



Annual Report

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2026

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Management Philosophy

Be a trustworthy partner for people, always being close at hand and endeavoring to protect their well-being.

Management Policy

We aim to become the No. 1 Japanese insurance company selected by customers.

- 1. We are always close to people’s lives, offering easy-to-understand products and high-quality services.
- 2. We always ensure that employees who have contact with our customers make full use of their strengths to offer better customer services.
- 3. We create a working environment in which all employees can develop their talents and work with energy and vitality.
- 4. We practice sound management based on strong corporate governance, constantly creating new value to achieve sustainable growth.
- 5. We actively contribute to health promotion, environmental protection, and the development of local communities and society as a whole.
- 6. We work to communicate closely with all stakeholders.

Code of Conduct

- 1. We put the customer first in everything we do.
- 2. We offer comprehensive and heartfelt services by working together closely with our business partners.
- 3. We always improve ourselves, embarking on new challenges and contributing to the development of the company and society.
- 4. We leave no stone unturned in ensuring compliance based on a strong ethical sense of the company as a responsible member of society.
- 5. We respect human rights and create a diverse and inclusive working environment.

History

Japan Post Insurance Co., Ltd. was established as “Kampo Co., Ltd.” on September 1, 2006, under the Postal Service Privatization Act enacted in October 2005. During the period up to September 30, 2007, the Company prepared to launch operations as a life insurance company. On October 1, 2007, the Company changed its

trade name to “JAPAN POST INSURANCE Co., Ltd.”

The Company engages in the life insurance business and Postal Life Insurance management business under commission from the Organization for Postal Savings, Postal Life Insurance and Post Office Network (hereinafter, the “Management Network”).

September 2006	Established Kampo Co., Ltd. under the Postal Service Privatization Act
October 2007	Changed trade name to JAPAN POST INSURANCE Co., Ltd. in line with the commencement of the life insurance business Started Postal Life Insurance management operations under commission from the Management Network
December 2007	Obtained approval for new operations (liberalization of investment products)
June 2008	Commenced commissioned sales of life insurance products for corporate clients
July 2008	Launched <i>Sono hi kara</i> , a new hospitalization rider
July 2009	Established branches in all prefectures through the opening of the Nara Branch and Wakayama Branch
October 2011	JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. (current consolidated subsidiary) became a subsidiary
April 2014	Launched <i>Hajime no Kampo</i> , an educational endowment insurance
July 2014	Commenced handling commissioned sales of cancer insurance products for American Family Life Assurance Company of Columbus ¹
October 2015	Launched <i>Shin Free Plan</i> (short-term premium payment), an endowment insurance
November 2015	Listed common stock on the First Section of the Tokyo Stock Exchange Commenced commissioned sales of life insurance products for corporate clients (general welfare group term insurance, etc.)
March 2016	Obtained approval for new operations (underwriting of reinsurance and related services) Business alliance with The Dai-ichi Life Insurance Company, Limited ²
October 2017	Launched <i>Sono hi kara Plus</i> , a new medical rider Launched <i>Shin Nagaiki Kun Low Cash Value Plan</i> , a new whole life insurance (low cash value) Launched <i>Choju no Shiawase</i> , a longevity support insurance (low cash value)
April 2019	Launched <i>Kampo ni Omakase</i> , products with relaxed underwriting criteria; and an advanced medical rider Secondary offering of the Company's common stock
April 2022	Launched <i>Motto sono hi kara Plus</i> , a new medical care rider Moved from the First Section of the Tokyo Stock Exchange to the Prime Market
April 2023	Revised <i>Hajime no Kampo</i> , an educational endowment insurance

Notes: 1. The Japan branch of the U.S. corporation was incorporated as a Japanese corporation, which succeeded to the business conducted by the Japan branch. As a result, the Company's contract partner at the date of publication of this report is Aflac Life Insurance Japan Ltd.
2. Due to an internal transfer of management within the group of the Company's business partner, the Company's business alliance is with Daiichi Life Group, Inc. as of the date of publication of this report.

[Reference] History of Postal Life Insurance

October 1916	Foundation of postal life insurance business by the Ministry of Communications
October 1926	Foundation of postal annuity business by the Ministry of Communications
June 1949	Establishment of the Ministry of Posts and Telecommunications
January 2001	Creation of Postal Services Agency as part of realignment of government ministries
April 2003	Establishment of Japan Post

New Operations after Privatization

(As of July 1, 2026)

- 1) Approval for the liberalization of investment products (including derivative transactions)
Pursuant to Article 138, Paragraph 2, of the Postal Service Privatization Act, application for approval was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on October 4, 2007. Accordingly, business operations including syndicated loans (participation loans) and the acquisition of trust beneficiary interests, etc. were approved on December 19, 2007.
- 2) Approval for the commencement of commissioned sales of life insurance products for corporate clients (term insurance for managers) and the review on the hospitalization rider
Pursuant to Article 138, Paragraph 1 and Paragraph 3, of the Postal Service Privatization Act, application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on November 26, 2007, and approved on April 18, 2008.

- 3) Approval for the revision of the educational endowment insurance
Pursuant to Article 138, Paragraph 1, of the Postal Service Privatization Act, an application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on September 3, 2012, and conditional approval was acquired on November 30, 2012, according to said Act. Accordingly, the revision was approved on January 24, 2014.
- 4) Approval for the sales of short-term premium payment endowment insurance
Pursuant to Article 138, Paragraph 1, of the Postal Service Privatization Act, an application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on February 19, 2015, and approved on April 15, 2015.
- 5) Approval for commissioned sales of life insurance products for corporate clients (general welfare group term insurance, etc.)
Pursuant to Article 138, Paragraph 3, of the Postal Service Privatization Act, an application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on July 1, 2015, and approved on September 30, 2015.
- 6) Approval for the underwriting of reinsurance
Pursuant to Article 138, Paragraph 1, of the Postal Service Privatization Act, an application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on January 19, 2016, and approved on March 11, 2016.
- 7) Approval for the commencement of related services
Pursuant to Article 138, Paragraph 3, of the Postal Service Privatization Act, an application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on January 19, 2016, and approved on March 11, 2016.
- 8) Approval for the revision of the whole life insurance, etc.
Pursuant to Article 138, Paragraph 1, of the Postal Service Privatization Act, an application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on March 31, 2017, and approved on June 19, 2017.
- 9) Approval for commissioned sales of life insurance products for corporate clients (term insurance with nursing care compensation for managers)
Pursuant to Article 138, Paragraph 3, of the Postal Service Privatization Act, an application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on March 31, 2017, and approved on June 19, 2017.
- 10) Approval for the underwriting of new insurance
Pursuant to Article 138, Paragraph 1, of the Postal Service Privatization Act, an application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on October 16, 2018, and approved on December 25, 2018.
- 11) Filing of a notification on revisions to medical care riders, etc.
Pursuant to the latter part of the provisions of Article 138-2, Paragraph 1, of the Postal Service Privatization Act, a notification on revisions to medical care riders and other matters was filed with the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on November 10, 2021.
- 12) Filing of a notification on commissioned sales of life insurance products for corporate clients, etc.
Pursuant to the latter part of the provisions of Article 138-2, Paragraph 1, of the Postal Service Privatization Act, a notification on commissioned sales of life insurance products for corporate clients, etc. was filed with the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on January 7, 2022.
- 13) Filing of a notification on the policy renewal system, etc.
Pursuant to the latter part of the provisions of Article 138-2, Paragraph 1, of the Postal Service Privatization Act, a notification on the policy renewal system, etc. was filed with the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on June 16, 2022.
- 14) Filing of a notification of revisions to educational endowment insurance
Pursuant to the latter part of the provisions of Article 138-2, Paragraph 1, of the Postal Service Privatization Act, a notification on revisions to educational endowment insurance was filed with the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on December 8, 2022.
- 15) Submission of an application for approval for holding an investment subsidiary
Pursuant to Article 139 of the Postal Service Privatization Act, an application for approval that Japan Post Insurance NEXT Partners Co., Ltd., the Company's subsidiary, becomes a company investing in venture companies was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on March 16, 2023, and was approved on May 31 of the same year.
- 16) Filing of the underwriting of ordinary whole life insurance, with premium payment options including lump-sum payment
Pursuant to the latter part of the provisions of Article 138-2, Paragraph 1, of the Postal Service Privatization Act, a notification on the Company's intention to newly underwrite ordinary whole life insurance with premium payment options including lump-sum premium was filed with the Commissioner of the Financial Services Agency and the Minister of Internal Affairs and Communications on October 2, 2023.
- 17) Filing of a notification on the further liberalization of investment products
Pursuant to the latter part of the provisions of Article 138-2, Paragraph 1, of the Postal Service Privatization Act, a notification regarding the Company's businesses, including the acquisition of investment property and investments associated with partnership agreements or silent partnership agreements, was filed with the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on March 11, 2025.

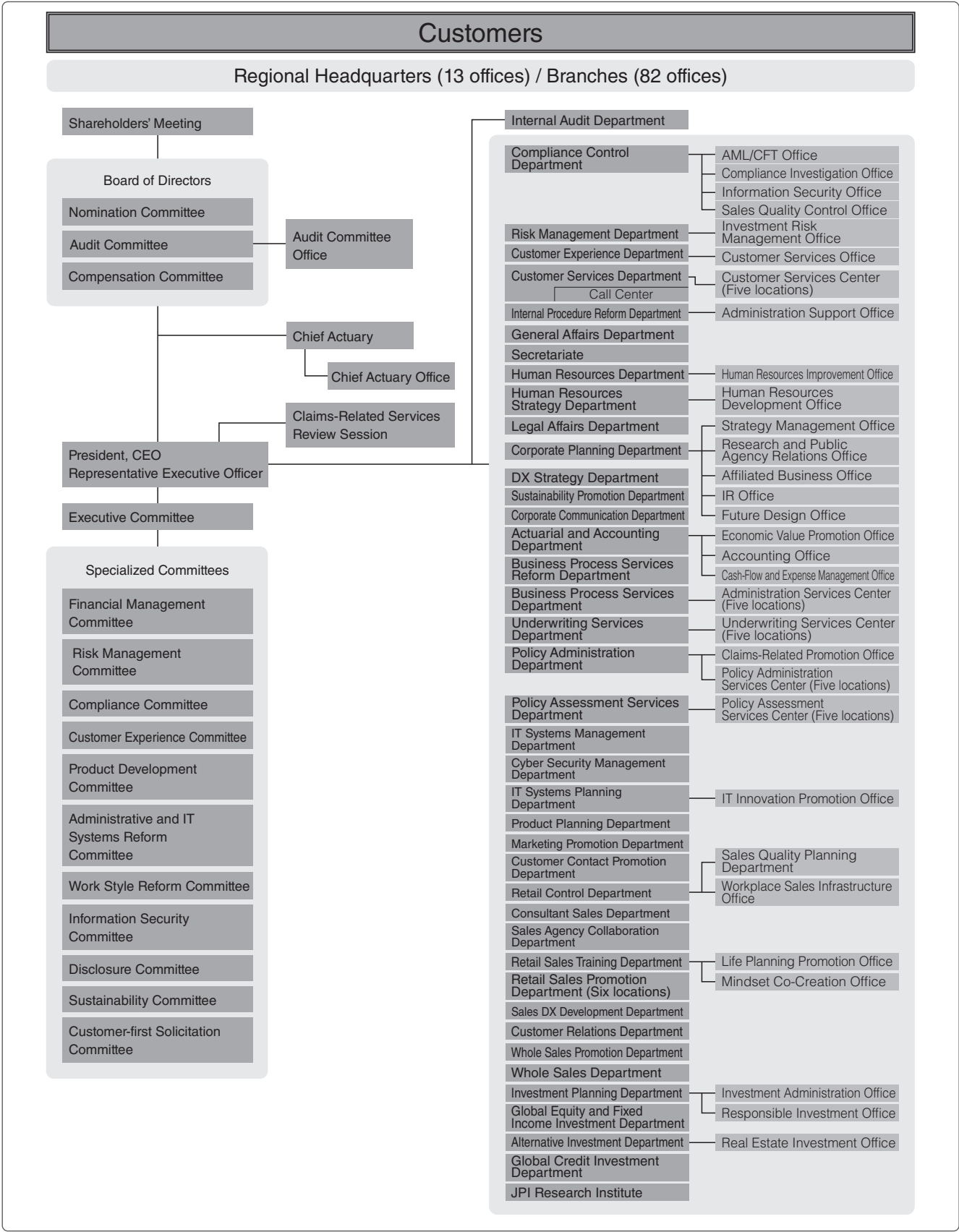
Note: Additional restrictions on new operations under the Postal Service Privatization Act were relaxed from a license system to a notification system in June 2021.

Major Businesses

- (1) Life insurance businesses
- (2) Agency or administration services for other insurance companies (including foreign insurance companies) and other financial services companies; loan guarantees and other businesses supplemental to previously mentioned businesses
- (3) Trading of Japanese government bonds, local government bonds and government-guaranteed bonds; accepting subscriptions for local government bonds, corporate bonds and other bonds; commissioned management and other businesses provided for under the Insurance Business Act; and other life insurance businesses not covered by the Insurance Business Act but legally permissible
- (4) Management of Postal Life Insurance Policies under contract
- (5) Other business supplemental or related to previously mentioned businesses

Organization Chart

(As of July 1, 2026)



Paid-in Capital

Date	Gain (loss) on investments	Gain (loss) on capital after contribution	Outline
October 1, 2007	¥499,950 million	¥500,000 million	Capital increase by privatization

Total Number of Shares

Total number of issuable shares	2,400,000,000
Total number of shares issued	371,822,700
Number of shareholders at end of current fiscal year	125,543

Notes: 1. Effective April 1, 2026, amendments were made to the Articles of Incorporation in association with a stock split, increasing the total number of issuable shares by 2,000,000,000 shares to 4,400,000,000 shares.
2. As a result of the stock split of common stock at a ratio of three (3) shares for every one (1) share effective April 1, 2026, the total number of shares issued increased by 743,645,400 shares, reaching 1,115,468,100 shares as of April 1, 2026. However, due to the cancellation of treasury stock on June 30, 2026, the total number of shares issued decreased by 30,650,400 shares.

Shareholding Status

(1) Class of shares issued

Shares issued	Class	Number of shares issued	Contents
	Common stock	371,822,700	The number of shares composing one share unit is 100.

Notes: 1. The above number of shares includes 10,228,068 shares of treasury stock. Treasury stock does not include the 390,500 shares of the Company's stock held in the Board Benefit Trust (BBT).
2. As a result of the stock split of common stock at a ratio of three (3) shares for every one (1) share effective April 1, 2026, the total number of shares issued increased by 743,645,400 shares, reaching 1,115,468,100 shares as of April 1, 2026. However, due to the cancellation of treasury stock on June 30, 2026, the total number of shares issued decreased by 30,650,400 shares.

(2) Major shareholders

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held	Percentage of shares held
Japan Post Holdings Co., Ltd.	179,898,100	49.75%
The Master Trust Bank of Japan, Ltd. (Trust Account)	30,739,800	8.50%
Custody Bank of Japan, Ltd. (Trust Account)	15,109,300	4.18%
STATE STREET BANK AND TRUST COMPANY 505001	10,577,138	2.93%
NOMURA CUSTODY NOMINEES LIMITED OMNIBUS-FULLY PAID (CASHPB)	4,890,100	1.35%
Japan Post Insurance Employee Shareholding Association	3,429,400	0.95%
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	2,630,379	0.73%
JP MORGAN CHASE BANK 385781	2,573,404	0.71%
STATE STREET BANK AND TRUST COMPANY 505103	2,145,009	0.59%
BNYM AS AGT/CLTS 10 PERCENT	2,067,181	0.57%

Notes: 1. The Company holds 10,228,068 shares of treasury stock, which are excluded from the major shareholders above.
2. Percentage of shares held is calculated excluding treasury stock (10,228,068 shares) and rounded to two decimal places. Treasury stock does not include the 390,500 shares of the Company's stock held in the Board Benefit Trust (BBT).
3. The Company conducted the stock split effective April 1, 2026, splitting its common stock at a ratio of three (3) shares for every one (1) share.

Principal Shareholder

Name	Address of main place of business or sales	Paid-in capital or investment	Business outline	Date of establishment	Percentage of owned shares included in the total number of shares
Japan Post Holdings Co., Ltd.	Chiyoda-ku, Tokyo	¥1,750,000 million	Business management of Japan Post Group	January 23, 2006	49.75%

Note: Percentage of owned shares included in the total number of shares is calculated excluding treasury stock (10,228,068 shares) and rounded to two decimal places. Treasury stock does not include the 390,500 shares of the Company's stock held in the Board Benefit Trust (BBT).

Accounting Advisor

Not applicable.

Independent Auditor

The Independent Auditor in the fiscal year ended March 31, 2026, was as follows.
KPMG AZSA LLC

(Designated Engagement Partners)
Certified Public Accountant MORIMOTO Yohei
Certified Public Accountant SATO Eihiro
Certified Public Accountant SUDA Shunsuke

Fees paid or payable to the audit firm above and to other firms within the same network as the audit firm for audit and non-audit services provided to the Company and its consolidated subsidiary for the year ended March 31, 2026, were ¥265 million and ¥53 million, respectively.

Total Number of Employees and Conditions of Employment

(Unit: persons, years)

Category	As of the end of FY2025/3	As of the end of FY2026/3	FY2025/3	FY2026/3	As of the end of FY2025/3		As of the end of FY2026/3	
	Total	Total	Staff employed	Staff employed	Average age	Average years of service	Average age	Average years of service
In-house employees	8,466	8,197	85	95	44.9	20.3	45.3	20.5
(Male)	4,906	4,700	49	72	47.5	23.5	47.8	23.4
(Female)	3,560	3,497	36	23	41.2	16.1	41.9	16.7
Sales employees	9,486	9,509	507	707	43.5	16.9	43.1	16.4
(Male)	8,741	8,618	371	481	44.3	17.7	44.2	17.4
(Female)	745	891	136	226	33.7	7.7	33.3	7

Notes: 1. The number of employees excludes employees assigned to other companies by Japan Post Insurance Co., Ltd., but includes employees assigned to Japan Post Insurance Co., Ltd. by other companies. The figures exclude non-regular employees (including indefinite-term employees based on the indefinite-term employment conversion system).
2. Average years of service represent the number of years of continuous service, including years at the Ministry of Posts and Telecommunications, the Postal Services Agency (Ministry of Internal Affairs and Communications), and Japan Post.
3. Average age and average years of service are based on attained ages and years of service as of the end of each fiscal year, and truncated to one decimal place.

Average Monthly Salary (In-house employees)

(Thousands of yen)

Category	March 2025	March 2026
In-house employees	408.5	420

Note: Average monthly salary represents the pre-tax regular salary, which excludes bonuses and overtime allowances.

Average Monthly Salary (Sales employees)

(Thousands of yen)

Category	March 2025	March 2026
Sales employees	317.3	324.3

Note: Average monthly salary represents the pre-tax regular salary, which excludes bonuses, overtime allowances, and insurance solicitation allowances.

Summary of Subsidiaries and Affiliates

(1) Major Businesses and the Organizational Structure

Number of consolidated subsidiaries: One
Number of affiliates accounted for under the equity method:One

(2) Principal Subsidiaries and Affiliates

Name	Location	Amount of capital stock	Description of business	Date of establishment	Ratio of the voting rights in the subsidiary held by the Company to the voting rights held by all shareholders or equity holders	Ratio of the voting rights in the subsidiary held by the subsidiaries of the Company to the voting rights held by all shareholders or equity holders
JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	Shinagawa-ku, Tokyo	¥500 million	Commissioning of design, development, maintenance and operation of information systems	March 8, 1985 (Date of share acquisition: October 3, 2011)	100 %	—
Daiwa Asset Management Co., Ltd.	Chiyoda-ku, Tokyo	¥41,424 million	Investment management, investment advisory and agency services, Type-II Financial Instruments Business	December 12, 1959 (Date of share acquisition: October 1, 2024)	20 %	—

(3) Outline of Business in the Most Recent Fiscal Year

JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. is mainly engaged in the design, development, and maintenance of software for systems that support the Company's business activities. In the fiscal year ended March 31, 2026, the final year of the five-year Medium-Term Management Plan, the subsidiary worked together with the Company under the basic policies formulated at the beginning of the year to implement next-generation system projects and other development projects, as well as establishing their vision and employees' Code of Conduct as “JPI SOLWay,” and working on reforming the corporate culture. Furthermore, the Company's subsidiary JAPAN POST INSURANCE DIGITAL SYSTEMS Co., Ltd. which is responsible for securing and developing digital human resources for the introduction and utilization of advanced technologies, is steadily expanding business domains with new digital services that will help improve customer experience.

Daiwa Asset Management Co., Ltd. an asset management company of the Daiwa Securities Group, is mainly engaged in the establishment and management of investment trusts. In October 2024, the Company underwrote a third-party allotment capital increase by Daiwa Asset Management Co., Ltd. and acquired 20% of shares in Daiwa Asset Management Co., Ltd. after the capital increase, subsequently turning it into an affiliate. In the fiscal year ended March 31, 2026, in addition to making a full-scale entry into the investment advisory business through collaboration with the Company, Daiwa Asset Management Co., Ltd. also worked to expand business into the alternative asset management field through its subsidiary, Daiwa JPI Alternative Investments Co., Ltd.

Major Insurance Products for Individuals

(As of July 1, 2026)

	Purpose of Policy	Nickname/Product Name
Whole life insurance	For lifetime coverage	<i>Shin Nagaiki Kun</i> (flat-type) (fixed amount type whole life insurance (R07)), <i>Shin Nagaiki Kun</i> (flat-type) (low cash value) (fixed amount type whole life insurance (R07) (low cash value))
	For balanced lifetime coverage	<i>Shin Nagaiki Kun</i> (balance-type, double) (double-type whole life insurance (R07)), <i>Shin Nagaiki Kun</i> (balance-type, double) (low cash value) (double-type whole life insurance (R07) (low cash value)), <i>Shin Nagaiki Kun</i> (balance-type, fivefold) (fivefold-type whole life insurance (R07)), <i>Shin Nagaiki Kun</i> (balance-type, fivefold) (low cash value) (fivefold-type whole life insurance (R07) (low cash value))
	For lifetime coverage with perks	<i>Shin Nagaiki Kun</i> (special-type) (special whole life insurance (R07)), <i>Shin Nagaiki Kun</i> (special-type) (low cash value) (special whole life insurance (R07) (low cash value))
	For lifetime coverage for those with chronic diseases	<i>Kampo ni Omakase</i> (whole life type) (ordinary whole life insurance with relaxed underwriting criteria (R07)), <i>Kampo ni Omakase</i> (whole life type) (low cash value) (ordinary whole life insurance with relaxed underwriting criteria (R07) (low cash value))
	For securing lifetime coverage while considering end-of-life activities by paying a premium in a lump sum	<i>Tsunagu Shiawase</i> (lump-sum payment whole life insurance (without reporting their health status))
Educational endowment insurance	For preparing for educational funds	<i>Hajime no Kampo</i> (educational endowment insurance (H24))
Endowment insurance	For coverage and benefits at maturity	<i>Shin Free Plan</i> , <i>Shin Free Plan</i> (short-term premium payment) (ordinary endowment insurance (R07))
	For full coverage and benefits at maturity	<i>Shin Free Plan</i> (double benefit) (double-type special endowment insurance (R07)), <i>Shin Free Plan</i> (fivefold benefit) (fivefold-type special endowment insurance (R07)), <i>Shin Free Plan</i> (tenfold benefit) (tenfold-type special endowment insurance (R07))
	For coverage and benefits at maturity for those with chronic diseases	<i>Kampo ni Omakase</i> (maturity type) (ordinary endowment insurance with relaxed underwriting criteria (R07))
Term insurance	For large coverage with lower burden	<i>Shin Ordinary Term Insurance</i> (ordinary term insurance (R04))
Longevity support insurance	For preparing for longevity risk with surplus funds	<i>Choju no Shiawase</i> (longevity support insurance (low cash value))
Asset-formation insurance	For asset formation by workers	Asset-formation savings insurance, asset-formation housing funding insurance, asset-formation whole life annuities

Major Insurance Products for Corporate Clients

(As of July 1, 2026)

	Nickname/Product Name
Own products	<i>Shin Free Plan</i> (ordinary endowment insurance (R07)) <i>Shin Free Plan</i> (double, fivefold, and tenfold benefits) (special endowment insurance (R07)) <i>Kampo ni Omakase</i> (maturity type) (ordinary endowment insurance with relaxed underwriting criteria (R07))
	<i>Shin Ordinary Term Insurance</i> (ordinary term insurance (R04))
Products sold on commission (Term insurance)	NN Life Insurance Company, Ltd. Quality (term insurance), Smart Term (no cash value term insurance) SUMITOMO LIFE INSURANCE COMPANY Term life insurance Emblem YOU Premium (low cash value term insurance without a dividend) The Dai-ichi Life Insurance Company, Limited Success (long-term life insurance 2018), Majesty (increasing term life insurance 2018) Daiichi Neo Life Insurance Co., Ltd. Limited term security for fulfilling of accidental death term insurance Tokio Marine & Nichido Life Insurance Co., Ltd. Term Life Insurance [without dividend], Smart Anshin Teiki (Term Life Insurance with special provision for no cash value [without dividend]) Household Protection Term Insurance NEO (no cash value household protection term insurance [nonparticipating insurance])
	Nippon Life Insurance Company Nissay Long-Term Term Insurance, Long-term life coverage with period of extensive coverage for accidents insurance, Nissay Increasing Term Insurance
	Mitsui Sumitomo Aioi Life Insurance Company, Limited Term Life Insurance Non-Participating
	Meiji Yasuda Life Insurance Company Revised term life insurance E (with interest dividends every five years), Revised increasing term life insurance
	MetLife Insurance K.K. General welfare group term insurance (with dividends), Nonparticipating group insurance (general welfare group term insurance without a dividend)
Products sold on commission (General welfare group term insurance)	
Products sold on commission (Cancer insurance)	Aflac Life Insurance Japan Ltd. Miraito—Cancer insurance that meets your needs (cancer insurance with cash value or no cash value 2025)

Notes: 1. The company names are listed in the order of the Japanese syllabary.

2. The riders that can be added to the above products are limited.

Major Riders

(As of July 1, 2026)

Name	Outline
Non-participating accidental rider	Offers provision for death or disability due to injuries from an unexpected accident
Non-participating injury medical care rider (R04)	Offers provision for hospitalization, surgery, and radiation therapy as prescribed in the rider due to injuries from an unexpected accident
Non-participating general medical care rider (R04)	Offers provision for hospitalization, surgery, and radiation therapy as prescribed in the rider due to illness or injuries from an unexpected accident
Non-participating general medical care rider with relaxed underwriting criteria (R04)	Offers provision for hospitalization, surgery, and radiation therapy as prescribed in the rider due to illness or injuries from an unexpected accident, with relaxed underwriting criteria
Non-participating advanced medical care rider	Offers provision for treatment that falls under advanced medical care received due to illness or injuries from an unexpected accident

Note: For details, please refer to the Product Leaflet, the Insurance Design Document (Contract Outline), Precautions about Insurance Contracts (Information Calling for Attention), and Contract Guidelines and Policy Conditions.

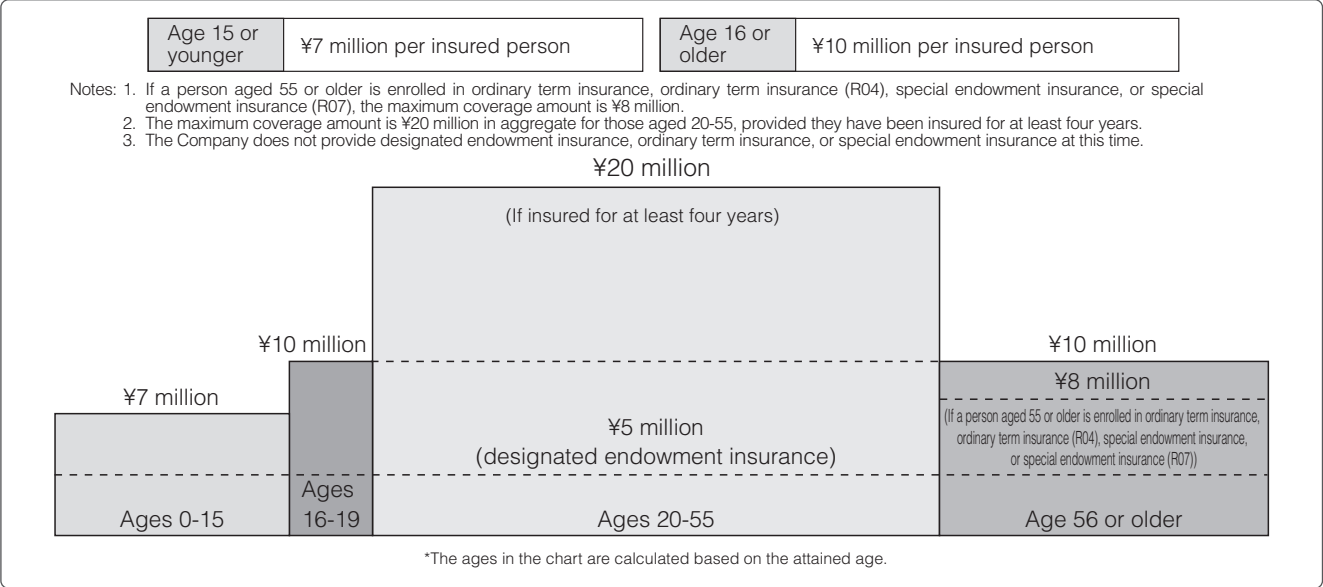
Maximum Amount of Insurance Coverage

For the insurance policies offered by the Company, the maximum amount of insurance coverage per insured person is stipulated by Article 137 of the Postal Service Privatization Act and other regulations. Any application for insurance coverage exceeding the maximum amount shall be declined. If such excess in coverage is found after the insurance policy or rider is signed, such contract shall be cancelled.

Persons insured under Postal Life Insurance Policies, which were succeeded by the Management Network from Japan Post, can be insured under the Company's policy up to the amount calculated by deducting the insured amount of the Postal Life Insurance from the maximum amount of insurance coverage.

Maximum Coverage Amount of the Basic Insurance Policy

(As of July 1, 2026)



Note: In addition to the maximum coverage amounts stipulated by the above-mentioned law, there is a certain range of limitation on the maximum insurance coverage according to the age of the insured person or type of insurance, such as a limitation on the insurance amount if the age attained by the insured person is less than 15 years of age.

Maximum Coverage Amount of the Basic Annuity Policy

• First-year basic annuity amount of ¥0.9 million per insured person
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Includes the annuity amount under longevity support insurance.

