

# Financial Statements

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1. Figures (except for % and ‰) shown in this Annual Report have been truncated, with exceptions as indicated.
2. [-] indicates "not applicable," and [0] indicates less than one unit.

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# 1 Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

Regarding the key business results of the Company for the fiscal year ended March 31, 2025, on the sales front, the number of new policies for individual insurance increased by 166 thousand policies to 795 thousand policies (26.5% increase year on year), mainly due to the impact of lump-sum payment whole life insurance policies launched in January 2024, etc. Annualized premiums from new policies for individual insurance increased ¥58.2 billion (49.9% increase year on year) to ¥175.0 billion, while those for third-sector insurance decreased ¥3.2 billion (31.1% decrease year on year) to ¥7.1 billion.

Annualized premiums from policies in force decreased in both categories: those for individual insurance decreased by ¥131.5 billion (4.4% decrease year-on-year) to ¥2,855.8 billion (including reinsured Postal Life Insurance Policies (insurance)), while those for third-sector insurance decreased by ¥26.7 billion (4.7% decrease year-on-year) to ¥537.9 billion (including reinsured Postal Life Insurance Policies).

In asset management, our positive spread increased by ¥50.7 billion year-on-year to ¥142.5 billion.

Ordinary income amounted to ¥6,165.3 billion (8.6% decrease year-on-year), comprising the sum of insurance premiums and others of ¥3,154.8 billion (27.0% increase year-on-year), investment income of ¥1,195.6 billion (1.3% decrease year-on-year), and other ordinary income of ¥1,814.8 billion (40.5% decrease year-on-year).

Ordinary expenses amounted to ¥5,995.0 billion (8.9% decrease year-on-year), comprising the sum of insurance claims and others of ¥5,205.3 billion (9.9% decrease year-on-year), investment expenses of ¥279.0 billion (1.2% decrease year-on-year), operating expenses of ¥431.4 billion (2.0% decrease year-on-year), and other ordinary expenses of ¥78.5 billion (3.5% decrease year-on-year).

As a result, ordinary profit amounted to ¥170.2 billion (5.7% increase year-on-year), and net income attributable to Japan Post Insurance amounted to ¥123.4 billion (41.8% increase year-on-year), which is calculated by adjusting extraordinary gains/losses with ordinary profit, and subtracting provision for reserve for policyholder dividends and total income taxes from ordinary profit.

## 2 Consolidated Financial Statements

### JAPAN POST INSURANCE CO., LTD. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

MARCH 31, 2025 AND 2024

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2025	2024	2025
<b>ASSETS:</b>			
Cash and deposits (Note 3)	1,976,083	1,157,322	13,216
Call loans	30,000	40,000	201
Receivables under resale agreements	604,914	1,047,192	4,046
Monetary claims bought (Note 24)	23,215	25,392	155
Money held in trust (Notes 4 and 24)	6,460,029	6,271,415	43,205
Securities (Notes 4, 5, 6 and 24)	46,528,793	47,693,813	311,188
Loans (Notes 6 and 24)	2,530,051	3,281,313	16,921
Tangible fixed assets (Note 7):			
Land	76,632	76,610	513
Buildings	43,040	45,086	288
Leased assets	4,363	5,326	29
Construction in progress	525	204	4
Other tangible fixed assets	16,507	9,708	110
Total tangible fixed assets	141,068	136,936	943
Intangible fixed assets:			
Software	113,585	97,796	760
Other intangible fixed assets	11	10	0
Total intangible fixed assets	113,596	97,807	760
Agency accounts receivable	10,872	11,296	73
Reinsurance receivables	10,641	7,646	71
Other assets (Notes 5 and 6)	398,321	449,463	2,664
Deferred tax assets (Note 14)	728,870	636,644	4,875
Reserve for possible loan losses	(766)	(346)	(5)
<b>Total assets</b>	<b>59,555,692</b>	<b>60,855,899</b>	<b>398,313</b>
<b>LIABILITIES:</b>			
Policy reserves and others:			
Reserve for outstanding claims (Note 8)	314,993	373,913	2,107
Policy reserves (Notes 8 and 12)	48,765,531	50,512,792	326,147
Reserve for policyholder dividends (Note 9)	1,085,126	1,101,628	7,257
Total policy reserves and others	50,165,652	51,988,334	335,511
Reinsurance payables	5,945	6,001	40
Bonds payable (Notes 10 and 24)	500,000	400,000	3,344
Payables under repurchase agreements (Notes 5 and 10)	4,516,922	3,905,000	30,209
Other liabilities (Notes 6, 10 and 13)	187,251	190,696	1,252
Reserve for management bonuses	227	—	2
Liability for retirement benefits (Note 11)	107,927	95,931	722
Reserve for management board benefit trust	407	391	3
Reserve for price fluctuations (Note 12)	829,930	873,799	5,551
<b>Total liabilities</b>	<b>56,314,265</b>	<b>57,460,155</b>	<b>376,634</b>
<b>NET ASSETS (Note 15):</b>			
Capital stock	500,000	500,000	3,344
Capital surplus	405,044	405,044	2,709
Retained earnings	803,497	717,960	5,374
Treasury stock	(901)	(948)	(6)
Total shareholders' equity	1,707,640	1,622,055	11,421
Net unrealized gains (losses) on available-for-sale securities	1,551,673	1,775,693	10,378
Net deferred gains (losses) on hedges	(19,614)	(4,186)	(131)
Accumulated adjustments for retirement benefits	1,727	2,182	12
Total accumulated other comprehensive income	1,533,786	1,773,689	10,258
<b>Total net assets</b>	<b>3,241,426</b>	<b>3,395,744</b>	<b>21,679</b>
<b>Total liabilities and net assets</b>	<b>59,555,692</b>	<b>60,855,899</b>	<b>398,313</b>

See accompanying notes to consolidated financial statements.

# JAPAN POST INSURANCE CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED MARCH 31, 2025 AND 2024

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2025	2024	2025
<b>ORDINARY INCOME:</b>			
Insurance premiums and others (Note 18)	3,154,875	2,484,007	21,100
Investment income:			
Interest and dividend income	864,561	865,269	5,782
Gains on money held in trust	199,152	181,439	1,332
Gains on sales of securities	110,640	151,153	740
Gains on redemption of securities	220	110	1
Gains on foreign exchanges	20,999	13,579	140
Other investment income	44	27	0
Total investment income	1,195,618	1,211,578	7,996
<b>Other ordinary income:</b>			
Reversal of reserve for outstanding claims (Note 17)	58,919	36,474	394
Reversal of policy reserves (Note 17)	1,747,260	3,005,427	11,686
Other ordinary income	8,660	6,646	58
Total other ordinary income	1,814,840	3,048,548	12,138
Total ordinary income	6,165,335	6,744,134	41,234
<b>ORDINARY EXPENSES:</b>			
Insurance claims and others:			
Insurance claims (Note 19)	3,787,741	4,149,769	25,333
Annuity payments	178,715	218,989	1,195
Benefits	220,852	200,725	1,477
Surrender benefits	415,441	439,018	2,778
Other refunds	49,194	61,170	329
Reinsurance premiums	553,360	708,916	3,701
Total insurance claims and others	5,205,305	5,778,590	34,813
<b>Provision for policy reserves and others</b>			
Provision for interest on policyholder dividends	679	137	5
Total provision for policy reserves and others	679	137	5
<b>Investment expenses:</b>			
Interest expenses	13,641	4,993	91
Losses on sales of securities	193,470	177,704	1,294
Losses on valuation of securities	—	71	—
Losses on redemption of securities	185	240	1
Losses on derivative financial instruments	68,329	95,835	457
Provision for reserve for possible loan losses	335	0	2
Other investment expenses	3,116	3,701	21
Total investment expenses	279,079	282,548	1,866
<b>Operating expenses (Note 16)</b>	431,429	440,320	2,885
<b>Other ordinary expenses</b>	78,547	81,365	525
<b>Total ordinary expenses</b>	5,995,041	6,582,961	40,095
<b>Ordinary profit</b>	170,293	161,173	1,139

See accompanying notes to consolidated financial statements.

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2025	2024	2025
<b>EXTRAORDINARY GAINS (Note 20)</b>	<b>43,884</b>	16,161	<b>293</b>
<b>EXTRAORDINARY LOSSES (Note 21)</b>	<b>247</b>	190	<b>2</b>
<b>Provision for reserve for policyholder dividends (Note 22)</b>	<b>96,990</b>	55,899	<b>649</b>
<b>Income before income taxes</b>	<b>116,940</b>	121,244	<b>782</b>
<b>Income taxes (Note 14):</b>			
Current	20,934	13,408	140
Deferred	(27,467)	20,779	(184)
<b>Total income taxes</b>	<b>(6,532)</b>	34,188	<b>(44)</b>
<b>Net income</b>	<b>123,472</b>	87,056	<b>826</b>
<b>Net income attributable to non-controlling interests</b>	<b>—</b>	—	<b>—</b>
<b>Net income attributable to Japan Post Insurance</b>	<b>123,472</b>	87,056	<b>826</b>

	Yen		U.S. Dollars
<b>Per share of common stock (Note 29):</b>			
Basic net income	322.57	227.45	2.16
Diluted net income	—	—	—

See accompanying notes to consolidated financial statements.

## JAPAN POST INSURANCE CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED MARCH 31, 2025 AND 2024

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2025	2024	2025
Net income	123,472	87,056	826
Other comprehensive income (loss) (Note 23):			
Net unrealized gains (losses) on available-for-sale securities	(224,004)	977,780	(1,498)
Net deferred gains (losses) on hedges	(15,428)	(8,794)	(103)
Adjustments for retirement benefits	(454)	(172)	(3)
Share of other comprehensive income of affiliates accounted for under the equity method	(15)	—	(0)
Total other comprehensive income (loss)	(239,903)	968,813	(1,604)
Comprehensive income (loss)	(116,430)	1,055,870	(779)
Total comprehensive income (loss) attributable to:			
Japan Post Insurance	(116,430)	1,055,870	(779)
Non-controlling interests	—	—	—

See accompanying notes to consolidated financial statements.



# **JAPAN POST INSURANCE CO., LTD. AND SUBSIDIARIES** **CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**

YEARS ENDED MARCH 31, 2025 AND 2024

	Millions of Yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
BALANCE, APRIL 1, 2023	500,000	405,044	701,540	(36,082)	1,570,502
Changes in the fiscal year:					
Cash dividends			(35,635)		(35,635)
Net income attributable to Japan Post Insurance			87,056		87,056
Disposals of treasury stock				132	132
Cancellation of treasury stock		(35,000)		35,000	—
Transfer from retained earnings to capital surplus		35,000	(35,000)		
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	—	—	16,419	35,133	51,553
<b>BALANCE, MARCH 31, 2024</b>	<b>500,000</b>	<b>405,044</b>	<b>717,960</b>	<b>(948)</b>	<b>1,622,055</b>
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
<b>BALANCE, MARCH 31, 2025</b>	<b>500,000</b>	<b>405,044</b>	<b>803,497</b>	<b>(901)</b>	<b>1,707,640</b>

	Millions of Yen				
	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, APRIL 1, 2023	797,912	4,607	2,354	804,875	2,375,377
Changes in the fiscal year:					
Cash dividends					(35,635)
Net income attributable to Japan Post Insurance					87,056
Disposals of treasury stock					132
Cancellation of treasury stock					—
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity in the fiscal year	977,780	(8,794)	(172)	968,813	968,813
Net changes in the fiscal year	977,780	(8,794)	(172)	968,813	1,020,366
<b>BALANCE, MARCH 31, 2024</b>	<b>1,775,693</b>	<b>(4,186)</b>	<b>2,182</b>	<b>1,773,689</b>	<b>3,395,744</b>
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)
<b>BALANCE, MARCH 31, 2025</b>	<b>1,551,673</b>	<b>(19,614)</b>	<b>1,727</b>	<b>1,533,786</b>	<b>3,241,426</b>

See accompanying notes to consolidated financial statements.

Millions of U.S. Dollars (Note 1)					
Shareholders' equity					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
<b>BALANCE, MARCH 31, 2024</b>	<b>3,344</b>	<b>2,709</b>	<b>4,802</b>	<b>(6)</b>	<b>10,848</b>
<b>Changes in the fiscal year:</b>					
Cash dividends			(254)		(254)
Net income attributable to Japan Post Insurance			826		826
Purchases of treasury stock				(0)	(0)
Disposals of treasury stock				0	0
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	—	—	572	0	572
<b>BALANCE, MARCH 31, 2025</b>	<b>3,344</b>	<b>2,709</b>	<b>5,374</b>	<b>(6)</b>	<b>11,421</b>

Millions of U.S. Dollars (Note 1)					
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
<b>BALANCE, MARCH 31, 2024</b>	<b>11,876</b>	<b>(28)</b>	<b>15</b>	<b>11,863</b>	<b>22,711</b>
<b>Changes in the fiscal year:</b>					
Cash dividends					(254)
Net income attributable to Japan Post Insurance					826
Purchases of treasury stock					(0)
Disposals of treasury stock					0
Net changes in items other than shareholders' equity in the fiscal year	(1,498)	(103)	(3)	(1,604)	(1,604)
Net changes in the fiscal year	(1,498)	(103)	(3)	(1,604)	(1,032)
<b>BALANCE, MARCH 31, 2025</b>	<b>10,378</b>	<b>(131)</b>	<b>12</b>	<b>10,258</b>	<b>21,679</b>

See accompanying notes to consolidated financial statements.

# **JAPAN POST INSURANCE CO., LTD. AND SUBSIDIARIES** **CONSOLIDATED STATEMENTS OF CASH FLOWS**

YEARS ENDED MARCH 31, 2025 AND 2024

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2025	2024	2025
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Income before income taxes	116,940	121,244	782
Depreciation and amortization	39,113	41,217	262
Net change in reserve for outstanding claims	(58,919)	(36,474)	(394)
Net change in policy reserves	(1,747,260)	(3,005,427)	(11,686)
Provision for interest on policyholder dividends	679	137	5
Provision for reserve for policyholder dividends	96,990	55,899	649
Net change in reserve for possible loan losses	419	(32)	3
Net change in reserve for management bonuses	227	—	2
Net change in liability for retirement benefits	11,995	26,600	80
Net change in reserve for management board benefit trust	16	76	0
Net change in reserve for price fluctuations	(43,869)	(16,161)	(293)
Interest and dividend income (accrual basis)	(864,561)	(865,269)	(5,782)
Net (gains) losses on securities	82,795	26,753	554
Interest expenses (accrual basis)	13,641	4,993	91
Net (gains) losses on foreign exchanges	(20,999)	(13,579)	(140)
Net (gains) losses on tangible fixed assets	217	174	1
Equity in (earnings) losses of affiliates	(929)	—	(6)
Net change in agency accounts receivable	424	30,010	3
Net change in reinsurance receivables	(2,994)	(3,597)	(20)
Net change in other assets (excluding those related to investing activities and financing activities)	93,497	(145,438)	625
Net change in reinsurance payables	(55)	(295)	(0)
Net change in other liabilities (excluding those related to investing activities and financing activities)	(15,562)	21,712	(104)
Other, net	(128,837)	(82,147)	(862)
Subtotal	(2,427,028)	(3,839,603)	(16,232)
Interest and dividend received (cash basis)	906,205	878,801	6,061
Interest paid (cash basis)	(10,826)	(4,862)	(72)
Policyholder dividends paid	(114,060)	(129,463)	(763)
Income taxes (paid) refund	17,867	31,960	119
Net cash used in operating activities	(1,627,842)	(3,063,168)	(10,887)

See accompanying notes to consolidated financial statements.

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2025	2024	2025
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchases of call loans	(7,399,999)	(7,340,000)	(49,492)
Proceeds from redemption of call loans	7,409,999	7,340,000	49,559
Net change in receivables under resale agreements	442,278	337,571	2,958
Purchases of monetary claims bought	(39,958)	(19,995)	(267)
Proceeds from sale and redemption of monetary claims bought	41,787	41,682	279
Purchases of money held in trust	(126,841)	(291,790)	(848)
Proceeds from decrease in money held in trust	48,699	168,963	326
Purchases of securities	(2,593,437)	(2,025,036)	(17,345)
Proceeds from sale and redemption of securities	3,489,520	4,459,587	23,338
Payments for loans	(485,228)	(444,874)	(3,245)
Proceeds from collection of loans	1,236,498	769,394	8,270
Net change in payables under repurchase agreements	611,922	164,312	4,093
Other, net	(138,287)	(353,155)	(925)
Total of net cash provided by investment transactions	2,496,953	2,806,659	16,700
Total of net cash provided by (used in) operating activities and investment transactions	869,110	(256,508)	5,813
Purchases of tangible fixed assets	(12,357)	(48,738)	(83)
Proceeds from sales of tangible fixed assets	16	10	0
Purchases of intangible fixed assets	(45,390)	(37,791)	(304)
Purchase of shares of subsidiaries	—	(200)	—
Purchase of shares of affiliates accounted for under the equity method	(52,500)	—	(351)
Other, net	(261)	1,856	(2)
Net cash provided by investing activities	2,386,460	2,721,796	15,961
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Repayment of lease obligations	(1,305)	(1,598)	(9)
Proceeds from issuance of bonds payable	99,383	99,383	665
Purchases of treasury stock	(0)	—	(0)
Proceeds from disposals of treasury stock	—	4	—
Dividends paid	(37,933)	(35,620)	(254)
Net cash provided by financing activities	60,143	62,169	402
Effect of exchange rate changes on cash and cash equivalents	—	—	—
Net change in cash and cash equivalents	818,761	(279,202)	5,476
Cash and cash equivalents at the beginning of the fiscal year	1,157,322	1,436,524	7,740
Cash and cash equivalents at the end of the fiscal year (Note 3)	1,976,083	1,157,322	13,216

See accompanying notes to consolidated financial statements.

# JAPAN POST INSURANCE CO., LTD. AND SUBSIDIARIES

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2025 AND 2024

### 1. BASIS OF PRESENTATION

The accompanying consolidated financial statements of JAPAN POST INSURANCE Co., Ltd. (the "Company") have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations concerning the preparation of consolidated financial statements, the Ordinance for Enforcement of Insurance Business Act and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of the International Financial Reporting Standards. Intercompany balances and transactions have been eliminated.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan.

All Japanese yen figures in the consolidated financial statements have been rounded down to the nearest million yen, except for per share information. Accordingly, the total of each account might not be equal to the combined total of individual items.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and mainly operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥149.52 to US\$1, the approximate rate of exchange as of March 31, 2025. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (1) Consolidation and Equity Method

##### 1) Scope of consolidation

Under Japanese GAAP, a company is required to consolidate any subsidiary when the company substantially controls the operations of the subsidiary, even if it is not majority owned. Control is defined as the power to govern the decision-making body of an enterprise. The consolidated financial statements for all periods presented include the accounts of the Company and a subsidiary, JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. (collectively, the "Group"). For the years ended March 31, 2025, and 2024, the Company's major non-consolidated subsidiaries were Japan Post Insurance NEXT Partners Co., Ltd., and Spring Investment Limited Partnership. These non-consolidated subsidiaries were small in terms of total assets, ordinary income, net income or loss (an amount attributable to the Company), retained earnings (an amount attributable to the Company), cash flows and other items. They were excluded from the scope of consolidation as they were not significant enough to interfere with rational judgment regarding the corporate group's financial conditions, business performance and cash flows.

#### 2) Application of the equity method

A company is required to apply the equity method of accounting to its non-consolidated subsidiaries and affiliates under Japanese GAAP. In the year ended March 31, 2025, Daiwa Asset Management Co., Ltd. was included in the scope of application of the equity method due to the acquisition of its shares. For the years ended March 31, 2025, and 2024, non-consolidated subsidiaries (Japan Post Insurance NEXT Partners Co., Ltd., Spring Investment Limited Partnership) and affiliates (Japan Post Investment Corporation, MKAM Co., Ltd., and others) not accounted for under the equity method have been excluded from the scope of equity method, as they were insignificant as a whole, with minimal influence on the consolidated financial statements, in terms of net income or loss (an amount attributable to the Company), retained earnings (an amount attributable to the Company) and other items.

#### 3) Fiscal year-end date of the consolidated subsidiary

The fiscal year-end date of the consolidated subsidiary is the same as the consolidated balance sheet date.

#### (2) 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 the "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) Investments in non-consolidated subsidiaries and affiliates that are not accounted for under the equity method

Investments in non-consolidated subsidiaries and affiliates that are not accounted for under the equity method are carried at cost, and the cost of these securities sold is calculated using the moving-average method.

##### 4) Available-for-sale securities

###### a) 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.

b) 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.

**(3) Derivative Transactions**

All derivative transactions are valued at fair value.

**(4) Hedge Accounting**

**1) Methods for hedge accounting**

The Group applies deferred hedge accounting through currency swaps to hedge cash flows 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 the "Financial Instruments Accounting Standard"). In addition, deferred hedge accounting through interest rate swaps to hedge interest rate risk for a portion of its insurance liabilities is applied 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**

(i) Hedging instrument: Currency swaps

Hedged item: Foreign-currency-denominated bonds

(ii) Hedging instrument: Foreign currency exchange contracts

Hedged item: Foreign-currency-denominated bonds

(iii) Hedging instrument: Interest rate swaps

Hedged item: 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.

**(5) Depreciation**

**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:

Buildings: 2–60 years

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**

The Group mainly leases vehicles under finance lease arrangements that do not transfer the ownership of leased property to the lessee.

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.

**(6) 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 a 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 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. The reserve for possible loan losses also includes amounts set aside for other assets subject to valuation allowance. The amounts written off for loans and other assets during the years ended March 31, 2025, and 2024, were ¥44 million (\$0 million) and ¥45 million, respectively.

**(7) 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.

The amount of policy reserves might be affected if the actual results of the basis of the calculation of policy reserves such as assumed mortality rates, assumed interest rates and expected rate of expenses deviate significantly, or deviations are expected in the future, due to changes in the environment.

Among the policy reserves, insurance premium reserves are calculated based on the following methodology. The amount includes additional policy reserves accumulated for the portion of the reinsurance contracts issued to the Organization for Postal Savings, Postal Life Insurance and Post Office Network (hereinafter 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.

In the year ended March 31, 2025, the Company accumulated additional policy reserves for the portion of reinsurance contracts from the Management Network pursuant to Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act. The amount of reserves accumulated totaled ¥598,226 million (\$4,001 million). However, as the same amount was released from the contingency reserve, there was no impact on ordinary profit or income before income taxes.

Among the policy reserves, contingency reserves are accumulated to ensure the fulfillment 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.

The Management Network was established in October 2007 to support the privatization of Japan Post by succeeding from Japan Post postal savings such as fixed amount or term postal savings deposited and Postal Life Insurance Contracts concluded by September 2007 to ensure that such postal savings and Postal Life Insurance are managed appropriately and to fulfill the relevant liabilities without fail.

The Company has entered into the reinsurance contracts comprising outsourcing agreements for the administrative operation of the Postal Life Insurance and the reinsurance contracts for insurance liabilities based on former Postal Life Insurance Contracts for Postal Life Insurance Contracts concluded by September 2007 that have been assumed by the Management Network.

In addition, based on the master plan by the Postal Service Privatization Act, with respect to the amount equivalent to that lent to policyholders of the Postal Life Insurance Contracts and to Japanese local governments and others succeeded from Japan Post Corporation, the Company has lent loans to the Management Network under the same loan conditions as those of the contracts between Japan Post and its counterparties.

### **(8) 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.

### **(9) 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 reserve 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.

### **(10) Reserve for Management Bonuses**

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

### **(11) Retirement Benefits**

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

Actuarial differences are 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 period for employees in the fiscal year of incurrence.

### **(12) Reserve for Management Board Benefit Trust**

To provide for the granting of shares and other benefits 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.



**(13) Reserve for Price Fluctuations**

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

**(14) 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.

**(15) Consolidated Statement of Cash Flows**

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

**(16) Unadopted Accounting Standards, etc.**

- "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024)

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

Other related guidance including Accounting Standards, Implementation Guidance, Practical Solutions and Transferred Guidance

1) Outline

As with accounting principles generally accepted internationally, 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 year ending March 31, 2028.

3) Effect of the adoption of the accounting standards, etc.

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

**(17) Additional Information**

**Transactions for granting shares and other benefits of the Company to executive officers of the Company through a trust**

The Company has introduced a trust-based performance-linked stock compensation system and a trust-based 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 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 A) and B) below, and after the time of their retirement shall have the Board Benefit Trust ("BBT") grant executive officers who meet the requirements 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.

A) 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.

B) 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). The book value of such treasury stock at the end of the years ended March 31, 2025, and 2024, was ¥877 million (\$6 million) and ¥925 million, respectively, while the number of such treasury stock was 394 thousand shares and 415 thousand shares, respectively.



### 3. RECONCILIATIONS OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of March 31, 2025, and 2024, and cash and deposits in the consolidated balance sheets as of March 31, 2025, and 2024, were as follows:

	Millions of Yen		Millions of U.S. Dollars
March 31	2025	2024	2025
Cash and deposits	1,976,083	1,157,322	13,216
Cash and cash equivalents at the end of the year	1,976,083	1,157,322	13,216

### 4. SECURITIES

#### (1) Securities

Securities as of March 31, 2025, and 2024, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
March 31	2025	2024	2025
Japanese government bonds	35,390,389	36,037,546	236,693
Japanese local government bonds	2,123,485	2,634,528	14,202
Japanese corporate bonds	4,126,013	4,119,871	27,595
Stocks	594,739	557,752	3,978
Foreign securities	2,024,510	2,168,841	13,540
Other	2,269,655	2,175,272	15,180
Total	46,528,793	47,693,813	311,188

Investments in non-consolidated subsidiaries and affiliates included in "Stocks" and "Other" as of March 31, 2025 and 2024, were as follows:

	Millions of Yen		Millions of U.S. Dollars
March 31	2025	2024	2025
Stocks (included in "Stocks")	60,877	7,462	407
Investments in capital (included in "Other")	126,835	70,384	848
Total	187,713	77,847	1,255

Securities lent under lending agreements in the amount of ¥1,390,979 million (\$9,303 million) and ¥1,597,184 million were included in "Securities" in the consolidated balance sheets as of March 31, 2025, and 2024, respectively.

The Group 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 ¥109,672 million (\$733 million) and ¥141,779 million as of March 31, 2025, and 2024, respectively.

#### (2) Policy-Reserve-Matching Bonds

The consolidated balance sheet amount and fair value of policy-reserve-matching bonds as of March 31, 2025, and 2024, were as follows:

	Millions of Yen		Millions of U.S. Dollars
March 31	2025	2024	2025
Consolidated balance sheet amount	7,243,771	7,139,629	48,447
Fair value	6,522,343	6,954,091	43,622

The outline of the risk management policy of policy-reserve-matching bonds was 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 the 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 is reconciled within a certain range and 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)

Since the year ended March 31, 2025, lump-sum payment whole life insurance has been added to the sub-group of Japan Post Insurance life insurance contracts (lump-sum payment). This change has no impact on profit or loss.

(3) Fair Value Information on Securities  
1) Held-to-maturity bonds

(Millions of Yen)

	2025				
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
<b>March 31</b>					
Bonds	31,425,320	30,144,069	(1,281,251)	733,467	(2,014,718)
Japanese government bonds	28,763,818	27,765,793	(998,025)	696,476	(1,694,502)
Japanese local government bonds	1,449,739	1,358,968	(90,771)	26,104	(116,875)
Japanese corporate bonds	1,211,761	1,019,307	(192,454)	10,886	(203,340)
Total	31,425,320	30,144,069	(1,281,251)	733,467	(2,014,718)

(Millions of Yen)

	2024				
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
<b>March 31</b>					
Bonds	32,343,114	33,401,975	1,058,860	2,097,052	(1,038,191)
Japanese government bonds	29,227,631	30,351,127	1,123,496	1,982,935	(859,439)
Japanese local government bonds	1,846,718	1,863,068	16,349	79,289	(62,939)
Japanese corporate bonds	1,268,765	1,187,779	(80,985)	34,827	(115,813)
Total	32,343,114	33,401,975	1,058,860	2,097,052	(1,038,191)

(Millions of U.S. Dollars)

	2025				
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
<b>March 31</b>					
Bonds	210,175	201,606	(8,569)	4,905	(13,475)
Japanese government bonds	192,374	185,700	(6,675)	4,658	(11,333)
Japanese local government bonds	9,696	9,089	(607)	175	(782)
Japanese corporate bonds	8,104	6,817	(1,287)	73	(1,360)
Total	210,175	201,606	(8,569)	4,905	(13,475)

2) Policy-reserve-matching bonds

(Millions of Yen)

2025					
March 31	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Bonds	7,223,771	6,503,376	(720,394)	91,171	(811,566)
Japanese government bonds	5,421,868	4,978,481	(443,387)	87,806	(531,193)
Japanese local government bonds	361,680	321,257	(40,423)	2,422	(42,845)
Japanese corporate bonds	1,440,222	1,203,637	(236,584)	942	(237,527)
Foreign securities	20,000	18,967	(1,033)	–	(1,033)
Foreign bonds	20,000	18,967	(1,033)	–	(1,033)
Total	7,243,771	6,522,343	(721,427)	91,171	(812,599)

(Millions of Yen)

2024					
March 31	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Bonds	7,119,629	6,934,535	(185,093)	278,170	(463,264)
Japanese government bonds	5,471,984	5,450,242	(21,742)	267,873	(289,615)
Japanese local government bonds	407,116	392,196	(14,920)	6,602	(21,522)
Japanese corporate bonds	1,240,528	1,092,096	(148,431)	3,693	(152,125)
Foreign securities	20,000	19,555	(444)	–	(444)
Foreign bonds	20,000	19,555	(444)	–	(444)
Total	7,139,629	6,954,091	(185,537)	278,170	(463,708)

(Millions of U.S. Dollars)

2025					
March 31	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Bonds	48,313	43,495	(4,818)	610	(5,428)
Japanese government bonds	36,262	33,296	(2,965)	587	(3,553)
Japanese local government bonds	2,419	2,149	(270)	16	(287)
Japanese corporate bonds	9,632	8,050	(1,582)	6	(1,589)
Foreign securities	134	127	(7)	–	(7)
Foreign bonds	134	127	(7)	–	(7)
Total	48,447	43,622	(4,825)	610	(5,435)

### 3) Available-for-sale securities

(Millions of Yen)

March 31	2025				
	Consolidated balance sheet amount	Cost	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Bonds	2,990,796	3,303,529	(312,733)	4,289	(317,023)
Japanese government bonds	1,204,702	1,428,812	(224,109)	1,416	(225,526)
Japanese local government bonds	312,064	327,571	(15,507)	–	(15,507)
Japanese corporate bonds	1,474,029	1,547,145	(73,116)	2,873	(75,989)
Stocks	529,602	381,079	148,522	159,115	(10,592)
Foreign securities	1,980,313	2,008,229	(27,915)	40,652	(68,567)
Foreign bonds	1,808,539	1,840,400	(31,860)	36,707	(68,567)
Foreign other securities	171,773	167,828	3,945	3,945	–
Other <sup>1</sup>	3,186,035	3,287,988	(101,953)	47,355	(149,308)
Total	8,686,747	8,980,826	(294,079)	251,412	(545,492)

(Millions of Yen)

March 31	2024				
	Consolidated balance sheet amount	Cost	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Bonds	3,329,202	3,560,198	(230,996)	6,688	(237,685)
Japanese government bonds	1,337,930	1,530,689	(192,758)	–	(192,758)
Japanese local government bonds	380,693	388,231	(7,537)	31	(7,568)
Japanese corporate bonds	1,610,578	1,641,278	(30,699)	6,657	(37,357)
Stocks	546,030	344,973	201,056	203,449	(2,392)
Foreign securities	2,124,846	2,099,796	25,050	112,961	(87,911)
Foreign bonds	1,954,510	1,932,785	21,725	109,614	(87,888)
Foreign other securities	170,336	167,011	3,324	3,347	(22)
Other <sup>2</sup>	2,800,279	2,864,405	(64,125)	73,704	(137,830)
Total	8,800,359	8,869,374	(69,015)	396,804	(465,819)

(Millions of U.S. Dollars)

March 31	2025				
	Consolidated balance sheet amount	Cost	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
Bonds	20,003	22,094	(2,092)	29	(2,120)
Japanese government bonds	8,057	9,556	(1,499)	9	(1,508)
Japanese local government bonds	2,087	2,191	(104)	–	(104)
Japanese corporate bonds	9,858	10,347	(489)	19	(508)
Stocks	3,542	2,549	993	1,064	(71)
Foreign securities	13,244	13,431	(187)	272	(459)
Foreign bonds	12,096	12,309	(213)	245	(459)
Foreign other securities	1,149	1,122	26	26	–
Other <sup>1</sup>	21,308	21,990	(682)	317	(999)
Total	58,098	60,064	(1,967)	1,681	(3,648)

Notes:

1. "Other" includes negotiable certificates of deposit (cost: ¥1,020,000 million (\$6,822 million), consolidated balance sheet amount: ¥1,020,000 million (\$6,822 million)) presented as "Cash and deposits" in the consolidated balance sheet and monetary claims bought (cost: ¥23,110 million (\$155 million), consolidated balance sheet amount: ¥23,215 million (\$155 million)) as of March 31, 2025.
2. "Other" includes negotiable certificates of deposit (cost: ¥670,000 million, consolidated balance sheet amount: ¥670,000 million) presented as "Cash and deposits" in the consolidated balance sheet and monetary claims bought (cost: ¥24,907 million, consolidated balance sheet amount: ¥25,392 million) as of March 31, 2024.

