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Although the Company pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.

May 15, 2026
JAPAN POST INSURANCE Co., Ltd.

Announcement of Financial Results for the Fiscal Year Ended March 31, 2026

JAPAN POST INSURANCE Co., Ltd. (the "Company"; TANIGAKI Kunio, Director and President, CEO, Representative Executive Officer) hereby announces its financial results for the fiscal year ended March 31, 2026 (April 1, 2025, to March 31, 2026).

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1. Business Highlights

(1) Policies in Force and New Policies

▪ Policies in Force

(Thousands of policies, billions of yen, %)

As of March 31	2025				2026			
	Number of policies		Policy amount		Number of policies		Policy amount	
		% of March 31, 2024 total		% of March 31, 2024 total		% of March 31, 2025 total		% of March 31, 2025 total
Individual insurance	12,786	97.6	35,407.9	96.5	12,149	95.0	33,358.4	94.2
Individual annuities	421	78.0	579.6	76.8	329	78.1	440.0	75.9
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

Note: Policy amounts for individual annuities are the total of (a) the accumulated contribution payment as of the date of annuity payment commencement for the annuity before payments commence and (b) the amount of policy reserves for the annuity after payments have commenced.

▪ New Policies

(Thousands of policies, billions of yen, %)

Fiscal years ended March 31	2025						2026					
	Number of policies		Policy amount				Number of policies		Policy amount			
		% of March 31, 2024 total		% of March 31, 2024 total	New policies	Net increase by conversion		% of March 31, 2025 total		% of March 31, 2025 total	New policies	Net increase by conversion
Individual insurance	795	126.5	2,121.2	136.2	2,121.2	0.0	428	53.9	1,165.8	55.0	1,165.7	0.0
Individual annuities	0	53.0	1.1	59.4	1.1	-	0	53.4	0.6	52.8	0.6	-
Group insurance	-	-	-	-	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-	-	-	-	-

Notes: 1. Number of policies includes policies after conversion.
2. Policy amounts for individual annuities are the total of the accumulated contribution payment as of the date of annuity payment commencement.

(2) Annualized Premiums

▪ Policies in Force

(Billions of yen, %)

As of March 31	2025		2026	
		% of March 31, 2024 total		% of March 31, 2025 total
Individual insurance	2,137.2	97.1	2,017.9	94.4
Individual annuities	151.7	78.4	118.7	78.3
Total	2,289.0	95.6	2,136.7	93.3
Medical coverage, living benefits and other	296.4	96.0	284.4	95.9

▪ New Policies

(Billions of yen, %)

Fiscal years ended March 31	2025		2026	
		% of March 31, 2024 total		% of March 31, 2025 total
Individual insurance	175.0	149.9	97.3	55.6
Individual annuities	0.0	58.5	0.0	51.9
Total	175.1	149.7	97.3	55.6
Medical coverage, living benefits and other	7.1	68.9	5.6	78.7

Notes: 1. Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium by the insured period.

2. Medical coverage, living benefits and other includes medical benefits (including hospitalization and surgery benefits), living benefits (including limited illness and nursing care benefits), and premium payment waivers benefits (excluding disability and including specified diseases and nursing benefits).

3. New policies include net increase by conversion.

2. Policyholder Dividends Based on the Financial Results for the Fiscal Year Ended March 31, 2026

(1) The overview of policyholder dividends based on the financial results for the fiscal year ended March 31, 2026, is as follows:

1. Japan Post Insurance Policies (individual insurance / individual annuities, etc. purchased on and after October 1, 2007)

   The payout ratio of policyholder dividends remains unchanged from the previous fiscal year regarding dividends from mortality rate margin, dividends from morbidity rate margin, and dividends from administrative expense margin, whereas the payout ratio of dividends from spread is partially increased.

2. Former Postal Life Insurance Policies (Postal Life Insurance Policies concluded by September 30, 2007)

   The Company posted provision for reserve for policyholder dividends of ¥126,124 million under the reinsurance contract concluded with the Organization for Postal Savings, Postal Life Insurance and Post Office Network (hereinafter referred to as the "Management Network") based on the performance of the category of the reinsurance.

(2) Policyholder dividends on Japan Post Insurance policies based on the financial results for the fiscal year ended March 31, 2026, are as detailed below. Each example shows the case of the insurance concluded in July:

Ex. 1 Ordinary endowment insurance

[Concluded at age of 40 and matured at 50; monthly premium by direct debit; ¥1 million maturity benefit]

Fiscal year of purchase <number of years since purchase>	Sex	Insurance premium (on an annual basis)	Dividends for the fiscal year
Fiscal year ended March 31, 2017 <ten years>	Male Female	¥103,320 ¥102,840	¥0 ¥0
Fiscal year ended March 31, 2022 <five years>	Male Female	¥108,480 ¥108,240	¥2,253 ¥2,232

Ex. 2 Special endowment insurance

[Concluded at age of 40 and matured at 60; monthly premium by direct debit; ¥2 million death benefit; ¥1 million maturity benefit]

Fiscal year of purchase <number of years since purchase>	Sex	Insurance premium (on an annual basis)	Dividends for the fiscal year
Fiscal year ended March 31, 2017 <ten years>	Male Female	¥55,440 ¥52,800	¥0 ¥0
Fiscal year ended March 31, 2022 <five years>	Male Female	¥59,760 ¥58,080	¥1,239 ¥1,149

Ex. 3 Ordinary term insurance

[Concluded at age of 40 and matured at 50; monthly premium by direct debit; ¥2 million death benefit]

Fiscal year of purchase <number of years since purchase>	Sex	Insurance premium (on an annual basis)	Dividends for the fiscal year
Fiscal year ended March 31, 2017 <ten years>	Male Female	¥10,080 ¥7,680	¥2,069 ¥575
Fiscal year ended March 31, 2022 <five years>	Male Female	¥8,640 ¥6,960	¥166 ¥75

Ex. 4 Educational endowment insurance (H24)

[Concluded at when the insured is at age of 0 and the policyholder is at age of 40, and matured at when the insured is at age of 18 (upon full-term payment of premium); monthly premium by direct debit; ¥1 million insured amount on insurance policy]

Fiscal year of purchase <number of years since purchase>	Sex	Insurance premium (on an annual basis)	Dividends for the fiscal year
Fiscal year ended March 31, 2017 <ten years>	Male Female	¥54,120 ¥53,640	¥0 ¥0
Fiscal year ended March 31, 2022 <five years>	Male Female	¥59,040 ¥58,680	¥1,255 ¥1,227

Notes: 1. The sex of the policyholder and the insured are assumed to be the same.
2. In the event that the policyholder deceases, the insurance policies stipulate that premium payment thereafter is waived.

Ex. 5 Ordinary whole life insurance

[Concluded at age of 40; premium paid until the age of 60; monthly premium by direct debit; ¥1 million death benefit (¥200,000 after completion of premium payment)]

Fiscal year of purchase <number of years since purchase>	Sex	Insurance premium (on an annual basis)	Dividends for the fiscal year
Fiscal year ended March 31, 2017 <ten years>	Male Female	¥12,600 ¥10,200	¥684 ¥24
Fiscal year ended March 31, 2022 <five years>	Male Female	¥13,800 ¥12,480	¥293 ¥236

Ex. 6 Accidental rider

[Concluded at age of 40; monthly premium by direct debit; ¥1 million rider benefit; added to ordinary endowment insurance policy (concluded at the age of 40 and matured at the age of 50)]

Fiscal year of purchase <number of years since purchase>	Sex	Insurance premium (on an annual basis)	Dividends for the fiscal year
Fiscal year ended March 31, 2017 <ten years>	Male Female	¥600 ¥360	¥160 ¥100

The dividends are the total of a., b., c., and d., summed up on the basic policy and each rider respectively:

a. Dividends from mortality rate margin [Unchanged]

Calculated by multiplying the amount at risk by a payout ratio for dividends from mortality rate margin according to the insured's age, sex and category in an expected mortality table, etc.

(Ex.) Ordinary endowment insurance, age 40, male

Period of purchase	Payout ratio for dividends from mortality rate margin (per amount at risk of ¥1 million)
October 1, 2007 to August 1, 2016	¥420
August 2, 2016 to March 31, 2023	¥40

b. Dividends from morbidity rate margin [Unchanged]

Calculated by multiplying the rider benefit by a payout ratio for dividends from morbidity rate margin according to the insured's age, sex and category in an expected rider payment rate table, etc.

(Ex.) Accidental rider, age 40, male

Period of purchase	Payout ratio for dividends from morbidity rate margin (per rider benefit of ¥1 million)
October 1, 2007 to April 1, 2017	¥200
April 2, 2017 to February 1, 2018	¥20

c. Dividends from administrative expense margin [Unchanged]

Calculated by multiplying the insured amount on the insurance policy, etc. by a payout ratio for dividends from administrative expense margin

(Ex.) Ordinary endowment insurance

Payout ratio for dividends from administrative expense margin	
Payout ratio for dividends from administrative expense margin in proportion to claim payment (per insured amount of ¥1 million)	¥0
Payout ratio for dividends from administrative expense margin in proportion to premium (per monthly premium by direct debit of ¥10,000)	¥0

d. Dividends from spread [Increased partially]

Calculated by multiplying the policy reserve by a payout ratio for dividends from spread

(Ex.) Ordinary endowment insurance

Period of purchase	Payout ratio for dividends from spread
October 2007 to March 2009	1.3% – assumed rates of return
April 2009 to March 2011	1.2% – assumed rates of return
April 2011 to March 2013	1.1% – assumed rates of return
April 2013 to March 2014	1.0% – assumed rates of return
April 2014 to March 2016	0.9% – assumed rates of return
April 2016 to March 2017	0.8% – assumed rates of return
April 2017 to March 2018	0.9% – assumed rates of return
April 2018 to March 2019	0.8% – assumed rates of return
April 2019 to March 2020	0.9% – assumed rates of return
April 2020 to March 2022	1.0% – assumed rates of return
April 2022 to March 2023	1.2% – assumed rates of return

Please note that the dividend is ¥0 if the total of a., b., c., and d. is negative.

The dividend shall be ¥0 for lump-sum payment whole life insurance and lump-sum payment annuities insurance, and their additional riders.

Necessary adjustments will be made to policies after conversion.

(3) Policyholder dividends on Former Postal Life Insurance Policies will be determined by the Management Network.

3. Investment Overview for the Fiscal Year Ended March 31, 2026 (General Account)

(1) Investment Environment

1) Investment environment

During the fiscal year ended March 31, 2026, although external demand weakened, particularly in automobile-related sectors, due to the impact of U.S. tariff policies, the Japanese economy saw a moderate recovery as domestic demand, such as personal consumption and capital investment by companies, made a significant positive contribution. The U.S. economy remained steady, driven by strong personal consumption by high-income earners and robust capital investment centered on AI-related investment, but the pace of economic expansion slowed somewhat recently against the backdrop of a decrease in government spending associated with a government shutdown and rising goods prices due to tariffs. The European economy maintained a moderate recovery trend, as personal consumption picked up due to price stability and an improvement in real wages, and fiscal support for the defense sector also contributed, although external demand continued to weaken due to U.S. tariff policies.

Under these economic circumstances, the investment environment was as follows.

Domestic Bond Market

The domestic long-term yield rose, driven by anticipation that the Bank of Japan will normalize its monetary policy amid steadily rising wages and prices. In October, the yield rose further due to concerns over fiscal expansion regarding the new administration's economic policies, and additionally in December, coinciding with the announcement of a policy interest rate hike to 0.75% by the Bank of Japan, it rose to the 2.0% level, marking the highest level in 27 years. In March, rising crude oil prices due to heightened tensions in the Middle East also exerted upward pressure on interest rates, and by the end of March, the domestic long-term yield stood at around 2.3%.

Domestic Stock Market

The Nikkei Stock Average temporarily declined to the ¥31,000 level in April due to the impact of U.S. tariff policies, but thereafter rose in response to factors such as the reduction of U.S. tariffs, anticipation that the Japanese economy will depart from deflation, and anticipation that Japanese companies will reform their governance structure, reaching the ¥43,000 level in August. The index continued to rise to the ¥58,000 level and reached a new record high, driven by expectations for economic policies and the ruling party securing a stable majority in the House of Representatives election in February. Subsequently, the index declined amid concerns over economic deterioration, including rising crude oil prices due to heightened tensions in the Middle East, and by the end of March, it stood at the ¥51,000 level.

Foreign Exchange Markets

Regarding the USD/JPY exchange rate, the dollar weakened against the yen to reach the ¥140 level in April against the backdrop of concerns over economic deterioration caused by U.S. tariff policies, but thereafter rebounded on the back of factors such as the reduction of U.S. tariffs and the agreement in the U.S.-China trade negotiations, and remained largely range-bound. In October, the dollar strengthened against the yen due to concerns over fiscal expansion regarding the economic policies of Japan's new administration, and stood at the ¥159 level at the end of March.

Regarding the EUR/JPY exchange rate, the euro remained largely flat due to demand as a safe haven from the dollar and ongoing interest rate cuts by the European Central Bank. However, in June, the euro appreciated against the yen due to the backdrop of the European Central Bank's stance to maintain its policy interest rates. Subsequently, similar to USD/JPY, the euro appreciated against the yen due to concerns over Japan's fiscal expansion, and stood at the ¥183 level at the end of March.

2) Investment Policies

The Company's operations are based on the concept of asset liability management (ALM) in order to maintain sound management and ensure the payment of insurance claims and others. Specifically, the approach is to match assets with liabilities, with a focus on yen-denominated interest-bearing assets with high affinity to the characteristics of liabilities. With this approach the Company aims to earn stable profits while mitigating interest rate risk.

Moreover, the Company makes an effort to increase revenues through the investment of "return-seeking assets" (which we previously referred to as "risk assets") such as foreign securities and stocks under appropriate risk management.

3) Performance Overview

[Assets]

As of March 31, 2026, total assets of the Company amounted to ¥58,450.7 billion, a decrease of ¥1,104.7 billion from ¥59,555.5 billion at the end of the previous fiscal year.

The balance of return-seeking assets including stocks and foreign securities increased mainly due to an increase in unrealized gains on domestic stocks resulting from the rise in the Nikkei Stock Average, etc.

For domestic corporate and government bonds, the Company invested primarily in long-term and super long-term bonds, in view of their value as assets that secure stable income. However, the amounts of these bonds decreased due to redemption, etc.

For loans, the Company provided loans including loans to the Management Network, syndicated loans, loans to local governments and policy loans. The amount of loans decreased due to the repayment of loans to the Management Network.

[Investment Income and Expenses]

For the fiscal year ended March 31, 2026, although there was a decrease primarily in gains on sales of securities, invest income of the Company increased by ¥116.9 billion from the previous fiscal year to ¥1,312.5 billion, due to an increase in gains on money held in trust.

Investment expenses increased by ¥165.7 billion from the previous fiscal year to ¥444.8 billion mainly due to an increase in losses on sales of securities, despite a decrease in losses on derivative financial instruments.

As a result, investment income and expenses amounted to ¥867.7 billion, a decrease of ¥48.8 billion from the previous fiscal year.

(2) Asset Composition

(Billions of yen, %)

As of March 31	2025		2026	
	Amount	Ratio	Amount	Ratio
Cash, deposits, call loans	2,000.3	3.4	1,779.7	3.0
Receivables under resale agreements	604.9	1.0	472.4	0.8
Receivables under securities borrowing transactions	-	-	-	-
Monetary claims bought	23.2	0.0	21.2	0.0
Trading account securities	-	-	-	-
Money held in trust	6,460.0	10.8	8,039.8	13.8
Securities	46,528.6	78.1	44,930.7	76.9
Corporate and government bonds	41,639.8	69.9	39,768.1	68.0
Domestic stocks	594.6	1.0	787.4	1.3
Foreign securities	2,024.5	3.4	2,104.9	3.6
Foreign corporate and government bonds	1,828.5	3.1	1,865.2	3.2
Foreign stocks and other securities	195.9	0.3	239.7	0.4
Other securities	2,269.6	3.8	2,270.2	3.9
Loans	2,530.0	4.2	2,134.7	3.7
Real estate	120.0	0.2	116.1	0.2
Deferred tax assets	728.3	1.2	327.4	0.6
Other	560.6	0.9	629.1	1.1
Reserve for possible loan losses	(0.7)	(0.0)	(0.8)	(0.0)
Total	59,555.5	100.0	58,450.7	100.0
Foreign currency-denominated assets	4,131.1	6.9	4,626.6	7.9

Note: “Real estate” is booked as the sum total of land, buildings and construction in progress.