Maximum Amount of Insurance Coverage for Riders

Type of rider	Maximum amount of insurance coverage	Notes
<Accidental rider>	¥10 million in aggregate per insured person	• In addition to the maximum coverage amounts stipulated by laws and regulations, there is a certain range of limitation on the insurance amount of the rider that can be added, according to the type of basic insurance policy.
Non-participating accidental rider		
<Nursing care rider>		
<Accident hospitalization rider>	¥10 million in aggregate per insured person	• The accidental rider, non-participating accidental rider and nursing care rider are under a separate heading. • In addition to the maximum coverage amounts stipulated by laws and regulations, there is a certain range of limitation on the insurance amount of the rider that can be added, according to the type of basic insurance policy.
<Illness hospitalization rider>		
<Illness and accident hospitalization rider>		
<Non-participating accident hospitalization rider>		
<Non-participating illness and accident hospitalization rider>		
<Non-participating injury medical care rider>		
<Non-participating general medical care rider>		
<Non-participating general medical care rider with relaxed underwriting criteria>		
Non-participating injury medical care rider (R04)		
Non-participating general medical care rider (R04)		
Non-participating general medical care rider with relaxed underwriting criteria (R04)		
Non-participating advanced medical care rider		

The Company does not currently provide the above riders written in angle brackets ("<>").

Maximum Amount of Total Insurance Premiums Payable

• ¥5.5 million on a combined basis for asset-formation savings insurance and asset-formation housing funding insurance
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Apart from the above, asset-formation insurance products are subject to restrictions under relevant laws and regulations, such as the limitation of total amount of insurance premiums payable.

Briefing on Important Matters / Provision of Literature about Disadvantageous Information

We will present proposals that are beneficial and thus satisfactory to each customer, based on their individual circumstances including income and asset status, participation in other insurance policies, and life plans identified through the process of understanding individual needs and intention.

To prevent customers from suffering disadvantages due to not being informed adequately about insurance products and systems, we will provide careful explanations to ensure full understanding of our insurance policies, in consideration of each customer's age, knowledge and experience. We will also provide documents on the content of the respective insurance policies, including the policy coverage, the limitations

on benefit payments, amount of insurance coverage and the duty of declaration. To that end, we use summaries highlighting the key items we especially want customers to review—such as “Insurance Design Document (Contract Outline)” and “Precautions about Insurance Contracts (Information Calling for Attention)”—and explain these in detail.

We ask customers to make sure that they review the “Insurance Design Document (Contract Outline)” and the “Precautions about the Insurance Contract (Information Calling for Attention),” etc. and confirm that they understand the content, as well as that of the “Contract Guidelines and Policy Conditions,” before applying for enrollment.

Notice of Policy Details

Japan Post Insurance sends a “Notice of Policy Details” to each policyholder during their birth month every year so that policyholders can reconfirm their insurance coverage and policies’ details and update the information therein if necessary. This notice serves as information to ensure that policyholders can feel secure about continuing their policy contracts and that insurance benefits can be received without fail.

A list of policies held and details of policies have been compiled into a booklet so that customers can confirm the content of the policy such as coverage of the insurance policy held, the premiums paid, the policyholder dividend, the status of loans to the policyholder, the bank account for the receipt of insurance benefits and other benefits, and the designation of the beneficiary of insurance benefits and registered family members.

Management of Conflicts of Interest

To ensure that customers’ interests are not unduly harmed by conflicts of interest arising from transactions between them and Japan Post Insurance, the Company has released the “Conflicts of Interest Management Regulations” based on the provisions of the Insurance Business Act Financial Instruments and Exchange Act, and other relevant laws and regulations. In accordance with these regulations, the Company engages in appropriate business conduct that

complies with laws and regulations, internal rules, and ethical standards.

Japan Post Group has released the “Japan Post Group Conflicts of Interest Management Policy.” This Policy governs the management of conflicts of interest transactions by the Japan Post Group as a whole in order to prevent customers’ interests from being unduly harmed.

 **Japan Post Group Conflicts of Interest Management Policy**
https://www.jp-life.japanpost.jp/english/aboutus/sustainability/corporate_governance/compliance/conflicts.html

Life Insurance Policyholders Protection Corporation of Japan

Unlike the Postal Life Insurance Policies before privatization, the life insurance policies of Japan Post Insurance after privatization do not involve government guarantees for payment of insurance claims. The policyholders' protection scheme applies to life insurance policies in the same way as other life insurance companies.

● Life Insurance Policyholders Protection Corporation of Japan

Life Insurance Policyholders Protection Corporation of Japan (“Protection Corporation”) is a corporation established pursuant to the Insurance Business Act. It serves as a mutual assistance mechanism for the purpose of life insurance policyholder protection in the event of the default of a member life insurance company. The Protection Corporation engages in processes and measures, including financial support for facilitating the transfer of the insurance portfolio from the insurer in default, along with the succeeding insurer's general business administration, underwriting of the transferred portfolio and financial support for the payment of insurance claims covered under the policyholder protection scheme, as well as the purchase of rights of claim for the insurance concerned, in an effort to ensure policyholder protection, thereby sustaining the credibility of the life insurance industry.

Because of the nature of life insurance policies, taking out a new insurance policy under the same conditions as the insurer in default could involve some difficulty due to the policyholder's age and health status. Therefore, in the event of the default of an insurance company, the Protection Corporation provides financial support for the transfer of the insurance portfolio, thereby ensuring continuous insurance coverage for the policyholder.

The portfolio subject to transfer covered under the policyholder protection scheme must, according to the provisions of the Insurance Business Act, etc., comprise life insurance policies originally written in Japan (excluding those associated with the specified special account^(*) for performance-linked insurance contracts), in which the limits of indemnity are set to be equivalent to 90% of the relevant policy reserve, etc.,⁽²⁾, except for the high assumed interest rate

policies^(*) (which does not mean that the policyholder protection scheme provides 90% of the level of protection provided by the original insurance claims or annuities⁽⁴⁾).

The transfer of the insurance portfolio might involve, apart from the reduction in policy reserve, etc., changes in experience assumptions (including assumed interest rate, assumed rate of mortality, and assumed rate of expenses) that serve as the basis of calculating policy terms and conditions, in order to ensure adequate maintenance of the insurance portfolio with reasonable security on a continuous basis, which could entail a reduction in the level of protection provided by the original insurance policies or annuities. Furthermore, special early surrender loading (involving a special surrender charge apart from the normal surrender charge for a certain period of time, for the purpose of sustaining a group of insured parties and the insurance policies associated therewith) might be established.

*1 This refers to a special account for the insurance policies that do not involve minimum guarantees (such as guaranteed minimum death benefit and guaranteed minimum maturity benefit) of the insurance policies involving the establishment of a special account. Corporate reorganization procedures for the insurer in default might be based on the preparation of a reorganization plan without involving a reduction in the policy reserve, etc., for the insurance policies concerned (whether such reduction is implemented or not shall be determined in the course of an individual reorganization procedure).

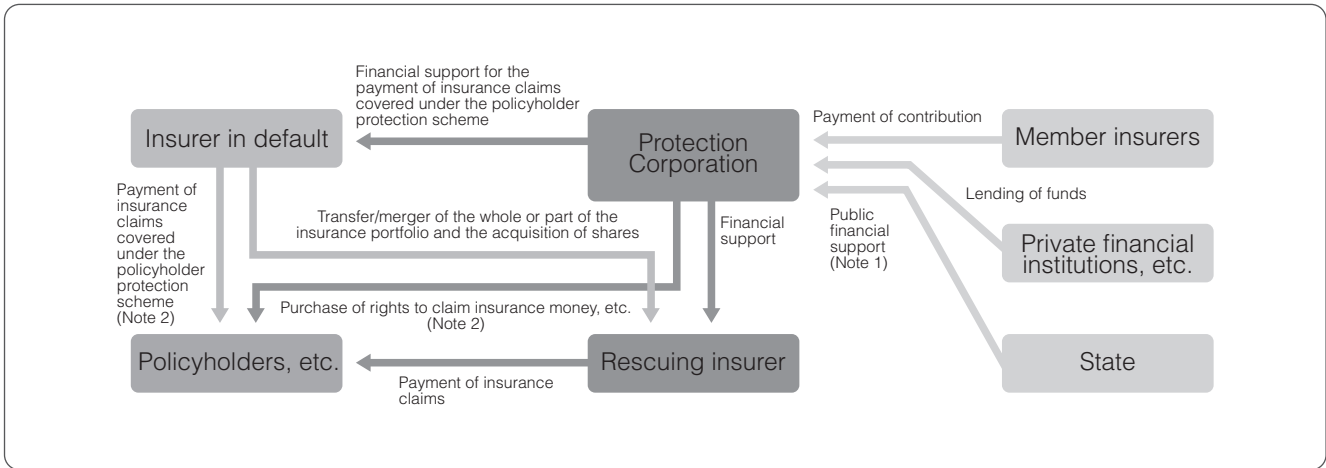
*2 Policy reserve, etc., refers to the reserve funded based on insurance premiums and investment proceeds for the future payment of insurance claims, annuities, and benefits.

*3 This refers to the policies with an assumed interest rate constantly higher than a basic interest rate^{Note 1)} in the five years prior to the default.^(Note 2) For such policies, the limit of indemnity for the policy reserve, etc., shall be as follows, provided, however, that such limit shall not go below the limit of reimbursement in the case where no financial support is provided to the insurer in default.

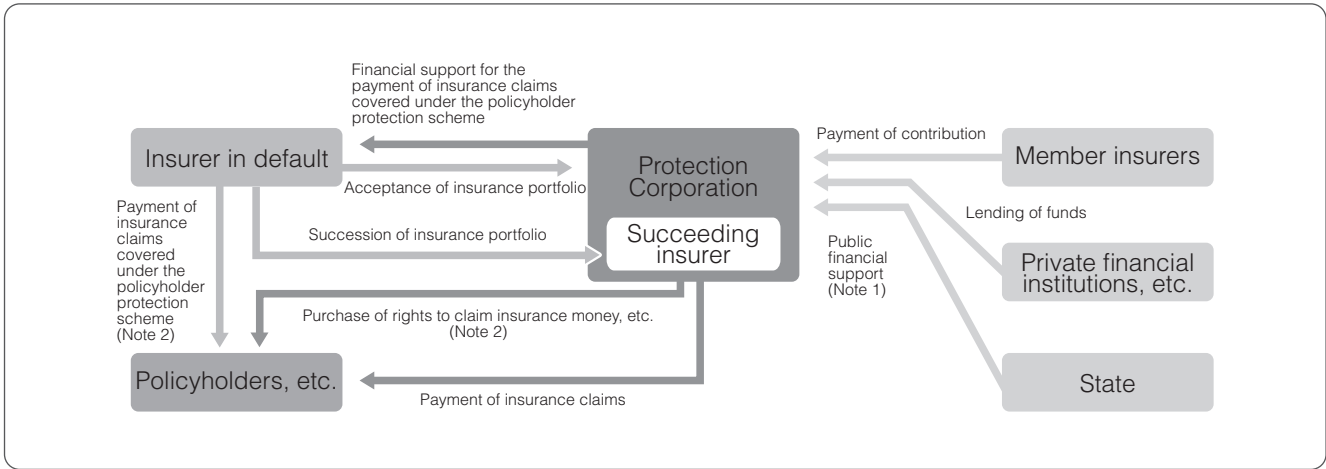
*4 Likewise, it does not mean that the Protection Corporation provides 90% of the level of the guaranteed minimum maturity benefit originally provided under the individual variable annuity.

● Illustrated Outline of the Scheme

In the case where a rescuing insurer appears



In the case where no rescuing insurer appears



Notes: 1. The aforementioned “public financial support” is provided in the form of a government measure against the default of a life insurance company in the period up to the end of March 2027, approved through deliberation in the Diet, in the case where contributions by the member insurers fail to cover the cost for the financial support.

2. This refers to the payment of insurance claims, covered under the policyholder protection scheme based on insurable events during the default proceedings, as well as the Protection Corporation's purchase of rights to claim insurance money, etc., associated with the insurance policies covered under the policyholder protection scheme. In such instances, the payment ratio and purchase ratio are the same as the ratio of the limit of indemnity for policy reserve, etc. (The ratios in the case of high assumed interest rate policies are as described in (*).)

* All descriptions of the scheme, including the scope and the limit of indemnity of the policies covered under the policyholder protection scheme, are based on current laws and regulations, and could be subject to change in the future in accordance with revisions of relevant laws and regulations.

[Reference] Government guarantee for the Postal Life Insurance Policies

The administration of the Postal Life Insurance Policies taken out before privatization will be passed on to and managed by the Management Network until expiry. The government guarantee for the payment of insurance claims associated with them will continue until those policies expire.

Unlike the Postal Life Insurance Policies, the life insurance policies of Japan Post Insurance do not involve a government guarantee for the payment of insurance claims. The policyholders' protection scheme applies to the life insurance policies in the same way as other life insurance companies.

Indemnity ratio in high assumed interest rate policies = 90% - [aggregate of (assumed interest rate less basic interest rate in each year in the past 5 years) ÷ 2]

Notes: 1. The basic interest rate shall be determined by the Commissioner of the Financial Services Agency and the Minister of Finance, based on the average rate of investment returns in the past five years at life insurance companies. The current basic interest rate is 3% (information about the current basic interest rate is provided on the Company's website).

2. In the case where different assumed interest rates apply to the basic coverage and riders under one policy, each such basic coverage and rider applied by a different assumed interest rate shall be regarded as an independent insurance policy, and subject to the evaluation to determine whether it constitutes a high assumed interest rate policy. Meanwhile, in the case of a collective insurance policy, such as a group insurance policy where a premium is paid by each insured individual to whom a different assumed interest rate applies, each such insured individual is considered to have taken out an independent insurance policy individually, and is subject to the evaluation regarding whether or not such independent individual policy constitutes a high assumed interest rate policy. However, in the case of defined contribution plan products, each insured individual is subject to the evaluation regarding whether or not he/she is a holder of a high assumed interest rate policy, regardless of whether he/she pays the premium.

Principal Risk Categories and Definitions

The Company manages risk by designating risk management sections in the respective risk categories. The Risk Management Department, which is in charge of the overall control of risk management, verifies the status of respective risk management sections based on their reports, while periodically reporting on relevant matters to the Risk Management Committee.

Risk management in each risk category is described in the sections below.

Insurance Underwriting Risk

Life insurance policies are contracts that provide long-term coverage to policyholders against the risk of death, illness, or injury. When underwriting, the Company needs to make an accurate assessment and analysis of potential risks and appropriately reflect identified risks in the premiums.

Accordingly, the Company undertakes such activities as verifying its setting of premium rates and assessing and analyzing the occurrence of insured events.

The Economic Value Promotion Office of the Actuarial and Accounting Department, which is the section that manages underwriting risk, conducts risk

management appropriately by measuring the amount of insurance underwriting risk, evaluating the profitability of each product sold, and verifying the appropriateness of the Company's underwriting standards from a medical perspective.

As required in managing insurance underwriting risk, the Company cedes reinsurance upon fully studying the financial status of reinsurers. On the other hand, when underwriting reinsurance, the Company secures the required information, studies the profitability and risk characteristics, and verifies whether the underwriting risk is limited so as to cause no serious impact on management.

Investment Risk

To provide for an anticipated payment of insurance claims and other benefits, the Company needs to carefully manage funds entrusted to it from customers under life insurance policies.

Based on this perspective, in order to maintain sound management and offer assurance to customers, the Company has a basic investment policy to ensure stable asset management by investing in and financing yen-denominated interest-bearing assets, such as Japanese government and corporate bonds and loans, matched to the long-term and fixed interest rate characteristics of its liabilities. With a view to improving profitability, the Company also strengthens its asset management capabilities, considering market constraints and soundness.

The Investment Risk Management Office of the Risk Management Department, which is the section in charge of investment risk management, and the General Affairs Department are assigned the task of managing investment risk. These sections monitor investment risk and enforce appropriate management while striving to develop risk management systems in line with the risk profile of the Company's asset portfolio, under a checks and balances system with departments of the head office in charge of business execution.

In addition, appropriate risk management is implemented for collateral assets related to reinsurance.

Funding Risk

The life insurance business involves making and receiving payments to and from customers and business partners as the Company pays insurance claims and other benefits and conducts fund management. Any trouble in the settlement of these funds will not just cause inconvenience to the parties concerned but will also lead to situations that preclude the continued operation of the business itself.

To avoid such situations and ensure smooth cash flows, the Company enforces rigorous fund management by monitoring incoming and outgoing cash flows, including the receipt of premiums and

payment of insurance claims, on a daily basis.

The Cash-Flow and Expense Management Office of Actuarial and Accounting Department, which is the section responsible for funding risk management, has defined categories corresponding to cash flow tightness and established risk management standards in each category. This section implements appropriate management of funding risk by performing management and verification in accordance with these standards. Moreover, the Company carries out stress tests related to funding risks, assuming a large amount of policy surrenders and lapses, in an effort to improve cash flow management.

Market Liquidity Risk

The Company might sell assets in which it has made investments using funds entrusted to it from customers, and could incur losses when it is forced to execute such transactions at extremely unfavorable prices compared to normal or is unable to execute such transactions at all because of market turmoil.

Accordingly, the Company makes investments primarily in assets with high liquidity.

The Investment Risk Management Office of the Risk

Management Department, which is the section in charge of market liquidity risk management, confirms, among other things, that sufficient liquidity assets can be secured in the event of current and future cash flow stress. The section implements the appropriate management of market liquidity risk by performing management and verification.

Operational Risk

Executive officers, employees and others of the Company strive to prevent operational risks that could cause inconvenience to the Company's customers or losses to the Company, and to take appropriate actions when such risks materialize. The Company has designated risk management sections in each detailed subcategory of operational risk, thereby identifying and assessing the location, scale,

and nature of operational risks across the company and managing the risk according to severity. In this way, the Company prevents operational risk from materializing and minimizes losses in the event it does. The Risk Management Department works in collaboration with these risk management sections and provides comprehensive management of operational risk.

1) Processing Risk

Errors in business processing will cause considerable inconvenience to customers and result in the loss of the Company's credibility. Therefore, departments of the head office and branches autonomously assess and address accidents that have occurred in the past and those that could foreseeably occur. This information is used to formulate and develop rules and standards to facilitate prompt and accurate

administrative processing, as well as to supervise and educate employees.

The Business Process Services Department, which is the section in charge of processing risk management, evaluates and verifies whether risk management is appropriately conducted in each organization and makes efforts to suppress and minimize processing risk.

2) Computer System Risk

Under the current situation where the extensive scope of the Company's business processing relies on information systems, major system failures or delays in system development could cause considerable inconvenience to customers and result in the loss of the Company's credibility. Therefore, as the section responsible for computer system risk management, the IT Systems Management Department strives to reduce computer system risk by verifying and supervising that the risk is appropriately managed by system administration personnel in the departments that maintain information systems.

The Company has formulated a manual to respond to a major system failure and set up a structure to take immediate action. For the overall information systems for Japan Post Insurance, which are the Company's main systems, the Company operates central computer centers as well as backup centers in order to respond to risk resulting from a system failure. In the event of a system failure, the Company investigates the impact on customers, analyzes the causes, and implements appropriate countermeasures in order to prevent recurrence.

3) Other Operational Risk Subcategories

Other detailed subcategories of operational risk are legal risk, human risk, reputational risk, tangible asset risk, outsourcing risk, and compliance risk. For each subcategory, the Company designates a section to

handle risk management, undertakes relevant activities, and implements initiatives to enhance its risk management frameworks.

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Notes:
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, 2026

Regarding the key business results of the Company for the fiscal year ended March 31, 2026, on the sales front, the number of new policies for individual insurance decreased by 366 thousand policies to 428 thousand policies (46.1% decrease year on year), mainly due to the impact of a decrease in sales of lump-sum payment whole life insurance policies, etc.

Annualized premiums from new policies for individual insurance decreased ¥77.7 billion (44.4% decrease year on year) to ¥97.3 billion, while those for third-sector insurance decreased ¥1.5 billion (21.3% decrease year on year) to ¥5.6 billion.

Annualized premiums from policies in force decreased in both categories: those for individual insurance decreased by ¥172.4 billion (6.0% decrease year on year) to ¥2,683.3 billion (including reinsured Postal Life Insurance Policies (insurance)), while those for third-sector insurance decreased by ¥25.5 billion (4.7% decrease year on year) to ¥512.3 billion (including reinsured Postal Life Insurance Policies).

In asset management, the Company's positive spread increased by ¥113.0 billion year on year to ¥255.5 billion due to improvements in the investment environment, etc.

Ordinary income amounted to ¥5,625.7 billion (8.8% decrease year on year), comprising the sum of insurance premiums and others of ¥2,188.6 billion (30.6% decrease year on year), investment income of ¥1,310.7 billion (9.6% increase year on year), and other ordinary income of ¥2,126.2 billion (17.2% increase year on year).

Ordinary expenses amounted to ¥5,353.8 billion (10.7% decrease year on year), comprising the sum of insurance claims and others of ¥4,417.7 billion (15.1% decrease year on year), investment expenses of ¥444.8 billion (59.4% increase year on year), operating expenses of ¥413.3 billion (4.2% decrease year on year), and other ordinary expenses of ¥70.1 billion (10.7% decrease year on year).

As a result, ordinary profit amounted to ¥271.9 billion (59.7% increase year on year), and net income attributable to Japan Post Insurance amounted to ¥168.7 billion (36.7% 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, 2026 AND 2025

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2026	2025	2026
ASSETS:			
Cash and deposits (Note 3)	1,752,984	1,976,083	10,964
Call loans	30,000	30,000	188
Receivables under resale agreements	472,482	604,914	2,955
Monetary claims bought (Note 24)	21,229	23,215	133
Money held in trust (Notes 4 and 24)	8,039,836	6,460,029	50,287
Securities (Notes 4, 5, 6 and 24)	44,931,286	46,528,793	281,031
Loans (Notes 6 and 24)	2,134,764	2,530,051	13,352
Tangible fixed assets (Note 7):			
Land	75,534	76,632	472
Buildings	40,714	43,040	255
Leased assets	4,759	4,363	30
Construction in progress	25	525	0
Other tangible fixed assets	14,772	16,507	92
Total tangible fixed assets	135,807	141,068	849
Intangible fixed assets:			
Software	119,385	113,585	747
Other intangible fixed assets	9	11	0
Total intangible fixed assets	119,394	113,596	747
Agency accounts receivable	11,837	10,872	74
Reinsurance receivables	15,779	10,641	99
Other assets (Notes 5 and 6)	454,878	398,321	2,845
Deferred tax assets (Note 14)	322,742	728,870	2,019
Reserve for possible loan losses	(864)	(766)	(5)
Total assets	58,442,160	59,555,692	365,538
LIABILITIES:			
Policy reserves and others:			
Reserve for outstanding claims (Note 8)	319,831	314,993	2,000
Policy reserves (Notes 8 and 12)	46,653,326	48,765,531	291,802
Reserve for policyholder dividends (Note 9)	1,129,192	1,085,126	7,063
Total policy reserves and others	48,102,350	50,165,652	300,865
Reinsurance payables	5,978	5,945	37
Bonds payable (Notes 10 and 24)	500,000	500,000	3,127
Payables under repurchase agreements (Notes 5 and 10)	4,595,895	4,516,922	28,746
Other liabilities (Notes 10 and 13)	265,686	187,251	1,662
Reserve for management bonuses	248	227	2
Liability for retirement benefits (Note 11)	98,658	107,927	617
Reserve for management board benefit trust	481	407	3
Reserve for price fluctuations (Note 12)	719,232	829,930	4,499
Total liabilities	54,288,531	56,314,265	339,558
NET ASSETS (Note 15):			
Capital stock	500,000	500,000	3,127
Capital surplus	405,044	405,044	2,533
Retained earnings	894,329	803,497	5,594
Treasury stock	(45,903)	(901)	(287)
Total shareholders' equity	1,753,470	1,707,640	10,967
Net unrealized gains (losses) on available-for-sale securities	2,448,521	1,551,673	15,315
Net deferred gains (losses) on hedges	(62,655)	(19,614)	(392)
Accumulated adjustments for retirement benefits	14,291	1,727	89
Total accumulated other comprehensive income	2,400,158	1,533,786	15,012
Total net assets	4,153,628	3,241,426	25,980
Total liabilities and net assets	58,442,160	59,555,692	365,538

See accompanying notes to consolidated financial statements.

JAPAN POST INSURANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED MARCH 31, 2026 AND 2025

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2026	2025	2026
ORDINARY INCOME:			
Insurance premiums and others (Note 18)	2,188,660	3,154,875	13,689
Investment income:			
Interest and dividend income	853,846	864,561	5,341
Gains on money held in trust	397,705	199,152	2,488
Gains on sales of securities	52,634	110,640	329
Gains on redemption of securities	305	220	2
Gains on foreign exchanges	6,229	20,999	39
Reversal of reserve for possible loan losses	29	—	0
Other investment income	47	44	0
Total investment income	1,310,799	1,195,618	8,199
Other ordinary income:			
Reversal of reserve for outstanding claims (Note 17)	—	58,919	—
Reversal of policy reserves (Note 17)	2,112,204	1,747,260	13,211
Other ordinary income	14,094	8,660	88
Total other ordinary income	2,126,299	1,814,840	13,299
Total ordinary income	5,625,758	6,165,335	35,187
ORDINARY EXPENSES:			
Insurance claims and others:			
Insurance claims (Note 19)	3,369,183	3,787,741	21,073
Annuity payments	140,405	178,715	878
Benefits	236,666	220,852	1,480
Surrender benefits	411,279	415,441	2,572
Other refunds	43,826	49,194	274
Reinsurance premiums	216,436	553,360	1,354
Total insurance claims and others	4,417,796	5,205,305	27,632
Provision for policy reserves and others			
Provision for reserve for outstanding claims (Note 17)	4,837	—	30
Provision for interest on policyholder dividends	2,765	679	17
Total provision for policy reserves and others	7,602	679	48
Investment expenses:			
Interest expenses	31,103	13,641	195
Losses on sales of securities	364,721	193,470	2,281
Losses on redemption of securities	178	185	1
Losses on derivative financial instruments	43,974	68,329	275
Provision for reserve for possible loan losses	—	335	—
Other investment expenses	4,893	3,116	31
Total investment expenses	444,871	279,079	2,783
Operating expenses (Note 16)	413,370	431,429	2,586
Other ordinary expenses	70,170	78,547	439
Total ordinary expenses	5,353,811	5,995,041	33,486
Ordinary profit	271,946	170,293	1,701

See accompanying notes to consolidated financial statements.

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2026	2025	2026
EXTRAORDINARY GAINS (Note 20)	110,707	43,884	692
EXTRAORDINARY LOSSES (Note 21)	2,880	247	18
Provision for reserve for policyholder dividends (Note 22)	143,579	96,990	898
Income before income taxes	236,194	116,940	1,477
Income taxes (Note 14):			
Current	12,964	20,934	81
Deferred	54,432	(27,467)	340
Total income taxes	67,396	(6,532)	422
Net income	168,798	123,472	1,056
Net income attributable to non-controlling interests	—	—	—
Net income attributable to Japan Post Insurance	168,798	123,472	1,056

	Yen		U.S. Dollars
	2026	2025	2026
Per share of common stock (Note 29):			
Basic net income	152.55	107.52	0.95
Diluted net income	—	—	—

Note:
The Company conducted a stock split effective April 1, 2026, splitting its common stock at a ratio of three shares for every one share. Accordingly, basic net income per share has been calculated assuming that the stock split was conducted at the beginning of the year ended March 31, 2025. Diluted net income per share is not presented as no potentially dilutive common shares were outstanding during the period.

JAPAN POST INSURANCE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED MARCH 31, 2026 AND 2025

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2026	2025	2026
Net income	168,798	123,472	1,056
Other comprehensive income (loss) (Note 23):			
Net unrealized gains (losses) on available-for-sale securities	896,783	(224,004)	5,609
Net deferred gains (losses) on hedges	(43,040)	(15,428)	(269)
Adjustments for retirement benefits	12,563	(454)	79
Share of other comprehensive income (loss) of affiliates accounted for under the equity method	65	(15)	0
Total other comprehensive income (loss)	866,372	(239,903)	5,419
Comprehensive income (loss)	1,035,170	(116,430)	6,475
Total comprehensive income (loss) attributable to:			
Japan Post Insurance	1,035,170	(116,430)	6,475
Non-controlling interests	—	—	—

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

YEARS ENDED MARCH 31, 2026 AND 2025

	Millions of Yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
BALANCE, APRIL 1, 2024	500,000	405,044	717,960	(948)	1,622,055
Changes in the fiscal year:					
Cash dividends			(37,934)		(37,934)
Net income attributable to Japan Post Insurance			123,472		123,472
Purchases of treasury stock				(0)	(0)
Disposals of treasury stock				47	47
Cancellation of treasury stock					—
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	—	—	85,537	47	85,585
BALANCE, MARCH 31, 2025	500,000	405,044	803,497	(901)	1,707,640
Changes in the fiscal year:					
Cash dividends			(42,977)		(42,977)
Net income attributable to Japan Post Insurance			168,798		168,798
Purchases of treasury stock				(79,999)	(79,999)
Disposals of treasury stock				8	8
Cancellation of treasury stock		(34,989)		34,989	—
Transfer from retained earnings to capital surplus		34,989	(34,989)		—
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	—	—	90,831	(45,001)	45,829
BALANCE, MARCH 31, 2026	500,000	405,044	894,329	(45,903)	1,753,470

	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, 2024	1,775,693	(4,186)	2,182	1,773,689	3,395,744
Changes in the fiscal year:					
Cash dividends					(37,934)
Net income attributable to Japan Post Insurance					123,472
Purchases of treasury stock					(0)
Disposals of treasury stock					47
Cancellation of treasury stock					—
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity in the fiscal year	(224,019)	(15,428)	(454)	(239,903)	(239,903)
Net changes in the fiscal year	(224,019)	(15,428)	(454)	(239,903)	(154,317)
BALANCE, MARCH 31, 2025	1,551,673	(19,614)	1,727	1,533,786	3,241,426
Changes in the fiscal year:					
Cash dividends					(42,977)
Net income attributable to Japan Post Insurance					168,798
Purchases of treasury stock					(79,999)
Disposals of treasury stock					8
Cancellation of treasury stock					—
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity in the fiscal year	896,848	(43,040)	12,563	866,372	866,372
Net changes in the fiscal year	896,848	(43,040)	12,563	866,372	912,201
BALANCE, MARCH 31, 2026	2,448,521	(62,655)	14,291	2,400,158	4,153,628

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
BALANCE, MARCH 31, 2025	3,127	2,533	5,026	(6)	10,681
Changes in the fiscal year:					
Cash dividends			(269)		(269)
Net income attributable to Japan Post Insurance			1,056		1,056
Purchases of treasury stock				(500)	(500)
Disposals of treasury stock				0	0
Cancellation of treasury stock		(219)		219	—
Transfer from retained earnings to capital surplus		219	(219)		—
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	—	—	568	(281)	287
BALANCE, MARCH 31, 2026	3,127	2,533	5,594	(287)	10,967

	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
BALANCE, MARCH 31, 2025	9,705	(123)	11	9,593	20,274
Changes in the fiscal year:					
Cash dividends					(269)
Net income attributable to Japan Post Insurance					1,056
Purchases of treasury stock					(500)
Disposals of treasury stock					0
Cancellation of treasury stock					—
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity in the fiscal year	5,610	(269)	79	5,419	5,419
Net changes in the fiscal year	5,610	(269)	79	5,419	5,706
BALANCE, MARCH 31, 2026	15,315	(392)	89	15,012	25,980

See accompanying notes to consolidated financial statements.

