposit bonds with insurance regulatory authorities to meet statutory requirements. The adjusted cost of bonds on deposit with insurance regulatory authorities was $ 21.4 million and $ 23.4 million as of March 31, 2023 and December 31, 2022, respectively.

### *Available-for-Sale Investments*

Available-for-sale investments as of June 30, 2023 were as follows:

| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses More than 12 Months | Gross Unrealized Losses Less than 12 Months | Allowance for Expected Credit Losses | Fair Market Value |
|---|---|---|---|---|---|---|
| | (Unaudited) (In thousands) | | | | | |
| U.S. treasury securities and government obligations | $ 128,050 | $ 391 | $ (7,620) | $ (1,973) | $ – | $ 118,848 |
| U.S. government agency mortgage-backed securities | 33,769 | 55 | (6,810) | (62) | – | 26,952 |
| Obligations of states and political subdivisions | 159,833 | 1,060 | (6,024) | (2,788) | – | 152,081 |
| Corporate securities | 1,987,107 | 2,253 | (147,453) | (39,283) | (1,646) | 1,800,978 |
| Mortgage-backed securities | 359,413 | 83 | (47,653) | (3,476) | – | 308,367 |
| | $ 2,668,172 | $ 3,842 | $ (215,560) | $ (47,582) | $ (1,646) | $ 2,407,226 |

Available-for-sale investments as of March 31, 2023 were as follows:

| | Amortized Cost | Gross Unrealized Gains | Gross Unrealized Losses More than 12 Months | Gross Unrealized Losses Less than 12 Months | Allowance for Expected Credit Losses | Fair Market Value |
|---|---|---|---|---|---|---|
| | | | (In thousands) | | | |
| U.S. treasury securities and government obligations | $ 353,189 | $ 3,061 | $ (7,639) | $ (3,935) | $ – | $ 344,676 |
| U.S. government agency mortgage-backed securities | 34,126 | 40 | (6,707) | (228) | – | 27,231 |
| Obligations of states and political subdivisions | 161,960 | 649 | (4,014) | (8,090) | – | 150,505 |
| Corporate securities | 2,086,432 | 1,491 | (60,224) | (156,365) | (2,101) | 1,869,233 |
| Mortgage-backed securities | 370,880 | 78 | (40,359) | (13,207) | – | 317,392 |
| | $ 3,006,587 | $ 5,319 | $ (118,943) | $ (181,825) | $ (2,101) | $ 2,709,037 |

We sold available-for-sale securities with a fair value of $ 113.0 million and $54.1 million during the first quarter of fiscal 2024 and fiscal 2023, respectively. The gross realized gains on these sales totaled $0.9 million and $0.3 million during the first quarter of fiscal 2024 and fiscal 2023, respectively. The gross realized losses on these sales totaled $0.5 million and $0.1 million during the first quarter of fiscal 2024 and fiscal 2023, respectively. In the first quarter of fiscal 2024 we received $ 225.0 million from the Moving and Storage Treasuries that matured.

For available-for-sale debt securities in an unrealized loss position, we first assess whether the security is below investment grade. For securities that are below investment grade, we evaluate whether the decline in fair value has resulted from credit losses or other factors such as the interest rate environment. Declines in value due to credit are recognized as an allowance. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse market conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, cumulative default rates based on ratings are used to determine the potential cost of default, by year. The present value of these potential costs is then compared to the amortized cost of the security to determine the credit loss, limited by the amount that the fair value is less than the amortized cost basis.

Declines in fair value that have not been recorded through an allowance for credit losses, such as declines due to changes in market interest rates, are recorded through accumulated other comprehensive income, net of applicable taxes. If we intend to sell a security, or it is more likely than not that we will be required to sell the security before recovery of its amortized cost basis, the security is written down to its fair value and the write down is charged against the allowance for





credit losses, with any incremental impairment reported in earnings. Reversals of the allowance for credit losses are permitted and should not exceed the allowance amount initially recognized.

Changes in the allowance for credit losses are recorded as provision for (or reversal of) credit loss expense. There was a ($ 0.5 ) million and a $17 thousand net impairment charge recorded in the first quarter ended June 30, 2023 and 2023, respectively.

Expected maturities may differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

The adjusted cost and estimated market value of available-for-sale investments by contractual maturity were as follows:

| | June 30, 2023 | | March 31, 2023 | |
|---|---|---|---|---|
| | Cost Amortized | Fair Value | Cost Amortized | Fair Value |
| | (Unaudited) | | | |
| | | (In thousands) | | |
| Due in one year or less | $ 134,115 | $ 130,997 | $ 354,875 | $ 354,184 |
| Due after one year through five years | 734,777 | 698,857 | 754,175 | 717,552 |
| Due after five years through ten years | 699,066 | 637,939 | 736,089 | 665,708 |
| Due after ten years | 740,801 | 631,066 | 790,568 | 654,201 |
| | 2,308,759 | 2,098,859 | 2,635,707 | 2,391,645 |
| Mortgage-backed securities | 359,413 | 308,367 | 370,880 | 317,392 |
| | $ 2,668,172 | $ 2,407,226 | $ 3,006,587 | $ 2,709,037 |

Equity investments of common stock and non-redeemable preferred stock were as follows:

| | June 30, 2023 | | March 31, 2023 | |
|---|---|---|---|---|
| | Cost Amortized | Fair Value | Cost Amortized | Fair Value |
| | (Unaudited) | | | |
| | | (In thousands) | | |
| Common stocks | $ 29,613 | $ 41,730 | $ 29,577 | $ 39,375 |
| Non-redeemable preferred stocks | 25,144 | 20,556 | 26,054 | 21,982 |
| | $ 54,757 | $ 62,286 | $ 55,631 | $ 61,357 |

**Investments, other**

The carrying value of the other investments was as follows:

| | June 30, 2023 | March 31, 2023 |
|---|---|---|
| | (Unaudited) | |
| | (In thousands) | |
| Mortgage loans, net | $ 510,307 | $ 466,531 |
| Short-term investments | 13,490 | 15,921 |
| Real estate | 72,257 | 72,178 |
| Policy loans | 10,852 | 10,921 |
| Other equity investments | 13,234 | 9,989 |
| | $ 620,140 | $ 575,540 |

## 4. Notes, Loans and Finance Leases Payable, net

***Long Term Debt***

Long term debt was as follows:

| | Fiscal Year 2024 Interest Rates | Maturities | Weighted Avg Interest Rates (b) | June 30, 2023 | March 31, 2023 |
|---|---|---|---|---|---|
| | | | | (Unaudited) | |
| | | | | (In thousands) | |
| Real estate loans (amortizing term) (a) | 4.30 % - 6.64 % | 2027 - 2037 | 5.78 % | $ 286,677 | $ 289,647 |
| Senior mortgages | 2.70 % - 5.50 % | 2024 - 2042 | 4.14 % | 2,457,739 | 2,371,231 |
| Real estate loans (revolving credit) | - % - - % | - - 2027 | – % | – | – |
| Fleet loans (amortizing term) | 1.61 % - 5.68 % | 2023 - 2029 | 3.73 % | 100,225 | 111,856 |
| Fleet loans (revolving credit) | 2.36 % - 6.50 % | 2026 - 2028 | 5.72 % | 590,000 | 615,000 |
| Finance leases (rental equipment) | 2.37 % - 5.01 % | 2023 - 2026 | 3.92 % | 189,037 | 223,205 |
| Finance liabilities (rental equipment) | 1.60 % - 6.13 % | 2024 - 2031 | 4.12 % | 1,425,854 | 1,255,763 |
| Private placements | 2.43 % - 2.88 % | 2029 - 2035 | 2.65 % | 1,200,000 | 1,200,000 |
| Other obligations | 1.50 % - 8.00 % | 2023 - 2049 | 6.06 % | 74,250 | 76,648 |
| Notes, loans and finance leases payable | | | | 6,323,782 | 6,143,350 |
| Less: Debt issuance costs | | | | (36,551) | (35,308) |
| Total notes, loans and finance leases payable, net | | | | $ 6,287,231 | $ 6,108,042 |

(a) Certain loans have interest rate swaps fixing the rate for the relevant loans between 2.72% and 2.86% based on current margin. The weighted average interest rate calculation for these loans was 4.08% using the swap adjusted interest rate.

(b) Weighted average rates as of June 30, 2023

***Real Estate Backed Loans***

*Real Estate Loans*

Certain subsidiaries of Real Estate and U-Haul Company of Florida are borrowers under real estate loans. These loans require monthly or quarterly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. These loans are secured by various properties owned by the borrowers. The interest rates, per the provisions of $ 204.2 million of these loans, are the applicable Secured Overnight Funding Rate ("SOFR") plus the applicable margins and a credit spread adjustment of 0.10 %. As of June 30, 2023, the applicable SOFR was between 5.15 % and 5.16 % and applicable margin was between 0.65 % and 1.38 %, the sum of which, including the credit spread, was between 5.90 % and 6.64 %. The remaining $ 82.5 million of these loans was fixed with an interest rate of 4.30 %. The default provisions of these real estate loans include non-payment of principal or interest and other standard reporting and change-in-control covenants. We are in compliance with the covenants as of June 30, 2023.

*Senior Mortgages*

Various subsidiaries of Real Estate and U-Haul are borrowers under certain senior mortgages. The senior mortgages require monthly principal and interest payments. The senior mortgages are secured by certain properties owned by the borrowers. The fixed interest rates, per the provisions of the senior mortgages, range between 2.70 % and 5.50 %. Certain senior mortgages have an anticipated repayment date and a maturity date. If these senior mortgages are not repaid by the anticipated repayment date, the interest rate on these mortgages would increase from the current fixed rate. We are using the anticipated repayment date for our maturity schedule. Real Estate and U-Haul have provided limited guarantees of the senior mortgages. The default provisions of the senior mortgages include non-payment of principal or interest and other standard reporting and change-in-control covenants. We are in compliance with the covenants as of June 30, 2023. There are limited restrictions regarding our use of the funds.

*Real Estate Loans (Revolving Credit)*

U-Haul Holding Company is a borrower under a multi-bank syndicated real estate loan. As of June 30, 2023, the maximum credit commitment is $465.0 million. As of June 30, 2023, the full capacity was available to borrow. This loan agreement provides for revolving loans, subject to the terms of the loan agreement. If there was a loan outstanding as of June 30, 2023, the applicable SOFR was 5.10% and applicable margin would be between 1.40% and 1.55% the sum of which would be 6.50% to 6.65% This loan requires monthly interest payments with the unpaid loan balance and accrued and unpaid interest due at maturity. The default provisions of the loan include non-payment of principal or interest and other



standard reporting and change-in-control covenants. We are in compliance with the covenants as of June 30, 2023. There is a 0.30 % fee charged for unused capacity.

***Fleet Loans***

*Rental Truck Amortizing Loans*

The amortizing loans require monthly principal and interest payments, with the unpaid loan balance and accrued and unpaid interest due at maturity. These loans were used to purchase new trucks. The interest rates are fixed rates. All of our rental truck amortizing loans are collateralized by the rental equipment purchased. The majority of these loans are funded at 70%, but some may be funded at 100%. U-Haul Holding Company, and in some cases U-Haul, is guarantor of these loans. The default provisions of these loans include non-payment of principal or interest and other standard reporting and change-in-control covenants. We are in compliance with the covenants as of June 30, 2023. The net book value of the corresponding rental equipment was $226.1million and $ 213.1 million as of June 30, 2023 and March 31, 2023, respectively.

*Rental Truck Revolvers*

Various subsidiaries of U-Haul entered into three revolving fleet loans with an aggregate borrowing capacity of $ 615.0 million. The interest rates are SOFR plus the applicable margin and a credit spread adjustment of 0.10 %. As of June 30, 2023, SOFR was between 5.03 % and 5.16 % and the margin was between 1.15 % and 1.25 %, the sum of which, including the credit spread, was between 6.28 % and 6.50 %. Of the $ 590.0 million outstanding, $ 100.0 million was fixed with an interest rate of 2.36 %. Only interest is paid on the loans until the last nine months of the respective loan terms when principal becomes due monthly. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. We are in compliance with the covenants as of June 30, 2023. These fleet loans are collateralized by the rental equipment purchased. The net book value of the corresponding rental equipment was $ 735.1 million and $ 822.0 million as of June 30, 2023 and March 31, 2023, respectively.

*Finance Leases*

The Finance Lease balance represents our sale-leaseback transactions of rental equipment. The agreements are generally seven (7) year terms . All of our finance leases are collateralized by our rental fleet. The net book value of the corresponding rental equipment was $ 420.5 million and $ 474.8 million as of June 30, 2023 and March 31, 2023, respectively. There were no new financing leases entered into during the first quarter of fiscal 2024. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. We are in compliance with the covenants as of June 30, 2023.

*Finance Liabilities*

Finance liabilities represent our rental equipment financing transactions, and we assess if these sale-leaseback transactions qualify as a sale at initiation by determining if a transfer of ownership occurs. We have determined that our equipment sale-leasebacks do not qualify as a sale, as the buyer-lessors do not obtain control of the assets in our ongoing sale-leaseback arrangements. As a result, these sale-leasebacks are accounted for as a financial liability and the leased assets are capitalized at cost. Our finance liabilities have an average term of seven (7) years . These finance liabilities are collateralized by the related assets of our rental fleet. The net book value of the corresponding rental equipment was $ 1,628.6 million and $ 1,499.1 million as of June 30, 2023 and March 31, 2023, respectively. The default provisions of these loans include non-payment of principal or interest and other standard reporting and change-in-control covenants. We are in compliance with the covenants as of June 30, 2023.

*Private Placements*

In September 2021, U-Haul Holding Company entered into a note purchase agreement to issue $600.0 million of fixed rate senior unsecured notes in a private placement offering. These notes consist of four tranches each totaling $150.0 million and funded in September 2021. The fixed interest rates range between 2.43% and 2.78% with maturities between 2029 and 2033. Interest is payable semiannually. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. We are in compliance with the covenants as of June 30, 2023.

In December 2021, U-Haul Holding Company entered into a note purchase agreement to issue $600.0 million of fixed rate senior unsecured notes in a private placement offering. These notes consist of three tranches each totaling $100.0 million and two tranches each totaling $150.0 million. The fixed interest rates range between 2.55% and 2.88% with maturities between 2030 and 2035. Interest is payable semiannually. The default provisions of the loan include non-payment of principal or interest and other standard reporting and change-in-control covenants. We are in compliance with the covenants as of June 30, 2023.





*Other Obligations*

In February 2011, U-Haul Holding Company and U.S. Bank Trust Company, NA, as successor in interest to U.S. Bank National Association (the "Trustee"), entered into the U-Haul Investors Club ® Indenture. U-Haul Holding Company and the Trustee entered into this indenture to provide for the issuance of notes by us directly to investors over our proprietary website, uhaulinvestorsclub.com ("U-Notes ® "). The U-Notes ® are secured by various types of collateral, including, but not limited to, certain rental equipment and real estate. U-Notes ® are issued in smaller series that vary as to principal amount, interest rate and maturity. U-Notes ® are obligations of the Company and secured by the associated collateral; they are not guaranteed by any of the Company's affiliates or subsidiaries.

As of June 30, 2023, the aggregate outstanding principal balance of the U-Notes ® issued was $ 76.0 million, of which $ 1.7 million is held by our insurance subsidiaries and eliminated in consolidation.

***Annual Maturities of Notes, Loans and Finance Leases Payable***

The annual maturities of our notes, loans and finance leases payable, before debt issuance costs as of June 30, 2023 for the next five years and thereafter are as follows:

| | Years Ending June 30, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2024 | 2025 | 2026 | 2027 | 2028 | Thereafter | Total |
| | (Unaudited) (In thousands) | | | | | | |
| Notes, loans and finance leases payable | $ 635,909 | $ 474,221 | $ 762,745 | $ 766,958 | $ 833,278 | $ 2,850,671 | $ **6,323,782** |

**Interest on Borrowings**

***Interest Expense***

Components of interest expense include the following:

| | Quarter Ended June 30, | |
|---|---|---|
| | 2023 | 2022 |
| | (Unaudited) (In thousands) | |
| Interest expense | $ 64,400 | $ 50,405 |
| Capitalized interest | (4,063) | (2,618) |
| Amortization of transaction costs | 1,411 | 1,446 |
| Interest expense resulting from cash flow hedges | (1,150) | 566 |
| Total interest expense | $ 60,598 | $ 49,799 |

Interest paid in cash amounted to $ 55.4 million and $ 41.7 million for the first quarter of fiscal 2023 and 2022, respectively. Interest paid (received) in cash on derivative contracts was ($1.0) million and $0.6 million for the first quarter of fiscal 2024 and 2023, respectively.

***Interest Rates***

Interest rates and Company borrowings related to our revolving credit facilities were as follows:

| | Revolving Credit Activity Quarter Ended June 30, | |
|---|---|---|
| | 2023 | 2022 |
| | (Unaudited) (In thousands, except interest rates) | |
| Weighted average interest rate during the quarter | 6.26 % | 1.99 % |
| Interest rate at the end of the quarter | 6.41 % | 2.29 % |
| Maximum amount outstanding during the quarter | $ 715,000 | $ 1,095,000 |
| Average amount outstanding during the quarter | $ 660,330 | $ 1,095,000 |
| Facility fees | $ 265 | $ 58 |





## 5. Derivatives

We manage exposure to changes in market interest rates. Our use of derivative instruments is limited to highly effective interest rate swaps to hedge the risk of changes in cash flows (future interest payments) attributable to changes in SOFR swap rates with the designated benchmark interest rate being hedged on certain of our SOFR indexed variable rate debt. The interest rate swaps effectively fix our interest payments on certain SOFR indexed variable rate debt through July 2032. We monitor our positions and the credit ratings of our counterparties and do not currently anticipate non-performance by the counterparties. Interest rate swap agreements are not entered into for trading purposes. These fair values are determined using pricing valuation models which include broker quotes for which significant inputs are observable. They include adjustments for counterparty credit quality and other deal-specific factors, where appropriate and are classified as Level 2 in the fair value hierarchy.

The derivative fair values reflected in prepaid expense and accounts payable and accrued expenses in the consolidated balance sheet were as follows:

| | June 30, 2023 | March 31, 2023 |
|---|---|---|
| | (Unaudited) | |
| | (In thousands) | |
| Interest rate swaps designated as cash flow hedges: | | |
| Assets | $ 9,254 | $ 5,311 |
| Liabilities | – | – |
| Notional amount | 204,227 | 206,347 |

| | The Effect of Interest Rate Contracts on the Statements of Operations for the Quarters Ended | |
|---|---|---|
| | June 30, 2023 | June 30, 2022 |
| | (Unaudited) | |
| | (In thousands) | |
| Gain recognized in AOCI on interest rate contracts | $ (3,943) | $ (736) |
| (Gain) loss reclassified from AOCI into income | $ ( 1,150 ) | $ 566 |

(Gains) or losses recognized in income on interest rate derivatives are recorded as interest expense in the consolidated statements of operations. During the first quarter of fiscal 2024 and 2023, we recognized an increase in the fair value of our cash flow hedges of $ 3.8 million and $ 0.1 million, respectively, net of taxes. During the first quarter of fiscal 2024 and 2023, we reclassified ($ 0.9 ) million and $ 0.4 million, respectively, from accumulated other comprehensive income (loss) ("AOCI") to interest expense, net of tax. As of June 30, 2023, we expect to reclassify $ 4.8 million of net losses on interest rate contracts from AOCI to earnings as interest expense over the next twelve months.