(3) Increase/Decrease in Assets

(Billions of yen)

Fiscal years ended March 31	2025	2026
Cash, deposits, call loans	807.6	(220.5)
Receivables under resale agreements	(442.2)	(132.4)
Receivables under securities borrowing transactions	-	-
Monetary claims bought	(2.1)	(1.9)
Trading account securities	-	-
Money held in trust	188.6	1,579.8
Securities	(1,165.9)	(1,597.8)
Corporate and government bonds	(1,152.0)	(1,871.7)
Domestic stocks	36.0	192.8
Foreign securities	(144.3)	80.4
Foreign corporate and government bonds	(145.9)	36.6
Foreign stocks and other securities	1.6	43.7
Other securities	94.3	0.5
Loans	(751.2)	(395.2)
Real estate	(1.5)	(3.8)
Deferred tax assets	91.8	(400.9)
Other	(25.9)	68.5
Reserve for possible loan losses	(0.4)	(0.0)
Total	(1,301.5)	(1,104.7)
Foreign currency-denominated assets	46.7	495.4

Note: “Real estate” is booked as the sum total of land, buildings and construction in progress.

(4) Investment Income

(Billions of yen)

Fiscal years ended March 31		2025	2026
Interest and dividend income		864.5	855.6
	Interest on deposits	2.4	8.3
	Interest and dividends on securities	803.6	795.6
	Interest on loans	12.3	11.7
	Interest on loans to the Management Network	38.3	30.1
	Rent revenue from real estate	-	-
	Other interest and dividend income	7.7	9.7
Gains on trading account securities		-	-
Gains on money held in trust		199.1	397.7
Gains on trading securities		-	-
Gains on sales of securities		110.6	52.6
	Gains on sales of Japanese government bonds and other bonds	31.1	6.1
	Gains on sales of domestic stocks and other securities	23.2	39.4
	Gains on sales of foreign securities	56.2	6.9
	Other gains on sales of securities	-	-
Gains on redemption of securities		0.2	0.3
Gains on derivative financial instruments		-	-
Gains on foreign exchanges		20.9	6.2
Reversal of reserve for possible loan losses		-	0.0
Other investment income		0.0	0.0
Total		1,195.6	1,312.5

(5) Investment Expenses

(Billions of yen)

Fiscal years ended March 31	2025	2026
Interest expenses	13.6	31.1
Losses on trading account securities	-	-
Losses on money held in trust	-	-
Losses on trading securities	-	-
Losses on sales of securities	193.4	364.7
Losses on sales of Japanese government bonds and other bonds	160.7	333.4
Losses on sales of domestic stocks and other securities	2.3	9.1
Losses on sales of foreign securities	28.3	10.2
Other losses on sales of securities	1.9	11.9
Losses on valuation of securities	-	-
Losses on valuation of Japanese government bonds and other bonds	-	-
Losses on valuation of domestic stocks and other securities	-	-
Losses on valuation of foreign securities	-	-
Other losses on valuation of securities	-	-
Losses on redemption of securities	0.1	0.1
Losses on derivative financial instruments	68.3	43.9
Losses on foreign exchanges	-	-
Provision for reserve for possible loan losses	0.3	-
Write-off loans	-	-
Depreciation of real estate for lease and other assets	-	-
Other investment expenses	3.1	4.8
Total	279.0	444.8

(6) Investment Related Efficiency

1) Yield by Asset Type

(%)

Fiscal years ended March 31	2025	2026
Cash, deposits and call loans	0.02	0.05
Receivables under resale agreements	-	-
Receivables under securities borrowing transactions	-	-
Monetary claims bought	1.17	1.28
Trading account securities	-	-
Money held in trust	5.26	9.92
Securities	1.41	0.97
Corporate and government bonds	1.25	0.80
Domestic stocks	8.75	10.59
Foreign securities	3.04	2.14
Loans	1.74	1.74
Real estate	-	-
General account total	1.57	1.54
Overseas loans and investments	3.49	4.12

Notes: 1. Yields are calculated by dividing investment income less investment expenses by the daily average balance based on book value.
2. General account total includes assets related securities trust.
3. "Overseas loans and investments" is the total of assets denominated in foreign-currencies and yen-denominated assets.

2) Net Valuation Gain/Loss of Trading Securities

The Company does not hold securities for trading.

3) Fair Value Information of Securities (Other Than Trading Securities)

(Billions of yen)

As of March 31	2025					2026				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
				Gains	Losses				Gains	Losses
Held-to-maturity bonds	31,425.3	30,144.0	(1,281.2)	733.4	2,014.7	30,481.0	26,903.2	(3,577.7)	119.9	3,697.7
Policy-reserve-matching bonds	7,243.7	6,522.3	(721.4)	91.1	812.5	7,001.8	5,902.1	(1,099.7)	20.3	1,120.0
Equities of subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	12,558.0	14,719.6	2,161.6	2,746.9	585.3	12,551.7	15,974.1	3,422.4	4,100.6	678.1
Corporate and government bonds	3,303.5	2,990.7	(312.7)	4.2	317.0	2,743.6	2,305.2	(438.4)	2.9	441.3
Domestic stocks	1,962.2	3,509.2	1,547.0	1,581.4	34.4	2,217.0	4,702.9	2,485.8	2,509.1	23.2
Foreign securities	3,406.8	4,393.7	986.9	1,055.5	68.6	3,515.0	4,864.8	1,349.7	1,419.0	69.2
Foreign corporate and government bonds	1,840.4	1,808.5	(31.8)	36.7	68.5	1,866.1	1,845.2	(20.9)	48.2	69.2
Foreign stocks and other securities	1,566.4	2,585.2	1,018.7	1,018.8	0.1	1,648.9	3,019.6	1,370.7	1,370.7	-
Other securities	2,842.3	2,782.6	(59.6)	105.5	165.1	2,829.2	2,854.8	25.5	169.6	144.0
Monetary claims bought	23.1	23.2	0.1	0.1	-	21.6	21.2	(0.3)	0.0	0.3
Negotiable certificates of deposit	1,020.0	1,020.0	-	-	-	1,225.0	1,225.0	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total	51,227.1	51,386.0	158.9	3,571.6	3,412.6	50,034.6	48,779.5	(1,255.0)	4,240.9	5,495.9
Corporate and government bonds	41,952.6	39,638.2	(2,314.3)	828.9	3,143.3	40,206.5	35,092.4	(5,114.0)	143.2	5,257.2
Domestic stocks	1,962.2	3,509.2	1,547.0	1,581.4	34.4	2,217.0	4,702.9	2,485.8	2,509.1	23.2
Foreign securities	3,426.8	4,412.7	985.8	1,055.5	69.7	3,535.0	4,883.0	1,347.9	1,419.0	71.0
Foreign corporate and government bonds	1,860.4	1,827.5	(32.8)	36.7	69.6	1,886.1	1,863.3	(22.8)	48.2	71.0
Foreign stocks and other securities	1,566.4	2,585.2	1,018.7	1,018.8	0.1	1,648.9	3,019.6	1,370.7	1,370.7	-
Other securities	2,842.3	2,782.6	(59.6)	105.5	165.1	2,829.2	2,854.8	25.5	169.6	144.0
Monetary claims bought	23.1	23.2	0.1	0.1	-	21.6	21.2	(0.3)	0.0	0.3
Negotiable certificates of deposit	1,020.0	1,020.0	-	-	-	1,225.0	1,225.0	-	-	-
Other	-	-	-	-	-	-	-	-	-	-

Note: 1. This table includes money held in trust other than trading securities and its book value is ¥3,577.1 billion with net unrealized gains of ¥2,455.7 billion as of March 31, 2025, and ¥3,893.3 billion with net unrealized gains of ¥3,628.9 billion as of March 31, 2026.
2. Stocks, etc. with no market price and investments in partnerships are not included in this table.

The book values of stocks, etc. with no market price and investments in partnerships, etc. are as follows:

(Billions of yen)

As of March 31	2025	2026
Equities of subsidiaries and affiliates	187.5	167.4
Available-for-sale securities	150.1	202.0
Domestic stocks	4.2	7.8
Foreign stocks	23.6	30.3
Other	122.2	163.8
Total	337.6	369.5

Note: This table includes money held in trust other than trading securities (¥122.2 billion as of March 31, 2025, and ¥129.4 billion as of March 31, 2026).

Note: Fair value information of securities includes the handling of securities under the Financial Instruments and Exchange Act.

4) Fair Value of Money Held in Trust

(Billions of yen)

As of March 31	2025					2026				
	Balance sheet amount	Fair value	Net unrealized gains (losses)	Gains	Losses	Balance sheet amount	Fair value	Net unrealized gains (losses)	Gains	Losses
Money held in trust	6,330.2	6,330.2	-	-	-	7,901.3	7,901.3	-	-	-

- Money held in trust for trading purposes

The Company does not hold money held in trust for trading purposes.

- Assets held-to-maturity in trust/assets held for reserves in trust/other money held in trust

(Billions of yen)

As of March 31	2025					2026				
	Book value	Fair value	Net unrealized gains (losses)	Gains	Losses	Book value	Fair value	Net unrealized gains (losses)	Gains	Losses
Assets held-to-maturity in trust	-	-	-	-	-	-	-	-	-	-
Assets held for reserves in trust	-	-	-	-	-	-	-	-	-	-
Other money held in trust	3,874.5	6,330.2	2,455.7	2,495.5	39.8	4,272.3	7,901.3	3,628.9	3,659.9	30.9

Note: Other money held in trust, which is not subject to fair value disclosure, is ¥129.7 billion as of March 31, 2025, and ¥138.4 billion as of March 31, 2026.

4. Unaudited Non-Consolidated Balance Sheets

(Millions of yen)

Items \ Year	As of March 31, 2025 Amount	As of March 31, 2026 Amount
ASSETS:		
Cash and deposits	**1,970,343**	**1,749,746**
Cash	582	717
Deposits	1,969,761	1,749,029
Call loans	**30,000**	**30,000**
Receivables under resale agreements	**604,914**	**472,482**
Monetary claims bought	**23,215**	**21,229**
Money held in trust	**6,460,029**	**8,039,836**
Securities	**46,528,662**	**44,930,781**
Japanese government bonds	35,390,389	34,085,398
Japanese local government bonds	2,123,485	1,927,062
Japanese corporate bonds	4,126,013	3,755,681
Stocks	594,608	787,434
Foreign securities	2,024,510	2,104,952
Other securities	2,269,655	2,270,251
Loans	**2,530,051**	**2,134,764**
Policy loans	159,074	164,791
Industrial and commercial loans	754,604	676,553
Loans to the Management Network	1,616,372	1,293,418
Tangible fixed assets	**140,266**	**134,944**
Land	76,632	75,534
Buildings	42,921	40,612
Leased assets	4,363	4,545
Construction in progress	513	25
Other tangible fixed assets	15,836	14,227
Intangible fixed assets	**120,899**	**128,447**
Software	120,887	128,438
Other intangible fixed assets	11	9
Agency accounts receivable	**10,872**	**11,837**
Reinsurance receivables	**10,641**	**15,779**
Other assets	**398,023**	**454,357**
Accounts receivable	136,783	124,848
Prepaid expenses	4,941	4,539
Accrued income	119,938	120,239
Money on deposit	6,433	6,530
Margin deposits for futures transactions	4,437	4,932
Derivative financial instruments	18,674	3,371
Cash collateral paid for financial instruments	56,013	135,155
Suspense payments	2,044	1,711
Other assets	48,756	53,028
Deferred tax assets	**728,362**	**327,434**
Reserve for possible loan losses	**(766)**	**(864)**
Total assets	**59,555,517**	**58,450,779**

Items \ Year	As of March 31, 2025 Amount	As of March 31, 2026 Amount
LIABILITIES:		
Policy reserves and others	**50,165,652**	**48,102,350**
Reserve for outstanding claims	314,993	319,831
Policy reserves	48,765,531	46,653,326
Reserve for policyholder dividends	1,085,126	1,129,192
Reinsurance payables	**5,945**	**5,978**
Bonds payable	**500,000**	**500,000**
Other liabilities	**4,702,371**	**4,862,178**
Payables under repurchase agreements	4,516,922	4,595,895
Income taxes payable	2,149	1,492
Accounts payable	23,391	28,077
Accrued expenses	44,612	30,446
Deposits received	2,525	2,701
Deposits from the Management Network	36,678	35,985
Guarantee deposits received	109	113
Derivative financial instruments	52,286	147,964
Cash collateral received for financial instruments	2,442	-
Lease obligations	4,799	5,000
Asset retirement obligations	-	814
Suspense receipt	4,772	3,174
Other liabilities	11,680	10,513
Reserve for management bonuses	**227**	**248**
Reserve for employees' retirement benefits	**108,493**	**116,849**
Reserve for management board benefit trust	**407**	**481**
Reserve for price fluctuations	**829,930**	**719,232**
Total liabilities	**56,313,029**	**54,307,320**
NET ASSETS:		
Capital stock	**500,000**	**500,000**
Capital surplus	**405,044**	**405,044**
Legal capital surplus	405,044	405,044
Retained earnings	**806,270**	**898,501**
Legal retained earnings	98,803	107,398
Other retained earnings	707,467	791,102
Reserve for reduction entry of real estate	4,193	3,939
Retained earnings brought forward	703,274	787,163
Treasury stock	**(901)**	**(45,903)**
Total shareholders' equity	**1,710,413**	**1,757,642**
Net unrealized gains (losses) on available-for-sale securities	**1,551,688**	**2,448,471**
Net deferred gains (losses) on hedges	**(19,614)**	**(62,655)**
Total valuation and translation adjustments	**1,532,073**	**2,385,816**
Total net assets	**3,242,487**	**4,143,459**
Total liabilities and net assets	**59,555,517**	**58,450,779**

5. Unaudited Non-Consolidated Statements of Income

(Millions of yen)

Items \ Year	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Amount	Amount
ORDINARY INCOME	**6,164,489**	**5,625,505**
Insurance premiums and others	**3,154,875**	**2,188,660**
Insurance premiums	3,115,427	2,128,126
Reinsurance income	39,448	60,534
Investment income	**1,195,618**	**1,312,592**
Interest and dividend income	864,561	855,640
Interest on deposits	2,482	8,312
Interest and dividends on securities	803,699	795,677
Interest on loans	12,318	11,712
Interest on loans to the Management Network	38,318	30,146
Other interest and dividend income	7,742	9,791
Gains on money held in trust	199,152	397,705
Gains on sales of securities	110,640	52,634
Gains on redemption of securities	220	305
Gains on foreign exchanges	20,999	6,229
Reversal of reserve for possible loan losses	-	29
Other investment income	44	47
Other ordinary income	**1,813,995**	**2,124,252**
Reversal of reserve for outstanding claims	58,919	-
Reversal of policy reserves	1,747,260	2,112,204
Reversal of reserve for employees' retirement benefits	427	528
Other ordinary income	7,388	11,519
ORDINARY EXPENSES	**5,993,508**	**5,352,258**
Insurance claims and others	**5,205,305**	**4,417,796**
Insurance claims	3,787,741	3,369,183
Annuity payments	178,715	140,405
Benefits	220,852	236,666
Surrender benefits	415,441	411,279
Other refunds	49,194	43,826
Reinsurance premiums	553,360	216,436
Provision for policy reserves and others	**679**	**7,602**
Provision for reserve of outstanding claims	-	4,837
Provision for interest on policyholder dividends	679	2,765
Investment expenses	**279,079**	**444,870**
Interest expenses	13,641	31,102
Losses on sales of securities	193,470	364,721
Losses on redemption of securities	185	178
Losses on derivative financial instruments	68,329	43,974
Provision for reserve for possible loan losses	335	-
Other investment expenses	3,116	4,893
Operating expenses	**428,363**	**410,148**
Other ordinary expenses	**80,080**	**71,840**
Taxes	35,869	30,416
Depreciation and amortization	40,736	40,225
Other ordinary expenses	3,474	1,198
ORDINARY PROFIT	**170,981**	**273,247**
EXTRAORDINARY GAINS	**43,884**	**110,707**
Gains on sales of fixed assets	**15**	**10**
Reversal of reserve for price fluctuations	**43,869**	**110,697**
EXTRAORDINARY LOSSES	**240**	**2,876**
Losses on sales and disposal of fixed assets	**240**	**317**
Impairment loss	**-**	**2,558**
Provision for reserve for policyholder dividends	**96,990**	**143,579**
Income before income taxes	**117,634**	**237,499**
Income taxes - Current	**20,759**	**12,951**
Income taxes - Deferred	**(27,217)**	**54,350**
Total income taxes	**(6,458)**	**67,301**
Net income	**124,093**	**170,197**

6. Unaudited Non-Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2025 (From April 1, 2024, to March 31, 2025)

(Millions of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
						Other retained earnings		
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for reduction entry of real estate	Retained earnings brought forward	Total retained earnings
Balance at the beginning of the fiscal year	**500,000**	**405,044**	**-**	**405,044**	**91,216**	**4,506**	**624,389**	**720,112**
Changes in the fiscal year								
Cash dividends					7,586		(45,521)	(37,934)
Net income							124,093	124,093
Purchases of treasury stock								
Disposals of treasury stock								
Reversal of reserve for reduction entry of real estate						(313)	313	-
Net changes in items other than shareholders' equity in the fiscal year								
Net changes in the fiscal year	**-**	**-**	**-**	**-**	**7,586**	**(313)**	**78,884**	**86,158**
Balance at the end of the fiscal year	**500,000**	**405,044**	**-**	**405,044**	**98,803**	**4,193**	**703,274**	**806,270**