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

YEARS ENDED MARCH 31, 2026 AND 2025

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2026	2025	2026
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income before income taxes	236,194	116,940	1,477
Depreciation and amortization	38,474	39,113	241
Losses on impairment of fixed assets	2,558	—	16
Net change in reserve for outstanding claims	4,837	(58,919)	30
Net change in policy reserves	(2,112,204)	(1,747,260)	(13,211)
Provision for interest on policyholder dividends	2,765	679	17
Provision for reserve for policyholder dividends	143,579	96,990	898
Net change in reserve for possible loan losses	98	419	1
Net change in reserve for management bonuses	21	227	0
Net change in liability for retirement benefits	(9,269)	11,995	(58)
Net change in reserve for management board benefit trust	73	16	0
Net change in reserve for price fluctuations	(110,697)	(43,869)	(692)
Interest and dividend income (accrual basis)	(853,846)	(864,561)	(5,341)
Net (gains) losses on securities	311,960	82,795	1,951
Interest expenses (accrual basis)	31,103	13,641	195
Net (gains) losses on foreign exchanges	(6,229)	(20,999)	(39)
Net (gains) losses on tangible fixed assets	134	217	1
Equity in (earnings) losses of affiliates	(2,102)	(929)	(13)
Net change in agency accounts receivable	(965)	424	(6)
Net change in reinsurance receivables	(5,138)	(2,994)	(32)
Net change in other assets (excluding those related to investing activities and financing activities)	25,754	93,497	161
Net change in reinsurance payables	32	(55)	0
Net change in other liabilities (excluding those related to investing activities and financing activities)	(9,443)	(15,562)	(59)
Other, net	(329,952)	(128,837)	(2,064)
Subtotal	(2,642,260)	(2,427,028)	(16,527)
Interest and dividend received (cash basis)	873,133	906,205	5,461
Interest paid (cash basis)	(29,650)	(10,826)	(185)
Policyholder dividends paid	(101,997)	(114,060)	(638)
Income taxes (paid) refund	15,844	17,867	99
Net cash used in operating activities	(1,884,930)	(1,627,842)	(11,790)

See accompanying notes to consolidated financial statements.

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2026	2025	2026
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of call loans	(7,319,575)	(7,399,999)	(45,782)
Proceeds from redemption of call loans	7,319,575	7,409,999	45,782
Net change in receivables under resale agreements	132,431	442,278	828
Purchases of monetary claims bought	(39,924)	(39,958)	(250)
Proceeds from sale and redemption of monetary claims bought	41,464	41,787	259
Purchases of money held in trust	(402,226)	(126,841)	(2,516)
Proceeds from decrease in money held in trust	357,150	48,699	2,234
Purchases of securities	(1,414,036)	(2,593,437)	(8,844)
Proceeds from sale and redemption of securities	2,883,063	3,489,520	18,033
Payments for loans	(505,967)	(485,228)	(3,165)
Proceeds from collection of loans	901,266	1,236,498	5,637
Net change in payables under repurchase agreements	78,972	611,922	494
Other, net	(202,223)	(138,287)	(1,265)
Total of net cash provided by investment transactions	1,829,971	2,496,953	11,446
Total of net cash provided by (used in) operating activities and investment transactions	(54,959)	869,110	(344)
Purchases of tangible fixed assets	(2,641)	(12,357)	(17)
Proceeds from sales of tangible fixed assets	11	16	0
Purchases of intangible fixed assets	(41,131)	(45,390)	(257)
Purchase of shares of affiliates accounted for under the equity method	—	(52,500)	—
Other, net	(140)	(261)	(1)
Net cash provided by investing activities	1,786,069	2,386,460	11,171
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of lease obligations	(1,274)	(1,305)	(8)
Proceeds from issuance of bonds payable	—	99,383	—
Purchases of treasury stock	(79,999)	(0)	(500)
Dividends paid	(42,963)	(37,933)	(269)
Net cash provided by (used in) financing activities	(124,238)	60,143	(777)
Effect of exchange rate changes on cash and cash equivalents	—	—	—
Net change in cash and cash equivalents	(223,099)	818,761	(1,395)
Cash and cash equivalents at the beginning of the fiscal year	1,976,083	1,157,322	12,360
Cash and cash equivalents at the end of the fiscal year (Note 3)	1,752,984	1,976,083	10,964

See accompanying notes to consolidated financial statements.

JAPAN POST INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2026 AND 2025

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 ¥159.88 to US\$1, the approximate rate of exchange as of March 31, 2026. 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, 2026, and 2025, 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, 2026, and 2025, non-consolidated subsidiaries (Japan Post Insurance NEXT Partners Co., Ltd., Spring Investment Limited Partnership) and affiliates (MKAM Co., Ltd., and others for 2026; Japan Post Investment Corporation, MKAM Co., Ltd., and others for 2025) 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 and other securities with no market price

Available-for-sale securities other than stocks and other securities 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 and other securities with no market price

Stocks and other securities 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

Currency swaps and 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, 2026, and 2025, were ¥114 million (\$1 million) and ¥44 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. 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 made 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 and others for which payment is due but has not been paid at the fiscal year-end, or insurance claims and others 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 among other times.

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

-“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.

The effect of the adoption of the above accounting standards 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 and others 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 num-

ber 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, 2026, and 2025, was ¥868 million (\$5 million) and ¥877 million, respectively, while the number of such treasury stock was 1,171 thousand shares and 1,183 thousand shares, respectively.

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

3. RECONCILIATIONS OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of March 31, 2026, and 2025, and cash and deposits in the consolidated balance sheets as of March 31, 2026, and 2025, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
	1,752,984	1,976,083	10,964
March 31			
Cash and deposits			
Cash and cash equivalents at the end of the year	1,752,984	1,976,083	10,964

4. SECURITIES

(1) Securities

Securities as of March 31, 2026, and 2025, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
	34,085,398	35,390,389	213,194
March 31			
Japanese government bonds	34,085,398	35,390,389	213,194
Japanese local government bonds	1,927,062	2,123,485	12,053
Japanese corporate bonds	3,755,681	4,126,013	23,491
Stocks	787,939	594,739	4,928
Foreign securities	2,104,952	2,024,510	13,166
Other	2,270,251	2,269,655	14,200
Total	44,931,286	46,528,793	281,031

Investments in non-consolidated subsidiaries and affiliates included in “Stocks” and “Other” as of March 31, 2026, and 2025, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
	59,239	60,877	371
March 31			
Stocks (included in “Stocks”)	59,239	60,877	371
Investments in capital (included in “Other”)	108,701	126,835	680
Total	167,940	187,713	1,050

Securities lent under lending agreements in the amount of ¥3,153,086 million (\$19,722 million) and ¥1,390,979 million were included in “Securities” in the consolidated balance sheets as of March 31, 2026, and 2025, 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 ¥60,313 million (\$377 million) and ¥109,672 million as of March 31, 2026, and 2025, respectively.

(2) Policy-Reserve-Matching Bonds

The consolidated balance sheet amount and fair value of policy-reserve-matching bonds as of March 31, 2026, and 2025, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
	7,001,851	7,243,771	43,794
March 31			
Consolidated balance sheet amount	7,001,851	7,243,771	43,794
Fair value	5,902,104	6,522,343	36,916

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 specified range and monitored on a regular basis.

- 1) Postal Life Insurance Contracts (excluding certain insurance types)
- 2) Japan Post Insurance life insurance contracts (general) (all insurance policies)
- 3) Japan Post Insurance life insurance contracts (lump-sum payment) (excluding certain 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)				
2026				
Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
March 31				
Bonds	26,903,275	(3,577,774)	119,982	(3,697,756)
Japanese government bonds	24,753,492	(3,073,692)	114,610	(3,188,303)
Japanese local government bonds	1,253,116	(190,107)	4,471	(194,579)
Japanese corporate bonds	896,666	(313,973)	901	(314,874)
Total	26,903,275	(3,577,774)	119,982	(3,697,756)

(Millions of Yen)				
2025				
Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
March 31				
Bonds	30,144,069	(1,281,251)	733,467	(2,014,718)
Japanese government bonds	27,765,793	(998,025)	696,476	(1,694,502)
Japanese local government bonds	1,358,968	(90,771)	26,104	(116,875)
Japanese corporate bonds	1,019,307	(192,454)	10,886	(203,340)
Total	30,144,069	(1,281,251)	733,467	(2,014,718)

(Millions of U.S. Dollars)				
2026				
Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
March 31				
Bonds	168,272	(22,378)	750	(23,128)
Japanese government bonds	154,825	(19,225)	717	(19,942)
Japanese local government bonds	7,838	(1,189)	28	(1,217)
Japanese corporate bonds	5,608	(1,964)	6	(1,969)
Total	168,272	(22,378)	750	(23,128)

2) Policy-reserve-matching bonds

(Millions of Yen)

	2026				
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
March 31					
Bonds	6,981,851	5,883,976	(1,097,874)	20,321	(1,118,196)
Japanese government bonds	5,412,749	4,602,622	(810,126)	20,190	(830,316)
Japanese local government bonds	357,723	289,329	(68,394)	129	(68,523)
Japanese corporate bonds	1,211,378	992,024	(219,353)	1	(219,355)
Foreign securities	20,000	18,127	(1,872)	–	(1,872)
Foreign bonds	20,000	18,127	(1,872)	–	(1,872)
Total	7,001,851	5,902,104	(1,099,747)	20,321	(1,120,068)

(Millions of Yen)

	2025				
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
March 31					
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 U.S. Dollars)

	2026				
	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
March 31					
Bonds	43,669	36,802	(6,867)	127	(6,994)
Japanese government bonds	33,855	28,788	(5,067)	126	(5,193)
Japanese local government bonds	2,237	1,810	(428)	1	(429)
Japanese corporate bonds	7,577	6,205	(1,372)	0	(1,372)
Foreign securities	125	113	(12)	–	(12)
Foreign bonds	125	113	(12)	–	(12)
Total	43,794	36,916	(6,879)	127	(7,006)

3) Available-for-sale securities

(Millions of Yen)

	2026				
	Consolidated balance sheet amount	Cost	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
March 31					
Bonds	2,305,241	2,743,668	(438,427)	2,900	(441,327)
Japanese government bonds	845,464	1,137,011	(291,547)	–	(291,547)
Japanese local government bonds	126,114	147,634	(21,519)	–	(21,519)
Japanese corporate bonds	1,333,662	1,459,022	(125,359)	2,900	(128,260)
Stocks	720,816	418,774	302,041	306,627	(4,585)
Foreign securities	2,052,422	2,066,136	(13,714)	55,496	(69,210)
Foreign bonds	1,845,205	1,866,156	(20,950)	48,259	(69,210)
Foreign other securities	207,217	199,980	7,236	7,236	–
Other ¹	3,373,352	3,429,757	(56,404)	75,646	(132,051)
Total	8,451,832	8,658,337	(206,504)	440,670	(647,174)

(Millions of Yen)

	2025				
	Consolidated balance sheet amount	Cost	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
March 31					
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 ²	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 U.S. Dollars)

	2026				
	Consolidated balance sheet amount	Cost	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
March 31					
Bonds	14,419	17,161	(2,742)	18	(2,760)
Japanese government bonds	5,288	7,112	(1,824)	–	(1,824)
Japanese local government bonds	789	923	(135)	–	(135)
Japanese corporate bonds	8,342	9,126	(784)	18	(802)
Stocks	4,508	2,619	1,889	1,918	(29)
Foreign securities	12,837	12,923	(86)	347	(433)
Foreign bonds	11,541	11,672	(131)	302	(433)
Foreign other securities	1,296	1,251	45	45	–
Other ¹	21,099	21,452	(353)	473	(826)
Total	52,864	54,155	(1,292)	2,756	(4,048)

Notes:

1. "Other" includes negotiable certificates of deposit (cost: ¥1,225,000 million (\$7,662 million), consolidated balance sheet amount: ¥1,225,000 million (\$7,662 million)) presented as "Cash and deposits" in the consolidated balance sheet and monetary claims bought (cost: ¥21,603 million (\$135 million), consolidated balance sheet amount: ¥21,229 million (\$133 million)) as of March 31, 2026.
2. "Other" includes negotiable certificates of deposit (cost: ¥1,020,000 million, consolidated balance sheet amount: ¥1,020,000 million) presented as "Cash and deposits" in the consolidated balance sheet and monetary claims bought (cost: ¥23,110 million, consolidated balance sheet amount: ¥23,215 million) as of March 31, 2025.

4) Policy-reserve-matching bonds sold for the years ended March 31, 2026 and 2025

(Millions of Yen)

	2026		
	Sales	Gains	Losses
March 31			
Bonds	458,810	6,028	(223,780)
Japanese government bonds	321,973	6,028	(104,165)
Japanese corporate bonds	136,837	—	(119,614)
Total	458,810	6,028	(223,780)

(Millions of Yen)

	2025		
	Sales	Gains	Losses
March 31			
Bonds	747,743	31,059	(41,400)
Japanese government bonds	723,585	31,059	(20,123)
Japanese corporate bonds	24,157	—	(21,276)
Total	747,743	31,059	(41,400)

(Millions of U.S. Dollars)

	2026		
	Sales	Gains	Losses
March 31			
Bonds	2,870	38	(1,400)
Japanese government bonds	2,014	38	(652)
Japanese corporate bonds	856	—	(748)
Total	2,870	38	(1,400)

5) Available-for-sale securities sold for the years ended March 31, 2026 and 2025

(Millions of Yen)

	2026		
	Sales	Gains	Losses
March 31			
Bonds	467,360	130	(109,620)
Japanese government bonds	287,043	—	(106,242)
Japanese local government bonds	80,197	—	(442)
Japanese corporate bonds	100,120	130	(2,935)
Stocks	142,222	36,272	(9,151)
Foreign securities	336,929	6,998	(10,267)
Foreign bonds	336,708	6,998	(10,267)
Foreign other securities	220	—	(0)
Other securities	63,098	—	(11,901)
Total	1,009,612	43,401	(140,940)

(Millions of Yen)

	2025		
	Sales	Gains	Losses
March 31			
Bonds	555,991	44	(119,349)
Japanese government bonds	553,085	39	(119,349)
Japanese corporate bonds	2,905	5	—
Stocks	60,843	23,280	(2,381)
Foreign securities	573,200	56,256	(28,375)
Foreign bonds	572,056	56,256	(28,375)
Foreign other securities	1,144	—	(0)
Other securities	22,943	—	(1,964)
Total	1,212,979	79,580	(152,070)

(Millions of U.S. Dollars)

	2026		
	Sales	Gains	Losses
March 31			
Bonds	2,923	1	(686)
Japanese government bonds	1,795	—	(665)
Japanese local government bonds	502	—	(3)
Japanese corporate bonds	626	1	(18)
Stocks	890	227	(57)
Foreign securities	2,107	44	(64)
Foreign bonds	2,106	44	(64)
Foreign other securities	1	—	(0)
Other securities	395	—	(74)
Total	6,315	271	(882)

(4) Money Held in Trust

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

(Millions of Yen)

	2026				
	Consolidated balance sheet amount	Cost	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
March 31					
Specified money held in trust	7,901,359	4,272,395	3,628,963	3,659,948	(30,984)

(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 U.S. Dollars)

	2026				
	Consolidated balance sheet amount	Cost	Net unrealized gains (losses)	Unrealized gains	Unrealized losses
March 31					
Specified money held in trust	49,421	26,723	22,698	22,892	(194)

Note:

The Group recognized losses on valuation of ¥2,701 million (\$17 million) and ¥4,975 million for the years ended March 31, 2026, and 2025, respectively.

Stocks managed as trust assets whose average market price 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 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 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, 2026, and 2025, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
March 31			
Assets pledged as collateral:			
Securities	4,834,239	4,489,608	30,237
Liabilities corresponding to assets pledged as collateral:			
Payables under repurchase agreements	4,595,895	4,516,922	28,746

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
	2026	2025	2026
March 31			
Securities	241,312	160,554	1,509
Margin deposits for futures transactions	4,932	4,437	31
Cash collateral paid for financial instruments	135,155	56,013	845

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, 2026, and 2025.

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.

7. TANGIBLE FIXED ASSETS

Accumulated depreciation as of March 31, 2026, and 2025, was as follows:

March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
	64,048	63,740	401

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, 2026, and 2025, was as follows:

March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
	295	357	2

Policy reserves for reinsured parts defined in Article 71, Paragraph 1 of the said Ordinance (hereinafter, the “policy reserves—ceded”) as of March 31, 2026, and 2025, were as follows:

March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
	1,378,781	1,187,171	8,624

9. RESERVE FOR POLICYHOLDER DIVIDENDS

Changes in reserve for policyholder dividends for the years ended March 31, 2026, and 2025, were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
	1,085,126	1,101,628	6,787
Balance at the beginning of the year	(101,997)	(114,060)	(638)
Policyholder dividends paid	2,765	679	17
Interest accrual	(282)	(112)	(2)
Reduction due to the acquisition of additional annuity	143,579	96,990	898
Provision for reserve for policyholder dividends	1,129,192	1,085,126	7,063
Balance at the end of the year			

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

Bonds payable as of March 31, 2026, and 2025, were as follows:

March 31	Date of issuance	Millions of Yen		Millions of U.S. Dollars	Interest rate	Collateral	Maturity date
		2026	2025	2026			
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	625	1.00% ¹	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	1,251	1.050% ²	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	625	1.910% ³	None	September 7, 2053
Fourth series of subordinated unsecured bonds with interest deferral option and early redemption option	April 17, 2024	100,000	100,000	625	2.133% ⁴	None	April 17, 2054
Total		500,000	500,000	3,127			

- 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, 2026.
 - 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, 2026, and 2025, were as follows:

March 31	Millions of Yen		Millions of U.S. Dollars	Average interest rate	Due
	2026	2025	2026	2026	
Lease obligations	5,171	4,799	32	—	February 2031
Other interest-bearing debt:					
Payables under repurchase agreements	4,595,895	4,516,922	28,746	0.75%	—
Total	4,601,066	4,521,722	28,778	—	—

- 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, 2026, was as follows:

March 31	Millions of Yen	Millions of U.S. Dollars
	1,457	9
	1,354	8
Within 1 year	1,169	7
Due after 1 year through 2 years	775	5
Due after 2 years through 3 years	413	3
Due after 3 years through 4 years	—	—
Due after 4 years through 5 years	5,171	32
Due after 5 years		
Total		

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, 2026, and 2025, was ¥926 million (\$6 million) and ¥910 million, respectively.

(2) Defined Benefit Plans

1) Changes in retirement benefit obligations

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31	2026	2025	2026
Balance at the beginning of the year	107,927	95,931	675
Service cost	6,579	6,121	41
Interest cost	835	747	5
Actuarial differences	(18,186)	25	(114)
Benefits paid	(7,332)	(6,500)	(46)
Prior service cost	—	(115)	—
Increase/decrease due to transfers	8,834	11,718	55
Balance at the end of the year	98,658	107,927	617

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
March 31	2026	2025	2026
Unfunded retirement benefit obligations	98,658	107,927	617
Liability for retirement benefits recorded on the consolidated balance sheets	98,658	107,927	617

3) Retirement benefit costs

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31	2026	2025	2026
Service cost	6,579	6,121	41
Interest cost	835	747	5
Amortization of actuarial differences	(31)	(217)	(0)
Amortization of prior service cost	(473)	(465)	(3)
Amount borne for seconded employees	4,362	2,644	27
Retirement benefit costs of defined benefit plans	11,273	8,830	71

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

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31	2026	2025	2026
Prior service cost	(473)	(350)	(3)
Actuarial differences	18,154	(242)	114
Total	17,681	(592)	111

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

	Millions of Yen		Millions of U.S. Dollars
March 31	2026	2025	2026
Unrecognized prior service cost	1,968	2,441	12
Unrecognized actuarial differences	18,153	(1)	114
Total	20,122	2,440	126

6) Actuarial assumptions

The principal actuarial assumptions used for the years ended March 31, 2026, and 2025, were as follows:

Years ended March 31	2026	2025
Discount rate	1.9% – 2.4%	0.7% – 1.9%

Note:
Although the discount rates applied in the calculation for the Company and its consolidated subsidiary at the beginning of the year ended March 31, 2026, were 0.7 to 1.9%, as a result of reviewing the discount rates at the end of that year, the Company determined that the change would have a material impact on the amount of retirement benefit obligations, and has changed the discount rates to 1.9 to 2.4%.

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, 2026, and 2025, were as follows:

	Millions of Yen		Millions of U.S. Dollars
March 31	2026	2025	2026
Policy reserves (excluding contingency reserve and including policy reserves—ceded)	23,140,530	24,576,340	144,737
Contingency reserve	937,984	915,558	5,867
Reserve for price fluctuations	530,349	581,452	3,317

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 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 years ended March 31, 2026, and 2025.

Deposits from the Management Network as of March 31, 2026, and 2025, were as follows:

	Millions of Yen		Millions of U.S. Dollars
March 31	2026	2025	2026
Deposits from the Management Network	35,985	36,678	225

14. DEFERRED TAX ASSETS AND LIABILITIES

Significant components of deferred tax assets and liabilities as of March 31, 2026, and 2025, were as follows:

	Millions of Yen		Millions of U.S. Dollars
March 31	2026	2025	2026
Deferred tax assets:			
Policy reserves	1,004,858	1,025,316	6,285
Reserve for price fluctuations	194,319	225,014	1,215
Reserve for outstanding claims	40,540	42,760	254
Liability for retirement benefits	28,583	31,193	179
Unrealized losses on available-for-sale securities	196,178	169,314	1,227
Other	71,653	52,966	448
Subtotal	1,536,134	1,546,565	9,608
Valuation allowance	(18,169)	(16,022)	(114)
Total deferred tax assets	1,517,964	1,530,543	9,494
Deferred tax liabilities:			
Unrealized gains on available-for-sale securities	(1,178,402)	(787,439)	(7,371)
Other	(16,819)	(14,233)	(105)
Total deferred tax liabilities	(1,195,222)	(801,673)	(7,476)
Net deferred tax assets (liabilities)	322,742	728,870	2,019

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, 2026, and 2025.

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

March 31	2026	2025
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, 2026, is omitted as the difference between the statutory tax rate and the effective income tax rate did not exceed 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 Japanese 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, income taxes – deferred decreased by ¥40,741 million, and net unrealized gains on available-for-sale securities decreased by ¥19,745 million in the year ended March 31, 2025.

15. NET ASSETS

(1) Class and Number of Shares Issued and Treasury Stock

Year ended March 31, 2026	Thousands of shares			
	April 1, 2025	Increase	Decrease	March 31, 2026
Shares issued:				
Common stock	383,192	—	11,369	371,822
Total	383,192	—	11,369	371,822
Treasury stock				
Common stock	405	21,586	11,373	10,618
Total	405	21,586	11,373	10,618

- Notes:
- The decrease of 11,369 thousand shares in the number of shares issued was attributable to a decrease due to the cancellation of treasury stock based on the resolution passed by the Board of Directors' meeting on May 15, 2025.
 - Numbers of treasury stock at the beginning and the end of the year ended March 31, 2026, include shares of the Company held in the BBT, and were 394 thousand shares and 390 thousand shares, respectively.
 - The increase of 21,586 thousand shares in the number of treasury stock was attributable to an increase of 11,369 thousand shares due to the acquisition of treasury stock based on the resolutions passed by the Board of Directors' meetings on November 14, 2024 and March 28, 2025; an increase of 10,216 thousand shares due to the acquisition of treasury stock based on the resolution passed by the Board of Directors' meeting on November 14, 2025; and a nominal increase due to the purchase of fractional shares.
 - The decrease of 11,373 thousand shares in the number of treasury stock was attributable to a decrease of 11,369 thousand shares due to the cancellation of treasury stock based on the resolution passed by the Board of Directors' meeting on May 15, 2025, and a decrease of 4 thousand shares due to the granting of shares via the BBT.
 - Although the Company conducted a stock split effective April 1, 2026, splitting its common stock at a ratio of three shares for every one share, the items described in this note are based on the number of shares before the stock split.

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

- Notes:
- 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.
 - The increase of 0 thousand shares in the number of treasury stock was attributable to an increase due to the purchase of fractional shares.
 - The decrease of 21 thousand shares in the number of treasury stock was attributable to the granting of shares via the BBT.

(2) Information on Dividends

1) Dividends paid

Dividends paid for the year ended March 31, 2026

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, 2025	Common stock	19,925	125	52.00	0.33	March 31, 2025	June 19, 2025
Board of Directors' meeting held on November 14, 2025	Common stock	23,052	144	62.00	0.39	September 30, 2025	December 5, 2025

- Notes:
- Total amount of dividends based on the resolution at the Board of Directors' meeting held on May 15, 2025, included ¥20 million (\$0 million) of dividends paid for shares of the Company held in the BBT.
 - Total amount of dividends based on the resolution at the Board of Directors' meeting held on November 14, 2025, included ¥24 million (\$0 million) of dividends paid for shares of the Company held in the BBT.

Dividends paid for the year ended March 31, 2025

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, 2024	Common stock	18,009	47.00	March 31, 2024	June 18, 2024
Board of Directors' meeting held on November 14, 2024	Common stock	19,925	52.00	September 30, 2024	December 5, 2024

- Notes:
- Total amount of dividends based on the resolution at the Board of Directors' meeting held on May 15, 2024, included ¥19 million of dividends paid for shares of the Company held in the BBT.
 - Total amount of dividends based on the resolution at the Board of Directors' meeting held on November 14, 2024, included ¥20 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, 2026

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, 2026	Common stock	22,418	140	Retained earnings	62.00	0.39	March 31, 2026	June 23, 2026

- Notes:
- Total amount of dividends includes ¥24 million (\$0 million) of dividends paid for shares of the Company held in the BBT.
 - Although the Company conducted a stock split effective April 1, 2026, splitting its common stock at a ratio of three shares for every one share, the amounts are stated based on the number of shares before the stock split as the record date for dividends was March 31, 2026.

16. OPERATING EXPENSES

Operating expenses for the years ended March 31, 2026, and 2025, consisted of the following:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Sales activity expenses	45,754	58,906	286
Sales administration expenses	17,014	17,761	106
General administration expenses	350,601	354,762	2,193
Total	413,370	431,429	2,586

17. POLICY RESERVES FOR CEDED REINSURANCE

The amount of reversal of reserve for outstanding claims—ceded that is added to the calculation of provision for reserve for out-standing claims for the year ended March 31, 2026, was ¥61 million (\$0 million). 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 year ended March 31, 2025, was ¥69 million.

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, 2026, and 2025, was ¥191,610 million (\$1,198 million) and ¥545,425 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, 2026, and 2025, were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Insurance premiums	104,043	131,451	651

19. INSURANCE CLAIMS

Insurance claims based on reinsurance contracts with the Management Network included in insurance claims for the years ended March 31, 2026, and 2025, were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Insurance claims	1,783,384	2,065,061	11,155

20. EXTRAORDINARY GAINS

Extraordinary gains for the years ended March 31, 2026, and 2025, consisted of the following:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Gains on sales of fixed assets	10	15	0
Reversal of reserve for price fluctuations	110,697	43,869	692
Total	110,707	43,884	692

21. EXTRAORDINARY LOSSES

Extraordinary losses for the years ended March 31, 2026, and 2025, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Years ended March 31			
Losses on sales and disposal of fixed assets	321	247	2
Losses on impairment of fixed assets	2,558	—	16
Total	2,880	247	18

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, 2026, and 2025, was as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Years ended March 31			
Provision for reserve for policyholder dividends	126,124	86,029	789

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, 2026, and 2025, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Years ended March 31			
Net unrealized gains (losses) on available-for-sale securities:			
Amount arising during the fiscal year	1,345,428	(273,083)	8,415
Reclassification adjustments	(84,547)	(9,185)	(529)
Before income taxes and tax-effect adjustments	1,260,881	(282,268)	7,886
Income taxes and tax effects	(364,098)	58,264	(2,277)
Net unrealized gains (losses) on available-for-sale securities	896,783	(224,004)	5,609
Net deferred gains (losses) on hedges:			
Amount arising during the fiscal year	(60,561)	(21,784)	(379)
Reclassification adjustments	—	—	—
Before income taxes and tax-effect adjustments	(60,561)	(21,784)	(379)
Income taxes and tax effects	17,520	6,356	110
Net deferred gains (losses) on hedges	(43,040)	(15,428)	(269)
Adjustments for retirement benefits:			
Amount arising during the fiscal year	18,186	89	114
Reclassification adjustments	(504)	(682)	(3)
Before income taxes and tax-effect adjustments	17,681	(592)	111
Income taxes and tax effects	(5,117)	137	(32)
Adjustments for retirement benefits	12,563	(454)	79
Share of other comprehensive income (loss) of affiliates accounted for under the equity method			
Amount arising during the fiscal year	65	(15)	0
Total other comprehensive income (loss)	866,372	(239,903)	5,419

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 interest rate fluctuation risk for a portion of insurance liabilities and foreign exchange fluctuation risk for financial assets.

(2) Features and Risks of Financial Instruments

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

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

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

(3) Risk Management Framework for Financial Instruments
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. Interest rate risk, which is a type of market risk, is the risk of losses resulting from fluctuation in the value of interest-bearing assets denominated in yen and insurance liabilities due to fluctuations in yen interest rates,

and the risk arises as the Company has a certain limit in matching assets with liabilities as an insurance company with a mission to offer universal service products including endowment insurance and whole life insurance.

Among the company-wide risks including 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 asset concentration limits corresponding to internal ratings 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, 2026, and 2025, were as follows.

Stocks and other securities with no market price and investments in partnership are not included in the following table and are described in “Note 1” of 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 ^{1,2}
Securities
Held-to-maturity bonds
Policy-reserve-matching bonds
Available-for-sale securities ²
Loans
Policy loans
Industrial and commercial loans ³
Loans to the Management Network ³
Reserve for possible loan losses ⁴
Total assets

Bonds payable
Total liabilities

Derivative transactions ⁵
Hedge accounting not applied
Hedge accounting applied
Total derivative transactions

March 31

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

Bonds payable
Total liabilities

Derivative transactions ⁵
Hedge accounting not applied
Hedge accounting applied
Total derivative transactions

2026		
Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
21,229	21,229	—
21,229	21,229	—
7,901,359	7,901,359	—
44,688,503	40,010,982	(4,677,521)
30,481,050	26,903,275	(3,577,774)
7,001,851	5,902,104	(1,099,747)
7,205,602	7,205,602	—
2,134,426	2,036,435	(97,990)
164,791	164,791	—
676,553	585,495	(90,720)
1,293,418	1,286,148	(7,270)
(338)	—	—
54,745,519	49,970,007	(4,775,512)
500,000	466,150	(33,850)
500,000	466,150	(33,850)
[281]	[281]	—
[143,990]	[143,990]	—
[144,272]	[144,272]	—

(Millions of Yen)

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 U.S. Dollars)

March 31

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

Bonds payable
Total liabilities

Derivative transactions ⁵
Hedge accounting not applied
Hedge accounting applied
Total derivative transactions

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 and other securities with no market price and investments in partnership as of March 31, 2026, and 2025, 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 ¹
Securities
Unlisted stocks ²
Foreign securities ²
Investments in partnership ³
Total

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.