We use derivatives to economically hedge our equity market exposure to indexed annuity products sold by our Life Insurance company. These contracts earn a return for the contractholder based on the change in the value of the S&P 500 index between annual index point dates. We buy and sell listed equity and index call options and call option spreads. The credit risk is with the party in which the options are written. The net option price is paid up front and there are no additional cash requirements or additional contingent liabilities. These contracts are held at fair value on our balance sheet. As of March 31, 2023 and December 31, 2022, these derivative hedges had a fair value of $ 7.5 million and $ 4.3 million, with notional amounts of $ 362.4 million and $ 465.7 million, respectively. These derivative instruments are included in Investments, other; on the consolidated balance sheets. The fair values of these call options are determined based on quoted market prices from the relevant exchange and are classified as Level 1 in the fair value hierarchy. Net (gains) losses recognized in net investment and interest income for the quarters ended March 31, 2023 and 2022 were ($ 1.5 ) million and $ 0.6 million, respectively.

| | Derivatives Fair Values as of | |
|---|---|---|
| | June 30, 2023 | March 31, 2023 |
| | (Unaudited) | |
| | (In thousands) | |
| Equity market contracts as economic hedging instruments | | |
| Assets | $ 7,539 | $ 4,295 |
| Liabilities | $ – | $ – |
| Notional amount | $ 362,436 | $ 465,701 |





Although the call options are employed to be effective hedges against our policyholder obligations from an economic standpoint, they do not meet the requirements for hedge accounting under generally accepted accounting principles ("GAAP"). Accordingly, the changes in fair value of the call options are recognized each reporting date as a component of net investment and interest income. The change in fair value of the call options include the gains or losses recognized at the expiration of the option term and the changes in fair value for open contracts.

## 6. Accumulated Other Comprehensive Loss

A summary of AOCI components, net of tax, were as follows:

| | Foreign Currency Translation | Unrealized Net Gains (Losses) on Investments | Fair Market Value of Cash Flow Hedges | Postretirement Benefit Obligation Net Loss | Accumulated Other Comprehensive Loss |
|---|---|---|---|---|---|
| | | | (Unaudited) | | |
| | | | (In thousands) | | |
| Balance as of March 31, 2023 | $ (56,539) | $ (232,740) | $ 4,007 | $ (351) | $ (285,623) |
| Foreign currency translation | 469 | – | – | – | 469 |
| Unrealized net gains on investments | – | 20,344 | – | – | 20,344 |
| Change in fair value of cash flow hedges | – | – | 3,842 | – | 3,842 |
| Amounts reclassified into earnings on hedging activities | – | – | (868) | – | (868) |
| Other comprehensive income (loss) | 469 | 20,344 | 2,974 | – | 23,787 |
| Balance as of June 30, 2023 | $ ( 56,070 ) | $ ( 212,396 ) | $ 6,981 | $ ( 351 ) | $ (261,836) |

## 7. Stockholders' Equity

The following table lists the dividends that have been declared and issued for the first quarters of fiscal years 2024 and 2023.

| Non-Voting Common Stock Dividends | | | |
|---|---|---|---|
| Declared Date | Per Share Amount | Record Date | Dividend Date |
| June 7, 2023 | $ 0.04 | June 20, 2023 | June 30, 2023 |

| Common Stock Dividends | | | |
|---|---|---|---|
| Declared Date | Per Share Amount | Record Date | Dividend Date |
| April 6, 2022 | $ 0.50 | April 18, 2022 | April 29, 2022 |

As of June 30, 2023, no awards had been issued under the 2016 AMERCO Stock Option Plan.

**8. Leases**

The following tables show the components of our right-of-use ("ROU") assets, net:

| | As of June 30, 2023 | | |
|---|---|---|---|
| | Finance | Operating | Total |
| | | (Unaudited) | |
| | | (In thousands) | |
| Buildings and improvements | $ – | $ 133,248 | $ 133,248 |
| Furniture and equipment | 7,109 | – | 7,109 |
| Rental trailers and other rental equipment | 128,865 | – | 128,865 |
| Rental trucks | 879,054 | – | 879,054 |
| Right-of-use assets, gross | 1,015,028 | 133,248 | 1,148,276 |
| Less: Accumulated depreciation | (594,532) | (73,770) | (668,302) |
| Right-of-use assets, net | $ 420,496 | $ 59,478 | $ 479,974 |





| | As of March 31, 2023 | | |
|---|---|---|---|
| | Finance | Operating | Total |
| | | (In thousands) | |
| Buildings and improvements | $ – | $ 128,221 | $ 128,221 |
| Furniture and equipment | 9,687 | – | 9,687 |
| Rental trailers and other rental equipment | 152,294 | – | 152,294 |
| Rental trucks | 949,838 | – | 949,838 |
| Right-of-use assets, gross | 1,111,819 | 128,221 | 1,240,040 |
| Less: Accumulated depreciation | (637,054) | (69,304) | (706,358) |
| Right-of-use assets, net | $ 474,765 | $ 58,917 | $ 533,682 |

As of June 30, 2023 and March 31, 2023, we had finance lease liabilities for the ROU assets, net of $ 189.0 million and $ 223.2 million, respectively, and operating lease liabilities of $ 58.8 million and $ 58.4 million, respectively.

| | Finance leases | |
|---|---|---|
| | June 30, 2023 | March 31, 2023 |
| | (Unaudited) | |
| Weighted average remaining lease term (years) | 2 | 2 |
| Weighted average discount rate | 3.9 % | 3.8 % |

| | Operating leases | |
|---|---|---|
| | June 30, 2023 | March 31, 2023 |
| | (Unaudited) | |
| Weighted average remaining lease term (years) | 20.3 | 19.2 |
| Weighted average discount rate | 4.7 % | 4.7 % |

For the quarters ended June 30, 2023 and 2022, cash paid for leases included in our operating cash flow activities were $ 8.9 million and $ 7.9 million, respectively, and our financing cash flow activities were $ 34.2 million and $ 35.0 million, respectively. Non-cash activities of ROU assets in exchange for lease liablities were $5.0 million and $2.4 million for the first quarters of fiscal 2024 and 2023, respectively.

The components of lease costs, including leases of less than 12 months, were as follows:

| | Three Months Ended | |
|---|---|---|
| | June 30, 2023 | June 30, 2022 |
| | (Unaudited) | |
| | (In thousands) | |
| Operating lease costs | $ 8,102 | $ 7,920 |
| Finance lease cost: | | |
| Amortization of right-of-use assets | $ 16,754 | $ 22,396 |
| Interest on lease liabilities | 2,146 | 3,218 |
| Total finance lease cost | $ 18,900 | $ 25,614 |

The short-term lease costs for the first quarters of fiscal 2024 and 2023 were not material.

Maturities of lease liabilities were as follows:

| | Finance leases | Operating leases |
|---|---|---|
| | (Unaudited) | |
| Years ending March 31, | (In thousands) | |
| 2024 (9 months) | $ 75,174 | $ 18,686 |
| 2025 | 77,194 | 12,244 |
| 2026 | 46,457 | 5,534 |
| 2027 | – | 4,087 |
| 2028 | – | 3,483 |
| Thereafter | – | 62,497 |
| Total lease payments | 198,825 | 106,531 |
| Less: imputed interest | (9,788) | (47,723) |
| Present value of lease liabilities | $ 189,037 | $ 58,808 |

## 9. Contingencies

**Cybersecurity Incident**

On September 9, 2022, we announced that the Company was made aware of a data security incident involving U-Haul's information technology network. U-Haul detected a compromise of two unique passwords used to access U-Haul customers information. U-Haul took immediate steps to contain the incident and promptly enhanced its security measures to prevent any further unauthorized access. U-Haul retained cybersecurity experts and incident response counsel to investigate the incident and implement additional security safeguards. The investigation determined that between November 5, 2021 and April 8, 2022, the threat actor accessed customer contracts containing customers' names, dates of birth, and driver's license or state identification numbers. None of U-Haul's financial, payment processing or email systems were involved. U-Haul has notified impacted customers and relevant governmental authorities.

Several class action lawsuits related to the incident have been filed against U-Haul. The lawsuits have been consolidated into one action in the U.S. District Court for the District of Arizona and will be vigorously defended by the Company; however the outcome of such lawsuits cannot be predicted or guaranteed with any certainty.

***Environmental***

Compliance with environmental requirements of federal, state, provincial and local governments may affect Real Estate's business operations. Among other things, these requirements regulate the discharge of materials into the air, land and water and govern the use and disposal of hazardous substances. Real Estate is aware of issues regarding hazardous substances on some of its properties. Real Estate regularly makes capital and operating expenditures to stay in compliance with environmental laws and has put in place a remedial plan at each site where it believes such a plan is necessary.

Based upon the information currently available to Real Estate, compliance with the environmental laws and its share of the costs of investigation and cleanup of known hazardous waste sites are not expected to result in a material adverse effect on the Company's financial position or results of operations.

***Other***

We are named as a defendant in various other litigation and claims arising out of the normal course of business. In management's opinion, none of these other matters will have a material effect on our financial position and results of operations.

## 10. Related Party Transactions

As set forth in the Company's Audit Committee Charter and consistent with the NYSE Listed Company Manual, our Audit Committee (the "Audit Committee") reviews and maintains oversight over related party transactions, which are required to be disclosed under the Securities and Exchange Commission ("SEC") rules and regulations and in accordance with GAAP. Accordingly, all such related party transactions are submitted to the Audit Committee for ongoing review and oversight. Our internal processes are designed to ensure that our legal and finance departments identify and monitor potential related party transactions that may require disclosure and Audit Committee oversight.

U-Haul Holding Company has engaged in related party transactions and has continuing related party interests with certain major stockholders, directors and officers of the consolidated group as disclosed below.





SAC Holding Corporation and SAC Holding II Corporation (collectively "SAC Holdings") were established in order to acquire and develop self-storage properties. These properties are being managed by us pursuant to management agreements. SAC Holdings, Four SAC Self-Storage Corporation, Five SAC Self-Storage Corporation, Galaxy Investments, L.P. and 2015 SAC-Self-Storage, LLC are substantially controlled by Blackwater Investments, Inc. ("Blackwater"). Blackwater is wholly owned by Willow Grove Holdings LP, which is owned by Mark V. Shoen (a significant stockholder), and various trusts associated with Edward J. Shoen (our Chairman of the Board, President and a significant stockholder) and Mark V. Shoen.

***Related Party Revenue***

| | Quarter Ended June 30, | |
|---|---|---|
| | 2023 | 2022 |
| | (Unaudited) | |
| | (In thousands) | |
| U-Haul management fee revenue from Blackwater | $ 7,696 | $ 7,729 |
| U-Haul management fee revenue from Mercury | 1,481 | 1,410 |
| | $ 9,177 | $ 9,139 |

We currently manage the self-storage properties owned or leased by Blackwater and Mercury Partners, L.P. ("Mercury"), pursuant to a standard form of management agreement, under which we receive a management fee of between 4 % and 10 % of the gross receipts plus reimbursement for certain expenses. We received management fees, exclusive of reimbursed expenses, of $ 8.2 million from the above-mentioned entities during the first quarter of both fiscal 2024 and 2023. This management fee is consistent with the fee received for other properties we previously managed for third parties. Mark V. Shoen controls the general partner of Mercury. The limited partner interests of Mercury are owned indirectly by James P. Shoen and various trusts benefitting Edward J. Shoen and James P. Shoen or their descendants. Mercury holds the option to purchase a portfolio of properties currently leased by Mercury and a U-Haul subsidiary; Mercury has notified W.P. Carey, the lessor, of its intent to purchase the properties.

***Related Party Costs and Expenses***

| | Quarter Ended June 30, | |
|---|---|---|
| | 2023 | 2022 |
| | (Unaudited) | |
| | (In thousands) | |
| U-Haul lease expenses to Blackwater | $ 604 | $ 604 |
| U-Haul printing expenses to Blackwater | 349 | – |
| U-Haul commission expenses to Blackwater | 22,703 | 24,882 |

| | | |
|---|---|---|
| | $ 23,656 | $ 25,486 |

We lease space for marketing company offices, vehicle repair shops and hitch installation centers from subsidiaries of Blackwater. The terms of the leases are similar to the terms of leases for other properties owned by unrelated parties that are leased to us.

On May 15, 2023, SAC Holdings began providing ancillary and specialty printing services to us. The financial and other terms of the transactions are substantially identical to the terms of additional specialty printing vendors.

As of June 30, 2023, subsidiaries of Blackwater acted as independent dealers. The financial and other terms of the dealership contracts are substantially identical to the terms of those with our other independent dealers whereby commissions are paid by us based upon equipment rental revenues.

These agreements with subsidiaries of Blackwater, excluding Dealer Agreements, provided revenues of $7.7 million and $7.7 million, expenses of $ 0.9 million and $ 0.6 million and cash flows of $ 6.6 million and $ 6.9 million, respectively, during the first quarter of fiscal 2024 and 2023. Revenues were $ 103.5 million and $ 117.9 million and commission expenses were $ 22.7 million and $ 24.9 million, respectively, related to the Dealer Agreements, during the first quarter of fiscal 2024 and 2023.

Management determined that we do not have a variable interest pursuant to the variable interest entity model under Accounting Standards Codification (“ASC”) 810 – *Consolidation* in the holding entities of Blackwater.





***Related Party Assets***

| | June 30, 2023 | March 31, 2023 |
|---|---|---|
| | (Unaudited) | |
| | (In thousands) | |
| U-Haul receivable from Blackwater | $ 41,146 | $ 42,141 |
| U-Haul receivable from Mercury | 6,446 | 8,402 |
| Other (a) | (4,490) | (2,235) |
| | $ 43,102 | $ 48,308 |

(a) Timing differences for intercompany balances with insurance subsidiaries resulting from the three-month difference in reporting periods.

## 11. Consolidating Financial Information by Industry Segment

U-Haul Holding Company’s three reportable segments are:

- Moving and Storage, comprised of U-Haul Holding Company, U-Haul, and Real Estate and the subsidiaries of UHaul and Real Estate,
- Property and Casualty Insurance, comprised of Repwest and its subsidiaries and ARCOA, and
- Life Insurance, comprised of Oxford and its subsidiaries.

Management tracks revenues separately, but does not report any separate measure of the profitability for rental vehicles, rentals of self-storage spaces and sales of products that are required to be classified as a separate operating segment and accordingly does not present these as separate reportable segments. Deferred income taxes are shown as liabilities on the consolidating statements. The information includes elimination entries necessary to consolidate U-Haul Holding Company, the parent, with its subsidiaries. Investments in subsidiaries are accounted for by the parent using the equity method of accounting.



**U-HAUL HOLDING COMPANY AND CONSOLIDATED SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)**

Consolidating balance sheets by industry segment as of June 30, 2023 are as follows:

| | Moving & Storage Consolidated | Property & Casualty Insurance (a) | Life Insurance (a) | Eliminations | U-Haul Holding Company Consolidated |
|---|---|---|---|---|---|
| | | | (Unaudited) (In thousands) | | |
| Assets: | | | | | |
| Cash and cash equivalents | $ 2,302,380 | $ 14,038 | $ 60,706 | $ – | $ 2,377,124 |
| Reinsurance recoverables and trade receivables, net | 125,222 | 49,051 | 32,390 | – | 206,663 |
| Inventories and parts, net | 164,884 | – | – | – | 164,884 |
| Prepaid expenses | 232,039 | – | – | – | 232,039 |
| Investments, fixed maturities and marketable equities | – | 274,003 | 2,195,509 | – | 2,469,512 |
| Investments, other | 23,330 | 129,392 | 467,418 | – | 620,140 |
| Deferred policy acquisition costs, net | – | – | 123,596 | – | 123,596 |
| Other assets | 54,916 | 1,063 | 4,842 | – | 60,821 |
| Right of use assets - financing, net | 420,496 | – | – | – | 420,496 |
| Right of use assets - operating, net | 58,622 | 850 | 24 | – | 59,496 |
| Related party assets | 65,625 | 2,860 | 11,945 | (37,328) (c) | 43,102 |
| | 3,447,514 | 471,257 | 2,896,430 | (37,328) | 6,777,873 |
| Investment in subsidiaries | 459,095 | – | – | (459,095) (b) | – |
| Property, plant and equipment, at cost: | | | | | |
| Land | 1,555,326 | – | – | – | 1,555,326 |
| Buildings and improvements | 7,364,517 | – | – | – | 7,364,517 |
| Furniture and equipment | 942,036 | – | – | – | 942,036 |
| Rental trailers and other rental equipment | 866,916 | – | – | – | 866,916 |
| Rental trucks | 5,594,132 | – | – | – | 5,594,132 |
| | 16,322,927 | – | – | – | 16,322,927 |
| Less: Accumulated depreciation | (4,486,766) | – | – | – | (4,486,766) |
| Total property, plant and equipment, net | 11,836,161 | – | – | – | 11,836,161 |
| Total assets | $ 15,742,770 | $ 471,257 | $ 2,896,430 | $ (496,423) | $ 18,614,034 |

(a) Balances as of March 31, 2023

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables





Consolidating balance sheets by industry segment as of June 30, 2023, continued

| | Consolidated Moving & Storage | Property & Casualty Insurance (a) | Life Insurance (a) | Eliminations | Consolidated U-Haul Holding Company |
|---|---|---|---|---|---|
| | | | (Unaudited) (In thousands) | | |
| Liabilities: | | | | | |
| Accounts payable and accrued expenses | $ 768,784 | $ 3,303 | $ 6,518 | $ – | $ 778,605 |
| Notes, loans and finance leases payable, net | 6,287,231 | – | – | – | 6,287,231 |
| Operating lease liabilities | 57,937 | 864 | 7 | – | 58,808 |
| Policy benefits and losses, claims and loss expenses payable | 328,009 | 148,960 | 401,467 | – | 878,436 |
| Liabilities from investment contracts | – | – | 2,384,330 | – | 2,384,330 |
| Other policyholders' funds and liabilities | – | 2,435 | 9,783 | – | 12,218 |
| Deferred income | 64,790 | – | – | – | 64,790 |
| Deferred income taxes, net | 1,437,773 | 4,776 | (70,690) | – | 1,371,859 |
| Related party liabilities | 26,630 | 3,199 | 13,640 | (43,469) (c) | – |
| Total liabilities | 8,971,154 | 163,537 | 2,745,055 | (43,469) | 11,836,277 |
| Stockholders' equity: | | | | | |
| Series preferred stock: | | | | | |
| Series A preferred stock | – | – | – | – | – |
| Series B preferred stock | – | – | – | – | – |
| Series A common stock | – | – | – | – | – |
| Voting Common stock | 10,497 | 3,301 | 2,500 | (5,801) (b) | 10,497 |
| Non-Voting Common stock | 176 | – | – | – | 176 |
| Additional paid-in capital | 453,853 | 91,120 | 26,271 | (117,601) (b) | 453,643 |
| Accumulated other comprehensive income (loss) | (267,977) | (11,043) | (207,495) | 224,679 (b) | (261,836) |
| Retained earnings | 7,252,717 | 224,342 | 330,099 | (554,231) (b) | 7,252,927 |
| Cost of common stock in treasury, net | (525,653) | – | – | – | (525,653) |
| Cost of preferred stock in treasury, net | (151,997) | – | – | – | (151,997) |
| Total stockholders' equity | 6,771,616 | 307,720 | 151,375 | (452,954) | 6,777,757 |
| Total liabilities and stockholders' equity | $ 15,742,770 | $ 471,257 | $ 2,896,430 | $ (496,423) | $ 18,614,034 |