## 4) Policy-reserve-matching bonds sold for the years ended March 31, 2025 and 2024

(Millions of Yen)

### March 31

Bonds
Japanese government bonds
Japanese local government bonds
Japanese corporate bonds
Total

2025		
Sales	Gains	Losses
747,743	31,059	(41,400)
723,585	31,059	(20,123)
—	—	—
24,157	—	(21,276)
747,743	31,059	(41,400)

(Millions of Yen)

### March 31

Bonds
Japanese government bonds
Japanese local government bonds
Japanese corporate bonds
Total

2024		
Sales	Gains	Losses
802,064	22,141	(8,354)
737,465	22,141	(3,153)
200	0	—
64,399	—	(5,200)
802,064	22,141	(8,354)

(Millions of U.S. Dollars)

### March 31

Bonds
Japanese government bonds
Japanese local government bonds
Japanese corporate bonds
Total

2025		
Sales	Gains	Losses
5,001	208	(277)
4,839	208	(135)
—	—	—
162	—	(142)
5,001	208	(277)

## 5) Available-for-sale securities sold for the years ended March 31, 2025 and 2024

(Millions of Yen)

### March 31

Bonds
Japanese government bonds
Japanese corporate bonds
Stocks
Foreign securities
Foreign bonds
Foreign other securities
Other securities
Total

2025		
Sales	Gains	Losses
555,991	44	(119,349)
553,085	39	(119,349)
2,905	5	—
60,843	23,280	(2,381)
573,200	56,256	(28,375)
572,056	56,256	(28,375)
1,144	—	(0)
22,943	—	(1,964)
1,212,979	79,580	(152,070)

(Millions of Yen)

### March 31

Bonds
Japanese government bonds
Japanese corporate bonds
Stocks
Foreign securities
Foreign bonds
Foreign other securities
Other securities
Total

2024		
Sales	Gains	Losses
433,135	28	(48,975)
363,609	—	(44,493)
69,525	28	(4,482)
66,681	14,394	(4,489)
1,435,266	114,588	(115,885)
1,433,823	114,588	(115,813)
1,442	—	(71)
—	—	—
1,935,083	129,011	(169,350)

(Millions of U.S. Dollars)

### March 31

Bonds
Japanese government bonds
Japanese corporate bonds
Stocks
Foreign securities
Foreign bonds
Foreign other securities
Other securities
Total

2025		
Sales	Gains	Losses
3,719	0	(798)
3,699	0	(798)
19	0	—
407	156	(16)
3,834	376	(190)
3,826	376	(190)
8	—	(0)
153	—	(13)
8,112	532	(1,017)

## 6) Securities for which losses on valuation were recognized

No losses on valuation were recorded for the year ended March 31, 2025. The Group recognized losses on valuation of ¥71 million for available-for-sale securities with market value for the year ended March 31, 2024.

Available-for-sale securities with market value that have declined 50% or more of their acquisition costs shall, in principle, be subject to recognition of losses on valuation, while those with market value declining by 30% or more, but less than 50% of their acquisition costs, shall be subjected to recognition of losses on valuation, unless the market value is deemed likely to recover to the acquisition costs.

## (4) Money Held in Trust

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

(Millions of Yen)

		2025				
		Consolidated balance sheet amount	Cost	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
March 31	Specified money held in trust	6,330,280	3,874,533	2,455,746	2,495,579	(39,832)

(Millions of Yen)

		2024				
		Consolidated balance sheet amount	Cost	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
<b>March 31</b>	Specified money held in trust	6,158,055	3,642,486	2,515,569	2,553,934	(38,365)

(Millions of U.S. Dollars)

		2025				
March 31	Consolidated balance sheet amount	Cost	Net unrealized gains (losses)	Unrealized gains	Unrealized losses	
	Specified money held in trust	42.337	25.913	16.424	16.691	(266)

Note:

The Group recognized losses on valuation of ¥4,975 million (\$33 million) and ¥3,882 million for the years ended March 31, 2025, and 2024, respectively.

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.

For the year ended March 31, 2025, stocks other than those mentioned above whose fair value declined by 50% or more of their acquisition costs shall, in principle, be subject to recognition of losses on valuation, while those with fair values declining by 30% or more, but less than 50% of their acquisition costs shall be subjected to recognition of losses on valuation, unless fair values are deemed likely to recover to the acquisition costs.

## 5. ASSETS PLEDGED AS COLLATERAL

Assets pledged as collateral as of March 31, 2025, and 2024, consisted of the following:

		Millions of Yen		Millions of U.S. Dollars
		2025	2024	2025
March 31	Assets pledged as collateral:			
	Securities	4,489,608	3,715,475	30,027
	Liabilities corresponding to assets pledged as collateral:			
	Payables under repurchase agreements	4,516,922	3,905,000	30,209

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.

		Millions of Yen		Millions of U.S. Dollars
		2025	2024	2025
March 31	Securities	160,554	213,657	1,074
	Margin deposits for futures transactions	4,437	4,284	30
	Cash collateral paid for financial instruments	56,013	35,750	375

## 6. LOANS

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, 2025, and 2024.

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.

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 or doubtful 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.

The amounts of unused commitments as of March 31, 2025, and 2024, were as follows:

	Millions of Yen		Millions of U.S. Dollars
<b>March 31</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>
Amount of unused commitments	—	4,890	—

With regard to the loans (loans to the Management Network) that became due on March 31, 2024, the due date was moved to the following business day pursuant to internal rules as March 31, 2024, fell on a bank holiday. Of this amount, the amount received in advance was recorded as other liabilities (suspense receipt) as its due date had not yet arrived. Details of the loans (loans to the Management Network) that became due on March 31, 2024, as well as the amount recorded as accrued interest in other assets (accrued revenue) and the amount received in advance which was recorded as other liabilities (suspense receipt) for these loans to the Management Network were as follows. March 31, 2025, did not fall on a bank holiday.

	Millions of Yen		Millions of U.S. Dollars
<b>March 31</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>
Loans (loans to the Management Network)	—	242,568	—
Other assets (accrued revenue)	—	21,100	—
Other liabilities (suspense receipt)	—	13,276	—

## 7. TANGIBLE FIXED ASSETS

Accumulated depreciation as of March 31, 2025, and 2024, was as follows:

	Millions of Yen		Millions of U.S. Dollars
<b>March 31</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>
Accumulated depreciation	63,740	62,049	426

## 8. REINSURANCE

Reserve for outstanding claims for reinsured parts 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 the “reserve for outstanding claims—ceded”), as of March 31, 2025, and 2024 was as follows:

	Millions of Yen		Millions of U.S. Dollars
<b>March 31</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>
Reserve for outstanding claims—ceded	357	426	2

Policy reserves for reinsured parts defined in Article 71, Paragraph 1 of the said Ordinance (hereinafter “policy reserves—ceded”) as of March 31, 2025, and 2024 were as follows:

	Millions of Yen		Millions of U.S. Dollars
<b>March 31</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>
Policy reserves—ceded	1,187,171	641,745	7,940

## 9. RESERVE FOR POLICYHOLDER DIVIDENDS

Changes in reserve for policyholder dividends for the years ended March 31, 2025 and 2024, were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Balance at the beginning of the year	1,101,628	1,175,171	7,368
Policyholder dividends paid	(114,060)	(129,463)	(763)
Interest accrual	679	137	5
Reduction due to the acquisition of additional annuity	(112)	(115)	(1)
Provision for reserve for policyholder dividends	96,990	55,899	649
Balance at the end of the year	1,085,126	1,101,628	7,257

## 10. BONDS PAYABLE, LEASE OBLIGATIONS AND OTHER INTEREST-BEARING DEBT

Bonds payable as of March 31, 2025, and 2024 were as follows:

March 31	Date of issuance	Millions of Yen		Millions of U.S. Dollars	Interest rate	Collateral	Maturity date
		2025	2024	2025			
Issued by JAPAN POST INSURANCE Co., Ltd.:							
First series of subordinated unsecured bonds with interest deferral option and early redemption option	January 29, 2019	100,000	100,000	669	1.00% <sup>1</sup>	None	January 29, 2049
Second series of subordinated unsecured bonds with interest deferral option and early redemption option	January 28, 2021	200,000	200,000	1,338	1.050% <sup>2</sup>	None	January 28, 2051
Third series of subordinated unsecured bonds with interest deferral option and early redemption option	September 7, 2023	100,000	100,000	669	1.910% <sup>3</sup>	None	September 7, 2053
Fourth series of subordinated unsecured bonds with interest deferral option and early redemption option	April 17, 2024	100,000	—	669	2.133% <sup>4</sup>	None	April 17, 2054
Total		500,000	400,000	3,344			

Notes:

- Interest rate from the day immediately following January 29, 2029 shall be 6-month Euroyen LIBOR plus 1.78%.
- Interest rate from the day immediately following January 28, 2031 shall be the interest rate of 5-year Japanese government bonds plus 2.010% (reset every five years).
- Interest rate from the day immediately following September 7, 2033 shall be the interest rate of 5-year Japanese government bonds plus 2.277% (reset every five years).
- Interest rate from the day immediately following April 17, 2034 shall be the interest rate of 5-year Japanese government bonds plus 2.300% (reset every five years).
- No scheduled redemption is due within 5 years after the end of the year ended March 31, 2025.
- Bonds payable are subordinated bonds stipulating that their priorities are ranked behind other obligations.

Lease obligations and other interest-bearing debt as of March 31, 2025, and 2024, were as follows:

March 31	Millions of Yen		Millions of U.S. Dollars	Average interest rate	Due
	2025	2024	2025	2025	
Lease obligations	4,799	5,860	32	—	February 2031
Other interest-bearing debt:					
Payables under repurchase agreements	4,516,922	3,905,000	30,209	0.39%	—
Total	4,521,722	3,910,860	30,242	—	—

Notes:

- Lease obligations are included in "Other liabilities" in the consolidated balance sheets.
- The interest rates are calculated using the weighted-average method based on the balance at the fiscal year-end. The average interest rate of lease obligations is not presented above because interest is included in the total amount of lease payments.
- Payables under repurchase agreements are scheduled to be settled within one year.

The repayment schedule on lease obligations as of March 31, 2025 was as follows:

March 31	Millions of Yen	Millions of U.S. Dollars
Within 1 year	1,186	8
Due after 1 year through 2 years	1,127	8
Due after 2 years through 3 years	1,022	7
Due after 3 years through 4 years	836	6
Due after 4 years through 5 years	439	3
Due after 5 years	187	1
Total	4,799	32



## 11. RETIREMENT BENEFITS

### (1) Outline of Retirement Benefits

The Group has adopted lump-sum severance indemnity plans as unfunded defined benefit plans.

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 a new pension system to replace the discontinued occupational portion (third-tier portion) of the mutual pension, and the pension contribution amount required for the Company for the years ended March 31, 2025, and 2024, was ¥910 million (\$6 million) and ¥913 million, respectively.

### (2) Defined Benefit Plans

#### 1) Changes in retirement benefit obligations

	Millions of Yen		Millions of U.S. Dollars
<u>Years ended March 31</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>
Balance at the beginning of the year	95,931	69,331	642
Service cost	6,121	5,637	41
Interest cost	747	666	5
Actuarial differences	25	(404)	0
Benefits paid	(6,500)	(6,223)	(43)
Prior service cost	(115)	—	(1)
Increase/decrease due to transfers	11,718	26,924	78
Balance at the end of the year	107,927	95,931	722

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

	Millions of Yen		Millions of U.S. Dollars
<u>March 31</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>
Unfunded retirement benefit obligations	107,927	95,931	722
Liability for retirement benefits recorded on the consolidated balance sheets	107,927	95,931	722

#### 3) Retirement benefit costs

	Millions of Yen		Millions of U.S. Dollars
<u>Years ended March 31</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>
Service cost	6,121	5,637	41
Interest cost	747	666	5
Amortization of actuarial differences	(217)	(178)	(1)
Amortization of prior service cost	(465)	(464)	(3)
Amount borne for seconded employees	2,644	4,483	18
Retirement benefit expenses of defined benefit plans	8,830	10,143	59

#### 4) Adjustments for retirement benefits (before income taxes and tax effects)

	Millions of Yen		Millions of U.S. Dollars
<u>Years ended March 31</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>
Prior service cost	(350)	(464)	(2)
Actuarial differences	(242)	225	(2)
Total	(592)	(239)	(4)

#### 5) Accumulated adjustments for retirement benefits (before income taxes and tax effects)

	Millions of Yen		Millions of U.S. Dollars
<u>March 31</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>
Unrecognized prior service cost	2,441	2,791	16
Unrecognized actuarial differences	(1)	241	(0)
Total	2,440	3,033	16

#### 6) Actuarial assumptions

The principal actuarial assumptions used for the years ended March 31, 2025, and 2024, were as follows:

<u>Years ended March 31</u>	<u>2025</u>	<u>2024</u>
Discount rate	0.7% – 1.9%	0.3% – 0.7%

## 12. RESERVES RELATED TO REINSURANCE CONTRACTS

Policy reserves, excluding contingency reserve and including policy reserves—ceded, related to reinsurance contracts with the Management Network 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 for the category of reinsurance.

The policy reserves, excluding contingency reserve and including policy reserves—ceded, contingency reserve and reserve for price fluctuations mentioned above as of March 31, 2025, and 2024, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
<b>March 31</b>			
Policy reserves (excluding contingency reserve and including policy reserves—ceded)	24,576,340	25,595,821	164,368
Contingency reserve	915,558	1,283,683	6,123
Reserve for price fluctuations	581,452	749,984	3,889

## 13. DEPOSITS FROM THE MANAGEMENT NETWORK

"Other liabilities" in the consolidated balance sheets include deposits from the Management Network.

Deposits from the Management Network refer to the amounts equivalent to the reserve for outstanding claims and reserve for losses on compensation for damages related to litigation or conciliation 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 years ended March 31, 2025, and 2024.

Deposits from the Management Network as of March 31, 2025, and 2024, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
<b>March 31</b>			
Deposits from the Management Network	36,678	37,575	245

## 14. DEFERRED TAX ASSETS AND LIABILITIES

Significant components of deferred tax assets and liabilities as of March 31, 2025, and 2024, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
<b>March 31</b>			
Deferred tax assets:			
Policy reserves	1,025,316	998,451	6,857
Reserve for price fluctuations	225,014	228,547	1,505
Reserve for outstanding claims	42,760	42,693	286
Liability for retirement benefits	31,193	26,909	209
Unrealized losses on available-for-sale securities	169,314	141,183	1,132
Other	52,966	43,617	354
Subtotal	1,546,565	1,481,402	10,344
Valuation allowance	(16,022)	(14,973)	(107)
Total deferred tax assets	1,530,543	1,466,429	10,236
Deferred tax liabilities:			
Unrealized gains on available-for-sale securities	(787,439)	(817,573)	(5,266)
Other	(14,233)	(12,211)	(95)
Total deferred tax liabilities	(801,673)	(829,784)	(5,362)
Net deferred tax assets (liabilities)	728,870	636,644	4,875

Note:

Deferred tax assets related to policy reserves and reserve for price fluctuations were recoverable because future taxable income would be generated over the long term and therefore deferred tax assets have an effect of reducing the amount of tax payable.

The Company and its domestic subsidiary are subject to Japanese national and local income taxes, which, in aggregate, resulted in a statutory tax rate of approximately 28.00% for the years ended March 31, 2025, and 2024.

Reconciliation of the statutory tax rate and the effective income tax rate for the year ended March 31, 2025 was as follows:

<b>March 31</b>	2025	2024
Statutory tax rate:	28.00 %	—%
Increase in deferred tax assets at the end of fiscal year due to a change in tax rate	(34.84)	—
Other	1.25	—
Effective income tax rate	(5.59)%	—%

Note:

The above note for the year ended March 31, 2024 is omitted as the difference between the statutory tax rate and the effective income tax rate was less than 5% of the statutory tax rate.

Following the enactment of the Act on Partial Revision of the Income Tax Act (Act No. 13 of 2025) by the Diet on March 31, 2025, the statutory tax rate used to calculate deferred tax assets and liabilities for the year ended March 31, 2025, has been changed from 28.00% in the previous year to 28.93% for those expected to be collected or paid on or after April 1, 2026.

As a result, deferred tax assets (net of deferred tax liabilities) increased by ¥21,234 million (\$142 million), income taxes – deferred decreased by ¥40,741 million (\$272 million), and net unrealized gains on available-for-sale securities decreased by ¥19,745 million (\$132 million) in the year ended March 31, 2025.

## 15. NET ASSETS

### (1) Type and Number of Shares Issued and Treasury Stock

	Thousands of shares			
<b>Year ended March 31, 2025</b>	April 1, 2024	<b>Increase</b>	<b>Decrease</b>	<b>March 31, 2025</b>
Shares issued:				
Common stock	383,192	—	—	<b>383,192</b>
Total	383,192	—	—	<b>383,192</b>
Treasury stock				
Common stock	427	<b>0</b>	<b>21</b>	<b>405</b>
Total	427	<b>0</b>	<b>21</b>	<b>405</b>

Notes:

1. Numbers of treasury stock at the beginning and the end of the year ended March 31, 2025, include shares of the Company held in the BBT, and were 415 thousand shares and 394 thousand shares, respectively.
2. The increase of 0 thousand shares in the number of treasury stock was attributable to an increase due to the purchase of fractional shares.
3. The decrease of 21 thousand shares in the number of treasury stock was attributable to the granting of shares via the BBT.

Year ended March 31, 2024	Thousands of shares			
	April 1, 2023	Increase	Decrease	March 31, 2024
Shares issued:				
Common stock	399,693	—	16,501	383,192
Total	399,693	—	16,501	383,192
Treasury stock				
Common stock	16,988	—	16,561	427
Total	16,988	—	16,561	427

Notes:

1. The decrease of 16,501 thousand shares in the number of shares issued was attributable to a decrease due to the cancellation by treasury stock based on the written resolution passed by the Board of Directors on April 17, 2023.
2. Numbers of treasury stock at the beginning and the end of the year ended March 31, 2024 include shares of the Company held in the BBT, and were 475 thousand shares and 415 thousand shares, respectively.
3. The decrease of 16,561 thousand shares in the number of treasury stock was attributable to a decrease of 16,501 thousand shares due to the cancellation of treasury stock based on the written resolution passed by the Board of Directors on April 17, 2023, and a decrease of 59 thousand shares due to the granting and sale of shares via the BBT.

### (2) Information on Dividends

#### 1) Dividends paid

##### Dividends paid for the year ended March 31, 2025

Resolution	Class of shares	Total amount (Millions of Yen)	Total amount (Millions of U.S. Dollars)	Per share amount (Yen)	Per share amount (U.S. Dollars)	Record date	Effective date
Board of Directors' meeting held on May 15, 2024	Common stock	18,009	120	47.00	0.31	March 31, 2024	June 18, 2024
Board of Directors' meeting held on November 14, 2024	Common stock	19,925	133	52.00	0.35	September 30, 2024	December 5, 2024

Notes:

1. Total amount of dividends based on the resolution at the Board of Directors' meeting held on May 15, 2024, included ¥19 million (\$0 million) of dividends paid for shares of the Company held in the BBT.
2. Total amount of dividends based on the resolution at the Board of Directors' meeting held on November 14, 2024, included ¥20 million (\$0 million) of dividends paid for shares of the Company held in the BBT.

##### Dividends paid for the year ended March 31, 2024

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, 2023	Common stock	17,626	46.00	March 31, 2023	June 20, 2023
Board of Directors' meeting held on November 13, 2023	Common stock	18,009	47.00	September 30, 2023	December 5, 2023

Notes:

1. Total amount of dividends based on the resolution at the Board of Directors' meeting held on May 15, 2023, included ¥21 million of dividends paid for shares of the Company held in the BBT.
2. Total amount of dividends based on the resolution at the Board of Directors' meeting held on November 13, 2023, included ¥19 million of dividends paid for shares of the Company held in the BBT.

## 2) Dividends for which the effective date falls after the end of the fiscal year

### Dividends for which the effective date falls after the end of the year ended March 31, 2025

Resolution	Class of shares	Total amount (Millions of Yen)	Total amount (Millions of U.S. Dollars)	Source of dividends	Per share amount (Yen)	Per share amount (U.S. Dollars)	Record date	Effective date
Board of Directors' meeting held on May 15, 2025	Common stock	19,925	133	Retained earnings	52.00	0.35	March 31, 2025	June 19, 2025

Note: Total amount of dividends includes ¥20 million (\$0 million) of dividends paid for shares of the Company held in the BBT.

## 16. OPERATING EXPENSES

Operating expenses for the years ended March 31, 2025, and 2024, consisted of the following:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Sales activity expenses	58,906	53,928	394
Sales administration expenses	17,761	19,511	119
General administration expenses	354,762	366,879	2,373
Total	431,429	440,320	2,885

## 17. POLICY RESERVES FOR CEDED REINSURANCE

The amount of reversal of reserve for outstanding claims—ceded that is deducted from the calculation of reversal of reserve for outstanding claims for the years ended March 31, 2025, and 2024, was ¥69 million (\$0 million) and ¥264 million, respectively.

The amount of provision for policy reserves—ceded that is added to the calculation of reversal of reserve for policy reserves for the years ended March 31, 2025, and 2024, was ¥545,425 million (\$3,648 million) and ¥640,865 million, respectively.

## 18. INSURANCE PREMIUMS AND OTHERS

Insurance premiums assumed based on reinsurance contracts with the Management Network included in insurance premiums and others for the years ended March 31, 2025 and 2024, were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Insurance premiums	131,451	171,727	879

## 19. INSURANCE CLAIMS

Insurance claims based on reinsurance contracts with the Management Network included in insurance claims for the years ended March 31, 2025 and 2024, were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Insurance claims	2,065,061	2,268,384	13,811

## 20. EXTRAORDINARY GAINS

Extraordinary gains for the years ended March 31, 2025, and 2024, consisted of the following:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Gains on sales of fixed assets	15	—	0
Reversal of reserve for price fluctuations	43,869	16,161	293
Total	43,884	16,161	293

## 21. EXTRAORDINARY LOSSES

Extraordinary losses for the years ended March 31, 2025, and 2024, consisted of the following:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Losses on sales and disposal of fixed assets	247	190	2
Total	247	190	2

## 22. PROVISION FOR RESERVE FOR POLICYHOLDER DIVIDENDS

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 reinsurance due to the reinsurance contracts with the Management Network, for the years ended March 31, 2025, and 2024, was as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Provision for reserve for policyholder dividends	86,029	46,866	575

## 23. OTHER COMPREHENSIVE INCOME

The amount reclassified, income taxes and the tax-effect amounts related to other comprehensive income for the years ended March 31, 2025, and 2024, were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Net unrealized gains (losses) on available-for-sale securities:			
Amount arising during the fiscal year	(273,083)	1,356,281	(1,826)
Reclassification adjustments	(9,185)	(3,653)	(61)
Before income taxes and tax-effect adjustments	(282,268)	1,352,628	(1,888)
Income taxes and tax effects	58,264	(374,848)	390
Net unrealized gains (losses) on available-for-sale securities	(224,004)	977,780	(1,498)
Net deferred gains (losses) on hedges:			
Amount arising during the fiscal year	(21,784)	(12,214)	(146)
Reclassification adjustments	—	—	—
Before income taxes and tax-effect adjustments	(21,784)	(12,214)	(146)
Income taxes and tax effects	6,356	3,420	43
Net deferred gains (losses) on hedges	(15,428)	(8,794)	(103)
Adjustments for retirement benefits:			
Amount arising during the fiscal year	89	404	1
Reclassification adjustments	(682)	(643)	(5)
Before income taxes and tax-effect adjustments	(592)	(239)	(4)
Income taxes and tax effects	137	67	1
Adjustments for retirement benefits	(454)	(172)	(3)
Share of other comprehensive income of affiliates accounted for under the equity method			
Amount arising during the fiscal year	(15)	—	(0)
Total other comprehensive income (loss)	(239,903)	968,813	(1,604)

## 24. 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 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 the yield is expected to be relatively higher than that of Japanese government bonds, as well as in return-seeking assets (previously referred to as risk assets) including foreign bonds and stocks from the perspective of improving profitability and strengthening the risk management system.

Derivative transactions are used mainly as a hedging method against foreign exchange fluctuation risk to our investment assets.

### (2) Features and Risks of Financial Instruments

Financial assets owned by the Company consist mainly of securities and loans and are managed using an asset liability management (ALM) framework. Such securities are exposed to credit risk of their issuing bodies as well as market price fluctuation risk and interest rate risk. In addition, foreign-currency-denominated bonds are exposed to foreign exchange risk.

Derivative transactions that the Company uses are mainly foreign exchange contracts. These are identified as a key hedging method against foreign exchange fluctuation risk. Other derivative transactions are also used mainly for the purpose of hedging, and the market-related risk of derivative transactions is therefore reduced and limited.

As a hedging method against interest rate fluctuation risk for a portion of insurance liabilities, 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).

### (3) Risk Management Framework for Financial Instruments

#### 1) 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. Market risk is categorized into interest rate risk and market price fluctuation risk for its management. Interest rate 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. Market price fluctuation risk is any market risk other than interest rate risk.

Among the company-wide risks including 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 the quantified risks.

#### 2) 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 the financial conditions of borrowers and other reasons.

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 the concentration of credit risk on a particular borrower, group or industry, the Company establishes credit limits corresponding to internal rating and standards of credit shares by industry.

The results of credit risk management 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 for which the market prices are not readily available. In calculating prices, certain premises and assumptions are adopted, and the use of different assumptions could lead to changes in pricing.

The contract amounts of derivative transactions in Note 25 "DERIVATIVE TRANSACTIONS" do not indicate the market risk related to derivative transactions.

### (5) Fair Values of Financial Instruments

Amounts carried on the consolidated balance sheets, fair values and the differences between them as of March 31, 2025, and 2024, were as follows.

Stocks, etc., with no market price and investments in partnership are not included in the following table and are described in "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)

## March 31

Monetary claims bought	
Available-for-sale securities	
Money held in trust <sup>1,2</sup>	
Securities	
Held-to-maturity bonds	
Policy-reserve-matching bonds	
Available-for-sale securities <sup>2</sup>	
Loans	
Policy loans	
Industrial and commercial loans <sup>3</sup>	
Loans to the Management Network <sup>3</sup>	
Reserve for possible loan losses <sup>4</sup>	
Total assets	

Bonds payable	
Total liabilities	

Derivative transactions <sup>5</sup>	
Hedge accounting not applied	
Hedge accounting applied	
Total derivative transactions	

2025		
Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
23,215	23,215	—
23,215	23,215	—
6,330,280	6,330,280	—
46,312,623	44,309,944	(2,002,679)
31,425,320	30,144,069	(1,281,251)
7,243,771	6,522,343	(721,427)
7,643,531	7,643,531	—
2,529,683	2,497,771	(31,912)
159,074	159,074	—
754,604	694,746	(59,490)
1,616,372	1,643,950	27,577
(367)	—	—
55,195,803	53,161,211	(2,034,591)
500,000	477,490	(22,510)
500,000	477,490	(22,510)
5	5	—
[33,892]	[33,892]	—
[33,887]	[33,887]	—

(Millions of Yen)

## March 31

Monetary claims bought	
Available-for-sale securities	
Money held in trust <sup>1,2</sup>	
Securities	
Held-to-maturity bonds	
Policy-reserve-matching bonds	
Available-for-sale securities <sup>2</sup>	
Loans	
Policy loans	
Industrial and commercial loans <sup>3</sup>	
Loans to the Management Network <sup>3</sup>	
Reserve for possible loan losses <sup>4</sup>	
Total assets	

Bonds payable	
Total liabilities	

Derivative transactions <sup>5</sup>	
Hedge accounting not applied	
Hedge accounting applied	
Total derivative transactions	

2024		
Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
25,392	25,392	—
25,392	25,392	—
6,158,055	6,158,055	—
47,587,711	48,461,033	873,322
32,343,114	33,401,975	1,058,860
7,139,629	6,954,091	(185,537)
8,104,967	8,104,967	—
3,281,282	3,350,020	68,737
149,707	149,707	—
849,174	829,355	(19,786)
2,282,432	2,370,957	88,524
(31)	—	—
57,052,441	57,994,501	942,060
400,000	391,900	(8,100)
400,000	391,900	(8,100)
[1,097]	[1,097]	—
[43,537]	[43,537]	—
[44,634]	[44,634]	—

(Millions of U.S. Dollars)

**March 31**

Monetary claims bought  
Available-for-sale securities

Money held in trust<sup>1,2</sup>

Securities

Held-to-maturity bonds  
Policy-reserve-matching bonds  
Available-for-sale securities<sup>2</sup>

Loans

Policy loans  
Industrial and commercial loans<sup>3</sup>  
Loans to the Management Network<sup>3</sup>  
Reserve for possible loan losses<sup>4</sup>

Total assets

Bonds payable

Total liabilities

Derivative transactions<sup>5</sup>

Hedge accounting not applied  
Hedge accounting applied

Total derivative transactions

2025		
Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
155	155	—
155	155	—
42,337	42,337	—
309,742	296,348	(13,394)
210,175	201,606	(8,569)
48,447	43,622	(4,825)
51,120	51,120	—
16,919	16,705	(213)
1,064	1,064	—
5,047	4,647	(398)
10,810	10,995	184
(2)	—	—
369,153	355,546	(13,607)
3,344	3,193	(151)
3,344	3,193	(151)
0	0	—
[227]	[227]	—
[227]	[227]	—

Notes:

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

2. In accordance with Paragraphs 24-3 and 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter the "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 as of March 31, 2025, and 2024, 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.

**March 31**

Money held in trust<sup>1</sup>

Securities

Unlisted stocks<sup>2</sup>  
Foreign securities<sup>2</sup>  
Investments in partnership<sup>3</sup>

Total

Millions of Yen		Millions of U.S. Dollars
2025	2024	2025
129,749	113,360	868
216,169	106,101	1,446
65,137	11,722	436
24,197	23,994	162
126,835	70,384	848
345,919	219,461	2,314

Notes:

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 "Implementation 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 schedules of monetary claims and securities with maturities were as follows:

(Millions of Yen)

	2025			
	Within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
<b>March 31</b>				
Monetary claims bought	10,000	—	—	13,122
Securities	1,259,029	10,198,503	10,428,947	21,798,821
Held-to-maturity bonds	983,600	7,423,320	7,940,660	14,783,377
Bonds	983,600	7,423,320	7,940,660	14,783,377
Japanese government bonds	981,600	7,126,100	7,073,000	13,294,900
Japanese local government bonds	2,000	248,620	558,910	634,956
Japanese corporate bonds	—	48,600	308,750	853,521
Policy-reserve-matching bonds	117,300	1,499,600	1,524,700	4,031,775
Bonds	117,300	1,499,600	1,504,700	4,031,775
Japanese government bonds	80,300	1,384,500	986,900	2,897,600
Japanese local government bonds	800	300	85,900	276,975
Japanese corporate bonds	36,200	114,800	431,900	857,200
Foreign securities	—	—	20,000	—
Available-for-sale securities with maturities	158,129	1,275,583	963,587	2,983,668
Bonds	125,221	727,808	371,655	2,128,374
Japanese government bonds	—	—	—	1,470,500
Japanese local government bonds	91,917	92,027	22,861	121,216
Japanese corporate bonds	33,304	635,781	348,793	536,658
Foreign securities	32,907	547,774	590,238	846,942
Other securities	—	—	1,692	8,350
Loans	623,496	1,034,875	542,545	329,528
<b>Total</b>	<b>1,892,526</b>	<b>11,233,378</b>	<b>10,971,493</b>	<b>22,141,473</b>

(Millions of Yen)

	2024			
	Within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
<b>March 31</b>				
Monetary claims bought	10,000	—	—	14,909
Securities	1,500,966	9,684,377	11,514,367	22,100,170
Held-to-maturity bonds	978,636	6,700,220	8,755,260	15,585,051
Bonds	978,636	6,700,220	8,755,260	15,585,051
Japanese government bonds	506,600	6,474,700	7,853,400	14,075,700
Japanese local government bonds	393,422	179,520	597,410	670,641
Japanese corporate bonds	78,614	46,000	304,450	838,710
Policy-reserve-matching bonds	118,616	1,623,200	1,763,500	3,480,424
Bonds	118,616	1,623,200	1,743,500	3,480,424
Japanese government bonds	8,200	1,555,500	1,397,100	2,360,700
Japanese local government bonds	77,299	1,100	85,900	242,524
Japanese corporate bonds	33,117	66,600	260,500	877,200
Foreign securities	—	—	20,000	—
Available-for-sale securities with maturities	403,714	1,360,957	995,607	3,034,694
Bonds	178,877	670,133	455,292	2,302,107
Japanese government bonds	—	—	—	1,567,300
Japanese local government bonds	51,288	185,275	3,311	148,511
Japanese corporate bonds	127,589	484,857	451,981	586,296
Foreign securities	224,836	690,824	540,315	721,831
Other securities	—	—	—	10,755
Loans	992,095	1,218,450	674,852	396,317
<b>Total</b>	<b>2,503,062</b>	<b>10,902,828</b>	<b>12,189,220</b>	<b>22,511,397</b>

(Millions of U.S. Dollars)

	2025			
	Within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
<b>March 31</b>				
Monetary claims bought	67	—	—	88
Securities	8,420	68,208	69,750	145,792
Held-to-maturity bonds	6,578	49,648	53,108	98,872
Bonds	6,578	49,648	53,108	98,872
Japanese government bonds	6,565	47,660	47,305	88,917
Japanese local government bonds	13	1,663	3,738	4,247
Japanese corporate bonds	—	325	2,065	5,708
Policy-reserve-matching bonds	785	10,029	10,197	26,965
Bonds	785	10,029	10,064	26,965
Japanese government bonds	537	9,260	6,600	19,379
Japanese local government bonds	5	2	575	1,852
Japanese corporate bonds	242	768	2,889	5,733
Foreign securities	—	—	134	—
Available-for-sale securities with maturities	1,058	8,531	6,445	19,955
Bonds	837	4,868	2,486	14,235
Japanese government bonds	—	—	—	9,835
Japanese local government bonds	615	615	153	811
Japanese corporate bonds	223	4,252	2,333	3,589
Foreign securities	220	3,664	3,948	5,664
Other securities	—	—	11	56
Loans	4,170	6,921	3,629	2,204
<b>Total</b>	<b>12,657</b>	<b>75,130</b>	<b>73,378</b>	<b>148,084</b>

(Note 3) The redemption schedule of bonds payable was as follows:

(Millions of Yen)

	2025					
	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
<b>March 31</b>						
Bonds payable	—	—	—	—	—	500,000
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>500,000</b>

(Millions of Yen)

	2024					
	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
<b>March 31</b>						
Bonds payable	—	—	—	—	—	400,000
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>400,000</b>

(Millions of U.S. Dollars)

	2025					
	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
<b>March 31</b>						
Bonds payable	—	—	—	—	—	3,344
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,344</b>

**(6) Fair Value Hierarchy of Financial Instruments**

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)

	2025			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>March 31</b>				
Monetary claims bought	—	9,988	13,227	23,215
Money held in trust <sup>1</sup>	3,884,333	743,553	—	4,627,886
Securities				
Available-for-sale securities				
Japanese government bonds	1,204,702	—	—	1,204,702
Japanese local government bonds	—	292,802	19,262	312,064
Japanese corporate bonds	—	1,474,029	—	1,474,029
Stocks	529,602	—	—	529,602
Foreign securities <sup>1</sup>	60,833	1,747,706	—	1,808,539
Other securities	—	2,133,387	9,431	2,142,819
Total assets	5,679,471	6,401,467	41,921	12,122,860
Derivative transactions <sup>2</sup>				
Currency-related derivatives	—	[6,038]	—	[6,038]
Interest rate-related derivatives	—	[27,848]	—	[27,848]
Total derivative transactions	—	[33,887]	—	[33,887]

(Millions of Yen)

	2024			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>March 31</b>				
Monetary claims bought	—	9,998	15,393	25,392
Money held in trust <sup>1</sup>	3,872,373	861,113	—	4,733,487
Securities				
Available-for-sale securities				
Japanese government bonds	1,337,930	—	—	1,337,930
Japanese local government bonds	—	359,102	21,591	380,693
Japanese corporate bonds	—	1,610,578	—	1,610,578
Stocks	546,030	—	—	546,030
Foreign securities <sup>1</sup>	—	1,954,510	—	1,954,510
Other securities	—	2,094,534	10,352	2,104,887
Total assets	5,756,334	6,889,838	47,337	12,693,510
Derivative transactions <sup>2</sup>				
Currency-related derivatives	—	[38,819]	—	[38,819]
Interest rate-related derivatives	—	[5,814]	—	[5,814]
Total derivative transactions	—	[44,634]	—	[44,634]

(Millions of U.S. Dollars)

	2025			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>March 31</b>				
Monetary claims bought	—	67	88	155
Money held in trust <sup>1</sup>	25,979	4,973	—	30,952
Securities				
Available-for-sale securities				
Japanese government bonds	8,057	—	—	8,057
Japanese local government bonds	—	1,958	129	2,087
Japanese corporate bonds	—	9,858	—	9,858
Stocks	3,542	—	—	3,542
Foreign securities <sup>1</sup>	407	11,689	—	12,096
Other securities	—	14,268	63	14,331
Total assets	37,985	42,813	280	81,079
Derivative transactions <sup>2</sup>				
Currency-related derivatives	—	[40]	—	[40]
Interest rate-related derivatives	—	[186]	—	[186]
Total derivative transactions	—	[227]	—	[227]

Notes:

1. In accordance with Paragraphs 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 amounts for mutual funds to which the treatments in Paragraphs 24-3 and 24-9 are applied are ¥1,393,205 million (\$9,318 million) and ¥183,614 million (\$1,228 million), and ¥1,260,483 million and ¥176,297 million as of March 31, 2025, and 2024, respectively.