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	**(948)**	**1,624,208**	**1,775,693**	**(4,186)**	**1,771,506**	**3,395,714**
Changes in the fiscal year						
Cash dividends		(37,934)				(37,934)
Net income		124,093				124,093
Purchases of treasury stock	(0)	(0)				(0)
Disposals of treasury stock	47	47				47
Reversal of reserve for reduction entry of real estate		-				-
Net changes in items other than shareholders' equity in the fiscal year			(224,004)	(15,428)	(239,432)	(239,432)
Net changes in the fiscal year	**47**	**86,205**	**(224,004)**	**(15,428)**	**(239,432)**	**(153,227)**
Balance at the end of the fiscal year	**(901)**	**1,710,413**	**1,551,688**	**(19,614)**	**1,532,073**	**3,242,487**

Fiscal year ended March 31, 2026 (From April 1, 2025, to March 31, 2026)

(Millions of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
						Other retained earnings		
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for reduction entry of real estate	Retained earnings brought forward	Total retained earnings
Balance at the beginning of the fiscal year	**500,000**	**405,044**	**-**	**405,044**	**98,803**	**4,193**	**703,274**	**806,270**
Changes in the fiscal year								
Cash dividends					8,595		(51,573)	(42,977)
Net income							170,197	170,197
Purchases of treasury stock								
Disposals of treasury stock								
Cancellation of treasury stock			(34,989)	(34,989)				
Reversal of reserve for reduction entry of real estate						(253)	253	-
Transfer from retained earnings to capital surplus			34,989	34,989			(34,989)	(34,989)
Net changes in items other than shareholders' equity in the fiscal year								
Net changes in the fiscal year	**-**	**-**	**-**	**-**	**8,595**	**(253)**	**83,888**	**92,230**
Balance at the end of the fiscal year	**500,000**	**405,044**	**-**	**405,044**	**107,398**	**3,939**	**787,163**	**898,501**

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	**(901)**	**1,710,413**	**1,551,688**	**(19,614)**	**1,532,073**	**3,242,487**
Changes in the fiscal year						
Cash dividends		(42,977)				(42,977)
Net income		170,197				170,197
Purchases of treasury stock	(79,999)	(79,999)				(79,999)
Disposals of treasury stock	8	8				8
Cancellation of treasury stock	34,989	-				-
Reversal of reserve for reduction entry of real estate		-				-
Transfer from retained earnings to capital surplus		-				-
Net changes in items other than shareholders' equity in the fiscal year			896,783	(43,040)	853,742	853,742
Net changes in the fiscal year	**(45,001)**	**47,229**	**896,783**	**(43,040)**	**853,742**	**900,971**
Balance at the end of the fiscal year	**(45,903)**	**1,757,642**	**2,448,471**	**(62,655)**	**2,385,816**	**4,143,459**

NOTES TO THE UNAUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED MARCH 31, 2026

(Notes to the Unaudited Non-Consolidated Balance Sheets)

1. Significant Accounting Policies

(1) Valuation Criteria and Methods for Securities

Securities including cash and deposits as well as monetary claims bought which are equivalent to securities, and securities invested in money held in trust, are recorded based on the following:

1) Held-to-maturity Bonds

Held-to-maturity bonds are carried at amortized cost and the cost of these securities sold is calculated using the moving-average method. Amortization is calculated using the straight-line method.

2) Policy-reserve-matching Bonds

In accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" (Japanese Institute of Certified Public Accountants ("JICPA") Industry Audit Committee Report No. 21), policy-reserve-matching bonds are carried at amortized cost and the cost of these securities sold is calculated using the moving-average method. Amortization is calculated using the straight-line method.

3) Equities of Subsidiaries and Affiliates (stocks issued by subsidiaries as defined in Article 2, Paragraph 12 of the Insurance Business Act and closely related parties (excluding subsidiaries) and affiliates as defined in Article 13-5-2, Paragraph 3 of the Order for Enforcement of the Insurance Business Act and affiliates as defined in Paragraph 4 of the same Article)

Carried at cost and the cost of these securities sold is calculated using the moving-average method.

4) Available-for-sale Securities

(i) Available-for-sale Securities other than stocks, etc. with no market price

Available-for-sale securities other than stocks, etc. with no market price are carried at their market price at the end of the fiscal year. Cost of securities sold is calculated using the moving-average method.

(ii) Stocks, etc. with no market price

Stocks, etc. with no market price are carried at cost using the moving-average method.

Net unrealized gains (losses) on available-for-sale securities, net of income taxes, are included in net assets.

(2) Valuation Criteria and Methods for Derivative Transactions

All derivative transactions are valued at fair value.

(3) Depreciation Method for Fixed Assets

1) Tangible Fixed Assets (excluding leased assets)

Depreciation of tangible fixed assets is calculated using the straight-line method based on the following useful lives:

(i) Buildings: 2-60 years

(ii) Other tangible fixed assets: 2-20 years

2) Intangible Fixed Assets (excluding leased assets)

The capitalized development costs of software intended for internal use are amortized over the expected useful life of mainly 5 years using the straight-line method.

3) Leased Assets

Finance lease transactions that do not transfer ownership are depreciated to a residual value of zero using the straight-line method over the lease term.

(4) Recognition of Reserves

1) Reserve for Possible Loan Losses

Reserve for possible loan losses is provided pursuant to the Company's standards for self-assessment of asset quality, and general allowance is provided using a rate based on historical collectability experience. In addition, specific allowances, which are determined based on individual collectability of accounts, are also recorded.

All loans and claims are assessed initially by the relevant departments based on internal rules for self-assessment of asset quality. The asset evaluation department, which is independent from the relevant departments, reviews these self-assessments. The above reserves and allowances are recorded based on the results of these assessments.

For loans and guaranteed loans that were extended to borrowers that have filed for bankruptcy including legal bankruptcy or civil rehabilitation, or that are considered substantially bankrupt, an allowance is provided

for in the amount of loans, net of collateral value or the amounts expected to be recoverable under guarantees. Reserve for possible loan losses also includes amounts set aside for other assets subject to valuation allowance. The amount written off for loans and other assets during the fiscal year ended March 31, 2026, was ¥114 million.

2) Reserve for Management Bonuses

To provide for the payment of bonuses to Executive Officers of the Company, a reserve for management bonuses is provided based on the projected amount of bonuses to be paid.

3) Reserve for Employees' Retirement Benefits

To provide for payment of retirement benefits to employees, a reserve for employees' retirement benefits is provided based on the projected amount of retirement benefit obligations at the end of the fiscal year.

(i) Method for Attributing Expected Benefits to Periods

In calculating the projected benefit obligation, the benefit formula basis is used to attribute the expected benefit to respective service period.

(ii) Method for Recognizing Actuarial Differences and Prior Service Cost

The actuarial difference is amortized using the straight-line method over a period of 14 years, which is less than the estimated average remaining service period for employees from the fiscal year following the respective fiscal year in which the difference is incurred.

Prior service cost is amortized using the straight-line method over a period of 14 years, which is less than the estimated average remaining service lives for employees in the fiscal year of incurrence.

4) Reserve for Management Board Benefit Trust

To provide for the granting of shares of the Company to Executive Officers of the Company in accordance with the Stock Benefit Rules, a reserve for management board benefit trust is provided in the projected amount of stock benefit obligations.

(5) Reserve for Price Fluctuations

Reserve for price fluctuations in security investments is calculated based on Article 115 of the Insurance Business Act.

(6) Translation of Assets and Liabilities Denominated in Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the fiscal year-end.

(7) Hedge Accounting

1) Methods for Hedge Accounting

The Company applies deferred hedge accounting through currency swaps to hedge cash flow related to foreign exchange fluctuations for a portion of its foreign-currency-denominated bonds, and fair value hedge accounting for foreign currency exchange contracts to hedge foreign exchange fluctuation risk for a portion of its foreign-currency-denominated bonds in accordance with the "Accounting Standard for Financial Instruments" (Accounting Standards Board of Japan ("ASBJ") Statement No. 10, July 4, 2019; hereinafter referred to as "Financial Instruments Accounting Standard"), and also applies deferred hedge accounting through interest rate swaps to hedge interest rate risk for a portion of its insurance liabilities in accordance with the "Accounting and Auditing Treatment on the Application of the Financial Instruments Accounting Standard to the Insurance Industry" (JICPA Industry Committee Practical Guidelines No. 26).

2) Hedging Instruments and Hedged Items

(Hedging Instruments)	(Hedged Items)
Currency swaps	Foreign-currency-denominated bonds
Foreign currency exchange contracts	Foreign-currency-denominated bonds
Interest rate swaps	Insurance liabilities

3) Hedging Policies

Foreign currency exchange contracts are used to hedge foreign currency exchange risks of foreign-currency-denominated bonds within a predetermined range, while interest rate swap contracts are used to hedge interest rate risks of insurance liabilities within a predetermined range.

4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by ratio analysis which compares market fluctuations of hedged items and hedging instruments. The evaluation of hedge effectiveness is omitted in cases of foreign exchange contracts where there is a high correlation between hedged items and hedging instruments.

(8) Policy Reserves

To prepare for the fulfilment of future obligations under the insurance contracts with respect to policies that have commenced as of the fiscal year-end, policy reserves are calculated in accordance with the statement of calculation procedures for insurance premiums and policy reserves (Article 4, Paragraph 2, Item 4 of the Insurance Business Act) and accumulated, pursuant to Article 116, Paragraph 1 of the Insurance Business Act.

Among the policy reserves, insurance premium reserves are calculated based on the following procedures. The amount includes additional policy reserves accumulated for the portion of the reinsurance contracts issued to the Management Network and for lump-sum payment annuities, pursuant to Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act.

1) Reserves for contracts subject to the standard policy reserves are calculated in accordance with the method prescribed by the Commissioner for Financial Services Agency (Public Notice No. 48 issued by the Ministry of Finance in 1996).
2) Reserves for other contracts are calculated based on the net level premium method.

Among the policy reserves, contingency reserves are accumulated to ensure the fulfilment of future obligations under insurance contracts in preparation of possible future risks, pursuant to Article 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 3 of the Ordinance for Enforcement of the Insurance Business Act.

The Chief Actuary, pursuant to Article 121, Paragraph 1 of the Insurance Business Act and Article 80 of the Ordinance for Enforcement of the Insurance Business Act, confirms whether the policy reserves as of the fiscal year-end have been appropriately accumulated.

(9) Employees' Retirement Benefits Accounting

Unrecognized actuarial differences and unrecognized prior service cost related to retirement benefits are treated differently from the consolidated financial statements.

2. Transactions for Granting Shares and Others of the Company to Executive Officers of the Company through Trust

Notes to the transactions for granting shares and others of the Company to Executive Officers of the Company through trust are omitted as they are presented in NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED MARCH 31, 2026 (Notes to the Unaudited Consolidated Balance Sheets).

3. The balance sheet amount, fair value and the outline of the risk management policy of policy-reserve-matching bonds were as follows:

(1) The balance sheet amount and fair value of policy-reserve-matching bonds amount to ¥7,001,851 million and ¥5,902,104 million, respectively.

(2) The outline of the risk management policy of policy-reserve-matching bonds is as follows:

The Company categorizes its insurance products into the following sub-groups based on the attributes of each product in order to manage risks arising from fluctuations in interest rates of assets and liabilities, and adopts a management policy whereby the duration gap between policy-reserve-matching bonds and policy reserves by sub-groups are reconciled within a certain range and the duration gap is periodically checked.

1) Postal Life Insurance Contracts (excluding some insurance types)
2) Japan Post Insurance life insurance contracts (general) (all insurance policies)
3) Japan Post Insurance life insurance contracts (lump-sum payment) (excluding some insurance types)

4. Securities lent under lending agreements in the amount of ¥3,153,086 million were included in "Securities" in the balance sheets as of March 31, 2026.

5. There were no bankrupt loans or quasi-bankrupt loans, doubtful loans, past due loans for three months or more, or restructured loans as of March 31, 2026.

Definitions for each of the respective loans are as follows:

Bankrupt or quasi-bankrupt loans are loans to borrowers who have fallen into bankruptcy for reasons such as the commencement of bankruptcy proceedings or reorganization proceedings, or the petition for commencement of rehabilitation proceedings, and loans similar to these.

Doubtful loans are loans to borrowers who are yet to have fallen into bankruptcy, but from whom the collection of principal and receipt of interest as committed under an agreement is unlikely to be achieved, due to the borrower's deteriorating financial conditions and business performance. This category excludes loans classified as bankrupt loans or quasi-bankrupt loans and doubtful loans.

Past due loans for three months or more are loans for which principal or interest payments are delinquent for three months or more under the term of the loans from the day following the contractual due date, excluding those classified as bankrupt loans or quasi-bankrupt loans.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reduction or exemption, postponement of principal or interest payments, debt waiver or other arrangements, have been made for the purpose of assisting and supporting the borrowers in the restructuring of their business. This category excludes loans classified as bankrupt loans or quasi-bankrupt loans, doubtful loans and past due loans for three months or more.

6. Accumulated depreciation for tangible fixed assets as of March 31, 2026, was ¥63,487 million.

7. Total monetary claims and total monetary obligations with respect to subsidiaries and affiliates amounted to ¥153 million and ¥15,927 million, respectively.

8. Total deferred tax assets and total deferred tax liabilities were ¥1,540,807 million and ¥1,195,216 million, respectively. A deduction from deferred tax assets as valuation allowance was ¥18,156 million.

Significant components of deferred tax assets include ¥1,004,858 million of policy reserves, ¥194,319 million of reserve for price fluctuations, ¥40,540 million of reserve for outstanding claims, ¥33,804 million of reserve for employees' retirement benefits, and ¥196,178 million of unrealized losses on available-for-sale securities.

Significant components of deferred tax liabilities include ¥1,178,402 million of unrealized gains on available-for-sale securities.

Deferred tax assets associated with policy reserves and reserve for price fluctuations have the effect of reducing the amount of tax burden through future taxable income over the long term.

9. Changes in reserve for policyholder dividends for the fiscal year ended March 31, 2026, were as follows:

Balance at the beginning of the fiscal year	¥1,085,126 million
Policyholder dividends paid	¥101,997 million
Interest accrual	¥2,765 million
Reduction due to the acquisition of additional annuity	¥282 million
Provision for reserve for policyholder dividends	¥143,579 million
Balance at the end of the fiscal year	¥1,129,192 million

10. Equities, etc. of subsidiaries and affiliates were ¥167,435 million.

11. Assets pledged as collateral consisted of the following:

Securities	¥4,834,239 million

Liabilities corresponding to assets pledged as collateral consisted of the following:

Payables under repurchase agreements	¥4,595,895 million

The above securities are those sold under repurchase agreements.

In addition to the above, the following has been pledged as collateral for the transactions such as transactions under securities lending secured by securities and derivative transactions.

Securities	¥241,312 million
Margin deposits for futures transactions	¥4,932 million
Cash collateral paid for financial instruments	¥135,155 million

12. Reserve for outstanding claims for reinsured part defined in Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Ordinance (hereinafter referred to as "reserve for outstanding claims-ceded"), as of March 31, 2026, was ¥295 million. Policy reserves for reinsured part defined in Article 71, Paragraph 1 of the said Ordinance (hereinafter referred to as "policy reserves-ceded") as of March 31, 2026, were ¥1,378,781 million.

13. Net assets per share were ¥3,823.75.

The Company conducted a stock split effective April 1, 2026, splitting its common stock at a ratio of three (3) shares for every one (1) share. Net assets per share have been calculated assuming that the stock split was conducted at the beginning of the fiscal year.

The Company has established a Board Benefit Trust (BBT). Shares of the Company held in trust, which were recorded as treasury stock under the category of shareholders' equity, were included in treasury stock to be deducted from the calculation of the total number of shares issued at the end of the fiscal year, for the purpose of calculating net assets per share.

Total number of treasury stock at the end of the fiscal year which was deducted from the calculation of net assets per share for the fiscal year ended March 31, 2026, was 1,171 thousand shares.

14. The Company has the right to sell or pledge securities received as collateral for transactions such as resale agreements, borrowing agreements and derivative transactions. The fair value of such securities held in hand was ¥60,313 million as of March 31, 2026.

15. Bonds payable are subordinated bonds stipulating that their priorities are ranked behind other obligations.

16. Policy reserves, excluding contingency reserve and including policy reserves-ceded, related to reinsurance contracts with the Management Network, amounted to ¥23,140,530 million and are provided at amounts calculated based on the statement of calculation procedures for the Company's insurance premiums and policy reserves. The amounts calculated based on the foregoing procedures are not less than the amounts calculated based on the statement of calculation procedures for the Postal Life Insurance policy reserves in accordance with the Act on Organization for Postal Savings, Postal Life Insurance and Post Office Network (Act No. 101 of 2005).

In addition, contingency reserve and reserve for price fluctuations are provided in the amount of ¥937,984 million and ¥530,349 million, respectively, for the category of the reinsurance.