(a) Balances as of March 31, 2023

(b) Eliminate investment in subsidiaries

(c) Eliminate intercompany receivables and payables





Consolidating balance sheets by industry segment as of March 31, 2023 are as follows:

| | Moving & Storage Consolidated | Property & Casualty Insurance (a) | Life Insurance (a) | Eliminations | U-Haul Holding Company Consolidated |
|---|---|---|---|---|---|
| | | | (In thousands) | | |
| Assets: | | | | | |
| Cash and cash equivalents | $ 2,034,242 | $ 11,276 | $ 15,006 | $ – | $ 2,060,524 |
| Reinsurance recoverables and trade receivables, net | 107,823 | 48,344 | 33,331 | – | 189,498 |
| Inventories and parts, net | 151,474 | – | – | – | 151,474 |
| Prepaid expenses | 241,711 | – | – | – | 241,711 |
| Investments, fixed maturities and marketable equities | 227,737 | 271,156 | 2,271,501 | – | 2,770,394 |
| Investments, other | 23,314 | 125,130 | 427,096 | – | 575,540 |
| Deferred policy acquisition costs, net | – | – | 128,463 | – | 128,463 |
| Other assets | 46,438 | 730 | 3,884 | – | 51,052 |
| Right of use assets - financing, net | 474,765 | – | – | – | 474,765 |
| Right of use assets - operating, net | 57,978 | 914 | 25 | – | 58,917 |
| Related party assets | 69,144 | 2,347 | 12,268 | (35,451) (c) | 48,308 |
| | 3,434,626 | 459,897 | 2,891,574 | (35,451) | 6,750,646 |
| Investment in subsidiaries | 426,779 | – | – | (426,779) (b) | – |
| Property, plant and equipment, at cost: | | | | | |
| Land | 1,537,206 | – | – | – | 1,537,206 |
| Buildings and improvements | 7,088,810 | – | – | – | 7,088,810 |
| Furniture and equipment | 928,241 | – | – | – | 928,241 |
| Rental trailers and other rental equipment | 827,696 | – | – | – | 827,696 |
| Rental trucks | 5,278,340 | – | – | – | 5,278,340 |
| | 15,660,293 | – | – | – | 15,660,293 |
| Less: Accumulated depreciation | (4,310,205) | – | – | – | (4,310,205) |
| Total property, plant and equipment, net | 11,350,088 | – | – | – | 11,350,088 |

| | | | | | |
|---|---|---|---|---|---|
| Total assets | $ 15,211,493 | $ 459,897 | $ 2,891,574 | $ (462,230) | $ 18,100,734 |

(a) Balances as of December 31, 2022
(b) Eliminate investment in subsidiaries
(c) Eliminate intercompany receivables and payables





Consolidating balance sheets by industry segment as of March 31, 2023, continued

| | Consolidated Moving & Storage | Property & Casualty Insurance (a) | Insurance (a) Life | Eliminations | | Consolidated U-Haul Holding Company |
|---|---|---|---|---|---|---|
| | | | (In thousands) | | | |
| Liabilities: | | | | | | |
| Accounts payable and accrued expenses | $ 729,679 | $ 4,470 | $ 26,890 | $ – | | $ 761,039 |
| Notes, loans and finance leases payable, net | 6,108,042 | – | – | – | | 6,108,042 |
| Operating lease liabilities | 57,418 | 928 | 27 | – | | 58,373 |
| Policy benefits and losses, claims and loss expenses payable | 335,227 | 153,007 | 391,968 | – | | 880,202 |
| Liabilities from investment contracts | – | – | 2,398,884 | – | | 2,398,884 |
| Other policyholders' funds and liabilities | – | 2,702 | 5,530 | – | | 8,232 |
| Deferred income | 52,282 | – | – | – | | 52,282 |
| Deferred income taxes, net | 1,405,391 | 1,713 | (77,615) | – | | 1,329,489 |
| Related party liabilities | 25,082 | 2,544 | 13,644 | (41,270) | (c) | – |
| Total liabilities | 8,713,121 | 165,364 | 2,759,328 | (41,270) | | 11,596,543 |
| Stockholders' equity: | | | | | | |
| Series preferred stock: | | | | | | |
| Series A preferred stock | – | – | – | – | | – |
| Series B preferred stock | – | – | – | – | | – |
| Series A common stock | – | – | – | – | | – |
| Voting Common stock | 10,497 | 3,301 | 2,500 | (5,801) | (b) | 10,497 |
| Non-Voting Common Stock | 176 | – | – | – | | 176 |
| Additional paid-in capital | 453,853 | 91,120 | 26,271 | (117,601) | (b) | 453,643 |
| Accumulated other comprehensive income (loss) | (291,442) | (14,720) | (225,904) | 246,443 | (b) | (285,623) |
| Retained earnings | 7,002,938 | 214,832 | 329,379 | (544,001) | (b) | 7,003,148 |
| Cost of common shares in treasury, net | (525,653) | – | – | – | | (525,653) |
| Cost of preferred shares in treasury, net | (151,997) | – | – | – | | (151,997) |
| Total stockholders' equity | 6,498,372 | 294,533 | 132,246 | (420,960) | | 6,504,191 |
| Total liabilities and stockholders' equity | $ 15,211,493 | $ 459,897 | $ 2,891,574 | $ (462,230) | | $ 18,100,734 |

(a) Balances as of December 31, 2022
(b) Eliminate investment in subsidiaries
(c) Eliminate intercompany receivables and payables





Consolidating statement of operations by industry segment for the quarter ended June 30, 2023 are as follows:

| | Consolidated Moving & Storage | Property & Casualty Insurance (a) | Insurance (a) Life | Eliminations | | Consolidated U-Haul Holding Company |
|---|---|---|---|---|---|---|
| | | | (Unaudited) (In thousands) | | | |
| Revenues: | | | | | | |
| Self-moving equipment rentals | $ 1,000,079 | $ – | $ – | $ (873) | (c) | $ 999,206 |
| Self-storage revenues | 198,961 | – | – | – | | 198,961 |
| Self-moving and self-storage products and service sales | 100,872 | – | – | – | | 100,872 |
| Property management fees | 9,177 | – | – | – | | 9,177 |
| Life insurance premiums | – | – | 23,131 | – | | 23,131 |
| Property and casualty insurance premiums | – | 21,047 | – | (725) | (c) | 20,322 |
| Net investment and interest income | 27,295 | 6,792 | 31,511 | (1,006) | (b) | 64,592 |
| Other revenue | 123,129 | – | 1,039 | (121) | (b) | 124,047 |
| Total revenues | 1,459,513 | 27,839 | 55,681 | (2,725) | | 1,540,308 |
| Costs and expenses: | | | | | | |
| Operating expenses | 748,283 | 11,307 | 5,366 | (1,715) | (b,c) | 763,241 |
| Commission expenses | 106,927 | – | – | – | | 106,927 |
| Cost of sales | 70,675 | – | – | – | | 70,675 |
| Benefits and losses | – | 4,458 | 40,886 | – | | 45,344 |
| Amortization of deferred policy acquisition costs | – | – | 8,045 | – | | 8,045 |
| Lease expense | 8,102 | 92 | 28 | (639) | (b) | 7,583 |
| Depreciation, net of gains on disposals | 137,814 | – | – | – | | 137,814 |
| Net losses on disposal of real estate | 1,021 | – | – | – | | 1,021 |
| Total costs and expenses | 1,072,822 | 15,857 | 54,325 | (2,354) | | 1,140,650 |
| Earnings from operations before equity in earnings of subsidiaries | 386,691 | 11,982 | 1,356 | (371) | | 399,658 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Equity in earnings of subsidiaries | 10,230 | – | – | (10,230) | (d) | – |
| Earnings from operations | 396,921 | 11,982 | 1,356 | (10,601) | | 399,658 |
| Other components of net periodic benefit costs | (365) | – | – | – | | (365) |
| Interest expense | (60,849) | – | (120) | 371 | (b) | (60,598) |
| Pretax earnings | 335,707 | 11,982 | 1,236 | (10,230) | | 338,695 |
| Income tax expense | (78,869) | (2,472) | (516) | – | | (81,857) |
| Net earnings available to common stockholders | $ 256,838 | $ 9,510 | $ 720 | $ (10,230) | | $ 256,838 |

(a) Balances for the quarter ended March 31, 2023
(b) Eliminate intercompany lease / interest income
(c) Eliminate intercompany premiums
(d) Eliminate equity in earnings of subsidiaries





Consolidating statements of operations by industry for the quarter ended June 30, 2022 are as follows:

| | Consolidated Moving & Storage | Property & Casualty Insurance (a) | Insurance (a) Life | Eliminations | | Consolidated U-Haul Holding Company |
|---|---|---|---|---|---|---|
| | | | (Unaudited) (In thousands) | | | |
| Revenues: | | | | | | |
| Self-moving equipment rentals | $ 1,091,710 | $ – | $ – | $ (935) | (c) | $ 1,090,775 |
| Self-storage revenues | 173,177 | – | – | – | | 173,177 |
| Self-moving and self-storage products and service sales | 109,351 | – | – | – | | 109,351 |
| Property management fees | 9,139 | – | – | – | | 9,139 |
| Life insurance premiums | – | – | 25,781 | – | | 25,781 |
| Property and casualty insurance premiums | – | 20,830 | – | (858) | (c) | 19,972 |
| Net investment and interest income | 4,940 | 2,252 | 27,388 | (1,007) | (b) | 33,573 |
| Other revenue | 135,281 | – | 934 | (143) | (b) | 136,072 |
| Total revenues | 1,523,598 | 23,082 | 54,103 | (2,943) | | 1,597,840 |
| Costs and expenses: | | | | | | |
| Operating expenses | 719,794 | 10,194 | 5,109 | (1,930) | (b,c) | 733,167 |
| Commission expenses | 118,493 | – | – | – | | 118,493 |
| Cost of sales | 79,671 | – | – | – | | 79,671 |
| Benefits and losses | – | 4,379 | 35,378 | – | | 39,757 |
| Amortization of deferred policy acquisition costs | – | – | 7,672 | – | | 7,672 |
| Lease expense | 7,920 | 158 | 28 | (631) | (b) | 7,475 |
| Depreciation, net of gains on disposals | 113,796 | – | – | – | | 113,796 |
| Net losses on disposal of real estate | 2,307 | – | – | – | | 2,307 |
| Total costs and expenses | 1,041,981 | 14,731 | 48,187 | (2,561) | | 1,102,338 |
| Earnings from operations before equity in earnings of subsidiaries | 481,617 | 8,351 | 5,916 | (382) | | 495,502 |
| Equity in earnings of subsidiaries | 12,009 | – | – | (12,009) | (d) | – |
| Earnings from operations | 493,626 | 8,351 | 5,916 | (12,391) | | 495,502 |
| Other components of net periodic benefit costs | (304) | – | – | – | | (304) |
| Interest expense | (50,061) | – | (120) | 382 | (b) | (49,799) |
| Pretax earnings | 443,261 | 8,351 | 5,796 | (12,009) | | 445,399 |
| Income tax expense | (104,916) | (1,755) | (383) | – | | (107,054) |
| Net earnings available to common stockholders | $ 338,345 | $ 6,596 | $ 5,413 | $ (12,009) | | $ 338,345 |

(a) Balances for the quarter ended March 31, 2022
(b) Eliminate intercompany lease / interest income
(c) Eliminate intercompany premiums
(d) Eliminate equity in earnings of subsidiaries





Consolidating cash flow statements by industry segment for the quarter ended June 30, 2023 are as follows:

| | Moving & Storage Consolidated | Property & Casualty Insurance (a) | Life Insurance (a) | Elimination | U-Haul Holding Company Consolidated |
|---|---|---|---|---|---|
| | | | (Unaudited) (In thousands) | | |
| Cash flows from operating activities: | | | | | |
| Net earnings | $ 256,838 | $ 9,510 | $ 720 | $ (10,230) | $ 256,838 |
| Earnings from consolidated entities | (10,230) | – | – | 10,230 | – |
| Adjustments to reconcile net earnings to the cash provided by operations: | | | | | |
| Depreciation | 193,475 | – | – | – | 193,475 |
| Amortization of deferred policy acquisition costs | – | – | 8,045 | – | 8,045 |
| Amortization of premiums and accretion of discounts related to investments, net | – | 383 | 4,011 | – | 4,394 |
| Amortization of debt issuance costs | 1,456 | – | – | – | 1,456 |
| Interest credited to policyholders | – | – | 17,538 | – | 17,538 |
| Provision for allowance (recoveries) for losses on trade receivables, net | 631 | (39) | – | – | 592 |
| Provision for allowance for inventories and parts reserve | (327) | – | – | – | (327) |
| Net gains on disposal of personal property | (55,661) | – | – | – | (55,661) |
| Net losses on disposal of real estate | 1,021 | – | – | – | 1,021 |
| Net gains on sales of investments | – | (34) | (1,880) | – | (1,914) |

| | | | | | |
|---|---|---|---|---|---|
| Net gains on equity investments | – | (2,429) | – | – | (2,429) |
| Deferred income taxes, net | 32,087 | 2,085 | (64) | – | 34,108 |
| Net change in other operating assets and liabilities: | | | | | |
| Reinsurance recoverables and trade receivables | (17,964) | (411) | 940 | – | (17,435) |
| Inventories and parts | (13,068) | – | – | – | (13,068) |
| Prepaid expenses | 9,870 | – | – | – | 9,870 |
| Capitalization of deferred policy acquisition costs | – | – | (3,177) | – | (3,177) |
| Other assets and right-of-use assets - operating, net | (8,769) | (231) | (957) | – | (9,957) |
| Related party assets | 3,645 | (513) | – | – | 3,132 |
| Accounts payable and accrued expenses and operating lease liabilities | 52,573 | (1,166) | (18,295) | – | 33,112 |
| Policy benefits and losses, claims and loss expenses payable | (7,590) | (4,047) | (461) | – | (12,098) |
| Other policyholders' funds and liabilities | – | (267) | 4,253 | – | 3,986 |
| Deferred income | 12,441 | – | (442) | – | 11,999 |
| Related party liabilities | 1,547 | 655 | (5) | – | 2,197 |
| Net cash provided by operating activities | 451,975 | 3,496 | 10,226 | – | 465,697 |
| Cash flows from investing activities: | | | | | |
| Escrow deposits | (361) | – | – | – | (361) |
| Purchases of: | | | | | |
| Property, plant and equipment | (773,577) | – | – | – | (773,577) |
| Short term investments | – | (9,216) | (741) | – | (9,957) |
| Fixed maturities investments | – | (495) | (2,756) | – | (3,251) |
| Equity securities | – | (242) | – | – | (242) |
| Real estate | (16) | – | (399) | – | (415) |
| Mortgage loans | – | (7,300) | (45,150) | – | (52,450) |
| Proceeds from sales and paydowns of: | | | | | |
| Property, plant and equipment | 193,455 | – | – | – | 193,455 |
| Short term investments | – | 11,676 | 69 | – | 11,745 |
| Fixed maturities investments | 224,999 | 3,490 | 108,370 | – | 336,859 |
| Equity securities | – | 236 | – | – | 236 |
| Preferred stock | – | 913 | – | – | 913 |
| Mortgage loans | – | 204 | 8,173 | – | 8,377 |
| Net cash (used) provided by investing activities | (355,500) | (734) | 67,566 | – | (288,668) |

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(a) Balance for the period ended March 31, 2023





Consolidating cash flow statements by industry segment for the quarter ended June 30, 2023, continued

| | Consolidated Moving & Storage | Casualty Insurance (a) Property & | Insurance (a) Life | Elimination | Consolidated U-Haul Holding Company |
|---|---|---|---|---|---|
| | | | (Unaudited) (In thousands) | | |
| Cash flows from financing activities: | | | | | |
| Borrowings from credit facilities | 445,493 | – | – | – | 445,493 |
| Principal repayments on credit facilities | (232,824) | – | – | – | (232,824) |
| Payments of debt issuance costs | (2,688) | – | – | – | (2,688) |
| Finance lease payments | (34,168) | – | – | – | (34,168) |
| Securitization deposits | 79 | – | – | – | 79 |
| Series N Non-Voting Common Stock dividends paid | (7,059) | – | – | – | (7,059) |
| Investment contract deposits | – | – | 51,239 | – | 51,239 |
| Investment contract withdrawals | – | – | (83,331) | – | (83,331) |
| Net cash provided (used) by financing activities | 168,833 | – | (32,092) | – | 136,741 |
| Effects of exchange rate on cash | 2,830 | – | – | – | 2,830 |
| Increase (decrease) in cash and cash equivalents | 268,138 | 2,762 | 45,700 | – | 316,600 |
| Cash and cash equivalents at beginning of period | 2,034,242 | 11,276 | 15,006 | – | 2,060,524 |
| Cash and cash equivalents at end of period | $ 2,302,380 | $ 14,038 | $ 60,706 | $ – | $ 2,377,124 |

(page 2 of 2)

(a) Balance for the period ended March 31, 2023





Consolidating cash flow statements by industry segment for the quarter ended June 30, 2022 are as follows:

| | Moving & Storage Consolidated | Property & Casualty Insurance (a) | Life Insurance (a) | Elimination | U-Haul Holding Company Consolidated |
|---|---|---|---|---|---|
| | | | (Unaudited) (In thousands) | | |
| Cash flows from operating activities: | | | | | |
| Net earnings | $ 338,345 | $ 6,596 | $ 5,413 | $ (12,009) | $ 338,345 |
| Earnings from consolidated entities | (12,009) | – | – | 12,009 | – |
| Adjustments to reconcile net earnings to cash provided by operations: | | | | | |
| Depreciation | 178,144 | – | – | – | 178,144 |
| Amortization of deferred policy acquisition costs | – | – | 7,672 | – | 7,672 |
| Amortization of premiums and accretion of discounts related to investments, net | – | 421 | 4,508 | – | 4,929 |
| Amortization of debt issuance costs | 1,473 | – | – | – | 1,473 |
| Interest credited to policyholders | – | – | 15,157 | – | 15,157 |
| Provision for allowance (recoveries) for losses on trade receivables, net | (6,075) | (76) | – | – | (6,151) |

| | | | | | |
|---|---|---|---|---|---|
| Provision for allowance for inventories and parts reserve | 4,646 | – | – | – | 4,646 |
| Net gains on disposal of personal property | (64,348) | – | – | – | (64,348) |
| Net gains on disposal of real estate | 2,307 | – | – | – | 2,307 |
| Net gains on sales of investments | – | (31) | 299 | – | 268 |
| Net gains on equity investments | – | 1,551 | – | – | 1,551 |
| Deferred income taxes | 61,948 | 127 | 1,418 | – | 63,493 |
| Net change in other operating assets and liabilities: | | | | | |
| Reinsurance recoverables and trade receivables | 18,458 | (2,107) | (457) | – | 15,894 |
| Inventories and parts | (10,347) | – | – | – | (10,347) |
| Prepaid expenses | 4,935 | – | – | – | 4,935 |
| Capitalization of deferred policy acquisition costs | – | – | (7,398) | – | (7,398) |
| Other assets and right-of-use assets - operating, net | 2,177 | (40) | (202) | – | 1,935 |
| Related party assets | 747 | (263) | – | – | 484 |
| Accounts payable and accrued expenses and operating lease liabilities | 78,549 | (549) | (3,324) | – | 74,676 |
| Policy benefits and losses, claims and loss expenses payable | 8,875 | (1,237) | (1,595) | – | 6,043 |
| Other policyholders' funds and liabilities | – | (159) | 1,346 | – | 1,187 |
| Deferred income | 14,501 | – | (53) | – | 14,448 |
| Related party liabilities | 1,251 | 517 | 260 | – | 2,028 |
| Net cash provided by operating activities | 623,577 | 4,750 | 23,044 | – | 651,371 |
| | | | | | |
| Cash flows from investing activities: | | | | | |
| Escrow deposits | 4,789 | – | – | – | 4,789 |
| Purchases of: | | | | | |
| Property, plant and equipment | (646,137) | – | – | – | (646,137) |
| Short term investments | – | (21,966) | (51) | – | (22,017) |
| Fixed maturities investments | – | (9,839) | (26,649) | – | (36,488) |
| Equity securities | – | (1,366) | – | – | (1,366) |
| Mortgage loans | – | (6,975) | (35,586) | – | (42,561) |
| Proceeds from sales and paydowns of: | | | | | |
| Property, plant and equipment | 159,180 | – | – | – | 159,180 |
| Short term investments | – | 18,073 | – | – | 18,073 |
| Fixed maturities investments | – | 6,852 | 48,956 | – | 55,808 |
| Equity securities | – | 362 | – | – | 362 |
| Mortgage loans | – | 8,374 | 23,971 | – | 32,345 |
| Net cash (used) provided by investing activities | (482,168) | (6,485) | 10,641 | – | (478,012) |