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)

	2025			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>March 31</b>				
Money held in trust	—	297,346	—	297,346
Securities				
Held-to-maturity bonds				
Japanese government bonds	27,765,793	—	—	27,765,793
Japanese local government bonds	—	1,355,952	3,016	1,358,968
Japanese corporate bonds	—	1,019,307	—	1,019,307
Policy-reserve-matching bonds				
Japanese government bonds	4,978,481	—	—	4,978,481
Japanese local government bonds	—	301,246	20,010	321,257
Japanese corporate bonds	—	1,203,637	—	1,203,637
Foreign securities	—	18,967	—	18,967
Loans	—	—	2,497,771	2,497,771
Total assets	32,744,274	4,196,457	2,520,798	39,461,530
Bonds payable	—	477,490	—	477,490
Total liabilities	—	477,490	—	477,490

(Millions of Yen)

	2024			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>March 31</b>				
Money held in trust	—	158,124	—	158,124
Securities				
Held-to-maturity bonds				
Japanese government bonds	30,351,127	—	—	30,351,127
Japanese local government bonds	—	1,859,614	3,453	1,863,068
Japanese corporate bonds	—	1,187,779	—	1,187,779
Policy-reserve-matching bonds				
Japanese government bonds	5,450,242	—	—	5,450,242
Japanese local government bonds	—	369,871	22,325	392,196
Japanese corporate bonds	—	1,092,096	—	1,092,096
Foreign securities	—	19,555	—	19,555
Loans	—	—	3,350,020	3,350,020
Total assets	35,801,369	4,687,041	3,375,799	43,864,210
Bonds payable	—	391,900	—	391,900
Total liabilities	—	391,900	—	391,900

(Millions of U.S. Dollars)

	2025			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>March 31</b>				
Money held in trust	—	1,989	—	1,989
Securities				
Held-to-maturity bonds				
Japanese government bonds	185,700	—	—	185,700
Japanese local government bonds	—	9,069	20	9,089
Japanese corporate bonds	—	6,817	—	6,817
Policy-reserve-matching bonds				
Japanese government bonds	33,296	—	—	33,296
Japanese local government bonds	—	2,015	134	2,149
Japanese corporate bonds	—	8,050	—	8,050
Foreign securities	—	127	—	127
Loans	—	—	16,705	16,705
Total assets	218,996	28,066	16,859	263,921
Bonds payable	—	3,193	—	3,193
Total liabilities	—	3,193	—	3,193

(Note 1) Calculation methods for fair values of financial instruments and explanation of inputs used in fair value measurement are as follows:

### 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 classified into Level 3, and all others are classified into 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 the activeness of the market. 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 such mutual funds 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 Note 4 "SECURITIES" in accordance with the purpose of the holdings.

#### Securities

The fair value of stocks is based on the price quoted by the exchange and classified into 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 classified into 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 classified into 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 classified into 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 such mutual funds are classed in Level 2.

Moreover, securities are described in Note 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 the corresponding cash surrender value and their fair value approximates book value with consideration of 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 classified into Level 3.

### Liabilities

#### Bonds payable

The published quoted prices are used as fair value for bonds issued by the Company, which is classified into 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 sheet that is classified into Level 3 is as follows:

#### A) Quantitative information regarding material, unobservable inputs

Not provided, as the Company itself does not estimate unobservable inputs.

B) Changes in net valuation gain/loss recognized in gain/loss for the years ended March 31, 2025 and 2024

(Millions of Yen)

2025							
Balance at the beginning of the 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 the year	Of gain/loss in fiscal year ended March 31, 2025, net valuation gain/loss of financial instruments held on consolidated balance sheet date
	Recorded in gain/loss	Recorded in Other comprehensive income (loss) <sup>2</sup>					
Monetary claims bought	15,393	-	(379)	(1,787)	-	-	13,227
Securities							
Available-for-sale securities							
Japanese local government bonds	21,591	-	(1,322)	(1,006)	-	-	19,262
Foreign securities	-	-	-	-	-	-	-
Other securities	10,352	-	(209)	(711)	-	-	9,431
Total assets	47,337	-	(1,911)	(3,504)	-	-	41,921

(Millions of Yen)

2024							
Balance at the beginning of the 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 <sup>3</sup>	Balance at the end of the year	Of gain/loss in fiscal year ended March 31, 2024, net valuation gain/loss of financial instruments held on consolidated balance sheet date <sup>1</sup>
	Recorded in gain/loss <sup>1</sup>	Recorded in Other comprehensive income (loss) <sup>2</sup>					
Monetary claims bought	17,348	-	(273)	(1,682)	-	-	15,393
Securities							
Available-for-sale securities							
Japanese local government bonds	32,681	-	(552)	(1,006)	-	(9,531)	21,591
Foreign securities	30,472	3,090	5,114	(38,677)	-	-	-
Other securities	11,161	-	(148)	(660)	-	-	10,352
Total assets	91,664	3,090	4,140	(42,026)	-	(9,531)	47,337

(Millions of U.S. Dollars)

2025							
Balance at the beginning of the 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 the year	Of gain/loss in fiscal year ended March 31, 2025, net valuation gain/loss of financial instruments held on consolidated balance sheet date
	Recorded in gain/loss	Recorded in Other comprehensive income (loss) <sup>2</sup>					
Monetary claims bought	103	-	(3)	(12)	-	-	88
Securities							
Available-for-sale securities							
Japanese local government bonds	144	-	(9)	(7)	-	-	129
Foreign securities	-	-	-	-	-	-	-
Other securities	69	-	(1)	(5)	-	-	63
Total assets	317	-	(13)	(23)	-	-	280

Notes:

1. Included in "Investment income" and "Investment expenses" in the consolidated statements of income.

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

3. Transfer from Level 3 fair value to Level 2 fair value whereby observable data of such Japanese local government bonds became available. Such transfer was effected at the beginning of the year ended March 31, 2024.

C) Explanation of the 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 the 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 to the fair value of similar financial instruments, the appropriateness of fair value valuation, etc., of financial instruments is ensured.

D) Explanation of impact on fair value of changes to material, unobservable inputs

Not provided, as the Company itself does not estimate unobservable inputs.

## Financial Statements

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

A) 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 years ended March 31, 2025 and 2024

(Millions of Yen)

2025						
Balance at the beginning of the 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 the year
	Recorded in gain/loss	Recorded in Other comprehensive income (loss) <sup>1</sup>				
1,260,483	—	45,732	86,989	—	—	1,393,205

(Millions of Yen)

2024						
Balance at the beginning of the 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 the year
	Recorded in gain/loss	Recorded in Other comprehensive income (loss) <sup>1</sup>				
976,210	—	134,697	149,575	—	—	1,260,483

(Millions of U.S. Dollars)

2025						
Balance at the beginning of the 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 the year
	Recorded in gain/loss	Recorded in Other comprehensive income (loss) <sup>1</sup>				
8,430	—	306	582	—	—	9,318

Note 1: Included in "Net unrealized gains (losses) on available-for-sale securities" of "Other comprehensive income (loss)" in the consolidated statements of comprehensive income.

B) 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 years ended March 31, 2025 and 2024

(Millions of Yen)

2025						
Balance at the beginning of the 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 the year
	Recorded in gain/loss	Recorded in Other comprehensive income (loss) <sup>1</sup>				
176,297	—	(4,257)	11,574	—	—	183,614

(Millions of Yen)

2024						
Balance at the beginning of the 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 the year
	Recorded in gain/loss	Recorded in Other comprehensive income (loss) <sup>1</sup>				
168,115	—	3,517	4,665	—	—	176,297

(Millions of U.S. Dollars)

2025						
Balance at the beginning of the 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 the year
	Recorded in gain/loss	Recorded in Other comprehensive income (loss) <sup>1</sup>				
1,179	—	(28)	77	—	—	1,228

Note 1: Included in "Net unrealized gains (losses) on available-for-sale securities" of "Other comprehensive income (loss)" in the consolidated statements of comprehensive income.

C) Breakdown of restrictions on cancellation or repurchase requests at the end of the fiscal year

	Millions of Yen	Millions of Yen	Millions of U.S. Dollars
March 31	2025	2024	2025
Items that require a certain amount of time for cancellation, etc.	1,393,205	1,260,483	9,318

## 25. DERIVATIVE TRANSACTIONS

### (1) Derivative Transactions to Which the Hedge Accounting Is Not Applied

#### Currency-related derivatives

		(Millions of Yen)			
March 31		2025			
Category	Type of derivative	Contract amount	Contract amount due after 1 year	Fair value	Net valuation gains (losses)
Over-the-counter transactions	Forward foreign exchange				
	Sold	282	—	3	3
	U.S. dollars	282	—	3	3
	Currency options				
	Sold				
	Call	4,336	—		
		[15]	[—]	7	7
	U.S. dollars	4,336	—	7	7
		[15]	[—]	7	7
	Bought				
	Put	4,336	—	10	(4)
		[15]	[—]	10	(4)
	U.S. dollars	4,336	—	10	(4)
		[15]	[—]	10	(4)
Total					5

		(Millions of Yen)			
March 31		2024			
Category	Type of derivative	Contract amount	Contract amount due after 1 year	Fair value	Net valuation gains (losses)
Over-the-counter transactions	Forward foreign exchange				
	Sold	58,287	—	(1,097)	(1,097)
	U.S. dollars	53,516	—	(1,005)	(1,005)
	Euros	4,770	—	(91)	(91)
Total					(1,097)

		(Millions of U.S. Dollars)			
March 31		2025			
Category	Type of derivative	Contract amount	Contract amount due after 1 year	Fair value	Net valuation gains (losses)
Over-the-counter transactions	Forward foreign exchange				
	Sold	2	—	0	0
	U.S. dollars	2	—	0	0
	Currency options				
	Sold				
	Call	29	—		
		[0]	[—]	0	0
	U.S. dollars	29	—	0	0
		[0]	[—]	0	0
	Bought				
	Put	29	—	0	(0)
		[0]	[—]	0	(0)
	U.S. dollars	29	—	0	(0)
		[0]	[—]	0	(0)
Total					0

Notes:

1. Figures in [ ] brackets show option premiums recorded on the consolidated balance sheets.

2. In the net valuation gains (losses) column, the difference between the option premium and the fair value is shown for option transactions.



(2) Derivative Transactions to Which the Hedge Accounting Is Applied

1) Currency-related derivatives

(Millions of Yen)

March 31			2025		
Hedge accounting method	Type of derivative	Major hedged item	Contract amount	Contract amount due after 1 year	Fair value
Deferred hedge accounting	Currency swaps	Foreign-currency-denominated bonds			
	Yen-receipt/ Foreign currency payment				
	U.S. dollars		108,263	108,263	249
	Euros		105,898	105,898	297
			2,365	2,365	(47)
Fair value hedge accounting	Forward foreign exchange	Foreign-currency-denominated bonds			
	Sold		1,319,941	—	(6,293)
	U.S. dollars		798,266	—	(12,180)
	Euros		165,283	—	(4,804)
	Australian dollars		206,698	—	6,395
	Other		149,692	—	4,295
		Total			(6,043)

(Millions of Yen)

March 31			2024		
Hedge accounting method	Type of derivative	Major hedged item	Contract amount	Contract amount due after 1 year	Fair value
Fair value hedge accounting	Forward foreign exchange	Foreign-currency-denominated bonds			
	Sold		1,352,953	—	(37,722)
	U.S. dollars		842,648	—	(23,249)
	Euros		161,215	—	(7,561)
	Australian dollars		227,770	—	(5,314)
	Other		121,319	—	(1,597)
		Total			(37,722)

(Millions of U.S. Dollars)

March 31			2025		
Hedge accounting method	Type of derivative	Major hedged item	Contract amount	Contract amount due after 1 year	Fair value
Deferred hedge accounting	Currency swaps	Foreign-currency-denominated bonds			
	Yen-receipt/ Foreign currency payment				
	U.S. dollars		724	724	2
	Euros		708	708	2
			16	16	(0)
Fair value hedge accounting	Forward foreign exchange	Foreign-currency-denominated bonds			
	Sold		8,828	—	(42)
	U.S. dollars		5,339	—	(81)
	Euros		1,105	—	(32)
	Australian dollars		1,382	—	43
	Other		1,001	—	29
		Total			(40)

2) Interest rate-related derivatives

(Millions of Yen)

March 31			2025		
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	Insurance liabilities			
	Fixed rate receivable/ Floating rate payable				
			300,000	300,000	(27,848)
		Total			(27,848)

(Millions of Yen)

March 31			2024		
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	Insurance liabilities			
	Fixed rate receivable/				
	Floating rate payable		250,000	250,000	(5,814)
		Total			(5,814)

(Millions of U.S. Dollars)

March 31			2025		
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	Insurance liabilities			
	Fixed rate receivable/ Floating rate payable		2,006	2,006	(186)
		Total			(186)

## 26. LEASE TRANSACTIONS

### Operating Leases

#### As lessee

Future lease payments under non-cancelable operating leases as of March 31, 2025, and 2024, were as follows:

March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Due within 1 year	5,281	4,625	35
Due after 1 year	8,560	11,909	57
Total	13,841	16,535	93

## 27. SEGMENT INFORMATION

### (1) Segment Information

The Group has only one segment, namely, the life insurance business in Japan.

### (2) Information on Losses on Impairment of Fixed Assets by Reportable Segment

No losses on impairment of fixed assets were recognized for the years ended March 31, 2025, and 2024.

### (3) Supplemental Information

#### 1) Information by product and service

The Group's products and services are placed under one category for the years ended March 31, 2025, and 2024.

#### 2) Information by geographic region

Ordinary income in Japan exceeded 90% of ordinary income in the consolidated statements of income, and the balance of tangible fixed assets in Japan exceeded 90% of the total balance on the consolidated balance sheets for the years ended March 31, 2025, and 2024.

#### 3) Information by major customer

No customer accounted for 10% or more of ordinary income in the consolidated statements of income for the years ended March 31, 2025, and 2024.

## 28. RELATED PARTY TRANSACTIONS

### (1) Related Party Transactions

Transactions of the Company with related parties for the years ended March 31, 2025 and 2024, were as follows:

2025										
Type	Company name	Location	Capital	Business	Percentage of voting rights	Relationship	Transaction	Transaction amount	Account	Year-end balance
Parent company	JAPAN POST HOLDINGS Co., Ltd.	Chiyoda-ku, Tokyo	¥3,500,000 Million (\$23,408 million)	Formulation of group management strategy	Directly owned 49.85%	Group management Interlocking officers	Payments of brand royalty fees <sup>1</sup>	¥1,951 Million (\$13 million)	Accounts payable—other	¥178 Million (\$1 million)
Subsidiary of parent company	JAPAN POST Co., Ltd.	Chiyoda-ku, Tokyo	¥400,000 Million (\$2,675 million)	Postal and logistics business Post office business	—	Insurance agency Interlocking officers	Payments for commission of agency services <sup>2</sup>	¥111,436 Million (\$745 million)	Agency accounts payable	¥9,916 Million (\$66 million)

2024										
Type	Company name	Location	Capital	Business	Percentage of voting rights	Relationship	Transaction	Transaction amount	Account	Year-end balance
Parent company	JAPAN POST HOLDINGS Co., Ltd.	Chiyoda-ku, Tokyo	¥3,500,000 million	Formulation of group management strategy	Directly owned 49.84%	Group management Interlocking officers	Payments of brand royalty fees <sup>1</sup>	¥2,094 million	Accounts payable—other	¥191 million
Subsidiary of parent company	JAPAN POST Co., Ltd.	Chiyoda-ku, Tokyo	¥400,000 million	Postal and logistics business Post office business	—	Insurance agency Interlocking officers	Payments for commission of agency services <sup>2</sup>	¥123,794 million	Agency accounts payable	¥9,655 million

Notes:

- Based on the concept that the benefits of brand value enjoyed by the Company from maintaining its membership in Japan Post Group are 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.
- The Company makes payments including commission of insurance solicitation calculated by multiplying the insurance amounts and the insurance premiums of each contract by the commission rates set for each class of insurance, and the commission of maintenance and collection calculated by multiplying the unit prices set for each type of outsourcing service, such as the collection of insurance premiums and payments for insurance money, by the volume of work.
- In addition to the above, from the 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 years ended March 31, 2025, and 2024, the contributions paid by the Company to the Management Network amounted to ¥56,300 million (\$377 million) and ¥56,486 million, respectively.

### (2) Parent Company

JAPAN POST HOLDINGS Co., Ltd. (Listed on the Tokyo Stock Exchange)

## 29. PER SHARE DATA

March 31	Yen		U.S. Dollars
	2025	2024	2025
Net assets per share	8,467.97	8,871.61	56.63

Years ended March 31	Yen		U.S. Dollars
	2025	2024	2025
Net income per share	322.57	227.45	2.16

Notes:

- Diluted net income per share is not presented for the years ended March 31, 2025, and 2024, as potential common stock did not exist.

2. Net income per share is calculated based on the following:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Net income	123,472	87,056	826
Amount not attributable to common stockholders	—	—	—
Net income attributable to common stock	123,472	87,056	826

**Years ended March 31**

Average number of common stock during the fiscal year

Thousands of shares	
2025	2024
382,779	382,747

3. Net assets per share is calculated based on the following:

March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Net assets	3,241,426	3,395,744	21,679
Amount deducted from net assets	—	—	—
Net assets attributable to common stock at the fiscal year-end	3,241,426	3,395,744	21,679

**March 31**

Number of common stock at the fiscal year-end used for the calculation of net assets per share

Thousands of shares	
2025	2024
382,786	382,765

4. The Company establishes the 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. In addition, they 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.

The average number of treasury stock during the fiscal year that was deducted from the calculation of net income per share for the years ended March 31, 2025, and 2024, was 401 thousand shares and 433 thousand shares, respectively. The number of treasury stock at the end of the fiscal year that was deducted from the calculation of net assets per share as of March 31, 2025, and 2024, was 394 thousand shares and 415 thousand shares, respectively.

## 30. SUBSEQUENT EVENTS

### (1) Acquisition of Treasury Stock

At the Board of Directors' meeting held on November 14, 2024 and March 28, 2025, the Company resolved matters concerning the acquisition of treasury stock pursuant to Article 39, Paragraph 1 of the Company's Articles of Incorporation complying with Article 459, Paragraph 1, Item 1 of the Companies Act. The acquisition was completed on April 18, 2025.

#### 1) Board of Directors' resolutions concerning the acquisition of treasury stock

##### (A) Reason for the acquisition of treasury stock

The Company's shareholder return policy during the period of the Medium-Term Management Plan aims for total payout ratio of 40% to 50% on a medium-term average, through acquisition of treasury stock and other timely measures. Based on this policy, the Company intends to conduct the acquisition of treasury stock to improve capital efficiency and enhance shareholder returns.

##### (B) Details of the acquisition

(i) Class of shares to be acquired: Common stock of the Company

(ii) Total number of shares to be acquired: 30,000,000 shares (maximum)

(The ratio of the total number of shares to be acquired to the total number of shares issued (excluding treasury stock): 7.8%)

(iii) Total amount of shares to be acquired: ¥35,000,000,000 (\$234 million) (maximum)

(iv) Acquisition period: From November 15, 2024 to November 14, 2025

(v) Method of acquisition: Purchases through the Off-auction Own Share Repurchase Trading system (ToSTNeT-3) and trading on the auction market of the Tokyo Stock Exchange, Inc.

(vi) In addition to the matters described above, any matters required for the acquisition of treasury stock shall be determined at the sole discretion of the President, CEO, Representative Executive Officer of the Company or a person appointed by him.

#### 2) Details of the acquisition of treasury stock as implemented

(A) Class of shares acquired: Common stock of the Company

(B) Total number of shares acquired: 11,369,600 shares

(C) Total amount of shares acquired: ¥34,999,885,750 (\$234 million)

(D) Acquisition period: From March 31, 2025 to April 18, 2025 (on a contract basis)

(E) Method of acquisition: Purchases through the Off-auction Own Share Repurchase Trading system (ToSTNeT-3) and trading on the auction market of the Tokyo Stock Exchange, Inc.

### **(2) Cancellation of Treasury Stock**

At the Board of Directors' meeting held on May 15, 2025, the Company resolved to cancel its treasury stock pursuant to Article 178 of the Companies Act and implemented it on June 6, 2025.

1) Class of shares cancelled: Common stock of the Company

2) Number of shares cancelled: 11,369,600 shares

(3.0% of the total number of shares issued before the cancellation)

3) Date of the cancellation: June 6, 2025

(Reference)

Total number of shares issued after the cancellation: 371,822,700 shares

### **(3) Conclusion of Agreements Related to Investments in a Re-Insurance Vehicle**

The Company, KKR & Co. Inc. (together with its subsidiaries, "KKR"), and Global Atlantic Financial Group ("GAFG"), a leading provider of retirement security and investment solutions, and a wholly-owned subsidiary of KKR, signed agreements dated July 30, 2025 under which the Company will invest \$2 billion (approx. ¥300 billion) in a new re-insurance vehicle (a reinsurance co-investment vehicle is an entity established by a reinsurance company as a means of raising capital from investors in order to capture large reinsurance transaction opportunities; the "Vehicle") sponsored by GAFG, as the Company formally determined at its Board of Directors' meeting held on July 29, 2025.

The Company's commitment is over 50% of the Vehicle (the Company expects to hold a 10% stake in the Vehicle in terms of voting rights, after obtaining regulatory approvals), which is expected to have access to GAFG's insurance, reinsurance and strategic activity, and to commence operations in the first half of 2026, subject to customary regulatory approvals.

The Company's investment will be made over time. The Company expects that this investment will have minimal impact on its consolidated financial results for the year ending March 31, 2026.

## Independent Auditor's Report



# Independent auditor's report

To the Board of Directors of JAPAN POST INSURANCE Co., Ltd.:

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of JAPAN POST INSURANCE Co., Ltd. ("the Company") and its consolidated subsidiary (collectively referred to as "the Group"), which comprise the consolidated balance sheets as at March 31, 2025 and 2024, the consolidated statements of income comprehensive income, changes in net assets and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### 1. Accuracy of the calculation and sufficiency of policy reserves

The key audit matter	How the matter was addressed in our audit
In the consolidated balance sheet of Japan Post Insurance Co., Ltd. (the "Company") and its consolidated subsidiary, policy reserves of ¥48,765,531 million were recognized as of March 31, 2025, accounting for a significant	In order to assess whether the calculation of policy reserves was accurate and the amount of policy reserves was sufficient, we performed the following procedures, among others, by involving actuarial specialists and IT

portion (86.6%) of total liabilities therein.

As described in Note 2, “SIGNIFICANT ACCOUNTING POLICIES, (7) Policy Reserves”, policy reserves are set aside for the fulfilment of future obligations under the insurance contracts pursuant to the Insurance Business Act and other applicable laws and regulations (hereinafter collectively referred to as the “Act”).

Pursuant to the Act, policy reserves, which represent a large portion of total liabilities of an insurance company, are required to be accumulated each accounting period in accordance with the statements of calculation procedures approved by the Financial Services Agency in Japan (FSA). In addition, the Act requires an insurance company to validate the sufficiency of policy reserves, and an additional policy reserve may be required to be provided for, as necessary.

Policy reserves are calculated based on certain calculation assumptions affecting long-term future cash flows, such as assumed mortality rates, assumed interest rates, and expected operating expense ratios. The calculation formula for policy reserves stipulated in the statements of calculation procedures approved by the FSA is complex, and therefore involves a high level of expertise in actuarial valuation. In addition, pursuant to the Act, in order to validate the sufficiency of policy reserves, an analysis on future income and expenses must be performed by the chief actuary. This analysis requires significant management judgment on assumptions underlying the estimate of future cash flows, such as a level of insurance product sales, the amount of insurance claims and other benefit payments, investment income and operating expenses, which involves a high level of expertise in actuarial valuation.

We, therefore, determined that our assessment of the accuracy of the calculation and sufficiency of policy reserves was one of the most significance in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.

system specialists within our firm:

(1) Internal control testing

We tested the design and operating effectiveness of certain of the Company’s internal controls over the processes to ensure the accuracy of the calculation and sufficiency of policy reserves. In the assessment, special attention was given to the following controls:

- IT controls over the policy reserve calculation system to ensure the accuracy of the calculation of policy reserves;
- controls that the actuarial-related departments ensure that policy reserves are recognized completely for all of the Company’s insurance contracts;
- controls that the actuarial-related departments ensure the accuracy of the calculation of policy reserves by reperforming the calculation of policy reserves on a sample basis, and assessing the consistency with the amount of policy reserves calculated by a system other than the policy reserve calculation system used for financial reporting purpose; and
- controls that the Company’s management receives the opinion report of the chief actuary to evaluate the sufficiency of policy reserves.

(2) Assessment of the accuracy of the calculation of policy reserves

- We confirmed that the policy reserves for the existing insurance products, for which the basic coefficients for calculating policy reserves were revised during the current fiscal year, were accurately calculated in accordance with the statements of calculation procedures approved by the FSA through recalculation; and
- We confirmed that the changes in policy reserves from the previous fiscal year were consistent with insurance premium, insurance claims and operating expenses for the current fiscal year.

(3) Assessment of the sufficiency of the amount of policy reserves

- We assessed whether the amount of policy reserves was sufficient by confirming that an analysis on future income and expenses was appropriately performed pursuant to the Act in accordance with the “Standard of Practice for Appointed Actuaries of Life Insurance Companies” issued by the Institute of Actuaries of Japan, and comparing the amount of policy reserves with the calculation results of the previous fiscal year; and
- We assessed the contents of the opinion and supplementary reports of the chief actuary

considering the chief actuary's opinion, and inquired of the chief actuary about the reports.

## 2. Reasonableness of management's judgment on the recoverability of deferred tax assets

The key audit matter	How the matter was addressed in our audit
<p>In the consolidated balance sheet of Japan Post Insurance Co., Ltd. (the "Company") and its consolidated subsidiary, deferred tax assets of ¥728,870 million were recognized as of March 31, 2025. As described in Note 14, "DEFERRED TAX ASSETS AND LIABILITIES" to the consolidated financial statements, the amount of gross deferred tax assets before being offset by deferred tax liabilities amounted to ¥1,546,565 million. Of this amount, the deferred tax assets related to policy reserves and reserve for price fluctuations were ¥1,025,316 million and ¥225,014 million, respectively, accounting for a significant portion.</p> <p>Deferred tax assets are recognized to the extent that deductible temporary differences are expected to reduce future taxable income. The amount recognized as deferred tax assets depends on the appropriateness of the company category determined in accordance with the "Implementation Guidance on Recoverability of Deferred Tax Assets" (Guidance No. 26 of the Accounting Standards Board of Japan) and the estimated future taxable income.</p> <p>As described in Note 14, "DEFERRED TAX ASSETS AND LIABILITIES", the Company determined that deferred tax assets related to policy reserves and reserve for price fluctuations were recoverable because future taxable income would be generated over the long term and therefore deferred tax assets would have the effect of reducing the amount of tax payable. Management's estimate of future taxable income that would be generated over the long term involved significant management judgment on key assumptions, such as forecasts of the level of new contracts for insurance products, the amount of insurance claims and other benefit payments, investment income and operating expenses. Although the actual results of new contracts reached the expected level in the current fiscal year due to increased sales of lump-sum payment whole</p>	<p>In order to assess whether management's judgment on the recoverability of deferred tax assets was appropriate, we performed the following audit procedures, among others:</p> <p>(1) Internal control testing</p> <p>We tested the design and operating effectiveness of certain of the Company's internal controls relevant to the estimate of future taxable income, including those over the development of the business plan.</p> <p>(2) Assessment of the company category</p> <p>We evaluated the appropriateness of the Company category determined in accordance with the "Implementation Guidance on Recoverability of Deferred Tax Assets," with a particular focus on the assessment of whether significant changes in the business environment were expected in the near future.</p> <p>(3) Assessment of the appropriateness and feasibility of estimated future taxable income</p> <ul style="list-style-type: none"> <li>• We inquired of management of the Company and of the relevant department and obtained an understanding of assumptions underlying the business plan, which formed the basis for the estimate of future taxable income;</li> <li>• We obtained an understanding of the main causes of any differences between the future taxable income estimated in the previous fiscal years and the actual results by inquiring of the relevant department and assessed their impact to the estimated future taxable income;</li> <li>• We confirmed the consistency between the estimated future taxable income and the business plan; and</li> </ul> <p>We inquired of the relevant department regarding alternative assumptions used by management for stress test scenarios in estimating future taxable income, understood the results of the stress test, and assessed the appropriateness of the evaluation of uncertainty in management's estimate.</p>



life insurance, the level of new contracts based on the business plan prepared in the current fiscal year involved a high degree of estimation uncertainty because it is affected by the future business environment and the effects of the sales measures in the business plan.

We, therefore, determined that our assessment of the reasonableness of management's judgment on the recoverability of deferred tax assets was one of the most significance in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.

## Other Information

The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, the financial statements, and our auditor's reports thereon. Management is responsible for the preparation and presentation of the other information. The audit committee is responsible for overseeing the executive officers' and directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the executive officers' and directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its consolidated subsidiary are described in "Independent Auditor" included in "Corporate Information" of the Annual Report.

### Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2025 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

### Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

KANNO Masako

Designated Engagement Partner

Certified Public Accountant

SATO Eihiro

Designated Engagement Partner

Certified Public Accountant

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SUDA Shunsuke  
Designated Engagement Partner  
Certified Public Accountant

KPMG AZSA LLC  
Tokyo Office, Japan  
September 30, 2025

### 3 Non-Consolidated Financial Statements

#### JAPAN POST INSURANCE CO., LTD. NON-CONSOLIDATED BALANCE SHEETS

MARCH 31, 2025 AND 2024

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2025	2024	2025
<b>ASSETS:</b>			
Cash and deposits:			
Cash	582	723	4
Deposits	1,969,761	1,152,007	13,174
Total cash and deposits	1,970,343	1,152,730	13,178
Call loans	30,000	40,000	201
Receivables under resale agreements	604,914	1,047,192	4,046
Monetary claims bought	23,215	25,392	155
Money held in trust	6,460,029	6,271,415	43,205
Securities (Notes 3, 4 and 5):			
Japanese government bonds	35,390,389	36,037,546	236,693
Japanese local government bonds	2,123,485	2,634,528	14,202
Japanese corporate bonds	4,126,013	4,119,871	27,595
Stocks	594,608	558,536	3,977
Foreign securities	2,024,510	2,168,841	13,540
Other securities	2,269,655	2,175,272	15,180
Total securities	46,528,662	47,694,597	311,187
Loans (Note 5):			
Policy loans	159,074	149,707	1,064
Industrial and commercial loans	754,604	849,174	5,047
Loans to the Management Network	1,616,372	2,282,432	10,810
Total loans	2,530,051	3,281,313	16,921
Tangible fixed assets (Note 25):			
Land	76,632	76,610	513
Buildings	42,921	44,984	287
Leased assets	4,363	5,326	29
Construction in progress	513	47	3
Other tangible fixed assets	15,836	9,602	106
Total tangible fixed assets	140,266	136,571	938
Intangible fixed assets (Note 25):			
Software	120,887	103,191	809
Other intangible fixed assets	11	10	0
Total intangible fixed assets	120,899	103,202	809
Agency accounts receivable	10,872	11,296	73
Reinsurance receivables	10,641	7,646	71
Other assets (Note 5):			
Accounts receivable	136,783	244,606	915
Prepaid expenses (Note 25)	4,941	4,610	33
Accrued income (Note 5)	119,938	143,911	802
Money on deposit	6,433	6,244	43
Margin deposits for futures transactions (Note 4)	4,437	4,284	30
Derivative financial instruments	18,674	2,785	125
Cash collateral paid for financial instruments (Note 4)	56,013	35,750	375
Suspense payments	2,044	1,022	14
Other assets	48,756	6,338	326
Total other assets	398,023	449,553	2,662
Deferred tax assets (Note 11)	728,362	636,524	4,871
Reserve for possible loan losses (Note 25)	(766)	(346)	(5)
<b>Total assets</b>	<b>59,555,517</b>	<b>60,857,090</b>	<b>398,311</b>

See accompanying notes to non-consolidated financial statements.

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2025	2024	2025
<b>LIABILITIES:</b>			
Policy reserves and others:			
Reserve for outstanding claims (Note 6)	314,993	373,913	2,107
Policy reserves (Notes 6 and 8)	48,765,531	50,512,792	326,147
Reserve for policyholder dividends (Note 7)	1,085,126	1,101,628	7,257
Total policy reserves and others	50,165,652	51,988,334	335,511
Reinsurance payables	5,945	6,001	40
Bonds payable (Note 9)	500,000	400,000	3,344
Other liabilities:			
Payables under repurchase agreements (Note 4)	4,516,922	3,905,000	30,209
Income taxes payable	2,149	1,617	14
Accounts payable	23,391	20,572	156
Accrued expenses	44,612	43,719	298
Deposits received	2,525	3,023	17
Deposits from the Management Network (Note 10)	36,678	37,575	245
Guarantee deposits received	109	109	1
Derivative financial instruments	52,286	46,327	350
Cash collateral received for financial instruments	2,442	—	16
Lease obligations	4,799	5,860	32
Suspense receipt (Note 5)	4,772	21,587	32
Other liabilities	11,680	10,298	78
Total other liabilities	4,702,371	4,095,691	31,450
Reserve for management bonuses (Note 25)	227	—	2
Reserve for employees' retirement benefits	108,493	97,157	726
Reserve for management board benefit trust (Note 25)	407	391	3
Reserve for price fluctuations (Notes 8 and 25)	829,930	873,799	5,551
<b>Total liabilities</b>	<b>56,313,029</b>	<b>57,461,376</b>	<b>376,625</b>
<b>NET ASSETS:</b>			
Capital stock	500,000	500,000	3,344
Capital surplus:			
Legal capital surplus	405,044	405,044	2,709
Total capital surplus	405,044	405,044	2,709
Retained earnings:			
Legal retained earnings	98,803	91,216	661
Other retained earnings:			
Reserve for reduction entry of real estate	4,193	4,506	28
Retained earnings brought forward	703,274	624,389	4,704
Total other retained earnings	707,467	628,896	4,732
Total retained earnings	806,270	720,112	5,392
Treasury stock	(901)	(948)	(6)
Total shareholders' equity	1,710,413	1,624,208	11,439
Net unrealized gains (losses) on available-for-sale securities	1,551,688	1,775,693	10,378
Net deferred gains (losses) on hedges	(19,614)	(4,186)	(131)
Total valuation and translation adjustments	1,532,073	1,771,506	10,247
<b>Total net assets</b>	<b>3,242,487</b>	<b>3,395,714</b>	<b>21,686</b>
<b>Total liabilities and net assets</b>	<b>59,555,517</b>	<b>60,857,090</b>	<b>398,311</b>

See accompanying notes to non-consolidated financial statements.

# JAPAN POST INSURANCE CO., LTD. NON-CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED MARCH 31, 2025 AND 2024

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2025	2024	2025
<b>ORDINARY INCOME:</b>			
<b>Insurance premiums and others:</b>			
Insurance premiums (Note 13)	3,115,427	2,467,931	20,836
Reinsurance income	39,448	16,076	264
Total insurance premiums and others	3,154,875	2,484,007	21,100
<b>Investment income:</b>			
Interest and dividend income:			
Interest on deposits	2,482	86	17
Interest and dividends on securities	803,699	794,962	5,375
Interest on loans	12,318	12,954	82
Interest on loans to the Management Network	38,318	48,373	256
Other interest and dividend income	7,742	10,092	52
Total interest and dividend income	864,561	866,469	5,782
Gains on money held in trust (Note 15)	199,152	181,439	1,332
Gains on sales of securities (Note 16)	110,640	151,153	740
Gains on redemption of securities	220	110	1
Gains on foreign exchanges	20,999	13,579	140
Other investment income	44	27	0
Total investment income	1,195,618	1,212,778	7,996
<b>Other ordinary income:</b>			
Reversal of reserve for outstanding claims (Note 12)	58,919	36,474	394
Reversal of policy reserves (Note 12)	1,747,260	3,005,427	11,686
Reversal of reserve for employees' retirement benefits	427	634	3
Other ordinary income	7,388	6,099	49
Total other ordinary income	1,813,995	3,048,636	12,132
Total ordinary income	6,164,489	6,745,422	41,229
<b>ORDINARY EXPENSES:</b>			
<b>Insurance claims and others:</b>			
Insurance claims (Note 14)	3,787,741	4,149,769	25,333
Annuity payments	178,715	218,989	1,195
Benefits	220,852	200,725	1,477
Surrender benefits	415,441	439,018	2,778
Other refunds	49,194	61,170	329
Reinsurance premiums	553,360	708,916	3,701
Total insurance claims and others	5,205,305	5,778,590	34,813
<b>Provision for policy reserves and others</b>			
Provision for interest on policyholder dividends	679	137	5
Total provision for policy reserves and others	679	137	5
<b>Investment expenses:</b>			
Interest expenses	13,641	4,993	91
Losses on sales of securities (Note 17)	193,470	177,704	1,294
Losses on valuation of securities (Note 18)	—	71	—
Losses on redemption of securities	185	240	1
Losses on derivative financial instruments (Note 19)	68,329	95,835	457
Provision for reserve for possible loan losses	335	0	2
Other investment expenses	3,116	3,701	21
Total investment expenses	279,079	282,548	1,866
<b>Operating expenses (Note 25)</b>			
<b>Other ordinary expenses:</b>			
Taxes	35,869	35,480	240
Depreciation and amortization	40,736	42,959	272
Other ordinary expenses	3,474	4,593	23
Total other ordinary expenses	80,080	83,034	536
Total ordinary expenses	5,993,508	6,582,841	40,085
<b>Ordinary profit</b>	170,981	162,581	1,144
<b>EXTRAORDINARY GAINS (Note 20)</b>	43,884	16,161	293
<b>EXTRAORDINARY LOSSES (Note 21)</b>	240	190	2
<b>Provision for reserve for policyholder dividends (Note 22)</b>	96,990	55,899	649
<b>Income before income taxes</b>	117,634	122,652	787
<b>Income taxes (Note 11):</b>			
Current	20,759	13,379	139
Deferred	(27,217)	20,709	(182)
<b>Total income taxes</b>	(6,458)	34,088	(43)
<b>Net income</b>	124,093	88,564	830

See accompanying notes to non-consolidated financial statements.

# JAPAN POST INSURANCE CO., LTD.

## NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

YEARS ENDED MARCH 31, 2025 AND 2024

	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	Treasury stock	Total shareholders' equity
BALANCE, APRIL 1, 2023	500,000	405,044	–	405,044	84,089	4,767	613,328	702,185	(36,082)	1,571,147
Changes in the fiscal year:										
Cash dividends					7,127		(42,763)	(35,635)		(35,635)
Net income							88,564	88,564		88,564
Disposals of treasury stock									132	132
Cancellation of treasury stock			(35,000)	(35,000)					35,000	–
Reversal of reserve for reduction entry of real estate						(260)	260	–		–
Transfer from retained earnings to capital surplus			35,000	35,000			(35,000)	(35,000)		–
Net changes in items other than shareholders' equity in the fiscal year										
Net changes in the fiscal year	–	–	–	–	7,127	(260)	11,060	17,927	35,133	53,061
<b>BALANCE, MARCH 31, 2024</b>	<b>500,000</b>	<b>405,044</b>	<b>–</b>	<b>405,044</b>	<b>91,216</b>	<b>4,506</b>	<b>624,389</b>	<b>720,112</b>	<b>(948)</b>	<b>1,624,208</b>
Changes in the fiscal year:										
Cash dividends					7,586		(45,521)	(37,934)		(37,934)
Net income							124,093	124,093		124,093
Purchases of treasury stock									(0)	(0)
Disposals of treasury stock									47	47
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	47	86,205
<b>BALANCE, MARCH 31, 2025</b>	<b>500,000</b>	<b>405,044</b>	<b>–</b>	<b>405,044</b>	<b>98,803</b>	<b>4,193</b>	<b>703,274</b>	<b>806,270</b>	<b>(901)</b>	<b>1,710,413</b>

	Millions of Yen			
	Valuation and translation adjustments			
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	Total net assets
BALANCE, APRIL 1, 2023	797,912	4,607	802,520	2,373,667
Changes in the fiscal year:				
Cash dividends				(35,635)
Net income				88,564
Disposals of treasury stock				132
Cancellation of treasury stock				–
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	977,780	(8,794)	968,986	968,986
Net changes in the fiscal year	977,780	(8,794)	968,986	1,022,047
<b>BALANCE, MARCH 31, 2024</b>	<b>1,775,693</b>	<b>(4,186)</b>	<b>1,771,506</b>	<b>3,395,714</b>
Changes in the fiscal year:				
Cash dividends				(37,934)
Net income				124,093
Purchases of treasury stock				(0)
Disposals of treasury stock				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	(224,004)	(15,428)	(239,432)	(153,227)
<b>BALANCE, MARCH 31, 2025</b>	<b>1,551,688</b>	<b>(19,614)</b>	<b>1,532,073</b>	<b>3,242,487</b>

See accompanying notes to non-consolidated financial statements.



Millions of U.S. Dollars (Note 1)										
Shareholders' equity										
	Capital surplus				Retained earnings				Treasury stock	Total shareholders' equity
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						Reserve for reduction entry of real estate	Retained earnings brought forward			
BALANCE, MARCH 31, 2024	3,344	2,709	–	2,709	610	30	4,176	4,816	(6)	10,863
Changes in the fiscal year:										
Cash dividends					51		(304)	(254)		(254)
Net income							830	830		830
Purchases of treasury stock									(0)	(0)
Disposals of treasury stock									0	0
Reversal of reserve for reduction entry of real estate						(2)	2	–		–
Net changes in items other than shareholders' equity in the fiscal year										
Net changes in the fiscal year	–	–	–	–	51	(2)	528	576	0	577
BALANCE, MARCH 31, 2025	3,344	2,709	–	2,709	661	28	4,704	5,392	(6)	11,439

Millions of U.S. Dollars (Note 1)				
Valuation and translation adjustments				
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	Total net assets
BALANCE, MARCH 31, 2024	11,876	(28)	11,848	22,711
Changes in the fiscal year:				
Cash dividends				(254)
Net income				830
Purchases of treasury stock				(0)
Disposals of treasury stock				0
Reversal of reserve for reduction entry of real estate				–
Net changes in items other than shareholders' equity in the fiscal year	(1,498)	(103)	(1,601)	(1,601)
Net changes in the fiscal year	(1,498)	(103)	(1,601)	(1,025)
BALANCE, MARCH 31, 2025	10,378	(131)	10,247	21,686

See accompanying notes to non-consolidated financial statements.

# JAPAN POST INSURANCE CO., LTD.

## NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2025 AND 2024

### 1. BASIS OF PRESENTATION

The accompanying financial statements of JAPAN POST INSURANCE Co., Ltd. (the "Company") have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations concerning preparation of financial statements, the Ordinance for Enforcement of Insurance Business Act and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of the International Financial Reporting Standards.

In preparing these non-consolidated financial statements, certain reclassifications and rearrangements have been made to the non-consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan.

All Japanese yen figures in the non-consolidated financial statements have been rounded down to the nearest million yen. Accordingly, the total of each account might not be equal to the combined total of individual items.

The non-consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and mainly operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥149.52 to US\$1, the approximate rate of exchange as of March 31, 2025. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (1) 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 the "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

Equities of subsidiaries and affiliates are carried at cost, and the cost of these securities sold is calculated using the moving-average method.

##### 4) Available-for-sale securities

A) 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.

B) 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) Derivative Transactions

All derivative transactions are valued at fair value.

#### (3) Hedge Accounting

##### 1) Methods for hedge accounting

The Company applies deferred hedge accounting through currency swaps to hedge cash flows 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." In addition, deferred hedge accounting through interest rate swaps to hedge interest rate risk for a portion of its insurance liabilities is applied 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

- |                           |                                     |
|---------------------------|-------------------------------------|
| (i) Hedging instrument:   | Currency swaps                      |
| Hedged item:              | Foreign-currency-denominated bonds  |
| (ii) Hedging instrument:  | Foreign currency exchange contracts |
| Hedged item:              | Foreign-currency-denominated bonds  |
| (iii) Hedging instrument: | Interest rate swaps                 |
| Hedged item:              | 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.

#### (4) Depreciation

##### 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:

- |                              |   |            |
|------------------------------|---|------------|
| Buildings                    | : | 2-60 years |
| 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

The Company mainly leases vehicles under finance lease arrangements that do not transfer the ownership of leased property to the lessee.

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.

#### (5) 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 a 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 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. The reserve for possible loan losses also includes amounts set aside for other assets subject to valuation allowance. The amounts written off for loans and other assets during the years ended March 31, 2025, and 2024, were ¥44 million (\$0 million) and ¥45 million, respectively.

### (6) Policy Reserves

To prepare for the fulfillment 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.

The amount of policy reserves might be affected if the actual results of the basis of the calculation of policy reserves such as assumed mortality rates, assumed interest rates and expected rate of expenses deviate significantly or deviations are expected in the future due to changes in the environment.

Among the policy reserves, insurance premium reserves are calculated based on the following methodology. The amount includes additional policy reserves accumulated for the portion of the reinsurance contracts issued to the Organization for Postal Savings, Postal Life Insurance and Post Office Network (hereinafter 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.

In the fiscal year ended March 31, 2025, the Company accumulated additional policy reserves for the portion of reinsurance contracts from the Management Network, pursuant to Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act. The amount of reserves accumulated totaled ¥598,226 million (\$4,001 million). However, as the same amount was released from the contingency reserve, there was no impact on ordinary profit or income before income taxes.

Among the policy reserves, contingency reserves are accumulated to ensure the fulfillment 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.

The Management Network was established in October 2007 to support the privatization of Japan Post by succeeding from Japan Post postal savings such as fixed amount or term postal savings deposited and Postal Life Insurance Contracts concluded by September 2007 to ensure that such postal savings and Postal Life Insurance are

managed appropriately and to fulfill the relevant liabilities without fail.

The Company has entered into reinsurance contracts comprising outsourcing agreements for the administrative operation of the Postal Life Insurance and reinsurance contracts for insurance liabilities based on former Postal Life Insurance Contracts, for Postal Life Insurance Contracts concluded by September 2007 that have been assumed by the Management Network.

In addition, based on the master plan by the Postal Service Privatization Act, with respect to the amount equivalent to that lent to policyholders of the Postal Life Insurance Contracts and to Japanese local governments and others succeeded from Japan Post Corporation, the Company has made loans to the Management Network under the same loan conditions as those of the contracts between Japan Post and its counterparties.

### (7) 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.

### (8) 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 reserve 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.

### (9) Reserve for Management Bonuses

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

### (10) 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.

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

Actuarial differences are 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 period for employees in the fiscal year of incurrence.

Accounting methods for unrecognized actuarial difference and unrecognized prior service cost are different from those of the consolidated financial statements.

### (11) Reserve for Management Board Benefit Trust

To provide for the granting of shares and other benefits 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.

### (12) Reserve for Price Fluctuations

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

### (13) 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.

### (14) Additional Information

**Transactions for granting shares and other benefits of the Company to executive officers of the Company through a trust**

Notes to the transactions for granting shares and other benefits of the Company to executive officers of the Company through a trust are omitted as they are presented in Note 2 "SIGNIFICANT ACCOUNTING POLICIES" of the consolidated financial statements.

## 3. SECURITIES

### (1) Securities

Equities of subsidiaries and affiliates were included in "Stocks," and investments in capital of subsidiaries and affiliates were included in "Other securities," all of which are carried at cost because they are instruments with no market price. Such securities as of March 31, 2025, and 2024, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
March 31	2025	2024	2025
Equities of subsidiaries	1,784	1,784	12
Investments in capital of subsidiaries	90,118	41,345	603
Equities of affiliates	58,962	6,462	394
Investments in capital of affiliates	36,716	29,039	246

Securities lent under lending agreements in the amount of ¥1,390,979 million (\$9,303 million) and ¥1,597,184 million were included in "Securities" in the balance sheets as of March 31, 2025, and 2024, respectively.

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 ¥109,672 million (\$733 million) and ¥141,779 million as of March 31, 2025, and 2024, respectively.

### (2) Policy-Reserve-Matching Bonds

The balance sheet amount and fair value of policy-reserve-matching bonds as of March 31, 2025, and 2024, were as follows:

	Millions of Yen		Millions of U.S. Dollars
March 31	2025	2024	2025
Balance sheet amount	7,243,771	7,139,629	48,447
Fair value	6,522,343	6,954,091	43,622

The outline of the risk management policy of policy-reserve-matching bonds was 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 the 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 is reconciled within a certain range and 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)

Since the year ended March 31, 2025, lump-sum payment whole life insurance has been added to the sub-group of Japan Post Insurance life insurance contracts (lump-sum payment). This change has no impact on profit or loss.

## 4. ASSETS PLEDGED AS COLLATERAL

Assets pledged as collateral as of March 31, 2025, and 2024, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
<b>March 31</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>
Assets pledged as collateral:			
Securities	<b>4,489,608</b>	3,715,475	<b>30,027</b>
Liabilities corresponding to assets pledged as collateral:			
Payables under repurchase agreements	<b>4,516,922</b>	3,905,000	<b>30,209</b>

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.

	Millions of Yen		Millions of U.S. Dollars
<b>March 31</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>
Securities	<b>160,554</b>	213,657	<b>1,074</b>
Margin deposits for futures transactions	<b>4,437</b>	4,284	<b>30</b>
Cash collateral paid for financial instruments	<b>56,013</b>	35,750	<b>375</b>

## 5. LOANS

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, 2025, and 2024.

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.

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 or doubtful 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.

The amounts of unused commitments as of March 31, 2025, and 2024, were as follows:

	Millions of Yen		Millions of U.S. Dollars
<b>March 31</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>
Amount of unused commitments	—	4,890	—

With regard to the loans to the Management Network that became due on March 31, 2024, the due date was moved to the following business day pursuant to internal rules as March 31, 2024, fell on a bank holiday. Of this amount, the amount received in advance was recorded as a suspense receipt as its due date had not yet arrived. Details of the loans to the Management Network that became due on March 31, 2024, as well as the amount recorded as accrued interest in accrued revenue and the amount received in advance which was recorded as a suspense receipt for these loans to the Management Network were as follows. March 31, 2025, did not fall on a bank holiday.

	Millions of Yen		Millions of U.S. Dollars
<b>March 31</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>
Loans to the Management Network	—	242,568	—
Accrued income	—	21,100	—
Suspense receipt	—	13,276	—

## 6. REINSURANCE

Reserve for outstanding claims for reinsured parts 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 the “reserve for outstanding claims—ceded”), as of March 31, 2025, and 2024, was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
<b>March 31</b> Reserve for outstanding claims—ceded	<b>357</b>	426	<b>2</b>

Policy reserves for reinsured parts defined in Article 71, Paragraph 1 of the said Ordinance (hereinafter “policy reserves—ceded”) as of March 31, 2025, and 2024, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
<b>March 31</b> Policy reserves—ceded	<b>1,187,171</b>	641,745	<b>7,940</b>

## 7. RESERVE FOR POLICYHOLDER DIVIDENDS

Changes in reserve for policyholder dividends for the years ended March 31, 2025, and 2024, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
<b>Years ended March 31</b> Balance at the beginning of the year	<b>1,101,628</b>	1,175,171	<b>7,368</b>
Policyholder dividends paid	<b>(114,060)</b>	(129,463)	<b>(763)</b>
Interest accrual	<b>679</b>	137	<b>5</b>
Reduction due to the acquisition of additional annuity	<b>(112)</b>	(115)	<b>(1)</b>
Provision for reserve for policyholder dividends	<b>96,990</b>	55,899	<b>649</b>
Balance at the end of the year	<b>1,085,126</b>	1,101,628	<b>7,257</b>

## 8. RESERVES RELATED TO REINSURANCE CONTRACTS

Policy reserves, excluding contingency reserve and including policy reserves—ceded, related to reinsurance contracts with the Management Network 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 for the category of the reinsurance.

The policy reserves, excluding contingency reserve and including policy reserves—ceded, contingency reserve and reserve for price fluctuations mentioned above as of March 31, 2025, and 2024, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
<b>March 31</b> Policy reserves (excluding contingency reserve and including policy reserves—ceded)	<b>24,576,340</b>	25,595,821	<b>164,368</b>
Contingency reserve	<b>915,558</b>	1,283,683	<b>6,123</b>
Reserve for price fluctuations	<b>581,452</b>	749,984	<b>3,889</b>

## 9. BONDS PAYABLE

Bonds payable, which are subordinated bonds stipulating that their priorities are ranked behind other obligations, as of March 31, 2025, and 2024, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
<b>March 31</b> Subordinated bonds	<b>500,000</b>	400,000	<b>3,344</b>



## 10. DEPOSITS FROM THE MANAGEMENT NETWORK

Deposits from the Management Network refer to the amounts equivalent to the reserve for outstanding claims and reserve for losses on compensation for damages related to litigation or conciliation 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 years ended March 31, 2025, and 2024.

## 11. DEFERRED TAX ASSETS AND LIABILITIES

Significant components of deferred tax assets and liabilities as of March 31, 2025, and 2024, were as follows:

	Millions of Yen		Millions of U.S. Dollars
<b>March 31</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>
Deferred tax assets:			
Policy reserves	1,025,316	998,451	6,857
Reserve for price fluctuations	225,014	228,547	1,505
Reserve for outstanding claims	42,760	42,693	286
Reserve for employees' retirement benefits	31,315	27,206	209
Unrealized losses on available-for-sale securities	169,314	141,183	1,132
Other	52,319	43,182	350
Subtotal	1,546,041	1,481,264	10,340
Valuation allowance	(16,009)	(14,960)	(107)
Total deferred tax assets	1,530,031	1,466,303	10,233
Deferred tax liabilities:			
Unrealized gains on available-for-sale securities	(787,439)	(817,573)	(5,266)
Other	(14,228)	(12,206)	(95)
Total deferred tax liabilities	(801,668)	(829,779)	(5,362)
Net deferred tax assets (liabilities)	728,362	636,524	4,871

Note: Deferred tax assets related to policy reserves and reserve for price fluctuations were recoverable because future taxable income would be generated over the long term, and therefore deferred tax assets have an effect of reducing the amount of tax payable.

The Company is subject to Japanese national and local income taxes, which, in aggregate, resulted in a statutory tax rate of approximately 28.00% for the years ended March 31, 2025, and 2024.

Reconciliation of the statutory tax rate and the effective income tax rate for the year ended March 31, 2025, was as follows:

<b>March 31</b>	<b>2025</b>	<b>2024</b>
Statutory tax rate:	<b>28.00%</b>	—%
Increase in deferred tax assets at the end of fiscal year due to a change in tax rate	<b>(34.62)</b>	—
Other	<b>1.13</b>	—
Effective income tax rate	<b>(5.49)%</b>	—%

Note: The above note for the year ended March 31, 2024, is omitted as the difference between the statutory tax rate and the effective income tax rate was less than 5% of the statutory tax rate.

Following the enactment of the Act on Partial Revision of the Income Tax Act (Act No. 13 of 2025) by the Diet on March 31, 2025, the statutory tax rate used to calculate deferred tax assets and liabilities for the year ended March 31, 2025, has been changed from 28.00% in the previous year to 28.93% for those expected to be collected or paid on or after April 1, 2026.

As a result, deferred tax assets (net of deferred tax liabilities) increased by ¥21,235 million (\$142 million), income taxes – deferred decreased by ¥40,725 million (\$272 million), and net unrealized gains on available-for-sale securities decreased by ¥19,745 million (\$132 million) in the year ended March 31, 2025.

## 12. POLICY RESERVES FOR CEDED REINSURANCE

The amount of reversal of reserve for outstanding claims—ceded that is deducted from the calculation of reversal of reserve for outstanding claims for the years ended March 31, 2025, and 2024, was ¥69 million (\$0 million) and ¥264 million, respectively.

The amount of provision for policy reserves—ceded that is added to the calculation of reversal of policy reserves for the years ended March 31, 2025, and 2024, was ¥545,425 million (\$3,648 million) and ¥640,865 million, respectively.

## 13. INSURANCE PREMIUMS

Insurance premiums assumed based on reinsurance contracts with the Management Network included in insurance premiums for the years ended March 31, 2025, and 2024, were as follows:

	Millions of Yen		Millions of U.S. Dollars
<b>Years ended March 31</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>
Insurance premiums	131,451	171,727	879

## 14. INSURANCE CLAIMS

Insurance claims based on reinsurance contracts with the Management Network included in insurance claims for the years ended March 31, 2025, and 2024, were as follows:

<u>Years ended March 31</u>	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Insurance claims	2,065,061	2,268,384	13,811

## 15. GAINS ON MONEY HELD IN TRUST

Gains on money held in trust included losses on valuation of ¥4,975 million (\$33 million) and ¥3,882 million for the years ended March 31, 2025, and 2024, respectively.

## 16. GAINS ON SALES OF SECURITIES

Gains on sales of securities were recognized on the following securities:

<u>Years ended March 31</u>	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Japanese government bonds, etc.	31,104	22,169	208
Stocks	23,280	14,394	156
Foreign securities	56,256	114,588	376

## 17. LOSSES ON SALES OF SECURITIES

Losses on sales of securities were recognized on the following securities:

<u>Years ended March 31</u>	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Japanese government bonds, etc.	160,749	57,329	1,075
Stocks	2,381	4,489	16
Foreign securities	28,375	115,885	190
Other securities	1,964	—	13

## 18. LOSSES ON VALUATION OF SECURITIES

Losses on valuation of securities were recognized on the following securities:

<u>Years ended March 31</u>	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Other securities	—	71	—

## 19. LOSSES ON DERIVATIVE FINANCIAL INSTRUMENTS

Losses on derivative financial instruments included losses on valuation of ¥6,288 million (\$42 million) and ¥38,819 million for the years ended March 31, 2025, and 2024, respectively.

## 20. EXTRAORDINARY GAINS

Extraordinary gains for the years ended March 31, 2025, and 2024, consisted of the following:

<u>Years ended March 31</u>	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Gains on sales of fixed assets	15	—	0
Reversal of reserve for price fluctuations	43,869	16,161	293



## 21. EXTRAORDINARY LOSSES

Extraordinary losses for the years ended March 31, 2025, and 2024, consisted of the following:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Losses on sales and disposal of fixed assets	240	190	2

## 22. PROVISION FOR RESERVE FOR POLICYHOLDER DIVIDENDS

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 reinsurance due to the reinsurance contracts with the Management Network, for the years ended March 31, 2025, and 2024, was as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Provision for reserve for policyholder dividends	86,029	46,866	575

## 23. TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES

Transactions with the subsidiaries and affiliates for the years ended March 31, 2025, and 2024, and outstanding balances arising from such transactions as of March 31, 2025, and 2024, were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Income	—	—	—
Expenses	19,114	19,067	128

March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Monetary claims	174	169	1
Monetary obligations	16,989	18,300	114

## 24. SUBSEQUENT EVENTS

### (1) Acquisition of Treasury Stock

At the Board of Directors' meeting held on November 14, 2024 and March 28, 2025, the Company resolved matters concerning the acquisition of treasury stock pursuant to Article 39, Paragraph 1 of the Company's Articles of Incorporation complying with Article 459, Paragraph 1, Item 1 of the Companies Act. The acquisition was completed on April 18, 2025.

#### 1) Board of Directors' resolutions concerning the acquisition of treasury stock

##### (A) Reason for the acquisition of treasury stock

The Company's shareholder return policy during the period of the Medium-Term Management Plan aims for total payout ratio of 40% to 50% on a medium-term average, through acquisition of treasury stock and other timely measures. Based on this policy, the Company intends to conduct the acquisition of treasury stock to improve capital efficiency and enhance shareholder returns.

##### (B) Details of the acquisition

(i) Class of shares to be acquired: Common stock of the Company

(ii) Total number of shares to be acquired: 30,000,000 shares (maximum)

(The ratio of the total number of shares to be acquired to the total number of shares issued (excluding treasury stock): 7.8%)

(iii) Total amount of shares to be acquired: ¥35,000,000,000 (\$234 million) (maximum)

(iv) Acquisition period: From November 15, 2024 to November 14, 2025

(v) Method of acquisition: Purchases through the Off-auction Own Share Repurchase Trading system (ToSTNeT-3) and trading on the auction market of the Tokyo Stock Exchange, Inc.

(vi) In addition to the matters described above, any matters required for the acquisition of treasury stock shall be determined at the sole discretion of the President, CEO, Representative Executive Officer of the Company or a person appointed by him.

## 2) Details of the acquisition of treasury stock as implemented

- (A) Class of shares acquired: Common stock of the Company
- (B) Total number of shares acquired: 11,369,600 shares
- (C) Total amount of shares acquired: ¥34,999,885,750 (\$234 million)
- (D) Acquisition period: From March 31, 2025 to April 18, 2025 (on a contract basis)
- (E) Method of acquisition: Purchases through the Off-auction Own Share Repurchase Trading system (ToSTNeT-3) and trading on the auction market of the Tokyo Stock Exchange, Inc.

## (2) Cancellation of Treasury Stock

At the Board of Directors' meeting held on May 15, 2025, the Company resolved to cancel its treasury stock pursuant to Article 178 of the Companies Act and implemented it on June 6, 2025.

- 1) Class of shares cancelled: Common stock of the Company
- 2) Number of shares cancelled: 11,369,600 shares  
(3.0% of the total number of shares issued before the cancellation)
- 3) Date of the cancellation: June 6, 2025

(Reference)

Total number of shares issued after the cancellation: 371,822,700 shares

## (3) Conclusion of Agreements Related to Investments in a Re-Insurance Vehicle

The Company, KKR & Co. Inc. (together with its subsidiaries, "KKR"), and Global Atlantic Financial Group ("GAFG"), a leading provider of retirement security and investment solutions, and a wholly-owned subsidiary of KKR, signed agreements dated July 30, 2025 under which the Company will invest \$2 billion (approx. ¥300 billion) in a new re-insurance vehicle (a reinsurance co-investment vehicle is an entity established by a reinsurance company as a means of raising capital from investors in order to capture large reinsurance transaction opportunities; the "Vehicle") sponsored by GAFG, as the Company formally determined at its Board of Directors' meeting held on July 29, 2025.

The Company's commitment is over 50% of the Vehicle (the Company expects to hold a 10% stake in the Vehicle in terms of voting rights, after obtaining regulatory approvals), which is expected to have access to GAFG's insurance, reinsurance and strategic activity, and to commence operations in the first half of 2026, subject to customary regulatory approvals.

The Company's investment will be made over time. The Company expects that this investment will have minimal impact on its non-consolidated financial results for the year ending March 31, 2026.

## 25. SUPPLEMENTARY SCHEDULES

### Schedule of Operating Expenses

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2025	2024	2025
Sales activity expenses:	58,906	53,928	394
Field sales staff-related expenses	32,718	26,774	219
Sales agencies-related expenses	26,187	27,154	175
Selection expenses of policyholders	0	0	0
Sales administration expenses:	17,761	19,511	119
Management of sales agencies	12,439	13,559	83
Training and education of sales staff	324	258	2
Advertising	4,997	5,693	33
General administration expenses:	351,696	365,091	2,352
Personnel expenses	101,289	107,099	677
Property expenses	250,405	257,990	1,675
Donation, contribution and miscellaneous dues	369	403	2
Obligations	1	1	0
Total	428,363	438,531	2,865

Notes:

- 1. "Property expenses" include consignment costs related to the maintenance and control of insurance policies, IT system-related costs and contributions based on Article 18-3 of the Act on Organization for Postal Savings, Postal Life Insurance and Post Office Network.
- 2. "Obligations" are obligations paid to Life Insurance Policyholders Protection Corporation based on the provision of Article 259 of the Insurance Business Act.