2026		
Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
133	133	—
133	133	—
49,421	49,421	—
279,513	250,256	(29,256)
190,650	168,272	(22,378)
43,794	36,916	(6,879)
45,069	45,069	—
13,350	12,737	(613)
1,031	1,031	—
4,232	3,662	(567)
8,090	8,044	(45)
(2)	—	—
342,416	312,547	(29,869)
3,127	2,916	(212)
3,127	2,916	(212)
[2]	[2]	—
[901]	[901]	—
[902]	[902]	—

Millions of Yen		Millions of U.S. Dollars
2026	2025	2026
138,477	129,749	866
242,782	216,169	1,519
67,123	65,137	420
32,530	24,197	203
143,128	126,835	895
381,260	345,919	2,385

(Note 2) Redemption schedules of monetary claims and securities with maturities were as follows:

(Millions of Yen)

	2026			
	Within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
March 31				
Monetary claims bought	10,000	—	—	11,622
Securities	1,618,760	11,084,952	8,820,255	20,801,735
Held-to-maturity bonds	1,251,200	8,267,220	6,610,460	14,087,348
Bonds	1,251,200	8,267,220	6,610,460	14,087,348
Japanese government bonds	1,232,700	7,836,700	5,885,200	12,613,400
Japanese local government bonds	17,900	352,620	442,810	625,071
Japanese corporate bonds	600	77,900	282,450	848,877
Policy-reserve-matching bonds	261,100	1,522,700	1,288,000	4,172,488
Bonds	261,100	1,522,700	1,268,000	4,172,488
Japanese government bonds	260,800	1,301,000	770,700	3,318,000
Japanese local government bonds	300	—	86,900	273,288
Japanese corporate bonds	—	221,700	410,400	581,200
Foreign securities	—	—	20,000	—
Available-for-sale securities with maturities	106,460	1,295,032	921,795	2,541,898
Bonds	33,745	681,985	294,294	1,778,880
Japanese government bonds	—	—	—	1,171,200
Japanese local government bonds	445	11,484	24,696	111,638
Japanese corporate bonds	33,300	670,501	269,597	496,042
Foreign securities	72,715	613,046	625,964	755,236
Other securities	—	—	1,537	7,782
Loans	572,214	853,962	436,452	272,518
Total	2,200,975	11,938,915	9,256,708	21,085,875

(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
March 31				
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
Total	1,892,526	11,233,378	10,971,493	22,141,473

(Millions of U.S. Dollars)

	2026			
	Within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
March 31				
Monetary claims bought	63	—	—	73
Securities	10,125	69,333	55,168	130,108
Held-to-maturity bonds	7,826	51,709	41,346	88,112
Bonds	7,826	51,709	41,346	88,112
Japanese government bonds	7,710	49,016	36,810	78,893
Japanese local government bonds	112	2,206	2,770	3,910
Japanese corporate bonds	4	487	1,767	5,309
Policy-reserve-matching bonds	1,633	9,524	8,056	26,098
Bonds	1,633	9,524	7,931	26,098
Japanese government bonds	1,631	8,137	4,820	20,753
Japanese local government bonds	2	—	544	1,709
Japanese corporate bonds	—	1,387	2,567	3,635
Foreign securities	—	—	125	—
Available-for-sale securities with maturities	666	8,100	5,766	15,899
Bonds	211	4,266	1,841	11,126
Japanese government bonds	—	—	—	7,325
Japanese local government bonds	3	72	154	698
Japanese corporate bonds	208	4,194	1,686	3,103
Foreign securities	455	3,834	3,915	4,724
Other securities	—	—	10	49
Loans	3,579	5,341	2,730	1,705
Total	13,766	74,674	57,898	131,886

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

(Millions of Yen)

	2026					
	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
March 31						
Bonds payable	—	—	—	—	—	500,000
Total	—	—	—	—	—	500,000

(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
March 31						
Bonds payable	—	—	—	—	—	500,000
Total	—	—	—	—	—	500,000

(Millions of U.S. Dollars)

	2026					
	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
March 31						
Bonds payable	—	—	—	—	—	3,127
Total	—	—	—	—	—	3,127

(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 at 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)

	2026			
	Fair value			
	Level 1	Level 2	Level 3	Total
March 31				
Monetary claims bought	–	9,981	11,248	21,229
Money held in trust ¹	5,128,646	791,138	–	5,919,785
Securities				
Available-for-sale securities				
Japanese government bonds	845,464	–	–	845,464
Japanese local government bonds	–	109,195	16,918	126,114
Japanese corporate bonds	–	1,333,662	–	1,333,662
Stocks	720,816	–	–	720,816
Foreign securities ¹	134,754	1,707,597	2,853	1,845,205
Other securities	–	2,118,703	8,419	2,127,122
Total assets	6,829,680	6,070,279	39,439	12,939,400
Derivative transactions ²				
Currency-related derivatives	–	[71,468]	–	[71,468]
Interest rate–related derivatives	–	[72,803]	–	[72,803]
Total derivative transactions	–	[144,272]	–	[144,272]

(Millions of Yen)

	2025			
	Fair value			
	Level 1	Level 2	Level 3	Total
March 31				
Monetary claims bought	–	9,988	13,227	23,215
Money held in trust ¹	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 ¹	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 ²				
Currency-related derivatives	–	[6,038]	–	[6,038]
Interest rate–related derivatives	–	[27,848]	–	[27,848]
Total derivative transactions	–	[33,887]	–	[33,887]

(Millions of U.S. Dollars)

	2026			
	Fair value			
	Level 1	Level 2	Level 3	Total
March 31				
Monetary claims bought	–	62	70	133
Money held in trust ¹	32,078	4,948	–	37,026
Securities				
Available-for-sale securities				
Japanese government bonds	5,288	–	–	5,288
Japanese local government bonds	–	683	106	789
Japanese corporate bonds	–	8,342	–	8,342
Stocks	4,508	–	–	4,508
Foreign securities ¹	843	10,680	18	11,541
Other securities	–	13,252	53	13,304
Total assets	42,718	37,968	247	80,932
Derivative transactions ²				
Currency-related derivatives	–	[447]	–	[447]
Interest rate–related derivatives	–	[455]	–	[455]
Total derivative transactions	–	[902]	–	[902]

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 ¥1,602,653 million (\$10,024 million) and ¥207,113 million (\$1,295 million), and ¥1,393,205 million and ¥183,614 million as of March 31, 2026, and 2025, 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)

	2026			
	Fair value			
	Level 1	Level 2	Level 3	Total
March 31				
Money held in trust	–	379,024	–	379,024
Securities				
Held-to-maturity bonds				
Japanese government bonds	24,753,492	–	–	24,753,492
Japanese local government bonds	–	1,250,553	2,563	1,253,116
Japanese corporate bonds	–	896,666	–	896,666
Policy-reserve-matching bonds				
Japanese government bonds	4,602,622	–	–	4,602,622
Japanese local government bonds	–	272,203	17,125	289,329
Japanese corporate bonds	–	992,024	–	992,024
Foreign securities	–	18,127	–	18,127
Loans	–	–	2,036,435	2,036,435
Total assets	29,356,114	3,808,601	2,056,124	35,220,840
Bonds payable	–	466,150	–	466,150
Total liabilities	–	466,150	–	466,150

(Millions of Yen)

	2025			
	Fair value			
	Level 1	Level 2	Level 3	Total
March 31				
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 U.S. Dollars)

	2026			
	Fair value			
	Level 1	Level 2	Level 3	Total
March 31				
Money held in trust	–	2,371	–	2,371
Securities				
Held-to-maturity bonds				
Japanese government bonds	154,825	–	–	154,825
Japanese local government bonds	–	7,822	16	7,838
Japanese corporate bonds	–	5,608	–	5,608
Policy-reserve-matching bonds				
Japanese government bonds	28,788	–	–	28,788
Japanese local government bonds	–	1,703	107	1,810
Japanese corporate bonds	–	6,205	–	6,205
Foreign securities	–	113	–	113
Loans	–	–	12,737	12,737
Total assets	183,613	23,822	12,860	220,295
Bonds payable	–	2,916	–	2,916
Total liabilities	–	2,916	–	2,916

(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 demand compensation 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 demand compensation 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 over the short term, 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 sheets 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, 2026, and 2025

(Millions of Yen)

	2026							
	Balance at the beginning of the year	Recorded in gain/loss	Gain/loss for the current period or Other comprehensive income (loss) Recorded in Other comprehensive income (loss) ¹	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, 2026, net valuation gain/loss of financial instruments held on consolidated balance sheet date
Monetary claims bought	13,227	-	(478)	(1,500)	-	-	11,248	-
Securities								
Available-for-sale securities								
Japanese local government bonds	19,262	-	(1,337)	(1,006)	-	-	16,918	-
Foreign securities	-	-	(146)	3,000	-	-	2,853	-
Other securities	9,431	-	(287)	(724)	-	-	8,419	-
Total assets	41,921	-	(2,250)	(230)	-	-	39,439	-

(Millions of Yen)

	2025							
	Balance at the beginning of the year	Recorded in gain/loss	Gain/loss for the current period or Other comprehensive income (loss) Recorded in Other comprehensive income (loss) ¹	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
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 U.S. Dollars)

	2026							
	Balance at the beginning of the year	Gain/loss for the current period 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, 2026, net valuation gain/loss of financial instruments held on consolidated balance sheet date
		Recorded in gain/loss	Recorded in Other comprehensive income (loss) ¹					
Monetary claims bought	83	-	(3)	(9)	-	-	70	-
Securities								
Available-for-sale securities								
Japanese local government bonds	120	-	(8)	(6)	-	-	106	-
Foreign securities	-	-	(1)	19	-	-	18	-
Other securities	59	-	(2)	(5)	-	-	53	-
Total assets	262	-	(14)	(1)	-	-	247	-

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) 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 and others 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.

(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, 2026, and 2025

(Millions of Yen)

2026							
	Gain/loss for the current period or Other comprehensive income (loss)			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		Of gain/loss in fiscal year ended March 31, 2026, net valuation gain/loss of mutual funds held on consolidated balance sheet date
Balance at the beginning of the year	Recorded in gain/loss	Recorded in Other comprehensive income (loss) ¹	Changes due to purchase, sale and redemption			Balance at the end of the year	
1,393,205	—	114,411	95,036	—	—	1,602,653	—

(Millions of Yen)

2025							
	Gain/loss for the current period or Other comprehensive income (loss)			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		Of gain/loss in fiscal year ended March 31, 2025, net valuation gain/loss of mutual funds held on consolidated balance sheet date
Balance at the beginning of the year	Recorded in gain/loss	Recorded in Other comprehensive income (loss) ¹	Changes due to purchase, sale and redemption			Balance at the end of the year	
1,260,483	—	45,732	86,989	—	—	1,393,205	—

(Millions of U.S. Dollars)

2026							
	Gain/loss for the current period or Other comprehensive income (loss)			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		Of gain/loss in fiscal year ended March 31, 2026, net valuation gain/loss of mutual funds held on consolidated balance sheet date
Balance at the beginning of the year	Recorded in gain/loss	Recorded in Other comprehensive income (loss) ¹	Changes due to purchase, sale and redemption			Balance at the end of the year	
8,714	—	716	594	—	—	10,024	—

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, 2026, and 2025

(Millions of Yen)

2026							
	Gain/loss for the current period or Other comprehensive income (loss)			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		Of gain/loss in fiscal year ended March 31, 2026, net valuation gain/loss of mutual funds held on consolidated balance sheet date
Balance at the beginning of the year	Recorded in gain/loss	Recorded in Other comprehensive income (loss) ¹	Changes due to purchase, sale and redemption			Balance at the end of the year	
183,614	—	12,391	11,106	—	—	207,113	—

(Millions of Yen)

2025							
	Gain/loss for the current period or Other comprehensive income (loss)			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		Of gain/loss in fiscal year ended March 31, 2025, net valuation gain/loss of mutual funds held on consolidated balance sheet date
Balance at the beginning of the year	Recorded in gain/loss	Recorded in Other comprehensive income (loss) ¹	Changes due to purchase, sale and redemption			Balance at the end of the year	
176,297	—	(4,257)	11,574	—	—	183,614	—

(Millions of U.S. Dollars)

2026							
	Gain/loss for the current period or Other comprehensive income (loss)			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		Of gain/loss in fiscal year ended March 31, 2026, net valuation gain/loss of mutual funds held on consolidated balance sheet date
Balance at the beginning of the year	Recorded in gain/loss	Recorded in Other comprehensive income (loss) ¹	Changes due to purchase, sale and redemption			Balance at the end of the year	
1,148	—	78	69	—	—	1,295	—

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	2026	2025	2026
Items that require a certain amount of time for cancellation and others	1,602,653	1,393,205	10,024

25. DERIVATIVE TRANSACTIONS

(1) Derivative Transactions to Which Hedge Accounting Is Not Applied
Currency-related derivatives

(Millions of Yen)

March 31		2026			
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	5,561	—	(281)	(281)
	U.S. dollars	4,704	—	(282)	(282)
	Other	856	—	0	0
Total					(281)

(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	—		
		[15]	[—]	7	7
	Bought				
	Put	4,336	—		
		[15]	[—]	10	(4)
	U.S. dollars	4,336	—		
		[15]	[—]	10	(4)
Total					5

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.

(Millions of U.S. Dollars)

March 31		2026			
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	35	—	(2)	(2)
	U.S. dollars	29	—	(2)	(2)
	Other	5		0	0
Total					(2)

(2) Derivative Transactions to Which Hedge Accounting Is Applied

1) Currency-related derivatives

			(Millions of Yen)		
March 31			2026		
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		135,725	135,725	(15,356)
	U.S. dollars		133,360	133,360	(14,924)
	Euros		2,365	2,365	(432)
Fair value hedge accounting	Forward foreign exchange	Foreign-currency-denominated bonds			
	Sold		1,298,661	—	(55,830)
	U.S. dollars		711,145	—	(41,618)
	Euros		230,577	—	(4,756)
	Australian dollars		206,995	—	(4,612)
	Other		149,943	—	(4,843)
		Total			(71,187)

			(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				
	Yen-receipt/ Foreign currency payment	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	Forward foreign exchange				
	Sold		1,319,941	—	(6,293)
	U.S. dollars	Foreign-currency-denominated bonds	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 U.S. Dollars)		
March 31			2026		
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		849	849	(96)
	U.S. dollars		834	834	(93)
	Euros		15	15	(3)
Fair value hedge accounting	Forward foreign exchange	Foreign-currency-denominated bonds			
	Sold		8,123	—	(349)
	U.S. dollars		4,448	—	(260)
	Euros		1,442	—	(30)
	Australian dollars		1,295	—	(29)
	Other		938	—	(30)
		Total			(445)

2) Interest rate–related derivatives

			(Millions of Yen)		
March 31			2026		
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	(72,803)
		Total			(72,803)

(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 U.S. Dollars)		
March 31			2026		
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		1,876	1,876	(455)
		Total			(455)

26. LEASE TRANSACTIONS

Operating Leases

As lessee

Future lease payments under non-cancelable operating leases as of March 31, 2026, and 2025, were as follows:

March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Due within 1 year	4,961	5,281	31
Due after 1 year	4,364	8,560	27
Total	9,325	13,841	58

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

This information for the year ended March 31, 2026, is omitted because the Group has a single segment. No losses on impairment of fixed assets were recognized for the year ended March 31, 2025.

(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, 2026, and 2025.

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, 2026, and 2025.

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, 2026, and 2025.

28. RELATED PARTY TRANSACTIONS

(1) Related Party Transactions

Transactions of the Company with related parties for the years ended March 31, 2026, and 2025, were as follows:

2026										
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	¥1,750,000 Million (\$10,946 million)	Formulation of group management strategy	Directly owned 49.76%	Group management Interlocking officers	Payments of brand royalty fees ¹	¥1,852 Million (\$12 million)	Accounts payable—other	¥169 Million (\$1 million)
Subsidiary of parent company	JAPAN POST Co., Ltd.	Chiyoda-ku, Tokyo	¥700,000 Million (\$4,378 million)	Postal and logistics business Post office business	—	Insurance agency Interlocking officers	Payments for commission of agency services ²	¥89,830 Million (\$562 million)	Agency accounts payable	¥8,802 Million (\$55 million)

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	Formulation of group management strategy	Directly owned 49.85%	Group management Interlocking officers	Payments of brand royalty fees ¹	¥1,951 million	Accounts payable—other	¥178 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 ²	¥111,436 million	Agency accounts payable	¥9,916 million

Notes:
1. Based on the concept that the benefits of brand value derived 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.
2. The Company makes payments including insurance sales commissions 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.
3. In addition to the above, from the year ended March 31, 2020, out of the expenses required to maintain 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, 2026, and 2025, the contributions paid by the Company to the Management Network amounted to ¥57,662 million (\$361 million) and ¥56,300 million, respectively.

(2) Parent Company

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

29. PER SHARE DATA

	Yen		U.S. Dollars
March 31	2026	2025	2026
Net assets per share	3,833.13	2,822.66	23.98

	Yen		U.S. Dollars
Years ended March 31	2026	2025	2026
Net income per share	152.55	107.52	0.95

Notes:
1. The Company conducted a stock split effective April 1, 2026, splitting its common stock at a ratio of three shares for every one share. Net assets per share and net income per share have been calculated assuming that the stock split was conducted at the beginning of the year ended March 31, 2025.
Diluted net income per share is not presented for the years ended March 31, 2026, and 2025, as potential common stock did not exist.

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

	Millions of Yen		Millions of U.S. Dollars
Years ended March 31	2026	2025	2026
Net income	168,798	123,472	1,056
Amount not attributable to common stockholders	—	—	—
Net income attributable to common stock	168,798	123,472	1,056

	Thousands of shares	
Years ended March 31	2026	2025
Average number of common stock during the fiscal year	1,106,539	1,148,339

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

	Millions of Yen		Millions of U.S. Dollars
March 31	2026	2025	2026
Net assets	4,153,628	3,241,426	25,980
Amount deducted from net assets	—	—	—
Net assets attributable to common stock at the fiscal year-end	4,153,628	3,241,426	25,980

	Thousands of shares	
March 31	2026	2025
Number of common stock at the fiscal year-end used for the calculation of net assets per share	1,083,612	1,148,359

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, 2026, and 2025, was 1,174 thousand shares and 1,203 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, 2026, and 2025, was 1,171 thousand shares and 1,183 thousand shares, respectively.

30. SUBSEQUENT EVENTS

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

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

1) Purpose of the stock split

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

2) Outline of the stock split

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

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

c) Schedule for the stock split	
Announcement of record date	Thursday, March 12, 2026
Record date	Tuesday, March 31, 2026
Effective date	Wednesday, April 1, 2026

3) Effect on per share data

The effect on per share data is described in Note 29 "PER SHARE DATA."

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

a) Reason for the amendment to the Articles of Incorporation
In association with the stock split, pursuant to Article 184, Paragraph 2 of the Companies Act, the Company made a partial amendment to the Articles of Incorporation following the resolution of the Board of Directors' meeting, with an effective date of April 1, 2026.

b) Amendment to the Articles of Incorporation

(The amended part is underlined.)

Before the amendment	After the amendment
(Total number of shares authorized to be issued) Article 6: The total number of shares authorized to be issued by the Company shall be 2,400 million shares.	(Total number of shares authorized to be issued) Article 6: The total number of shares authorized to be issued by the Company shall be 4,400 million shares.

c) Schedule for the amendment to the Articles of Incorporation

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

(2) Cancellation of Treasury Stock

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

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

(Reference)

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

(3) Issuance of U.S. Dollar-Denominated Subordinated Notes

At the Board of Directors' meeting held on August 28, 2026, the Company resolved to issue U.S. dollar-denominated subordinated notes (the "Notes") in order to further improve its financial soundness. The Notes were issued on September 16, 2026. A summary of the issuance of the Notes is as follows:

1. Type	U.S. dollar-denominated subordinated notes due 2056 with interest deferral options
2. Principal amount	U.S.\$ 1 billion
3. Offering price	100% of principal amount
4. Interest rate	A fixed rate of 6.50% per annum before September 16, 2036 and a fixed rate reset with step-up thereafter (reset every 5 years)
5. Maturity	September 16, 2056 The Notes are callable on September 16, 2036 and every date which falls five, or a multiple of five, years thereafter until the Notes are fully redeemed at the discretion of the Company, subject to prior consent by the regulatory authority, etc.
6. Subordination	Upon the occurrence of a subordination event, such as liquidation, the Notes will be subordinated to the senior indebtedness of the Company, and will rank in priority to the Company's common stock, preferred stock (including the most senior preferred stock) and junior indebtedness.
7. Offering	The Notes were offered in overseas markets, primarily in the United States, Europe and Asia. The Notes were not offered or sold within the United States, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act")
8. Payment date	September 16, 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 subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheets as at March 31, 2026 and 2025, 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, 2026 and 2025, 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 of public interest entities 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 ¥46,653,326 million were	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

recognized as of March 31, 2026, accounting for a significant portion (85.9%) of total liabilities therein. As described in Note 2, “SIGNIFICANT ACCOUNTING POLICIES, (7) Policy Reserves” to the consolidated financial statements, 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 significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key	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, 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 to ensure that the actuarial-related departments confirm that policy reserves are recognized completely for all of the Company’s insurance contracts; • controls to ensure that the actuarial-related departments validate the accuracy of the calculation of policy reserves by recalculating policy reserves on a sample basis and assessing the consistency with the recognized amount of policy reserves calculated by a system other than the policy reserve calculation system; and • controls to ensure 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 assessed whether the policy reserves for insurance products, which 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 assessed whether the changes in policy reserves from the previous fiscal year were consistent with insurance premium, insurance claims, operating expenses, and the results of the profit source analysis for the current fiscal year. (3) Assessment of the sufficiency of the amount of policy reserves • We assessed whether the analysis on future income and expenses was appropriate pursuant to the Act and the “Standard of Practice for Appointed Actuaries of Life Insurance Companies” issued by the Institute of Actuaries of Japan, and compared 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.
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audit matter.	
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
In the consolidated balance sheet of Japan Post Insurance Co., Ltd. (the “Company”) and its consolidated subsidiary, deferred tax assets of ¥322,742 million were recognized as of March 31, 2026. 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 ¥1,536,134 million. Of this amount, the deferred tax assets related to policy reserves and reserve for price fluctuations were ¥1,004,858 million and ¥194,319 million, respectively, accounting for a significant portion. The recoverability of deferred tax assets depends on 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, among others. As described in Note 14, “DEFERRED TAX ASSETS AND LIABILITIES” to the consolidated financial statements, 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 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. In particular, the actual results of new contracts did not reach the expected level in the current fiscal year, and the assumption on the level of new contracts in the business plan prepared in the current fiscal year involved a high degree of estimation uncertainty because it is affected by the future	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: (1) Internal control testing We tested the design and operating effectiveness of certain of the Company’s internal controls relevant to the recoverability of deferred tax assets, including the company category and the estimate of future taxable income. (2) Assessment of the company category We assessed the appropriateness of the company category by examining whether there were any significant changes to taxable income and the business environment in the past (last three years) and the current fiscal year. (3) Assessment of the appropriateness and feasibility of the estimate of future taxable income that would be generated over the long term • We inquired of management and the relevant department and obtained an understanding of assumptions underlying the business plan, which formed the basis for the estimate of future taxable income; • We obtained an understanding of the main causes of any differences between the future taxable income estimated in the previous fiscal year and the actual results by inquiring of the relevant department and assessed their impact on the estimated future taxable income; • We assessed the consistency between the estimated future taxable income and the business plan; and • We inquired of the relevant department regarding the respective assumptions on the level of new contracts used by management for the main and stress scenarios in estimating future taxable income, obtained an understanding of the results of our inquiries, and assessed the appropriateness of the evaluation of uncertainty in management’s estimate.

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 significant matters 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.

3 Non-Consolidated Financial Statements

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

MARCH 31, 2026 AND 2025

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2026	2025	2026
ASSETS:			
Cash and deposits:			
Cash	717	582	4
Deposits	1,749,029	1,969,761	10,940
Total cash and deposits	1,749,746	1,970,343	10,944
Call loans	30,000	30,000	188
Receivables under resale agreements	472,482	604,914	2,955
Monetary claims bought	21,229	23,215	133
Money held in trust	8,039,836	6,460,029	50,287
Securities (Notes 3, 4 and 5):			
Japanese government bonds	34,085,398	35,390,389	213,194
Japanese local government bonds	1,927,062	2,123,485	12,053
Japanese corporate bonds	3,755,681	4,126,013	23,491
Stocks	787,434	594,608	4,925
Foreign securities	2,104,952	2,024,510	13,166
Other securities	2,270,251	2,269,655	14,200
Total securities	44,930,781	46,528,662	281,028
Loans (Note 5):			
Policy loans	164,791	159,074	1,031
Industrial and commercial loans	676,553	754,604	4,232
Loans to the Management Network	1,293,418	1,616,372	8,090
Total loans	2,134,764	2,530,051	13,352
Tangible fixed assets (Note 24):			
Land	75,534	76,632	472
Buildings	40,612	42,921	254
Leased assets	4,545	4,363	28
Construction in progress	25	513	0
Other tangible fixed assets	14,227	15,836	89
Total tangible fixed assets	134,944	140,266	844
Intangible fixed assets (Note 24):			
Software	128,438	120,887	803
Other intangible fixed assets	9	11	0
Total intangible fixed assets	128,447	120,899	803
Agency accounts receivable	11,837	10,872	74
Reinsurance receivables	15,779	10,641	99
Other assets (Note 5):			
Accounts receivable	124,848	136,783	781
Prepaid expenses (Note 24)	4,539	4,941	28
Accrued income	120,239	119,938	752
Money on deposit	6,530	6,433	41
Margin deposits for futures transactions (Note 4)	4,932	4,437	31
Derivative financial instruments	3,371	18,674	21
Cash collateral paid for financial instruments (Note 4)	135,155	56,013	845
Suspense payments	1,711	2,044	11
Other assets	53,028	48,756	332
Total other assets	454,357	398,023	2,842
Deferred tax assets (Note 11)	327,434	728,362	2,048
Reserve for possible loan losses (Note 24)	(864)	(766)	(5)
Total assets	58,450,779	59,555,517	365,592

See accompanying notes to non-consolidated financial statements.

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, 2026 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.

MORIMOTO Yohei

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 29, 2026

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2026	2025	2026
LIABILITIES:			
Policy reserves and others:			
Reserve for outstanding claims (Note 6)	319,831	314,993	2,000
Policy reserves (Notes 6 and 8)	46,653,326	48,765,531	291,802
Reserve for policyholder dividends (Note 7)	1,129,192	1,085,126	7,063
Total policy reserves and others	48,102,350	50,165,652	300,865
Reinsurance payables	5,978	5,945	37
Bonds payable (Note 9)	500,000	500,000	3,127
Other liabilities:			
Payables under repurchase agreements (Note 4)	4,595,895	4,516,922	28,746
Income taxes payable	1,492	2,149	9
Accounts payable	28,077	23,391	176
Accrued expenses	30,446	44,612	190
Deposits received	2,701	2,525	17
Deposits from the Management Network (Note 10)	35,985	36,678	225
Guarantee deposits received	113	109	1
Derivative financial instruments	147,964	52,286	925
Cash collateral received for financial instruments	—	2,442	—
Lease obligations	5,000	4,799	31
Asset retirement obligations	814	—	5
Suspense receipt	3,174	4,772	20
Other liabilities	10,513	11,680	66
Total other liabilities	4,862,178	4,702,371	30,411
Reserve for management bonuses (Note 24)	248	227	2
Reserve for employees' retirement benefits	116,849	108,493	731
Reserve for management board benefit trust (Note 24)	481	407	3
Reserve for price fluctuations (Notes 8 and 24)	719,232	829,930	4,499
Total liabilities	54,307,320	56,313,029	339,676
NET ASSETS:			
Capital stock	500,000	500,000	3,127
Capital surplus:			
Legal capital surplus	405,044	405,044	2,533
Total capital surplus	405,044	405,044	2,533
Retained earnings:			
Legal retained earnings	107,398	98,803	672
Other retained earnings:			
Reserve for reduction entry of real estate	3,939	4,193	25
Retained earnings brought forward	787,163	703,274	4,923
Total other retained earnings	791,102	707,467	4,948
Total retained earnings	898,501	806,270	5,620
Treasury stock	(45,903)	(901)	(287)
Total shareholders' equity	1,757,642	1,710,413	10,994
Net unrealized gains (losses) on available-for-sale securities	2,448,471	1,551,688	15,314
Net deferred gains (losses) on hedges	(62,655)	(19,614)	(392)
Total valuation and translation adjustments	2,385,816	1,532,073	14,923
Total net assets	4,143,459	3,242,487	25,916
Total liabilities and net assets	58,450,779	59,555,517	365,592

See accompanying notes to non-consolidated financial statements.