(page 1 of 2)

(a) Balance for the period ended March 31, 2022





Consolidating cash flow statements by industry segment for the quarter ended June 30, 2022, continued

| | Consolidated Moving & Storage | Casualty Insurance (a) Property & | Insurance (a) Life | Elimination | Consolidated U-Haul Holding Company |
|---|---|---|---|---|---|
| | | | (Unaudited) (In thousands) | | |
| Cash flows from financing activities: | | | | | |
| Borrowings from credit facilities | 393,264 | – | – | – | 393,264 |
| Principal repayments on credit facilities | (145,369) | – | – | – | (145,369) |
| Payment of debt issuance costs | (1,069) | – | – | – | (1,069) |
| Finance lease payments | (34,982) | – | – | – | (34,982) |
| Voting Common Stock dividends paid | (9,804) | – | – | – | (9,804) |
| Investment contract deposits | – | – | 85,767 | – | 85,767 |
| Investment contract withdrawals | – | – | (62,911) | – | (62,911) |
| Net cash provided by financing activities | 202,040 | – | 22,856 | – | 224,896 |
| | | | | | |
| Effects of exchange rate on cash | (4,121) | – | – | – | (4,121) |
| | | | | | |
| Increase (decrease) in cash and cash equivalents | 339,328 | (1,735) | 56,541 | – | 394,134 |
| Cash and cash equivalents at beginning of period | 2,643,213 | 10,800 | 50,124 | – | 2,704,137 |
| Cash and cash equivalents at end of period | $ 2,982,541 | $ 9,065 | $ 106,665 | $ – | $ 3,098,271 |

(page 2 of 2)

(a) Balance for the period ended March 31, 2022





## 12. Industry Segment and Geographic Area Data

| | United States | Canada | Consolidated |
|---|---|---|---|
| | | (Unaudited) (All amounts are in thousands of U.S. $'s) | |
| **Quarter Ended June 30, 2023** | | | |
| Total revenues | $ 1,461,284 | $ 79,024 | $ 1,540,308 |
| Depreciation and amortization, net of gains on disposal | 148,313 | (1,433) | 146,880 |
| Interest expense | 59,946 | 652 | 60,598 |
| Pretax earnings | 327,072 | 11,623 | 338,695 |
| Income tax expense | 78,595 | 3,262 | 81,857 |
| Identifiable assets | 17,892,739 | 721,295 | 18,614,034 |
| | | | |
| **Quarter Ended June 30, 2022** | | | |

| | | | |
|---|---|---|---|
| Total revenues | $ 1,510,386 | $ 87,454 | $ 1,597,840 |
| Depreciation and amortization, net of gains on disposal | 120,986 | 2,789 | 123,775 |
| Interest expense | 48,948 | 851 | 49,799 |
| Pretax earnings | 431,881 | 13,518 | 445,399 |
| Income tax expense | 103,613 | 3,441 | 107,054 |
| Identifiable assets | 17,202,853 | 590,958 | 17,793,811 |

### 13. Employee Benefit Plans

The components of the net periodic benefit costs with respect to postretirement benefits were as follows:

| | Quarter Ended June 30, | |
|---|---|---|
| | 2023 | 2022 |
| | (Unaudited) (In thousands) | |
| Service cost for benefits earned during the period | $ 297 | $ 332 |
| Other components of net periodic benefit costs: | | |
| Interest cost on accumulated postretirement benefit | 367 | 287 |
| Other components | (2) | 17 |
| Total other components of net periodic benefit costs | 365 | 304 |
| Net periodic postretirement benefit cost | $ 662 | $ 636 |

### 14. Fair Value Measurements

Certain assets and liabilities are recorded at fair value on the consolidated balance sheets and are measured and classified based upon a three-tiered approach to valuation. Financial assets and liabilities are recorded at fair value and are classified and disclosed in one of the following three categories:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices for identical or similar financial instruments in markets that are not considered to be active, or similar financial instruments for which all significant inputs are observable, either directly or indirectly, or inputs other than quoted prices that are observable, or inputs that are derived principally from or corroborated by observable market data through correlation or other means; and

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and are unobservable. These reflect management's assumptions about the assumptions a market participant would use in pricing the asset or liability.





A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair values of cash equivalents approximate carrying value due to the short period of time to maturity.

Fair values of short-term investments are based on quoted market prices.

Fair values of investments available-for-sale are based on quoted market prices, dealer quotes or discounted cash flows.

Fair values on interest rate swap contracts are based on using pricing valuation models which include broker quotes.

Fair values of long-term investment and mortgage loans and notes on real estate are based on quoted market prices, dealer quotes or discounted cash flows. Fair values of trade receivables approximate their recorded value.

Our financial instruments that are exposed to concentrations of credit risk consist primarily of temporary cash investments, trade receivables, reinsurance recoverables and notes receivable. Limited credit risk exists on trade receivables due to the diversity of our customer base and their dispersion across broad geographic markets. We place our temporary cash investments with financial institutions and limit the amount of credit exposure to any one financial institution.

We have mortgage receivables, which potentially expose us to credit risk. The portfolio of notes is principally collateralized by self-storage facilities and commercial properties. We have not experienced any material losses related to the notes from individual or groups of notes in any particular industry or geographic area. The estimated fair values were determined using the discounted cash flow method and using interest rates currently offered for similar loans to borrowers with similar credit ratings.

Other investments, including short-term investments, are substantially current or bear reasonable interest rates. As a result, the carrying values of these financial instruments approximate fair value.

The carrying values and estimated fair values for the financial instruments stated above and their placement in the fair value hierarchy are as follows:

| | Fair Value Hierarchy | | | | |
|---|---|---|---|---|---|
| As of June 30, 2023 | Carrying Value | Level 1 | Level 2 | Level 3 | Total Estimated Fair Value |
| | | | (Unaudited) (In thousands) | | |
| **Assets** | | | | | |
| Reinsurance recoverables and trade receivables, net | $ 206,663 | $ – | $ – | $ 206,663 | $ 206,663 |
| Mortgage loans, net | 510,307 | – | – | 494,664 | 494,664 |
| Other investments | 109,833 | – | – | 109,833 | 109,833 |
| Total | $ 826,803 | $ – | $ – | $ 811,160 | $ 811,160 |
| **Liabilities** | | | | | |
| Notes, loans and finance leases payable | 6,323,782 | – | 5,743,138 | – | 5,743,138 |
| Total | $ 6,323,782 | $ – | $ 5,743,138 | $ – | $ 5,743,138 |





Fair Value Hierarchy

| As of March 31, 2023 | Carrying Value | Level 1 | Level 2 | Level 3 | Total Estimated Fair Value |
|---|---|---|---|---|---|
| | | | (In thousands) | | |
| **Assets** | | | | | |
| Reinsurance recoverables and trade receivables, net | $ 189,498 | $ – | $ – | $ 189,498 | $ 189,498 |
| Mortgage loans, net | 466,531 | – | – | 444,957 | 444,957 |
| Other investments | 109,009 | – | – | 109,009 | 109,009 |
| Total | $ 765,038 | $ – | $ – | $ 743,464 | $ 743,464 |
| **Liabilities** | | | | | |
| Notes, loans and finance leases payable | 6,143,350 | – | 5,710,735 | – | 5,710,735 |
| Total | $ 6,143,350 | $ – | $ 5,710,735 | $ – | $ 5,710,735 |

The following tables represent the financial assets and liabilities on the consolidated balance sheets as of June 30, 2023 and March 31, 2023 that are measured at fair value on a recurring basis and the level within the fair value hierarchy.

| As of June 30, 2023 | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| | | (Unaudited) | | |
| **Assets** | | (In thousands) | | |
| Short-term investments | $ 2,055,145 | $ 2,053,510 | $ 1,635 | $ – |
| Fixed maturities - available for sale | 2,407,226 | 24,549 | 2,382,618 | 59 |
| Preferred stock | 20,556 | 20,556 | – | – |
| Common stock | 41,730 | 41,730 | – | – |
| Derivatives | 16,793 | 7,539 | 9,254 | – |
| Total | $ 4,541,450 | $ 2,147,884 | $ 2,393,507 | $ 59 |

| As of March 31, 2023 | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| | | (In thousands) | | |
| **Assets** | | | | |
| Short-term investments | $ 1,809,441 | $ 1,808,797 | $ 644 | $ – |
| Fixed maturities - available for sale | 2,709,037 | 251,832 | 2,457,146 | 59 |
| Preferred stock | 21,982 | 21,982 | – | – |
| Common stock | 39,375 | 39,375 | – | – |
| Derivatives | 9,606 | 4,295 | 5,311 | – |
| Total | $ 4,589,441 | $ 2,126,281 | $ 2,463,101 | $ 59 |

The fair value measurements for our assets using significant unobservable inputs (Level 3) were $0.1 million for both June 30, 2023 and March 31, 2023.





## 15. Revenue Recognition

*Revenue Recognized in Accordance with Topic 606*

ASC Topic 606, *Revenue from Contracts with Customers (Topic 606)* , outlines a five-step model for entities to use in accounting for revenue arising from contracts with customers. The standard applies to all contracts with customers except for leases, insurance contracts, financial instruments, certain nonmonetary exchanges and certain guarantees. The standard also requires disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments.

We enter into contracts that may include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. Revenue is recognized net of amounts collected from customers for taxes, such as sales tax, and remitted to the applicable taxing authorities. We account for a contract under Topic 606 when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable. For contracts scoped into this standard, revenue is recognized when (or as) the performance obligations are satisfied by means of transferring goods or services to the customer as applicable to each revenue stream as discussed below. There were no material contract assets or liabilities as of June 30, 2023 and March 31, 2023.

Sales of self-moving and self-storage related products are recognized at the time that title passes and the customer accepts delivery. The performance obligations identified for this portfolio of contracts include moving and storage product sales, installation services and/or propane sales. Each of these performance obligations has an observable stand-alone selling price. We concluded that the performance obligations identified are satisfied at a point in time. The basis for this conclusion is that the customer does not receive the product/propane or benefit from the installation services until the related performance obligation is satisfied. These products/services being provided have an alternative use as they are not customized and can be sold/provided to any customer. In addition, we only have the right to receive payment once the products have been transferred to the customer or the installation services have been completed. Although product sales have a right of return policy, our estimated obligation for future product returns is not material to the financial statements at this time.

Property management fees are recognized over the period that agreed-upon services are provided. The performance obligation for this portfolio of contracts is property management services, which represents a series of distinct days of service, each of which is comprised of activities that may vary from day to day. However, those tasks are activities to fulfill the property management services and are not separate promises in the contract. We determined that each increment of the promised service is distinct. This is because the customer can benefit from each increment of service on its own and each increment of service is separately identifiable because no day of service significantly modifies or customizes another and no day of service significantly affects either the entity's ability to fulfill another day of service or the benefit to the customer of another day of service. As such, we concluded that the performance obligation is satisfied over time. Additionally, in certain contracts the Company has the ability to earn an incentive fee based on operational results. We measure and recognize the progress toward completion of the performance obligation on a quarterly basis using the most likely amount method to determine an accrual for the incentive fee portion of the compensation received in exchange for the property management service. The variable consideration recognized is subject to constraints due to a range of possible consideration amounts based on actual operational results. The amount accrued in the first quarter of fiscal 2024 did not have a material effect on our financial statements.

Other revenue consists of numerous services or rentals, of which U-Box contracts and service fees from Moving Help® are the main components. The performance obligations identified for U-Box contracts are fees for rental, storage and shipping of U-Box containers to a specified location, each of which are distinct. A contract may be partially within the scope of Topic 606 and partially within the scope of other topics. The rental and storage obligations in U-Box contracts meet the definition of a lease in Topic 842, while the shipping obligation represents a contract with a customer accounted for under Topic 606. Therefore, we allocate the total transaction price between the performance obligations of storage fees and rental fees and the shipping fees on a standalone selling price basis. U-Box shipping fees are collected once the shipment is in transit. Shipping fees in U-Box contracts are set at the initiation of the contract based on the shipping origin and destination, and the performance obligation is satisfied over





time. U-Box shipping contracts span over a relatively short period of time, and the majority of these contracts begin and end within the same fiscal year. Moving Help ® services fees are recognized in accordance with Topic 606. Moving Help ® services are generated as we provide a neutral venue for the connection between the service provider and the customer for agreed upon services. We do not control the specified services provided by the service provider before that service is transferred to the customer.

*Revenue Recognized in Accordance with Topic 842*

ASC Topic 842, *Leases (Topic 842),* The Company's self-moving equipment rental revenues meet the definition of a lease pursuant to the guidance in Topic 842 because those substitution rights do not provide an economic benefit to the Company that would exceed the cost of exercising the right. Please see Note 8, Leases, of the Notes to the Condensed Consolidated Financial Statements.

Self-moving equipment rentals are recognized over the contract period that trucks and moving equipment are rented. We offer two types of self-moving rental contracts, one-way rentals and in-town rentals, which have varying payment terms. Customer payment is received at the initiation of the contract for one-way rentals which covers an allowable limit for equipment usage. An estimated fee in the form of a deposit is received at the initiation of the contract for in-town rentals, and final payment is received upon the return of the equipment based on actual fees incurred. The contract price is estimated at the initiation of the contract, as there is variable consideration associated with ratable fees incurred based on the number of days the equipment is rented and the number of miles driven. Variable consideration is estimated using the most likely amount method which is based on the intended use of the rental equipment by the customer at the initiation of the contract. Historically, the variability in estimated transaction pricing compared to actual is not significant due to the relatively short duration of rental contracts. Each performance obligation has an observable stand-alone selling price. The input method of passage of time is appropriate as there is a direct relationship between our inputs and the transfer of benefit to the customer over the life of the contract. Self-moving rental contracts span a relatively short period of time, and the majority of these contracts began and ended within the same fiscal year.

Self-storage revenues are recognized as earned over the contract period based upon the number of paid storage contract days.

We lease portions of our operating properties to tenants under agreements that are classified as operating leases. We recognize the total minimum lease payments provided for under the leases on a straight-line basis over the lease term. Generally, under the terms of our leases, the majority of our rental expenses, including common area maintenance, real estate taxes and insurance, are recovered from our customers.

The following table summarizes the minimum lease payments due from our customers and operating property tenants on leases for the next five years and thereafter:

| | Years Ending June 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | 2025 | 2026 | 2027 | 2028 | Thereafter |
| | (Unaudited) (In thousands) | | | | | |
| Self-moving equipment rentals | $ 6,947 | $ – | $ – | $ – | $ – | $ – |
| Property lease revenues | 21,052 | 14,626 | 11,834 | 8,920 | 6,235 | 39,797 |
| Total | $ 27,999 | $ 14,626 | $ 11,834 | $ 8,920 | $ 6,235 | $ 39,797 |

The amounts above do not reflect future rental revenue from the renewal or replacement of existing leases.

*Revenue Recognized in Accordance with Other Topics*

Traditional life and Medicare supplement insurance premiums are recognized as revenue over the premium-paying periods of the contracts when due from the policyholders. For products where premiums are due over a significantly shorter duration than the period over which benefits are provided, such as our





single premium whole life product, premiums are recognized when received and excess profits are deferred and recognized in relation to the insurance in force.

Property and casualty insurance premiums are recognized as revenue over the policy periods. Interest and investment income are recognized as earned.

Net investment and interest income has multiple components. Interest income from bonds and mortgage notes are recognized when earned. Dividends on common and preferred stocks are recognized on the ex-dividend dates. Realized gains and losses on the sale or exchange of investments are recognized at the trade date.

In the following table, revenue is disaggregated by timing of revenue recognition:

| | Quarter Ended June 30, | |
|---|---|---|
| | 2023 | 2022 |
| | (Unaudited) (In thousands) | |
| Revenues recognized over time: | $ 91,315 | $ 103,194 |
| Revenues recognized at a point in time: | 117,593 | 126,355 |
| Total revenues recognized under ASC 606 | 208,908 | 229,549 |
| Revenues recognized under ASC 842 | 1,222,316 | 1,288,031 |
| Revenues recognized under ASC 944 | 44,492 | 46,687 |
| Revenues recognized under ASC 320 | 64,592 | 33,573 |
| Total revenues | $ 1,540,308 | $ 1,597,840 |

In the above table, the revenues recognized over time include property management fees, the shipping fees associated with U-Box container rentals and a portion of other revenues. Revenues recognized at a point in time include self-moving equipment rentals, self-moving and self-storage products and service sales and a portion of other revenues .

We recognized liabilities resulting from contracts with customers for self-moving equipment rentals, self-storage revenues, U-Box revenues and tenant revenues, in which the length of the contract goes beyond the reported period end, although rental periods of the equipment, storage and U-Box contract are generally short-term in nature. The timing of revenue recognition results in liabilities that are reflected in deferred income on the balance sheet.

## 17. Allowance for Credit Losses

*Trade Receivables*

Moving and Storage has two ( 2 ) primary components of trade receivables, receivables from corporate customers and credit card receivables from customer sales and rental of equipment. For credit card receivables, the Company uses a trailing 13 months average historical chargeback percentage of total credit card receivables to estimate a credit loss reserve. The Company rents equipment to corporate customers in which payment terms are 30 days.

The Company performs ongoing credit evaluations of its customers and assesses each customer's credit worthiness. In addition, the Company monitors collections and payments from its customers and maintains an allowance based upon applying an expected credit loss rate to receivables based on the historical loss rate from similar high-risk customers adjusted for current conditions, including any specific customer collection issues identified, and forecasts of economic conditions. Delinquent account balances are written off after management has determined that the likelihood of collection is remote.





Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for trade receivables because the composition of trade receivables as of that date is consistent with that used in developing the historical credit loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time). To adjust the historical loss rates to reflect the effects of these differences in current conditions and forecasted changes, management assigns a rating to each customer which varies depending on the assessment of risk. Management estimated the loss rate at approximately 4 % as of June 30, 2023 and March 31, 2023. Management developed this estimate based on its knowledge of past experience for which there were similar improvements in the economy. As a result, management applied the applicable credit loss rates to determine the expected credit loss estimate for each aging category. Accordingly, the allowance for expected credit losses as of June 30, 2023 and March 31, 2023 was $ 4.9 million and $ 3.8 million, respectively.

*Accrued Interest Receivable*

Accrued interest receivables on available for sale securities totaled $ 29.6 million as of March 31, 2023 and December 31, 2022 and are excluded from the estimate of credit losses.

We have elected not to measure an allowance on accrued interest receivables as our practice is to write off the uncollectible balance in a timely manner. Furthermore, we have elected to write off accrued interest receivables by reversing interest income.

*Mortgage loans, net*

Loans that management has the intent and ability to hold for the foreseeable future, or until maturity or payoff, are reported at amortized cost. Modeling for the Company's mortgage loans is based on inputs most highly correlated to defaults, including loan-to-value, occupancy, and payment history. Historical credit loss experience provides additional support for the estimation of expected credit losses. In assessing the credit losses, the portfolio is reviewed on a collective basis, using loan-specific cash flows to determine the fair value of the collateral in the event of default. Adjustments to this analysis are made to assess loans with a loan-to-value of 65% or greater. These loans are evaluated on an individual basis and loan specific risk characteristics such as occupancy levels, expense, income growth and other relevant available information from internal and external sources relating to past events, current conditions, and reasonable and supportable forecasts.

When management determines that credit losses are expected to occur, an allowance for expected credit losses based on the fair value of the collateral is recorded.

*Reinsurance recoverables*

Reinsurance recoverables on paid and unpaid benefits was less than 1 % of the total assets as of March 31, 2023 which is immaterial based on historical loss experience and high credit rating of the reinsurers.