## Schedule of Tangible and Intangible Fixed Assets

Millions of Yen							
Year ended March 31, 2025							
Type of assets	Beginning balance	Increase	Decrease	Ending balance	Accumulated depreciation and amortization at the end of the year	Depreciation and amortization for the year	Net ending balance
<b>Tangible fixed assets:</b>							
Land	—	—	—	76,632	—	—	76,632
Buildings	—	—	—	77,361	34,440	3,313	42,921
Leased assets	—	—	—	7,205	2,842	1,135	4,363
Construction in progress	—	—	—	513	—	—	513
Other	—	—	—	41,932	26,096	2,666	15,836
<b>Total tangible fixed assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>203,645</b>	<b>63,379</b>	<b>7,114</b>	<b>140,266</b>
<b>Intangible fixed assets:</b>							
Software	—	—	—	671,474	550,586	33,586	120,887
Other	—	—	—	36	25	2	11
<b>Total intangible fixed assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>671,511</b>	<b>550,612</b>	<b>33,589</b>	<b>120,899</b>
Long-term prepaid expenses	709	52	—	762	559	32	203
Deferred assets	—	—	—	—	—	—	—

Millions of Yen							
Year ended March 31, 2024							
Type of assets	Beginning balance	Increase	Decrease	Ending balance	Accumulated depreciation and amortization at the end of the year	Depreciation and amortization for the year	Net ending balance
<b>Tangible fixed assets:</b>							
Land	—	—	—	76,610	—	—	76,610
Buildings	—	—	—	76,100	31,115	2,764	44,984
Leased assets	—	—	—	7,696	2,369	1,336	5,326
Construction in progress	—	—	—	47	—	—	47
Other	—	—	—	37,834	28,232	3,541	9,602
<b>Total tangible fixed assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>198,288</b>	<b>61,717</b>	<b>7,642</b>	<b>136,571</b>
<b>Intangible fixed assets:</b>							
Software	—	—	—	620,272	517,080	35,285	103,191
Other	—	—	—	34	23	2	10
<b>Total intangible fixed assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>620,306</b>	<b>517,104</b>	<b>35,287</b>	<b>103,202</b>
Long-term prepaid expenses	709	—	—	709	526	30	183
Deferred assets	—	—	—	—	—	—	—

Millions of U.S. Dollars							
Year ended March 31, 2025							
Type of assets	Beginning balance	Increase	Decrease	Ending balance	Accumulated depreciation and amortization at the end of the year	Depreciation and amortization for the year	Net ending balance
<b>Tangible fixed assets:</b>							
Land	—	—	—	513	—	—	513
Buildings	—	—	—	517	230	22	287
Leased assets	—	—	—	48	19	8	29
Construction in progress	—	—	—	3	—	—	3
Other	—	—	—	280	175	18	106
<b>Total tangible fixed assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,362</b>	<b>424</b>	<b>48</b>	<b>938</b>
<b>Intangible fixed assets:</b>							
Software	—	—	—	4,491	3,682	225	809
Other	—	—	—	0	0	0	0
<b>Total intangible fixed assets</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>4,491</b>	<b>3,683</b>	<b>225</b>	<b>809</b>
Long-term prepaid expenses	5	0	—	5	4	0	1
Deferred assets	—	—	—	—	—	—	—

### Notes:

1. "Beginning balance," "Increase" and "Decrease" of tangible fixed assets and intangible fixed assets are omitted because the amounts are less than 1% of total assets.
2. Long-term prepaid expenses are included in "Prepaid expenses" in the non-consolidated balance sheets.

Schedule of Reserves

Millions of Yen					
Year ended March 31, 2025					
	Beginning balance	Increase	Decrease (used for original purposes)	Decrease (for other reasons)	Ending balance
Reserve for possible loan losses	346	766	11	334	766
General reserve	31	367	—	31	367
Specific reserve	314	398	11	302	398
Reserve for management bonuses	—	227	—	—	227
Reserve for management board benefit trust	391	80	64	—	407
Reserve for price fluctuations	873,799	17,152	61,022	—	829,930

Millions of Yen					
Year ended March 31, 2024					
	Beginning balance	Increase	Decrease (used for original purposes)	Decrease (for other reasons)	Ending balance
Reserve for possible loan losses	379	346	31	348	346
General reserve	31	31	—	31	31
Specific reserve	347	314	31	316	314
Reserve for management board benefit trust	315	228	151	—	391
Reserve for price fluctuations	889,960	17,060	33,221	—	873,799

Millions of U.S. Dollars					
Year ended March 31, 2025					
	Beginning balance	Increase	Decrease (used for original purposes)	Decrease (for other reasons)	Ending balance
Reserve for possible loan losses	2	5	0	2	5
General reserve	0	2	—	0	2
Specific reserve	2	3	0	2	3
Reserve for management bonuses	—	2	—	—	2
Reserve for management board benefit trust	3	1	0	—	3
Reserve for price fluctuations	5,844	115	408	—	5,551

Note: Decrease (for other reasons) of reserve for possible loan losses represents the reversed amount of the unused balance of the previous year's reserve.

## Independent Auditor's Report



# Independent auditor's report

To the Board of Directors of JAPAN POST INSURANCE Co., Ltd.:

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying non-consolidated financial statements of JAPAN POST INSURANCE Co., Ltd. ("the Company"), which comprise the non-consolidated balance sheets as at March 31, 2025 and 2024, the non-consolidated statements of income, changes in net assets for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and 2024, and its financial performance for the years then ended in accordance with accounting principles generally accepted in Japan.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the non-consolidated financial statements of the current period. These matters were addressed in the context of our audit of the non-consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Accuracy of the calculation and sufficiency of policy reserves

The descriptions of the above key audit matter to be provided in our auditor's report on the non-consolidated financial statements are substantially the same as those described for the key audit matter, "Accuracy of the calculation and sufficiency of policy reserves" in our auditor's report on the consolidated financial statements. Therefore, information concerning this key audit matter is omitted in the auditor's report on the non-consolidated financial statements.

#### Reasonableness of management's judgment on the recoverability of deferred tax assets

The descriptions of the above key audit matter to be provided in our auditor's report on the non-consolidated financial statements are substantially the same as those described for the key audit matter, "Reasonableness of management's judgment on the recoverability of deferred tax assets" in our auditor's report on the consolidated financial statements. Therefore, information concerning this key audit matter is omitted in the auditor's report on the non-consolidated financial statements.

#### **Other Information**

The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the preparation and presentation of the other information. The audit committee is responsible for overseeing the executive officers' and directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Responsibilities of Management and the Audit Committee for the Non-Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the executive officers' and directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the non-consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the non-consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Fee-related Information

Fee-related information is described in the auditor's report on the consolidated financial statements.

### Convenience Translation

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2025 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the non-consolidated financial statements.

**Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

KANNO Masako

Designated Engagement Partner

Certified Public Accountant

SATO Eihiro

Designated Engagement Partner

Certified Public Accountant

SUDA Shunsuke

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Tokyo Office, Japan

September 30, 2025



## 4 Status of Financial Assets (Consolidated)

### 4-1 Status of Loans under the Insurance Business Act (Consolidated)

(Millions of yen, %)

As of March 31		2024	2025
	Bankrupt or quasi-bankrupt loans	—	—
	Doubtful loans	—	—
	Past due loans for three months or more	—	—
	Restructured loans	—	—
	Subtotal	—	—
	(Percentage in total)	( — )	( — )
	Normal loans	4,755,406	3,808,619
	Total	4,755,406	3,808,619

## 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 for 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 has 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.

## 4-2 Status of Insurance Claims Paying Ability of the Company and Its Subsidiaries (Consolidated Solvency Margin Ratio)

(Millions of yen)

As of March 31	2024	2025
Total amount of solvency margin (A)	6,928,566	6,139,336
Capital stock, etc.	1,604,045	1,654,671
Reserve for price fluctuations	873,799	829,930
Contingency reserve	1,725,335	1,219,164
Catastrophe loss reserve	—	—
General reserve for possible loan losses	31	367
(Net unrealized gains (losses) on available-for-sale securities (before taxes)-Net deferred gains (losses) on hedges (before taxes)) × 90% (if negative, × 100%)	2,206,874	1,953,057
Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)	(21,656)	(17,627)
Sum of unrecognized actuarial differences and unrecognized prior service cost (before taxes)	3,033	2,440
Excess of continued Zillmerized reserve	214,749	184,861
Capital raised through debt financing	400,000	500,000
Amounts within “excess of continued Zillmerized reserve” and “capital raised through debt financing” not calculated into the margin	—	—
Deductions	(77,647)	(187,528)
Other	—	—
Total amount of risk (B)	1,354,164	1,359,345
$\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$		
Insurance risk R <sub>1</sub>	107,916	99,111
General insurance risk R <sub>5</sub>	—	—
Catastrophe risk R <sub>6</sub>	—	—
Underwriting risk of third-sector insurance R <sub>8</sub>	37,822	35,161
Small amount and short-term insurance risk R <sub>9</sub>	—	—
Anticipated yield risk R <sub>2</sub>	108,247	101,539
Minimum guarantee risk R <sub>7</sub>	—	—
Investment risk R <sub>3</sub>	1,208,624	1,221,858
Business management risk R <sub>4</sub>	29,252	29,153
Solvency margin ratio (A) — (1/2) × (B) × 100	1,023.2%	903.2%

Note: These figures are calculated based on the provisions set forth in the public notification No. 23 issued by the Financial Services Agency in 2011 and Articles 86-2 and 88 of the Ordinance for Enforcement of the Insurance Business Act.

## 4-3 Status of Insurance Claims Paying Ability of the Company's Subsidiaries (Solvency Margin Ratio)

There are no subsidiaries classified as an insurance company.

## 5 Status of Financial Assets (Non-Consolidated)

### 5-1 Status of Loans under the Insurance Business Act

(Millions of yen, %)

As of March 31		2024	2025
	Bankrupt or quasi-bankrupt loans	—	—
	Doubtful loans	—	—
	Past due loans for three months or more	—	—
	Restructured loans	—	—
	Subtotal	—	—
	(Percentage in total)	( — )	( — )
	Normal loans	4,755,406	3,808,619
	Total	4,755,406	3,808,619

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 for 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 has 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.

### 5-2 Loans Concerning the Trusts with Contracts Indemnifying the Principal Amounts

There were no such outstanding balances as of March 31, 2024, and 2025.

## 5-3 Status of Insurance Claims Paying Ability (Solvency Margin Ratio)

(Millions of yen)

As of March 31	2024	2025
Total amount of solvency margin (A)	7,005,333	6,327,197
Capital stock, etc.	1,606,198	1,657,444
Reserve for price fluctuations	873,799	829,930
Contingency reserve	1,725,335	1,219,164
General reserve for possible loan losses	31	367
(Net unrealized gains (losses) on available-for-sale securities (before taxes)-Net deferred gains (losses) on hedges (before taxes)) × 90% (if negative, × 100%)	2,206,874	1,953,057
Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)	(21,656)	(17,627)
Excess of continued Zillmerized reserve	214,749	184,861
Capital raised through debt financing	400,000	500,000
Amounts within “excess of continued Zillmerized reserve” and “capital raised through debt financing” not calculated into the margin	—	—
Deductions	—	—
Other	—	—
Total amount of risk (B)	1,377,901	1,416,274
$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$		
Insurance risk R <sub>1</sub>	107,916	99,111
Underwriting risk of third-sector insurance R <sub>8</sub>	37,822	35,161
Anticipated yield risk R <sub>2</sub>	108,247	101,539
Minimum guarantee risk R <sub>7</sub>	—	—
Investment risk R <sub>3</sub>	1,232,032	1,277,940
Business management risk R <sub>4</sub>	29,720	30,275
Solvency margin ratio (A) ————— × 100 (1/2) × (B)	1,016.8%	893.4%

Note: These figures are calculated based on the provisions set forth in the public notification No. 50 issued by the Ministry of Finance in 1996 and Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act.

## 5-4 Real Net Assets

(Millions of yen, %)

As of March 31	2024	2025
Real net assets	7,736,026	4,066,277
[Ratio to general account assets]	[12.7]	[6.8]

Note: These figures are calculated based on the provisions set forth in Article 3, Paragraph 2 of the “Order Providing for Categories Prescribed in Article 132, Paragraph 2 of the Insurance Business Act.”

## 5-5 Fair Value Information of Securities (Company Total)

### (1) Fair Value Information of Securities

#### 1) Net Valuation Gain/Loss of Trading Securities

The Company did not hold securities for trading as of March 31, 2024, and 2025.

#### 2) Fair Value Information of Securities (Other than Trading Securities)

(Millions of yen)

As of March 31	2024					2025				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
			Gains		Losses			Gains		Losses
Held-to-maturity bonds	32,343,114	33,401,975	1,058,860	2,097,052	1,038,191	31,425,320	30,144,069	(1,281,251)	733,467	2,014,718
Policy-reserve-matching bonds	7,139,629	6,954,091	(185,537)	278,170	463,708	7,243,771	6,522,343	(721,427)	91,171	812,599
Equities of subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	12,353,736	14,800,291	2,446,554	2,950,739	504,184	12,558,013	14,719,680	2,161,666	2,746,991	585,324
Corporate and government bonds	3,560,198	3,329,202	(230,996)	6,688	237,685	3,303,529	2,990,796	(312,733)	4,289	317,023
Domestic stocks	1,842,609	3,578,396	1,735,787	1,750,959	15,171	1,962,202	3,509,230	1,547,028	1,581,457	34,429
Foreign securities	3,399,190	4,361,735	962,545	1,050,457	87,911	3,406,868	4,393,772	986,903	1,055,596	68,692
Foreign corporate and government bonds	1,932,785	1,954,510	21,725	109,614	87,888	1,840,400	1,808,539	(31,860)	36,707	68,567
Foreign stocks and other securities	1,466,405	2,407,225	940,820	940,842	22	1,566,468	2,585,232	1,018,764	1,018,889	124
Other securities	2,856,830	2,835,563	(21,266)	142,149	163,416	2,842,301	2,782,665	(59,636)	105,543	165,179
Monetary claims bought	24,907	25,392	484	484	—	23,110	23,215	104	104	—
Negotiable certificates of deposit	670,000	670,000	—	—	—	1,020,000	1,020,000	—	—	—
Other	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>51,836,480</b>	<b>55,156,357</b>	<b>3,319,876</b>	<b>5,325,962</b>	<b>2,006,085</b>	<b>51,227,105</b>	<b>51,386,093</b>	<b>158,987</b>	<b>3,571,630</b>	<b>3,412,643</b>
Corporate and government bonds	43,022,942	43,665,713	642,770	2,381,911	1,739,141	41,952,621	39,638,241	(2,314,379)	828,928	3,143,308
Domestic stocks	1,842,609	3,578,396	1,735,787	1,750,959	15,171	1,962,202	3,509,230	1,547,028	1,581,457	34,429
Foreign securities	3,419,190	4,381,291	962,101	1,050,457	88,355	3,426,868	4,412,739	985,870	1,055,596	69,725
Foreign corporate and government bonds	1,952,785	1,974,065	21,280	109,614	88,333	1,860,400	1,827,506	(32,893)	36,707	69,600
Foreign stocks and other securities	1,466,405	2,407,225	940,820	940,842	22	1,566,468	2,585,232	1,018,764	1,018,889	124
Other securities	2,856,830	2,835,563	(21,266)	142,149	163,416	2,842,301	2,782,665	(59,636)	105,543	165,179
Monetary claims bought	24,907	25,392	484	484	—	23,110	23,215	104	104	—
Negotiable certificates of deposit	670,000	670,000	—	—	—	1,020,000	1,020,000	—	—	—
Other	—	—	—	—	—	—	—	—	—	—

Notes:

- This table includes the handling of securities under the Financial Instruments and Exchange Act.
- This table includes money held in trust other than trading securities, and its book value was ¥3,577,186 million with net unrealized gains of ¥2,455,746 million as of March 31, 2025, and ¥3,484,362 million with net unrealized gains of ¥2,515,569 million as of March 31, 2024.
- This table excludes stocks, etc. with no market price and investments in partnerships, etc.

## ○ Held-to-maturity bonds

(Millions of yen)

As of March 31	2024			2025		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Those for which fair value exceeds the balance sheet amount	25,189,236	27,286,288	2,097,052	20,610,414	21,343,882	733,467
Corporate and government bonds	25,189,236	27,286,288	2,097,052	20,610,414	21,343,882	733,467
Foreign securities	—	—	—	—	—	—
Other	—	—	—	—	—	—
Those for which fair value does not exceed the balance sheet amount	7,153,878	6,115,686	(1,038,191)	10,814,905	8,800,187	(2,014,718)
Corporate and government bonds	7,153,878	6,115,686	(1,038,191)	10,814,905	8,800,187	(2,014,718)
Foreign securities	—	—	—	—	—	—
Other	—	—	—	—	—	—

## ○ Policy-reserve-matching bonds

(Millions of yen)

As of March 31	2024			2025		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Those for which fair value exceeds the balance sheet amount	3,703,306	3,981,476	278,170	2,348,989	2,440,161	91,171
Corporate and government bonds	3,703,306	3,981,476	278,170	2,348,989	2,440,161	91,171
Foreign securities	—	—	—	—	—	—
Other	—	—	—	—	—	—
Those for which fair value does not exceed the balance sheet amount	3,436,323	2,972,614	(463,708)	4,894,781	4,082,182	(812,599)
Corporate and government bonds	3,416,323	2,953,059	(463,264)	4,874,781	4,063,215	(811,566)
Foreign securities	20,000	19,555	(444)	20,000	18,967	(1,033)
Other	—	—	—	—	—	—

## ○ Available-for-sale securities

(Millions of yen)

As of March 31	2024			2025		
	Book value	Balance sheet amount	Difference	Book value	Balance sheet amount	Difference
Those for which the balance sheet amount exceeds book value	2,301,287	2,698,092	396,804	2,012,197	2,263,610	251,412
Corporate and government bonds	408,270	414,959	6,688	260,353	264,642	4,289
Domestic stocks	315,950	519,399	203,449	280,526	439,641	159,115
Foreign securities	857,720	970,682	112,961	723,626	764,278	40,652
Other securities	704,437	777,658	73,220	734,570	781,820	47,250
Monetary claims bought	14,909	15,393	484	13,122	13,227	104
Negotiable certificates of deposit	—	—	—	—	—	—
Other	—	—	—	—	—	—
Those for which the balance sheet amount does not exceed book value	6,568,086	6,102,267	(465,819)	6,968,629	6,423,136	(545,492)
Corporate and government bonds	3,151,928	2,914,243	(237,685)	3,043,176	2,726,153	(317,023)
Domestic stocks	29,023	26,631	(2,392)	100,553	89,960	(10,592)
Foreign securities	1,242,076	1,154,164	(87,911)	1,284,603	1,216,035	(68,567)
Other securities	1,465,059	1,327,229	(137,830)	1,510,307	1,360,998	(149,308)
Monetary claims bought	9,998	9,998	—	9,988	9,988	—
Negotiable certificates of deposit	670,000	670,000	—	1,020,000	1,020,000	—
Other	—	—	—	—	—	—

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

(Millions of yen)

As of March 31	2024	2025
Equities of subsidiaries and affiliates	78,631	187,582
Available-for-sale securities	137,627	150,107
Domestic stocks	4,259	4,259
Foreign stocks	23,197	23,646
Other	110,170	122,201
Total	216,258	337,689

Note: This table includes money held in trust other than trading securities (¥110,170 million as of March 31, 2024, and ¥122,201 million as of March 31, 2025).

## (2) Data on Fair Value of Money Held in Trust

(Millions of yen)

As of March 31	2024					2025				
	Balance sheet amount	Fair value	Net unrealized gains (losses)			Balance sheet amount	Fair value	Net unrealized gains (losses)		
				Gains	Losses				Gains	Losses
Money held in trust	6,158,055	6,158,055	–	–	–	6,330,280	6,330,280	–	–	–

Note: Excluding money held in trust not subject to fair value disclosure (¥113,360 million as of March 31, 2024, and ¥129,749 million as of March 31, 2025).

### 1) Money Held in Trust for Trading Purposes

The Company did not have money held in trust for trading purposes as of March 31, 2024, and 2025.

### 2) Assets Held-to-Maturity in Trust/Assets Held for Reserves in Trust/Other Money Held in Trust

(Millions of yen)

As of March 31	2024					2025				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
				Gains	Losses				Gains	Losses
Assets held-to-maturity in trust	–	–	–	–	–	–	–	–	–	–
Assets held for reserves in trust	–	–	–	–	–	–	–	–	–	–
Other money held in trust	3,642,486	6,158,055	2,515,569	2,553,934	38,365	3,874,533	6,330,280	2,455,746	2,495,579	39,832
Domestic stocks	1,497,635	3,032,366	1,534,730	1,547,510	12,779	1,582,123	2,980,598	1,398,475	1,422,342	23,867
Foreign stocks	285,216	742,211	456,995	456,995	–	298,289	789,478	491,189	491,189	–
Foreign bonds	687,182	795,422	108,239	130,157	21,917	562,195	676,754	114,558	124,008	9,449
Other	1,172,451	1,588,056	415,604	419,272	3,668	1,431,925	1,883,448	451,523	458,038	6,515

Notes:

- Excluding other money held in trust not subject to fair value disclosure (¥113,360 million as of March 31, 2024, and ¥129,749 million as of March 31, 2025).
  - "Domestic stocks," "Foreign stocks," and "Foreign bonds" include individual stocks and bonds as well as mutual funds that exclusively invest in these assets.
  - "Other" includes cash and deposits, bank loans, and alternative investment.
- Due to the application of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" from the fiscal year ended March 31, 2023, mutual funds with no transaction price on the market are measured by assuming net asset value as the fair value.

### (3) Combined Fair Value of Derivative Transactions (with or without Hedge Accounting)

#### 1) Qualitative Information

##### (i) Details of the transactions

The derivative transactions used by the Company are as follows:

- Interest rate-related: Interest rate swap transactions
- Currency-related: Foreign exchange contracts and currency option transactions and currency swap transactions
- Bond-related: Over-the-counter bond options and bond futures

##### (ii) Policy for using derivative transactions

The Company uses derivative transactions primarily for the purpose of hedging foreign exchange fluctuation risk of our investment assets.

##### (iii) Purposes of the use of derivative transactions

The Company mainly conducts derivative transactions relating to currencies to control foreign exchange risks associated with foreign currency-denominated assets.

An overview of the hedge accounting using derivative transactions conducted by the Company is as follows:

###### (1) Methods for hedge accounting

The Group applies deferred hedge accounting through currency swaps to hedge cash flows 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), 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 swap	Foreign-currency-denominated bonds
Foreign currency exchange contracts	Foreign-currency-denominated bonds
Interest rate swap	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.

##### (iv) Description of the risks

Derivative transactions used by the Company are exposed to market risk (risks due to fluctuations in interest rates, foreign exchange rates, etc.) and credit risk (risks of transaction partners' default, including bankruptcy).

The Company uses derivative transactions primarily for the purpose of hedging the risks of our investment assets, and therefore it believes that the market-related risk of derivative transactions is reduced and limited.

Meanwhile, as we engage in derivative transactions through exchanges or select transaction partners with superior creditworthiness based on their ratings and other factors, the credit risk of derivative transactions is believed to be limited.

##### (v) Risk management framework

The Company has formulated the Basic Risk Management Policy, which sets out the investment policies of derivative transactions, and uses derivative transactions primarily for hedging purposes.

In addition, we prevent risks by setting credit limits for each transaction partner selected on the basis of superior creditworthiness verified by their ratings and other factors.

The Risk Management Department is in place as an organizational unit responsible for comprehensively managing all types of risks, as part of an effort to reinforce our internal management system.



### **(vi) Additional notes about quantitative information**

- Additional notes about credit risk  
We calculate the credit risk amount associated with derivative transactions by using the current exposure method.
- Additional notes about the calculation of fair value  
We calculate fair value on the following basis:  
[Interest rate swap transactions]  
Appraised values obtained from information vendors  
[Foreign exchange contracts]  
Fair value is calculated using the forward foreign exchange rate as of the fiscal year-end date.  
[Currency options]  
Appraised values obtained from information vendors  
[Over-the-counter bond options]  
Appraised values obtained from information vendors  
[Bond futures]  
Closing price as of the fiscal year-end date.
- Additional notes about net unrealized gains (losses)  
We use derivative transactions primarily as a means to hedge the market risk of our investment assets, and there are no so-called transactions for trading purposes.  
Profit or loss from derivative transactions and the hedged assets and liabilities is recognized on a combined basis, whereby the effect of a reduction in interest rate risk and foreign exchange fluctuation risk has been verified.

## 2) Quantitative Information

### (i) Breakdown of net unrealized gains (losses) (breakdown of portions with hedge accounting applied and not applied)

(Millions of yen)

	(ii) Interest rate related	(iii) Currency related	(iv) Stock related	(v) Bond related	(vi) Others	Total
As of March 31, 2024	(5,814)	(38,819)	—	—	—	(44,634)
Portion with hedge accounting applied	(5,814)	(37,722)	—	—	—	(43,537)
Portion with hedge accounting not applied	—	(1,097)	—	—	—	(1,097)
As of March 31, 2025	(27,848)	(6,038)	—	—	—	(33,887)
Portion with hedge accounting applied	(27,848)	(6,043)	—	—	—	(33,892)
Portion with hedge accounting not applied	—	5	—	—	—	5

Notes:

1. Net unrealized gains (losses) on the portion subject to the fair value hedge method (currency related ¥(37,722) million) of the portion with hedge accounting applied, and those on the portion with hedge accounting not applied as of March 31, 2024, are accrued in the statement of income.
2. Net unrealized gains (losses) on the portion subject to the fair value hedge method (currency related ¥(6,293) million) of the portion with hedge accounting applied, and those on the portion with hedge accounting not applied as of March 31, 2025, are accrued in the statement of income.

### Derivative transactions to which hedge accounting is not applied

#### (ii) Interest rate-related derivatives

There were no such outstanding balances as of March 31, 2024, and 2025.

#### (iii) Currency-related derivatives

(Millions of yen)

Category	Type	As of March 31, 2024				As of March 31, 2025			
		Contract amount, etc.		Fair value	Net unrealized gains (losses)	Contract amount, etc.		Fair value	Net unrealized gains (losses)
			Due after 1 year				Due after 1 year		
Over-the-counter	Foreign currency exchange contracts								
	Sold	58,287	—	(1,097)	(1,097)	282	—	3	3
	U.S. dollars	53,516	—	(1,005)	(1,005)	282	—	3	3
	Euros	4,770	—	(91)	(91)	—	—	—	—
	Currency options								
	Sold								
	Call	—	—	—	—	4,336	—	7	7
		(—)	(—)	—	—	(15)	(—)	—	—
	(U.S. dollars)	—	—	—	—	4,336	—	7	7
		(—)	(—)	—	—	(15)	(—)	—	—
	Bought								
	Put	—	—	—	—	4,336	—	10	(4)
		(—)	(—)	—	—	(15)	(—)	—	—
	(U.S. dollars)	—	—	—	—	4,336	—	10	(4)
		(—)	(—)	—	—	(15)	(—)	—	—
Total					(1,097)				5

Notes:

- Figures within brackets "( )" show the option premium recorded on the balance sheet.
- Fair value is calculated using forward foreign exchange rates at the fiscal year-end.
- In the net unrealized gains (losses) column, fair value is shown for foreign exchange forward contracts, and the difference between the option premium and the fair value is shown for options transactions.

## (iv) Stock-related derivatives

There were no such outstanding balances as of March 31, 2024, and 2025.

## (v) Bond-related derivatives

There were no such outstanding balances as of March 31, 2024, and 2025.

## (vi) Others

There were no such outstanding balances as of March 31, 2024, and 2025.

## Derivative transactions to which hedge accounting is applied

### (ii) Interest rate-related derivatives

(Millions of yen)

Hedge accounting method	Type	Major hedged item	As of March 31, 2024			As of March 31, 2025		
			Contract amount, etc.		Fair value	Contract amount, etc.		Fair value
				Due after 1 year			Due after 1 year	
Deferred hedge accounting	Interest rate swaps Receivable fixed rate / Payable floating rate	Insurance liability	250,000	250,000	(5,814)	300,000	300,000	(27,848)
Total					(5,814)			(27,848)

Note: Fair value (present value) of interest rate swaps is represented by net unrealized gains (losses).

### (Reference) Interest Rate Swaps by Maturity Date

(Millions of yen, %)

Category		Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years	Total
As of March 31, 2024	Notional principal of swaps for receivable fixed rate	—	—	—	—	—	250,000	250,000
	Average receivable fixed rate	—	—	—	—	—	1.28	1.28
	Average payable floating rate	—	—	—	—	—	0.00	0.00
	Notional principal of swaps for payable fixed rate	—	—	—	—	—	—	—
	Average payable fixed rate	—	—	—	—	—	—	—
	Average receivable floating rate	—	—	—	—	—	—	—
Total		—	—	—	—	—	250,000	250,000
As of March 31, 2025	Notional principal of swaps for receivable fixed rate	—	—	—	—	—	300,000	300,000
	Average receivable fixed rate	—	—	—	—	—	1.35	1.35
	Average payable floating rate	—	—	—	—	—	0.38	0.38
	Notional principal of swaps for payable fixed rate	—	—	—	—	—	—	—
	Average payable fixed rate	—	—	—	—	—	—	—
	Average receivable floating rate	—	—	—	—	—	—	—
Total		—	—	—	—	—	300,000	300,000

**(iii) Currency-related derivatives**

(Millions of yen)

Hedge accounting method	Type	Major hedged item	As of March 31, 2024			As of March 31, 2025		
			Contract amount, etc.		Fair value	Contract amount, etc.		Fair value
				Due after 1 year			Due after 1 year	
Deferred hedge accounting	Currency swap	Foreign-currency-denominated bonds	—	—	—	108,263	108,263	249
	(U.S. dollars)		—	—	—	105,898	105,898	297
	(Euros)		—	—	—	2,365	2,365	(47)
Fair value hedge accounting	Foreign exchange contracts	Foreign-currency-denominated bonds						
	Sold		1,352,953	—	(37,722)	1,319,941	—	(6,293)
	U.S. dollars		842,648	—	(23,249)	798,266	—	(12,180)
	Euros		161,215	—	(7,561)	165,283	—	(4,804)
	Australian dollars		227,770	—	(5,314)	206,698	—	6,395
	Other		121,319	—	(1,597)	149,692	—	4,295
	Purchased		—	—	—	—	—	—
Total					(37,722)			(6,043)

Notes:

1. Fair value is calculated using forward foreign exchange rates at the fiscal year-end.
2. Fair value of foreign exchange contracts is represented by net unrealized gains (losses).
3. Fair value of currency swap is represented by net unrealized gains (losses).

**(iv) Stock-related derivatives**

There were no such outstanding balances as of March 31, 2024, and 2025.

**(v) Bond-related derivatives**

There were no such outstanding balances as of March 31, 2024, and 2025.

**(vi) Others**

There were no such outstanding balances as of March 31, 2024, and 2025.

**5-6 Breakdown of Ordinary Profit (Core Profit)**

(Millions of yen)

For the years ended March 31		2024	2025
Core income		6,614,726	6,082,321
Insurance premiums and others		2,484,007	3,154,875
Investment income		866,607	864,826
Other ordinary income		3,072,094	1,906,050
Reversal of policy reserves		3,028,885	1,839,315
Other core income		192,017	156,568
Core expenses		6,390,720	5,840,155
Insurance claims and others		5,778,590	5,205,305
Provision for policy reserves and others		137	679
Investment expenses		8,936	17,279
Operating expenses		438,531	428,363
Other ordinary expenses		83,034	80,080
Other core expenses		81,491	108,446
Core profit	A	224,005	242,166
Capital gains		427,662	421,042
Gains on money held in trust		181,439	199,152
Gains on trading securities		—	—
Gains on sales of securities		151,153	110,640
Gains on derivative financial instruments		—	—
Gains on foreign exchanges		13,579	20,999
Other capital gains		81,491	90,250
Capital losses		417,565	418,368
Losses on money held in trust		—	—
Losses on trading securities		—	—
Losses on sales of securities		177,704	193,470
Losses on valuation of securities		71	—
Losses on derivative financial instruments		95,835	68,329
Losses on foreign exchanges		—	—
Other capital losses		143,953	156,568
Net capital gains (losses)	B	10,097	2,674
Core profit including net capital gains (losses)	A+B	234,103	244,840
Other one-time gains		—	524,367
Reinsurance income		—	—
Reversal of contingency reserve		—	506,171
Reversal of specific reserve for possible loan losses		—	—
Other		—	18,196
Other one-time losses		71,521	598,226
Reinsurance premiums		—	—
Provision for contingency reserve		23,457	—
Provision for specific reserve for possible loan losses		—	—
Provision for reserve for specific foreign loans		—	—
Write-off of loans		—	—
Other		48,063	598,226
Other one-time profits (losses)	C	(71,521)	(73,859)
Ordinary profit	A+B+C	162,581	170,981

Notes:

1. "Investment income" and "investment expenses" exclude the amount corresponding to net capital gains (losses).
2. "Reversal of policy reserves" excludes the amount corresponding to other one-time profits (reversal of contingency reserve) and includes the amount corresponding to other one-time losses (provision for contingency reserve and additional policy reserves accumulated pursuant to Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act).