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

YEARS ENDED MARCH 31, 2026 AND 2025

	Millions of Yen		Millions of U.S. Dollars (Note 1)
	2026	2025	2026
ORDINARY INCOME:			
Insurance premiums and others:			
Insurance premiums (Note 13)	2,128,126	3,115,427	13,311
Reinsurance income	60,534	39,448	379
Total insurance premiums and others	2,188,660	3,154,875	13,689
Investment income:			
Interest and dividend income:			
Interest on deposits	8,312	2,482	52
Interest and dividends on securities	795,677	803,699	4,977
Interest on loans	11,712	12,318	73
Interest on loans to the Management Network	30,146	38,318	189
Other interest and dividend income	9,791	7,742	61
Total interest and dividend income	855,640	864,561	5,352
Gains on money held in trust (Note 15)	397,705	199,152	2,488
Gains on sales of securities (Note 16)	52,634	110,640	329
Gains on redemption of securities	305	220	2
Gains on foreign exchanges	6,229	20,999	39
Reversal of reserve for possible loan losses	29	—	0
Other investment income	47	44	0
Total investment income	1,312,592	1,195,618	8,210
Other ordinary income:			
Reversal of reserve for outstanding claims (Note 12)	—	58,919	—
Reversal of policy reserves (Note 12)	2,112,204	1,747,260	13,211
Reversal of reserve for employees' retirement benefits	528	427	3
Other ordinary income	11,519	7,388	72
Total other ordinary income	2,124,252	1,813,995	13,287
Total ordinary income	5,625,505	6,164,489	35,186
ORDINARY EXPENSES:			
Insurance claims and others:			
Insurance claims (Note 14)	3,369,183	3,787,741	21,073
Annuity payments	140,405	178,715	878
Benefits	236,666	220,852	1,480
Surrender benefits	411,279	415,441	2,572
Other refunds	43,826	49,194	274
Reinsurance premiums	216,436	553,360	1,354
Total insurance claims and others	4,417,796	5,205,305	27,632
Provision for policy reserves and others			
Provision for reserve of outstanding claims (Note 12)	4,837	—	30
Provision for interest on policyholder dividends	2,765	679	17
Total provision for policy reserves and others	7,602	679	48
Investment expenses:			
Interest expenses	31,102	13,641	195
Losses on sales of securities (Note 17)	364,721	193,470	2,281
Losses on redemption of securities	178	185	1
Losses on derivative financial instruments (Note 18)	43,974	68,329	275
Provision for reserve for possible loan losses	—	335	—
Other investment expenses	4,893	3,116	31
Total investment expenses	444,870	279,079	2,783
Operating expenses (Note 24)	410,148	428,363	2,565
Other ordinary expenses:			
Taxes	30,416	35,869	190
Depreciation and amortization	40,225	40,736	252
Other ordinary expenses	1,198	3,474	7
Total other ordinary expenses	71,840	80,080	449
Total ordinary expenses	5,352,258	5,993,508	33,477
Ordinary profit	273,247	170,981	1,709
EXTRAORDINARY GAINS (Note 19)	110,707	43,884	692
EXTRAORDINARY LOSSES (Note 20)	2,876	240	18
Provision for reserve for policyholder dividends (Note 21)	143,579	96,990	898
Income before income taxes	237,499	117,634	1,485
Income taxes (Note 11):			
Current	12,951	20,759	81
Deferred	54,350	(27,217)	340
Total income taxes	67,301	(6,458)	421
Net income	170,197	124,093	1,065

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, 2026 AND 2025

	Millions of Yen									
	Shareholders' equity									
	Capital surplus				Retained earnings					
					Other retained earnings					
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for reduction entry of real estate	Retained earnings brought forward	Total retained earnings	Treasury stock	Total shareholders' equity
BALANCE, APRIL 1, 2024	500,000	405,044	—	405,044	91,216	4,506	624,389	720,112	(948)	1,624,208
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
Cancellation of treasury stock										—
Reversal of reserve for reduction entry of real estate						(313)	313	—		—
Transfer from retained earnings to capital surplus										—
Net changes in items other than shareholders' equity in the fiscal year	—	—	—	—	7,586	(313)	78,884	86,158	47	86,205
Net changes in the fiscal year	—	—	—	—	7,586	(313)	78,884	86,158	47	86,205
BALANCE, MARCH 31, 2025	500,000	405,044	—	405,044	98,803	4,193	703,274	806,270	(901)	1,710,413
Changes in the fiscal year:										
Cash dividends					8,595		(51,573)	(42,977)		(42,977)
Net income							170,197	170,197		170,197
Purchases of treasury stock									(79,999)	(79,999)
Disposals of treasury stock									8	8
Cancellation of treasury stock									34,989	—
Reversal of reserve for reduction entry of real estate				(34,989)						—
Transfer from retained earnings to capital surplus						(253)	253	—		—
Net changes in items other than shareholders' equity in the fiscal year	—	—	—	—	34,989		(34,989)	(34,989)		—
Net changes in the fiscal year	—	—	—	—	8,595	(253)	83,888	92,230	(45,001)	47,229
BALANCE, MARCH 31, 2026	500,000	405,044	—	405,044	107,398	3,939	787,163	898,501	(45,903)	1,757,642

	Millions of Yen			
	Valuation and translation adjustments			
	Net unrealized gains (losses) on available-for-sale securities		Total valuation and translation adjustments	
			Total net assets	
BALANCE, APRIL 1, 2024	1,775,693		(4,186)	
Changes in the fiscal year:				
Cash dividends				
Net income				
Purchases of treasury stock				
Disposals of treasury stock				
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				
Net changes in the fiscal year				
BALANCE, MARCH 31, 2025	1,551,688		(19,614)	
Changes in the fiscal year:				
Cash dividends				
Net income				
Purchases of treasury stock				
Disposals of treasury stock				
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				
Net changes in the fiscal year				
BALANCE, MARCH 31, 2026	2,448,471		(62,655)	

	Millions of U.S. Dollars (Note 1)									
	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, MARCH 31, 2025	3,127	2,533	—	2,533	618	26	4,399	5,043	(6)	10,698
Changes in the fiscal year:										
Cash dividends					54		(323)	(269)		(269)
Net income							1,065	1,065		1,065
Purchases of treasury stock									(500)	(500)
Disposals of treasury stock									0	0
Cancellation of treasury stock				(219)	(219)				219	—
Reversal of reserve for reduction entry of real estate						(2)	2	—		—
Transfer from retained earnings to capital surplus				219	219		(219)	(219)		—
Net changes in items other than shareholders' equity in the fiscal year	—	—	—	—	54	(2)	525	577	(281)	295
Net changes in the fiscal year	—	—	—	—	54	(2)	525	577	(281)	295
BALANCE, MARCH 31, 2026	3,127	2,533	—	2,533	672	25	4,923	5,620	(287)	10,994

	Millions of U.S. Dollars (Note 1)			
	Valuation and translation adjustments			
	Net unrealized gains (losses) on available-for-sale securities		Total valuation and translation adjustments	
			Total net assets	
BALANCE, MARCH 31, 2025	9,705		(123)	
Changes in the fiscal year:				
Cash dividends				
Net income				
Purchases of treasury stock				
Disposals of treasury stock				
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				
Net changes in the fiscal year				
BALANCE, MARCH 31, 2026	15,314		(392)	

See accompanying notes to non-consolidated financial statements.

See accompanying notes to non-consolidated financial statements.

JAPAN POST INSURANCE CO., LTD.

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2026 AND 2025

1. BASIS OF PRESENTATION

The accompanying non-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 non-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.

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 ¥159.88 to US\$1, the approximate rate of exchange as of March 31, 2026. 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 and other securities with no market price

Available-for-sale securities other than stocks and other securities 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 and other securities with no market price

Stocks and other securities 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

Currency swaps and 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, 2026, and 2025, were ¥114 million (\$1 million) and ¥44 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 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. 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 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 and others for which payment is due but has not been paid at the fiscal year-end, or insurance claims and others 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 among other times.

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, 2026, and 2025, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
March 31			
Equities of subsidiaries	1,784	1,784	11
Investments in capital of subsidiaries	108,701	90,118	680
Equities of affiliates	56,950	58,962	356
Investments in capital of affiliates	—	36,716	—

Securities lent under lending agreements in the amount of ¥3,153,086 million (\$19,722 million) and ¥1,390,979 million were included in “Securities” in the balance sheets as of March 31, 2026, and 2025, 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 ¥60,313 million (\$377 million) and ¥109,672 million as of March 31, 2026, and 2025, respectively.

(2) Policy-Reserve-Matching Bonds

The balance sheet amount and fair value of policy-reserve-matching bonds as of March 31, 2026, and 2025, were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
March 31			
Balance sheet amount	7,001,851	7,243,771	43,794
Fair value	5,902,104	6,522,343	36,916

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 specified range and monitored on a regular basis.

- 1) Postal Life Insurance Contracts (excluding certain insurance types)
- 2) Japan Post Insurance life insurance contracts (general) (all insurance policies)
- 3) Japan Post Insurance life insurance contracts (lump-sum payment) (excluding certain 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, 2026, and 2025, consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
March 31			
Assets pledged as collateral:			
Securities	4,834,239	4,489,608	30,237
Liabilities corresponding to assets pledged as collateral:			
Payables under repurchase agreements	4,595,895	4,516,922	28,746

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
	2026	2025	2026
March 31			
Securities	241,312	160,554	1,509
Margin deposits for futures transactions	4,932	4,437	31
Cash collateral paid for financial instruments	135,155	56,013	845

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, 2026, and 2025.

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.

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, 2026, and 2025, was as follows:

March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
	295	357	2

Reserve for outstanding claims—ceded

Policy reserves for reinsured parts defined in Article 71, Paragraph 1 of the said Ordinance (hereinafter, the “policy reserves—ceded”) as of March 31, 2026, and 2025, were as follows:

March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
	1,378,781	1,187,171	8,624

Policy reserves—ceded

7. RESERVE FOR POLICYHOLDER DIVIDENDS

Changes in reserve for policyholder dividends for the years ended March 31, 2026, and 2025, were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
	2026	2025	2026
Balance at the beginning of the year	1,085,126	1,101,628	6,787
Policyholder dividends paid	(101,997)	(114,060)	(638)
Interest accrual	2,765	679	17
Reduction due to the acquisition of additional annuity	(282)	(112)	(2)
Provision for reserve for policyholder dividends	143,579	96,990	898
Balance at the end of the year	1,129,192	1,085,126	7,063

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, 2026, and 2025, were as follows:

March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
	2026	2025	2026
Policy reserves (excluding contingency reserve and including policy reserves—ceded)	23,140,530	24,576,340	144,737
Contingency reserve	937,984	915,558	5,867
Reserve for price fluctuations	530,349	581,452	3,317

9. BONDS PAYABLE

Bonds payable, which are subordinated bonds stipulating that their priorities are ranked behind other obligations, as of March 31, 2026, and 2025, were as follows:

March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
	2026	2025	2026
Subordinated bonds	500,000	500,000	3,127

10. DEPOSITS FROM THE MANAGEMENT NETWORK

Deposits from the Management Network refer to the amounts equivalent to the reserve for outstanding claims of the Management Network, which were deposited at the time of privatization based on the outsourcing agreements with the Management Network for the administrative operation of the Postal Life Insurance Policy and which remained unpaid at the end of the years ended March 31, 2026, and 2025.

11. DEFERRED TAX ASSETS AND LIABILITIES

Significant components of deferred tax assets and liabilities as of March 31, 2026, and 2025, were as follows:

March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
	2026	2025	2026
Deferred tax assets:			
Policy reserves	1,004,858	1,025,316	6,285
Reserve for price fluctuations	194,319	225,014	1,215
Reserve for outstanding claims	40,540	42,760	254
Reserve for employees’ retirement benefits	33,804	31,315	211
Unrealized losses on available-for-sale securities	196,178	169,314	1,227
Other	71,104	52,319	445
Subtotal	1,540,807	1,546,041	9,637
Valuation allowance	(18,156)	(16,009)	(114)
Total deferred tax assets	1,522,650	1,530,031	9,524
Deferred tax liabilities:			
Unrealized gains on available-for-sale securities	(1,178,402)	(787,439)	(7,371)
Other	(16,813)	(14,228)	(105)
Total deferred tax liabilities	(1,195,216)	(801,668)	(7,476)
Net deferred tax assets (liabilities)	327,434	728,362	2,048

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, 2026, and 2025.

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

March 31	2026	2025
Statutory tax rate:	—%	28.00%
Increase in deferred tax assets at the end of fiscal year due to a change in tax rate	—	(34.62)
Other	—	1.13
Effective income tax rate	—%	(5.49)%

Note: The above note for the year ended March 31, 2026, is omitted as the difference between the statutory tax rate and the effective income tax rate did not exceed 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 Japanese 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, income taxes – deferred decreased by ¥40,725 million, and net unrealized gains on available-for-sale securities decreased by ¥19,745 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 added to the calculation of provision for reserve for outstanding claims for the year ended March 31, 2026, was ¥61 million (\$0 million). 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 year ended March 31, 2025, was ¥69 million.

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, 2026, and 2025, was ¥191,610 million (\$1,198 million) and ¥545,425 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, 2026, and 2025, were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
	2026	2025	2026
Insurance premiums	104,043	131,451	651

14. INSURANCE CLAIMS

Insurance claims based on reinsurance contracts with the Management Network included in insurance claims for the years ended March 31, 2026, and 2025, were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Insurance claims	1,783,384	2,065,061	11,155

15. GAINS ON MONEY HELD IN TRUST

Gains on money held in trust included losses on valuation of ¥2,701 million (\$17 million) and ¥4,975 million for the years ended March 31, 2026, and 2025, respectively.

16. GAINS ON SALES OF SECURITIES

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

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Japanese government bonds and other bonds	6,159	31,104	39
Stocks	39,476	23,280	247
Foreign securities	6,998	56,256	44

17. LOSSES ON SALES OF SECURITIES

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

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Japanese government bonds and other bonds	333,401	160,749	2,085
Stocks	9,151	2,381	57
Foreign securities	10,267	28,375	64
Other securities	11,901	1,964	74

18. LOSSES ON DERIVATIVE FINANCIAL INSTRUMENTS

Losses on derivative financial instruments included losses on valuation of ¥56,111 million (\$351 million) and ¥6,288 million for the years ended March 31, 2026, and 2025, respectively.

19. EXTRAORDINARY GAINS

Extraordinary gains for the years ended March 31, 2026, and 2025, consisted of the following:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Gains on sales of fixed assets	10	15	0
Reversal of reserve for price fluctuations	110,697	43,869	692

20. EXTRAORDINARY LOSSES

Extraordinary losses for the years ended March 31, 2026, and 2025, consisted of the following:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Losses on sales and disposal of fixed assets	317	240	2
Losses on impairment of fixed assets	2,558	—	16

21. 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, 2026, and 2025, was as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Provision for reserve for policyholder dividends	126,124	86,029	789

22. TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES

Transactions with the subsidiaries and affiliates for the years ended March 31, 2026, and 2025, and outstanding balances arising from such transactions as of March 31, 2026, and 2025, were as follows:

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Income	—	—	—
Expenses	18,425	19,114	115

March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Monetary claims	153	174	1
Monetary obligations	15,927	16,989	100

23. SUBSEQUENT EVENTS

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

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

1) Purpose of the stock split

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

2) Outline of the stock split

a) Method of the stock split

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

b) Number of shares increased by the stock split

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

c) Schedule for the stock split

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

3) Effect on per share data

Per share data assuming that the stock split was conducted at the beginning of the year ended March 31, 2025, was as follows:

	Yen		U.S. Dollars
March 31/Years ended March 31	2026	2025	2026
Net assets per share	3,823.75	2,823.58	23.92
Net income per share	153.81	108.06	0.96

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

a) Reason for the amendment to the Articles of Incorporation

In association with the stock split, pursuant to Article 184, Paragraph 2 of the Companies Act, the Company made a partial amendment to the Articles of Incorporation following the resolution of the Board of Directors’ meeting, with an effective date of April 1, 2026.

b) Amendment to the Articles of Incorporation

(The amended part is underlined.)

Before the amendment	After the amendment
(Total number of shares authorized to be issued)	(Total number of shares authorized to be issued)
Article 6: The total number of shares authorized to be issued by the Company shall be 2,400 million shares.	Article 6: The total number of shares authorized to be issued by the Company shall be 4,400 million shares.

c) Schedule for the amendment to the Articles of Incorporation

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

(2) Cancellation of Treasury Stock

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

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

(Reference)

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

(3) Issuance of U.S. Dollar-Denominated Subordinated Notes

At the Board of Directors' meeting held on August 28, 2026, the Company resolved to issue U.S. dollar-denominated subordinated notes (the "Notes") in order to further improve its financial soundness. The Notes were issued on September 16, 2026. A summary of the issuance of the Notes is as follows:

1. Type	U.S. dollar-denominated subordinated notes due 2056 with interest deferral options
2. Principal amount	U.S.\$ 1 billion
3. Offering price	100% of principal amount
4. Interest rate	A fixed rate of 6.50% per annum before September 16, 2036 and a fixed rate reset with step-up thereafter (reset every 5 years)
5. Maturity	September 16, 2056 The Notes are callable on September 16, 2036 and every date which falls five, or a multiple of five, years thereafter until the Notes are fully redeemed at the discretion of the Company, subject to prior consent by the regulatory authority, etc.
6. Subordination	Upon the occurrence of a subordination event, such as liquidation, the Notes will be subordinated to the senior indebtedness of the Company, and will rank in priority to the Company's common stock, preferred stock (including the most senior preferred stock) and junior indebtedness.
7. Offering	The Notes were offered in overseas markets, primarily in the United States, Europe and Asia. The Notes were not offered or sold within the United States, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act")
8. Payment date	September 16, 2026

24. SUPPLEMENTARY SCHEDULES

Schedule of Operating Expenses

Years ended March 31	Millions of Yen		Millions of U.S. Dollars
	2026	2025	2026
Sales activity expenses:	45,754	58,906	286
Field sales staff-related expenses	33,336	32,718	209
Sales agencies-related expenses	12,418	26,187	78
Selection expenses of policyholders	—	0	—
Sales administration expenses:	17,014	17,761	106
Management of sales agencies	11,670	12,439	73
Training and education of sales staff	241	324	2
Advertising	5,103	4,997	32
General administration expenses:	347,379	351,696	2,173
Personnel expenses	104,776	101,289	655
Property expenses	242,602	250,405	1,517
Donation, contribution and miscellaneous dues	473	369	3
Obligations	1	1	0
Total	410,148	428,363	2,565

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, 2026						
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
Tangible fixed assets:							
Land	—	—	—	75,534	—	—	75,534
Buildings	—	—	—	78,508	37,896	3,386	40,612
Leased assets	—	—	—	8,213	3,668	1,159	4,545
Construction in progress	—	—	—	25	—	—	25
Other	—	—	—	36,150	21,923	2,350	14,227
Total tangible fixed assets	—	—	—	198,432	63,487	6,895	134,944
Intangible fixed assets:							
Software	—	—	—	710,530	582,091	33,292	128,438
Other	—	—	—	36	27	2	9
Total intangible fixed assets	—	—	—	710,566	582,119	33,294	128,447
Long-term prepaid expenses	762	19	—	782	594	35	187
Deferred 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
Tangible fixed assets:							
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
Total tangible fixed assets	—	—	—	203,645	63,379	7,114	140,266
Intangible fixed assets:							
Software	—	—	—	671,474	550,586	33,586	120,887
Other	—	—	—	36	25	2	11
Total intangible fixed assets	—	—	—	671,511	550,612	33,589	120,899
Long-term prepaid expenses	709	52	—	762	559	32	203
Deferred assets	—	—	—	—	—	—	—

	Millions of U.S. Dollars						
	Year ended March 31, 2026						
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
Tangible fixed assets:							
Land	—	—	—	472	—	—	472
Buildings	—	—	—	491	237	21	254
Leased assets	—	—	—	51	23	7	28
Construction in progress	—	—	—	0	—	—	0
Other	—	—	—	226	137	15	89
Total tangible fixed assets	—	—	—	1,241	397	43	844
Intangible fixed assets:							
Software	—	—	—	4,444	3,641	208	803
Other	—	—	—	0	0	0	0
Total intangible fixed assets	—	—	—	4,444	3,641	208	803
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, 2026					
	Beginning balance	Increase	Decrease (used for original purposes)	Decrease (for other reasons)	Ending balance
Reserve for possible loan losses	766	864	49	717	864
General reserve	367	338	—	367	338
Specific reserve	398	526	49	349	526
Reserve for management bonuses	227	248	227	—	248
Reserve for management board benefit trust	407	86	12	—	481
Reserve for price fluctuations	829,930	16,986	127,683	—	719,232

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 U.S. Dollars					
Year ended March 31, 2026					
	Beginning balance	Increase	Decrease (used for original purposes)	Decrease (for other reasons)	Ending balance
Reserve for possible loan losses	5	5	0	4	5
General reserve	2	2	—	2	2
Specific reserve	2	3	0	2	3
Reserve for management bonuses	1	2	1	—	2
Reserve for management board benefit trust	3	1	0	—	3
Reserve for price fluctuations	5,191	106	799	—	4,499

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, 2026 and 2025, 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, 2026 and 2025, 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 of public interest entities 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

4 Status of Financial Assets (Consolidated)

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

(Millions of yen, %)

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

Notes:

1. Bankrupt or quasi-bankrupt loans are loans to borrowers who have fallen into bankruptcy for reasons such as the commencement of bankruptcy proceedings or reorganization proceedings, or a 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 that 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.

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2026 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.

MORIMOTO Yohei
Designated Engagement Partner
Certified Public Accountant

SATO Eihiro
Designated Engagement Partner
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KPMG AZSA LLC
Tokyo Office, Japan
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4-2 Status of Insurance Claims Paying Ability of the Company and Its Subsidiaries (Consolidated Solvency Margin Ratio)

(1) Consolidated solvency margin ratio, amounts of qualifying capital, and required capital for the most recent fiscal year

Summary (consolidated)	
As of March 31	2026
Qualifying capital (A)	4,767,598
Required capital (B)	2,635,579
Consolidated solvency margin ratio ((A)/(B))	180.8

(Millions of yen, %)

(2) Components of the amount of qualifying capital for the most recent fiscal year

(Millions of yen)

Components of the amount of qualifying capital (consolidated)	
As of March 31	2026
Tier 1 qualifying capital ((B) – (C)) (A)	3,988,983
Basic items of Tier 1 qualifying capital (B)	4,420,957
Tier 1 unlimited financial instruments	500,000
Tier 1 limited financial instruments	–
Tier 1 qualifying capital other than financial instruments	3,920,957
Surplus, etc. or retained earnings, etc.	2,863,345
Capital surplus (excluding amounts included in Tier 2 qualifying capital)	405,044
Accumulated other comprehensive income or valuation and translation adjustments, etc.	2,400,158
Other contributions, etc.	–
Non-controlling interests (after applying the cap)	–
Economic value-based adjustment	(1,747,590)
Adjustment items relating to Tier 1 qualifying capital (C)	431,973
Intangible fixed assets (net of offsetting deferred tax liabilities)	119,394
Deferred tax assets	236,611
Prepaid pension costs or retirement benefit assets (net of offsetting deferred tax liabilities)	–
Tier 1 financial instruments intentionally held by other financial institutions, etc.	–
Investments in own Tier 1 financial instruments	45,903
Ineligible reinsurance assets	–
Excess of assets subject to disposal restrictions over related liabilities and required capital	30,064
Tier 2 qualifying capital ((E) – (F) – (G)) (D)	778,614
Basic items of Tier 2 qualifying capital (E)	778,614
Tier 2 capital instruments	500,000
Excess amount of Tier 1 limited financial instruments	–
Paid-up Tier 2 financial instruments	500,000
Non-paid-up Tier 2 financial instruments	–
Tier 2 qualifying capital other than financial instruments	278,614
Capital surplus arising from issuance of financial instruments included in Tier 2 financial instruments	–
Assets subject to disposal restrictions deducted from Tier 1 qualifying capital	30,064
Tier 2 basket (after application of the cap)	248,550
Adjustment items relating to Tier 2 qualifying capital (F)	–
Tier 2 financial instruments intentionally held by other financial institutions, etc.	–
Investments in own Tier 2 financial instruments	–
Deduction due to application of the cap to Tier 2 qualifying capital (G)	–
Qualifying capital ((A) + (D))	4,767,598

(3) Components of the amount of required capital for the most recent fiscal year

(Millions of yen)

Components of the amount of required capital (consolidated)	
As of March 31	2026
Life insurance risk (A)	1,279,961
Mortality risk	47,510
Longevity risk	186,329
Morbidity and disability risk	222,573
Surrender and lapse risk	928,733
Expense risk	367,862
Effect of management actions	—
Non-life insurance risk (B)	—
Catastrophe risk (C)	27,192
Market risk (D)	1,646,140
Interest rate risk	337,262
Spread risk	94,191
Equity risk	1,046,296
Real estate risk	251,698
Currency risk	536,354
Asset concentration risk	89,093
Effect of management actions	—
Credit risk (E)	282,842
Operational risk (F)	195,640
Excess amount over the cap on the effect of management actions (G)	—
Diversification effect (H)	798,974
Required capital for non-insurance business (I)	2,776
Required capital (before consideration of tax effects) ((A) + (B) + (C) + (D) + (E) + (F) + (G) – (H) + (I)) (J)	2,635,579
Tax effects on required capital (K)	—
Required capital (after consideration of tax effects) ((J) – (K))	2,635,579

Notes:

1. The amount of each risk comprising required capital is calculated primarily by integrating the amounts presented as breakdown items using prescribed correlation coefficients that take the diversification effect into account. For these reasons, it does not equal the simple sum of the amounts presented as breakdown items.
2. As the amount of catastrophe risk is not material, disclosure of its breakdown has been omitted.

(4) Economic value-based balance sheet

(As of March 31, 2026)

(Millions of yen)

Economic value-based balance sheet (consolidated)					
Item	(a)	(b)	(c)	(d)	(e)
	Financial accounting basis	Adjustment relating to scope of consolidation, etc.	Reclassification	Revaluation	Economic value basis ((a) + (b) + (c) + (d))
ASSETS					
Total assets	58,442,160	—	1,906,235	(5,940,344)	54,408,051
Cash and deposits	1,752,984	—	457,557	—	2,210,541
Call loans	30,000	—	—	—	30,000
Receivables under resale agreements	472,482	—	—	—	472,482
Receivables under securities borrowing transactions	—	—	—	—	—
Monetary claims bought	21,229	—	—	—	21,229
Trading account securities	—	—	—	—	—
Money held in trust	8,039,836	—	(8,039,836)	—	—
Securities	44,931,286	—	6,758,147	(4,677,996)	47,011,437
Loans	2,134,764	—	267,510	(98,328)	2,303,946
Tangible fixed assets	135,807	—	1,016,989	16,653	1,169,450
Land	75,534	—	—	(13,225)	62,309
Buildings	40,714	—	—	—	40,714
Leased assets	4,759	—	—	—	4,759
Construction in progress	25	—	—	—	25
Other tangible fixed assets	14,772	—	1,016,989	29,878	1,061,641
Intangible fixed assets	119,394	—	—	—	119,394
Software	119,385	—	—	—	119,385
Goodwill	—	—	—	—	—
Leased assets	—	—	—	—	—
Other intangible fixed assets	9	—	—	—	9
Retirement benefit assets	—	—	—	—	—
Deferred tax assets	322,742	—	—	(86,130)	236,611
Deferred tax assets for land revaluation	—	—	—		—
Reserve for possible loan losses	(864)	—	—	338	(526)
Reserve for possible investment losses	—	—	—	—	—
Other assets	482,496	—	66,790	1,285	550,572
Separate account assets	—	—	—	—	—
Reinsurance recoverables		—	1,379,076	(1,096,166)	282,910

Economic value-based balance sheet (consolidated)					
Item	(a)	(b)	(c)	(d)	(e)
	Financial accounting basis	Adjustment relating to scope of consolidation, etc.	Reclassification	Revaluation	Economic value basis ((a) + (b) + (c) + (d))
LIABILITIES					
Total liabilities	54,288,531	—	(62,780)	(4,192,753)	50,032,997
Insurance liabilities (Policy reserves and others)	48,102,350	—	129,293	(4,192,753)	44,038,889
Insurance liabilities that can be replicated by the asset portfolio					—
Current estimate of policy reserves and others (excluding regulatory reserves)	46,852,566	—			43,475,696
Margin over current estimate (MOCE)					563,192
Amount included to regulatory reserves (contingency reserve, etc.)	1,249,783	—	(1,249,783)	—	—
Non-insurance liabilities	6,186,181	—	(192,073)	—	5,994,107
Other regulatory reserves (excluding those included in insurance liabilities)	—	—	—	—	—
Other reserves	—	—	—	—	—
Short-term bonds payable	—	—	—	—	—
Bonds payable	500,000	—	—	—	500,000
Bonds with stock acquisition rights	—	—	—	—	—
Liability for retirement benefits (Reserve for employees' retirement benefits)	98,658	—	—	—	98,658
Reserve for retirement benefits for directors (and other officers)	—	—	—	—	—
Other provisions	730	—	—	—	730
Reserve for price fluctuations	719,232	—	(719,232)	—	—
Reserve for financial instruments transaction liabilities	—	—	—	—	—
Deferred tax liabilities	—	—	—	—	—
Deferred tax liabilities for land revaluation	—	—	—		—
Income taxes payable	1,518	—	—	—	1,518
Other liabilities	4,866,041	—	527,159	—	5,393,200

Economic value-based balance sheet (consolidated)					
Item	(a)	(b)	(c)	(d)	(e)
	Financial accounting basis	Adjustment relating to scope of consolidation, etc.	Reclassification	Revaluation	Economic value basis ((a) + (b) + (c) + (d))
NET ASSETS					
Net assets	4,153,628	—	1,969,016	—	4,375,054
Total shareholders' equity	1,753,470	—	1,969,016	—	3,722,486
Capital stock	500,000	—	—	—	500,000
Deposits for subscriptions of stock	—	—	—	—	—
Capital surplus	405,044	—	—	—	405,044
Retained earnings	894,329	—	—	—	894,329
Regulatory reserves		—	1,969,016	—	1,969,016
(-) Treasury stock	45,903	—	—	—	45,903
Deposits for subscriptions of treasury stock	—	—	—	—	—
Total accumulated other comprehensive income (Total valuation and translation adjustments)	2,400,158	—	—	—	2,400,158
Net unrealized gains (losses) on available-for-sale securities	2,448,521	—	—	—	2,448,521
Net deferred gains (losses) on hedges	(62,655)	—	—	—	(62,655)
Reserve for land revaluation	—	—	—	—	—
Foreign currency translation adjustment	—	—	—	—	—
Accumulated adjustments for retirement benefits	14,291	—	—	—	14,291
Valuation difference on reserve for insurance policy liabilities of foreign subsidiaries	—	—	—	—	—
Share award rights	—	—	—	—	—
Share acquisition rights	—	—	—	—	—
Non-controlling interests	—	—	—	—	—
Other	—	—	—	—	—
Economic value-based adjustment					(1,747,590)

1. Legal Basis
The economic value-based balance sheet has been prepared pursuant to Public Notices No. 74 and No. 75 issued by the Financial Services Agency, in 2025 as provided for in Article 59-3, Paragraph 1, Item 3(c), of the Ordinance for Enforcement of the Insurance Business Act.
2. Going concern
Not applicable.
3. Policy for preparing the economic value-based balance sheet
(1) Methods of asset valuation
(i) The principal methods of asset valuation used by the consolidated life insurance companies are as follows :
I. Financial instruments, etc. recognized under assets
With respect to the amounts of financial instruments, etc., the Group has revalued at fair value even held-to-maturity bonds, policy-reserve-matching bonds, and stocks, etc., with no market price, which are not measured at fair value for financial accounting purposes. However, shares of subsidiaries and affiliated companies are valued at the amounts recorded on the balance sheet.
In addition, for investment trusts, etc., subject to reclassification, the Group has, to the extent possible, recognized them based on the individual assets and transactions underlying the exposures held (hereinafter, the “look-through approach”) and then revalued them at fair value.
In revaluing financial instruments at fair value, the Group has used the fair values disclosed in accordance with ASBJ Guidance No. 19, “Implementation Guidance on Disclosures about Fair Value of Financial Instruments.” In addition, with respect to the fair value valuation of stocks with no market price and investments in partnerships, etc., the Group applies the proportionality principle and treats the net asset value used for impairment assessment as deemed fair value.
II. Reinsurance recoverables for reinsured insurance contracts
Reinsurance recoverables for reinsured insurance contracts are recognized under assets based on the probability-weighted average of the present value of future cash flows. The assumptions used for future cash flows and discount rates are consistent with those used for the insurance contracts to which the relevant reinsurance applies.
In addition, the estimated uncollectible amount of reinsurance proceeds, etc., included in reinsurance recoverables is calculated using expected default rates set by rating category, etc. However, for ceded reinsurance relating to insurance contracts classified under the Japan Post Insurance category, the Group applies the proportionality principle and omits the calculation of the estimated uncollectible amount.
III. Deferred tax assets
Deferred tax assets consist of the amount of deferred tax assets recognized for financial accounting purposes plus the amount of deferred tax assets arising from adjustments for economic value-based measurement.
(ii) In valuing assets, the consolidated life insurance companies apply the proportionality principle to the following items, taking into account their materiality and other factors in relation to the calculation results. The impact of applying the proportionality principle on the calculation results of the solvency margin ratio, etc., is minor.
(A) With respect to the fair value of real estate for business use, while the normal treatment is valuation based on real estate appraisal values, the Group uses, as a simplified approach, the inheritance tax assessed value based on the roadside land price.
(B) With respect to stocks with no market price and investments in partnerships, etc., while the normal treatment is to revalue them at fair value, except for shares of subsidiaries and affiliated companies, etc., the Group uses, as a simplified approach, the net asset value used for impairment assessment as deemed fair value.
(iii) The consolidated life insurance companies do not take management actions into account in the valuation of assets.
(iv) The consolidated life insurance companies do not apply expert judgment in the valuation of assets.
(v) For consolidated calculations, no revaluation has been performed with respect to insurance companies, etc., and subsidiaries, etc., to which the equity method is applied that are classified as non-insurance businesses.