*Premium receivables*

Premium receivables were $4.1 million as of March 31, 2023 and December 31, 2022, respectively in which the credit loss allowance is immaterial based on our ability to cancel the policy if the policyholder does not pay premiums.





The following details the changes in the Company's reserve allowance for credit losses for trade receivables, fixed maturities and investments, other:

| | Allowance for Credit Losses | | | |
|---|---|---|---|---|
| | Trade Receivables | Investments, Fixed Maturities | Investments, other | Total |
| | | (Unaudited) (in thousands) | | |
| Balance as of March 31, 2022 | $ 8,649 | $ 60 | $ 501 | $ 9,210 |
| Provision for (reversal of) credit losses | (4,860) | 2,041 | 16 | (2,803) |
| Write-offs against allowance | – | – | – | – |
| Recoveries | – | – | – | – |
| Balance as of March 31, 2023 | $ 3,789 | $ 2,101 | $ 517 | $ 6,407 |
| Provision for (reversal of) credit losses | 591 | (455) | 301 | 437 |
| Write-offs against allowance | – | – | – | – |
| Recoveries | – | – | – | – |
| Balance as of June 30, 2023 | $ 4,380 | $ 1,646 | $ 818 | $ 6,844 |

## 18. Accounting Pronouncements

***Adoption of new Accounting Pronouncements***

On April 1, 2023, the Company adopted Accounting Standards Update ("ASU") 2018-12, *Targeted Improvements to the Accounting for Long-Duration Contracts* which is applicable to Oxford. The Company used the modified retrospective method applies as the transition date of April 1, 2021.

The updated accounting guidance required changes to the measurement and disclosure of long-duration contracts. For the Company, this includes all life insurance products, annuities, Medicare Supplement products and our long-term care business. Entities will be required to review, and update if there is a change to cash flow assumptions (including morbidity and persistency) at least annually, and to update discount rate assumptions quarterly using an upper-medium grade fixed-income instrument yield. The effect of changes in cash flow assumptions will be recorded in the Company's results of operations and the effect of changes in discount rate assumptions will be recorded in other comprehensive income.

The most significant impact will be the effect of updating the discount rate assumption quarterly to reflect an upper-medium grade fixed-income instrument yield, rather than Oxford Life's expected investment portfolio yield. This will be partially offset by the de-recognition of cumulative adjustments to DAC associated with unrealized gains and losses associated with long-duration contracts. The Company uses a published spot rate curve constructed from "A"-rated U.S. dollar denominated corporate bonds matched to the duration of the corresponding insurance liabilities, to calculate discount rates. The Company will groups its long-duration contracts into calendar year cohorts based on the contract issue date.

DAC and other capitalized costs such as unearned revenue are amortized on a constant level or straight-line basis over the expected term of the contracts. Under ASU 2018-12, the annual amortization of DAC in our Consolidated Statements of Operations will differ from previous trends due to: 1) the requirement to no longer defer renewal commissions until such year as the commissions are actually incurred, 2) the requirement to no longer accrue and amortize interest on our DAC balances, and 3) the modification of the method for amortizing DAC including the updating of assumptions. For business with deferrals of renewal commissions, as is the case with our final expense life insurance policies, the expected amortization rate, as a percentage of premium, for certain blocks of business will no longer be level but will increase over the period of time during which commissions are deferred. The decrease in amortization in the near term will primarily impact our life insurance line of business.

Upon adoption, the Company made adjustments to AOCI for the removal of cumulative adjustments to DAC associated with unrealized gains and losses previously recorded in AOCI. In total, we expect the impact on net earnings, largely from the decrease in amortization, to be immaterial during fiscal 2024, but could become material with a large increase in sales.





Market risk benefits, which are contracts or contract features that provide protection to the policyholder from capital market risk and expose the Company to other-than-nominal capital market risk, are measured at fair value. Market risk benefits are contracts or contract features that guarantee benefits, such as guaranteed life withdrawal benefits, in addition to an account balance which expose insurance companies to other than nominal capital market risk and protect the contract holder from the same risk. Certain contracts or contract features to be identified as market risk benefits were accounted for as embedded derivatives and measured at fair value, while others transitioned to fair value measurement upon the adoption of ASU 2018-12.

Also in consideration of market risk benefits, upon adoption, there were impacts to (1) AOCI for the cumulative effect of changes in the instrument-specific credit risk between contract issue date and transition date and (2) retained earnings for the difference between fair value and carrying value at the transition date, excluding the changes in the instrument-specific credit risk. The requirement to review, and update if there is a change, cash flow assumptions at least annually is expected to change the pattern of earnings being recognized. Adoption will also significantly expand the Company's disclosures, and will impact systems, processes, and controls. While the requirements of the new guidance represent a material change from existing GAAP, the accounting adoption had no economic impact on the cash flows of our business nor influence our business model of providing basic mortality and longevity protection-oriented products to the underserved senior market. In addition, it did not impact our statutory earnings, statutory capital, nor our capital management philosophies.

The following tables present the effect of the adoption of ASU 2018-12 on selected consolidated balance sheet data for the fiscal years ended March 31, 2023 and 2022.

| | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|---|---|---|
| | (Unaudited) (In thousands) | |
| **Total Assets** | | |
| Prior to adoption | $ 18,124,648 | $ 17,299,581 |
| Effect of adoption: | | |
| Derecognition of shadow reserves | (25,141) | 26,131 |
| Re-measurement due to discount rate | – | – |
| Other adjustments | 1,227 | 1,471 |
| **Subtotal** | $ **(23,914)** | $ **27,602** |
| **After adoption** | $ 18,100,734 | $ 17,327,183 |

| | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|---|---|---|
| | (Unaudited) (In thousands) | |
| **Total Liabilities** | | |
| Prior to adoption | $ 11,596,313 | $ 11,347,089 |
| Effect of adoption: | | |
| Derecognition of FIT on shadow reserves | (5,280) | 5,488 |
| Re-measurement due to discount rate | (1,626) | 87,258 |
| Re-measurement due to discount rate FIT | 342 | (18,324) |
| Other adjustments | 6,794 | 8,511 |
| **Subtotal** | $ **230** | $ **82,933** |
| **After adoption** | $ 11,596,543 | $ 11,430,022 |





| | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|---|---|---|
| | (Unaudited) (In thousands) | |
| **Accumulated other comprehensive income (loss)** | | |
| Prior to adoption | $ (267,046) | $ 46,384 |
| Effect of adoption: | | |
| Derecognition of shadow reserves | (19,861) | 20,644 |
| Re-measurement due to discount rate | 1,626 | (87,258) |
| Re-measurement due to discount rate FIT | (342) | 18,324 |
| Other adjustments | – | – |
| **Subtotal** | $ **(18,577)** | $ **(48,290)** |
| **After adoption** | $ (285,623) | $ (1,906) |

| | Year Ended March 31, 2023 | 2022 |
|---|---|---|
| | (Unaudited) (In thousands) | |
| **Total Stockholders' equity** | | |
| Prior to adoption | $ 6,528,335 | $ 5,952,492 |
| Effect of adoption: | | |
| Derecognition of shadow reserves and FIT | (19,861) | 20,644 |
| Re-measurement due to discount rate and FIT | 1,284 | (68,934) |
| Other adjustments | (5,567) | (7,042) |
| **Subtotal** | $ **(24,144)** | $ **(55,332)** |
| **After adoption** | $ 6,504,191 | $ 5,897,160 |

The following table presents the Company's consolidated balance sheet, both before and after the Transition date.

| | April 1, 2021 | March 31, 2021 |
|---|---|---|
| | (Unaudited) (In thousands) | |
| | $ | $ |
| Deferred policy acquisition costs, net | 131,187 | 89,749 |
| Total assets | 14,693,044 | 14,651,606 |
| Policy benefits and losses, claims and loss expenses payable | 1,040,951 | 909,701 |
| Deferred income taxes, net | 1,182,123 | 1,199,280 |
| Total liabilities | 9,846,608 | 9,732,515 |
| Accumulated other comprehensive income | 42,319 | 106,857 |
| Retained earnings | 5,017,451 | 5,025,568 |
| Total stockholders' equity | 4,846,436 | 4,919,091 |
| Total liabilities and stockholders' equity | 14,693,044 | 14,651,606 |





The impacts from the adoption of ASU 2018-12 on the Company's previously reported results included in these financial statements are as follows:

**Condensed Consolidated Balance Sheet**

| | Year Ended March 31, 2023 | | |
|---|---|---|---|
| | As previously reported | Adoption impact | As adjusted |
| | (Unaudited) (In thousands) | | |
| | $ | | $ |
| Deferred policy acquisition costs, net | 152,377 | (23,914) | 128,463 |
| Total assets | 18,124,648 | (23,914) | 18,100,734 |
| Policy benefits and losses, claims and loss expenses payable | 875,034 | 5,168 | 880,202 |
| Deferred income taxes, net | 1,334,427 | (4,938) | 1,329,489 |
| Total liabilities | 11,596,313 | 230 | 11,596,543 |
| Accumulated other comprehensive loss | (267,046) | (18,577) | (285,623) |
| Retained earnings | 7,008,715 | (5,567) | 7,003,148 |
| Total stockholders' equity | 6,528,335 | (24,144) | 6,504,191 |
| Total liabilities and stockholders' equity | 18,124,648 | (23,914) | 18,100,734 |

**Condensed Consolidated Statement of Operations**

| | Quarter Ended June 30, 2022 | | |
|---|---|---|---|
| | As previously reported | Adoption impact | As adjusted |
| | (Unaudited) (In thousands) | | |
| | $ | | $ |
| Benefits and losses | 44,100 | (4,343) | 39,757 |
| Pretax earnings | 441,056 | 4,343 | 445,399 |
| Net earnings available to common stockholders | 334,002 | 4,343 | 338,345 |
| | $ | | $ |
| Basic and diluted earnings per share of Common Stock | 2.15 | 0.03 | 2.18 |
| | $ | | $ |
| Basic and diluted earnings per share of Non-Voting Common Stock | 1.65 | 0.03 | 1.68 |

The following tables present the balances of and changes in deferred acquisition costs, future policy benefits and market risk benefits and balances amortized on a basis consistent with DAC on April 1, 2021 due to the adoption of ASU 2018-12 by Oxford.

| Deferred Policy Acquisition Costs | Payout Annuities | Life Insurance | Health Insurance | Total |
|---|---|---|---|---|
| | (Unaudited) (In thousands) | | | |

| | | | | |
|---|---|---|---|---|
| **Balance, end of year March 31, 2021** | $ 15,654 | $ 64,552 | $ 9,543 | $ 89,749 |
| Adjustments for removal of related balances in accumulated other comprehensive income | 41,438 | – | – | 41,438 |
| **Adjusted balance, beginning of year April 1, 2021** | $ 57,092 | $ 64,552 | $ 9,543 | $ 131,187 |





| Future Policy Benefit | Payout Annuities | Life Insurance | Health Insurance | Total |
|---|---|---|---|---|
| | | (Unaudited) (In thousands) | | |
| **Balance, end of year March 31, 2021** | $ 8,370 | $ 310,311 | $ 18,341 | $ 337,022 |
| Change in discount rate assumptions | 2,307 | 115,978 | 4,847 | 123,132 |
| Change in cash flow assumptions, effect of net premiums exceeding gross premiums | – | 1,747 | – | 1,747 |
| Change in cash flow assumptions, effect of decrease of the deferred profit liability | – | 2,580 | – | 2,580 |
| **Adjusted balance, beginning of year April 1, 2021** | $ 10,677 | $ 430,616 | $ 23,188 | $ 464,481 |

| Market Risk Benefits | Deferred Annuities |
|---|---|
| | (Unaudited) (In thousands) |
| **Balance, end of year March 31, 2021** | $ 7,339 |
| Adjustment for the difference between carrying amount and fair value, except for the difference due to instrument-specific credit risk | 3,791 |
| **Adjusted balance, beginning of year April 1, 2021** | $ 11,130 |

The following table presents the effect of transition adjustments on stockholders' equity due to the adoption of ASU 2018-12 for Oxford.

| | Retained Earnings | Accumulated Other Comprehensive Loss |
|---|---|---|
| | (Unaudited) (In thousands) | |
| Liability for future policy benefits | $ (4,327) | $ (123,132) |
| Market risk benefits | (3,791) | – |
| Deferred acquistion costs and related asset balances | – | 41,438 |
| Tax effect | – | 17,156 |
| **Total** | $ (8,118) | $ (64,538) |

***Recent Accounting Pronouncements***

In March 2023, the FASB issued ASU 2023-01, *Leases (Topic 842 – Common Control Arrangements* ("ASU 2023-01"). ASU 2023-01, accounting for leasehold improvements, requires a lessee in a common-control lease arrangement to amortize leasehold improvements that it owns over the improvements useful life to the common control group, regardless of the lease term, if the lessee continues to control the use of the underlying asset through a lease. The amendment is effective for fiscal years beginning after December 15, 2023. We are currently in the process of evaluating the impact if any of the adoption of ASU 2023-01 on our financial statements.





## 19. Deferred Policy Acquisition Costs, Net

Certain costs of acquiring new insurance business are deferred and recorded as an asset. These costs are capitalized on a grouped contract basis and amortized over the expected term of the related contracts, and are essential for the acquisition of new insurance business. Deferred acquisition costs (DAC) are directly related to the successful issuance of an insurance contract, and primarily include sales commissions, policy issue costs, direct to consumer advertising costs, and underwriting costs. Additionally, DAC includes the value of business acquired (VOBA), which are the costs of acquiring blocks of insurance from other companies or through the acquisition of other companies. These costs represent the difference between the fair value of the contractual insurance assets acquired and liabilities assumed, compared against the assets and liabilities for insurance contracts that the Company issues or holds measured in accordance with GAAP.

DAC is amortized on a constant-level basis over the expected term of the grouped contracts, with the related expense included in amortization of deferred acquisition costs. The in-force metric used to compute the DAC amortization rate is premium deposit in-force for deferred annuities, policy count in-force for health insurance, and face amount in-force for life insurance. The assumptions used to amortize acquisition costs include mortality, morbidity, and persistency. These assumptions are reviewed at least annually and revised in conjunction with any change in the future policy benefit assumptions. The effect of changes in the assumptions are recognized over the remaining expected contract term as a revision of future amortization amounts.

The following tables present a rollforward of deferred policy acquisition costs related to long-duration contracts for the three month periods ended June 30, 2023 and 2022.

| | Three Months Ended June 30, 2023 | | | |
|---|---|---|---|---|
| | Payout Annuities | Life Insurance | Health Insurance | Total |
| | (Unaudited) (In thousands) | | | |
| **Balance, beginning of year** | $ 55,396 | $ 66,954 | $ 6,113 | $ 128,463 |
| Capitalization | 1,951 | 1,166 | 61 | 3,178 |
| Amortization Expense | (3,384) | (1,944) | (190) | (5,518) |
| Other, including Experience Adjustment | (1,632) | (327) | (568) | (2,527) |
| **Balance, end of period** | $ 52,331 | $ 65,849 | $ 5,416 | $ 123,596 |

| | Three Months Ended June 30, 2022 | | | |
|---|---|---|---|---|
| | Payout Annuities | Life Insurance | Health Insurance | Total |
| | (Unaudited) (In thousands) | | | |
| **Balance, beginning of year** | $ 55,261 | $ 67,573 | $ 8,596 | $ 131,430 |
| Capitalization | 4,935 | 2,340 | 123 | 7,398 |
| Amortization Expense | (3,584) | (2,030) | (240) | (5,854) |
| Other, including Experience Adjustment | (2,362) | 852 | (308) | (1,818) |
| **Balance, end of period** | $ 54,250 | $ 68,735 | $ 8,171 | $ 131,156 |





## 20. *Policy Benefits and Losses, Claims and Loss Expenses Payable*

The liability for future policy benefits for traditional and limited-payment long duration life and health products comprises approximately 91% of the total liability for future policy benefits. The liability is determined each reporting period based on the net level premium method. This method requires the liability for future policy benefits be calculated as the present value of estimated future policyholder benefits and the related termination expenses, less the present value of estimated future net premiums to be collected from policyholders. Net level premiums reflect a recomputed net premium ratio [1] using actual experience since the issue date or the Transition Date, and expected future experience. The liability is accrued as premium revenue is recognized and adjusted for differences between actual and expected experience. Long-duration insurance contracts issued by the Company are grouped into cohorts based on the contract issue year, distribution channel, legal entity and product type.

Both the present value of expected future benefit payments and the present value of expected future net premiums are based primarily on assumptions of discount rates, mortality, morbidity, lapse, and persistency. Each quarter, the Company remeasures its liability for future policy benefits using current discount rates with the effect of the change recognized in Other Comprehensive Income, a component of shareholders' equity. In addition, the Company recognizes a liability remeasurement gain or using original discount rates, and relating to actual experience under the net premium calculation, as compared to the prior reporting period assumptions.

The Company reviews, and updates as necessary, its cash flow assumptions (mortality, morbidity, lapses and persistency) used to calculate the change in the liability for future policy benefits at least annually. These cash flow assumptions are reviewed at the same time every year, or more frequently, if suggested by experience. If cash flow assumptions are changed, the net premium ratio is recalculated from the original issue date, or the Transition Date, using actual experience and projected future cash flows. When the expected future net premiums exceed the expected future gross premiums, or the present value of future policyholder benefits exceeds the present value of expected future gross premiums, the liability for future policy benefits is adjusted with changes recognized in policyholder benefits. The cash flow assumptions do not include an adjustment for adverse deviation. Mortality tables used for individual life insurance include various industry tables and reflect modifications based on Company experience. Morbidity assumptions for individual health are based on Company experience and industry data. Lapse and persistency assumptions are based on Company experience.

The liability for future policy benefits is discounted as noted above, using a current upper-medium grade fixed-income instrument yield that reflects the duration characteristics of the liability for future policy benefits. The methodology for determining current discount rates consists of constructing a discount rate curve intended to be reflective of the currency and tenor of the insurance liability cash flows. The methodology is designed to prioritize observable inputs based on market data available in the local debt markets denominated in the same currency as the policies. For the discount rates applicable to tenors for which the single-A debt market is not liquid or there is little or no observable market data, the Company will use estimation techniques consistent with the fair value guidance in ASC 820. We further accrete interest as a component of policyholder benefits using the original discount rate that is locked-in during the year of contract issuance. The original discount rates (or the locked-in discount rates) are used for interest accretion purposes and for the determination of net premiums, whereas the current discount rates are used for purposes of valuing the liability.

The liability for future policy benefits for annuity and interest sensitive life-type products is represented by policy account value. For limited-payment contracts, a deferred profit liability is also recorded, with changes recognized in income over the life of the contract in proportion to the amount of insurance in-force.