## (Reference) Breakdown of Other Items

(Millions of yen)

For the years ended March 31	2024	2025
Other core income	192,017	156,568
Amount equivalent to income gains associated with money held in trust	143,953	156,568
Costs for hedging currency fluctuations	—	—
Gain/loss from reinsurance cession of the existing policies	48,063	—
Other core expenses	81,491	108,446
Gains on cancellation of mutual funds	34	23,202
Amount equivalent to income gains associated with money held in trust	—	—
Costs for hedging currency fluctuations	81,456	67,047
Gain/loss from reinsurance cession of the existing policies	—	18,196
Other capital gains	81,491	90,250
Gains on cancellation of mutual funds	34	23,202
Amount equivalent to income gains associated with money held in trust	—	—
Costs for hedging currency fluctuations	81,456	67,047
Other capital losses	143,953	156,568
Amount equivalent to income gains associated with money held in trust	143,953	156,568
Costs for hedging currency fluctuations	—	—
Other one-time gains – Other	—	18,196
Gain/loss from reinsurance cession of the existing policies	—	18,196
Other one-time losses – Other	48,063	598,226
Provision for additional policy reserves	—	598,226
Gain/loss from reinsurance cession of the existing policies	48,063	—

## (Reference) Breakdown of Core Profit

(Millions of yen)

For the years ended March 31	2024	2025
Core profit	224,005	242,166
Spread (positive/negative spread)	91,835	142,537
Core profit attributable to life insurance activities	132,170	99,628

### Spread (Positive/Negative Spread)

A spread is the differential between the assumed return on insurance premium investments and the actual investment return. When the actual investment return is higher than the assumed return on insurance premium investments, there is a “positive spread.” Conversely, a “negative spread” exists when the actual investment return is lower than the assumed return on insurance premium investments. For the year ended March 31, 2025, there was a positive spread of ¥142.5 billion.

The spread (positive/negative spread) is calculated according to the following formula:

$$\begin{array}{lcl} \text{Positive spread} & = & [\text{investment return on core profit} - \text{average assumed rate of return}] \times \text{general account policy reserves} \\ \text{[¥142.5billion]} & & \text{[1.91\%]} \quad \text{[1.61\%]} \quad \text{[¥47,781.5 billion]} \end{array}$$

- Investment return on core profit is the return on general account policy reserves after deducting the provision for interest on policyholder dividends from the general account investment revenue included in core profit.
- Average assumed rate of return is the return of assumed interest on general account policy reserves.
- General account policy reserves are calculated as follows for policy reserves in the general account, excluding contingency reserve:  
(Policy reserves at beginning of period + policy reserves at end of period – assumed interest) × 1/2
- Policy reserves and assumed interest are calculated based on the actual cumulative amount.

## 6 Main Business Indicators

**6-1 Key Business Indicators (Non-Consolidated)**

(Billions of yen unless indicated otherwise)

As of/For the years ended March 31	2021	2022	2023	2024	2025
Ordinary income	6,786.2	6,454.1	6,379.5	6,745.4	<b>6,164.4</b>
Ordinary profit	345.0	355.7	117.6	162.5	<b>170.9</b>
Core profit	421.9	429.7	192.3	224.0	<b>242.1</b>
Net income	165.5	157.8	97.7	88.5	<b>124.0</b>
Capital stock	500.0	500.0	500.0	500.0	<b>500.0</b>
(Number of shares issued: thousands of shares)	(562,600)	(399,693)	(399,693)	(383,192)	<b>(383,192)</b>
Total assets	70,173.8	67,174.8	62,685.2	60,857.0	<b>59,555.5</b>
Separate account	—	—	—	—	<b>—</b>
Policy reserves	59,397.7	56,533.4	53,518.2	50,512.7	<b>48,765.5</b>
Loans	4,964.0	4,251.9	3,605.8	3,281.3	<b>2,530.0</b>
Securities	55,274.5	53,418.5	49,842.4	47,694.5	<b>46,528.6</b>
Solvency margin ratio (%)	1,118.1%	1,042.4%	1,003.7%	1,016.8%	<b>893.4%</b>
Number of employees (persons)	7,645	7,545	19,148	18,427	<b>17,952</b>
Policy amount in force	47,476.0	43,526.5	39,923.8	37,452.6	<b>35,987.5</b>
Individual insurance	45,912.2	42,283.8	38,950.9	36,698.0	<b>35,407.9</b>
Individual annuities	1,563.8	1,242.7	972.9	754.5	<b>579.6</b>
Group insurance	—	—	—	—	<b>—</b>
Policy amount in force for group annuities	—	—	—	—	<b>—</b>

Notes:

1. In the calculation of core profit, partial amendments (including costs for hedging currency fluctuations and excluding gains on cancellation of mutual funds from the calculation) have been made from the fiscal year ended March 31, 2023, from the perspective of reflecting the economic situation and encouraging consistency in the handling among companies. The figure for core profit for the fiscal year ended March 31, 2022, is calculated by applying such calculation procedures. Therefore, core profit is calculated based on different standards for the fiscal year ended March 31, 2021, and the fiscal year ended March 31, 2022 onwards.
2. The Company cancelled its treasury stock on August 20, 2021, reducing the total number of shares issued by 162,906 thousand shares.
3. The Company cancelled its treasury stock on May 8, 2023, reducing the total number of shares issued by 16,501 thousand shares.
4. The Company cancelled its treasury stock on June 6, 2025, reducing the total number of shares issued by 11,369 thousand shares.
5. "Policy amount in force" is the total of individual insurance, individual annuities, and group insurance.  
Figures for "individual annuities" are the total of (a) the accumulated contribution payments 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.

## 6-2 Selected Financial Data and Other Information

### (1) Policies in Force and New Policies

#### 1) Policies in Force

(Number of policies, millions of yen, %)

As of March 31	2024				2025			
	Number of policies		Policy amount		Number of policies		Policy amount	
		Year-on-year comparison		Year-on-year comparison		Year-on-year comparison		Year-on-year comparison
Individual insurance	13,095,779	95.4	36,698,079	94.2	12,786,860	97.6	35,407,960	96.5
Individual annuities	540,708	78.7	754,563	77.6	421,962	78.0	579,627	76.8
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—

Note: Policy amounts for "individual annuities" are the total of (a) the accumulated contribution payments 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.

#### 2) New Policies

(Number of policies, millions of yen, %)

For the years ended March 31	2024						2025					
	Number of policies		Policy amount				Number of policies		Policy amount			
		Year-on-year comparison		Year-on-year comparison	New policies	Net increase by conversion		Year-on-year comparison		Year-on-year comparison	New policies	Net increase by conversion
Individual insurance	628,840	200.1	1,557,845	186.2	1,557,837	8	795,229	126.5	2,121,237	136.2	2,121,234	3
Individual annuities	417	341.8	2,011	361.0	2,011	—	221	53.0	1,195	59.4	1,195	—
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 payments as of the date of annuity payment commencement.

### (2) Annualized Premiums

#### 1) Policies in Force

(Millions of yen, %)

As of March 31	2024		2025	
		Year-on-year comparison		Year-on-year comparison
Individual insurance	2,200,282	93.5	2,137,261	97.1
Individual annuities	193,670	79.1	151,796	78.4
Total	2,393,952	92.1	2,289,058	95.6
Medical coverage, living benefits, and other	308,878	95.9	296,496	96.0

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 waiver benefits (excluding disability and including specified diseases and nursing benefits).



## 2) New Policies

(Millions of yen, %)

For the years ended March 31	2024		2025	
		Year-on-year comparison		Year-on-year comparison
Individual insurance	116,830	177.3	175,075	149.9
Individual annuities	169	354.7	99	58.5
Total	116,999	177.4	175,174	149.7
Medical coverage, living benefits, and other	10,392	161.4	7,155	68.9

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 waiver benefits (excluding disability and including specified diseases and nursing benefits).
3. New policies include net increase by conversion.

## (3) New Policies by Product

(Number of policies, millions of yen)

For the years ended March 31	2024		2025	
	Number of policies	Policy amount	Number of policies	Policy amount
Individual insurance	628,817 [628,840]	1,557,837 [1,557,845]	795,217 [795,229]	2,121,234 [2,121,237]
Lump-sum payment whole life insurance	164,839	399,969	498,366	1,284,290
Ordinary whole life insurance	73,121	149,503	43,844	91,868
Fixed amount type	25,644	43,017	15,426	23,601
Increased amount type	47,477	106,485	28,418	68,266
(Inclusive) Ordinary whole life insurance (low cash value)	17,141	33,055	8,918	17,194
Fixed amount type	7,668	13,606	3,800	6,029
Increased amount type	9,473	19,449	5,118	11,165
Ordinary whole life insurance with relaxed underwriting criteria	6,250	4,251	2,887	1,906
(Inclusive) Ordinary whole life insurance with relaxed underwriting criteria (low cash value)	1,935	1,319	825	541
Special whole life insurance	21,987	66,146	12,760	39,528
(Inclusive) Special whole life insurance (low cash value)	6,684	20,993	3,657	12,073
Ordinary term insurance	29,514	53,457	14,336	28,089
Ordinary endowment insurance	174,976	503,205	142,327	457,917
Ordinary endowment insurance with relaxed underwriting criteria	6,484	5,990	3,017	3,284
Special endowment insurance	81,086	246,345	47,221	154,822
Educational endowment insurance (H24)	70,560	128,967	30,459	59,526
Individual annuities	417	2,011	221	1,195
Longevity support insurance (low cash value)	417	2,011	221	1,195
Asset-formation insurance	2	0	—	—
Asset-formation savings insurance	2	0	—	—
Asset-formation housing funding insurance	—	—	—	—
Asset-formation annuities	—	—	—	—
Asset-formation whole life annuity	—	—	—	—

Notes:

1. Figures within brackets "[ ]" in the sub-total row of individual insurance are the number of new policies plus the number of converted policies, and the policy amount of new policies plus net increase by conversion.
2. Figures for number of policies for "asset-formation insurance" and "asset-formation annuities" are the number of insured persons.
3. Policy amounts for "individual annuities" and "asset-formation annuities" are the total of the accumulated contribution payments as of the date of annuity payment commencement.
4. Policy amount for "asset-formation insurance" is the amount of the first premium payment.

#### (4) Policies in Force by Product

(Number of policies, millions of yen)

As of March 31	2024		2025	
	Number of policies	Policy amount	Number of policies	Policy amount
Individual insurance	13,095,779	36,698,079	12,786,860	35,407,960
Lump-sum payment whole life insurance	164,810	399,893	660,537	1,676,354
Ordinary whole life insurance	3,051,897	8,608,589	2,997,277	8,259,795
Fixed amount type	1,106,693	2,448,472	1,084,461	2,391,336
Increased amount type	1,945,204	6,160,116	1,912,816	5,868,459
(Inclusive) Ordinary whole life insurance (low cash value)	211,783	541,633	213,461	539,632
Fixed amount type	95,863	182,551	96,180	182,288
Increased amount type	115,920	359,082	117,281	357,343
Ordinary whole life insurance with relaxed underwriting criteria	55,607	87,588	55,819	88,806
(Inclusive) Ordinary whole life insurance with relaxed underwriting criteria (low cash value)	12,848	18,396	13,053	19,283
Special whole life insurance	1,751,852	5,548,566	1,732,215	5,375,625
(Inclusive) Special whole life insurance (low cash value)	45,721	148,671	48,306	156,876
Whole life insurance with nursing care benefit	103	142	102	138
Ordinary term insurance	46,956	95,723	59,074	117,249
Ordinary endowment insurance	3,535,118	9,369,269	3,085,910	8,305,685
Ordinary endowment insurance with relaxed underwriting criteria	40,689	73,544	41,797	78,040
Special endowment insurance	1,883,132	7,447,926	1,681,342	6,621,134
Designated endowment insurance	2,839	6,701	1,970	4,635
Educational endowment insurance	852,882	1,505,686	787,535	1,382,531
Educational endowment insurance with scholarship annuity	70,261	128,944	65,215	118,027
Educational endowment insurance (H24)	1,639,298	3,424,383	1,617,737	3,378,871
Husband-and-wife insurance	17	53	17	53
Whole life insurance with whole life annuity	317	1,063	312	1,008
Husband-and-wife insurance with husband-and-wife annuity	1	3	1	3
Individual annuities	540,708	754,563	421,962	579,627
Longevity support insurance (low cash value)	1,669	8,415	1,831	9,277
Immediate whole life annuity	698	2,253	642	2,016
Deferred whole life annuity	9,085	69,381	8,962	68,024
Whole life annuity with additional nursing annuity	5	49	5	49
Immediate term annuity	42,146	13,380	15,398	3,341
Deferred term annuity	487,095	661,030	395,114	496,865
Immediate husband-and-wife annuity	1	2	1	2
Deferred husband-and-wife annuity	9	51	9	50
Asset-formation insurance	24	24	19	22
Asset-formation savings insurance	21	18	16	15
Asset-formation housing funding insurance	3	6	3	7
Asset-formation annuities	11	46	10	43
Asset-formation whole life annuity	11	46	10	43

Notes:

- Figures for number of policies for "asset-formation insurance" and "asset-formation annuities" are the number of insured persons.
- Policy amounts for "individual annuities" and "asset-formation annuities" are the total of (a) the accumulated contribution payments 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.
- Policy amount for "asset-formation insurance" is the amount of policy reserves.
- "Educational endowment insurance (H24)" includes educational endowment insurance (H24) (without premium protection agreement).

**(5) Policies in Force by Benefit Type**

(Millions of yen)

As of March 31			Policy amount in force	
			2024	2025
Death benefit	General death	Individual insurance	33,273,695	32,029,089
		Individual annuities	—	—
		Group insurance	—	—
		Group annuities	—	—
		Net, including others	45,219,890	42,554,341
	Accidental death	Individual insurance	[ 42,483,640]	[ 39,341,726]
		Individual annuities	[ 7,288]	[ 6,823]
		Group insurance	[ —]	[ —]
		Group annuities	[ —]	[ —]
		Net, including others	[ 68,719,535]	[ 63,083,130]
	Other conditional death	Individual insurance	[ —]	[ —]
		Individual annuities	[ —]	[ —]
		Group insurance	[ —]	[ —]
		Group annuities	[ —]	[ —]
		Net, including others	[ —]	[ —]
Survival benefit	Maturity/living benefits	Individual insurance	3,424,383	3,378,871
		Individual annuities	96,737	62,585
		Group insurance	—	—
		Group annuities	—	—
		Net, including others	4,328,254	4,115,079
	Annuities	Individual insurance	[ 16,880]	[ 15,735]
		Individual annuities	[ 201,225]	[ 158,091]
		Group insurance	[ —]	[ —]
		Group annuities	[ —]	[ —]
		Net, including others	[ 604,543]	[ 534,933]
	Others	Individual insurance	—	—
		Individual annuities	657,826	517,041
		Group insurance	—	—
		Group annuities	—	—
		Net, including others	9,193,042	9,006,291
Hospitalization benefit	Hospitalization due to accident	Individual insurance	[ 36,104]	[ 33,648]
		Individual annuities	[ 16]	[ 15]
		Group insurance	[ —]	[ —]
		Group annuities	[ —]	[ —]
		Net, including others	[ 58,658]	[ 54,242]
	Hospitalization due to illness	Individual insurance	[ 35,872]	[ 33,438]
		Individual annuities	[ 5]	[ 4]
		Group insurance	[ —]	[ —]
		Group annuities	[ —]	[ —]
		Net, including others	[ 58,374]	[ 53,987]
	Other conditional hospitalization	Individual insurance	[ 4,086]	[ 3,608]
		Individual annuities	[ 2]	[ 2]
		Group insurance	[ —]	[ —]
		Group annuities	[ —]	[ —]
		Net, including others	[ 6,943]	[ 6,387]

Notes:

- Figures within brackets “[ ]” are supplementary benefits of the basic policy and rider benefits.
- Policy amounts for “individual annuities” in the “maturity/living benefits” column in “survival benefit” are the accumulated contribution payments as of the date of annuity payment commencement for the annuity before payments commence.
- Policy amounts of “annuities” in survival benefit are the amounts of annuities to be paid annually.
- Policy amounts of “others” in survival benefit are the amounts of policy reserves for individual annuities (the annuity after payments have commenced).
- Policy amounts for “hospitalization benefits” are the amounts of daily hospitalization benefits.

(Number of policies)

As of March 31		Number of policies in force	
		2024	2025
Disability benefit	Individual insurance	[ 7,448,107]	[ 6,906,502]
	Individual annuities	[ 2,045]	[ 1,926]
	Group insurance	[ –]	[ –]
	Group annuities	[ –]	[ –]
	Net, including others	[ 13,295,584]	[ 12,235,859]
Surgery benefit	Individual insurance	[ 9,715,570]	[ 9,138,548]
	Individual annuities	[ 3,123]	[ 2,950]
	Group insurance	[ –]	[ –]
	Group annuities	[ –]	[ –]
	Net, including others	[ 16,506,903]	[ 15,482,147]

Note: Figures within brackets “[ ]” are supplementary benefits of the basic policy and rider benefits.

## (6) Policies in Force by Type of Policy of Individual Insurance and Individual Annuity

(Millions of yen)

As of March 31		Policy amount in force	
		2024	2025
Death protection insurance	Whole life insurance	14,644,779	15,400,720
	Whole life insurance with term rider	–	–
	Term insurance	95,723	117,249
	Net, including others	14,741,569	15,518,981
Mixed insurance	Endowment insurance	16,897,442	15,009,496
	Endowment insurance with term rider	–	–
	Term insurance with living benefits	–	–
	Net, including others	18,532,126	16,510,108
Pure endowment insurance		3,424,383	3,378,871
Annuities	Individual annuities	754,563	579,627
Accident/illness riders	Accident rider	15,148,704	13,365,460
	Nursing care rider	179	177
	Accident hospitalization rider	1	1
	Illness hospitalization rider	0	0
	Illness and accident hospitalization rider	369	328
	Non-participating accident hospitalization rider	124	94
	Non-participating illness and accident hospitalization rider	24,161	21,350
	Non-participating accidental rider	5,195,113	5,480,245
	Non-participating injury medical care rider	117	125
	Non-participating general medical care rider	11,097	11,501
	Non-participating general medical care rider with relaxed underwriting criteria	249	262
	Non-participating advanced medical care rider	(Number of policies) 281,211	(Number of policies) 304,681

Notes:

1. Policy amounts for “individual annuities” are the total of (a) the accumulated contribution payments 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.
2. Policy amounts for hospitalization/medical care riders are the amounts of daily hospitalization benefits.
3. The figure for “non-participating advanced medical care rider” represents the number of policies.

**(7) Annualized Premiums from Policies in Force by Type of Policy of Individual Insurance and Individual Annuity**

(Millions of yen)

As of March 31		Annualized premiums from policies in force	
		2024	2025
Death protection insurance	Whole life insurance	712,757	809,914
	Whole life insurance with term rider	—	—
	Term insurance	1,599	2,001
	Net, including others	714,453	812,011
Mixed insurance	Endowment insurance	1,148,931	1,001,081
	Endowment insurance with term rider	—	—
	Term insurance with living benefits	—	—
	Net, including others	1,257,371	1,101,270
Pure endowment insurance		228,457	223,980
Annuities	Individual annuities	193,670	151,796

Note: 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.

## (8) Embedded Value (“EV”)

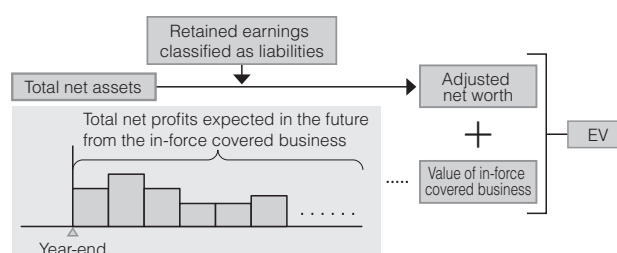
Embedded value (“EV”) is one of the corporate value indicators for life insurance companies.

The profit-loss structure in the life insurance business involves a loss at the time of sale and profit over a policy’s duration. A loss occurs temporarily at the time of sale, caused by a considerable amount of expenses generally incurred with the sale of a policy. Future profit is generated as the policy’s long duration serves to provide revenues over a long period of time, covering these initial expenses.

Under the current statutory accounting practices in Japan, gains and losses are recognized as they occur in each fiscal year. EV, on the other hand, is used to represent the present value of gains and losses that cover the entire duration. EV is the sum of the adjusted net worth (ANW), which reflects gains/losses from business activities in the past, and the value of in-force covered business (VIF), which is the present value of the expected future profits from the in-force covered business.

Since the end of the year ended March 31, 2013, we have been disclosing EV calculated on the basis of the European Embedded Value Principles (“EEV Principles”) as additional information supplementary to the financial data provided under the current statutory accounting practices.

### Outline of EV



Note:

The EEV Principles and Guidance were published in May 2004 by the CFO Forum, a group representing the Chief Financial Officers of major European insurance companies, in order to improve consistency and transparency in EV calculation and reporting.

## 1) EV Results

(Billions of yen)

As of March 31	2024	2025	
			Increase (Decrease)
<b>EV</b>	<b>3,965.0</b>	<b>3,940.9</b>	<b>(24.1)</b>
Adjusted net worth	1,980.9	2,006.3	25.4
Total net assets on the balance sheet (Note 1)	1,622.9	1,675.4	52.4
Reserve for price fluctuations (Note 2)	123.8	248.4	124.6
Contingency reserve (Note 2)	441.6	303.6	(138.0)
Others (Note 3)	(68.3)	(86.4)	(18.1)
Tax effect on the above	(139.2)	(134.7)	4.5
Value of in-force covered business	1,984.1	1,934.5	(49.5)
Certainty equivalent present value of future profits	2,322.7	2,241.6	(81.0)
Time value of financial options and guarantees	(223.2)	(209.0)	14.1
Cost of holding required capital	(0.0)	(0.0)	(0.0)
Allowance for non-hedgeable risks	(115.3)	(97.9)	17.3

For the years ended March 31	2024	2025	
			Increase (Decrease)
<b>Value of new business (Note 4)</b>	<b>20.8</b>	<b>67.9</b>	<b>47.0</b>
Certainty equivalent present value of future profits	30.7	73.7	42.9
Time value of financial options and guarantees	(3.5)	(2.4)	1.1
Cost of holding required capital	(0.1)	(0.0)	0.1
Allowance for non-hedgeable risks	(6.1)	(3.3)	2.8

Notes:

- The total net assets on the consolidated balance sheet are recorded because subsidiaries are included for calculation. However, the total amount of accumulated other comprehensive income is excluded.  
In addition, the board benefit trust reported as treasury stock has been added at book value, and the ¥33.0 billion of treasury stock acquired (contracted) on March 31, 2025, was deducted at the end of the fiscal year ended March 31, 2025.
- Excluding amounts in respect of the Postal Life Insurance policies that are included under VIF
- Unrealized gains/losses on securities, loans, and real estate; general reserve for possible loan losses (excluding those related to insurance policies); unfunded retirement benefit obligations (unrecognized prior service costs and unrecognized actuarial differences); and unrealized gains/losses on subordinated bonds.
- The value of new business includes the net increase in value from policies issued using the conditional cancellation system and policies converted using the policy conversion system. New business includes policy renewals over the reporting period.

## 2) Movement Analysis

(Billions of yen)

	Adjusted net worth	Value of in-force covered business	EV
Values as of March 31, 2024	1,980.9	1,984.1	3,965.0
(1) Opening adjustments	(70.9)	—	(70.9)
Values as of March 31, 2024 after adjustment	1,909.9	1,984.1	3,894.0
(2) Value of new business	—	67.9	67.9
(3) Expected existing business contribution (risk-free rate)	0.8	16.3	17.1
(4) Expected existing business contribution (in excess of risk-free rate)	9.2	192.3	201.5
(5) Expected transfer from value of in-force covered business to adjusted net worth	84.6	(84.6)	—
On in-force at the beginning of the fiscal year	133.9	(133.9)	—
On new business	(49.2)	49.2	—
(6) Non-economic experience variances	17.0	(6.5)	10.5
(7) Non-economic assumption changes	1.3	77.9	79.2
(8) Economic variances	(16.6)	(312.9)	(329.6)
Values as of March 31, 2025	2,006.3	1,934.5	3,940.9

## 3) Sensitivities

(Billions of yen)

Assumptions		EV		Value of new business	
			Change in EV		Change in value of new business
Base Scenario	March 31, 2025	3,940.9	—	67.9	—
Sensitivity 1	50bp increase in risk-free rate (Note 1)	3,837.2	(103.6)	117.9	50.0
Sensitivity 2	50bp decrease in risk-free rate (Notes 1 and 2)	4,024.6	83.7	9.9	(57.9)
Sensitivity 3	10% decrease in equity and real estate value	3,755.6	(185.2)	67.9	—
Sensitivity 4	10% decrease in maintenance expenses	4,116.0	175.0	79.1	11.2
Sensitivity 5	10% decrease in surrender and lapse rates	3,985.9	44.9	72.6	4.7
Sensitivity 6	5% decrease in claim incidence rates for life business	4,017.2	76.3	71.7	3.8
Sensitivity 7	5% decrease in claim incidence rates for annuity business	3,909.3	(31.5)	67.9	(0.0)
Sensitivity 8	Change the required capital to statutory minimum	3,940.9	0.0	67.9	0.0
Sensitivity 9	25% increase in implied volatilities of equity and real estate values	3,909.6	(31.3)	67.6	(0.2)
Sensitivity 10	25% increase in implied volatilities of swaptions	3,893.6	(47.2)	65.9	(2.0)

Notes:

- For the long-duration risk-free rates at terms longer than the extrapolation entry term, extrapolation to the ultimate forward rate is applied without changing the ultimate forward rate itself.
- The 50bp decrease is applied to both positive and negative risk-free rates, without a floor.

## 4) Main EV Assumptions

### (i) Economic Assumptions

Based on the assets held by Japan Post Insurance, the risk-free rates for use in the certainty equivalent calculation have been determined based on Japanese government bonds as of the valuation date.

The table on the right shows, for selected terms, the risk-free rates (converted to spot rates) used for the calculation. For interest rates at longer durations, for which reference rates are not available, we take an extrapolation approach utilizing an ultimate forward rate assumed to converge over a period of time to a fixed ultimate level, commonly set based on macroeconomic or other methods.

We have assumed an ultimate forward rate of 3.8%, and as the market of Japanese government bonds beyond 30 years is not considered deep and liquid, we have determined the extrapolation entry term as 30 years. For the forward rate for year 31 and later years, we have applied the Smith-Wilson approach with convergence to the ultimate forward rate over 30 years.

Term (Years)	For calculation of the value of in-force covered business		For calculation of the value of new business	
	March 31, 2024	March 31, 2025	Fiscal year ended March 31, 2024 (Rate at December 31, 2023)	Fiscal year ended March 31, 2025 (Rate at June 30, 2024)
1	0.054%	0.641%	(0.026)%	0.172%
2	0.189%	0.857%	0.048%	0.354%
3	0.202%	0.893%	0.056%	0.384%
4	0.277%	1.023%	0.134%	0.484%
5	0.358%	1.114%	0.219%	0.587%
10	0.758%	1.521%	0.660%	1.077%
15	1.167%	1.957%	1.104%	1.542%
20	1.561%	2.323%	1.492%	1.954%
25	1.695%	2.412%	1.627%	2.082%
30	1.930%	2.685%	1.800%	2.326%
40	2.337%	3.043%	2.180%	2.700%
50	2.615%	3.210%	2.482%	2.921%
60	2.808%	3.312%	2.697%	3.068%

Source: Analysis of Ministry of Finance data

### (ii) Other Assumptions

All cash flows (premiums, expenses, claims and benefits, cash surrender values, taxes, etc.) are projected applying the best estimate assumptions up to the termination of the policies. Best estimate assumptions are specified by product group, considering recent experience and expected future prospects.

## 5) Notes on the Use of Results

- (i) As the profits arising from the release of the contingency reserve and reserve for price fluctuations related to the Postal Life Insurance policies form a part of the reinsurance dividend paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network, the EV calculations take into consideration the profits net of this reinsurance dividend. Therefore, the contingency reserve and reserve for price fluctuations related to these policies are included in the VIF, rather than the ANW, as it is assumed that these reserves will be released in the future.
- (ii) The calculation of EV is based on many assumptions, including future outlook, which involves certain risks and uncertainties. Since actual performance may differ materially from these assumptions, we strongly recommend that users exercise caution.



## 6-3 Insurance Policy Indicators

### (1) Policies in Force and New Policies

#### 1) Policies in Force

(Number of policies, millions of yen, %)

As of March 31	2024				2025			
	Number of policies		Policy amount		Number of policies		Policy amount	
		Rate of increase/decrease		Rate of increase/decrease		Rate of increase/decrease		Rate of increase/decrease
Individual insurance	13,095,779	(4.6)	36,698,079	(5.8)	12,786,860	(2.4)	35,407,960	(3.5)
Death protection insurance	5,071,543	2.9	14,741,569	(0.2)	5,505,337	8.6	15,518,981	5.3
Mixed insurance	6,384,938	(11.1)	18,532,126	(10.8)	5,663,786	(11.3)	16,510,108	(10.9)
Pure endowment insurance	1,639,298	1.5	3,424,383	1.0	1,617,737	(1.3)	3,378,871	(1.3)
Individual annuities	540,708	(21.3)	754,563	(22.4)	421,962	(22.0)	579,627	(23.2)
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—
Asset-formation insurance	24	(14.3)	24	(11.0)	19	(20.8)	22	(8.9)
Asset-formation annuities	11	0.0	46	0.0	10	(9.1)	43	(8.2)

Notes:

- Figures for number of policies for "asset-formation insurance" and "asset-formation annuities" are the number of insured persons.
- Policy amounts for "individual annuities" and "asset-formation annuities" are the total of (a) the accumulated contribution payments 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.
- Policy amount for "asset-formation insurance" is the amount of policy reserves.

#### 2) New Policies

(Number of policies, millions of yen, %)

For the years ended March 31	2024				2025			
	Number of policies		Policy amount		Number of policies		Policy amount	
		Rate of increase/decrease		Rate of increase/decrease		Rate of increase/decrease		Rate of increase/decrease
Individual insurance	628,817	100.1	1,557,837	86.2	795,217	26.5	2,121,234	36.2
Death protection insurance	295,711	337.5	673,327	416.7	572,193	93.5	1,445,682	114.7
Mixed insurance	262,546	18.5	755,541	15.2	192,565	(26.7)	616,024	(18.5)
Pure endowment insurance	70,560	181.9	128,967	156.3	30,459	(56.8)	59,526	(53.8)
Individual annuities	417	241.8	2,011	261.0	221	(47.0)	1,195	(40.6)
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—
Asset-formation insurance	2	(33.3)	0	(42.9)	—	(100.0)	—	(100.0)
Asset-formation annuities	—	—	—	—	—	—	—	—

Notes:

- Converted policies are not included.
- Figures for number of policies for "asset-formation insurance" and "asset-formation annuities" are the number of insured persons.
- Policy amounts for "individual annuities" and "asset-formation annuities" are the total of the accumulated contribution payments as of the date of annuity payment commencement.
- Policy amount for "asset-formation insurance" is the amount of the first premium payment.

## (2) Average Policy Amount of New Policies and Policies in Force (individual insurance)

(Thousands of yen)

Items	New Policies		Policies in Force	
	For the year ended March 31, 2024	For the year ended March 31, 2025	As of March 31, 2024	As of March 31, 2025
Individual insurance	2,477	2,667	2,802	2,769
Death protection insurance	2,276	2,526	2,906	2,818
Mixed insurance	2,877	3,199	2,902	2,915
Pure endowment insurance	1,827	1,954	2,088	2,088

Note: Converted policies are not included in average policy amount of new policies.

## (3) Ratio of New Policies (against the policy in force at the beginning of fiscal year)

(%)

For the years ended March 31	2024	2025
Individual insurance	4.0	5.8
Individual annuities	0.2	0.2
Group insurance	—	—

Notes:

- Converted policies are not included.
- This refers to the ratio of the policy amount of new policies against the policy amount in force at the beginning of fiscal year.

## (4) Ratio of Surrender and Lapse (against the policy in force at the beginning of fiscal year)

(%)

For the years ended March 31	2024	2025
Individual insurance	2.8	2.7
Individual annuities	1.0	1.2
Group insurance	—	—

Notes:

- Ratio of surrender and lapse is calculated based on the policy amount associated with surrenders and lapses as modified by the decrease or increase in policy amount, as well as the amount of the policy reinstatement.
- Ratio of surrender and lapse for "individual annuities" is based on the annuity before payments commence.

## (5) Average Premium for New Policies of Individual Insurance (monthly payment agreement)

(Yen)

For the years ended March 31	2024	2025
Individual insurance	197,436	226,109

Notes:

- Converted policies are not included.
- These are annual premiums for the policies involving monthly payment agreements.