17. Deposits from the Management Network in the balance sheets refer to the amounts equivalent to the reserve for outstanding claims of the Management Network, which were deposited at the time of privatization based on the outsourcing agreements with the Management Network for the administrative operation of the Postal Life Insurance Policy and which remained unpaid as of the fiscal year ended March 31, 2026.

18. Notes to significant subsequent events are as follows:

(Stock Split and Partial Amendments to the Articles of Incorporation in Association with the Stock Split)

Based on the resolution at the meeting of its Board of Directors held on January 29, 2026, the Company conducted a stock split and made partial amendments to its Articles of Incorporation in association with the stock split, effective April 1, 2026.

(1) Purpose of the stock split

The purpose of the stock split is to lower the price per investment unit, create a more favorable investment environment, improve the liquidity of the common stock of the Company, and expand our investor base.

(2) Overview of the stock split

1) Method of the stock split

The common stock of the Company held by shareholders whose names are registered in or recorded on the last register of shareholders as of March 31, 2026 was split at a ratio of three (3) shares for every one (1) share, with March 31, 2026 as the record date.

2) Number of shares increased by the stock split

Total number of shares issued before the stock split	371,822,700 shares
Number of shares increased by this stock split	743,645,400 shares
Total number of shares issued after the stock split	1,115,468,100 shares
Total number of shares authorized to be issued after the stock split	4,400,000,000 shares

3) Schedule for the stock split

Announcement of record date	Thursday, March 12, 2026
Record date	Tuesday, March 31, 2026
Effective date	Wednesday, April 1, 2026

(3) Effects on per share data

Per share data assuming that the stock split was conducted at the beginning of the fiscal year is as follows.

(Yen)

	Fiscal year ended March 31, 2026
Net assets per share	3,823.75
Net income per share	153.81

(4) Partial amendments to the Articles of Incorporation in association with the stock split

1) Reasons for amendments to the Articles of Incorporation

In association with the stock split, pursuant to Article 184, Paragraph 2 of the Companies Act, the Board of Directors resolved to make, and the Company made, partial amendments to the Articles of Incorporation, with an effective date of April 1, 2026.

2) Amendments to the Articles of Incorporation

(Amended parts are underlined.)

Before amendments	After amendments
(Total Number of Shares Authorized to be Issued) Article 6: The total number of shares authorized to be issued by the Company shall be <u>two thousand four hundred</u> million (<u>2,400</u>,000,000) shares.	(Total Number of Shares Authorized to be Issued) Article 6: The total number of shares authorized to be issued by the Company shall be <u>four thousand four hundred</u> million (<u>4,400</u>,000,000) shares.

3) Schedule for amendments to the Articles of Incorporation

Date of resolution by the Board of Directors	Thursday, January 29, 2026
Effective date	Wednesday, April 1, 2026

(Cancellation of treasury stock)

At the Board of Directors' meeting held on April 24, 2026, the Company resolved to cancel its treasury stock pursuant to Article 178 of the Companies Act.

1. Class of shares to be cancelled: Common stock of the Company
2. Number of shares to be cancelled: 30,650,400 shares
   (2.7% of the total number of shares issued before the cancellation)
3. Scheduled date of the cancellation: June 30, 2026

(Reference)

Total number of shares issued (after the cancellation): 1,084,817,700 shares

(Notes to the Unaudited Non-Consolidated Statements of Income)

1. Significant Accounting Policies

(1) Recognition of insurance premiums and others

1) Insurance premiums

The first premium is recognized for premiums that have been collected and for which the policy has commenced, in the amount collected. Premiums thereafter are recognized in the amount of each collection.

Portions of collected insurance premiums corresponding to the unearned period as of the fiscal year-end are accumulated as policy reserves, pursuant to Article 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 2 of the Ordinance for Enforcement of the Insurance Business Act.

2) Reinsurance income

Of the amounts that are paid as insurance claims pertaining to original insurance contracts in accordance with reinsurance contracts, the portions that correspond to reinsurance are recorded as reinsurance income at the time of payment of these insurance claims.

(2) Recognition of insurance claims and others

1) Insurance claims and others (excluding reinsurance premiums)

When an insured event occurs and payment is made in the amount calculated based on the insurance contract, insurance claims and others (excluding reinsurance premiums) are recognized in the amount of such payment.

Reserve for outstanding claims has been accumulated for insurance claims, etc. for which payment is due but has not been paid at the fiscal year-end, or insurance claims, etc. for which the occurrence of the insured event has not been reported but the Company deems that the insured event provided in the insurance contract has occurred, pursuant to Article 117 of the Insurance Business Act and Article 72 of the Ordinance for Enforcement of the Insurance Business Act.

2) Reinsurance premiums

Reinsurance premiums that have been agreed on based on reinsurance contracts are recorded when the said reinsurance contracts are concluded or when insurance premiums corresponding to original insurance contracts are collected, etc.

Some of the policy reserves and reserves for outstanding claims that correspond to reinsurance are not set aside pursuant to Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act.

2. Total expenses from transactions with subsidiaries and affiliates amounted to ¥18,425 million.

3. Gains on sales of securities comprise domestic bonds of ¥6,159 million, domestic stocks of ¥39,476 million and foreign securities of ¥6,998 million.

4. Losses on sales of securities comprise domestic bonds of ¥333,401 million, domestic stocks of ¥9,151 million, foreign securities of ¥10,267 million and other securities of ¥11,901 million.

5. Gains on money held in trust include losses on valuation of ¥2,701 million.

6. Losses on derivative financial instruments include losses on valuation of ¥56,111 million.

7. The amount of reversal of reserve for outstanding claims-ceded that is added to the calculation of provision of reserve for outstanding claims for the fiscal year ended March 31, 2026, was ¥61 million. The amount of provision for policy reserves-ceded that is added to the calculation of reversal of policy reserves for the fiscal year ended March 31, 2026, was ¥191,610 million.

8. Net income per share was ¥153.81.

The Company conducted a stock split effective April 1, 2026, splitting its common stock at a ratio of three (3) shares for every one (1) share. Net income per share has been calculated assuming that the stock split was conducted at the beginning of the fiscal year.

The Company has established a Board Benefit Trust (BBT). Shares of the Company held in trust, which were recorded as treasury stock under the category of shareholders' equity, were included in treasury stock to be deducted from the calculation of the average number of shares during the fiscal year, for the purpose of calculating net income per share.

Average number of treasury stock during the fiscal year which was deducted from the calculation of net income per share for the fiscal year ended March 31, 2026, was 1,174 thousand shares.

9. Insurance premiums assumed based on reinsurance contracts with the Management Network included in insurance premiums and others for the fiscal year ended March 31, 2026, were ¥104,043 million.

10. Insurance claims based on reinsurance contracts with the Management Network included in insurance claims for the fiscal year ended March 31, 2026, were ¥1,783,384 million.

11. Provision for reserve for policyholder dividends, which is provided for the Management Network based on gains or losses and others arising in the category of the reinsurance due to the reinsurance contracts with the Management Network, was ¥126,124 million for the fiscal year ended March 31, 2026.

12. Transactions of the Company with related parties are as follows:

(1) Parent company, major shareholders (limited only to companies), and others

Type	Company name	Percentage of voting rights	Relationship	Transaction	Transaction amount	Account	Year-end balance
Parent company	Japan Post Holdings Co., Ltd.	Directly owned 49.76%	Group management Interlocking officers	Payment of brand royalty fees (*)	¥1,852 million	Accounts Payable	¥169 million

Conditions of transactions and policies to decide the conditions

(*) Based on the concept that the benefits of brand value enjoyed by the Company from maintaining its membership in Japan Post Group is reflected on the Company's performance, brand royalty fees are calculated by multiplying the amount of insurance policies in force as of the end of the previous fiscal year, which is a financial indicator whereupon such benefits have been reflected, by a fixed rate.

(2) Companies, etc. sharing the same parent company and subsidiaries, etc. of other related companies

Type	Company name	Percentage of voting rights	Relationship	Transaction	Transaction amount	Account	Year-end balance
Subsidiary of parent company	Japan Post Co., Ltd.	None	Insurance agency Interlocking officers	Payments for commission of agency services (*1)	¥89,830 million	Agency accounts payable	¥8,802 million

Conditions of transactions and policies to decide the conditions

(*1) The Company makes payments including commission of insurance solicitation calculated by multiplying the insurance amounts and insurance premiums of each contract by commission rates set for each class of insurance, and commission of maintenance and collection calculated by multiplying unit prices set for each type of outsourcing services, such as collection of insurance premiums and payments for insurance money, by the number of policies in force.

(*2) In addition to the above, from the fiscal year ended March 31, 2020, out of the expenses required for the maintenance of the post office network, the expenses necessary to ensure universal service will be covered by the funds provided to Japan Post Co., Ltd. from the Management Network using the contributions from the Company and JAPAN POST BANK Co., Ltd. as funds, with the exception of the amount to be borne by Japan Post Co., Ltd., in accordance with the Act on Organization for Postal Savings, Postal Life Insurance and Post Office Network. In the fiscal year ended March 31, 2026, the contributions paid by the Company to the Management Network amounted to ¥57,662 million.

(Notes to the Unaudited Non-Consolidated Statements of Changes in Net Assets)

Type and Number of Treasury Stock

(Thousands of shares)

	April 1, 2025	Increase	Decrease	March 31, 2026
Treasury stock				
Common stock	405	21,586	11,373	10,618

(*1) Numbers of treasury stock at the beginning and the end of the fiscal year ended March 31, 2026, include shares of the Company held in the Board Benefit Trust (BBT), and were 394 thousand shares and 390 thousand shares, respectively.

(*2) The increase of 21,586 thousand shares in the number of treasury stock was attributable to the increase of 11,369 thousand shares from the acquisition of treasury stock based on the resolutions passed at the Board of Directors' meetings on November 14, 2024 and March 28, 2025, the increase of 10,216 thousand shares from the acquisition of treasury stock based on the resolution passed at the Board of Directors' meeting on November 14, 2025, and the increase of 0 thousand shares from the purchase of shares less than one unit.

(*3) The decrease of 11,373 thousand shares in the number of treasury stock was attributable to the decrease of 11,369 thousand shares from the cancellation of treasury stock based on the resolution passed at the Board of Directors' meeting on May 15, 2025 and the decrease of 4 thousand shares from the granting of shares via the Board Benefit Trust (BBT).

(*4) Although the Company conducted a stock split effective April 1, 2026, splitting its common stock at a ratio of three (3) shares for every one (1) share, the items described in this note are based on the number of shares before the stock split.

7. Breakdown of Ordinary Profit (Core Profit)

(Millions of yen)

Fiscal years ended March 31		2025	2026
Core profit	A	242,166	418,938
Capital gains		421,042	500,625
Gains on money held in trust		199,152	397,705
Gains on trading securities		-	-
Gains on sales of securities		110,640	52,634
Gains on derivative financial instruments		-	-
Gains on foreign exchanges		20,999	6,229
Other capital gains		90,250	44,056
Capital losses		418,368	623,825
Losses on money held in trust		-	-
Losses on trading securities		-	-
Losses on sales of securities		193,470	364,721
Losses on valuation of securities		-	-
Losses on derivative financial instruments		68,329	43,974
Losses on foreign exchanges		-	-
Other capital losses		156,568	215,129
Net capital gains (losses)	B	2,674	(123,199)
Core profit including net capital gains (losses)	A+B	244,840	295,739
Other one-time gains		524,367	8,126
Reinsurance income		-	-
Reversal of contingency reserve		506,171	-
Reversal of specific reserve for possible loan losses		-	-
Other		18,196	8,126
Other one-time losses		598,226	30,618
Reinsurance premiums		-	-
Provision for contingency reserve		-	30,618
Provision for specific reserve for possible loan losses		-	-
Provision for reserve for specific foreign loans		-	-
Write-off of loans		-	-
Other		598,226	-
Other one-time profits (losses)	C	(73,859)	(22,492)
Ordinary profit	A+B+C	170,981	273,247

(Reference) Breakdown of Other Items

(Millions of yen)

Fiscal years ended March 31	2025	2026
Impact on core profit	48,122	162,946
Gains on cancellation of mutual funds	(23,202)	(603)
Amount equivalent to income gains associated with money held in trust	156,568	215,129
Costs for hedging currency fluctuations	(67,047)	(43,453)
Gain/loss from reinsurance cession of the existing policies	(18,196)	(8,126)
Other capital gains	90,250	44,056
Gains on cancellation of mutual funds	23,202	603
Amount equivalent to income gains associated with money held in trust	-	-
Costs for hedging currency fluctuations	67,047	43,453
Other capital losses	156,568	215,129
Amount equivalent to income gains associated with money held in trust	156,568	215,129
Costs for hedging currency fluctuations	-	-
Other one-time gains - Other	18,196	8,126
Gain/loss from reinsurance cession of the existing policies	18,196	8,126
Other one-time losses - Other	598,226	-
Provision for additional policy reserves	598,226	-
Gain/loss from reinsurance cession of the existing policies	-	-

8. Status of Loans under the Insurance Business Act

(Millions of yen, %)

As of March 31		2025	2026
	Bankrupt or quasi-bankrupt loans	-	-
	Doubtful loans	-	-
	Past due loans for three months or more	-	-
	Restructured loans	-	-
Subtotal		-	-
(Percentage in total)		(-)	(-)
Normal loans		3,808,619	5,143,222
Total		3,808,619	5,143,222

Notes:
1. Bankrupt or quasi-bankrupt loans are loans to borrowers who have fallen into bankruptcy for reasons such as the commencement of bankruptcy proceedings or reorganization proceedings, or the petition for commencement of rehabilitation proceedings, and loans similar to these.
2. Doubtful loans are loans which principal and interest are unlikely to be collected or received as stipulated in an agreement due to the borrower's deteriorating financial conditions and results even though the borrower is not fallen into bankruptcy (excluding the loans noted in 1).
3. Past due loans for three months or more are loans for which principal or interest payments are delinquent for three months or more under the term of the loans from the day following the contractual due date (excluding the loans noted in 1 and 2).
4. Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reduction or exemption, postponement of principal or interest payments, debt waiver or other arrangements, have been made for the purpose of assisting and supporting the borrowers in the restructuring of their business (excluding the loans noted in 1 to 3).
5. Normal loans are loans which do not fall under the loans noted in 1 to 4 above as there are no particular problems found with the borrower's financial conditions and results.

9. Separate Account for the Fiscal Year Ended March 31, 2026

Not applicable.

10. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(Millions of yen)

Fiscal year ended March 31	2025	2026
Ordinary income	6,165,335	5,625,758
Ordinary profit	170,293	271,946
Net income attributable to Japan Post Insurance	123,472	168,798
Comprehensive income (loss)	(116,430)	1,035,170

As of March 31	2025	2026
Total assets	59,555,692	58,442,160

(2) Scope of Consolidation and Application of the Equity Method

- Number of consolidated subsidiaries: 1
- Number of non-consolidated subsidiaries accounted for under the equity method: 0
- Number of affiliates accounted for under the equity method: 1
- Changes in significant subsidiaries during the period: None

(3) Unaudited Consolidated Balance Sheets

(Millions of yen)

Items \ Year	As of March 31, 2025 Amount	As of March 31, 2026 Amount	Items \ Year	As of March 31, 2025 Amount	As of March 31, 2026 Amount
ASSETS:			**LIABILITIES:**		
Cash and deposits	**1,976,083**	**1,752,984**	**Policy reserves and others**	**50,165,652**	**48,102,350**
Call loans	**30,000**	**30,000**	Reserve for outstanding claims	314,993	319,831
Receivables under resale agreements	**604,914**	**472,482**	Policy reserves	48,765,531	46,653,326
Monetary claims bought	**23,215**	**21,229**	Reserve for policyholder dividends	1,085,126	1,129,192
Money held in trust	**6,460,029**	**8,039,836**	**Reinsurance payables**	**5,945**	**5,978**
Securities	**46,528,793**	**44,931,286**	**Bonds payable**	**500,000**	**500,000**
Loans	**2,530,051**	**2,134,764**	**Payables under repurchase agreements**	**4,516,922**	**4,595,895**
Tangible fixed assets	**141,068**	**135,807**	**Other liabilities**	**187,251**	**265,686**
Land	76,632	75,534	**Reserve for management bonuses**	**227**	**248**
Buildings	43,040	40,714	**Liability for retirement benefits**	**107,927**	**98,658**
Leased assets	4,363	4,759	**Reserve for management board benefit trust**	**407**	**481**
Construction in progress	525	25	**Reserve for price fluctuations**	**829,930**	**719,232**
Other tangible fixed assets	16,507	14,772	**Total liabilities**	**56,314,265**	**54,288,531**
Intangible fixed assets	**113,596**	**119,394**	**NET ASSETS:**		
Software	113,585	119,385	**Capital stock**	**500,000**	**500,000**
Other intangible fixed assets	11	9	**Capital surplus**	**405,044**	**405,044**
Agency accounts receivable	**10,872**	**11,837**	**Retained earnings**	**803,497**	**894,329**
Reinsurance receivables	**10,641**	**15,779**	**Treasury stock**	**(901)**	**(45,903)**
Other assets	**398,321**	**454,878**	**Total shareholders' equity**	**1,707,640**	**1,753,470**
Deferred tax assets	**728,870**	**322,742**	**Net unrealized gains (losses) on available-for-sale securities**	**1,551,673**	**2,448,521**
Reserve for possible loan losses	**(766)**	**(864)**	**Net deferred gains (losses) on hedges**	**(19,614)**	**(62,655)**
			Accumulated adjustments for retirement benefits	**1,727**	**14,291**
			Total accumulated other comprehensive income	**1,533,786**	**2,400,158**
			Total net assets	**3,241,426**	**4,153,628**
Total assets	**59,555,692**	**58,442,160**	**Total liabilities and net assets**	**59,555,692**	**58,442,160**