The following tables present the balances and changes in the policy benefits and a reconciliation of the net liability for future policy benefits to the liability for future policy benefits for Oxford.

| | Three Months Ended June 30, 2023 | | |
|---|---|---|---|
| | Life Insurance | Health Insurance | Total |
| | (Unaudited) (In thousands) | | |
| **Present value of expected net premiums** | | | |
| **Balance, beginning of year** | $ 223,118 | $ 196,569 | $ 419,687 |
| **Beginning balance at original discount rate** | $ 225,071 | $ 212,454 | $ 437,525 |
| Effect of changes in cash flow assumptions | – | – | – |
| Effect of actual variances from expected experience | 246 | 1 | 247 |
| **Adjusted beginning of year balance** | $ 225,317 | $ 212,455 | $ 437,772 |
| Issuances | 2,353 | 75 | 2,428 |
| Interest accrual | 2,574 | 2,112 | 4,686 |
| Net premium collected | (9,769) | (6,810) | (16,579) |
| Other | – | – | – |
| **Ending balance at original discount rate** | $ 220,475 | $ 207,832 | $ 428,307 |

| | Life Insurance | Health Insurance | Total |
|---|---|---|---|
| Effect of changes in discount rate assumptions (AOCI) | 2,166 | (10,807) | (8,641) |
| **Balance, end of period** | $ 222,641 | $ 197,025 | $ 419,666 |

| **Present value of expected future policy benefits** | | | |
|---|---|---|---|
| **Balance, beginning of year** | $ 530,983 | $ 210,054 | $ 741,037 |
| **Beginning balance at original discount rate** | $ 533,688 | $ 226,510 | $ 760,198 |
| Effect of changes in cash flow assumptions | – | – | – |
| Effect of actual variances from expected experiences | 355 | 2,133 | 2,488 |
| **Adjusted beginning of year balance** | $ 534,043 | $ 228,643 | $ 762,686 |
| Issuances | 2,398 | 75 | 2,473 |
| Interest accrual | 6,534 | 2,273 | 8,807 |
| Benefit payments | (14,311) | (8,773) | (23,084) |
| Other | – | – | – |
| **Ending balance at original discount rate** | $ 528,664 | $ 222,218 | $ 750,882 |
| Effect of changes in discount rate assumptions (AOCI) | 10,786 | (11,015) | (229) |
| **Balance, end of period** | $ 539,450 | $ 211,203 | $ 750,653 |
| End of period, LFPB net | | | 330,987 |
| Payout annuities and market risk benefits | | | 31,375 |
| Life and annuity ICOS and IBNR / Reinsurance losses payable | | | 28,910 |
| Life DPL / Other life and health | | | 10,195 |
| **Oxford end of period balance** | | | 401,467 |
| **Moving and Storage balance** | | | 328,009 |
| **Property and Casualty balance** | | | 148,960 |
| **Policy benefit and losses, claims and loss expense balance, end of period** | | | $ **878,436** |





| | Three Months Ended June 30, 2023 | | |
|---|---|---|---|
| | Life Insurance | Health Insurance | Total |
| | (Unaudited) | | |
| | (In thousands, except for percentages and weighted average information) | | |
| **Expected gross premiums** | | | |
| Undiscounted balance | $ 395,641 | $ 348,671 | $ 744,312 |
| Discounted balance at original discount rate | $ 305,166 | $ 269,458 | $ 574,624 |
| Discounted balance at current discount rate | $ 307,763 | $ 257,488 | $ 565,251 |
| **Expected policy benefits** | | | |
| Undiscounted balance | $ 770,210 | $ 289,249 | $ 1,059,459 |
| Discounted balance at original discount rate | $ 528,663 | $ 222,219 | $ 750,882 |
| Discounted balance at current discount rate | $ 539,449 | $ 211,204 | $ 750,653 |
| **Mortality, lapses and morbidity** | | | |
| Mortality actual experience | 5.29 % | – % | |
| Mortality expected experience | 4.93 % | – % | |
| Lapses actual experience | 1.71 % | – % | |
| Lapses expected experience | 2.64 % | – % | |
| Morbidity actual experience | – % | 92.11 % | |
| Morbidity expected experience | – % | 73.02 % | |
| **Reserve and interest** | | | |
| Gross premiums | $ 13,414 | $ 9,358 | $ 22,772 |
| Other premiums | | | 359 |
| **Total premiums** | | | $ **23,131** |
| Interest expense | $ 3,960 | $ 161 | $ 4,121 |
| **Expected future lifetime (persistency) of policies in force (years)** | 8.2 | 8.4 | |
| **Weighted average original interest rate of the liability for future policy benefits** | 5.23 % | 4.04 % | |
| **Weighted average current interest rate of the liability for future policy benefits** | 4.87 % | 4.68 % | |





| | Three Months Ended June 30, 2022 | | |
|---|---|---|---|
| | Life Insurance | Health Insurance | Total |
| | (Unaudited) | | |
| | (In thousands) | | |
| **Present value of expected net premiums** | | | |
| **Balance, beginning of year** | $ 280,371 | $ 280,721 | $ 561,092 |

| | | | |
|---|---|---|---|
| **Beginning balance at original discount rate** | $ 242,741 | $ 253,297 | $ 496,038 |
| Effect of changes in cash flow assumptions | – | – | – |
| Effect of actual variances from expected experience | (1,949) | (22,834) | (24,783) |
| **Adjusted beginning of year balance** | $ 240,792 | $ 230,463 | $ 471,255 |
| Issuances | 14,064 | 2,451 | 16,515 |
| Interest accrual | 2,818 | 2,330 | 5,148 |
| Net premium collected | (10,517) | (7,706) | (18,223) |
| Other | – | – | – |
| **Ending balance at original discount rate** | $ 247,157 | $ 227,538 | $ 474,695 |
| Effect of changes in discount rate assumptions (AOCI) | 20,298 | 6,510 | 26,808 |
| **Balance, end of period** | $ 267,455 | $ 234,048 | $ 501,503 |
| **Present value of expected future policy benefits** | | | |
| **Balance, beginning of year** | $ 672,254 | $ 299,605 | $ 971,859 |
| **Beginning balance at original discount rate** | $ 552,109 | $ 269,157 | $ 821,266 |
| Effect of changes in cash flow assumptions | – | – | – |
| Effect of actual variances from expected experiences | (4,530) | (21,750) | (26,280) |
| **Adjusted beginning of year balance** | $ 547,579 | $ 247,407 | $ 794,986 |
| Issuances | 14,064 | 2,451 | 16,515 |
| Interest accrual | 6,866 | 2,501 | 9,367 |
| Benefit payments | (16,734) | (9,258) | (25,992) |
| Other | – | – | – |
| **Ending balance at original discount rate** | $ 551,775 | $ 243,101 | $ 794,876 |
| Effect of changes in discount rate assumptions (AOCI) | 66,399 | 7,818 | 74,217 |
| **Balance, end of period** | $ 618,174 | $ 250,919 | $ 869,093 |
| End of period, LFPB net | | | 367,590 |
| Payout annuities and market risk benefits | | | 31,685 |
| Life and annuity ICOS and IBNR / Reinsurance losses payable | | | 42,293 |
| Life DPL / Other life and health | | | 11,423 |
| **Oxford end of period balance** | | | 452,991 |
| **Moving and Storage balance** | | | 339,155 |
| **Property and Casualty balance** | | | 159,142 |
| **Policy benefit and losses, claims and loss expense balance, end of period** | | | $ **951,288** |





| | Three Months Ended June 30, 2022 | | |
|---|---|---|---|
| | Life Insurance | Health Insurance | Total |
| | | (Unaudited) | |
| | (In thousands, except for percentages and weighted average information) | | |
| **Expected gross premiums** | | | |
| Undiscounted balance | $ 446,750 | $ 399,813 | $ 846,563 |
| Discounted balance at original discount rate | $ 342,588 | $ 306,424 | $ 649,012 |
| Discounted balance at current discount rate | $ 370,404 | $ 317,466 | $ 687,870 |
| **Expected policy benefits** | | | |
| Undiscounted balance | $ 816,240 | $ 319,046 | $ 1,135,286 |
| Discounted balance at original discount rate | $ 551,775 | $ 243,102 | $ 794,877 |
| Discounted balance at current discount rate | $ 618,174 | $ 250,920 | $ 869,094 |
| **Mortality, lapses and morbidity** | | | |
| Mortality actual experience | 5.72 % | – % | |
| Mortality expected experience | 4.64 % | – % | |
| Lapses actual experience | 2.37 % | – % | |
| Lapses expected experience | 2.53 % | – % | |
| Morbidity actual experience | – % | 82.38 % | |
| Morbidity expected experience | – % | 70.92 % | |
| **Reserve and interest** | | | |
| Gross premiums | $ 14,526 | $ 11,043 | $ 25,569 |
| Other premiums | | | 212 |
| **Total premiums** | | | $ **25,781** |
| Interest expense | $ 4,048 | $ 171 | $ 4,219 |
| **Expected future lifetime (persistency) of policies in force (years)** | 8.6 | 7.9 | |
| **Weighted average original interest rate of the liability for future policy benefits** | 5.40 % | 4.11 % | |
| **Weighted average current interest rate of the liability for future policy benefits** | 0.65 % | 0.42 % | |

The following tables present the balances and changes in Liabilities from investment contracts account balances:

| | | Three Months Ended June 30, 2023 |
|---|---|---|
| | | Deferred Annuities |
| | | (Unaudited) |
| | | (In thousands, except for the average credited rate) |
| **Policyholder contract deposits account balance** | | |
| **Beginning of year** | $ | 2,398,884 |
| Deposits received | | 43,944 |
| Surrenders and withdrawals | | (64,445) |
| Benefit payments | | (10,813) |
| Interest credited | | 16,760 |
| Other | | – |
| **End of period** | $ | 2,384,330 |
| **Weighted average credited rate** | | 2.79 |
| **Cash surrender value** | $ | 2,069,292 |

| | | Three Months Ended June 30, 2022 |
|---|---|---|
| | | Deferred Annuities |
| | | (Unaudited) |
| | | (In thousands, except for the average credited rate) |
| **Policyholder contract deposits account balance** | | |
| **Beginning of year** | $ | 2,336,238 |
| Deposits received | | 86,136 |
| Surrenders and withdrawals | | (53,297) |
| Benefit payments | | (9,468) |
| Interest credited | | 14,641 |
| Other | | – |
| **End of period** | $ | 2,374,250 |
| **Weighted average credited rate** | | 2.47 |
| **Cash surrender value** | $ | 2,093,415 |



***Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations***

**General**

We begin Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") with the overall strategy of U-Haul Holding Company, followed by a description of, and strategy related to, our operating segments to give the reader an overview of the goals of our businesses and the direction in which our businesses and products are moving. We then discuss our critical accounting estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results. Next, we discuss our results of operations for the first quarter of fiscal 2024, compared with the first quarter of fiscal 2023, which is followed by an analysis of liquidity changes in our balance sheets and cash flows, and a discussion of our financial commitments in the sections entitled Liquidity and Capital Resources - Summary and Disclosures about Contractual Obligations and Commercial Commitments. We conclude this MD&A by discussing our current outlook for the remainder of fiscal 2024.

This MD&A should be read in conjunction with the other sections of this Quarterly Report, including the Notes to Condensed Consolidated Financial Statements. The various sections of this MD&A contain a number of forward-looking statements, as discussed under the caption, Cautionary Statements Regarding Forward-Looking Statements, all of which are based on our current expectations and could be affected by the uncertainties and risks described throughout this filing or in our most recent Annual Report on Form 10-K for the fiscal year ended March 31, 2023. Many of these risks and uncertainties are beyond our control and our actual results may differ materially from these forward-looking statements.

U-Haul Holding Company, a Nevada corporation, has a first fiscal quarter that ends on the 30 th of June for each year that is referenced. Our insurance company subsidiaries have a first quarter that ends on the 31 st of March for each year that is referenced. They have been consolidated on that basis. Our insurance companies' financial reporting processes conform to calendar year reporting as required by state insurance departments. Management believes that consolidating their calendar year into our fiscal year financial statements does not materially affect the presentation of financial position or results of operations. We disclose material events, if any, occurring during the intervening period. Consequently, all references to our insurance subsidiaries' years 2023 and 2022 correspond to fiscal 2024 and 2023 for U-Haul Holding Company.

**Overall Strategy**

Our overall strategy is to maintain our leadership position in the United States and Canada "do-it-yourself" moving and storage industry. We accomplish this by providing a seamless and integrated supply chain to the "do-it-yourself" moving and storage market. As part of executing this strategy, we leverage the brand recognition of U-Haul ® with our full line of moving and self-storage related products and services and the convenience of our broad geographic presence.

Our primary focus is to provide our customers with a wide selection of moving rental equipment, convenient self-storage rental facilities, portable moving and storage units and related moving and self-storage products and services. We are able to expand our distribution and improve customer service by increasing the amount of moving equipment and storage units and portable moving and storage units available for rent, expanding the number of independent dealers in our network and expanding and taking advantage of our eMove ® capabilities.

Property and Casualty Insurance is focused on providing and administering property and casualty insurance to U-Haul and its customers, its independent dealers and affiliates.

Life Insurance is focused on long term capital growth through direct writing and reinsuring of life insurance, Medicare supplement and annuity products in the senior marketplace.

**Description of Operating Segments**

U-Haul Holding Company's three reportable segments are:

- Moving and Storage, comprised of U-Haul Holding Company, U-Haul, and Real Estate and the wholly owned subsidiaries of U-Haul and Real Estate;
- Property and Casualty Insurance, comprised of Repwest and its wholly owned subsidiaries and ARCOA; and
- Life Insurance, comprised of Oxford and its wholly owned subsidiaries.



***Moving and Storage***

Moving and Storage consists of the rental of trucks, trailers, portable moving and storage units, specialty rental items and self-storage spaces primarily to the household mover as well as sales of moving supplies, towing accessories and propane. Operations are conducted under the registered trade name U-Haul ® throughout the United States and Canada.

With respect to our truck, trailer, specialty rental items and self-storage rental business, we are focused on expanding our dealer network, which provides added convenience for our customers and expands the selection and availability of rental equipment to satisfy the needs of our customers.

U-Haul ® branded self-moving related products and services, such as boxes, pads and tape, allow our customers to, among other things, protect their belongings from potential damage during the moving process. We are committed to providing a complete line of products selected with the "do-it-yourself" moving and storage customer in mind.

uhaul.com ® is an online marketplace that connects consumers to our operations as well as independent Moving Help ® service providers and thousands of independent Self-Storage Affiliates. Our network of customer-rated affiliates and service providers furnish pack and load help, cleaning help, self-storage and similar services throughout the United States and Canada. Our goal is to further utilize our web-based technology platform to increase service to consumers and businesses in the moving and storage market.

U-Haul's mobile app, Truck Share 24/7, Skip-the-Counter Self-Storage rentals and Self-checkout for moving supplies provide our customers methods for conducting business with us directly via their mobile devices and also limiting physical exposure.

Since 1945, U-Haul has incorporated sustainable practices into its everyday operations. We believe that our basic business premise of equipment sharing helps reduce greenhouse gas emissions and reduces the inventory of total large capacity vehicles. We continue to look for ways to reduce waste within our business and are dedicated to manufacturing reusable components and recyclable products. We believe that our commitment to sustainability, through our products and services and everyday operations has helped us to reduce our impact on the environment.

***Property and Casualty Insurance***

Property and Casualty Insurance provides loss adjusting and claims handling for U-Haul through regional offices across the United States and Canada. Property and Casualty Insurance also underwrites components of the Safemove ® , Safetow ® , Safemove Plus ® , Safestor ® and Safestor Mobile ® protection packages to U-Haul customers. We continue to focus on increasing the penetration of these products into the moving and storage market. The business plan for Property and Casualty Insurance includes offering property and casualty insurance products in other U-Haul related programs.

***Life Insurance***

Life Insurance provides life and health insurance products primarily to the senior market through the direct writing and reinsuring of life insurance, Medicare supplement and annuity policies.

**Cybersecurity Incident**

On September 9, 2022, we announced that the Company was made aware of a data security incident involving U-Haul's information technology network. U-Haul detected a compromise of two unique passwords used to access U-Haul customers information. U-Haul took immediate steps to contain the incident and promptly enhanced its security measures to prevent any further unauthorized access. U-Haul retained cybersecurity experts and incident response counsel to investigate the incident and implement additional security safeguards. The investigation determined that between November 5, 2021 and April 8, 2022, the threat actor accessed customer contracts containing customers' names, dates of birth, and driver's license or state identification numbers. None of U-Haul's financial, payment processing or email systems were involved. U-Haul has notified impacted customers and relevant governmental authorities.

Several class action lawsuits related to the incident have been filed against U-Haul. The lawsuits have been consolidated into one action in the U.S. District Court for the District of Arizona and will be vigorously defended by the Company; however the outcome of such lawsuits cannot be predicted or guaranteed with any certainty.

**Critical Accounting Estimates**

Please refer to our Annual Report on Form 10-K for the fiscal year ended March 31, 2023, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

***Impairment of Investments***

Under the current expected credit loss model, a valuation allowance is recognized in earnings for credit losses. If we intend to sell a debt security, or it is more likely than not that we will be required to sell the security before recovery of its



amortized cost basis, the debt security is written down to its fair value and the write down is charged against the allowance for credit losses, with any incremental impairment reported in earnings. Reversals of the allowance for credit losses are permitted and should not exceed the allowance amount initially recognized.

Changes in the allowance for credit losses are recorded as provision for (or reversal of) credit loss expense There was a ($0.5) million net impairment charge recorded during the quarter ended June 30, 2023.

## Results of Operations

**U-Haul Holding Company and Consolidated Entities**

***Quarter Ended June 30, 2023 compared with the Quarter Ended June 30, 2022***

Listed below, on a consolidated basis, are revenues for our major product lines for the first quarter of fiscal 2024 and the first quarter of fiscal 2023:

| | Quarter Ended June 30, | |
|---|---|---|
| | 2023 | 2022 |
| | (Unaudited) (In thousands) | |
| | $ | $ |
| Self-moving equipment rentals | 999,206 | 1,090,775 |
| Self-storage revenues | 198,961 | 173,177 |
| Self-moving and self-storage products and service sales | 100,872 | 109,351 |
| Property management fees | 9,177 | 9,139 |
| Life insurance premiums | 23,131 | 25,781 |
| Property and casualty insurance premiums | 20,322 | 19,972 |
| Net investment and interest income | 64,592 | 33,573 |

| | | |
|---|---|---|
| Other revenue | 124,047 | 136,072 |
| Consolidated revenue | $ 1,540,308 | $ 1,597,840 |

Self-moving equipment rental revenues decreased $91.6 million during the first quarter of fiscal 2024, compared with the first quarter of fiscal 2023. Transactions, revenue and average miles driven per transaction decreased. These declines were more pronounced in our one-way markets. Compared to the same period last year, we increased the number of retail locations, independent dealers, trucks and trailers in the rental fleet.

Self-storage revenues increased $25.8 million during the first quarter of fiscal 2024, compared with the first quarter of fiscal 2023. The average monthly number of occupied units increased by 9%, or 44,957 units, during the first quarter of fiscal 2024 compared with the same period last year. The growth in revenues and square feet rented comes from a combination of occupancy gains at existing locations, the addition of new capacity to the portfolio and from a 6% improvement in average revenue per occupied foot. During the quarter we added approximately 1.1 million new net rentable square feet.

Sales of self-moving and self-storage products and services decreased $8.5 million during the first quarter of fiscal 2024, compared with the first quarter of fiscal 2023. This was due to decreased sales of hitches, moving supplies and propane. The decrease in self-moving transactions has negatively affected the sales of moving supplies.

Life insurance premiums decreased $2.7 million during the first quarter of fiscal 2024, compared with the first quarter of fiscal 2023 due primarily to decreased life and Medicare supplement premiums.

Property and casualty insurance premiums increased $0.4 million during the first quarter of fiscal 2024, compared with the first quarter of fiscal 2023 due to an increase in Safestor ® sales, which was a reflection of the increased storage rental transactions.

Net investment and interest income increased $31.0 million during the first quarter of fiscal 2024, compared with the first quarter of fiscal 2023. Moving and Storage accounted for $22.4 million of the improvement due to an increase in interest rates on short-term deposits. Changes in the market value of unaffiliated common stocks held in our property and casualty insurance subsidiary accounted for $4.0 million of the increase during the quarter. An increase of $2.1 million realized gains on derivatives used as hedges for our fixed indexed annuities at our life insurance subsidiary also contributed to the increase during the quarter.

Other revenue decreased $12.0 million during the first quarter of fiscal 2024, compared with the first quarter of fiscal 2023, caused primarily by decreases in our U-Box program.