## (6) Mortality Rates (basic policies in individual insurance)

(‰)

For the years ended March 31	2024	2025
In terms of number of policies	3.18	3.50
In terms of policy amount	2.54	2.83

Notes:

- Mortality rates are calculated by dividing the number of/policy amount for policies filing death claim by the number of/policy amount for policies exposed to risk.
- Number of/policy amount for policies exposed to risk is calculated using the following formula:  

$$(\text{Number of/policy amount for policies in force at the beginning of fiscal year} + \text{number of/policy amount for policies in force at the end of fiscal year} + \text{the number of/policy amount for policies filing death claims}) \div 2$$

**(7) Ratio of Riders Filing Claim (individual insurance)**

(‰)

For the years ended March 31		2024	2025
Accident death benefit policy	In terms of number of policies	0.13	0.14
	In terms of policy amount	0.11	0.12
Disability benefit policy	In terms of number of policies	0.39	0.40
	In terms of policy amount	0.11	0.11
Accident hospitalization benefit policy	In terms of number of policies	7.31	7.61
	In terms of policy amount	0.22	0.25
Illness hospitalization benefit policy	In terms of number of policies	63.19	59.49
	In terms of policy amount	1.36	1.36
Lifestyle disease hospitalization benefit policy	In terms of number of policies	—	—
	In terms of policy amount	—	—
Illness/accident surgery benefit policy	In terms of number of policies	47.92	49.91
Lifestyle disease surgery benefit policy	In terms of number of policies	—	—

Notes:

- Ratio of the number of/policy amount for riders filing claims is calculated by dividing the number of/policy amount for riders filing claims by the number of/policy amount for policies exposed to risk.
- Number of/policy amount for policies exposed to risk is calculated using the following formula:  

$$(\text{Number of/policy amount for policies in force at the beginning of fiscal year} + \text{number of/policy amount for policies in force at the end of fiscal year} + \text{the number of/policy amount for policies filing full-paid rider claims}) \div 2$$

**(8) Ratio of Operating Expenses (against premium revenues)**

(%)

For the year ended March 31, 2024	For the year ended March 31, 2025
17.77	13.75

**(9) In the Cases Where Insurance Policies are Reinsured, Number of Principal Insurance Companies Accepting Reinsurance**

(Number of companies)

For the year ended March 31, 2024	For the year ended March 31, 2025
6	7

Note: This is not applicable to third-sector insurance, in which the accumulation of insurance premium reserves is not required pursuant to Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

**(10) In the Cases Where Insurance Policies are Reinsured, Ratio of Reinsurance Premiums Paid to the Top Five Reinsurers in Terms of the Volume of Reinsurance Premiums Paid, Against Reinsurance Premiums Paid to All Reinsurers Accepting Reinsurance**

(%)

For the year ended March 31, 2024	For the year ended March 31, 2025
100.0	100.0

Note: This is not applicable to third-sector insurance, in which the accumulation of insurance premium reserves is not required pursuant to Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

**(11) In the Cases Where Insurance Policies are Reinsured, Ratio of Reinsurance Premiums Paid, of Each Group of Principal Reinsurers Accepting Reinsurance, Where the Grouping is Done Based on Ratings by a Rating Agency**

(%)

Category of credit ratings	For the year ended March 31, 2024	For the year ended March 31, 2025
A or higher	100.0	100.0
BBB or higher	—	—
Other	—	—

Notes:

- The above ratings are based on the ratings provided by S&P (Standard & Poor's) at each fiscal year-end. However, ratings are based on the ratings provided by Fitch when not provided by S&P. "A or higher" represents A- or higher, while "BBB or higher" represents the range from BBB- to lower than A-.
- This is not applicable to third-sector insurance, in which the accumulation of insurance premium reserves is not required pursuant to Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

**(12) Amount of Reinsurance Proceeds Yet to be Recovered**

(Millions of yen)

For the year ended March 31, 2024	For the year ended March 31, 2025
3,488	9,721

Note: This is not applicable to third-sector insurance, in which the accumulation of insurance premium reserves is not required pursuant to Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

**(13) Ratio of the Insurance Amount Paid Against Earned Premiums by Reason of Benefit or Class of Insurance in Third-Sector Insurance**

(%)

For the years ended March 31	2024	2025
Claim-filing ratio in third-sector insurance	42.5	42.7
Medical (Illness)	36.1	36.5
Cancer	—	—
Nursing care	98.7	80.4
Other	78.2	78.0

## 6-4 Accounting Data

**(1) Reserve for Outstanding Claims**

(Millions of yen)

As of March 31		2024	2025
Insurance claims	Death benefits	13,850	13,982
	Accidental benefits	2,873	2,635
	Severe disability benefits	1,795	1,398
	Maturity benefits	65,698	46,346
	Other	233,844	199,441
	Subtotal	318,062	263,803
Annuity payments		7,501	4,858
Benefits		29,571	27,911
Surrender benefits		16,930	16,607
Deferred insurance benefits payment		—	—
Net, including other reserve for outstanding claims		373,913	314,993

**(2) Policy Reserves**

(Millions of yen)

As of March 31		2024	2025
Policy reserves [excluding contingency reserve]	Individual insurance	23,095,608	<b>23,592,878</b>
	[General account]	[ 23,095,608]	[ <b>23,592,878</b> ]
	[Separate account]	[ —]	[ —]
	Individual annuities	736,929	<b>563,545</b>
	[General account]	[ 736,929]	[ <b>563,545</b> ]
	[Separate account]	[ —]	[ —]
	Group insurance	—	—
	[General account]	[ —]	[ —]
	[Separate account]	[ —]	[ —]
	Group annuities	—	—
	[General account]	[ —]	[ —]
	[Separate account]	[ —]	[ —]
	Other	24,954,918	<b>23,389,943</b>
	[General account]	[ 24,954,918]	[ <b>23,389,943</b> ]
	[Separate account]	[ —]	[ —]
	Subtotal	48,787,456	<b>47,546,367</b>
	[General account]	[ 48,787,456]	[ <b>47,546,367</b> ]
	[Separate account]	[ —]	[ —]
Contingency reserve		1,725,335	<b>1,219,164</b>
Total		50,512,792	<b>48,765,531</b>
[General account]		[ 50,512,792]	[ <b>48,765,531</b> ]
[Separate account]		[ —]	[ —]

Note: "Other" includes asset-formation insurance, asset-formation annuities and assumed reinsurance.

**(3) Balance of Policy Reserves**

(Millions of yen)

	Insurance premium reserves	Unearned premiums	Reserve for refunds	Contingency reserve	Total
As of March 31, 2024	45,309,104	3,478,352	—	1,725,335	50,512,792
<b>As of March 31, 2025</b>	<b>44,723,382</b>	<b>2,822,984</b>	<b>—</b>	<b>1,219,164</b>	<b>48,765,531</b>

**(4) Reserving Method, Reserve Ratio, and Reserve Balance for Policy Reserves for Individual Insurance and Individual Annuities (by contract year)****1) Reserving Method and Reserve Ratio for Policy Reserves**

As of March 31		2024	2025
Reserving method	Contracts subject to the standard policy reserves	The method prescribed by Ordinance No. 48 issued by the Ministry of Finance in 1996 (standard policy reserves)	<b>The method prescribed by Ordinance No. 48 issued by the Ministry of Finance in 1996 (standard policy reserves)</b>
	Contracts outside the scope of the standard policy reserves	—	—
Reserve ratio (excluding contingency reserve)		100.0%	<b>100.0%</b>

Notes:

- Individual insurance and individual annuities are subject to the reserving method and the reserve ratio. Asset-formation insurance, asset-formation annuities, and receiving reinsurance are not included here, while they are computed based on the net level premium method.
- Reserve ratios here are the ratios against insurance premium reserves and unearned premiums as calculated by the method prescribed by public notification No. 48 issued by the Ministry of Finance in 1996.

## 2) Balance of Policy Reserves (by contract year)

(Millions of yen)

Contract year	Balance of policy reserves	Assumed rates of return
For the years ended March 31, 2008 to 2011	3,303,019	1.00%–1.50%
For the year ended March 31, 2012	1,275,784	0.80%–1.50%
For the year ended March 31, 2013	1,386,452	0.70%–1.50%
For the year ended March 31, 2014	1,676,694	0.70%–1.00%
For the year ended March 31, 2015	2,393,775	0.55%–1.00%
For the year ended March 31, 2016	3,307,765	0.50%–1.00%
For the year ended March 31, 2017	3,702,949	0.50%–1.00%
For the year ended March 31, 2018	2,125,416	0.25%
For the year ended March 31, 2019	1,714,500	0.25%
For the year ended March 31, 2020	655,036	0.25%
For the year ended March 31, 2021	105,129	0.25%
For the year ended March 31, 2022	145,813	0.25%
For the year ended March 31, 2023	199,858	0.25%
For the year ended March 31, 2024	706,467	0.25%–0.75%
For the year ended March 31, 2025	1,457,759	0.25%–0.95%

Notes:

1. Balance of policy reserves includes policy reserves for individual insurance and individual annuities (excluding policy reserves in the separate account and the contingency reserve).
2. Assumed rates of return here refer to the main assumed rates of return applicable to policy reserves by contract year.

## (5) Balance of Policy Reserves in General Account Associated with Insurance Policies Involving a Separate Account with a Guarantee for Minimum Insurance Claims and Others, Their Calculation Methods, and the Multiplier Used in Such Calculation

Not applicable as of March 31, 2024, and 2025.

## (6) Rationality and Adequacy of the Confirmation under Article 121, Paragraph 1, Item 1 of the Insurance Business Act (limited to the confirmation pertaining to third-sector insurance)

### 1) Principles for Ensuring Appropriateness of Policy Reserves for Third-sector Insurance

We carry out the liability adequacy test and stress test as required by laws and regulations in order to ensure a sufficient level of policy reserves.

The scope of the stress test includes the applicable products of Postal Life Insurance.

### 2) Rationality and Adequacy of the Level of Risk Frequency and Others Assumed for the Purpose of the Liability Adequacy Test and Stress Test

For the purpose of assuming risk frequency, we calculate the occurrence rate that covers the fluctuations in payment of hospitalization benefits and others with certain rates of probability (99% and 97.7%) during the next 10 years, based on the historical actual payment, etc. of hospitalization benefits and others.

### 3) Results of the Liability Adequacy Test and Stress Test

As a result of the stress test, we have confirmed that there is no need for an additional provision of contingency reserve or policy reserves for third-sector insurance, as the expected occurrence rate we assumed beforehand adequately covers the risks expected to materialize in the future.

**(7) Reserve for Policyholder Dividends**

(Millions of yen)

	Individual insurance	Individual annuities	Group insurance	Group annuities	Asset-formation insurance Asset-formation annuities	Other insurance	Total
<b>For the year ended March 31, 2024</b>							
Balance at the beginning of the fiscal year	121,286	1,197	—	—	—	1,052,687	1,175,171
Interest accrual	10	0	—	—	—	126	137
Reduction due to policyholder dividends paid	13,919	86	—	—	—	115,457	129,463
Reduction due to the acquisition of additional annuity	—	3	—	—	—	112	115
Provision for reserve for policyholder dividends	9,027	5	—	—	—	46,866	55,899
Balance at the end of the fiscal year	116,405	1,112	—	—	—	984,110	1,101,628
	[ 106,411]	[ 1,105]	[ —]	[ —]	[ —]	[ —]	[ 107,516]
<b>For the year ended March 31, 2025</b>							
Balance at the beginning of the fiscal year	116,405	1,112	—	—	—	984,110	1,101,628
Interest accrual	10	0	—	—	—	668	679
Reduction due to policyholder dividends paid	11,427	175	—	—	—	102,457	114,060
Reduction due to the acquisition of additional annuity	—	3	—	—	—	108	112
Provision for reserve for policyholder dividends	10,953	7	—	—	—	86,029	96,990
Balance at the end of the fiscal year	115,942	940	—	—	—	968,243	1,085,126
	[104,354]	[ 931]	[ —]	[ —]	[ —]	[ —]	[105,285]

Note: Figures within brackets "[ ]" are accumulated dividends. Meanwhile, the provision for reserve for policyholder dividends associated with the reinsurance from the Management Network (¥984,110 million for the year ended March 31, 2024, and ¥968,243 million for the year ended March 31, 2025) is scheduled to be distributed/paid to the Management Network, based on the reinsurance contract.

**(8) Reserves**

(Millions of yen)

For the years ended March 31		2024			2025		
		Balance at the beginning of the fiscal year	Balance at the end of the fiscal year	Changes in the fiscal year	Balance at the beginning of the fiscal year	Balance at the end of the fiscal year	Changes in the fiscal year
Reserve for Possible Loan Losses	General reserve for possible loan losses	31	31	0	31	367	335
	Specific reserve for possible loan losses	347	314	(33)	314	398	84
	Reserve for specific foreign loans	—	—	—	—	—	—
Reserve for management bonuses		—	—	—	—	227	227
Reserve for employees' retirement benefits		70,806	97,157	26,350	97,157	108,493	11,336
Reserve for management board benefit trust		315	391	76	391	407	16
Reserve for price fluctuations		889,960	873,799	(16,161)	873,799	829,930	(43,869)

Note: Reason for the reserves and their calculation methods are omitted here as they are stated in the notes (notes to non-consolidated financial statements).

**(9) Provision for Reserve for Specific Foreign Loans**

Not applicable for the years ended March 31, 2024, and 2025.

## (10) Capital Stock, etc.

(Millions of yen)

		Balance at the beginning of the year ended March 31, 2025	Increase in the fiscal year	Decrease in the fiscal year	Balance at the end of the year ended March 31, 2025	Remarks
Capital stock		500,000	—	—	500,000	
Of which shares issued	[Common stock]	[383,192 thousand shares]	—	—	[383,192 thousand shares]	
		500,000	—	—	500,000	
	Total	500,000	—	—	500,000	
Capital surplus	[Legal capital surplus]	405,044	—	—	405,044	
	Total	405,044	—	—	405,044	

## (11) Premiums

(Millions of yen)

For the years ended March 31	2024	2025
Individual insurance	2,289,177	2,977,967
(Lump-sum payment)	400,754	1,288,082
(Annual payment)	—	—
(Semi-annual payment)	—	—
(Monthly payment)	1,888,423	1,689,885
Individual annuities	3,950	2,603
(Lump-sum payment)	—	—
(Annual payment)	—	—
(Semi-annual payment)	—	—
(Monthly payment)	3,950	2,603
Group insurance	—	—
Group annuities	—	—
Net, including other premiums	2,467,931	3,115,427

Note: "Net, including other premiums" includes asset-formation insurance, asset-formation annuities and receiving reinsurance.

## • Premiums by Income Year

(Millions of yen)

For the years ended March 31		2024	2025
Individual insurance Individual annuities	First-year premiums	485,110	1,357,433
	Premiums for the following years	1,808,017	1,623,138
	Subtotal	2,293,128	2,980,571
Group insurance Group annuities	First-year premiums	—	—
	Premiums for the following years	—	—
	Subtotal	—	—
Net, including other premiums	First-year premiums	485,369	1,357,858
	Premiums for the following years	1,982,561	1,757,568
	Total	2,467,931	3,115,427

Note: "Net, including other premiums" includes asset-formation insurance, asset-formation annuities and receiving reinsurance.



**(12) Insurance Claims****1) Insurance Claims (amounts)**

(Millions of yen)

	Death benefits	Accidental benefits	Severe disability benefits	Maturity benefits	Other	Total
<b>For the year ended March 31, 2024</b>						
Individual insurance	93,113	6,325	2,620	1,777,530	–	1,879,589
Individual annuities	–	–	–	–	–	–
Group insurance	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–
Asset-formation insurance, asset- formation annuities	–	–	–	6	–	6
Other insurance	–	–	–	–	2,270,173	2,270,173
<b>Total</b>	<b>93,113</b>	<b>6,325</b>	<b>2,620</b>	<b>1,777,536</b>	<b>2,270,173</b>	<b>4,149,769</b>
<b>For the year ended March 31, 2025</b>						
<b>Individual insurance</b>	<b>98,989</b>	<b>5,557</b>	<b>2,280</b>	<b>1,613,775</b>	<b>–</b>	<b>1,720,602</b>
<b>Individual annuities</b>	<b>–</b>	<b>5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5</b>
<b>Group insurance</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Group annuities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Asset-formation insurance, asset- formation annuities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6</b>	<b>–</b>	<b>6</b>
<b>Other insurance</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,067,127</b>	<b>2,067,127</b>
<b>Total</b>	<b>98,989</b>	<b>5,562</b>	<b>2,280</b>	<b>1,613,781</b>	<b>2,067,127</b>	<b>3,787,741</b>

Note: "Other insurance" includes receiving reinsurance.

## 2) Insurance Claims (number of benefits)

(Number of benefits)

	Death benefits	Accidental benefits	Severe disability benefits	Maturity benefits	Other	Total
For the year ended March 31, 2024						
Individual insurance	41,813	3,063	938	933,659	—	979,473
Individual annuities	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—
Asset-formation insurance, asset-formation annuities	—	—	—	5	—	5
Other insurance	—	—	—	—	9,018,739	9,018,739
Total	41,813	3,063	938	933,664	9,018,739	9,998,217
For the year ended March 31, 2025						
Individual insurance	44,382	2,776	867	827,659	—	875,684
Individual annuities	—	2	—	—	—	2
Group insurance	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—
Asset-formation insurance, asset-formation annuities	—	—	—	5	—	5
Other insurance	—	—	—	—	8,719,326	8,719,326
Total	44,382	2,778	867	827,664	8,719,326	9,595,017

Note: "Other insurance" includes receiving reinsurance.

## (13) Annuities

(Millions of yen)

For the year ended March 31, 2024						
Individual insurance	Individual annuities	Group insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Other insurance	Total
140	218,848	—	—	—	—	218,989

For the year ended March 31, 2025						
Individual insurance	Individual annuities	Group insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Other insurance	Total
136	178,579	—	—	—	—	178,715

**(14) Benefits****1) Benefits (amounts)**

(Millions of yen)

	Death benefits	Hospitalization benefits	Surgery benefits	Disability benefits	Living benefits	Other	Total
<b>For the year ended March 31, 2024</b>							
Individual insurance	112	39,969	27,440	2,258	129,968	952	200,702
Individual annuities	–	14	6	1	–	0	23
Group insurance	–	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–	–
Asset-formation insurance, asset- formation annuities	–	–	–	–	–	–	–
Other insurance	–	–	–	–	–	–	–
<b>Total</b>	<b>112</b>	<b>39,983</b>	<b>27,447</b>	<b>2,260</b>	<b>129,968</b>	<b>953</b>	<b>200,725</b>
<b>For the year ended March 31, 2025</b>							
<b>Individual insurance</b>	<b>183</b>	<b>38,419</b>	<b>26,326</b>	<b>2,145</b>	<b>152,824</b>	<b>931</b>	<b>220,832</b>
<b>Individual annuities</b>	<b>–</b>	<b>11</b>	<b>6</b>	<b>1</b>	<b>–</b>	<b>0</b>	<b>19</b>
<b>Group insurance</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Group annuities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Asset-formation insurance, asset- formation annuities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Other insurance</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>183</b>	<b>38,431</b>	<b>26,333</b>	<b>2,146</b>	<b>152,824</b>	<b>932</b>	<b>220,852</b>

## 2) Benefits (number of benefits)

(Number of benefits)

	Death benefits	Hospitalization benefits	Surgery benefits	Disability benefits	Living benefits	Other	Total
For the year ended March 31, 2024							
Individual insurance	92	833,324	436,295	3,021	362,963	16,905	1,652,600
Individual annuities	–	119	70	2	–	5	196
Group insurance	–	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–	–
Asset-formation insurance, asset- formation annuities	–	–	–	–	–	–	–
Other insurance	–	–	–	–	–	–	–
<b>Total</b>	<b>92</b>	<b>833,443</b>	<b>436,365</b>	<b>3,023</b>	<b>362,963</b>	<b>16,910</b>	<b>1,652,796</b>
For the year ended March 31, 2025							
<b>Individual insurance</b>	<b>137</b>	<b>779,798</b>	<b>429,206</b>	<b>2,850</b>	<b>377,394</b>	<b>16,576</b>	<b>1,605,961</b>
<b>Individual annuities</b>	<b>–</b>	<b>121</b>	<b>86</b>	<b>3</b>	<b>–</b>	<b>4</b>	<b>214</b>
<b>Group insurance</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Group annuities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Asset-formation insurance, asset- formation annuities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Other insurance</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>137</b>	<b>779,919</b>	<b>429,292</b>	<b>2,853</b>	<b>377,394</b>	<b>16,580</b>	<b>1,606,175</b>

## (15) Surrender Benefits

(Millions of yen)

For the year ended March 31, 2024						
Individual insurance	Individual annuities	Group insurance	Group annuities	Asset-formation insurance, asset- formation annuities	Other insurance	Total
437,208	1,809	–	–	0	–	439,018

For the year ended March 31, 2025						
Individual insurance	Individual annuities	Group insurance	Group annuities	Asset-formation insurance, asset- formation annuities	Other insurance	Total
414,119	1,318	–	–	3	–	415,441

**(16) Depreciation and Amortization**

(Millions of yen, %)

	Cost	Depreciation and amortization in the fiscal year	Accumulated depreciation and amortization	Balance at the end of the fiscal year	Accumulated depreciation percentage
<b>For the year ended March 31, 2024</b>					
Tangible fixed assets	121,631	7,642	61,717	59,913	50.7
Buildings	76,100	2,764	31,115	44,984	40.9
Leased assets	7,696	1,336	2,369	5,326	30.8
Other tangible fixed assets	37,834	3,541	28,232	9,602	74.6
Intangible fixed assets	620,306	35,287	517,104	103,202	83.4
Others	709	30	526	183	74.2
<b>Total</b>	<b>742,647</b>	<b>42,959</b>	<b>579,348</b>	<b>163,298</b>	<b>78.0</b>
<b>For the year ended March 31, 2025</b>					
Tangible fixed assets	126,500	7,114	63,379	63,121	50.1
Buildings	77,361	3,313	34,440	42,921	44.5
Leased assets	7,205	1,135	2,842	4,363	39.5
Other tangible fixed assets	41,932	2,666	26,096	15,836	62.2
Intangible fixed assets	671,511	33,589	550,612	120,899	82.0
Others	762	32	559	203	73.3
<b>Total</b>	<b>798,774</b>	<b>40,736</b>	<b>614,550</b>	<b>184,223</b>	<b>76.9</b>

Notes:

1. "Buildings" includes all buildings, facilities, and structures.
2. "Intangible fixed assets" includes software in progress.

**(17) Operating Expenses**

(Millions of yen)

For the years ended March 31	2024	2025
Sales activity expenses	53,928	58,906
Sales administration expenses	19,511	17,761
General administration expenses	365,091	351,696
<b>Total</b>	<b>438,531</b>	<b>428,363</b>

Note: "General administration expenses" does not include contributions to the Life Insurance Policyholders Protection Corporation of Japan, pursuant to Article 259 of the Insurance Business Act.

## (18) Taxes

(Millions of yen)

For the years ended March 31	2024	2025
National taxes	22,550	21,874
Consumption tax	20,413	19,418
Special corporate enterprise tax	1,675	2,169
Stamp duty	264	285
Registration license tax	197	0
Other national taxes	—	2
Local taxes	12,929	13,994
Local consumption tax	5,757	5,476
Enterprise tax	5,682	7,413
Fixed property tax	765	769
Real estate acquisition tax	394	(106)
Business office tax	330	440
Other local taxes	—	0
<b>Total</b>	<b>35,480</b>	<b>35,869</b>

Note: "Fixed property tax" includes city planning tax.

## (19) Lease Transactions

Lease transactions (as lessee)

[Finance lease transactions without transfer of ownership that apply an accounting treatment equivalent to those for operating lease transactions]

Not applicable for the years ended March 31, 2024, and 2025.

## (20) Borrowings by Maturity Date

(Millions of yen)

	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years or having no maturity date	Total
<b>As of March 31, 2024</b>							
Bonds payable	—	—	—	—	—	400,000	400,000
Payables under repurchase agreements	3,905,000	—	—	—	—	—	3,905,000
<b>Total</b>	<b>3,905,000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>400,000</b>	<b>4,305,000</b>
<b>As of March 31, 2025</b>							
Bonds payable	—	—	—	—	—	500,000	500,000
Payables under repurchase agreements	4,516,922	—	—	—	—	—	4,516,922
<b>Total</b>	<b>4,516,922</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>500,000</b>	<b>5,016,922</b>

## 6-5 Indicators Related to Asset Management (General Account)

### (1) Portfolio Trends

#### Asset Structure, Increase/Decrease in Assets

(Millions of yen, %)

As of March 31	2024			2025		
	Amount	Percentage	Increase/decrease	Amount	Percentage	Increase/decrease
Cash, deposits, call loans	1,192,730	2.0	(275,752)	2,000,343	3.4	807,613
Receivables under resale agreements	1,047,192	1.7	(337,571)	604,914	1.0	(442,278)
Receivables under securities borrowing transactions	—	—	—	—	—	—
Monetary claims bought	25,392	0.0	(21,953)	23,215	0.0	(2,176)
Trading account securities	—	—	—	—	—	—
Money held in trust	6,271,415	10.3	1,499,094	6,460,029	10.8	188,613
Securities	47,694,597	78.4	(2,147,881)	46,528,662	78.1	(1,165,934)
Corporate and government bonds	42,791,946	70.3	(1,951,759)	41,639,888	69.9	(1,152,058)
Domestic stocks	558,536	0.9	148,448	594,608	1.0	36,071
Foreign securities	2,168,841	3.6	(780,419)	2,024,510	3.4	(144,330)
Foreign corporate and government bonds	1,974,510	3.2	(812,611)	1,828,539	3.1	(145,970)
Foreign stocks and other securities	194,331	0.3	32,192	195,971	0.3	1,639
Other securities	2,175,272	3.6	435,848	2,269,655	3.8	94,382
Loans	3,281,313	5.4	(324,518)	2,530,051	4.2	(751,262)
Policy loans	149,707	0.2	9,351	159,074	0.3	9,367
Industrial and commercial loans	849,174	1.4	(67,200)	754,604	1.3	(94,570)
Loans to the Management Network	2,282,432	3.8	(266,670)	1,616,372	2.7	(666,059)
Real estate	121,642	0.2	42,914	120,066	0.2	(1,575)
Investment property	—	—	—	—	—	—
Deferred tax assets	636,524	1.0	(392,137)	728,362	1.2	91,838
Other	586,628	1.0	129,633	560,635	0.9	(25,993)
Reserve for possible loan losses	(346)	(0.0)	32	(766)	(0.0)	(419)
General account total	60,857,090	100.0	(1,828,139)	59,555,517	100.0	(1,301,573)
Foreign-currency-denominated assets	4,084,392	6.7	(258,942)	4,131,183	6.9	46,790

Notes:

1. "Loans to the Management Network" includes lending to the Management Network (Postal Life Insurance Account).
2. "Real estate" is booked as the sum total of land, buildings, and construction in progress.

## (2) Yield

(%)

For the years ended March 31	2024	2025
Cash, deposits, and call loans	0.00	0.02
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary claims bought	0.96	1.17
Trading account securities	—	—
Money held in trust	5.17	5.26
Securities	1.40	1.41
Corporate and government bonds	1.46	1.25
Domestic stocks	6.53	8.75
Foreign securities	0.21	3.04
Loans	1.78	1.74
Industrial and commercial loans	1.06	1.02
Real estate	—	—
General account total	1.54	1.57
Overseas loans and investments	1.88	3.49

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 to securities trusts.
3. "Overseas loans and investments" is the total of assets denominated in foreign currencies and yen-denominated assets.

## (3) Average Balance on Primary Assets

(Millions of yen)

For the years ended March 31	2024	2025
Cash, deposits, and call loans	587,202	645,484
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary claims bought	29,987	24,196
Trading account securities	—	—
Money held in trust	3,509,817	3,787,253
Securities	49,164,676	47,719,288
Corporate and government bonds	44,293,675	43,009,808
Domestic stocks	350,733	402,182
Foreign securities	2,499,614	2,020,661
Loans	3,451,081	2,898,702
Industrial and commercial loans	890,505	816,826
Real estate	78,154	120,511
General account total	60,236,877	58,442,086
Overseas loans and investments	3,911,242	3,596,171

Notes:

1. "General account total" includes assets related to securities trusts.
2. "Real estate" is booked as the sum total of land, buildings, and construction in progress.
3. "Overseas loans and investments" is the total of assets denominated in foreign currencies and yen-denominated assets.



**(4) Investment Income**

(Millions of yen)

For the years ended March 31	2024	2025
Interest and dividend income	866,469	864,561
Gains on trading account securities	—	—
Gains on money held in trust	181,439	199,152
Gains on trading securities	—	—
Gains on sales of securities	151,153	110,640
Gains on redemption of securities	110	220
Gains on derivative financial instruments	—	—
Gains on foreign exchanges	13,579	20,999
Reversal of reserve for possible loan losses	—	—
Other investment income	27	44
Total	1,212,778	1,195,618

**(5) Investment Expenses**

(Millions of yen)

For the years ended March 31	2024	2025
Interest expenses	4,993	13,641
Losses on trading account securities	—	—
Losses on money held in trust	—	—
Losses on trading securities	—	—
Losses on sales of securities	177,704	193,470
Losses on valuation of securities	71	—
Losses on redemption of securities	240	185
Losses on derivative financial instruments	95,835	68,329
Losses on foreign exchanges	—	—
Provision for reserve for possible loan losses	0	335
Write-off loans	—	—
Depreciation of real estate for lease and other assets	—	—
Other investment expenses	3,701	3,116
Total	282,548	279,079

## (6) Interest, Dividends, and Other Income

(Millions of yen)

For the years ended March 31	2024	2025
Interest on deposits	86	2,482
Interest and dividends on securities	794,962	803,699
Interest on corporate and government bonds	685,485	673,715
Domestic stock dividends	13,101	14,552
Interest and dividends on foreign securities	81,562	74,538
Interest on loans	12,954	12,318
Interest on loans to the Management Network	48,373	38,318
Rent revenue from real estate	—	—
Net, including other income	866,469	864,561

## (7) Gains on Sales of Securities

(Millions of yen)

For the years ended March 31	2024	2025
Japanese government bonds and other bonds	22,169	31,104
Domestic stocks and other securities	14,394	23,280
Foreign securities	114,588	56,256
Net, including other gains on sales of securities	151,153	110,640

## (8) Losses on Sales of Securities

(Millions of yen)

For the years ended March 31	2024	2025
Japanese government bonds and other bonds	57,329	160,749
Domestic stocks and other securities	4,489	2,381
Foreign securities	115,885	28,375
Net, including other losses on sales of securities	177,704	193,470

## (9) Losses on Valuation of Securities

(Millions of yen)

For the years ended March 31	2024	2025
Japanese government bonds and other bonds	—	—
Domestic stocks and other securities	—	—
Foreign securities	—	—
Other securities	71	—
Net, including other losses on valuation of securities	71	—

**(10) Proprietary Trading Securities**

Not applicable as of March 31, 2024, and 2025.

**(11) Proceeds on Sales of Proprietary Trading Securities**

Not applicable as of March 31, 2024, and 2025.

**(12) Securities Composition**

(Millions of yen, %)

As of March 31	2024		2025	
	Amount	Percentage	Amount	Percentage
Corporate and government bonds	42,791,946	89.7	41,639,888	89.5
Japanese government bonds	36,037,546	75.6	35,390,389	76.1
Japanese local government bonds	2,634,528	5.5	2,123,485	4.6
Japanese corporate bonds	4,119,871	8.6	4,126,013	8.9
Public entity bonds	2,240,226	4.7	2,078,328	4.5
Domestic stocks	558,536	1.2	594,608	1.3
Foreign securities	2,168,841	4.5	2,024,510	4.4
Foreign corporate and government bonds	1,974,510	4.1	1,828,539	3.9
Foreign stocks and other securities	194,331	0.4	195,971	0.4
Other securities	2,175,272	4.6	2,269,655	4.9
Total	47,694,597	100.0	46,528,662	100.0

### (13) Securities by Maturity Date

(Millions of yen)

	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years or having no maturity date	Total
<b>As of March 31, 2024</b>	<b>2,181,335</b>	<b>2,883,572</b>	<b>6,783,072</b>	<b>5,129,949</b>	<b>6,363,387</b>	<b>25,048,670</b>	<b>48,389,989</b>
Securities	1,501,337	2,883,572	6,783,072	5,129,949	6,363,387	25,033,276	47,694,597
Japanese government bonds	515,686	2,412,446	5,627,063	4,356,978	4,941,745	18,183,625	36,037,546
Japanese local government bonds	522,180	194,972	170,294	193,045	493,725	1,060,310	2,634,528
Japanese corporate bonds	239,531	142,663	449,570	359,210	639,496	2,289,398	4,119,871
Domestic stocks	—	—	—	—	—	558,536	558,536
Foreign securities	223,939	133,489	536,144	220,715	288,419	766,133	2,168,841
Foreign corporate and government bonds	223,939	133,489	536,144	220,715	288,419	571,802	1,974,510
Foreign stocks and other securities	—	—	—	—	—	194,331	194,331
Other securities	—	—	—	—	—	2,175,272	2,175,272
Monetary claims bought	9,998	—	—	—	—	15,393	25,392
Negotiable certificates of deposit	670,000	—	—	—	—	—	670,000
Other	—	—	—	—	—	—	—
<b>As of March 31, 2025</b>	<b>2,289,131</b>	<b>4,332,182</b>	<b>5,847,631</b>	<b>5,362,692</b>	<b>5,093,449</b>	<b>24,646,790</b>	<b>47,571,878</b>
Securities	1,259,142	4,332,182	5,847,631	5,362,692	5,093,449	24,633,563	46,528,662
Japanese government bonds	1,062,263	3,779,486	4,738,207	4,463,154	3,672,931	17,674,346	35,390,389
Japanese local government bonds	94,312	138,571	201,585	296,628	369,832	1,022,554	2,123,485
Japanese corporate bonds	69,390	278,614	504,084	442,856	625,702	2,205,365	4,126,013
Domestic stocks	—	—	—	—	—	594,608	594,608
Foreign securities	33,176	135,510	403,754	160,053	423,357	868,658	2,024,510
Foreign corporate and government bonds	33,176	135,510	403,754	160,053	423,357	672,687	1,828,539
Foreign stocks and other securities	—	—	—	—	—	195,971	195,971
Other securities	—	—	—	—	1,625	2,268,029	2,269,655
Monetary claims bought	9,988	—	—	—	—	13,227	23,215
Negotiable certificates of deposit	1,020,000	—	—	—	—	—	1,020,000
Other	—	—	—	—	—	—	—

Note: Includes the handling of securities based on "Accounting Standard for Financial Instruments"(Accounting Standards Board of Japan ("ASBJ") Statement No. 10).