(4) Unaudited Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Unaudited Consolidated Statements of Income) (Millions of yen)

Items \ Year	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Amount	Amount
ORDINARY INCOME	**6,165,335**	**5,625,758**
Insurance premiums and others	**3,154,875**	**2,188,660**
Investment income	**1,195,618**	**1,310,799**
Interest and dividend income	864,561	853,846
Gains on money held in trust	199,152	397,705
Gains on sales of securities	110,640	52,634
Gains on redemption of securities	220	305
Gains on foreign exchanges	20,999	6,229
Reversal of reserve for possible loan losses	-	29
Other investment income	44	47
Other ordinary income	**1,814,840**	**2,126,299**
Reversal of reserve for outstanding claims	58,919	-
Reversal of policy reserves	1,747,260	2,112,204
Other ordinary income	8,660	14,094
ORDINARY EXPENSES	**5,995,041**	**5,353,811**
Insurance claims and others	**5,205,305**	**4,417,796**
Insurance claims	3,787,741	3,369,183
Annuity payments	178,715	140,405
Benefits	220,852	236,666
Surrender benefits	415,441	411,279
Other refunds	49,194	43,826
Reinsurance premiums	553,360	216,436
Provision for policy reserves and others	**679**	**7,602**
Provision for reserve for outstanding claims	-	4,837
Provision for interest on policyholder dividends	679	2,765
Investment expenses	**279,079**	**444,871**
Interest expenses	13,641	31,103
Losses on sales of securities	193,470	364,721
Losses on redemption of securities	185	178
Losses on derivative financial instruments	68,329	43,974
Provision for reserve for possible loan losses	335	-
Other investment expenses	3,116	4,893
Operating expenses	**431,429**	**413,370**
Other ordinary expenses	**78,547**	**70,170**
ORDINARY PROFIT	**170,293**	**271,946**
EXTRAORDINARY GAINS	**43,884**	**110,707**
Gains on sales of fixed assets	**15**	**10**
Reversal of reserve for price fluctuations	**43,869**	**110,697**
EXTRAORDINARY LOSSES	**247**	**2,880**
Losses on sales and disposal of fixed assets	**247**	**321**
Impairment loss	**-**	**2,558**
Provision for reserve for policyholder dividends	**96,990**	**143,579**
Income before income taxes	**116,940**	**236,194**
Income taxes - Current	**20,934**	**12,964**
Income taxes - Deferred	**(27,467)**	**54,432**
Total income taxes	**(6,532)**	**67,396**
Net income	**123,472**	**168,798**
Net income attributable to non-controlling interests	**-**	**-**
Net income attributable to Japan Post Insurance	**123,472**	**168,798**

(Unaudited Consolidated Statements of Comprehensive Income) (Millions of yen)

Year / Items	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Amount	Amount
Net income	**123,472**	**168,798**
Other comprehensive income (loss)	**(239,903)**	**866,372**
Net unrealized gains (losses) on available-for-sale securities	(224,004)	896,783
Net deferred gains (losses) on hedges	(15,428)	(43,040)
Adjustments for retirement benefits	(454)	12,563
Share of other comprehensive income (loss) of affiliates accounted for under the equity method	(15)	65
Total comprehensive income (loss)	**(116,430)**	**1,035,170**
Comprehensive income (loss) attributable to Japan Post Insurance	(116,430)	1,035,170
Comprehensive income (loss) attributable to non-controlling interests	-	-

(5) Unaudited Consolidated Statements of Cash Flows

(Millions of yen)

Items \ Year	Fiscal year ended March 31, 2025 Amount	Fiscal year ended March 31, 2026 Amount
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	116,940	236,194
Depreciation and amortization	39,113	38,474
Impairment loss	-	2,558
Net change in reserve for outstanding claims	(58,919)	4,837
Net change in policy reserves	(1,747,260)	(2,112,204)
Provision for interest on policyholder dividends	679	2,765
Provision for reserve for policyholder dividends	96,990	143,579
Net change in reserve for possible loan losses	419	98
Net change in reserve for management bonuses	227	21
Net change in liability for retirement benefits	11,995	(9,269)
Net change in reserve for management board benefit trust	16	73
Net change in reserve for price fluctuations	(43,869)	(110,697)
Interest and dividend income (accrual basis)	(864,561)	(853,846)
Net (gains) losses on securities	82,795	311,960
Interest expenses (accrual basis)	13,641	31,103
Net (gains) losses on foreign exchanges	(20,999)	(6,229)
Net (gains) losses on tangible fixed assets	217	134
Equity in (earnings) losses of affiliates	(929)	(2,102)
Net change in agency accounts receivable	424	(965)
Net change in reinsurance receivables	(2,994)	(5,138)
Net change in other assets (excluding those related to investing activities and financing activities)	93,497	25,754
Net change in reinsurance payables	(55)	32
Net change in other liabilities (excluding those related to investing activities and financing activities)	(15,562)	(9,443)
Other, net	(128,837)	(329,952)
Subtotal	**(2,427,028)**	**(2,642,260)**
Interest and dividend received (cash basis)	906,205	873,133
Interest paid (cash basis)	(10,826)	(29,650)
Policyholder dividends paid	(114,060)	(101,997)
Income taxes (paid) refund	17,867	15,844
Net cash used in operating activities	**(1,627,842)**	**(1,884,930)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of call loans	(7,399,999)	(7,319,575)
Proceeds from redemption of call loans	7,409,999	7,319,575
Net change in receivables under resale agreements	442,278	132,431
Purchases of monetary claims bought	(39,958)	(39,924)
Proceeds from sale and redemption of monetary claims bought	41,787	41,464
Purchases of money held in trust	(126,841)	(402,226)
Proceeds from decrease in money held in trust	48,699	357,150
Purchases of securities	(2,593,437)	(1,414,036)
Proceeds from sale and redemption of securities	3,489,520	2,883,063
Payments for loans	(485,228)	(505,967)
Proceeds from collection of loans	1,236,498	901,266
Net change in payables under repurchase agreements	611,922	78,972
Other, net	(138,287)	(202,223)
Total of net cash provided by investment transactions	**2,496,953**	**1,829,971**
Total of net cash provided by (used in) operating activities and investment transactions	**869,110**	**(54,959)**
Purchases of tangible fixed assets	(12,357)	(2,641)
Proceeds from sales of tangible fixed assets	16	11
Purchases of intangible fixed assets	(45,390)	(41,131)
Purchase of shares of affiliates accounted for under the equity method	(52,500)	-
Other, net	(261)	(140)
Net cash provided by investing activities	**2,386,460**	**1,786,069**

(Millions of yen)

Items \ Year	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
	Amount	Amount
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease obligations	(1,305)	(1,274)
Proceeds from issuance of bonds	99,383	-
Purchases of treasury stock	(0)	(79,999)
Dividends paid	(37,933)	(42,963)
Net cash provided by (used in) financing activities	**60,143**	**(124,238)**
Effect of exchange rate changes on cash and cash equivalents	**-**	-
Net change in cash and cash equivalents	**818,761**	**(223,099)**
Cash and cash equivalents at the beginning of the fiscal year	**1,157,322**	**1,976,083**
Cash and cash equivalents at the end of the fiscal year	**1,976,083**	**1,752,984**

(6) Unaudited Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2025 (From April 1, 2024, to March 31, 2025) (Millions of yen)

	Shareholders' equity				
	Capital stock	**Capital surplus**	**Retained earnings**	**Treasury stock**	**Total shareholders' equity**
Balance at the beginning of the fiscal year	**500,000**	**405,044**	**717,960**	**(948)**	**1,622,055**
Changes in the fiscal year					
Cash dividends			(37,934)		(37,934)
Net income attributable to Japan Post Insurance			123,472		123,472
Purchases of treasury stock				(0)	(0)
Disposals of treasury stock				47	47
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	**-**	**-**	**85,537**	**47**	**85,585**
Balance at the end of the fiscal year	**500,000**	**405,044**	**803,497**	**(901)**	**1,707,640**

	Accumulated other comprehensive income				Total net assets
	Net unrealized gains (losses) on available-for-sale securities	**Net deferred gains (losses) on hedges**	**Accumulated adjustments for retirement benefits**	**Total accumulated other comprehensive income**	
Balance at the beginning of the fiscal year	**1,775,693**	**(4,186)**	**2,182**	**1,773,689**	**3,395,744**
Changes in the fiscal year					
Cash dividends					(37,934)
Net income attributable to Japan Post Insurance					123,472
Purchases of treasury stock					(0)
Disposals of treasury stock					47
Net changes in items other than shareholders' equity in the fiscal year	(224,019)	(15,428)	(454)	(239,903)	(239,903)
Net changes in the fiscal year	**(224,019)**	**(15,428)**	**(454)**	**(239,903)**	**(154,317)**
Balance at the end of the fiscal year	**1,551,673**	**(19,614)**	**1,727**	**1,533,786**	**3,241,426**

Fiscal year ended March 31, 2026 (From April 1, 2025, to March 31, 2026) (Millions of yen)

	Shareholders' equity				
	Capital stock	**Capital surplus**	**Retained earnings**	**Treasury stock**	**Total shareholders' equity**
Balance at the beginning of the fiscal year	**500,000**	**405,044**	**803,497**	**(901)**	**1,707,640**
Changes in the fiscal year					
Cash dividends			(42,977)		(42,977)
Net income attributable to Japan Post Insurance			168,798		168,798
Purchases of treasury stock				(79,999)	(79,999)
Disposals of treasury stock				8	8
Cancellation of treasury stock		(34,989)		34,989	-
Reversal of reserve for reduction entry of real estate		34,989	(34,989)		-
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	**-**	**-**	**90,831**	**(45,001)**	**45,829**
Balance at the end of the fiscal year	**500,000**	**405,044**	**894,329**	**(45,903)**	**1,753,470**

	Accumulated other comprehensive income				
	Net unrealized gains (losses) on available-for-sale securities	**Net deferred gains (losses) on hedges**	**Accumulated adjustments for retirement benefits**	**Total accumulated other comprehensive income**	**Total net assets**
Balance at the beginning of the fiscal year	**1,551,673**	**(19,614)**	**1,727**	**1,533,786**	**3,241,426**
Changes in the fiscal year					
Cash dividends					(42,977)
Net income attributable to Japan Post Insurance					168,798
Purchases of treasury stock					(79,999)
Disposals of treasury stock					8
Cancellation of treasury stock					-
Reversal of reserve for reduction entry of real estate					-
Net changes in items other than shareholders' equity in the fiscal year	896,848	(43,040)	12,563	866,372	866,372
Net changes in the fiscal year	**896,848**	**(43,040)**	**12,563**	**866,372**	**912,201**
Balance at the end of the fiscal year	**2,448,521**	**(62,655)**	**14,291**	**2,400,158**	**4,153,628**

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED MARCH 31, 2026

(Basis for Preparation of the Unaudited Consolidated Financial Statements)

1. Scope of Consolidation
   (1) Number of consolidated subsidiaries: 1
   Name of consolidated subsidiary: JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.
   (2) Major non-consolidated subsidiaries
   The Company's major non-consolidated subsidiaries are Japan Post Insurance NEXT Partners Co., Ltd. and Spring Investment Limited Partnership.
   Major non-consolidated subsidiaries are small in terms of total assets, ordinary income, net income or loss (an amount corresponding to ownership), retained earnings (an amount corresponding to ownership), cash flows, and other items. They are excluded from the scope of consolidation as they are not significant enough to interfere with rational judgement regarding the corporate group's financial conditions, business performance, and cash flows.

2. Application of the Equity Method
   (1) Number of non-consolidated subsidiaries and affiliates accounted for under the equity method: 0
   (2) Number of affiliates accounted for under the equity method: 1
   Company name: Daiwa Asset Management Co. Ltd.
   (3) Non-consolidated subsidiaries (Japan Post Insurance NEXT Partners Co., Ltd., Spring Investment Limited Partnership and others) and affiliates (MKAM Co., Ltd. and others) not accounted for under the equity method have been excluded from the scope of application of the equity method, as they are insignificant as a whole, with minimal influence on the consolidated financial statements, in terms of net income or loss (an amount corresponding to ownership), retained earnings (an amount corresponding to ownership) and other items.

3. Fiscal Year-end Date of the Consolidated Subsidiary
   The consolidated subsidiary has the same fiscal year-end date as that of consolidated financial statements.

(Notes to the Unaudited Consolidated Balance Sheets)

1. Significant Accounting Policies
   (1) Valuation Criteria and Methods for Securities
   Securities including cash and deposits as well as monetary claims bought which are equivalent to securities, and securities invested in money held in trust, are recorded based on the following:
   1) Held-to-maturity Bonds
   Held-to-maturity bonds are carried at amortized cost and the cost of these securities sold is calculated using the moving-average method. Amortization is calculated using the straight-line method.
   2) Policy-reserve-matching Bonds
   In accordance with "Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry" (JICPA Industry Audit Committee Report No. 21), policy-reserve-matching bonds are carried at amortized cost and the cost of these securities sold is calculated using the moving-average method. Amortization is calculated using the straight-line method.
   3) Stocks of subsidiaries and affiliates that are neither consolidated nor accounted for under the equity method
   Stocks of subsidiaries and affiliates that are neither consolidated nor accounted for under the equity method are carried at cost using the moving-average method.
   4) Available-for-sale Securities
   (i) Available-for-sale Securities other than stocks, etc. with no market price
   Available-for-sale securities other than stocks, etc. with no market price are carried at their market price at the end of the fiscal year. Cost of securities sold is calculated using the moving-average method.
   (ii) Stocks, etc. with no market price
   Stocks, etc. with no market price are carried at cost using the moving-average method.
   Net unrealized gains (losses) on available-for-sale securities, net of income taxes, are included in net assets.

(2) Valuation Criteria and Methods for Derivative Transactions

All derivative transactions are valued at fair value.

(3) Depreciation Methods for Significant Depreciable Assets

1) Tangible Fixed Assets (excluding leased assets)

Depreciation of tangible fixed assets is calculated using the straight-line method based on the following useful lives:

(i) Buildings: 2-60 years

(ii) Other tangible fixed assets: 2-20 years

2) Intangible Fixed Assets (excluding leased assets)

The capitalized development costs of software intended for internal use are amortized over the expected useful life of mainly 5 years using the straight-line method.

3) Leased Assets

Finance lease transactions that do not transfer ownership are depreciated to a residual value of zero using the straight-line method over the lease term.

(4) Recognition of Significant Reserves

1) Reserve for Possible Loan Losses

Reserve for possible loan losses is provided pursuant to the Company's standards for self-assessment of asset quality, and general allowance is provided using a rate based on historical collectability experience. In addition, specific allowances, which are determined based on individual collectability of accounts, are also recorded.

All loans and claims are assessed initially by the relevant departments based on internal rules for self-assessment of asset quality. The asset evaluation department, which is independent from the relevant departments, reviews these self-assessments. The above reserves and allowances are recorded based on the results of these assessments.

For loans and guaranteed loans that were extended to borrowers that have filed for bankruptcy including legal bankruptcy or civil rehabilitation, or that are considered substantially bankrupt, an allowance is provided for in the amount of loans, net of collateral value or the amounts expected to be recoverable under guarantees. Reserve for possible loan losses also includes amounts set aside for other assets subject to valuation allowance. The amount written off for loans and other assets during the fiscal year ended March 31, 2026, was ¥114 million.

2) Reserve for Management Bonuses

To provide for the payment of bonuses to Executive Officers of the Company, a reserve for management bonuses is provided based on the projected amount of bonuses to be paid.

3) Reserve for Management Board Benefit Trust

To provide for the granting of shares of the Company to Executive Officers of the Company in accordance with the Stock Benefit Rules, a reserve for management board benefit trust is provided in the projected amount of stock benefit obligations.

(5) Employees' Retirement Benefits Accounting

1) Method for Attributing Expected Benefits to Periods

In calculating the projected benefit obligation, the benefit formula basis is used to attribute the expected benefit to respective service period.

2) Method for Recognizing Actuarial Differences and Prior Service Cost

The actuarial difference is amortized using the straight-line method over a period of 14 years, which is less than the estimated average remaining service period for employees from the fiscal year following the respective fiscal year in which the difference is incurred.

Prior service cost is amortized using the straight-line method over a period of 14 years, which is less than the estimated average remaining service lives for employees in the fiscal year of incurrence.

(6) Reserve for Price Fluctuations

Reserve for price fluctuations in security investments is calculated based on Article 115 of the Insurance Business Act.