(2) Methods of liability valuation
(i) The principal methods of liability valuation used by the consolidated life insurance companies are as follows :
I. Economic value-based insurance liabilities
Economic value-based insurance liabilities are valued using the current estimate for all insurance contracts.
For insurance contracts valued using the current estimate, the Group calculates the current estimate as the probability-weighted average of the present value of future cash flows relating to the insurance contracts recognized as of the reporting date, discounted at a prescribed discount rate, and the Group values the insurance liabilities by further adding a margin (the “MOCE”) that reflects the uncertainty inherent in the current estimate. Specifically, the procedure is as follows :
i. Recognition
As of the reporting date, the consolidated life insurance companies recognize all insurance contracts to which they are a party until all obligations arising from the relevant insurance contracts have been extinguished.
ii. Estimation of future cash flows
a. Contract boundary
The contract boundary defining the future cash flows included in the measurement of the current estimate is determined based on the rights and obligations under insurance contracts.
b. Assumptions included in the estimation of future cash flows
The assumptions used to estimate future cash flows—including mortality rates, morbidity rates, surrender and lapse rates and renewal rates that reflect policyholder behavior, and operating expense ratios—are set for each appropriate category based on differences in risk characteristics, and reflect recent actual results and policyholder characteristics.
Mortality rate assumptions are set based on actual results up to the most recent period and also take into account future trends based on an analysis of official population projection data.
Morbidity rate assumptions are estimated based on actual results up to the most recent period, by cause of payment of benefits and rider insurance claims, and by elapsed period.
Surrender and lapse rate assumptions are estimated based on actual results up to the most recent period, by type of insurance product and by elapsed period.
Renewal rate assumptions are set mainly at zero, given that the renewal system relating to the renewal of special provisions has only recently been introduced, among other factors.
Operating expense ratios are set based on estimates of future expenses using recent expense levels. Adjustments for inflation are made in estimating future expenses.
The actual results used in setting each of these assumptions are monitored on a regular basis, and the results are reflected in the measurement for the current estimate.
In addition, with respect to policyholder dividends, dividend rate assumptions are set based on current dividend practices. Reinsurance dividends payable to the Management Network are paid in the amount specified in the reinsurance contract with the Management Network.
The measurement of future cash flows reflects guarantees and options relating to policyholder dividends and dynamic lapses, and the Group values insurance liabilities by performing stochastic calculations with respect to these.
In addition, with respect to outstanding claims (the portion of the current estimate relating to the expired portion of insurance obligations), the Group applies the proportionality principle and uses the amount recognized on the balance sheet.
iii. Discount rates
The discount rates are calculated by adding the adjusted spread for each portfolio of insurance contracts underwritten by the Company (hereinafter, “insurance contract portfolios”) to the risk-free rate yield curve.
The risk-free rate yield curve is set mainly based on market interest rates obtained from liquid interest rate swaps or Japanese government bonds.
The adjusted spread is calculated by classifying all insurance contract portfolios into the general bucket. The discount rates for key maturities are as follows :

Main product category	Bucket applied	5 years	10 years	15 years	20 years
All insurance contracts	General bucket	1.889%	2.490%	3.013%	3.579%

iv. MOCE

MOCE is calculated by multiplying the discounted present value of the estimated future required capital, calculated using a run-off pattern, by the assumed capital cost rate.

II. Financial instruments, etc., recognized under liabilities

With respect to the amounts of financial instruments, etc., no revaluation is performed, as the amounts recognized on the balance sheet are already at fair value.

However, for financial instruments, etc., included in the amount of qualifying capital, although the amount recognized on the balance sheet is not measured at the fair value, the Group uses the amount recognized on the balance sheet.

(ii) In valuing liabilities, the consolidated life insurance companies apply the proportionality principle to the following items, taking into account their materiality and other factors in relation to the calculation results. The impact of applying the proportionality principle on the calculation results of the solvency margin ratio, etc., is minor.

(A) With respect to certain types of insurance contracts accounting for a negligible proportion, while the normal treatment is to estimate and discount future cash flows, the Group uses simplified treatments, such as performing a simplified estimation based on the cash flows of similar products, or using the amount recorded on the balance sheet, in estimating future cash flows.

(B) With respect to the current estimate for incurred claims, while the normal treatment is to calculate the current estimate by taking into account the timing of payments for incurred claims, the Group uses the amount recognized on the balance sheet.

(iii) The consolidated life insurance companies do not take any management actions into account in the valuation of liabilities.

(iv) The consolidated life insurance companies base their valuation of liabilities on the most recent and reliable information and realistic assumptions, and determine that they are free from conservative or optimistic bias. However, the consolidated life insurance companies apply expert judgment to certain assumptions relating to mortality rates, renewal rates, and policyholder behavior included in the estimation of future cash flows, as well as to future policyholder dividends. For example, for products and other items for which sufficient actual results are not available, the consolidated life insurance companies use data from similar products or publicly available data as calculation assumptions.

(v) For consolidated calculations, no revaluation has been performed with respect to insurance companies, etc., and subsidiaries, etc., to which the equity method is applied that are classified as non-insurance businesses.

(3) Scope of consolidation or scope of application of the equity method in consolidated calculations

With respect to the scope of consolidation, there have been no changes from the scope of consolidation or scope of application of the equity method used in the consolidated balance sheet.

(4) Special method applied immediately after becoming a subsidiary

Not applicable.

(5) Details of, and reasons for, changes in the policy for preparing the economic value-based balance sheet

As the current fiscal year is the first fiscal year in which the economic value-based balance sheet has been prepared, there are no applicable matters.

4. Changes in the presentation method of the economic value-based balance sheet

As the current fiscal year is the first fiscal year in which the economic value-based balance sheet has been prepared, there are no applicable matters.

5. Accounting estimates relating to the preparation of the economic value-based balance sheet
(1) Accounting estimates
(i) Economic value-based insurance liabilities
i. Amount recognized on the economic value-based balance sheet for the current fiscal year: ¥44,038,889 million
ii. Information contributing to an understanding of the accounting estimates
a. Methods of calculating the amounts recognized on the economic value-based balance sheet for the current fiscal year
As described in Note 3. (2) Methods of liability valuation
b. Main assumptions underlying the amounts recognized on the economic value-based balance sheet for the current fiscal year, and their effect on the economic value-based balance sheet for the following fiscal year
With respect to economic value-based insurance liabilities, the current estimate and MOCE may fluctuate significantly in the following fiscal year due to changes in the following main assumptions. Information relating to these assumptions is as described in Note 3. (2) Methods of liability valuation.
(A) Assumptions used to estimate future cash flows including mortality rates, morbidity rates, surrender and lapse rates and renewal rates that reflect policyholder behavior, and operating expense ratios
(B) Assumptions relating to the discount rate
(2) Changes in accounting estimates
As the current fiscal year is the first fiscal year in which the economic value-based balance sheet has been prepared, there are no applicable matters.
6. Separate account assets
Not applicable.
7. Significant subsequent events
The notes on significant subsequent events are as follows:
(Cancellation of treasury stock)
At the Board of Directors' meeting held on April 24, 2026, the Company resolved to cancel treasury stock pursuant to Article 178 of the Companies Act, and carried out the cancellation on June 30, 2026.
(1) Class of shares to be cancelled: Common stock of the Company
(2) Number of shares to be cancelled: 30,650,400 shares
(2.7% of the total number of shares issued before the cancellation)
(3) Date of the cancellation: June 30, 2026
(Reference)
Total number of shares issued (after the cancellation): 1,084,817,700 shares

(5) Economic value by type of securities

(As of March 31, 2026)	(Millions of yen)
Details of economic value of securities (consolidated)	
Securities	47,011,437
Japanese government bonds	30,234,468
Japanese local government bonds	1,669,686
Japanese corporate bonds	3,247,804
Stocks	4,904,592
Foreign securities	6,946,464
Government bonds	1,279,339
Local government bonds	243,863
Corporate bonds	2,772,766
Stocks	2,497,711
Other	152,784
Other securities	8,419

Note: The amounts shown in this table do not include amounts attributable to separate accounts, etc.

(6) Adjustment for differences by product in insurance liabilities

(As of March 31, 2026)

(Millions of yen)

Adjustment for differences by product in insurance liabilities (consolidated)						
Item	(a)	(b)	(c)	(d)	(e)	(f)
	Financial accounting basis	Reinsurance gross-up	Updates to non-economic assumptions	Updates to economic assumptions	Other	Economic value basis (excluding MOCE)
Insurance liabilities	46,852,566	1,379,076	(1,172,282)	(3,830,980)	247,316	43,475,696
Life insurance policies, etc.	46,852,566	1,379,076	(1,172,282)	(3,830,980)	247,316	43,475,696
Individual insurance	23,472,377	910	(771,676)	(4,034,973)	181,905	18,848,545
Individual annuities	430,134	—	1,275	(22,341)	2,783	411,850
Group insurance	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—
Others	22,950,054	1,378,165	(401,881)	226,334	62,627	24,215,300
Non-life insurance policies, etc.	—	—	—	—	—	—
Reinsurance recoverables	—	1,379,076	(93,208)	(115,099)	(887,858)	282,910
Life insurance policies, etc.	—	1,379,076	(93,208)	(115,099)	(887,858)	282,910
Individual insurance	—	910	(38,853)	8,851	—	(29,091)
Individual annuities	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—
Others	—	1,378,165	(54,355)	(123,950)	(887,858)	312,001
Non-life insurance policies, etc.	—	—	—	—	—	—

(7) Sensitivity analysis of the consolidated solvency margin ratio, the amount of qualifying capital, and the amount of required capital

(As of March 31, 2026)

(Millions of yen)

Sensitivity analysis (consolidated)								
Item	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Current fiscal year-end figures	50bp increase in domestic interest rates	50bp decrease in domestic interest rates	50bp increase in USD interest rates	50bp decrease in USD interest rates	50bp decrease in UFR for domestic interest rates	10% decrease in equity and real estate value	10% appreciation of the yen
Consolidated solvency margin ratio	180.8%	(11.0)%	10.8%	(0.8)%	0.8%	(0.3)%	(5.1)%	(0.1)%
Qualifying capital	4,767,598	(108,567)	98,900	(40,161)	42,370	(12,623)	(265,219)	(103,186)
Total assets	54,408,051	(1,496,389)	1,617,744	(78,598)	91,491	4,999	(783,609)	(333,464)
Insurance liabilities (excluding MOCE)	43,475,696	(1,399,725)	1,528,551	(35,974)	38,426	18,730	(492,115)	(235,245)
Margin over current estimate (MOCE)	563,192	8,894	(7,455)	661	(337)	(1,107)	4,142	1,949
Non-insurance liabilities	5,994,107	3,009	(2,251)	(3,124)	11,031	—	(30,416)	3,017
Net assets	4,375,054	(108,567)	98,900	(40,161)	42,370	(12,623)	(265,219)	(103,186)
Required capital	2,635,579	107,746	(96,323)	(9,763)	11,788	(1,549)	(73,419)	(54,834)
Life insurance risk	1,279,961	135,878	(131,116)	4,178	(4,183)	(698)	26,296	9,685
Market risk	1,646,140	17,870	(12,566)	(13,746)	15,996	(1,342)	(109,254)	(72,188)

(8) Assumptions and methods used in calculating the consolidated solvency margin ratio

(As of March 31, 2026)

1. Scope of consolidation
With respect to the scope of consolidation, there have been no changes from the scope of consolidation or scope of application of the equity method used in the consolidated balance sheet.

2. Assumptions and methods used in calculating the amount of the current estimate

a. Discount rates
The risk-free rate yield curve is set mainly based on market interest rates obtained from liquid interest rate swaps or Japanese government bonds.
The adjusted spread is calculated by classifying the groups of insurance contracts underwritten by insurance companies, etc. (insurance contract portfolios) into the top bucket, middle bucket, or general bucket. The Company classifies all insurance contract portfolios into the general bucket for the purpose of calculation. The discount rates for key maturities are as follows :

Main product category	Bucket applied	5 years	10 years	15 years	20 years
All insurance contracts	General bucket	1.889%	2.490%	3.013%	3.579%

The insurance contract portfolios established by the Company are as follows :
(A) Former policy category: The portfolio of former Postal Life Insurance Policies reinsured from the Management Network
(B) Kampo policy category / general category: The portfolio of basic insurance policies for which the premium payment method is level payment, and riders attached thereto, among the insurance contracts solicited by the Company
(C) Kampo policy category / lump-sum category: The portfolio of basic insurance policies for which the premium payment method is lump-sum payment, and riders attached thereto, among the insurance contracts solicited by the Company
(D) Assumed reinsurance category: The portfolio of assumed reinsurance (excluding those falling under (A) above)

b. Method of setting the non-economic assumptions considered in the calculation of future cash flows relating to insurance contracts
The assumptions used to estimate future cash flows—including mortality rates, morbidity rates, surrender and lapse rates and renewal rates that reflect policyholder behavior, and operating expense ratios—are set for each appropriate category based on differences in risk characteristics, and reflect recent actual results and policyholder characteristics.
Mortality rate assumptions are set based on actual results up to the most recent period and also take into account future trends based on an analysis of official population projection data.
Morbidity rate assumptions are estimated based on actual results up to the most recent period, by cause of payment of benefits and rider insurance claims, and by elapsed period.
Surrender and lapse rate assumptions are estimated based on actual results up to the most recent period, by type of insurance product and by elapsed period.
Renewal rate assumptions are set mainly at zero, given that the renewal system relating to the renewal of special provisions has only recently been introduced, among other factors.
Operating expense ratios are set based on estimates of future expenses using recent expense levels. Adjustments for inflation are made in estimating future expenses.
The actual results used in setting each of these assumptions are monitored on a regular basis, and the results are reflected in the measurement for the current estimate.
In addition, with respect to policyholder dividends, dividend rate assumptions are set based on current dividend practices. Reinsurance dividends payable to the the Management Network are paid in the amount specified in the reinsurance contract with the the Management Network.

c. Details of guarantees and options reflected in future cash flows relating to insurance contracts and their valuation methods
The measurement of future cash flows reflects guarantees and options relating to policyholder dividends and dynamic lapses, and the Group values insurance liabilities by performing stochastic calculations with respect to these.

3. Assumptions and methods used in calculating the amount of required capital

a. Management actions
The effect of management actions is not taken into account in the calculation of the amount of required capital.

b. Risk mitigation techniques In the calculation of the amount of required capital, because reinsurance dividends under reinsurance contracts relating to the former policy category are set as a fixed proportion of reinsurance profit or loss, the effect of deterioration in reinsurance profit or loss when a risk materializes is offset by a decrease in reinsurance dividends. This effect is recognized as a risk mitigation technique. In calculating the amount of currency risk, for hedged foreign bonds for which currency risk is hedged using forward foreign exchange contracts with a term of less than one year, the effect of rolling hedges is recognized where the requirements set forth in the relevant provisions of Public Notice No. 74 issued by the Financial Services Agency in 2025 are satisfied. c. Application of the method of undertaking-specific parameters in calculating the amount of life insurance risk Not applicable. d. Application of the method of undertaking-specific parameters in calculating the amount of non-life insurance risk Not applicable. e. Application of internal model method Not applicable. f. Application of internal discount rate method Not applicable.
4. Other material assumptions and methods used in calculating the consolidated solvency margin ratio Not applicable.
5. Material changes to the assumptions and methods used in calculating the consolidated solvency margin ratio As the current fiscal year is the first year of the economic value-based solvency regulation, there are no applicable matters.

(9) Overview of the procedures and organizational structure relating to the calculation and validation of the consolidated solvency margin ratio

The Company's internal policies, etc., designate the departments responsible for calculating the consolidated solvency margin ratio, and require the appointment of a person responsible for validating the calculation of the consolidated solvency margin ratio as a whole (including the asset area) (hereinafter, the “person responsible for validation of the solvency margin ratio as a whole”) and a person responsible for validating the insurance liabilities area used in the calculation of the consolidated solvency margin ratio (hereinafter, the “person responsible for validation of the insurance liabilities area”).

In appointing the persons responsible for validation, the Company considers their qualifications, including knowledge and experience in actuarial science or risk management sufficient to validate the calculation of the consolidated solvency margin ratio and makes any necessary recommendations to management. In addition, within the Company, the person responsible for validation of the solvency margin ratio as a whole also serves as the person responsible for calculation, and a check-and-balance function is ensured by having this person responsible for validation report the details of the validation to the Risk Management Committee. The person responsible for validation of the insurance liabilities area does not serve concurrently as the person responsible for the calculation.

The authority and responsibilities of each person responsible for validation are specified in the Company's internal policies, etc., and have been approved by the Board of Directors. Such authority includes the authority for the persons responsible for validation to report directly to the Board of Directors, etc., without being restricted to reporting through other persons within the Company's organization and the Group. The person responsible for validation of the solvency margin ratio as a whole prepares a report on the validation of the overall calculation of the solvency margin ratio on a consolidated basis, while the person responsible for validation of the insurance liabilities area prepares a report relating to the validation of insurance liabilities on a consolidated basis. The Board of Directors receives reports on the results of such validations.

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 Risk Management Systems

◆ Overview of Stress Tests and How to Utilize their Results

The Company implements periodic stress testing to ascertain the impact of an event that has a low but certain probability of occurring and could have a significant effect on the Company.

The stress test scenarios are determined by the Risk Management Committee, in consultation with the management team. Specifically, they include:

- Comprehensively covering risk factors that could have a significant impact on the Company, based on the status of our risk profile;
- Considering not only historical scenarios that have occurred in the past, but also forward-looking hypothetical scenarios that may occur in the future; and
- Understanding impacts on the Company under complex (comprehensive) stress scenarios.

Taking these into consideration, the Company has set up scenarios with events such as significant fluctuations in financial markets, including interest rates, exchange rates, and stock prices, as well as the occurrence of a major earthquake or a pandemic.

The results of the stress tests are analyzed and evaluated to assess losses and impacts on financial soundness under each stress scenario. The findings are then reported to the Risk Management Committee and the Executive Committee, and discussions are held with the management team focusing primarily on the Company's resilience to risk and the measures to be taken should a stress scenario materialize.

Furthermore, when formulating management plans, the Company assesses financial soundness under scenarios where the economic and other environments deteriorate to mainly confirm risk resilience and the robustness of the plans.

◆ Basic Policies and Systems for Own Risk and Solvency Self-Assessments, Including the Use of Own Risk and Solvency Self-Assessments in Management

Based on the Company's Risk Appetite Statement, the Company's basic concept is to achieve sustainable growth and enhance corporate value over the medium to long term by ensuring profitability through the appropriate allocation of management resources, while maintaining soundness in business operations based on ERM. For an appropriate level of financial soundness, the Company has established a proper management system to ensure that the Company's solvency margin ratio remains within the range of 150-220% over the medium to long term.

Moreover, based on the Basic Policy for Establishment of Internal Control Systems, the Company has established the Basic Risk Management Policy and other risk management rules that define the basic matters of risk management.*

In addition, The Company has established a department to oversee risk management and to understand, analyze, and manage the risk situation. The Company has also established a Risk Management Committee chaired by the Chief Risk Officer (CRO) to discuss risk management policies, matters concerning the development and operation of risk management systems, and matters concerning the implementation of risk management.

Furthermore, the Company prepares an annual report (ORSA Report**) that includes the Company's own assessment of the adequacy of capital, etc., by comparing risks and capital, etc., comprehensive examination of the appropriateness of risk-taking strategies, etc., and description of important matters related to ERM. The report is submitted to the Risk Management Committee, the Executive Committee, the Audit Committee, and the Board of Directors.

* The Company assigns a risk management section to each risk category, and the Risk Management Department oversees this and manages risks. For details on risk categories and risk management for each category, please refer to pages 17-18 of the Data Section.
** Own Risk and Solvency Assessment Report

◆ Policies for Ceding and Underwriting Reinsurance (Including How to Obtain Reinsurance Coverage)

As part of its management of insurance underwriting risk, the Company cedes reinsurance after thoroughly assessing the financial status of reinsurers.

In particular, for high-interest whole life annuity insurance policies issued before privatization, the Company has entered into retrocession arrangements to mitigate insurance underwriting risk and asset management risk, with the aim of improving future earnings and capital efficiency.

When ceding reinsurance, the Company selects insurance companies that meet the credit criteria set by the Company as retrocessionaires. After ceding reinsurance, the Company has established a framework to assess the effectiveness of the retrocession arrangements by monitoring retrocessionaires from the perspectives of counterparty risks, recapture risks, and asset management risks.

In addition, when accepting reinsurance, the Company obtains the necessary information, assesses the profitability and risk characteristics, and verifies whether the underwriting risk is limited so as not to have a serious impact on management.

Regarding policies issued before privatization, the Company has entered into reinsurance contracts with the Management Network and reinsured all the insurance liabilities of the Management Network under the Postal Life Insurance Policies that were transferred from Japan Post to the Management Network under the Postal Service Privatization Act. The Company appropriately manages these policies separately from other insurance policies.

6 Status of Financial Assets (Non-Consolidated)

6-1 Status of Loans under the Insurance Business Act

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

- Notes:
1. Bankrupt or quasi-bankrupt loans are loans to borrowers who have fallen into bankruptcy for reasons such as the commencement of bankruptcy proceedings or reorganization proceedings, or a 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 that 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.

6-2 Loans Concerning the Trusts with Contracts Indemnifying the Principal Amounts

There were no such outstanding balances as of March 31, 2025, and 2026.

6-3 Status of Insurance Claims Paying Ability (Solvency Margin Ratio)**(1) Solvency margin ratio, amounts of qualifying capital, and required capital for the most recent fiscal year**

Summary (non-consolidated)	
As of March 31	2026
Qualifying capital (A)	4,763,341
Required capital (B)	2,648,684
Solvency margin ratio ((A)/(B))	179.8

(Millions of yen, %)

(2) Components of the amount of qualifying capital for the most recent fiscal year

(Millions of yen)

Components of the amount of qualifying capital (non-consolidated)	
As of March 31	2026
Tier 1 qualifying capital ((B) – (C)) (A)	3,984,908
Basic items of Tier 1 qualifying capital (B)	4,424,847
Tier 1 unlimited financial instruments	500,000
Tier 1 limited financial instruments	–
Tier 1 qualifying capital other than financial instruments	3,924,847
Surplus, etc. or retained earnings, etc.	2,867,517
Capital surplus (excluding amounts included in Tier 2 qualifying capital)	405,044
Accumulated other comprehensive income or valuation and translation adjustments, etc.	2,385,816
Other contributions, etc.	–
Economic value-based adjustment	(1,733,530)
Adjustment items relating to Tier 1 qualifying capital (C)	439,939
Intangible fixed assets (net of offsetting deferred tax liabilities)	128,447
Deferred tax assets	235,590
Prepaid pension costs or retirement benefit assets (net of offsetting deferred tax liabilities)	–
Tier 1 financial instruments intentionally held by other financial institutions, etc.	–
Investments in own Tier 1 financial instruments	45,903
Ineligible reinsurance assets	–
Excess of assets subject to disposal restrictions over related liabilities and required capital	29,998
Tier 2 qualifying capital ((E) – (F) – (G)) (D)	778,432
Basic items of Tier 2 qualifying capital (E)	778,432
Tier 2 financial instruments	500,000
Excess amount of Tier 1 limited financial instruments	–
Paid-in Tier 2 financial instruments	500,000
Unpaid Tier 2 financial instruments	–
Tier 2 qualifying capital other than financial instruments	278,432
Capital surplus arising from issuance of financial instruments included in Tier 2 financial instruments	–
Assets subject to disposal restrictions deducted from Tier 1 qualifying capital	29,998
Tier 2 basket (after application of the cap)	248,434
Adjustment items relating to Tier 2 qualifying capital (F)	–
Tier 2 financial instruments intentionally held by other financial institutions, etc.	–
Investments in own Tier 2 financial instruments	–
Deduction due to application of the cap to Tier 2 qualifying capital (G)	–
Qualifying capital ((A) + (D))	4,763,341

(3) Components of the amount of required capital for the most recent fiscal year

(Millions of yen)

Components of the amount of required capital (non-consolidated)	
As of March 31	2026
Life insurance risk (A)	1,279,961
Mortality risk	47,510
Longevity risk	186,329
Morbidity and disability risk	222,573
Surrender and lapse risk	928,733
Expense risk	367,862
Effect of management actions	—
Non-life insurance risk (B)	—
Catastrophe risk (C)	27,192
Market risk (D)	1,665,054
Interest rate risk	337,262
Spread risk	94,191
Equity risk	1,067,660
Real estate risk	251,673
Currency risk	536,354
Asset concentration risk	87,930
Effect of management actions	—
Credit risk (E)	282,842
Operational risk (F)	195,640
Excess amount over the cap as a result of management actions (G)	—
Diversification effect (H)	802,007
Required capital (before consideration of tax effects) ((A) + (B) + (C) + (D) + (E) + (F) + (G) – (H)) (I)	2,648,684
Tax effects on required capital (J)	—
Required capital (after consideration of tax effects) ((I) – (J))	2,648,684

Notes:

1. The amount of each risk comprising required capital is calculated primarily by integrating the amounts presented as breakdown items using prescribed correlation coefficients that take the diversification effect into account. For these reasons, it does not equal the simple sum of the amounts presented as breakdown items.
2. As the amount of catastrophe risk is not material, disclosure of its breakdown has been omitted.

(4) Economic value-based balance sheet

(As of March 31, 2026)

(Millions of yen)

Economic value-based balance sheet (non-consolidated)				
Item	(a)	(b)	(c)	(d)
	Financial accounting basis	Reclassification	Revaluation	Economic value basis ((a)+(b)+(c))
ASSETS				
Total assets	58,450,779	1,906,235	(5,946,057)	54,410,957
Cash and deposits	1,749,746	457,557	—	2,207,304
Call loans	30,000	—	—	30,000
Receivables under resale agreements	472,482	—	—	472,482
Receivables under securities borrowing transactions	—	—	—	—
Monetary claims bought	21,229	—	—	21,229
Trading account securities	—	—	—	—
Money held in trust	8,039,836	(8,039,836)	—	—
Securities	44,930,781	6,758,147	(4,677,996)	47,010,932
Japanese government bonds	34,085,398	32,889	(3,883,819)	30,234,468
Japanese local government bonds	1,927,062	1,126	(258,501)	1,669,686
Japanese corporate bonds	3,755,681	25,450	(533,327)	3,247,804
Stocks	787,434	4,118,510	(1,857)	4,904,087
Foreign securities	2,104,952	4,842,001	(489)	6,946,464
Other securities	2,270,251	(2,261,831)	—	8,419
Loans	2,134,764	267,510	(98,328)	2,303,946
Tangible fixed assets	134,944	1,016,989	16,653	1,168,587
Land	75,534	—	(13,225)	62,309
Buildings	40,612	—	—	40,612
Leased assets	4,545	—	—	4,545
Construction in progress	25	—	—	25
Other tangible fixed assets	14,227	1,016,989	29,878	1,061,095
Intangible fixed assets	128,447	—	—	128,447
Software	128,438	—	—	128,438
Goodwill	—	—	—	—
Leased assets	—	—	—	—
Other intangible fixed assets	9	—	—	9
Prepaid pension costs	—	—	—	—
Deferred tax assets	327,434	—	(91,843)	235,590
Deferred tax assets for land revaluation	—	—		—
Reserve for possible loan losses	(864)	—	338	(526)
Allowance for investment loss	—	—	—	—
Other assets	481,975	66,790	1,285	550,051
Separate account assets	—	—	—	—
Reinsurance recoverables		1,379,076	(1,096,166)	282,910

Economic value-based balance sheet (non-consolidated)				
	(a)	(b)	(c)	(d)
Item	Financial accounting basis	Reclassification	Revaluation	Economic value basis ((a)+(b)+(c))
LIABILITIES				
Total liabilities	54,307,320	(62,780)	(4,212,527)	50,032,012
Insurance liabilities (Policy reserves and others)	48,102,350	129,293	(4,192,753)	44,038,889
Insurance liabilities that can be replicated by the asset portfolio				—
Current estimate of policy reserves and others (excluding regulatory reserves)	46,852,566			43,475,696
Margin over current estimate (MOCE)				563,192
Amount included to regulatory reserves (contingency reserve, etc.)	1,249,783	(1,249,783)	—	—
Non-insurance liabilities	6,204,970	(192,073)	(19,773)	5,993,122
Other regulatory reserves (excluding those included in insurance liabilities)	—	—	—	—
Other reserves	—	—	—	—
Short-term bonds payable	—	—	—	—
Bonds payable	500,000	—	—	500,000
Bonds with stock acquisition rights	—	—	—	—
Reserve for employees' retirement benefits	116,849	—	(19,773)	97,075
Reserve for retirement benefits for directors (and other officers)	—	—	—	—
Other provisions	730	—	—	730
Reserve for price fluctuations	719,232	(719,232)	—	—
Reserve for financial instruments transaction liabilities	—	—	—	—
Deferred tax liabilities	—	—	—	—
Deferred tax liabilities for land revaluation	—	—		—
Income taxes payable	1,492	—	—	1,492
Other liabilities	4,866,664	527,159	—	5,393,824

Economic value-based balance sheet (non-consolidated)				
	(a)	(b)	(c)	(d)
Item	Financial accounting basis	Reclassification	Revaluation	Economic value basis ((a)+(b)+(c))
NET ASSETS				
Net assets	4,143,459	1,969,016	—	4,378,944
Total shareholders' equity	1,757,642	1,969,016	—	3,726,658
Capital stock	500,000	—	—	500,000
Deposits for subscriptions of stock	—	—	—	—
Capital surplus	405,044	—	—	405,044
Retained earnings	898,501	—	—	898,501
Regulatory reserves		1,969,016	—	1,969,016
(-) Treasury stock	45,903	—	—	45,903
Deposits for subscriptions of treasury stock	—	—	—	—
Total accumulated other comprehensive income (Total valuation and translation adjustments)	2,385,816	—	—	2,385,816
Net unrealized gains (losses) on available-for-sale securities	2,448,471	—	—	2,448,471
Net deferred gains (losses) on hedges	(62,655)	—	—	(62,655)
Reserve for land revaluation	—	—	—	—
Foreign currency translation adjustment	—	—	—	—
Accumulated adjustments for retirement benefits	—	—	—	—
Share award rights	—	—	—	—
Share acquisition rights	—	—	—	—
Other	—	—	—	—
Economic value-based adjustment				(1,733,530)

1. Legal Basis
The economic value-based balance sheet has been prepared pursuant to Public Notices No. 74 and No. 75 issued by the Financial Services Agency in 2025, as provided for in Article 59-2, Paragraph 1, Item 5(d), of the Ordinance for Enforcement of the Insurance Business Act.
2. Going concern
Not applicable.
3. Policy for preparing the economic value-based balance sheet
(1) Methods of asset valuation
(i) The Company's principal methods of asset valuation are as follows :
I. Financial instruments, etc., recognized under assets
With respect to the amounts of financial instruments, etc., the Company has revalued at fair value even held-to-maturity bonds, policy-reserve-matching bonds, and stocks, etc., with no market price, which are not measured at fair value for financial accounting purposes. However, shares of subsidiaries and affiliated companies are valued at the amounts recorded on the balance sheet.
In addition, for investment trusts, etc., subject to reclassification, the Company has, to the extent possible, recognized them based on the individual assets and transactions underlying the exposures held (hereinafter, the "look-through approach") and then revalued them at fair value.
In revaluing financial instruments at fair value, the Company has used the fair values disclosed in accordance with ASBJ Guidance No. 19, "Implementation Guidance on Disclosures about Fair Value of Financial Instruments." In addition, with respect to the fair value valuation of stocks with no market price and investments in partnerships, etc., the Company applies the proportionality principle and treats the net asset value used for impairment assessment as deemed fair value.
II. Reinsurance recoverables for reinsured insurance contracts
Reinsurance recoverables for reinsured insurance contracts are recognized under assets based on the probability-weighted average of the present value of future cash flows. The assumptions used for future cash flows and discount rates are consistent with those used for the insurance contracts to which the relevant reinsurance applies.
In addition, the estimated uncollectible amount of reinsurance proceeds, etc., included in reinsurance recoverables is calculated using expected default rates set by rating category, etc. However, for ceded reinsurance relating to insurance contracts classified under the Japan Post Insurance category, the Company applies the proportionality principle and omits the calculation of the estimated uncollectible amount.
III. Deferred tax assets
Deferred tax assets consist of the amount of deferred tax assets recognized for financial accounting purposes plus the amount of deferred tax assets arising from adjustments for economic value-based measurement.
(ii) In valuing assets, the Company applies the proportionality principle to the following items, taking into account their materiality and other factors in relation to the calculation results. The impact of applying the proportionality principle on the calculation results of the solvency margin ratio, etc., is minor.
(A) With respect to the fair value of real estate for business use, while the normal treatment is valuation based on real estate appraisal values, the Company uses, as a simplified approach, the inheritance tax assessed value based on the roadside land price.
(B) With respect to stocks with no market price and investments in partnerships, etc., while the normal treatment is to revalue them at fair value, except for shares of subsidiaries and affiliated companies, etc., the Company uses, as a simplified approach, the net asset value used for impairment assessment as deemed fair value.
(iii) The Company does not take management actions into account in the valuation of assets.
(iv) The Company does not apply expert judgment in the valuation of assets.