**(14) Bond Term-End Balance Yield**

(%)

As of March 31	2024	2025
Corporate and government bonds	1.56	<b>1.58</b>
Foreign corporate and government bonds	3.27	<b>3.66</b>

**(15) Breakdown of Local Government Bonds by Region**

(Millions of yen)

As of March 31	2024	2025
Hokkaido	97,163	<b>93,980</b>
Tohoku	27,359	<b>19,354</b>
Kanto	780,819	<b>694,321</b>
Chubu	388,711	<b>343,551</b>
Kinki	581,054	<b>561,973</b>
Chugoku	122,736	<b>101,230</b>
Shikoku	13,869	<b>8,814</b>
Kyushu	293,291	<b>264,133</b>
Other	329,523	<b>36,124</b>
Total	2,634,528	<b>2,123,485</b>

Note: "Other" indicates the balance of joint issuance local government bonds.

## (16) Shareholdings by Industry Sector

(Millions of yen, %)

As of March 31	2024		2025	
	Amount	Percentage	Amount	Percentage
Fishery, agriculture, and forestry	—	—	—	—
Mining	—	—	—	—
Construction	24,474	4.4	23,520	4.0
Manufacturing				
Foods	9,010	1.6	12,738	2.1
Textiles and apparel	—	—	—	—
Pulp and paper	—	—	—	—
Chemicals	77,283	13.8	67,844	11.4
Pharmaceuticals	27,364	4.9	23,862	4.0
Oil and coal products	—	—	—	—
Rubber products	—	—	—	—
Glass and ceramic products	11,153	2.0	8,940	1.5
Iron and steel	—	—	—	—
Nonferrous metals	8,415	1.5	5,213	0.9
Metal products	2,919	0.5	2,150	0.4
Machinery	41,263	7.4	37,770	6.4
Electric appliances	90,354	16.2	82,066	13.8
Transportation equipment	32,573	5.8	24,621	4.1
Precision instruments	17,438	3.1	14,137	2.4
Other products	5,793	1.0	7,266	1.2
Electric power and gas	—	—	—	—
Transportation, information, and communications				
Land transportation	8,333	1.5	9,233	1.6
Marine transportation	—	—	—	—
Air transportation	—	—	—	—
Warehousing and port transportation services	—	—	—	—
Information and communications	40,795	7.3	42,198	7.1
Trade and services				
Wholesale trade	38,998	7.0	36,251	6.1
Retail trade	45,172	8.1	45,321	7.6
Finance and insurance				
Banking	38,081	6.8	49,280	8.3
Securities and trading	1,295	0.2	53,796	9.0
Insurance	4,565	0.8	7,140	1.2
Other financial services	2,903	0.5	9,612	1.6
Real estate	10,452	1.9	8,244	1.4
Services	19,893	3.6	23,397	3.9
Total	558,536	100.0	594,608	100.0

Note: Industry sector categories are based on the sector classification table of the Securities Identification Code Committee.

## (17) Loans

(Millions of yen)

As of March 31	2024	2025
Policy loans	149,707	159,074
Policyholder loans	149,704	159,071
Policy premium loans	2	2
Industrial and commercial loans	3,131,606	2,370,977
(Loans to non-residents)	(      -)	(      -)
Loans to companies	2,401,556	1,688,866
(Loans to domestic corporations)	( 2,401,556)	( 1,688,866)
Loans to state, international organizations, and government organizations	-	-
Loans to public bodies and public businesses	730,050	682,111
Housing loans	-	-
Consumer loans	-	-
Other	-	-
<b>Total</b>	<b>3,281,313</b>	<b>2,530,051</b>

Note: Loans to the Management Network (Postal Life Insurance Account) are recorded as loans to companies, as they are classified into loans to companies in "finance and insurance" in the Loans Questionnaire by Industrial Type in the "Guideline of Entry Statistics Questionnaire" as specified by the Research and Statistics Department of the Bank of Japan.

## (18) Loans by Contractual Maturity Date

(Millions of yen)

	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years or having no maturity date	Total
Total industrial and commercial loans as of March 31, 2024	759,093	802,379	499,308	356,991	317,770	396,064	3,131,606
Floating rate loans	5,000	-	-	-	-	-	5,000
Fixed rate loans	754,093	802,379	499,308	356,991	317,770	396,064	3,126,606
<b>Total industrial and commercial loans as of March 31, 2025</b>	<b>394,542</b>	<b>668,143</b>	<b>436,545</b>	<b>283,442</b>	<b>259,003</b>	<b>329,300</b>	<b>2,370,977</b>
Floating rate loans	-	-	-	-	-	-	-
Fixed rate loans	394,542	668,143	436,545	283,442	259,003	329,300	2,370,977

Notes:

- "Fixed rate loans" includes loans to the Management Network (Postal Life Insurance Account).
- Among the loans to the Management Network (Postal Life Insurance Account), the period up to the statutory maturity date shall be recorded as the remaining period.

## (19) Loans to Domestic Companies by Company Size

(Number of borrowers, millions of yen, %)

As of March 31		2024		2025	
			Percentage		Percentage
Large companies	Number of borrowers	8	29.6	2	10.5
	Amount of loans	46,840	2.0	4,210	0.2
Medium-sized companies	Number of borrowers	—	—	—	—
	Amount of loans	—	—	—	—
Small companies	Number of borrowers	19	70.4	17	89.5
	Amount of loans	2,354,716	98.0	1,684,656	99.8
Total loans to domestic companies	Number of borrowers	27	100.0	19	100.0
	Amount of loans	2,401,556	100.0	1,688,866	100.0

Notes:

- Loans to the Management Network (Postal Life Insurance Account) are classified as loans to “small and medium-sized companies” in the “Corporate Guideline of Entry Statistics Questionnaire” as specified by the Research and Statistics Department of the Bank of Japan.
- Classifications are defined as below.
- “Number of borrowers” indicates the number of borrowers identified by name and is not the number of loans.

Industry type	1. All industries (excluding 2–4)		2. Retail and restaurant		3. Service		4. Wholesale	
Large companies	More than 300 employees	Paid-in capital over ¥1 billion	More than 50 employees	Paid-in capital over ¥1 billion	More than 100 employees	Paid-in capital over ¥1 billion	More than 100 employees	Paid-in capital over ¥1 billion
Medium-sized companies		Paid-in capital between ¥0.3 billion and ¥1 billion		Paid-in capital between ¥0.05 billion and ¥1 billion		Paid-in capital between ¥0.05 billion and ¥1 billion		Paid-in capital between ¥0.1 billion and ¥1 billion
Small companies	Paid-in capital under ¥0.3 billion or fewer than 300 employees		Paid-in capital under ¥0.05 billion or fewer than 50 employees		Paid-in capital under ¥0.05 billion or fewer than 100 employees		Paid-in capital under ¥0.1 billion or fewer than 100 employees	



**(20) Breakdown of Loans by Industry**

(Millions of yen, %)

As of March 31	2024		2025	
	Amount	Percentage	Amount	Percentage
<b>Domestic</b>				
Manufacturing	—	—	—	—
Foods	—	—	—	—
Textiles and apparel	—	—	—	—
Wood, wood products	—	—	—	—
Pulp and paper	—	—	—	—
Printing	—	—	—	—
Chemicals	—	—	—	—
Oil and coal products	—	—	—	—
Ceramics, soil, and stone	—	—	—	—
Iron and steel	—	—	—	—
Nonferrous metals	—	—	—	—
Metal products	—	—	—	—
General purpose, production and industrial machinery	—	—	—	—
Electric appliances	—	—	—	—
Transportation equipment	—	—	—	—
Other manufacturing products	—	—	—	—
Agriculture and forestry	—	—	—	—
Fishery	—	—	—	—
Mining, quarrying, and gravel extraction	—	—	—	—
Construction	—	—	—	—
Electric power, gas, heat supply, and waterworks	66,696	2.1	63,820	2.7
Information and communications	1,400	0.0	—	—
Transportation and postal	16,440	0.5	210	0.0
Wholesale trade	11,000	0.4	4,000	0.2
Retail trade	—	—	—	—
Financing and insurance	2,290,432	73.1	1,616,372	68.2
Real estate	15,587	0.5	4,462	0.2
Rental	—	—	—	—
Academic research, specialist and technology services	—	—	—	—
Lodging	—	—	—	—
Restaurant	—	—	—	—
Lifestyle-related services, amusement	—	—	—	—
Education and learning support	—	—	—	—
Medical and welfare	—	—	—	—
Other services	—	—	—	—
Local organizations and public entities	730,050	23.3	682,111	28.8
Individuals (residential/consumption/local taxes/other)	—	—	—	—
Total	3,131,606	100.0	2,370,977	100.0
<b>Overseas</b>				
Governments and public entities	—	—	—	—
Financial institutions	—	—	—	—
Commerce and industry, etc.	—	—	—	—
Total	—	—	—	—
<b>Total industrial and commercial loans</b>	<b>3,131,606</b>	<b>100.0</b>	<b>2,370,977</b>	<b>100.0</b>

Notes:

- Domestic classification is based on the industrial classification presented in the Bank of Japan's rental payment previous to loans (by industry and new loans for equipment rentals).
- Loans to the Management Network (Postal Life Insurance Account) are classified as "financing and insurance" in the Loans Questionnaire by Industrial Type in the "Guideline of Entry Statistics Questionnaire" as specified by the Research and Statistics Department of the Bank of Japan.

## (21) Breakdown of Industrial Loans by Use

(Millions of yen, %)

As of March 31	2024		2025	
	Amount	Percentage	Amount	Percentage
Capital investments	683,026	21.8	642,683	27.1
Operations	2,448,579	78.2	1,728,293	72.9
Total	3,131,606	100.0	2,370,977	100.0

Note: Loans to the Management Network (Postal Life Insurance Account) are classified as "operations."

## (22) Breakdown of Loans by Region

(Millions of yen, %)

As of March 31	2024		2025	
	Amount	Percentage	Amount	Percentage
Hokkaido	11,845	0.4	11,416	0.5
Tohoku	34,458	1.1	31,602	1.3
Kanto	2,599,143	83.0	1,872,752	79.0
Chubu	215,156	6.9	205,008	8.6
Kinki	145,275	4.6	134,938	5.7
Chugoku	37,051	1.2	34,592	1.5
Shikoku	4,512	0.1	3,798	0.2
Kyushu	84,164	2.7	76,869	3.2
Total	3,131,606	100.0	2,370,977	100.0

Notes:

- Loans to individuals and non-residents and loans for insurance policies are not included.
- Regional classification depends on the location of the borrower's headquarters.
- Loans to the Management Network (Postal Life Insurance Account) are classified under "Kanto," as the Network is located in Tokyo.

## (23) Breakdown of Loans by Collateral

(Millions of yen, %)

As of March 31	2024		2025	
	Amount	Percentage	Amount	Percentage
Secured loans	66,883	2.1	63,883	2.7
Loans secured by securities	—	—	—	—
Loans secured by real estate, movable property, or foundation	—	—	—	—
Loans secured by nominative claims	66,883	2.1	63,883	2.7
Guaranteed loans	4,040	0.1	210	0.0
Credit loans	778,250	24.9	690,511	29.1
Other	2,282,432	72.9	1,616,372	68.2
Industrial and commercial loans	3,131,606	100.0	2,370,977	100.0
Subordinated loans	—	—	—	—

Note: Loans to the Management Network (Postal Life Insurance Account) are classified as "Other."

**(24) Tangible Fixed Assets****1) Tangible Fixed Assets**

(Millions of yen, %)

	Balance at the end of the previous fiscal year	Increase in the fiscal year	Decrease in the fiscal year	Depreciation in the fiscal year	Balance at the end of the fiscal year	Accumulated depreciation	Accumulated depreciation percentage
For the year ended March 31, 2024							
Land	43,112	34,038	539	—	76,610	—	—
Buildings, net	35,590	12,292	135	2,764	44,984	31,115	40.9
Leased assets, net	4,189	2,566	93	1,336	5,326	2,369	30.8
Construction in progress	24	12,690	12,667	—	47	—	—
Others, net	9,512	3,705	74	3,541	9,602	28,232	74.6
<b>Total</b>	<b>92,429</b>	<b>65,293</b>	<b>13,509</b>	<b>7,642</b>	<b>136,571</b>	<b>61,717</b>	<b>—</b>
(Includes rentals and other real estate)	—	—	—	—	—	—	—
For the year ended March 31, 2025							
<b>Land</b>	<b>76,610</b>	<b>21</b>	<b>—</b>	<b>—</b>	<b>76,632</b>	<b>—</b>	<b>—</b>
<b>Buildings, net</b>	<b>44,984</b>	<b>1,385</b>	<b>134</b>	<b>3,313</b>	<b>42,921</b>	<b>34,440</b>	<b>44.5</b>
<b>Leased assets, net</b>	<b>5,326</b>	<b>180</b>	<b>8</b>	<b>1,135</b>	<b>4,363</b>	<b>2,842</b>	<b>39.5</b>
<b>Construction in progress</b>	<b>47</b>	<b>2,041</b>	<b>1,575</b>	<b>—</b>	<b>513</b>	<b>—</b>	<b>—</b>
<b>Others, net</b>	<b>9,602</b>	<b>9,062</b>	<b>162</b>	<b>2,666</b>	<b>15,836</b>	<b>26,096</b>	<b>62.2</b>
<b>Total</b>	<b>136,571</b>	<b>12,692</b>	<b>1,882</b>	<b>7,114</b>	<b>140,266</b>	<b>63,379</b>	<b>—</b>
(Includes rentals and other real estate)	—	—	—	—	—	—	—

Note: "Buildings, net" includes all buildings, facilities, and structures.

**2) Breakdown of Real Estate Holdings by Use**

(Millions of yen, number of buildings)

As of March 31	2024	2025
Value of real estate holdings	121,642	120,066
For business operations	121,642	120,066
For lease	—	—
Number of buildings held for leasing	—	—

Note: "Value of real estate holdings" includes all land, buildings (including facilities and structures), and construction in progress.

**(25) Gains on Disposal of Fixed Assets**

(Millions of yen)

For the years ended March 31	2024	2025
Tangible fixed assets	—	15
Land	—	—
Buildings	—	—
Leased assets	—	—
Other assets	—	15
Intangible fixed assets	—	—
Others	—	—
<b>Total</b>	<b>—</b>	<b>15</b>
Includes rentals and other real estate	—	—

## (26) Losses on Disposal of Fixed Assets

(Millions of yen)

For the years ended March 31	2024	2025
Tangible fixed assets	174	226
Land	—	—
Buildings	42	70
Leased assets	93	8
Other assets	38	147
Intangible fixed assets	16	13
Others	—	—
Total	190	240
Includes rentals and other real estate	—	—

## (27) Depreciation on Real Estate, Movables, and Other Assets Held for Leasing

Not applicable for the years ended March 31, 2024, and 2025.

## (28) Overseas Loans and Investments

### 1) Breakdown by Asset Composition

(Millions of yen, %)

As of March 31		2024		2025	
		Amount	Percentage	Amount	Percentage
Foreign-currency-denominated assets	Corporate and government bonds	1,865,943	40.9	1,742,271	37.8
	Stocks	766,205	16.8	813,675	17.6
	Cash and cash equivalents	1,452,243	31.9	1,575,235	34.2
	Subtotal	4,084,392	89.6	4,131,183	89.6
Foreign-currency-denominated assets with fixed yen value	Corporate and government bonds	—	—	—	—
	Cash and cash equivalents	—	—	—	—
	Subtotal	—	—	—	—
Yen-denominated assets	Loans to non-residents	—	—	—	—
	Foreign corporate and government bonds and other assets	475,125	10.4	479,816	10.4
	Subtotal	475,125	10.4	479,816	10.4
Net overseas loans and investments		4,559,518	100.0	4,611,000	100.0

Note: "Foreign-currency-denominated assets with fixed yen value" is recorded under assets on the balance sheets as the fixed yen value that was determined at settlement with foreign exchange forward contracts.

## 2) Overseas Loans and Investments by Geographic Area

(Millions of yen, %)

	Foreign securities						Loans to non-residents	
			Corporate and government bonds		Stocks and other securities		Amount	Percentage
	Amount	Percentage	Amount	Percentage	Amount	Percentage		
As of March 31, 2024	4,405,730	100.0	1,974,510	100.0	2,431,220	100.0	—	—
North America	1,890,957	42.9	1,192,421	60.4	698,536	28.7	—	—
Europe	421,798	9.6	331,300	16.8	90,497	3.7	—	—
Oceania	87,202	2.0	87,202	4.4	—	—	—	—
Asia	105,826	2.4	105,826	5.4	—	—	—	—
Central and South America	1,686,143	38.3	43,957	2.2	1,642,186	67.5	—	—
Middle East	—	—	—	—	—	—	—	—
Africa	—	—	—	—	—	—	—	—
International organization	213,801	4.9	213,801	10.8	—	—	—	—
As of March 31, 2025	4,437,969	100.0	1,828,539	100.0	2,609,429	100.0	—	—
North America	1,842,070	41.5	1,097,724	60.0	744,346	28.5	—	—
Europe	405,690	9.1	311,137	17.0	94,552	3.6	—	—
Oceania	114,989	2.6	114,989	6.3	—	—	—	—
Asia	81,141	1.8	81,141	4.4	—	—	—	—
Central and South America	1,814,429	40.9	43,898	2.4	1,770,531	67.9	—	—
Middle East	—	—	—	—	—	—	—	—
Africa	—	—	—	—	—	—	—	—
International organization	179,649	4.0	179,649	9.8	—	—	—	—

## 3) Composition of Foreign-Currency-Denominated Assets by Currency

(Millions of yen, %)

As of March 31	2024		2025	
	Amount	Percentage	Amount	Percentage
U.S. dollar	3,282,958	80.4	3,327,506	80.5
Euro	384,342	9.4	416,921	10.1
Australian dollar	241,597	5.9	210,947	5.1
New Zealand dollar	91,667	2.2	98,134	2.4
Canadian dollar	40,424	1.0	62,216	1.5
Singapore dollar	26,809	0.7	—	—
British pound	16,592	0.4	15,457	0.4
Total	4,084,392	100.0	4,131,183	100.0

## (29) Yield on Overseas Loans and Investments

(%)		
For the years ended March 31	2024	2025
Yield on overseas loans and investments	1.88	3.49

## (30) Summary of New Public-Sector Investment Underwriting and Loans

Not applicable for the years ended March 31, 2024, and 2025.

## (31) Loan Interest Rates

Not applicable for the years ended March 31, 2024, and 2025.

## (32) Other Assets

(Millions of yen)							
Asset class	Cost	Balance at the beginning of the fiscal year	Increase in the fiscal year	Decrease in the fiscal year	Accumulated depreciation and amortization	Balance at the end of the fiscal year	Remarks
For the year ended March 31, 2024							
Other	6,338	1,520	114,954	110,136	—	6,338	
Total	6,338	1,520	114,954	110,136	—	6,338	
For the year ended March 31, 2025							
Other	48,756	6,338	218,391	175,974	—	48,756	
Total	48,756	6,338	218,391	175,974	—	48,756	

## 6-6 Fair Value Information of Securities (General Account)

### (1) Fair Value of Securities

#### 1) Net Valuation Gain/Loss of Trading Securities

Japan Post Insurance did not hold securities for trading as of March 31, 2024, and 2025.

#### 2) Fair Value Information of Securities (Other than Trading Securities)

(Millions of yen)

As of March 31	2024					2025				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
				Gains	Losses				Gains	Losses
Held-to-maturity bonds	32,343,114	33,401,975	1,058,860	2,097,052	1,038,191	31,425,320	30,144,069	(1,281,251)	733,467	2,014,718
Policy-reserve-matching bonds	7,139,629	6,954,091	(185,537)	278,170	463,708	7,243,771	6,522,343	(721,427)	91,171	812,599
Equities of subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	12,353,736	14,800,291	2,446,554	2,950,739	504,184	12,558,013	14,719,680	2,161,666	2,746,991	585,324
Corporate and government bonds	3,560,198	3,329,202	(230,996)	6,688	237,685	3,303,529	2,990,796	(312,733)	4,289	317,023
Domestic stocks	1,842,609	3,578,396	1,735,787	1,750,959	15,171	1,962,202	3,509,230	1,547,028	1,581,457	34,429
Foreign securities	3,399,190	4,361,735	962,545	1,050,457	87,911	3,406,868	4,393,772	986,903	1,055,596	68,692
Foreign corporate and government bonds	1,932,785	1,954,510	21,725	109,614	87,888	1,840,400	1,808,539	(31,860)	36,707	68,567
Foreign stocks and other securities	1,466,405	2,407,225	940,820	940,842	22	1,566,468	2,585,232	1,018,764	1,018,889	124
Other securities	2,856,830	2,835,563	(21,266)	142,149	163,416	2,842,301	2,782,665	(59,636)	105,543	165,179
Monetary claims bought	24,907	25,392	484	484	—	23,110	23,215	104	104	—
Negotiable certificates of deposit	670,000	670,000	—	—	—	1,020,000	1,020,000	—	—	—
Other	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>51,836,480</b>	<b>55,156,357</b>	<b>3,319,876</b>	<b>5,325,962</b>	<b>2,006,085</b>	<b>51,227,105</b>	<b>51,386,093</b>	<b>158,987</b>	<b>3,571,630</b>	<b>3,412,643</b>
Corporate and government bonds	43,022,942	43,665,713	642,770	2,381,911	1,739,141	41,952,621	39,638,241	(2,314,379)	828,928	3,143,308
Domestic stocks	1,842,609	3,578,396	1,735,787	1,750,959	15,171	1,962,202	3,509,230	1,547,028	1,581,457	34,429
Foreign securities	3,419,190	4,381,291	962,101	1,050,457	88,355	3,426,868	4,412,739	985,870	1,055,596	69,725
Foreign corporate and government bonds	1,952,785	1,974,065	21,280	109,614	88,333	1,860,400	1,827,506	(32,893)	36,707	69,600
Foreign stocks and other securities	1,466,405	2,407,225	940,820	940,842	22	1,566,468	2,585,232	1,018,764	1,018,889	124
Other securities	2,856,830	2,835,563	(21,266)	142,149	163,416	2,842,301	2,782,665	(59,636)	105,543	165,179
Monetary claims bought	24,907	25,392	484	484	—	23,110	23,215	104	104	—
Negotiable certificates of deposit	670,000	670,000	—	—	—	1,020,000	1,020,000	—	—	—
Other	—	—	—	—	—	—	—	—	—	—

Notes:

- This table includes the handling of securities under the Financial Instruments and Exchange Act, etc.
- This table includes money held in trust other than trading securities, and its book value was ¥3,577,186 million with net unrealized gains (losses) of ¥2,455,746 million as of March 31, 2025, and ¥3,484,362 million with net unrealized gains (losses) of ¥2,515,569 million as of March 31, 2024.
- This table excludes stocks, etc. with no market price and investments in partnerships, etc.

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

(Millions of yen)

As of March 31	2024	2025
Equities of subsidiaries and affiliates	78,631	187,582
Available-for-sale securities	137,627	150,107
Domestic stocks	4,259	4,259
Foreign stocks	23,197	23,646
Other	110,170	122,201
Total	216,258	337,689

Notes:

1. This table includes money held in trust other than trading securities (¥110,170 million as of March 31, 2024, and ¥122,201 million as of March 31, 2025).

## (2) Fair Value of Money Held in Trust

(Millions of yen)

As of March 31	2024					2025				
	Balance sheet amount	Fair value	Net unrealized gains (losses)			Balance sheet amount	Fair value	Net unrealized gains (losses)		
				Gains	Losses				Gains	Losses
Money held in trust	6,158,055	6,158,055	—	—	—	6,330,280	6,330,280	—	—	—

Note: Excluding money held in trust not subject to fair value disclosure (¥113,360 million as of March 31, 2024, and ¥129,749 million as of March 31, 2025).

### 1) Money Held in Trust for Trading Purposes

The Company did not hold money held in trust for trading purposes as of March 31, 2024 and 2025.

### 2) Assets Held-to-Maturity in Trust/Assets Held for Reserves in Trust/Other Money Held in Trust

(Millions of yen)

As of March 31	2024					2025				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
				Gains	Losses				Gains	Losses
Assets held-to-maturity in trust	—	—	—	—	—	—	—	—	—	—
Assets held for reserves in trust	—	—	—	—	—	—	—	—	—	—
Other money held in trust	3,642,486	6,158,055	2,515,569	2,553,934	38,365	3,874,533	6,330,280	2,455,746	2,495,579	39,832
Domestic stocks	1,497,635	3,032,366	1,534,730	1,547,510	12,779	1,582,123	2,980,598	1,398,475	1,422,342	23,867
Foreign stocks	285,216	742,211	456,995	456,995	—	298,289	789,478	491,189	491,189	—
Foreign bonds	687,182	795,422	108,239	130,157	21,917	562,195	676,754	114,558	124,008	9,449
Other	1,172,451	1,588,056	415,604	419,272	3,668	1,431,925	1,883,448	451,523	458,038	6,515

Notes:

1. Excluding other money held in trust not subject to fair value disclosure (¥113,360 million as of March 31, 2024, and ¥129,749 million as of March 31, 2025).

2. "Domestic stocks," "Foreign stocks," and "Foreign bonds" include individual stocks and bonds as well as mutual funds that exclusively invest in these assets

3. "Other" includes cash and deposits, bank loans, and alternative investment.

Due to the application of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" from the fiscal year ended March 31, 2023, mutual funds with no transaction price on the market are measured by assuming net asset value as the fair value.



### 3) Balances of Securities in Money Held in Trust

(Millions of yen)

	Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years or having no maturity date	Total
<b>As of March 31, 2024</b>							
Domestic stocks						3,032,366	
Foreign securities						2,236,889	
Foreign corporate and government bonds						—	
Foreign stocks and other securities						2,236,889	
Other securities						840,846	6,110,101
<b>As of March 31, 2025</b>							
Domestic stocks						2,979,628	
Foreign securities						2,413,458	
Foreign corporate and government bonds						—	
Foreign stocks and other securities						2,413,458	
Other securities						762,047	6,155,135

Note: Including money held in trust not subject to fair value disclosure.

### 4) Currency Composition of Money Held in Trust

(Millions of yen, %)

As of March 31	2024		2025	
	Amount	Percentage	Amount	Percentage
Japanese yen	3,921,702	64.2	3,796,197	61.7
U.S. dollar	1,993,254	32.6	2,144,561	34.8
Euro	184,689	3.0	203,408	3.3
Others	10,455	0.2	10,966	0.2
Total	6,110,101	100.0	6,155,135	100.0

Note: Includes money held in trust not subject to fair value disclosure.  
Excluding cash and deposits.

## 5) Industry Composition of Japanese Stocks of Money Held in Trust

(Millions of yen, %)

As of March 31	2024		2025	
	Fair value	Percentage	Fair value	Percentage
Fishery, agriculture, and forestry	2,347	0.1	2,229	0.1
Mining	9,603	0.3	8,504	0.3
Construction	93,614	3.1	95,017	3.2
Manufacturing				
Foods	105,656	3.5	109,132	3.7
Textiles and apparel	10,277	0.3	11,179	0.4
Pulp and paper	4,737	0.2	3,781	0.1
Chemicals	176,739	5.8	146,577	4.9
Pharmaceuticals	126,959	4.2	116,100	3.9
Oil and coal products	14,057	0.5	14,478	0.5
Rubber products	19,315	0.6	17,897	0.6
Glass and ceramic products	21,105	0.7	18,386	0.6
Iron and steel	25,001	0.8	22,583	0.8
Nonferrous metals	22,742	0.8	28,477	1.0
Metal products	17,316	0.6	13,081	0.4
Machinery	169,184	5.6	162,555	5.5
Electric appliances	490,844	16.2	490,203	16.5
Transportation equipment	279,269	9.2	218,706	7.3
Precision instruments	62,892	2.1	59,898	2.0
Other products	79,916	2.6	102,732	3.4
Electric power and gas	24,491	0.8	24,581	0.8
Transportation, information, and communications				
Land transportation	65,113	2.1	62,632	2.1
Marine transportation	35,213	1.2	28,838	1.0
Air transportation	9,853	0.3	8,516	0.3
Warehousing and port transportation services	4,013	0.1	4,344	0.1
Information and communications	257,869	8.5	262,490	8.8
Trade and services				
Wholesale trade	246,090	8.1	217,410	7.3
Retail trade	112,732	3.7	116,591	3.9
Finance and insurance				
Banking	193,437	6.4	244,899	8.2
Securities and trading	25,120	0.8	23,661	0.8
Insurance	119,234	3.9	142,790	4.8
Other financial services	35,708	1.2	33,114	1.1
Real estate	60,588	2.0	57,630	1.9
Services	111,317	3.7	110,603	3.7
Total	3,032,366	100.0	2,979,628	100.0

**(3) Combined Fair Value of Derivative Transactions (with or without Hedge Accounting)****(i) Breakdown of gains (losses) (breakdown of portions with hedge accounting applied and not applied)**

(Millions of yen)

	(ii) Interest rate related	(iii) Currency related	(iv) Stock related	(v) Bond related	(vi) Others	Total
As of March 31, 2024	(5,814)	(38,819)	—	—	—	(44,634)
Portion with hedge accounting applied	(5,814)	(37,722)	—	—	—	(43,537)
Portion with hedge accounting not applied	—	(1,097)	—	—	—	(1,097)
<b>As of March 31, 2025</b>	<b>(27,848)</b>	<b>(6,038)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(33,887)</b>
Portion with hedge accounting applied	(27,848)	(6,043)	—	—	—	(33,892)
Portion with hedge accounting not applied	—	5	—	—	—	5

Notes:

1. Net unrealized gains (losses) on the portion subject to the fair value hedge method (currency related ¥(37,722) million) of the portion with hedge accounting applied, and those on the portion with hedge accounting not applied as of March 31, 2024, are accrued in the statement of income.
2. Net unrealized gains (losses) on the portion subject to the fair value hedge method (currency related ¥6,293 million) of the portion with hedge accounting applied, and those on the portion with hedge accounting not applied as of March 31, 2025, are accrued in the statement of income.

**(ii) Interest rate related**

(Millions of yen)

Category	As of March 31	2024				2025			
	Type	Contract amount, etc.		Fair value	Net unrealized gains (losses)	Contract amount, etc.		Fair value	Net unrealized gains (losses)
			Due after 1 year				Due after 1 year		
Over-the-counter	Interest rate swaps								
	Receivable fixed rate / Payable floating rate	250,000	250,000	(5,814)	(5,814)	300,000	300,000	(27,848)	(27,848)
<b>Total</b>					(5,814)				(27,848)

Note: "Net unrealized gains (losses)" are represented by the fair value (present value) of swap transactions.

**(Reference) Interest Rate Swaps by Maturity Date**

(Millions of yen, %)

Category		Due in 1 year or less	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years	Total
As of March 31, 2024	Notional principal of swaps for receivable fixed rate	—	—	—	—	—	250,000	250,000
	Average receivable fixed rate	—	—	—	—	—	1.28	1.28
	Average payable floating rate	—	—	—	—	—	0.00	0.00
	<b>Total</b>	—	—	—	—	—	250,000	250,000
As of March 31, 2025	Notional principal of swaps for receivable fixed rate	—	—	—	—	—	300,000	300,000
	Average receivable fixed rate	—	—	—	—	—	1.35	1.35
	Average payable floating rate	—	—	—	—	—	0.38	0.38
	<b>Total</b>	—	—	—	—	—	300,000	300,000

**(iii) Currency related**

(Millions of yen)

Category	As of March 31 Type	2024				2025			
		Contract amount, etc.		Fair value	Net gain/ loss	Contract amount, etc.		Fair value	Net gain/ loss
			Over one year				Over one year		
Over-the-counter	Foreign exchange forward contracts								
	Sold	1,411,241	–	(38,819)	(38,819)	1,320,223	–	(6,290)	(6,290)
	U.S. dollars	896,165	–	(24,254)	(24,254)	798,548	–	(12,177)	(12,177)
	Euros	165,985	–	(7,652)	(7,652)	165,283	–	(4,804)	(4,804)
	Australian dollars	227,770	–	(5,314)	(5,314)	206,698	–	6,395	6,395
	Other	121,319	–	(1,597)	(1,597)	149,692	–	4,295	4,295
	Currency options								
	Sold								
	Call	–	–	–	–	4,336	–	7	7
		(–)	(–)			(15)	(–)		
	(U.S. dollars)	–	–	–	–	4,336	–	7	7
		(–)	(–)			(15)	(–)		
	Bought								
	Put	–	–	–	–	4,336	–	10	(4)
		(–)	(–)			(15)	(–)		
	(U.S. dollars)	–	–	–	–	4,336	–	10	(4)
		(–)	(–)			(15)	(–)		
	Currency swap	–	–	–	–	108,263	108,263	249	249
	(U.S. dollars)	–	–	–	–	105,898	105,898	297	297
	(Euros)	–	–	–	–	2,365	2,365	(47)	(47)
Total					(38,819)				(6,038)

Notes:

- Figures within brackets "( )" show optional premium recorded on the balance sheet.
- Fair value is calculated using forward foreign exchange rates at the fiscal year-end.
- In the Net gain/loss column, fair value is shown for foreign exchange forward contracts, and the difference between the optional premium and the fair value is shown for options transactions.
- Fair value of currency swap is represented by Net gain/loss.

**(iv) Stock related**

There were no such outstanding balances as of March 31, 2024, and 2025.

**(v) Bond related**

There were no such outstanding balances as of March 31, 2024, and 2025.

**(vi) Others**

There were no such outstanding balances as of March 31, 2024, and 2025.

## 7 Indicators for Separate Accounts

Not applicable.