(7) Translation of Significant Assets and Liabilities Denominated in Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the fiscal year-end.

(8) Significant Hedge Accounting

1) Methods for Hedge Accounting

The Company and its subsidiary (the "Group") applies deferred hedge accounting through currency swaps to hedge cash flow related to foreign exchange fluctuations for a portion of its foreign-currency-denominated bonds, and fair value hedge accounting for foreign currency exchange contracts to hedge foreign exchange fluctuation risk for a portion of its foreign-currency-denominated bonds in accordance with the Financial Instruments Accounting Standard, and also applies deferred hedge accounting through interest rate swaps to hedge interest rate risk for a portion of its insurance liabilities in accordance with the "Accounting and Auditing Treatment on the Application of the Financial Instruments Accounting Standard to the Insurance Industry" (JICPA Industry Committee Practical Guidelines No. 26).

2) Hedging Instruments and Hedged Items

(Hedging Instruments)	(Hedged Items)
Currency swaps	Foreign-currency-denominated bonds
Foreign currency exchange contracts	Foreign-currency-denominated bonds
Interest rate swaps	Insurance liabilities

3) Hedging Policies

Foreign currency exchange contracts are used to hedge foreign currency exchange risks of foreign-currency-denominated bonds within a predetermined range, while interest rate swap contracts are used to hedge interest rate risks of insurance liabilities within a predetermined range.

4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed primarily by ratio analysis which compares market fluctuations of hedged items and hedging instruments. The evaluation of hedge effectiveness is omitted in cases of foreign exchange contracts where there is a high correlation between hedged items and hedging instruments.

(9) Policy Reserves

To prepare for the fulfilment of future obligations under the insurance contracts with respect to policies that have commenced as of the fiscal year-end, policy reserves are calculated in accordance with the statement of calculation procedures for insurance premiums and policy reserves (Article 4, Paragraph 2, Item 4 of the Insurance Business Act) and accumulated, pursuant to Article 116, Paragraph 1 of the Insurance Business Act.

Among the policy reserves, insurance premium reserves are calculated based on the following procedures. The amount includes additional policy reserves accumulated for the portion of the reinsurance contracts issued to the Management Network and for lump-sum payment annuities, pursuant to Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act.

1) Reserves for contracts subject to the standard policy reserves are calculated in accordance with the method prescribed by the Commissioner for Financial Services Agency (Public Notice No. 48 issued by the Ministry of Finance in 1996).
2) Reserves for other contracts are calculated based on the net level premium method.

Among the policy reserves, contingency reserves are accumulated to ensure the fulfilment of future obligations under insurance contracts in preparation of possible future risks, pursuant to Article 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 3 of the Ordinance for Enforcement of the Insurance Business Act.

The Chief Actuary, pursuant to Article 121, Paragraph 1 of the Insurance Business Act and Article 80 of the Ordinance for Enforcement of the Insurance Business Act, confirms whether the policy reserves as of the fiscal year-end have been appropriately accumulated.

2. Unadopted Accounting Standards, etc.

- "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024)
- "Implementation Guidance on Accounting Standards for Leases" (ASBJ Guidance No. 33, September 13, 2024)

(1) Outline

As with international accounting standards, the new standard requires lessees to record all leases as assets and liabilities.

(2) Scheduled Date of Adoption

Scheduled to be adopted from the beginning of the fiscal year ending March 31, 2028.

(3) Effects of the application of the accounting standard, etc.

The impact of the adoption of the above accounting standards, etc. is under assessment.

3. Transactions for Granting Shares and Others of the Company to Executive Officers of the Company through Trust

The Company has introduced a trust-based performance-linked stock compensation system and a non-performance-linked stock compensation system for Executive Officers of the Company.

The Company has adopted the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (Practical Issues Task Force ("PITF") No. 30, March 26, 2015) with respect to the accounting treatment of the aforementioned trust agreement.

(1) Outline of the Transaction

In accordance with the predetermined Stock Benefit Rules, the Company shall grant its Executive Officers points pursuant to 1) and 2) below, and after the time of their retirement shall have the Board Benefit Trust (BBT) grant Executive Officers who meet the requirement for eligibility a number of shares of the Company equivalent to the number of such points accumulated up to their retirement, as well as the amount of money equivalent to a certain portion of such number of shares, as calculated by the fair value.

1) Performance-linked stock compensation system

After the end of the last fiscal year of the Medium-term Management Plan, Executive Officers will be granted points based on basic points for their corresponding responsibilities, multiplied by a variable payout rate arrived at based on the degree to which they have met the performance targets in the Medium-term Management Plan.

2) Non-performance-linked stock compensation system

After the end of each fiscal year, Executive Officers will be granted basic points based on their corresponding responsibilities.

Shares to be granted to Executive Officers, including the portion of shares to be granted in the future, are managed separately as trust assets through purchases by the trust bank from the stock market using the fund held in trust in advance by the Company.

(2) Shares of the Company Held in Trust

Shares of the Company held in trust are recorded as treasury stock under the category of net assets at book value in the Trust (excluding accompanying expenses). Book value of such treasury stock at the end of the fiscal year ended March 31, 2026, was ¥868 million, while the number of such treasury stock was 1,171 thousand shares.

The Company conducted a stock split effective April 1, 2026, splitting its common stock at a ratio of three (3) shares for every one (1) share. The number of shares described above is stated considering the impact of the stock split.

4. Matters Regarding Financial Instruments were as follows:

(1) Matters Regarding Status of Financial Instruments

1) Policy for handling financial instruments

The Company promotes matching between assets and liabilities using yen-denominated interest-bearing assets, taking into consideration the characteristics of liabilities so as to maintain sound management and ensure payments for insurance claims and others. The Company endeavors to invest in yen-denominated bonds such as Japanese local government bonds and Japanese corporate bonds, of which yield is expected to be relatively higher than that of Japanese government bonds, as well as in "return-seeking assets" (which we

previously referred to as “risk assets”) including foreign bonds and stocks from the perspective of improving profitability as well as to strengthen the risk management system.

Derivative transactions are used mainly as a hedging method against interest rate risk for a portion of insurance liabilities and foreign exchange risk for financial assets.

2) Features and risks of financial instruments

Financial assets owned by the Company consist mainly of securities and loans, and are managed by using an asset liability management (ALM) framework. These financial assets are exposed to market risk and credit risk.

As a hedging method against interest rate risk for a portion of insurance liabilities, which is a part of market risk, interest rate swap transactions are used in accordance with the “Accounting and Auditing Treatment on the Application of the Financial Instruments Accounting Standard to the Insurance Industry” (JICPA Industry Committee Practical Guidelines No. 26). Furthermore, as a hedging method against foreign exchange risk, which is a part of market risk, the Company uses foreign exchange contracts and currency swap transactions. Derivative transactions are identified as a key hedging method against foreign exchange fluctuation risk.

Other derivative transactions are used mainly for the purpose of hedging, and the market risk of derivative transactions is therefore reduced and limited.

3) Risk management framework for financial instruments

(i) Management of market risk

Market risk is the risk of losses resulting from fluctuation in the value of assets and liabilities held that include off-balance sheet assets and liabilities due to fluctuations in various market risk factors such as interest rates, foreign exchange rates, and stock prices. Interest rate risk, which is a part of market risk, is the risk of losses resulting from fluctuation in the value of interest-bearing assets denominated in yen and insurance liabilities due to fluctuations in yen interest rates, and the risk arises as the Company has a certain limit in matching assets with liabilities, as an insurance company with a mission to offer universal service products including endowment insurance and whole life insurance.

Among the company-wide risks including the market risk, the Company identifies those that can be quantified and manages the company-wide risks by comparing the capital amount and the company-wide integrated risk amount calculated based on the amount of quantified risks.

(ii) Management of credit risk

Credit risk is the risk of losses resulting from a decline or elimination in the value of assets including off-balance sheet assets due to deterioration in financial conditions of borrowers and other reasons.

In order to control investment and lending to borrowers with high credit risk, the Company manages its investment and lending by prescribing credit eligibility rules based on internal rating. Moreover, to prevent concentration of credit risk on a particular borrower, group or industry, the Company establishes asset concentration limits corresponding to internal rating and standards of credit shares by industry.

The results of their activities are reported to the risk management committee regularly.

4) Additional notes concerning the fair value of financial instruments

The fair value of a financial instrument includes prices based on market quotations as well as rationally calculated prices for those whose market prices are not readily available. In calculating prices, certain premises and assumptions are adopted, and the use of different assumptions may lead to changes in pricing.

The contract amounts of derivative transactions in “(6) Derivative Transactions” do not indicate the market risk related to derivative transactions.

(2) Fair Values of Financial Instruments

Amounts carried on the consolidated balance sheets, fair values and the difference between them as of March 31, 2026, were as follows.

Stocks, etc. with no market price and investments in partnership are not included in the following table and are described in the "Note 1" to the table. In addition, cash, as well as deposits, call loans, receivables under resale agreements, and payables under repurchase agreements, whose fair value approximates book value because they are settled within a short term, have been omitted from the Notes.

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Monetary claims bought	21,229	21,229	-
Available-for-sale securities	21,229	21,229	-
Money held in trust (*1) (*2)	7,901,359	7,901,359	-
Securities	44,688,503	40,010,982	(4,677,521)
Held-to-maturity bonds	30,481,050	26,903,275	(3,577,774)
Policy-reserve-matching bonds	7,001,851	5,902,104	(1,099,747)
Available-for-sale securities (*2)	7,205,602	7,205,602	-
Loans	2,134,426	2,036,435	(97,990)
Policy loans	164,791	164,791	-
Industrial and commercial loans (*3)	676,553	585,495	(90,720)
Loans to the Management Network (*3)	1,293,418	1,286,148	(7,270)
Reserve for possible loan losses (*4)	(338)	-	-
Total assets	54,745,519	49,970,007	(4,775,512)
Bonds payable	500,000	466,150	(33,850)
Total liabilities	500,000	466,150	(33,850)
Derivative transactions (*5)			
Hedge accounting not applied	[281]	[281]	-
Hedge accounting applied	[143,990]	[143,990]	-
Total derivative transactions	[144,272]	[144,272]	-

(*1) Money held in trust classified as other than trading, held-to-maturities and policy-reserve-matching.

(*2) In accordance with Paragraph 24-3 and 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as "Fair Value Measurement Implementation Guidance"), mutual funds that apply treatments that consider net asset value to be the fair value are included.

(*3) In the column of "Net unrealized gains (losses)," the difference between the consolidated balance sheet amount after deduction of reserve for possible loan losses and the fair value is provided.

(*4) Reserve for possible loan losses corresponding to loans has been deducted.

(*5) Net receivables and payables arising from derivative transactions are stated at net values, and if the values are negative, they are indicated in [ ] brackets.

Note 1: The amounts carried on the consolidated balance sheets for stocks, etc. with no market price and investments in partnership are as follows. These amounts are not included in "Money held in trust" and "Securities" disclosed in the table for Fair Values of Financial Instruments.

(Millions of yen)

	Consolidated balance sheet amount
Money held in trust (*1)	138,477
Securities	242,782
Unlisted stocks (*2)	67,123
Foreign securities (*2)	32,530
Investments in partnership (*3)	143,128
Total	381,260

(*1) Trust asset components that are investments in partnership are not subject to fair value disclosure in accordance with Paragraph 24-16 of the Fair Value Measurement Implementation Guidance.

(*2) Unlisted stocks and foreign securities with no market price are not subject to fair value disclosure in accordance with Paragraph 5 of the "Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020).

(*3) Investments in partnership are not subject to fair value disclosure in accordance with Paragraph 24-16 of the Fair Value Measurement Implementation Guidance.

Note 2: Redemption schedule of monetary claims and securities with maturities

(Millions of yen)

	Within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Monetary claims bought	10,000	-	-	11,622
Securities	1,618,760	11,084,952	8,820,255	20,801,735
Held-to-maturity bonds	1,251,200	8,267,220	6,610,460	14,087,348
Bonds	1,251,200	8,267,220	6,610,460	14,087,348
Japanese government bonds	1,232,700	7,836,700	5,885,200	12,613,400
Japanese local government bonds	17,900	352,620	442,810	625,071
Japanese corporate bonds	600	77,900	282,450	848,877
Policy-reserve-matching bonds	261,100	1,522,700	1,288,000	4,172,488
Bonds	261,100	1,522,700	1,268,000	4,172,488
Japanese government bonds	260,800	1,301,000	770,700	3,318,000
Japanese local government bonds	300	-	86,900	273,288
Japanese corporate bonds	-	221,700	410,400	581,200
Foreign securities	-	-	20,000	-
Available-for-sale securities with maturities	106,460	1,295,032	921,795	2,541,898
Bonds	33,745	681,985	294,294	1,778,880
Japanese government bonds	-	-	-	1,171,200
Japanese local government bonds	445	11,484	24,696	111,638
Japanese corporate bonds	33,300	670,501	269,597	496,042
Foreign securities	72,715	613,046	625,964	755,236
Other securities	-	-	1,537	7,782
Loans	572,214	853,962	436,452	272,518
Total	2,200,975	11,938,915	9,256,708	21,085,875

Note 3: Redemption schedule of bonds payable

(Millions of yen)

	Within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Japanese corporate bonds	-	-	-	-	-	500,000
Total	-	-	-	-	-	500,000

(3) Breakdown, etc. of the fair value of financial instruments by level

The Company has classified the fair values of financial instruments into the following three levels according to the observability and materiality of the inputs used for fair value measurement.

Level 1 Fair Values: Fair values measured using observable inputs that are quoted prices for identified assets or liabilities in active markets

Level 2 Fair Values: Fair values measured using observable inputs other than those included within Level 1

Level 3 Fair Values: Fair values measured using unobservable inputs

In cases where multiple inputs with a material impact on fair value measurement are used, fair value is classified into the level to which the input with the lowest priority in fair value measurement belongs.

1) Financial instruments carried at fair value in the consolidated balance sheets

(Millions of yen)

	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	-	9,981	11,248	21,229
Money held in trust (*1)	5,128,646	791,138	-	5,919,785
Securities				
Available-for-sale securities				
Japanese government bonds	845,464	-	-	845,464
Japanese local government bonds	-	109,195	16,918	126,114
Japanese corporate bonds	-	1,333,662	-	1,333,662
Stocks	720,816	-	-	720,816
Foreign securities (*1)	134,754	1,707,597	2,853	1,845,205
Other securities	-	2,118,703	8,419	2,127,122
Total assets	6,829,680	6,070,279	39,439	12,939,400
Derivative transactions (*2)				
Currency-related derivatives	-	[71,468]	-	[71,468]
Interest-related derivatives	-	[72,803]	-	[72,803]
Total derivative transactions	-	[144,272]	-	[144,272]

(*1) In accordance with Paragraph 24-3 and 24-9 of the Fair Value Measurement Implementation Guidance, mutual funds that apply treatments that consider net asset value to be the fair value are not included in the above table. The consolidated balance sheet amount for mutual funds to which the treatment in Paragraph 24-3 is applied is ¥1,602,653 million, and the consolidated balance sheet amount for mutual funds to which the treatment in Paragraph 24-9 is applied is ¥207,113 million.

(*2) Net receivables and payables arising from derivative transactions are stated at net values, and if the values are payable, they are indicated in [ ] brackets.

2) Financial instruments not carried at fair value in the consolidated balance sheets

(Millions of yen)

	Fair Value			
	Level 1	Level 2	Level 3	Total
Money held in trust	-	379,024	-	379,024
Securities				
Held-to-maturity bonds				
Japanese government bonds	24,753,492	-	-	24,753,492
Japanese local government bonds	-	1,250,553	2,563	1,253,116
Japanese corporate bonds	-	896,666	-	896,666
Policy-reserve-matching bonds				
Japanese government bonds	4,602,622	-	-	4,602,622
Japanese local government bonds	-	272,203	17,125	289,329
Japanese corporate bonds	-	992,024	-	992,024
Foreign securities	-	18,127	-	18,127
Loans	-	-	2,036,435	2,036,435
Total assets	29,356,114	3,808,601	2,056,124	35,220,840
Bonds payable	-	466,150	-	466,150
Total liabilities	-	466,150	-	466,150

Note 1: Calculation methods for fair values of financial instruments and explanation of inputs used in fair value measurement

Assets

Monetary claims bought

The fair value of monetary claims bought that are securitized instruments is based on the appraised values submitted by brokers and other third parties. For monetary claims bought that are not securitized instruments, book value is used as their fair value as they are settled within a short term and their fair value approximates book value.

Among monetary claims bought, securitized instruments are classed in Level 3, and all others are classed in Level 2.

Money held in trust

Among trust asset components that are securities, the fair value of stocks and mutual funds with a transaction price on the market is based on the price quoted by the exchange for shares, and they are classed in Level 1 based on market activity. In addition, for mutual funds with no transaction price on the market, in cases where there are no material restrictions that would require market participants to compensate for the risk associated with cancellation or repurchase requests, the net asset value is used as the fair value and they are classed in Level 2.