(2) Methods of liability valuation

(i) The Company's principal methods of liability valuation are as follows :

I. Economic value-based insurance liabilities

Economic value-based insurance liabilities are valued using the current estimate for all insurance contracts.

For insurance contracts valued using the current estimate, the Company calculates the current estimate as the probability-weighted average of the present value of future cash flows relating to the insurance contracts recognized as of the reporting date, discounted at a prescribed discount rate, and it values the insurance liabilities by further adding a margin (hereinafter, the "MOCE") that reflects the uncertainty inherent in the current estimate. Specifically, the procedure is as follows :

i. Recognition

As of the reporting date, the Company recognizes all insurance contracts to which it is a party until all obligations arising from the relevant insurance contracts have been extinguished.

ii. Estimation of future cash flows

a. Contract boundary

The contract boundary defining the future cash flows included in the measurement of the current estimate is determined based on the rights and obligations under insurance contracts.

b. Assumptions included in the estimation of future cash flows

The assumptions used to estimate future cash flows—including mortality rates, morbidity rates, surrender and lapse rates and renewal rates that reflect policyholder behavior, and operating expense ratios—are set for each appropriate category based on differences in risk characteristics, and reflect recent actual results and policyholder characteristics.

Mortality rate assumptions are set based on actual results up to the most recent period and also take into account future trends based on an analysis of official population projection data.

Morbidity rate assumptions are estimated based on actual results up to the most recent period, by cause of payment of benefits and rider insurance claims, and by elapsed period.

Surrender and lapse rate assumptions are estimated based on actual results up to the most recent period, by type of insurance product and by elapsed period.

Renewal rate assumptions are set mainly at zero, given that the renewal system relating to the renewal special provisions has only recently been introduced, among other factors.

Operating expense ratios are set based on estimates of future expenses using recent expense levels. Adjustments for inflation are made in estimating future expenses.

The actual results used in setting each of these assumptions are monitored on a regular basis, and the results are reflected in the measurement for the current estimate.

In addition, with respect to policyholder dividends, dividend rate assumptions are set based on current dividend practices. Reinsurance dividends payable to the Organization for Postal Savings, Postal Life Insurance and Post Office Network (hereinafter, the "Management Network") are paid in the amount specified in the reinsurance contract with the Management Network.

The measurement of future cash flows reflects guarantees and options relating to policyholder dividends and dynamic lapses, and the Company values insurance liabilities by performing stochastic calculations with respect to these.

In addition, with respect to outstanding claims (the portion of the current estimate relating to the expired portion of insurance obligations), the Company applies the proportionality principle and uses the amount recognized on the balance sheet.

iii. Discount rates

The discount rates are calculated by adding the adjusted spread for each portfolio of insurance contracts underwritten by the Company (hereinafter, "insurance contract portfolios") to the risk-free rate yield curve.

The risk-free rate yield curve is set mainly based on market interest rates obtained from liquid interest rate swaps or Japanese government bonds.

The adjusted spread is calculated by classifying all insurance contract portfolios into the general bucket. The discount rates for key maturities are as follows :

Main product category	Bucket applied	5 years	10 years	15 years	20 years
All insurance contracts	General bucket	1.889%	2.490%	3.013%	3.579%

iv. MOCE

MOCE is calculated by multiplying the discounted present value of the estimated future required capital, calculated using a run-off pattern, by the assumed capital cost rate.

II. Financial instruments, etc., recognized under liabilities
With respect to the amounts of financial instruments, etc., no revaluation is performed, as the amounts recognized on the balance sheet are already at fair value.
However, for financial instruments, etc., included in the amount of qualifying capital, although the amount recognized on the balance sheet is not measured at the fair value, the Company uses the amount recognized on the balance sheet.
III. Reserve for employees' retirement benefits
The amount of the reserve for employees' retirement benefits on the balance sheet has been revalued to an amount including unrecognized actuarial gains and losses and unrecognized prior service cost.
(ii) In valuing liabilities, the Company applies the proportionality principle to the following items, taking into account their materiality and other factors in relation to the calculation results. The impact of applying the proportionality principle on the calculation results of the solvency margin ratio, etc., is minor.
(A) With respect to certain types of insurance contracts accounting for a negligible proportion, while the normal treatment is to estimate and discount future cash flows, the Company uses simplified treatments, such as performing a simplified estimation based on the cash flows of similar products, or using the amount recorded on the balance sheet, in estimating future cash flows.
(B) With respect to the current estimate for incurred claims, while the normal treatment is to calculate the current estimate by taking into account the timing of payments for incurred claims, the Company uses the amount recognized on the balance sheet.
(iii) The Company does not take any management actions into account in the valuation of liabilities.
(iv) The Company bases its valuation of liabilities on the most recent and reliable information and realistic assumptions, and determines that they are free from conservative or optimistic bias. However, the Company applies expert judgment to certain assumptions relating to mortality rates, renewal rates, and policyholder behavior included in the estimation of future cash flows, as well as to future policyholder dividends. For example, for products and other items for which sufficient actual results are not available, the Company uses data from similar products or publicly available data as calculation assumptions.
(3) Application of the special method for shares of subsidiaries
Not applicable.
(4) Details of, and reasons for, changes in the policy for preparing the economic value-based balance sheet
As the current fiscal year is the first fiscal year in which the economic value-based balance sheet has been prepared, there are no applicable matters.
4. Changes in the presentation method of the economic value-based balance sheet
As the current fiscal year is the first fiscal year in which the economic value-based balance sheet has been prepared, there are no applicable matters.
5. Accounting estimates relating to the preparation of the economic value-based balance sheet
(1) Accounting estimates
(i) Economic value-based insurance liabilities
i. Amount recognized on the economic value-based balance sheet for the current fiscal year: ¥44,038,889 million
ii. Information contributing to an understanding of the accounting estimates
a. Methods of calculating the amounts recognized on the economic value-based balance sheet for the current fiscal year
As described in Note 3. (2) Methods of liability valuation.
b. Main assumptions underlying the amounts recognized on the economic value-based balance sheet for the current fiscal year, and their effect on the economic value-based balance sheet for the following fiscal year
With respect to economic value-based insurance liabilities, the current estimate and MOCE may fluctuate significantly in the following fiscal year due to changes in the following main assumptions. Information relating to these assumptions is as described in Note 3. (2) Methods of liability valuation.
(A) Assumptions used to estimate future cash flows including mortality rates, morbidity rates, surrender and lapse rates and renewal rates that reflect policyholder behavior, and operating expense ratios
(B) Assumptions relating to the discount rate
(2) Changes in accounting estimates
As the current fiscal year is the first fiscal year in which the economic value-based balance sheet has been prepared, there are no applicable matters.

6. Separate account assets
Not applicable.
7. Significant subsequent events
The notes on significant subsequent events are as follows:
(Cancellation of treasury stock)
At the Board of Directors' meeting held on April 24, 2026, the Company resolved to cancel treasury stock pursuant to Article 178 of the Companies Act, and carried out the cancellation on June 30, 2026.
(1) Class of shares to be cancelled: Common stock of the Company
(2) Number of shares to be cancelled: 30,650,400 shares
(2.7% of the total number of shares issued before the cancellation)
(3) Date of the cancellation: June 30, 2026
(Reference)
Total number of shares issued (after the cancellation): 1,084,817,700 shares

(5) Adjustment for differences by type of foreign securities

(As of March 31, 2026)

(Millions of yen)

Adjustments for differences by type of foreign securities (non-consolidated)				
Item	(a)	(b)	(c)	(d)
	Financial accounting basis	Reclassification	Revaluation	Economic value basis ((a)+(b)+(c))
Foreign securities	2,104,952	4,842,001	(489)	6,946,464
Government bonds	699,948	579,390	—	1,279,339
Local government bonds	22,546	221,317	—	243,863
Corporate bonds	1,142,710	1,631,928	(1,872)	2,772,766
Stocks	32,530	2,463,798	1,382	2,497,711
Other	207,217	(54,432)	—	152,784

Note: The amounts shown in this table do not include amounts attributable to separate accounts, etc.

(6) Adjustment for differences by product in insurance liabilities

(As of March 31, 2026)

(Millions of yen)

Adjustment for differences by product in insurance liabilities (non-consolidated)						
Item	(a)	(b)	(c)	(d)	(e)	(f)
	Financial accounting basis	Reinsurance gross-up	Updates to non-economic assumptions	Updates to economic assumptions	Other	Economic value basis (excluding MOCE)
Insurance liabilities	46,852,566	1,379,076	(1,172,282)	(3,830,980)	247,316	43,475,696
Life insurance policies, etc.	46,852,566	1,379,076	(1,172,282)	(3,830,980)	247,316	43,475,696
Individual insurance	23,472,377	910	(771,676)	(4,034,973)	181,905	18,848,545
Individual annuities	430,134	—	1,275	(22,341)	2,783	411,850
Group insurance	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—
Others	22,950,054	1,378,165	(401,881)	226,334	62,627	24,215,300
Non-life insurance policies, etc.	—	—	—	—	—	—
Reinsurance recoverables	—	1,379,076	(93,208)	(115,099)	(887,858)	282,910
Life insurance policies, etc.	—	1,379,076	(93,208)	(115,099)	(887,858)	282,910
Individual insurance	—	910	(38,853)	8,851	—	(29,091)
Individual annuities	—	—	—	—	—	—
Group insurance	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—
Others	—	1,378,165	(54,355)	(123,950)	(887,858)	312,001
Non-life insurance policies, etc.	—	—	—	—	—	—

(7) Sensitivity analysis of the solvency margin ratio, the amount of qualifying capital, and the amount of required capital

As of March 31, 2026)

(Millions of yen)

Sensitivity analysis (non-consolidated)								
Item	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	Current fiscal year- end figures	50bp increase in domestic interest rates	50bp decrease in domestic interest rates	50bp increase in USD interest rates	50bp decrease in USD interest rates	50bp decrease in UFR for domestic interest rates	10% decrease in equity and real estate value	10% appreciation of the yen
Solvency margin ratio	179.8%	(11.0)%	10.6%	(0.9)%	0.8%	(0.4)%	(4.8)%	(0.2)%
Qualifying capital	4,763,341	(108,571)	98,903	(40,163)	42,372	(12,623)	(259,506)	(103,189)
Total assets	54,410,957	(1,496,392)	1,617,747	(78,599)	91,492	4,999	(777,896)	(333,468)
Insurance liabilities (excluding MOCE)	43,475,696	(1,399,725)	1,528,551	(35,974)	38,426	18,730	(492,115)	(235,245)
Margin over current estimate (MOCE)	563,192	8,894	(7,455)	661	(337)	(1,107)	4,142	1,949
Non-insurance liabilities	5,993,122	3,009	(2,251)	(3,124)	11,031	—	(30,416)	3,017
Net assets	4,378,944	(108,571)	98,903	(40,163)	42,372	(12,623)	(259,506)	(103,189)
Required capital	2,648,684	107,385	(95,953)	(9,731)	11,750	(1,539)	(75,420)	(55,023)
Life insurance risk	1,279,961	135,878	(131,116)	4,178	(4,183)	(698)	26,296	9,685
Market risk	1,665,054	17,829	(12,528)	(13,658)	15,897	(1,330)	(111,273)	(72,179)

(8) Assumptions and methods used in calculating the solvency margin ratio

(As of March 31, 2026)

1. Application of the special method for shares of subsidiaries
Not applicable.

2. Assumptions and methods used in calculating the amount of the current estimate

a. Discount rates

The risk-free rate yield curve is set mainly based on market interest rates obtained from liquid interest rate swaps or Japanese government bonds.

The adjusted spread is calculated by classifying the groups of insurance contracts underwritten by insurance companies, etc. (insurance contract portfolios) into the top bucket, middle bucket, or general bucket. The Company classifies all insurance contract portfolios into the general bucket for the purpose of calculation. The discount rates for key maturities are as follows :

Main product category	Bucket applied	5 years	10 years	15 years	20 years
All insurance contracts	General bucket	1.889%	2.490%	3.013%	3.579%

The insurance contract portfolios established by the Company are as follows.

(A) Former policy category: The portfolio of former Postal Life Insurance Policies reinsured from the Management Network

(B) Kampo policy category / general category: The portfolio of basic insurance policies for which the premium payment method is level payment, and riders attached thereto, among the insurance contracts solicited by the Company

(C) Kampo policy category / lump-sum category: The portfolio of basic insurance policies for which the premium payment method is lump-sum payment, and riders attached thereto, among the insurance contracts solicited by the Company

(D) Assumed reinsurance category: The portfolio of assumed reinsurance (excluding those falling under (A) above)

b. Method of setting the non-economic assumptions considered in the calculation of future cash flows relating to insurance contracts

The assumptions used to estimate future cash flows—including mortality rates, morbidity rates, surrender and lapse rates and renewal rates that reflect policyholder behavior, and operating expense ratios—are set for each appropriate category based on differences in risk characteristics, and reflect recent actual results and policyholder characteristics.

Mortality rate assumptions are set based on actual results up to the most recent period and also take into account future trends based on an analysis of official population projection data.

Morbidity rate assumptions are estimated based on actual results up to the most recent period, by cause of payment of benefits and rider insurance claims, and by elapsed period.

Surrender and lapse rate assumptions are estimated based on actual results up to the most recent period, by type of insurance product and by elapsed period.

Renewal rate assumptions are set mainly at zero, given that the renewal system relating to the renewal of special provisions has only recently been introduced, among other factors.

Operating expense ratios are set based on estimates of future expenses using recent expense levels. Adjustments for inflation are made in estimating future expenses.

The actual results used in setting each of these assumptions are monitored on a regular basis, and the results are reflected in the measurement for the current estimate.

In addition, with respect to policyholder dividends, dividend rate assumptions are set based on current dividend practices. Reinsurance dividends payable to the Management Network are paid in the amount specified in the reinsurance contract with the Management Network.

c. Details of guarantees and options reflected in future cash flows relating to insurance contracts and their valuation methods

The measurement of future cash flows reflects guarantees and options relating to policyholder dividends and dynamic lapses, and the Company values insurance liabilities by performing stochastic calculations with respect to these.

3. Assumptions and methods used in calculating the amount of required capital
a. Management actions The effect of management actions is not taken into account in the calculation of the amount of required capital.
b. Risk mitigation techniques In the calculation of the amount of required capital, because reinsurance dividends under reinsurance contracts relating to the former policy category are set as a fixed proportion of reinsurance profit or loss, the effect of deterioration in reinsurance profit or loss when a risk materializes is offset by a decrease in reinsurance dividends. This effect is recognized as a risk mitigation technique. In calculating the amount of currency risk, for hedged foreign bonds for which currency risk is hedged using forward foreign exchange contracts with a term of less than one year, the effect of rolling hedges is recognized where the requirements set forth in the relevant provisions of Public Notice No. 74 issued by the Financial Services Agency in 2025 are satisfied.
c. Application of the method of undertaking-specific parameters in calculating the amount of life insurance risk Not applicable.
d. Application of the method of undertaking-specific parameters in calculating the amount of non-life insurance risk Not applicable.
e. Application of internal model method Not applicable.
f. Application of internal discount rate method Not applicable.
4. Other material assumptions and methods used in calculating the solvency margin ratio Not applicable.
5. Material changes to the assumptions and methods used in calculating the solvency margin ratio As the current fiscal year is the first year of the economic value-based solvency regulation, there are no applicable matters.

(9) Overview of the procedures and organizational structure relating to the calculation and validation of the solvency margin ratio

The Company's internal policies, etc., designate the departments responsible for calculating the solvency margin ratio, and require the appointment of a person responsible for validating the calculation of the solvency margin ratio as a whole (including the asset area) (hereinafter, the “person responsible for validation of the solvency margin ratio as a whole”) and a person responsible for validating the insurance liabilities area used in the calculation of the solvency margin ratio (hereinafter, the “person responsible for validation of the insurance liabilities area”).

In appointing the persons responsible for validation, the Company considers their qualifications, including knowledge and experience in actuarial science or risk management sufficient to validate the calculation of the solvency margin ratio and makes any necessary recommendations to management. In addition, within the Company, the person responsible for validation of the solvency margin ratio as a whole also serves as the person responsible for calculation, and a check-and-balance function is ensured by having this person responsible for validation report the details of the validation to the Risk Management Committee. The person responsible for validation of the insurance liabilities area does not serve concurrently as the person responsible for the calculation.

The authority and responsibilities of each person responsible for validation are specified in the Company's internal policies, etc., and have been approved by the Board of Directors. Such authority includes the authority for the persons responsible for validation to report directly to the Board of Directors, etc., without being restricted to reporting through other persons within the Company's organization and the Group. The person responsible for validation of the solvency margin ratio as a whole prepares a report on the validation of the overall calculation of the solvency margin ratio, while the person responsible for validation of the insurance liabilities area prepares a report relating to the validation of insurance liabilities. The Board of Directors receives reports on the results of such validations.

6-4 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, 2025, and 2026.

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

(Millions of yen)

As of March 31	2025					2026				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
				Gains	Losses				Gains	Losses
Held-to-maturity bonds	31,425,320	30,144,069	(1,281,251)	733,467	2,014,718	30,481,050	26,903,275	(3,577,774)	119,982	3,697,756
Policy-reserve-matching bonds	7,243,771	6,522,343	(721,427)	91,171	812,599	7,001,851	5,902,104	(1,099,747)	20,321	1,120,068
Equities of subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—
Available-for-sale securities	12,558,013	14,719,680	2,161,666	2,746,991	585,324	12,551,708	15,974,166	3,422,458	4,100,618	678,159
Corporate and government bonds	3,303,529	2,990,796	(312,733)	4,289	317,023	2,743,668	2,305,241	(438,427)	2,900	441,327
Domestic stocks	1,962,202	3,509,230	1,547,028	1,581,457	34,429	2,217,093	4,702,964	2,485,870	2,509,102	23,231
Foreign securities	3,406,868	4,393,772	986,903	1,055,596	68,692	3,515,084	4,864,878	1,349,793	1,419,003	69,210
Foreign corporate and government bonds	1,840,400	1,808,539	(31,860)	36,707	68,567	1,866,156	1,845,205	(20,950)	48,259	69,210
Foreign stocks and other securities	1,566,468	2,585,232	1,018,764	1,018,889	124	1,648,928	3,019,672	1,370,744	1,370,744	—
Other securities	2,842,301	2,782,665	(59,636)	105,543	165,179	2,829,256	2,854,852	25,596	169,604	144,008
Monetary claims bought	23,110	23,215	104	104	—	21,603	21,229	(373)	7	381
Negotiable certificates of deposit	1,020,000	1,020,000	—	—	—	1,225,000	1,225,000	—	—	—
Other	—	—	—	—	—	—	—	—	—	—
Total	51,227,105	51,386,093	158,987	3,571,630	3,412,643	50,034,609	48,779,546	(1,255,062)	4,240,922	5,495,984
Corporate and government bonds	41,952,621	39,638,241	(2,314,379)	828,928	3,143,308	40,206,570	35,092,493	(5,114,076)	143,204	5,257,281
Domestic stocks	1,962,202	3,509,230	1,547,028	1,581,457	34,429	2,217,093	4,702,964	2,485,870	2,509,102	23,231
Foreign securities	3,426,868	4,412,739	985,870	1,055,596	69,725	3,535,084	4,883,006	1,347,921	1,419,003	71,082
Foreign corporate and government bonds	1,860,400	1,827,506	(32,893)	36,707	69,600	1,886,156	1,863,333	(22,822)	48,259	71,082
Foreign stocks and other securities	1,566,468	2,585,232	1,018,764	1,018,889	124	1,648,928	3,019,672	1,370,744	1,370,744	—
Other securities	2,842,301	2,782,665	(59,636)	105,543	165,179	2,829,256	2,854,852	25,596	169,604	144,008
Monetary claims bought	23,110	23,215	104	104	—	21,603	21,229	(373)	7	381
Negotiable certificates of deposit	1,020,000	1,020,000	—	—	—	1,225,000	1,225,000	—	—	—
Other	—	—	—	—	—	—	—	—	—	—

Notes:

- 1. This table includes the handling of securities under the Financial Instruments and Exchange Act, etc.
- 2. 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 ¥3,893,370 million with net unrealized gains (losses) of ¥3,628,963 million as of March 31, 2026.
- 3. 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	2025			2026		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Those for which fair value exceeds the balance sheet amount	20,610,414	21,343,882	733,467	9,346,688	9,466,671	119,982
Corporate and government bonds	20,610,414	21,343,882	733,467	9,346,688	9,466,671	119,982
Foreign securities	–	–	–	–	–	–
Other	–	–	–	–	–	–
Those for which fair value does not exceed the balance sheet amount	10,814,905	8,800,187	(2,014,718)	21,134,361	17,436,604	(3,697,756)
Corporate and government bonds	10,814,905	8,800,187	(2,014,718)	21,134,361	17,436,604	(3,697,756)
Foreign securities	–	–	–	–	–	–
Other	–	–	–	–	–	–

○ Policy-reserve-matching bonds

(Millions of yen)

As of March 31	2025			2026		
	Balance sheet amount	Fair value	Difference	Balance sheet amount	Fair value	Difference
Those for which fair value exceeds the balance sheet amount	2,348,989	2,440,161	91,171	1,599,334	1,619,655	20,321
Corporate and government bonds	2,348,989	2,440,161	91,171	1,599,334	1,619,655	20,321
Foreign securities	–	–	–	–	–	–
Other	–	–	–	–	–	–
Those for which fair value does not exceed the balance sheet amount	4,894,781	4,082,182	(812,599)	5,402,517	4,282,448	(1,120,068)
Corporate and government bonds	4,874,781	4,063,215	(811,566)	5,382,517	4,264,320	(1,118,196)
Foreign securities	20,000	18,967	(1,033)	20,000	18,127	(1,872)
Other	–	–	–	–	–	–

○ Available-for-sale securities

(Millions of yen)

As of March 31	2025			2026		
	Book value	Balance sheet amount	Difference	Book value	Balance sheet amount	Difference
Those for which the balance sheet amount exceeds book value	2,012,197	2,263,610	251,412	2,095,525	2,536,195	440,670
Corporate and government bonds	260,353	264,642	4,289	140,352	143,252	2,900
Domestic stocks	280,526	439,641	159,115	368,646	675,274	306,627
Foreign securities	723,626	764,278	40,652	863,207	918,703	55,496
Other securities	734,570	781,820	47,250	722,570	798,209	75,638
Monetary claims bought	13,122	13,227	104	748	755	7
Negotiable certificates of deposit	–	–	–	–	–	–
Other	–	–	–	–	–	–
Those for which the balance sheet amount does not exceed book value	6,968,629	6,423,136	(545,492)	6,562,811	5,915,636	(647,174)
Corporate and government bonds	3,043,176	2,726,153	(317,023)	2,603,316	2,161,988	(441,327)
Domestic stocks	100,553	89,960	(10,592)	50,127	45,542	(4,585)
Foreign securities	1,284,603	1,216,035	(68,567)	1,202,928	1,133,718	(69,210)
Other securities	1,510,307	1,360,998	(149,308)	1,460,582	1,328,913	(131,669)
Monetary claims bought	9,988	9,988	–	20,855	20,474	(381)
Negotiable certificates of deposit	1,020,000	1,020,000	–	1,225,000	1,225,000	–
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	2025	2026
Equities of subsidiaries and affiliates	187,582	167,435
Available-for-sale securities	150,107	202,099
Domestic stocks	4,259	7,883
Foreign stocks	23,646	30,366
Other	122,201	163,849
Total	337,689	369,535

Note: This table includes money held in trust other than trading securities (¥122,201 million as of March 31, 2025, and ¥129,421 million as of March 31, 2026).

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

(Millions of yen)

As of March 31	2025					2026				
	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	6,330,280	6,330,280	–	–	–	7,901,359	7,901,359	–	–	–

Note: Excluding money held in trust not subject to fair value disclosure (¥129,749 million as of March 31, 2025, and ¥138,477 million as of March 31, 2026).

1) Money Held in Trust for Trading Purposes

The Company did not have money held in trust for trading purposes as of March 31, 2025, and 2026.

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	2025					2026				
	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	3,874,533	6,330,280	2,455,746	2,495,579	39,832	4,272,395	7,901,359	3,628,963	3,659,948	30,984
Domestic stocks	1,582,123	2,980,598	1,398,475	1,422,342	23,867	1,802,319	3,986,460	2,184,141	2,202,787	18,646
Foreign stocks	298,289	789,478	491,189	491,189	–	311,173	1,011,301	700,128	700,128	–
Foreign bonds	562,195	676,754	114,558	124,008	9,449	562,195	722,802	160,607	170,276	9,669
Other	1,431,925	1,883,448	451,523	458,038	6,515	1,596,707	2,180,794	584,086	586,755	2,668

Notes:

- Excluding other money held in trust not subject to fair value disclosure (¥129,749 million as of March 31, 2025, and ¥138,477 million as of March 31, 2026).
- “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 investments.
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 interest rate risks related to a portion of its insurance liabilities and the foreign exchange fluctuation risk of its financial assets.

(iii) Purposes of the use of derivative transactions

The Company mainly conducts derivative transactions to control interest rate risks related to a portion of its insurance liabilities and 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 interest rate risks related to a portion of its insurance liabilities and financial asset risks, and therefore it believes that the market-related risk of derivative transactions is reduced and limited.

Meanwhile, as the Company engages in derivative transactions through exchanges or selects 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, the Company prevents 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 the Company’s internal management system.

(vi) Additional notes about quantitative information

- Additional notes about credit risk
The Company calculates the credit risk amount associated with derivative transactions by using the current exposure method.
- Additional notes about the calculation of fair value
The Company calculates 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)
The Company uses derivative transactions primarily as a means to hedge the market risk of its investment assets. It does not execute derivative 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, 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
As of March 31, 2026	(72,803)	(71,468)	—	—	—	(144,272)
Portion with hedge accounting applied	(72,803)	(71,187)	—	—	—	(143,990)
Portion with hedge accounting not applied	—	(281)	—	—	—	(281)

Notes:

1. 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.
2. Net unrealized gains (losses) on the portion subject to the fair value hedge method (currency related ¥(55,830) million) of the portion with hedge accounting applied, and those on the portion with hedge accounting not applied as of March 31, 2026, 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, 2025, and 2026.

(iii) Currency-related derivatives

(Millions of yen)

Category	Type	As of March 31, 2025				As of March 31, 2026			
		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	282	—	3	3	5,561	—	(281)	(281)
	(U.S. dollar)	282	—	3	3	4,704	—	(282)	(282)
	(Others)	—	—	—	—	856	—	0	0
	Bought	—	—	—	—	—	—	—	—
	Currency options								
	Sold								
	Call	4,336	—	7	7	—	—	—	—
		(15)	(—)			(—)	(—)		
	(U.S. dollar)	4,336	—	7	7	—	—	—	—
		(15)	(—)			(—)	(—)		
	Bought								
	Put	4,336	—	10	(4)	—	—	—	—
		(15)	(—)			(—)	(—)		
	(U.S. dollar)	4,336	—	10	(4)	—	—	—	—
		(15)	(—)			(—)	(—)		
Total					5				(281)

Notes:

1. Figures within brackets "()" show the option premium recorded on the balance sheet.
2. Fair value is calculated using forward foreign exchange rates at the fiscal year-end.
3. 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, 2025, and 2026.