Listed below are revenues and earnings from operations at each of our operating segments for the first quarter of fiscal 2024 and the first quarter of fiscal 2023. The insurance companies' first quarters ended March 31, 2023 and 2022.

| | Quarter Ended June 30, | |
|---|---|---|
| | 2023 | 2022 |
| | (Unaudited) | |
| | (In thousands) | |
| Moving and storage | | |
| Revenues | $ 1,459,513 | $ 1,523,598 |
| Earnings from operations before equity in earnings of subsidiaries | 386,691 | 481,617 |
| Property and casualty insurance | | |
| Revenues | 27,839 | 23,082 |
| Earnings from operations | 11,982 | 8,351 |
| Life insurance | | |
| Revenues | 55,681 | 54,103 |
| Earnings from operations | 1,356 | 5,916 |
| Eliminations | | |
| Revenues | (2,725) | (2,943) |
| Earnings from operations before equity in earnings of subsidiaries | (371) | (382) |
| Consolidated results | | |
| Revenues | 1,540,308 | 1,597,840 |
| Earnings from operations | 399,658 | 495,502 |

Total costs and expenses increased $38.3 million during the first quarter of fiscal 2024, compared with the first quarter of fiscal 2023. Operating expenses for Moving and Storage increased $28.5 million. Repair costs associated with the rental fleet experienced a $29.6 million increase during the quarter due to preventative maintenance combined with the costs associated with preparing trucks for sale. The primary driver behind these increases has been the slower rotation of new equipment into the fleet and older equipment out of the fleet over the last several years. Other increases included personnel and property taxes. Shipping costs associated with U-Box transactions decreased.

Depreciation expense associated with our rental fleet increased $8.7 million for the first quarters of fiscal 2024, compared with the first quarter of 2023 due to an increase in the pace of new additions to the fleet. Net gains from the disposal of rental equipment decreased $8.7 million as resale values have decreased while the average cost of units being sold has increased. Depreciation expense on all other assets, largely from buildings and improvements, increased $6.7 million. Net losses on the disposal or retirement of land and buildings decreased $1.3 million. Additional detail is available in the following Moving and Storage section.

As a result of the above-mentioned changes in revenues and expenses, earnings from operations decreased to $399.7 million for the first quarter of fiscal 2024, compared with $495.5 million for the first quarter of fiscal 2023.

Interest expense for the first quarter of fiscal 2024 was $60.6 million, compared with $49.8 million for the first quarter of fiscal 2023, due to an increase in our average cost of debt.

Income tax expense was $81.9 million for the first quarter of fiscal 2024, compared with $107.1 million for the first quarter of fiscal 2023.

As a result of the above-mentioned items, earnings available to common stockholders were $256.8 million for the first quarter of fiscal 2024, compared with $338.3 million for the first quarter of fiscal 2023.

Basic and diluted earnings per share of Voting Common Stock for the first quarter of fiscal 2024 were $1.27, compared with $2.18 for the first quarter of fiscal 2023. The weighted average common shares outstanding basic and diluted for Voting Common Stock were 19,607,788 for both the first quarter of fiscal 2024 and 2023.

Basic and diluted earnings per share of Non-Voting Common Stock for fiscal 2024 were $1.31, compared with $1.68 for fiscal 2023. The weighted average shares outstanding basic and diluted for Non-Voting Common Stock were 176,470,092 for both fiscal 2024 and 2023.



**Moving and Storage**

***Quarter Ended June 30, 2023 compared with the Quarter Ended June 30, 2022***

Listed below are revenues for our major product lines at Moving and Storage for the first quarter of fiscal 2024 and the first quarter of fiscal 2023:

| Quarter Ended June 30, | |
|---|---|
| 2023 | 2022 |

| | | |
|---|---|---|
| | (Unaudited) | |
| | (In thousands) | |
| Self-moving equipment rentals | $ 1,000,079 | $ 1,091,710 |
| Self-storage revenues | 198,961 | 173,177 |
| Self-moving and self-storage products and service sales | 100,872 | 109,351 |
| Property management fees | 9,177 | 9,139 |
| Net investment and interest income | 27,295 | 4,940 |
| Other revenue | 123,129 | 135,281 |
| Moving and Storage revenue | $ 1,459,513 | $ 1,523,598 |

Self-moving equipment rental revenues decreased $91.6 million during the first quarter of fiscal 2024, compared with the first quarter of fiscal 2023. Transactions, revenue and average miles driven per transaction decreased. These declines were more pronounced in our one-way markets. Compared to the same period last year, we increased the number of retail locations, independent dealers, trucks and trailers in the rental fleet.

Self-storage revenues increased $25.8 million during the first quarter of fiscal 2024, compared with the first quarter of fiscal 2023. The average monthly number of occupied units increased by 9%, or 44,957 units, during the first quarter of fiscal 2024 compared with the same period last year. The growth in revenues and square feet rented comes from a combination of occupancy gains at existing locations, the addition of new capacity to the portfolio and from a 6% improvement in average revenue per occupied foot. During the quarter we added approximately 1.1 million new net rentable square feet.

We own and manage self-storage facilities. Self-storage revenues reported in the condensed consolidated financial statements represent Company-owned locations only. Self-storage data for our owned storage locations follows:

| | Quarter Ended June 30, | |
|---|---|---|
| | 2023 | 2022 |
| | (Unaudited) | |
| | (In thousands, except occupancy rate) | |
| Unit count as of June 30 | 683 | 620 |
| Square footage as of June 30 | 57,530 | 51,845 |
| Average monthly number of units occupied | 563 | 518 |
| Average monthly occupancy rate based on unit count | 82.8% | 84.5% |
| End of June occupancy rate based on unit count | 83.9% | 85.6% |
| Average monthly square footage occupied | 48,627 | 44,847 |

Over the last twelve months we added approximately 5.7 million net rentable square feet of new storage to the system. This was a mix of approximately 1.1 million square feet of existing storage locations we acquired and 4.6 million square feet of new development.

Sales of self-moving and self-storage products and services decreased $8.5 million during the first quarter of fiscal 2024, compared with the first quarter of fiscal 2023. This was due to decreased sales of hitches, moving supplies and propane. The decrease in self-moving transactions has negatively affected the sales of moving supplies.

Net investment and interest income increased $22.4 million during the first quarter of fiscal 2024, compared with the first quarter of fiscal 2023, due to an increase in interest rates on short-term deposits.

Other revenue decreased $12.2 million during the first quarter of fiscal 2024, compared with the first quarter of fiscal 2023, caused primarily by decreases in our U-Box program.

Total costs and expenses increased $30.8 million during the first quarter of fiscal 2024, compared with the first quarter of fiscal 2023. Operating expenses increased $28.5 million. Repair costs associated with the rental fleet experienced a $29.6 million increase during the quarter due to preventative maintenance combined with the costs associated with preparing trucks for sale. The primary driver behind these increases has been the slower rotation of new equipment into the fleet and older equipment out of the fleet over the last several years. Other increases included personnel and property taxes. Shipping



costs associated with U-Box transactions decreased.

Depreciation expense associated with our rental fleet increased $8.7 million for the first quarters of fiscal 2024, compared with the first quarter of 2023 due to an increase in the pace of new additions to the fleet. Net gains from the disposal of rental equipment decreased $8.7 million as resale values have decreased while the average cost of units being sold has increased. Depreciation expense on all other assets, largely from buildings and improvements, increased $6.7 million. Net losses on the disposal or retirement of land and buildings decreased $1.3 million.

The components of depreciation, net of gains on disposals are as follows:

| | Quarter Ended June 30, | |
|---|---|---|
| | 2023 | 2022 |
| | (Unaudited) | |
| | (In thousands) | |
| Depreciation expense - rental equipment | $ 135,192 | $ 126,521 |
| Depreciation expense - non rental equipment | 22,302 | 21,621 |
| Depreciation expense - real estate | 35,981 | 30,002 |
| **Total depreciation expense** | **$ 193,475** | **$ 178,144** |
| Gains on disposals of rental equipment | (55,807) | (64,001) |
| (Gain) loss on disposals of non-rental equipment | 146 | (347) |
| **Total gains on disposals equipment** | **$ (55,661)** | **$ (64,348)** |
| **Depreciation, net of gains on disposals** | **$ 137,814** | **$ 113,796** |
| **Losses on disposals of real estate** | **$ 1,021** | **$ 2,307** |

As a result of the above-mentioned changes in revenues and expenses, earnings from operations for Moving and Storage before consolidation of the equity in the earnings of the insurance subsidiaries decreased to $386.7 million for the first quarter of fiscal 2024, compared with $481.6 million for the first quarter of fiscal 2023.

Equity in the earnings of U-Haul Holding Company's insurance subsidiaries was $10.2 million for the first quarter of fiscal 2024, compared with $12.0 million for the first quarter of fiscal 2023.

As a result of the above-mentioned changes in revenues and expenses, earnings from operations decreased to $396.9 million for the first quarter of fiscal 2024, compared with $493.6 million for the first quarter of fiscal 2023.

**Property and Casualty Insurance**

***Quarter Ended March 31, 2023 compared with the Quarter Ended March 31, 2022***

Net premiums were $21.0 million and $20.8 million for the quarters ended March 31, 2023 and 2022, respectively. A significant portion of Repwest's premiums are from policies sold in conjunction with U-Haul rental transactions. The premium increase corresponded with increased self-storage transactions at U-Haul during the same period.

Net investment and interest income was $6.8 million and $2.3 million for the quarters ended March 31, 2023 and 2022, respectively. The main driver of the change in net investment income was the increase in the market value of unaffiliated common stock of $4.0 million.

Net operating expenses were $11.3 million and $10.2 million for the quarters ended March 31, 2023 and 2022, respectively. The change was due to an increase in commissions.

As a result of the above-mentioned changes in revenues and expenses, pretax earnings from operations were $12.0 million and $8.4 million for the quarters ended March 31, 2023 and 2022, respectively.

**Life Insurance**

***Quarter Ended March 31, 2023 compared with the Quarter Ended March 31, 2022***

Net premiums were $23.1 million and $25.8 million for the quarters ended March 31, 2023 and 2022, respectively. Medicare Supplement premiums decreased $1.7 million from the policy decrements offset by premium rate increases. Life premiums decreased $1.1 million primarily from the decrease in sales of single premium life and final expense. Premiums on the remaining lines of business increased $0.1 million. Deferred annuity deposits were $43.7 million for the quarter ended March 31, 2023 compared to $85.8 million for the quarter ended March 31, 2022 and are accounted for on the balance sheet



as deposits rather than premiums. The decrease in deferred annuity deposits can be attributed to a decrease in policy issuances.

Net investment and interest income were $31.5 million and $27.4 million for the quarters ended March 31, 2023 and 2022, respectively. Net realized gain on derivatives used as hedges to fixed annuities increased by $2.1 million. In addition, the change in the provision for expected credit losses resulted in an additional increase in investment income of $0.3 million coupled with an increase of $0.1 million in realized gains on bonds. The remaining increase in net investment income of $1.5 million was primarily due to the $1.0 million increase in net interest income on bonds and $0.6 million on the remaining assets.

Net operating expenses were $5.4 million and $5.1 million for the quarters ended March 31, 2023 and 2022, respectively. The increase was primarily due to an increase in administrative expenses.

Benefits and losses incurred were $40.9 million and $35.4 million for the quarters ended March 31, 2023 and 2022, respectively. Life benefits decreased $2.0 million due to lower death claims related to COVID-19. Medicare supplement benefits decreased by $0.1 million from the policies in force. The remaining gains were attributable to the impact of reserve changes from the adoption of ASU 2018-12.

Amortization of deferred acquisition costs ("DAC"), sales inducement asset ("SIA") and the value of business acquired ("VOBA") was $8.0 million and $7.7 million for the quarters ended March 31, 2023 and 2022, respectively. The increase in DAC amortization is primarily due to the to the increased amortization related to prepayment penalties on mortgage loans.

As a result of the above-mentioned changes in revenues and expenses, pretax earnings from operations were $1.2 million and $5.8 million for the quarters ended March 31, 2023 and 2022, respectively.

## Liquidity and Capital Resources

We believe our current capital structure is a positive factor that will enable us to pursue our operational plans and goals and provide us with sufficient liquidity for the foreseeable future. There are many factors that could affect our liquidity, including some which are beyond our control, and there is no assurance that future cash flows and liquidity resources will be sufficient to meet our outstanding debt obligations and our other future capital needs.

As of June 30, 2023, cash and cash equivalents totaled $2,377.1 million, compared with $2,060.5 million at March 31, 2023. The assets of our insurance subsidiaries are generally unavailable to fulfill the obligations of non-insurance operations (Moving and Storage). As of June 30, 2023 (or as otherwise indicated), cash and cash equivalents, other financial assets (receivables, short-term investments, other investments, fixed maturities, and related party assets) and debt obligations of each operating segment were:

| | Moving & Storage | Property & Casualty Insurance (a) | Life Insurance (a) |
|---|---|---|---|
| | | (Unaudited) | |
| | | (In thousands) | |
| Cash and cash equivalents | $ 2,302,380 | $ 14,038 | $ 60,706 |
| Other financial assets | 214,177 | 455,306 | 2,707,262 |
| Debt obligations (b) | 6,323,782 | – | – |

(a) As of March 31, 2023

(b) Excludes ($36,551) of debt issuance costs

As of June 30, 2023, Moving and Storage had additional cash available under existing credit facilities of $490.0 million. The majority of invested cash at the Moving and Storage segment is held in government money market funds.

Net cash provided by operating activities decreased $185.7 million in the first quarter of fiscal 2024 compared with the first quarter of fiscal 2023 due to a decrease in operating profits combined with an increase in claims payments at Moving and Storage and timing of credit card settlements.

Net cash used in investing activities decreased $189.3 million in the first quarter of fiscal 2024, compared with the first quarter of fiscal 2023. Purchases of property, plant and equipment, increased $127.4 million with fleet spending accounting for $103.2 million and real estate $15.7 million. Cash from the sales of property, plant and equipment increased $34.3 million largely due to fleet sales. For our insurance subsidiaries, net cash provided in investing activities increased $62.7 million due to a decrease in purchases of fixed maturity investments and net cash provided by investing activities for Moving and Storage increased $225.0 million on the redemption of short-term Treasury notes.



Net cash provided by financing activities decreased $88.2 million in the first quarter of fiscal 2024, as compared with the first quarter of fiscal 2023. This was due to a combination of increased cash from borrowings of $52.2 million, increased debt payments of $87.5 million, decreased finance lease repayments of $0.8 million, a decrease of $2.7 million in dividends paid and a decrease in net annuity deposits from Life Insurance of $54.9 million.

**Liquidity and Capital Resources and Requirements of Our Operating Segments**

***Moving and Storage***

To meet the needs of our customers, U-Haul maintains a large fleet of rental equipment. Capital expenditures have primarily consisted of new rental equipment acquisitions and the buyouts of existing fleet from leases. The capital to fund these expenditures has historically been obtained internally from operations and the sale of used equipment and externally from debt and lease financing. U-Haul estimates that during fiscal 2024 the Company will reinvest in its rental equipment fleet approximately $820 million, net of equipment sales and excluding any lease buyouts. Through the first quarter of fiscal 2024, the Company invested, net of sales, approximately $261 million before any lease buyouts in its rental equipment fleet. Fleet investments in fiscal 2024 and beyond will be dependent upon several factors including the availability of capital, the truck rental environment, the availability of equipment from our original equipment manufacturers and the used-truck sales market. We anticipate that the fiscal 2024 investments will be funded largely through debt financing, external lease financing and cash from operations. Management considers several factors including cost and tax consequences when selecting a method to fund capital expenditures. Our allocation between debt and lease financing can change from year to year based upon financial market conditions which may alter the cost or availability of financing options.

The Company has traditionally funded the acquisition of self-storage properties to support U-Haul's growth through debt financing and funds from operations. The Company's plan for the expansion of owned storage properties includes the acquisition of existing self-storage locations from third parties, the acquisition and development of bare land, and the acquisition and redevelopment of existing buildings not currently used for self-storage. For the first quarter of fiscal 2024, the Company invested $293.9 million in real estate acquisitions, new construction and renovation and repair. For fiscal 2024, the timing of new projects will be dependent upon several factors, including the entitlement process, availability of capital, weather, the identification and successful acquisition of target properties and the availability of labor and materials. We are likely to maintain a high level of real estate capital expenditures in fiscal 2024. U-Haul's growth plan in self-storage also includes the expansion of the U-Haul Storage Affiliate program, which does not require significant capital.

Net capital expenditures (purchases of property, plant and equipment less proceeds from the sale of property, plant and equipment and lease proceeds) at moving and storage were $580.1 million and $487.0 million for the first quarter of fiscal 2024 and 2023, respectively. The components of our net capital expenditures are provided in the following table:

| | Quarter Ended June 30, | |
|---|---|---|
| | 2023 | 2022 |
| | (Unaudited) (In thousands) | |
| Purchases of rental equipment | $ 453,940 | $ 350,736 |
| Purchases of real estate, construction and renovations | 293,881 | 278,196 |
| Other capital expenditures | 25,756 | 17,205 |
| Gross capital expenditures | 773,577 | 646,137 |
| Less: Sales of property, plant and equipment | (193,455) | (159,180) |
| Net capital expenditures | $ 580,122 | $ 486,957 |

Moving and Storage continues to hold significant cash and we believe has access to additional liquidity. Management may invest these funds in our existing operations, expand our product lines or pursue external opportunities in the self-moving and storage marketplace, pay dividends, repurchase shares of common stock or reduce existing indebtedness where possible.

***Property and Casualty Insurance***

State insurance regulations restrict the amount of dividends that can be paid to stockholders of insurance companies. As a result, Property and Casualty Insurance's assets are generally not available to satisfy the claims of U-Haul Holding Company or its legal subsidiaries. We believe that stockholders' equity at Property and Casualty Insurance remains sufficient, and we do not believe that its ability to pay ordinary dividends to U-Haul Holding Company will be restricted per state regulations.

Property and Casualty Insurance's stockholder's equity was $307.7 million and $294.5 million as of March 31, 2023 and December 31, 2022, respectively. The change resulted from net earnings of $9.5 million and an increase in other comprehensive income of $3.7 million due to the increase in market value of its investment portfolio. Property and Casualty Insurance does not use debt or equity issues to increase capital and therefore has no direct exposure to capital market



conditions other than through its investment portfolio.

***Life Insurance***

Life Insurance manages its financial assets to meet policyholder and other obligations, including investment contract withdrawals and deposits. Life Insurance's net withdrawals for the quarter ended March 31, 2023 were $32.1 million. State insurance regulations restrict the amount of dividends that can be paid to stockholders of insurance companies. As a result, Life Insurance's assets are generally not available to satisfy the claims of U-Haul Holding Company or its legal subsidiaries.

Life Insurance's stockholder's equity was $151.4 million and $132.2 million as of March 31, 2023 and December 31, 2022, respectively. The change resulted from net earnings of $0.7 million and an increase in other comprehensive income of $16.7 million primarily due to the effect of interest rate changes on the fixed maturity portion of the investment portfolio. Outside of its membership in the Federal Home Loan Bank ("FHLB") system, Life Insurance has not historically used debt or equity issues to increase capital and therefore has not had any significant direct exposure to capital market conditions other than through its investment portfolio. As of March 31, 2023, Oxford had outstanding deposits of $60.0 million in the FHLB with an availability of $ 79.3 million, for which Oxford pays fixed interest rates between 0.49 % and 4.30 % with maturities between March 30, 2024 and September 30, 2027. As of March 31, 2023, available-for-sale investments held with the FHLB totaled $89.6 million, of which $62.8 million were pledged as collateral to secure the outstanding advances. The balances of these advances are included within Liabilities from investment contracts on the consolidated balance sheets.

**Cash Provided from Operating Activities by Operating Segments**

***Moving and Storage***

Net cash provided from operating activities were $452.0 million and $623.6 million for the first quarter of fiscal 2024 and 2023, respectively, due to a decrease in operating profits combined with an increase in claims payments at Moving and Storage and timing of credit card settlements.