For trust asset components that are not securities, book value is used as fair value as their fair value approximates book value, and they are classed in Level 2.

Moreover, money held in trust is described in “(5) Money Held in Trust” in accordance with the purpose of the holdings.

Securities

The fair value of stocks is based on the price quoted by the exchange and classed in Level 1, based on the activeness of the market.

Among bonds and other securities, primarily, the fair value of Japanese government bonds is based on the published quoted price and classed in Level 1 based on the activeness of the market. Even if there is a published quoted price, in cases such as when the market is not active or if it is based on appraised values obtained from information vendors and other third parties (excluding cases where material, unobservable inputs are used), fair value is classed in Level 2. This includes Japanese local government bonds, Japanese corporate bonds, and foreign bonds.

If it is calculated with appraised values obtained from brokers and other third parties, and material, unobservable inputs are used, fair value is classed in Level 3. In addition, for mutual funds with no transaction price on the market, in cases where there are no material restrictions that would require market participants to compensate for the risk associated with cancellation or repurchase requests, the net asset value is used as the fair value and they are classed in Level 2.

Moreover, securities are described in "(4) Securities" in accordance with the purpose of the holdings.

Loans

For policy loans and those included in loans to the Management Network of Postal Life Insurance Contracts, book values are used as fair values because amounts are limited to the values of corresponding cash surrender value and their fair value approximates book value considering their short maturities and interest conditions. For industrial and commercial loans with floating interest rates, whose future cash flows follow market interest rates, book value is used as fair value as their fair value approximates book value.

For industrial and commercial loans with fixed interest rates or loans to the Management Network (excluding policy loans), fair value is based on a net discounted present value of future cash flows at an interest rate that is the market interest rate as of the valuation date to which certain adjustments have been made.

The fair value of loans is classed in Level 3.

Liabilities

Bonds payable

The published quoted prices are used as fair value for bonds issued by the Company, which is classed in Level 2.

Derivative transactions

There are no published quoted prices for derivative transactions as they are over-the-counter transactions. The fair values of interest rate swap and forward foreign exchange transactions are classed in Level 2 if they are based on appraised values obtained from information vendors and other third parties (excluding cases where material, unobservable inputs are used), or if they are calculated with observable inputs, such as exchange rates.

Note 2: Information regarding the fair value of financial instruments carried at fair value in the consolidated balance sheets that is classed in Level 3

1) Quantitative information regarding material, unobservable inputs
Not provided, as the Company itself does not estimate unobservable inputs.

2) Changes in net valuation gain/loss recognized in gain/loss for the fiscal year ended March 31, 2026

(Millions of yen)

	Balance at the beginning of the fiscal year	Gain/loss for period under review or other comprehensive income (loss)		Changes due to purchase, sale, issuance, and settlement	Transfer to Level 3 fair value	Transfer from Level 3 fair value	Balance at the end of period	Of gain/loss in fiscal year ended March 31, 2026, net valuation gain/loss of financial instruments held on consolidated balance sheet date
		Recorded in gain/loss	Recorded in other comprehensive income (loss) (*)					
Monetary claims bought	13,227	-	(478)	(1,500)	-	-	11,248	-
Securities								
Available-for-sale securities								
Japanese local government bonds	19,262	-	(1,337)	(1,006)	-	-	16,918	-
Foreign securities	-	-	(146)	3,000	-	-	2,853	-
Other securities	9,431	-	(287)	(724)	-	-	8,419	-
Total assets	41,921	-	(2,250)	(230)	-	-	39,439	-

(*) Included in "Net unrealized gains (losses) on available-for-sale securities" of "Other comprehensive income (loss)" in the consolidated statements of comprehensive income.

3) Explanation of fair value valuation process
The Company's fair value valuation department establishes policies and procedures for the measurement of fair value, conducts the calculations, and determines the classification of fair value level. Because the risk management department establishes procedures for the verification of fair value of financial instruments and, in cases where quoted prices obtained from third parties are used, verifies the validity of those prices via appropriate means, such as confirming the valuation methods and inputs used and comparing them with the fair value of similar financial instruments, the appropriateness of fair value valuation, etc. of financial instruments is ensured.

4) Explanation of impact on fair value of changes to material, unobservable inputs
Not provided, as the Company itself does not estimate unobservable inputs.

Note 3: Information regarding mutual funds that apply treatments that consider net asset value to be the fair value in accordance with Paragraph 24-3 and 24-9 of the Fair Value Measurement Implementation Guidance

(1) Changes in net valuation gain/loss recognized in gain/loss for mutual funds to which the treatment in Paragraph 24-3 is applied for the fiscal year ended March 31, 2026

(Millions of yen)

Balance at the beginning of the fiscal year	Gain/loss for period under review or other comprehensive income (loss)		Changes due to purchase, sale, and redemption	Amount for which the net asset value of mutual funds is regarded as the fair value	Amount for which the net asset value of mutual funds is not regarded as the fair value	Balance at the end of period	Of gain/loss in fiscal year ended March 31, 2026, net valuation gain/loss of mutual funds held on consolidated balance sheet date
	Recorded in gain/loss	Recorded in other comprehensive income (loss) (*)					
1,393,205	-	114,411	95,036	-	-	1,602,653	-

(*) Included in "Net unrealized gains (losses) on available-for-sale securities" of "Other comprehensive income (loss)" in the consolidated statements of comprehensive income.

(2) Changes in net valuation gain/loss recognized in gain/loss for mutual funds to which the treatment in Paragraph 24-9 is applied for the fiscal year ended March 31, 2026

(Millions of yen)

Balance at the beginning of the fiscal year	Gain/loss for period under review or other comprehensive income (loss)		Changes due to purchase, sale, and redemption	Amount for which the net asset value of mutual funds is regarded as the fair value	Amount for which the net asset value of mutual funds is not regarded as the fair value	Balance at the end of period	Of gain/loss in fiscal year ended March 31, 2026, net valuation gain/loss of mutual funds held on consolidated balance sheet date
	Recorded in gain/loss	Recorded in other comprehensive income (loss) (*)					
183,614	-	12,391	11,106	-	-	207,113	-

(*) Included in "Net unrealized gains (losses) on available-for-sale securities" of "Other comprehensive income (loss)" in the consolidated statements of comprehensive income.

(3) Breakdown of restrictions on cancellation or repurchase requests at the end of the fiscal year
[Items that require a certain amount of time for cancellation, etc. ¥1,602,653 million]

(4) Securities

1) Held-to-maturity Bonds

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
Those for which fair value exceeds the consolidated balance sheet amount			
Bonds	9,346,688	9,466,671	119,982
Japanese government bonds	8,900,137	9,014,748	114,610
Japanese local government bonds	363,492	367,963	4,471
Japanese corporate bonds	83,058	83,959	901
Subtotal	9,346,688	9,466,671	119,982
Those for which fair value does not exceed the consolidated balance sheet amount			
Bonds	21,134,361	17,436,604	(3,697,756)
Japanese government bonds	18,927,047	15,738,743	(3,188,303)
Japanese local government bonds	1,079,732	885,153	(194,579)
Japanese corporate bonds	1,127,581	812,707	(314,874)
Subtotal	21,134,361	17,436,604	(3,697,756)
Total	30,481,050	26,903,275	(3,577,774)

2) Policy-reserve-matching Bonds

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
Those for which fair value exceeds the consolidated balance sheet amount			
Bonds	1,599,334	1,619,655	20,321
Japanese government bonds	1,563,205	1,583,395	20,190
Japanese local government bonds	32,139	32,268	129
Japanese corporate bonds	3,989	3,991	1
Foreign securities	-	-	-
Foreign bonds	-	-	-
Subtotal	1,599,334	1,619,655	20,321
Those for which fair value does not exceed the consolidated balance sheet amount			
Bonds	5,382,517	4,264,320	(1,118,196)
Japanese government bonds	3,849,543	3,019,226	(830,316)
Japanese local government bonds	325,584	257,060	(68,523)
Japanese corporate bonds	1,207,388	988,033	(219,355)
Foreign securities	20,000	18,127	(1,872)
Foreign bonds	20,000	18,127	(1,872)
Subtotal	5,402,517	4,282,448	(1,120,068)
Total	7,001,851	5,902,104	(1,099,747)

3) Available-for-sale Securities

(Millions of yen)

	Consolidated balance sheet amount	Cost	Difference
Those for which the consolidated balance sheet amount exceeds cost			
Bonds	143,252	140,352	2,900
Japanese government bonds	-	-	-
Japanese local government bonds	-	-	-
Japanese corporate bonds	143,252	140,352	2,900
Stocks	675,274	368,646	306,627
Foreign securities	918,703	863,207	55,496
Foreign bonds	721,486	673,227	48,259
Other foreign securities	197,217	189,980	7,236
Other (*)	798,964	723,318	75,646
Subtotal	2,536,195	2,095,525	440,670
Those for which the consolidated balance sheet amount does not exceed cost			
Bonds	2,161,988	2,603,316	(441,327)
Japanese government bonds	845,464	1,137,011	(291,547)
Japanese local government bonds	126,114	147,634	(21,519)
Japanese corporate bonds	1,190,410	1,318,670	(128,260)
Stocks	45,542	50,127	(4,585)
Foreign securities	1,133,718	1,202,928	(69,210)
Foreign bonds	1,123,718	1,192,928	(69,210)
Other foreign securities	10,000	10,000	-
Other (*)	2,574,387	2,706,438	(132,051)
Subtotal	5,915,636	6,562,811	(647,174)
Total	8,451,832	8,658,337	(206,504)

(*) "Other" includes negotiable certificates of deposit (cost: ¥1,225,000 million, consolidated balance sheet amount: ¥1,225,000 million) presented as "Cash and deposits" in the consolidated balance sheets, and monetary claims bought (cost: ¥21,603 million, consolidated balance sheet amount: ¥21,229 million).

4) Policy-reserve-matching Bonds Sold during the Fiscal Year (From April 1, 2025, to March 31, 2026)

(Millions of yen)

	Sales	Gains	Losses
Bonds	458,810	6,028	223,780
Japanese government bonds	321,973	6,028	104,165
Japanese corporate bonds	136,837	-	119,614
Total	458,810	6,028	223,780

5) Available-for-sale Securities Sold during the Fiscal Year (From April 1, 2025, to March 31, 2026)

(Millions of yen)

	Sales	Gains	Losses
Bonds	467,360	130	109,620
Japanese government bonds	287,043	-	106,242
Japanese local government bonds	80,197	-	442
Japanese corporate bonds	100,120	130	2,935
Stocks	142,222	36,272	9,151
Foreign securities	336,929	6,998	10,267
Foreign bonds	336,708	6,998	10,267
Other foreign securities	220	-	0
Other securities	63,098	-	11,901
Total	1,009,612	43,401	140,940

(5) Money Held in Trust

Money held in trust classified as other than trading, held-to-maturity and policy-reserve-matching

(Millions of yen)

	Consolidated balance sheet amount	Cost	Difference	Those for which the consolidated balance sheet amount exceeds cost	Those for which the consolidated balance sheet amount does not exceed cost
Specified money held in trust	7,901,359	4,272,395	3,628,963	3,659,948	(30,984)

(*) The Group recognized losses on valuation of ¥2,701 million for the fiscal year ended March 31, 2026.

Stocks managed as trust assets whose average market value for the month preceding the consolidated balance sheet date declined by 50% or more of their acquisition costs shall, in principle, be subjected to recognition of losses on valuation, while those with fair values declining by 30% or more, but less than 50% of their acquisition costs, and for which market prices remain lower than a certain level, shall be subjected to recognition of losses on valuation, unless fair values are deemed likely to recover to the acquisition costs.

(6) Derivative Transactions

1) Derivative transactions to which the hedge accounting is not applied

Currency-related derivatives (Millions of yen)

Category	Type of derivative	Contract amount	Contract amount due after 1 year	Fair value	Net Valuation Gain/Loss
OTC	Forward foreign exchange				
	Sold	5,561	-	(281)	(281)
	U.S. dollars	4,704	-	(282)	(282)
	Other	856	-	0	0
Total		-	-	-	(281)

2) Derivative transactions to which the hedge accounting is applied

(i) Currency-related derivatives (Millions of yen)

Hedge accounting method	Type of derivative	Major hedged item	Contract amount	Contract amount due after 1 year	Fair value
Deferred hedge accounting	Currency swaps				
	Yen-receipt / Foreign currency payment	Foreign currency-denominated bonds	135,725	135,725	(15,356)
	U.S. dollars		133,360	133,360	(14,924)
	Euros		2,365	2,365	(432)
Fair value hedge accounting	Forward foreign exchange				
	Sold	Foreign currency-denominated bonds	1,298,661	-	(55,830)
	U.S. dollars		711,145	-	(41,618)
	Euros		230,577	-	(4,756)
	Australian dollars		206,995	-	(4,612)
	Other		149,943	-	(4,843)
Total			-	-	(71,187)

(ii) Interest-related derivatives (Millions of yen)

Hedge accounting method	Type of derivative	Major hedged item	Contract amount	Contract amount due after 1 year	Fair value
Deferred hedge accounting	Interest rate swaps				
	Fixed-rate receivable / Floating-rate payable	Insurance liability	300,000	300,000	(72,803)
Total			-	-	(72,803)

5. The consolidated balance sheet amount, fair value and the outline of the risk management policy of policy-reserve-matching bonds were as follows:

(1) The consolidated balance sheet amount and fair value of policy-reserve-matching bonds amount to ¥7,001,851 million and ¥5,902,104 million, respectively.

(2) The outline of the risk management policy of policy-reserve-matching bonds is as follows:

The Company categorizes its insurance products into the following sub-groups based on the attributes of each product in order to manage risks arising from fluctuations in interest rates of assets and liabilities, and adopts a management policy whereby the duration gap between policy-reserve-matching bonds and policy reserves by sub-groups are reconciled within a certain range and the duration gap is periodically checked.

1) Postal Life Insurance Contracts (excluding some insurance types)

2) Japan Post Insurance life insurance contracts (general) (all insurance policies)
3) Japan Post Insurance life insurance contracts (lump-sum payment) (excluding some insurance types)

6. Securities lent under lending agreements in the amount of ¥3,153,086 million were included in "Securities" in the consolidated balance sheets as of March 31, 2026.

7. There were no bankrupt loans or quasi-bankrupt loans, doubtful loans, past due loans for three months or more, or restructured loans as of March 31, 2026.

Definitions for each of the respective loans are as follows:

Bankrupt or quasi-bankrupt loans are loans to borrowers who have fallen into bankruptcy for reasons such as the commencement of bankruptcy proceedings or reorganization proceedings, or the petition for commencement of rehabilitation proceedings, and loans similar to these.

Doubtful loans are loans to borrowers who are yet to have fallen into bankruptcy, but from whom the collection of principal and receipt of interest as committed under an agreement is unlikely to be achieved, due to the borrower's deteriorating financial conditions and business performance. This category excludes loans classified as bankrupt loans or quasi-bankrupt loans and doubtful loans.

Past due loans for three months or more are loans for which principal or interest payments are delinquent for three months or more under the term of the loans from the day following the contractual due date, excluding those classified as bankrupt loans or quasi-bankrupt loans.

Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reduction or exemption, postponement of principal or interest payments, debt waiver or other arrangements, have been made for the purpose of assisting and supporting the borrowers in the restructuring of their business. This category excludes loans classified as bankrupt loans or quasi-bankrupt loans, doubtful loans and past due loans for three months or more.

8. Accumulated depreciation for tangible fixed assets as of March 31, 2026, was ¥64,048 million.

9. Total deferred tax assets and total deferred tax liabilities were ¥1,536,134 million and ¥1,195,222 million, respectively. A deduction from deferred tax assets as valuation allowance was ¥18,169 million.

Significant components of deferred tax assets include ¥1,004,858 million of policy reserves, ¥194,319 million of reserve for price fluctuations, ¥40,540 million of reserve for outstanding claims, ¥28,583 million of liability for retirement benefits, and ¥196,178 million of unrealized losses on available-for-sale securities.

Significant components of deferred tax liabilities include ¥1,178,402 million of unrealized gains on available-for-sale securities.

Deferred tax assets associated with policy reserves and reserve for price fluctuations have the effect of reducing the amount of tax burden through future taxable income over the long term.

10. Changes in reserve for policyholder dividends for the fiscal year ended March 31, 2026, were as follows:

Balance at the beginning of the fiscal year	¥1,085,126 million
Policyholder dividends paid	¥101,997 million
Interest accrual	¥2,765 million
Reduction due to the acquisition of additional annuity	¥282 million
Provision for reserve for policyholder dividends	¥143,579 million
Balance at the end of the fiscal year	¥1,129,192 million

11. Equities, etc. of subsidiaries and affiliates was ¥167,940 million.

12. Assets pledged as collateral consisted of the following:

Securities	¥4,834,239 million

Liabilities corresponding to assets pledged as collateral consisted of the following:

Payables under repurchase agreements	¥4,595,895 million

The above securities are those sold under repurchase agreements.

In addition to the above, the following has been pledged as collateral for the transactions such as transactions under securities lending secured by securities and derivative transactions.

Securities	¥241,312 million
Margin deposits for futures transactions	¥4,932 million
Cash collateral paid for financial instruments	¥135,155 million

13. Reserve for outstanding claims for reinsured part defined in Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Ordinance (hereinafter referred to as "reserve for outstanding claims-ceded"), as of March 31, 2026, was ¥295 million. Policy reserves for reinsured part defined in Article 71, Paragraph 1 of the said Ordinance (hereinafter referred to as "policy reserves-ceded") as of March 31, 2026, were ¥1,378,781 million.

14. Net assets per share were ¥3,833.13.

The Company conducted a stock split effective April 1, 2026, splitting its common stock at a ratio of three (3) shares for every one (1) share. Net assets per share have been calculated assuming that the stock split was conducted at the beginning of the fiscal year.

The Company has established a Board Benefit Trust (BBT) and shares of the Company held in trust, which were recorded as treasury stock under the category of shareholders' equity, were included in treasury stock to be deducted from the calculation of the total number of shares issued at the end of the fiscal year, for the purpose of calculating net assets per share.

Total number of treasury stock at the end of the fiscal year which was deducted from the calculation of net assets per share for the fiscal year ended March 31, 2026, was 1,171 thousand shares.

15. The Company has the right to sell or pledge securities received as collateral for transactions such as resale agreements, borrowing agreements, and derivative transactions. The fair value of such securities held in hand was ¥60,313 million as of March 31, 2026.

16. Bonds payable are subordinated bonds stipulating that their priorities are ranked behind other obligations.

17. Matters related to retirement benefits are as follows:

(1) Outline of retirement benefits

The Company and its consolidated subsidiary have lump-sum severance indemnity plans which are an unfunded defined benefit plan.

In addition, starting from October 1, 2015, the Company has joined the retirement pension plan based on the Act for Partial Amendment of the Act on National Public Officers' Retirement Allowance, etc., for the Purpose of Review over the Levels of the Retirement Benefits for National Public Officers (Act No. 96 of 2012) and introduced as a new pension system to replace the discontinued occupational portion (third-tier portion) of the mutual pension, and the pension contribution amount required of the Company for the fiscal year ended March 31, 2026, was ¥926 million.

(2) Defined benefit plans

1) Changes in retirement benefit obligations

	(Millions of yen)
Balance at the beginning of the fiscal year	107,927
Service cost	6,579
Interest cost	835
Actuarial differences	(18,186)
Benefits paid	(7,332)
Increase/decrease due to transfers	8,834
Balance at the end of the fiscal year	98,658

2) Balance of retirement benefit obligations and reconciliations of liability for retirement benefits recorded on the consolidated balance sheets

	(Millions of yen)
Unfunded retirement benefit obligations	98,658
Liability for retirement benefits recorded on the consolidated balance sheets	98,658

3) Retirement benefit costs

	(Millions of yen)
Service cost	6,579
Interest cost	835
Amortization of actuarial differences	(31)
Amortization of prior service cost	(473)
Amount borne by seconded employees	4,362
Retirement benefit expenses of defined benefit plans	11,273

4) Adjustments for retirement benefits
The breakdown of adjustments for retirement benefits (before income taxes and tax effects) is as follows:

	(Millions of yen)
Prior service cost	(473)
Actuarial differences	18,154
Total	17,681

5) Accumulated adjustments for retirement benefits
The breakdown of accumulated adjustments for retirement benefits (before income taxes and tax effects) is as follows:

	(Millions of yen)
Unrecognized prior service cost	1,968
Unrecognized actuarial differences	18,153
Total	20,122

6) Actuarial assumptions
The principal actuarial assumption used for the fiscal year ended March 31, 2026, was as follows:

Discount rate	1.9 to 2.4%

Note: Although the discount rates applied in the calculation for the Company and its consolidated subsidiary at the beginning of the fiscal year under review were 0.7 to 1.9%, as a result of reviewing the discount rates at the end of the fiscal year, the Company determined that the change would have a material impact on the amount of retirement benefit obligations, and has changed the discount rates to 1.9 to 2.4%.

18. Policy reserves, excluding contingency reserve and including policy reserves-ceded, related to reinsurance contracts with the Management Network, amounted to ¥23,140,530 million and are provided at amounts calculated based on the statement of calculation procedures for the Company's insurance premiums and policy reserves. The amounts calculated based on the foregoing procedures are not less than the amounts calculated based on the statement of calculation procedures for the Postal Life Insurance policy reserves in accordance with the Act on Organization for Postal Savings, Postal Life Insurance and Post Office Network (Act No. 101 of 2005).

In addition, contingency reserve and reserve for price fluctuations are provided in the amount of ¥937,984 million and ¥530,349 million, respectively, for the category of the reinsurance.

19. "Other liabilities" in the consolidated balance sheets includes ¥35,985 million of deposits from the Management Network. Deposits from the Management Network refer to the amounts equivalent to the reserve for outstanding claims of the Management Network, which were deposited at the time of privatization based on the outsourcing agreements with the Management Network for the administrative operation of the Postal Life Insurance Policy and which remained unpaid at the end of the fiscal year ended March 31, 2026.

20. Notes to significant subsequent events are as follows:

(Stock Split and Partial Amendments to the Articles of Incorporation in Association with the Stock Split)

Based on the resolution at the meeting of its Board of Directors held on January 29, 2026, the Company conducted a stock split and made partial amendments to its Articles of Incorporation in association with the stock split, effective April 1, 2026.

(1) Purpose of the stock split

The purpose of the stock split is to lower the price per investment unit, create a more favorable investment environment, improve the liquidity of the common stock of the Company, and expand our investor base.

(2) Overview of the stock split

1) Method of the stock split

The common stock of the Company held by shareholders whose names are registered in or recorded on the last register of shareholders as of March 31, 2026 was split at a ratio of three (3) shares for every one (1) share, with March 31, 2026 as the record date.

2) Number of shares increased by the stock split

Total number of shares issued before the stock split	371,822,700 shares
Number of shares increased by this stock split	743,645,400 shares
Total number of shares issued after the stock split	1,115,468,100 shares
Total number of shares authorized to be issued after the stock split	4,400,000,000 shares

3) Schedule for the stock split

Announcement of record date	Thursday, March 12, 2026
Record date	Tuesday, March 31, 2026
Effective date	Wednesday, April 1, 2026

(3) Effects on per share data

Per share data assuming that the stock split was conducted at the beginning of the consolidated fiscal year is as follows.

(Yen)

	Fiscal year ended March 31, 2026
Net assets per share	3,833.13
Net income per share	152.55

(4) Partial amendments to the Articles of Incorporation in association with the stock split

1) Reasons for amendments to the Articles of Incorporation

In association with the stock split, pursuant to Article 184, Paragraph 2 of the Companies Act, the Board of Directors resolved to make, and the Company made, partial amendments to the Articles of Incorporation, with an effective date of April 1, 2026.

2) Amendments to the Articles of Incorporation

(Amended parts are underlined.)

Before amendments	After amendments
(Total Number of Shares Authorized to be Issued) Article 6: The total number of shares authorized to be issued by the Company shall be <u>two thousand four hundred</u> million (<u>2,400</u>,000,000) shares.	(Total Number of Shares Authorized to be Issued) Article 6: The total number of shares authorized to be issued by the Company shall be <u>four thousand four hundred</u> million (<u>4,400</u>,000,000) shares.

3) Schedule for amendments to the Articles of Incorporation

Date of resolution by the Board of Directors	Thursday, January 29, 2026
Effective date	Wednesday, April 1, 2026

(Cancellation of treasury stock)

At the Board of Directors' meeting held on April 24, 2026, the Company resolved to cancel its treasury stock pursuant to Article 178 of the Companies Act.

1. Class of shares to be cancelled: Common stock of the Company
2. Number of shares to be cancelled: 30,650,400shares
   (2.7% of the total number of shares issued before the cancellation)
3. Scheduled date of the cancellation: June 30, 2026

(Reference)

Total number of shares issued (after the cancellation): 1,084,817,700 shares

(Notes to the Unaudited Consolidated Statements of Income)

1. Significant Accounting Policies

(1) Recognition of insurance premiums and others

1) Insurance premiums

The first premium is recognized for premiums that have been collected and for which the policy has commenced, in the amount collected. Premiums thereafter are recognized in the amount of each collection.

Portions of collected insurance premiums corresponding to the unearned period as of the fiscal year-end are accumulated as policy reserves, pursuant to Article 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 2 of the Ordinance for Enforcement of the Insurance Business Act.

2) Reinsurance income

Of the amounts that are paid as insurance claims pertaining to original insurance contracts in accordance with reinsurance contracts, the portions that correspond to reinsurance are recorded as reinsurance income at the time of payment of these insurance claims.

(2) Recognition of insurance claims and others

1) Insurance claims and others (excluding reinsurance premiums)

When an insured event occurs and payment is made in the amount calculated based on the insurance contract, insurance claims and others (excluding reinsurance premiums) are recognized in the amount of such payment.

Reserve for outstanding claims has been accumulated for insurance claims, etc. for which payment is due but has not been paid at the fiscal year-end, or insurance claims, etc. for which the occurrence of the insured event has not been reported but the Company deems that the insured event provided in the insurance contract has occurred, pursuant to Article 117 of the Insurance Business Act and Article 72 of the Ordinance for Enforcement of the Insurance Business Act.

2) Reinsurance premiums

Reinsurance premiums that have been agreed on based on reinsurance contracts are recorded when the said reinsurance contracts are concluded or when insurance premiums corresponding to original insurance contracts are collected, etc.

Some of the policy reserves and reserves for outstanding claims that correspond to reinsurance are not set aside pursuant to Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act.

2. The amount of reversal of reserve for outstanding claims-ceded that is added to the calculation of provision of reserve for outstanding claims for the fiscal year ended March 31, 2026, was ¥61 million. The amount of provision for policy reserves-ceded that is added to the calculation of reversal of policy reserves for the fiscal year ended March 31, 2026, was ¥191,610 million.

3. Net income per share was ¥152.55.

The Company conducted a stock split effective April 1, 2026, splitting its common stock at a ratio of three (3) shares for every one (1) share. Net income per share has been calculated assuming that the stock split was conducted at the beginning of the fiscal year.

The Company has established a Board Benefit Trust (BBT). Shares of the Company held in trust, which were recorded as treasury stock under the category of shareholders' equity, were included in treasury stock to be deducted from the calculation of the average number of shares during the fiscal year, for the purpose of calculating net income per share.

Average number of treasury stock during the fiscal year which was deducted from the calculation of net income per share for the fiscal year ended March 31, 2026, was 1,174 thousand shares.

4. Insurance premiums assumed based on reinsurance contracts with the Management Network included in insurance premiums and others for the fiscal year ended March 31, 2026, were ¥104,043 million.

5. Insurance claims based on reinsurance contracts with the Management Network included in insurance claims for the fiscal year ended March 31, 2026, were ¥1,783,384 million.

6. Provision for reserve for policyholder dividends, which is provided for the Management Network based on gains or losses and others arising in the category of the reinsurance due to the reinsurance contracts with the Management Network, was ¥126,124 million for the fiscal year ended March 31, 2026.

(Notes to the Unaudited Consolidated Statements of Comprehensive Income)

(Millions of yen)

Net unrealized gains (losses) on available-for-sale securities:	
Amount arising during the fiscal year	1,345,428
Reclassification adjustments	(84,547)
Before income taxes and tax effect adjustments	1,260,881
Income taxes and tax effects	(364,098)
Net unrealized gains (losses) on available-for-sale securities	896,783
Net deferred gains (losses) on hedges:	
Amount arising during the fiscal year	(60,561)
Reclassification adjustments	-
Before income taxes and tax effect adjustments	(60,561)
Income taxes and tax effects	17,520
Net deferred gains (losses) on hedges	(43,040)
Adjustments for retirement benefits:	
Amount arising during the fiscal year	18,186
Reclassification adjustments	(504)
Before income taxes and tax effect adjustments	17,681
Income taxes and tax effects	(5,117)
Adjustments for retirement benefits	12,563
Share of other comprehensive income of affiliates accounted for under the equity method	
Amount arising during the fiscal year	65
Total other comprehensive income (loss)	866,372

(Notes to the Unaudited Consolidated Statements of Cash Flows)

1. Scope of Cash and Cash Equivalents
   Cash and cash equivalents consists of "Cash and deposits" in the consolidated balance sheets.

2. The reconciliation of cash and cash equivalents in the consolidated statements of cash flows to cash and deposits in the consolidated balance sheets as of March 31, 2026, was as follows:

Cash and deposits	¥1,752,984 million
Cash and cash equivalents	¥1,752,984 million

(Notes to the Unaudited Consolidated Statements of Changes in Net Assets)

1. Type and Number of Shares Issued and Treasury Stock (Thousands of shares)

	April 1, 2025	Increase	Decrease	March 31, 2026
Shares issued				
Common stock	383,192	-	11,369	371,822
Treasury stock				
Common stock	405	21,586	11,373	10,618

(*1) The decrease of 11,369 thousand shares in the number of issued shares was attributable to the cancellation of treasury stock based on the resolution passed at the Board of Directors' meeting held on May 15, 2025.

(*2) Numbers of treasury stock at the beginning and the end of the fiscal year ended March 31, 2026, include shares of the Company held in the Board Benefit Trust (BBT), and were 394 thousand shares and 390 thousand shares, respectively.

(*3) The increase of 21,586 thousand shares in the number of treasury stock was attributable to the increase of 11,369 thousand shares from the acquisition of treasury stock based on the resolutions passed at the Board of Directors' meetings on November 14, 2024 and March 28, 2025, the increase of 10,216 thousand shares from the acquisition of treasury stock based on the resolution passed at the Board of Directors'

meeting on November 14, 2025, and the increase of 0 thousand shares from the purchase of shares less than one unit.

(*4) The decrease of 11,373 thousand shares in the number of treasury stock was attributable to the decrease of 11,369 thousand shares from the cancellation of treasury stock based on the resolution passed at the Board of Directors' meeting on May 15, 2025 and the decrease of 4 thousand shares from the granting of shares via the Board Benefit Trust (BBT).

(*5) Although the Company conducted a stock split effective April 1, 2026, splitting its common stock at a ratio of three (3) shares for every one (1) share, the items described in this note are based on the number of shares before the stock split.

2. Stock Acquisition Rights Including Those Owned by the Company

Not applicable.

3. Information on Dividends

(1) Dividends Paid

Resolution	Class of shares	Total amount (Millions of yen)	Per share amount (Yen)	Record date	Effective date
Board of Directors' meeting held on May 15, 2025	Common stock	19,925	52.00	March 31, 2025	June 19, 2025
Board of Directors' meeting held on November 14, 2025	Common stock	23,052	62.00	September 30, 2025	December 5, 2025

(*1) Total amount of dividends based on the resolution at the Board of Directors meeting held on May 15, 2025, includes ¥20 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

(*2) Total amount of dividends based on the resolution at the Board of Directors meeting held on November 14, 2025, includes ¥24 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

(2) Dividends whose effective date falls after the end of the fiscal year ended March 31, 2026

Resolution	Class of shares	Total amount (Millions of yen)	Source of dividends	Per share amount (Yen)	Record date	Effective date
Board of Directors' meeting held on May 15, 2026	Common stock	22,418	Retained earnings	62.00	March 31, 2026	June 23, 2026

(*1) Total amount of dividends includes ¥24 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

(*2) Although the Company conducted a stock split effective April 1, 2026, splitting its common stock at a ratio of three (3) shares for every one (1) share, the amounts are stated based on the number of shares before the stock split as the record date for dividends was March 31, 2026.

(7) Status of Loans under the Insurance Business Act (Consolidated)

(Millions of yen, %)

As of March 31		2025	2026
	Bankrupt or quasi-bankrupt loans	-	-
	Doubtful loans	-	-
	Past due loans for three months or more	-	-
	Restructured loans	-	-
Subtotal		-	-
(Percentage in total)		(-)	(-)
Normal loans		3,808,619	5,143,222
Total		3,808,619	5,143,222

Notes:
1. Bankrupt or quasi-bankrupt loans are loans to borrowers who have fallen into bankruptcy for reasons such as the commencement of bankruptcy proceedings or reorganization proceedings, or the petition for commencement of rehabilitation proceedings, and loans similar to these.
2. Doubtful loans are loans which principal and interest are unlikely to be collected or received as stipulated in an agreement due to the borrower's deteriorating financial conditions and results even though the borrower is not fallen into bankruptcy (excluding the loans noted in 1).
3. Past due loans for three months or more are loans for which principal or interest payments are delinquent for three months or more under the term of the loans from the day following the contractual due date (excluding the loans noted in 1 and 2).
4. Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reduction or exemption, postponement of principal or interest payments, debt waiver or other arrangements, have been made for the purpose of assisting and supporting the borrowers in the restructuring of their business (excluding the loans noted in 1 to 3).
5. Normal loans are loans which do not fall under the loans noted in 1 to 4 above as there are no particular problems found with the borrower's financial conditions and results.

(8) Segment Information

Segment information is omitted as the Company has only one segment.