***Property and Casualty Insurance***

Net cash provided by operating activities were $3.5 million and $4.8 million for the first quarters ended March 31, 2023 and 2022, respectively. The decrease was the result of changes in intercompany balances and the timing of payables activity.

Property and Casualty Insurance's cash and cash equivalents and short-term investment portfolios amounted to $27.5 million and $27.2 million as of March 31, 2023 and December 31, 2022, respectively. These balances reflect funds in transition from maturity proceeds to long-term investments. Management believes this level of liquid assets, combined with budgeted cash flow, is adequate to meet foreseeable cash needs. Capital and operating budgets allow Property and Casualty Insurance to schedule cash needs in accordance with investment and underwriting proceeds.

***Life Insurance***

Net cash provided by operating activities were $10.2 million and $23.0 million for the first quarters ended March 31, 2023 and 2022, respectively. The decrease in operating cash flows was primarily due to the timing of policyholder settlements.

In addition to cash flows from operating activities and financing activities, a substantial amount of liquid funds are available through Life Insurance's short-term portfolio and its membership in the FHLB. As of March 31, 2023 and December 31, 2022, cash and cash equivalents and short-term investments amounted to $60.7 million and $15.0 million, respectively. Management believes that the overall sources of liquidity are adequate to meet foreseeable cash needs.

**Liquidity and Capital Resources - Summary**

We believe we have the financial resources needed to meet our business plans, including our working capital needs. We continue to hold significant cash and have access to existing credit facilities and additional liquidity to meet our anticipated capital expenditure requirements for investment in our rental fleet, rental equipment and storage acquisitions and build outs.

As a result of the federal income tax provisions of the Coronavirus Aid, Relief and Economic Security Act, we have filed applicable forms with the Internal Revenue Service to carryback net operating losses. These refund claims total approximately $366 million, of which we have received approximately $243 million with the remaining amount reflected in prepaid expense. These amounts are expected to provide us additional liquidity whenever received. It is possible future legislation could negatively impact our ability to receive these tax refunds.

Our borrowing strategy has primarily focused on asset-backed financing, rental equipment leases and private placement borrowings limited by the amount of unencumbered assets available. As part of this strategy, we seek to ladder maturities and fix interest rates. While each of these loans typically contains provisions governing the amount that can be borrowed in relation to specific assets, the overall structure is flexible with no limits on overall Company borrowings. Management believes it has adequate liquidity between cash and cash equivalents and unused borrowing capacity in existing credit



facilities to meet the current and expected needs of the Company over the next several years. As of June 30, 2023, we had available borrowing capacity under existing credit facilities of $490.0 million. While it is possible that circumstances beyond our control could alter the ability of the financial institutions to lend us the unused lines of credit, we believe that there are additional opportunities for leverage in our existing capital structure. For a more detailed discussion of our long-term debt and borrowing capacity, please see Note 4, Borrowings, of the Notes to Condensed Consolidated Financial Statements.

**Disclosures about Contractual Obligations and Commercial Commitments**

Our estimates as to future contractual obligations have not materially changed from the disclosure included under the subheading Disclosures about Contractual Obligations and Commercial Commitments in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of our Annual Report on Form 10-K for the fiscal year ended March 31, 2023.

**Fiscal 2024 Outlook**

We will continue to focus our attention on increasing transaction volume and improving pricing, product and utilization for self-moving equipment rentals. Maintaining an adequate level of new investment in our truck fleet is an important component of our plan to meet our operational goals and is likely to increase in fiscal 2024. Revenue in the U-Move ® program could be adversely impacted should we fail to execute in any of these areas. Should we be unable to acquire enough new rental equipment to properly rotate our fleet, repair and maintenance costs will continue to increase. Even if we execute our plans, we could see declines in revenues primarily due to unforeseen events including adverse economic conditions or heightened competition that is beyond our control.

With respect to our storage business, we have added new locations and expanded existing locations. In fiscal 2024, we are actively looking to complete current projects, increase occupancy in our existing portfolio of locations and acquire new locations. New projects and acquisitions will be considered and pursued if they fit our long-term plans and meet our financial objectives. It is likely spending on acquisitions and new development will increase in fiscal 2024. We will continue to invest capital and resources in the U-Box ® program throughout fiscal 2024.

Inflationary pressures may challenge our ability to maintain or improve upon our operating margin.

Property and Casualty Insurance will continue to provide loss adjusting and claims handling for U-Haul and underwrite components of the Safemove ® , Safetow ® , Safemove Plus ® , Safestor ® and Safestor Mobile ® protection packages to U-Haul customers.

Life Insurance is pursuing its goal of expanding its presence in the senior market through the sales of its Medicare supplement, life and annuity policies. This strategy includes growing its agency force, expanding its new product offerings, and pursuing business acquisition opportunities.

***Item 3. Quantitative and Qualitative Disclosures About Market Risk***

We are exposed to financial market risks, including changes in interest rates and currency exchange rates. To mitigate these risks, we may utilize derivative financial instruments, among other strategies. We do not use derivative financial instruments for speculative purposes.

**Interest Rate Risk**

The exposure to market risk for changes in interest rates relates primarily to our variable rate debt obligations and one variable rate operating lease. We have used interest rate swap agreements and forward swaps to reduce our exposure to changes in interest rates. We enter into these arrangements with counterparties that are significant financial institutions with whom we generally have other financial arrangements. We are exposed to credit risk should these counterparties not be able to perform their obligations. Following is a summary of our interest rate swap agreements as of June 30, 2023:

| Notional Amount | Fair Value | Effective Date | Expiration Date | Fixed Rate | Floating Rate |
|---|---|---|---|---|---|
| (Unaudited) (In thousands) | | | | | |
| $ 59,727 | $ 2,987 | 7/15/2022 | 7/15/2032 | 2.86% | 1 Month SOFR |
| 72,500 | 3,195 | 8/1/2022 | 8/1/2026 | 2.72% | 1 Month SOFR |
| 72,000 | 3,072 | 8/1/2022 | 8/31/2026 | 2.75% | 1 Month SOFR |

As of June 30, 2023, we had $694.2 million of variable rate debt obligations, of this amount, $490.0 million is not fixed through interest rate swaps. If Secured Overnight Funding Rate ("SOFR") were to increase 100 basis points, the increase in interest expense on the variable rate debt would decrease future earnings and cash flows by $5.9 million annually (after



consideration of the effect of the above derivative contracts). Certain senior mortgages have an anticipated repayment date and a maturity date. If these senior mortgages are not repaid by the anticipated repayment date, the interest rate on these mortgages would increase from the current fixed rate. We are using the anticipated repayment date for our maturity schedule.

Additionally, our insurance subsidiaries' fixed income investment portfolios expose us to interest rate risk. This interest rate risk is the price sensitivity of a fixed income security to changes in interest rates. As part of our insurance companies' asset and liability management, actuaries estimate the cash flow patterns of our existing liabilities to determine their duration. These outcomes are compared to the characteristics of the assets that are currently supporting these liabilities assisting management in determining an asset allocation strategy for future investments that management believes will mitigate the overall effect of interest rates.

We use derivatives to hedge our equity market exposure to indexed annuity products sold by our Life Insurance company. These contracts earn a return for the contractholder based on the change in the value of the S&P 500 index between annual index point dates. We buy and sell listed equity and index call options and call option spreads. The credit risk is with the party in which the options are written. The net option price is paid up front and there are no additional cash requirements or additional contingent liabilities. These contracts are held at fair market value on our balance sheet. As of March 31, 2023 and December 31, 2022, these derivative hedges had a net market value of $7.5 million and $4.3 million, with notional amounts of $362.4 million and $465.7 million, respectively. These derivative instruments are included in Investments, other, on the consolidated balance sheets.

Although the call options are employed to be effective hedges against our policyholder obligations from an economic standpoint, they do not meet the requirements for hedge accounting under GAAP. Accordingly, the call options are marked to fair value on each reporting date with the change in fair value, plus or minus, included as a component of net investment and interest income. The change in fair value of the call options includes the gains or losses recognized at the expiration of the option term and the changes in fair value for open contracts.

**Foreign Currency Exchange Rate Risk**

The exposure to market risk for changes in foreign currency exchange rates relates primarily to our Canadian business. Approximately 5.1% and 5.5% of our revenue was generated in Canada during the first quarter of fiscal 2024 and 2023, respectively. The result of a 10% change in the value of the U.S. dollar relative to the Canadian dollar would not be material to net income. We typically do not hedge any foreign currency risk since the exposure is not considered material.

**Cautionary Statements Regarding Forward-Looking Statements**

This Quarterly Report contains "forward-looking statements" regarding future events and our future results of operations. We may make additional written or oral forward-looking statements from time to time in filings with the SEC or otherwise. We believe such forward-looking statements are within the meaning of the safe-harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such statements may include, but are not limited to, the risk associated with COVID-19 or similar events on system members or customers; the impact of the economic environment on demand for our products and the cost and availability of debt and capital; estimates of capital expenditures; plans for future operations, products or services, financing needs, and strategies; our perceptions of our legal positions and anticipated outcomes of government investigations and pending litigation against us; liquidity and the availability of financial resources to meet our needs, goals and strategies; plans for new business, storage occupancy, growth rate assumptions, pricing, costs, and access to capital and leasing markets; the impact of our compliance with environmental laws and cleanup costs; our beliefs regarding our sustainability practices; our used vehicle disposition strategy; the sources and availability of funds for our rental equipment and self-storage expansion and replacement strategies and plans; our plan to expand our U-Haul® storage affiliate program; that additional leverage can be supported by our operations and business; the availability of alternative vehicle manufacturers; the availability and economics of electric vehicles for our rental fleet; our estimates of the residual values of our equipment fleet; our plans with respect to off-balance sheet arrangements; our plans to continue to invest in the U-Box® program; the impact of interest rate and foreign currency exchange rate changes on our operations; the sufficiency of our capital resources; the sufficiency of capital of our insurance subsidiaries; inflationary pressures that may challenge our ability to maintain or improve upon our operating margin; and expectations regarding the potential impact to our information technology infrastructure and on our financial performance and business operations of technology, cybersecurity or data security breaches, including any related costs, fines or lawsuits, and our ability to continue ongoing operations and safeguard the integrity of our information technology infrastructure, data, and employee, customer and vendor information, as well as assumptions relating to the foregoing. The words “believe,” “expect,” “anticipate,” “plan,” “may,” “will,” “could,” “estimate,” “project” and similar expressions identify forward-looking statements, which speak only as of the date the statement was made.



Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Factors that could significantly affect results include, without limitation, the degree and nature of our competition; our leverage; general economic conditions; fluctuations in our costs to maintain and update our fleet and facilities; the limited number of manufacturers that supply our rental trucks; our ability to effectively hedge our variable interest rate debt; that we are controlled by a small contingent of stockholders; fluctuations in quarterly results and seasonality; changes in, and our compliance with, government regulations, particularly environmental regulations and regulations relating to motor carrier operations; outcomes of litigation; our reliance on our third party dealer network; liability claims relating to our rental vehicles and equipment; our ability to attract, motivate and retain key employees; reliance on our automated systems and the internet; our credit ratings; our ability to recover under reinsurance arrangements and other factors described in our Annual Report on Form 10-K in Item 1A, Risk Factors, and in this Quarterly Report or the other documents we file with the SEC. The above factors, as well as other statements in this Quarterly Report and in the Notes to Condensed Consolidated Financial Statements, could contribute to or cause such risks or uncertainties, or could cause our stock price to fluctuate dramatically. Consequently, the forward-looking statements should not be regarded as representations or warranties by us that such matters will be realized. We assume no obligation to update or revise any of the forward-looking statements, whether in response to new information, unforeseen events, changed circumstances or otherwise, except as required by law.

### *Item 4. Controls and Procedures*

Attached as exhibits to this Quarterly Report are certifications of our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), which are required in accordance with Rule 13a-14 of the Exchange Act. This "Controls and Procedures" section includes information concerning the controls and procedures evaluation referred to in the certifications and it should be read in conjunction with the certifications for a more complete understanding of the topics presented in the section titled Evaluation of Disclosure Controls and Procedures.

**Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of the CEO and CFO, conducted an evaluation of the effectiveness of the design and operation of our "disclosure controls and procedures" (as such term is defined in the Exchange Act Rules 13a-15(e) and 15d-15(e)) (“Disclosure Controls”) as of the end of the period covered by this Quarterly Report. Our Disclosure Controls are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act, such as this Quarterly Report, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Our Disclosure Controls are also designed to ensure that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure. Based upon the controls evaluation, our CEO and CFO have concluded that as of the end of the period covered by this Quarterly Report, our Disclosure Controls were not effective due to the material weakness in internal control over financial reporting described below under “Remediation.”

**Inherent Limitations on the Effectiveness of Controls**

Our management, including our CEO and CFO, does not expect that our Disclosure Controls or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of the effectiveness of our controls to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

**Changes in Internal Control Over Financial Reporting**

Other than the material weakness described below in “Remediation” and the disclosure of recently adopted controls in “Recently Adopted Internal Controls,” there have not been any changes in our internal control over financial reporting as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f) during the most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.



**Recently Adopted Internal Controls**

During the first quarter of 2023, the Company adopted ASU 2018-12 *Financial Services - Insurance (Topic 944): Targeted Improvements to the Accounting for Long-Duration Contracts (LDTI)* resulting in material changes to certain measurement models and disclosures for periodic results and balances related to long-duration insurance contracts. To address the additional requirements under LDTI, the Company implemented changes to policies and processes for the estimation and disclosure of these periodic results and balances and implented new internal controls over the same.

**Remediation**

As previously disclosed in Part II, Item 9A of our Annual Report on Form 10-K for the fiscal year ended March 31, 2023, we implemented a plan to address the material weakness related to the accounting for the two-class method of earnings per share associated with the recently issued UHAL.B common stock, including redesigning the related control, conducting relevant training for personnel involved in the process and control functions and enhancing the procedures and control activity documentation. These actions were completed in advance of our year end close process as of March 31, 2023, and the redesigned control operated as planned as part of our March 31, 2023, yearend close process.

In conjunction with our interim period close process as of June 30, 2023, the redesigned control again operated as designed. Therefore, based upon our testing of the redesigned control over these instances, we have concluded that the material weakness related to the calculation of earnings per share using the two-step method associated with the recently issued UHAL.B common stock, has been remediated.

With respect to the material weakness related to general information technology controls, our management, under the oversight of our Audit Committee, has begun evaluating and implementing new controls or redesigning controls to remediate the control deficiencies giving rise to this material weakness. These remediations measures have included assessing and formalizing the design of certain information technology policies, implementing controls and procedures relating to program change management, user access, segregations of duties and cyber security for systems supporting substantially all of the Company’s internal control processes and developing monitoring controls and protocols that will allow us to timely assess the design and the operating effectiveness of the new and redesigned controls. Remediation efforts include the strengthening of password policies, conducting more frequent end-user access reviews, and enhancing the process for timely review of program management changes.

The material weakness related to the general information technology controls will not be considered remediated, until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. We anticipate that the remediation of this material weakness will be completed during fiscal year 2024. We are committed to continuing to improve our internal control processes, and, as we continue to evaluate and work to improve our internal control over financial reporting, we may take additional measures to address control deficiencies, or we may modify certain of our remediation measures.

## PART II OTHER INFORMATION

### Item 1. Legal Proceedings

The information regarding our legal proceedings in Note 9, Contingencies, of the Notes to Condensed Consolidated Financial Statements is incorporated by reference herein .

### Item 1A. Risk Factors

We are not aware of any material updates to the risk factors described in our previously filed Annual Report on Form 10-K for the fiscal year ended March 31, 2023.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

### Item 3. Defaults Upon Senior Securities

Not applicable.

### Item 4. Mine Safety Disclosures

Not applicable.

### Item 5. Other Information

During the fiscal quarter ended June 30, 2023, none of our directors or officers adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement”, as those terms are defined in Item 408 of Regulation S-K.



### Item 6. Exhibits

The following documents are filed as part of this report:

| Exhibit Number | Description | Page or Method of Filing |
|---|---|---|
| 3.1 | Amended and Restated Articles of Incorporation of U-Haul Holding Company | Incorporated by reference to U-Haul Holding Company’s Current Report on Form 8-K, filed on June 9, 2016, file no. 1-11255 |
| 3.2 | U-Haul Holding Company Certificate of Designation of Series N Non-Voting Common Stock | Incorporated by reference to U-Haul Holding Company’s Current Report on Form 8-A, filed on October 24, 2022, file no. 1-11255 |
| 3.3 | Restated Bylaws of U-Haul Holding Company | Incorporated by reference to U-Haul Holding Company’s Current Report on Form 8-K filed on December 19, 2022, file no. 1-11255 |
| 3.4 | Articles of Conversion/Exchange/Merger | Incorporated by reference to U-Haul Holding Company’s Current Report on Form 8-K filed on December 19, 2022, file no. 1-11255 |
| 31.1 | Rule 13a-14(a)/15d-14(a) Certificate of Edward J. Shoen, President and Chairman of the Board of U-Haul Holding Company | Filed herewith |
| 31.2 | Rule 13a-14(a)/15d-14(a) Certificate of Jason A. Berg, Chief Financial Officer of U-Haul Holding Company | Filed herewith |
| 32.1 | Certificate of Edward J. Shoen, President and Chairman of the Board of U-Haul Holding Company pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | Furnished herewith |
| 32.2 | Certificate of Jason A. Berg, Chief Financial Officer of U-Haul Holding Company pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | Furnished herewith |
| 101.INS | Inline XBRL Instance Document | Filed herewith |
| 101.SCH | Inline XBRL Taxonomy Extension Schema | Filed herewith |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase | Filed herewith |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase | Filed herewith |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase | Filed herewith |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase | Filed herewith |

| | | |
|---|---|---|
| 104 | Cover Page Interactive Data File (Embedded within the Inline XBRL document and included in Exhibit 101) | Filed herewith |



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

U-Haul Holding Company

| | |
|---|---|
| Date: August 9, 2023 | /s/ Edward J. Shoen |
| | Edward J. Shoen<br>President and Chairman of the Board<br>(Principal Executive Officer) |
| Date: August 9, 2023 | /s/ Jason A. Berg |
| | Jason A. Berg<br>Chief Financial Officer<br>(Principal Financial Officer) |
| Date: August 9, 2023 | /s/ Maria L. Bell |
| | Maria L. Bell<br>Chief Accounting Officer<br>(Principal Accounting Officer) |

EXHIBIT 31.1

**Rule 13a-14(a)/15d-14(a) Certification**

I, Edward J. Shoen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of U-Haul Holding Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

/s/ Edward J. Shoen

Edward J. Shoen
President and Chairman of the Board

Date: August 9, 2023

EXHIBIT 31.2

**Rule 13a-14(a)/15d-14(a) Certification**

I, Jason A. Berg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of U-Haul Holding Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Jason A. Berg

Jason A. Berg
Chief Financial Officer

Date: August 9, 2023

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Form 10-Q for the quarter ended June 30, 2023 of U-Haul Holding Company (the “Company”), as filed with the Securities and Exchange Commission on August 9, 2023 (the “Report”), I, Edward J. Shoen, President and Chairman of the Board of the Company, certify, to the best of my knowledge and belief, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

U-Haul Holding Company

a Nevada corporation

/s/ Edward J. Shoen

Edward J. Shoen
President and Chairman of the Board

Date: August 9, 2023

EXHIBIT 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Form 10-Q for the quarter ended June 30, 2023 of U-Haul Holding Company (the “Company”), as filed with the Securities and Exchange Commission on August 9, 2023 (the “Report”), I, Jason A. Berg, Chief Financial Officer of the Company, certify, to the best of my knowledge and belief, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

U-Haul Holding Company

a Nevada corporation

/s/ Jason A. Berg

Jason A. Berg
Chief Financial Officer

Date: August 9, 2023