(v) Bond-related derivatives

There were no such outstanding balances as of March 31, 2025, and 2026.

(vi) Others

There were no such outstanding balances as of March 31, 2025, and 2026.

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, 2025			As of March 31, 2026		
			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	300,000	300,000	(27,848)	300,000	300,000	(72,803)
Total					(27,848)			(72,803)

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, 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	—	—	—	—	—	—	—
As of March 31, 2026	Total	—	—	—	—	—	300,000	300,000
	Notional principal of swaps for receivable fixed rate	—	—	—	—	—	300,000	300,000
	Average receivable fixed rate	—	—	—	—	—	1.35	1.35
	Average payable floating rate	—	—	—	—	—	0.67	0.67
	Notional principal of swaps for payable fixed rate	—	—	—	—	—	—	—
	Average payable fixed rate	—	—	—	—	—	—	—
As of March 31, 2026	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, 2025			As of March 31, 2026		
			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	135,725	135,725	(15,356)
	(U.S. dollar)		105,898	105,898	297	133,360	133,360	(14,924)
	(Euro)		2,365	2,365	(47)	2,365	2,365	(432)
Fair value hedge accounting	Foreign exchange contracts	Foreign-currency-denominated bonds						
	Sold		1,319,941	—	(6,293)	1,298,661	—	(55,830)
	(U.S. dollar)		798,266	—	(12,180)	711,145	—	(41,618)
	(Euro)		165,283	—	(4,804)	230,577	—	(4,756)
	(Australian dollar)		206,698	—	6,395	206,995	—	(4,612)
	(Others)		149,692	—	4,295	149,943	—	(4,843)
	Bought		—	—	—	—	—	—
Total					(6,043)			(71,187)

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, 2025, and 2026.

(v) Bond-related derivatives

There were no such outstanding balances as of March 31, 2025, and 2026.

(vi) Others

There were no such outstanding balances as of March 31, 2025, and 2026.

6-5 Breakdown of Ordinary Profit (Core Profit)

(Millions of yen)

For the years ended March 31		2025	2026
Core income		6,082,321	5,414,684
Insurance premiums and others		3,154,875	2,188,660
Investment income		864,826	856,023
Other ordinary income		1,906,050	2,154,871
Reversal of policy reserves		1,839,315	2,142,823
Other core income		156,568	215,129
Core expenses		5,840,155	4,995,745
Insurance claims and others		5,205,305	4,417,796
Provision for policy reserves and others		679	7,602
Investment expenses		17,279	36,174
Operating expenses		428,363	410,148
Other ordinary expenses		80,080	71,840
Other core expenses		108,446	52,183
Core profit	A	242,166	418,938
Capital gains		421,042	500,625
Gains on money held in trust		199,152	397,705
Gains on trading securities		—	—
Gains on sales of securities		110,640	52,634
Gains on derivative financial instruments		—	—
Gains on foreign exchanges		20,999	6,229
Other capital gains		90,250	44,056
Capital losses		418,368	623,825
Losses on money held in trust		—	—
Losses on trading securities		—	—
Losses on sales of securities		193,470	364,721
Losses on valuation of securities		—	—
Losses on derivative financial instruments		68,329	43,974
Losses on foreign exchanges		—	—
Other capital losses		156,568	215,129
Net capital gains (losses)	B	2,674	(123,199)
Core profit including net capital gains (losses)	A+B	244,840	295,739
Other one-time gains		524,367	8,126
Reinsurance income		—	—
Reversal of contingency reserve		506,171	—
Reversal of specific reserve for possible loan losses		—	—
Other		18,196	8,126
Other one-time losses		598,226	30,618
Reinsurance premiums		—	—
Provision for contingency reserve		—	30,618
Provision for specific reserve for possible loan losses		—	—
Provision for reserve for specific foreign loans		—	—
Write-off of loans		—	—
Other		598,226	—
Other one-time profits (losses)	C	(73,859)	(22,492)
Ordinary profit	A+B+C	170,981	273,247

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	2025	2026
Other core income	156,568	215,129
Amount equivalent to income gains associated with money held in trust	156,568	215,129
Costs for hedging currency fluctuations	—	—
Gain/loss from reinsurance cession of the existing policies	—	—
Other core expenses	108,446	52,183
Gains on cancellation of mutual funds	23,202	603
Amount equivalent to income gains associated with money held in trust	—	—
Costs for hedging currency fluctuations	67,047	43,453
Gain/loss from reinsurance cession of the existing policies	18,196	8,126
Other capital gains	90,250	44,056
Gains on cancellation of mutual funds	23,202	603
Amount equivalent to income gains associated with money held in trust	—	—
Costs for hedging currency fluctuations	67,047	43,453
Other capital losses	156,568	215,129
Amount equivalent to income gains associated with money held in trust	156,568	215,129
Costs for hedging currency fluctuations	—	—
Other one-time gains – Other	18,196	8,126
Gain/loss from reinsurance cession of the existing policies	18,196	8,126
Other one-time losses – Other	598,226	—
Provision for additional policy reserves	598,226	—
Gain/loss from reinsurance cession of the existing policies	—	—

(Reference) Breakdown of Core Profit

(Millions of yen)

For the years ended March 31	2025	2026
Core profit	242,166	418,938
Spread (positive/negative spread)	142,537	255,596
Core profit attributable to life insurance activities	99,628	163,341

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, 2026, there was a positive spread of ¥255.5 billion.
The spread (positive/negative spread) is calculated according to the following formula:
Positive spread = [investment return on core profit – average assumed rate of return] × general account policy reserves ¥255.5 billion [2.14%] [1.59%] ¥46,108.6 billion
• 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.

7 Main Business Indicators

7-1 Key Business Indicators (Non-Consolidated)

(Billions of yen unless indicated otherwise)

As of/For the years ended March 31	2022	2023	2024	2025	2026
Ordinary income	6,454.1	6,379.5	6,745.4	6,164.4	5,625.5
Ordinary profit	355.7	117.6	162.5	170.9	273.2
Core profit	429.7	192.3	224.0	242.1	418.9
Net income	157.8	97.7	88.5	124.0	170.1
Capital stock	500.0	500.0	500.0	500.0	500.0
(Number of shares issued: thousands of shares)	(399,693)	(399,693)	(383,192)	(383,192)	(371,822)
Total assets	67,174.8	62,685.2	60,857.0	59,555.5	58,450.7
Separate account	—	—	—	—	—
Policy reserves	56,533.4	53,518.2	50,512.7	48,765.5	46,653.3
Loans	4,251.9	3,605.8	3,281.3	2,530.0	2,134.7
Securities	53,418.5	49,842.4	47,694.5	46,528.6	44,930.7
Solvency margin ratio (%)	New standard Old standard	— 1,042.4	— 1,003.7	— 1,016.8	— 893.4
Number of employees (persons)	7,545	19,148	18,427	17,952	17,706
Policy amount in force	43,526.5	39,923.8	37,452.6	35,987.5	33,798.4
Individual insurance	42,283.8	38,950.9	36,698.0	35,407.9	33,358.4
Individual annuities	1,242.7	972.9	754.5	579.6	440.0
Group insurance	—	—	—	—	—
Policy amount in force for group annuities	—	—	—	—	—

- 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.
 2. A cancellation of treasury stock was implemented on August 20, 2021, reducing the total number of shares issued by 162,906 thousand shares.
 3. A cancellation of treasury stock was implemented on May 8, 2023, reducing the total number of shares issued by 16,501 thousand shares.
 4. A cancellation of treasury stock was implemented on June 6, 2025, reducing the total number of shares issued by 11,369 thousand shares.
 5. As a result of the stock split of common stock at a ratio of three (3) shares for every one (1) share effective April 1, 2026, the total number of shares issued increased by 743,645 thousand shares, reaching 1,115,468 thousand shares as of April 1, 2026. However, due to the cancellation of treasury stock on June 30, 2026, the total number of shares issued decreased by 30,650 thousand shares.
 6. "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.

7-2 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	2025				2026			
	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	12,786,860	97.6	35,407,960	96.5	12,149,280	95.0	33,358,414	94.2
Individual annuities	421,962	78.0	579,627	76.8	329,720	78.1	440,027	75.9
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	2025						2026					
	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	795,229	126.5	2,121,237	136.2	2,121,234	3	428,507	53.9	1,165,862	55.0	1,165,774	87
Individual annuities	221	53.0	1,195	59.4	1,195	—	118	53.4	630	52.8	630	—
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	2025		2026	
		Year-on-year comparison		Year-on-year comparison
Individual insurance	2,137,261	97.1	2,017,920	94.4
Individual annuities	151,796	78.4	118,796	78.3
Total	2,289,058	95.6	2,136,716	93.3
Medical coverage, living benefits, and other	296,496	96.0	284,454	95.9

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).

2) New Policies

(Millions of yen, %)

For the years ended March 31	2025		2026	
		Year-on-year comparison		Year-on-year comparison
Individual insurance	175,075	149.9	97,327	55.6
Individual annuities	99	58.5	51	51.9
Total	175,174	149.7	97,378	55.6
Medical coverage, living benefits, and other	7,155	68.9	5,634	78.7

Notes:
1. Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium by the insured period.
2. “Medical coverage, living benefits, and other” includes medical benefits (including hospitalization and surgery benefits), living benefits (including limited illness and nursing care benefits), and premium 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	2025		2026	
	Number of policies	Policy amount	Number of policies	Policy amount
Individual insurance	795,217 [795,229]	2,121,234 [2,121,237]	428,314 [428,507]	1,165,774 [1,165,862]
Lump-sum payment whole life insurance	498,366	1,284,290	207,690	541,331
Ordinary whole life insurance	43,844	91,868	37,718	74,549
Fixed amount type	15,426	23,601	11,160	16,435
Increased amount type	28,418	68,266	26,558	58,114
(Inclusive) Ordinary whole life insurance (low cash value)	8,918	17,194	6,558	12,169
Fixed amount type	3,800	6,029	2,439	3,692
Increased amount type	5,118	11,165	4,119	8,476
Ordinary whole life insurance with relaxed underwriting criteria	2,887	1,906	2,130	1,362
(Inclusive) Ordinary whole life insurance with relaxed underwriting criteria (low cash value)	825	541	559	352
Special whole life insurance	12,760	39,528	10,106	29,771
(Inclusive) Special whole life insurance (low cash value)	3,657	12,073	2,511	7,832
Ordinary term insurance	14,336	28,089	10,103	19,535
Ordinary endowment insurance	142,327	457,917	110,528	365,238
Ordinary endowment insurance with relaxed underwriting criteria	3,017	3,284	2,024	2,559
Special endowment insurance	47,221	154,822	28,950	94,243
Educational endowment insurance (H24)	30,459	59,526	19,065	37,183
Individual annuities	221	1,195	118	630
Longevity support insurance (low cash value)	221	1,195	118	630
Asset-formation insurance	—	—	—	0
Asset-formation savings insurance	—	—	—	—
Asset-formation housing funding insurance	—	—	—	0
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	2025		2026	
	Number of policies	Policy amount	Number of policies	Policy amount
Individual insurance	12,786,860	35,407,960	12,149,280	33,358,414
Lump-sum payment whole life insurance	660,537	1,676,354	859,940	2,194,023
Ordinary whole life insurance	2,997,277	8,259,795	2,941,081	7,918,828
Fixed amount type	1,084,461	2,391,336	1,058,680	2,330,644
Increased amount type	1,912,816	5,868,459	1,882,401	5,588,183
(Inclusive) Ordinary whole life insurance (low cash value)	213,461	539,632	212,974	533,450
Fixed amount type	96,180	182,288	95,261	180,045
Increased amount type	117,281	357,343	117,713	353,404
Ordinary whole life insurance with relaxed underwriting criteria	55,819	88,806	55,547	87,767
(Inclusive) Ordinary whole life insurance with relaxed underwriting criteria (low cash value)	13,053	19,283	13,060	19,310
Special whole life insurance	1,732,215	5,375,625	1,710,276	5,184,025
(Inclusive) Special whole life insurance (low cash value)	48,306	156,876	49,786	160,969
Whole life insurance with nursing care benefit	102	138	100	129
Ordinary term insurance	59,074	117,249	66,986	131,494
Ordinary endowment insurance	3,085,910	8,305,685	2,709,980	7,407,679
Ordinary endowment insurance with relaxed underwriting criteria	41,797	78,040	41,848	79,126
Special endowment insurance	1,681,342	6,621,134	1,488,539	5,849,185
Designated endowment insurance	1,970	4,635	1,314	3,109
Educational endowment insurance	787,535	1,382,531	657,465	1,149,211
Educational endowment insurance with scholarship annuity	65,215	118,027	53,474	95,594
Educational endowment insurance (H24)	1,617,737	3,378,871	1,562,403	3,257,222
Husband-and-wife insurance	17	53	15	49
Whole life insurance with whole life annuity	312	1,008	311	964
Husband-and-wife insurance with husband-and-wife annuity	1	3	1	3
Individual annuities	421,962	579,627	329,720	440,027
Longevity support insurance (low cash value)	1,831	9,277	1,889	9,646
Immediate whole life annuity	642	2,016	583	1,747
Deferred whole life annuity	8,962	68,024	8,856	66,680
Whole life annuity with additional nursing annuity	5	49	5	48
Immediate term annuity	15,398	3,341	1,904	119
Deferred term annuity	395,114	496,865	316,473	361,733
Immediate husband-and-wife annuity	1	2	1	2
Deferred husband-and-wife annuity	9	50	9	50
Asset-formation insurance	19	22	14	17
Asset-formation savings insurance	16	15	12	11
Asset-formation housing funding insurance	3	7	2	5
Asset-formation annuities	10	43	10	43
Asset-formation whole life annuity	10	43	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	
			2025	2026
Death benefit	General death	Individual insurance	32,029,089	30,101,192
		Individual annuities	—	—
		Group insurance	—	—
		Group annuities	—	—
		Net, including others	42,554,341	39,517,698
	Accidental death	Individual insurance	[39,341,726]	[36,411,156]
		Individual annuities	[6,823]	[6,130]
		Group insurance	[—]	[—]
		Group annuities	[—]	[—]
		Net, including others	[63,083,130]	[58,174,085]
	Other conditional death	Individual insurance	[—]	[—]
		Individual annuities	[—]	[—]
		Group insurance	[—]	[—]
		Group annuities	[—]	[—]
		Net, including others	[—]	[—]
Survival benefit	Maturity/living benefits	Individual insurance	3,378,871	3,257,222
		Individual annuities	62,585	59,943
		Group insurance	—	—
		Group annuities	—	—
		Net, including others	4,115,079	3,877,029
	Annuities	Individual insurance	[15,735]	[12,989]
		Individual annuities	[158,091]	[124,049]
		Group insurance	[—]	[—]
		Group annuities	[—]	[—]
		Net, including others	[534,933]	[479,489]
	Others	Individual insurance	—	—
		Individual annuities	517,041	380,084
		Group insurance	—	—
		Group annuities	—	—
		Net, including others	9,006,291	8,649,805
Hospitalization benefit	Hospitalization due to accident	Individual insurance	[33,648]	[31,227]
		Individual annuities	[15]	[13]
		Group insurance	[—]	[—]
		Group annuities	[—]	[—]
		Net, including others	[54,242]	[50,265]
	Hospitalization due to illness	Individual insurance	[33,438]	[31,037]
		Individual annuities	[4]	[4]
		Group insurance	[—]	[—]
		Group annuities	[—]	[—]
		Net, including others	[53,987]	[50,035]
	Other conditional hospitalization	Individual insurance	[3,608]	[3,194]
		Individual annuities	[2]	[2]
		Group insurance	[—]	[—]
		Group annuities	[—]	[—]
		Net, including others	[6,387]	[5,849]

- 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	
		2025	2026
Disability benefit	Individual insurance	[6,906,502]	[6,369,323]
	Individual annuities	[1,926]	[1,748]
	Group insurance	[–]	[–]
	Group annuities	[–]	[–]
	Net, including others	[12,235,859]	[11,304,655]
Surgery benefit	Individual insurance	[9,138,548]	[8,530,100]
	Individual annuities	[2,950]	[2,685]
	Group insurance	[–]	[–]
	Group annuities	[–]	[–]
	Net, including others	[15,482,147]	[14,484,408]

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	
		2025	2026
Death protection insurance	Whole life insurance	15,400,720	15,384,774
	Whole life insurance with term rider	–	–
	Term insurance	117,249	131,494
	Net, including others	15,518,981	15,517,236
Mixed insurance	Endowment insurance	15,009,496	13,339,100
	Endowment insurance with term rider	–	–
	Term insurance with living benefits	–	–
	Net, including others	16,510,108	14,583,956
Pure endowment insurance		3,378,871	3,257,222
Annuities	Individual annuities	579,627	440,027
Accident/illness riders	Accident rider	13,365,460	11,751,025
	Nursing care rider	177	177
	Accident hospitalization rider	1	0
	Illness hospitalization rider	0	0
	Illness and accident hospitalization rider	328	198
	Non-participating accident hospitalization rider	94	70
	Non-participating illness and accident hospitalization rider	21,350	18,976
	Non-participating accidental rider	5,480,245	5,638,237
	Non-participating injury medical care rider	125	128
	Non-participating general medical care rider	11,501	11,600
	Non-participating general medical care rider with relaxed underwriting criteria	262	267
	Non-participating advanced medical care rider	(Number of policies) 304,681	(Number of policies) 316,263

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	
		2025	2026
Death protection insurance	Whole life insurance	809,914	842,456
	Whole life insurance with term rider	–	–
	Term insurance	2,001	2,245
	Net, including others	812,011	844,797
Mixed insurance	Endowment insurance	1,001,081	875,707
	Endowment insurance with term rider	–	–
	Term insurance with living benefits	–	–
	Net, including others	1,101,270	959,322
Pure endowment insurance		223,980	213,800
Annuities	Individual annuities	151,796	118,796

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 (hereinafter, the “EV”) is one of the corporate value indicators used by 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.

Therefore the Company considers that the EV is a useful indicator that provides financial information supplementary to the statutory accounting statements.

The Company has disclosed its EV on the basis of the European Embedded Value (“EEV”) Principles up to March 31, 2025 (hereinafter, the “old standard”).

The calculation method for EV as of March 31, 2026, has been changed, considering the introduction of economic value-based solvency regulations at the end of fiscal year 2025. Under this method (hereinafter, the “new standard”), EV is calculated based on net assets on the economic value-based balance sheet, after deducting elements that are not attributable to shareholders.

1) EV Results

(Billions of yen)			
As of March 31	2025 (Note 1)	2026	Increase (Decrease)
EV	3,940.9	4,256.5	315.5
Adjusted net worth equivalent (Notes 2 and 3)	2,006.3	1,999.6	(6.7)
Value of in-force covered business equivalent (Notes 2 and 4)	1,934.5	2,256.9	322.3

(Billions of yen)			
For the years ended March 31	2025 (Note 5)	2026	Increase (Decrease)
Value of new business (Note 6)	67.9	61.5	(6.3)

- Notes:
- The figures for March 31, 2025 are based on the old standard.
 - Unrealized gains and losses on securities, loans, and real estate related to insurance policies, as well as contingency reserve and reserve for price fluctuations related to old Postal Life Insurance Policies, are not included in the adjusted net worth equivalent, but are included in the value of in-force covered business equivalent.
 - 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.
 - The value of in-force covered business equivalent represents the value of the policies in force as of the valuation date, and is calculated as the present value of expected future distributable shareholder profits arising from in-force policies and the assets related to those policies.
 - The figure for the fiscal year ended March 31, 2025 is based on the old standard.
 - 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)	
	EV
Values as of March 31, 2025 (old standard)	3,940.9
Adjustment from the old standard to the new standard	61.7
Values as of March 31, 2025 (new standard)	4,002.7
Opening adjustments	(89.9)
Values as of March 31, 2025 after adjustment	3,912.7
Value of new business	61.5
Expected existing business contribution (unwinding of the discount rate)	60.3
Expected existing business contribution (in excess of the discount rate)	178.9
Non-economic experience variances	(4.9)
Non-economic assumption changes	70.3
Economic variances	(22.3)
Values as of March 31, 2026	4,256.5

3) Sensitivities

(Billions of yen)		
Assumptions	EV	
		Change in EV
March 31, 2026	4,256.5	–
Sensitivity 1 50bp increase in domestic interest rate (Note 1)	4,147.9	(108.5)
Sensitivity 2 50bp decrease in domestic interest rate (Notes 1 and 2)	4,355.4	98.9
Sensitivity 3 50bp increase in U.S. dollar interest rate (Note 1)	4,216.3	(40.1)
Sensitivity 4 50bp decrease in U.S. dollar interest rate (Notes 1 and 2)	4,298.8	42.3
Sensitivity 5 10% decrease in equity and real estate value	4,003.5	(252.9)
Sensitivity 6 10% appreciation of the yen	4,153.3	(103.1)
Sensitivity 7 10% decrease in maintenance expenses	4,397.3	140.7
Sensitivity 8 10% decrease in surrender and lapse rates	4,306.8	50.3

(Billions of yen)		
Assumptions	Value of new business	
		Change in value of new business
Fiscal year ended March 31, 2026	61.5	–
Sensitivity 1 50bp increase in domestic interest rate (Note 1)	79.3	17.8
Sensitivity 2 50bp decrease in domestic interest rate (Notes 1 and 2)	41.2	(20.3)
Sensitivity 7 10% decrease in maintenance expenses	66.9	5.3
Sensitivity 8 10% decrease in surrender and lapse rates	64.7	3.2

- Notes:
- For the long-duration yield curves 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 interest rates, without a floor.

4) Main EV Assumptions

(i) Economic Assumptions

The interest rates used to value insurance liabilities are based on the risk-free rates prescribed under the Financial Services Agency's economic value-based solvency regulations, and incorporate an Adjustment Spread.

The table on the right shows, for selected terms, the risk-free rates (converted to spot rates) used for the calculation.

Term (Years)	March 31, 2025	March 31, 2026
1	0.641%	1.116%
2	0.857%	1.353%
3	0.893%	1.482%
4	1.023%	1.653%
5	1.114%	1.795%
10	1.521%	2.396%
15	1.957%	2.919%
20	2.323%	3.485%
25	2.412%	3.817%
30	2.685%	3.973%
40	3.043%	4.000%
50	3.210%	3.967%
60	3.312%	3.939%

Note: For March 31, 2025, the risk-free rates used in calculating EV under the old standard are listed.

(ii) Other Assumptions

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

5) Notes on the Use of Results

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.

7-3 Insurance Policy Indicators

(1) Policies in Force and New Policies

1) Policies in Force

(Number of policies, millions of yen, %)

As of March 31	2025				2026			
	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	12,786,860	(2.4)	35,407,960	(3.5)	12,149,280	(5.0)	33,358,414	(5.8)
Death protection insurance	5,505,337	8.6	15,518,981	5.3	5,634,242	2.3	15,517,236	0.0
Mixed insurance	5,663,786	(11.3)	16,510,108	(10.9)	4,952,635	(12.6)	14,583,956	(11.7)
Pure endowment insurance	1,617,737	(1.3)	3,378,871	(1.3)	1,562,403	(3.4)	3,257,222	(3.6)
Individual annuities	421,962	(22.0)	579,627	(23.2)	329,720	(21.9)	440,027	(24.1)
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—
Asset-formation insurance	19	(20.8)	22	(8.9)	14	(26.3)	17	(22.0)
Asset-formation annuities	10	(9.1)	43	(8.2)	10	0.0	43	0.0

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	2025				2026			
	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	795,217	26.5	2,121,234	36.2	428,314	(46.1)	1,165,774	(45.0)
Death protection insurance	572,193	93.5	1,445,682	114.7	267,747	(53.2)	666,549	(53.9)
Mixed insurance	192,565	(26.7)	616,024	(18.5)	141,502	(26.5)	462,041	(25.0)
Pure endowment insurance	30,459	(56.8)	59,526	(53.8)	19,065	(37.4)	37,183	(37.5)
Individual annuities	221	(47.0)	1,195	(40.6)	118	(46.6)	630	(47.2)
Group insurance	—	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—	—
Asset-formation insurance	—	(100.0)	—	(100.0)	—	—	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, 2025	For the year ended March 31, 2026	As of March 31, 2025	As of March 31, 2026
Individual insurance	2,667	2,721	2,769	2,745
Death protection insurance	2,526	2,489	2,818	2,754
Mixed insurance	3,199	3,265	2,915	2,944
Pure endowment insurance	1,954	1,950	2,088	2,084

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	2025	2026
Individual insurance	5.8	3.3
Individual annuities	0.2	0.1
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	2025	2026
Individual insurance	2.7	2.5
Individual annuities	1.2	1.5
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	2025	2026
Individual insurance	226,109	232,604

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	2025	2026
In terms of number of policies	3.50	3.82
In terms of policy amount	2.83	3.13

Notes:

- Mortality rates are calculated by dividing the number of / policy amount for policies filing death 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:
(Number of / policy amount for policies in force at the beginning of fiscal year + number of / policy amount for policies in force at the end of fiscal year + the number of / policy amount for policies filing death claims) ÷ 2

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

(‰)

For the years ended March 31		2025	2026
Accident death benefit policy	In terms of number of policies	0.14	0.13
	In terms of policy amount	0.12	0.11
Disability benefit policy	In terms of number of policies	0.40	0.45
	In terms of policy amount	0.11	0.12
Accident hospitalization benefit policy	In terms of number of policies	7.61	8.17
	In terms of policy amount	0.25	0.27
Illness hospitalization benefit policy	In terms of number of policies	59.49	61.63
	In terms of policy amount	1.36	1.46
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	49.91	54.37
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:
(Number of / policy amount for policies in force at the beginning of fiscal year + number of / policy amount for policies in force at the end of fiscal year + the number of / policy amount for policies filing full-paid rider claims) ÷ 2

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

(%)

For the year ended March 31, 2025	For the year ended March 31, 2026
13.75	19.27

(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, 2025	For the year ended March 31, 2026
7	8

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, 2025	For the year ended March 31, 2026
100.0	99.9

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, 2025	For the year ended March 31, 2026
A or higher	100.0	100.0
BBB or higher	—	—
Other	—	—

Notes:

1. 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-.

2. 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, 2025	For the year ended March 31, 2026
9,721	15,213

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	2025	2026
Claim-filing ratio in third-sector insurance	42.7	44.3
Medical (Illness)	36.5	37.8
Cancer	—	—
Nursing care	80.4	93.9
Other	78.0	81.0

7-4 Accounting Data

(1) Reserve for Outstanding Claims

(Millions of yen)			
As of March 31		2025	2026
Insurance claims	Death benefits	13,982	12,580
	Accidental benefits	2,635	2,355
	Severe disability benefits	1,398	1,234
	Maturity benefits	46,346	78,214
	Other	199,441	179,275
	Subtotal	263,803	273,661
Annuity payments		4,858	4,366
Benefits		27,911	24,903
Surrender benefits		16,607	15,446
Deferred insurance benefits payment		—	—
Net, including other reserve for outstanding claims		314,993	319,831

(2) Policy Reserves

(Millions of yen)			
As of March 31		2025	2026
Policy reserves [excluding contingency reserve]	Individual insurance	23,592,878	23,215,020
	[General account]	[23,592,878]	[23,215,020]
	[Separate account]	[—]	[—]
	Individual annuities	563,545	426,069
	[General account]	[563,545]	[426,069]
	[Separate account]	[—]	[—]
	Group insurance	—	—
	[General account]	[—]	[—]
	[Separate account]	[—]	[—]
	Group annuities	—	—
	[General account]	[—]	[—]
	[Separate account]	[—]	[—]
	Other	23,389,943	21,762,453
	[General account]	[23,389,943]	[21,762,453]
	[Separate account]	[—]	[—]
	Subtotal	47,546,367	45,403,543
	[General account]	[47,546,367]	[45,403,543]
	[Separate account]	[—]	[—]
Contingency reserve		1,219,164	1,249,783
Total		48,765,531	46,653,326
[General account]		[48,765,531]	[46,653,326]
[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, 2025	44,723,382	2,822,984	—	1,219,164	48,765,531
As of March 31, 2026	43,158,695	2,244,848	—	1,249,783	46,653,326

(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		2025	2026
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)	The method prescribed by Ordinance No. 48 issued by the Ministry of Finance in 1996 (standard policy reserves)
	Contracts outside the scope of the standard policy reserves	—	—
Reserve ratio (excluding contingency reserve)		100.0%	100.0%

Notes:

1. 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, although they are computed based on the net level premium method.

2. 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	2,960,541	1.00%–1.50%
For the year ended March 31, 2012	1,227,232	0.80%–1.50%
For the year ended March 31, 2013	1,331,287	0.70%–1.50%
For the year ended March 31, 2014	1,587,299	0.70%–1.00%
For the year ended March 31, 2015	2,253,558	0.55%–1.00%
For the year ended March 31, 2016	2,399,063	0.50%–1.00%
For the year ended March 31, 2017	3,771,682	0.50%–1.00%
For the year ended March 31, 2018	2,206,310	0.25%
For the year ended March 31, 2019	1,792,837	0.25%
For the year ended March 31, 2020	694,527	0.25%
For the year ended March 31, 2021	113,003	0.25%
For the year ended March 31, 2022	160,569	0.25%
For the year ended March 31, 2023	226,397	0.25%
For the year ended March 31, 2024	754,399	0.25%–0.75%
For the year ended March 31, 2025	1,505,562	0.25%–0.95%
For the year ended March 31, 2026	656,816	0.25%–1.75%

- 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.
3. All figures listed in this table are in Japanese currency.

(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, 2025, and 2026.

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

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

The Company carries 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, the Company calculates 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, the Company has 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 the Company 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
For the year ended March 31, 2025							
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]
For the year ended March 31, 2026							
Balance at the beginning of the fiscal year	115,942	940	–	–	–	968,243	1,085,126
Interest accrual	203	1	–	–	–	2,560	2,765
Reduction due to policyholder dividends paid	13,532	193	–	–	–	88,271	101,997
Reduction due to the acquisition of additional annuity	–	3	–	–	–	278	282
Provision for reserve for policyholder dividends	17,441	14	–	–	–	126,124	143,579
Balance at the end of the fiscal year	120,055	759	–	–	–	1,008,376	1,129,192
	[101,919]	[742]	[–]	[–]	[–]	[–]	[102,661]

Note: Figures within brackets “[]” are accumulated dividends.

Meanwhile, the provision for reserve for policyholder dividends associated with the reinsurance from the Management Network (¥968,243 million for the year ended March 31, 2025, and ¥1,008,376 million for the year ended March 31, 2026) 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		2025			2026		
		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	367	335	367	338	(29)
	Specific reserve for possible loan losses	314	398	84	398	526	128
	Reserve for specific foreign loans	–	–	–	–	–	–
Reserve for management bonuses		–	227	227	227	248	21
Reserve for employees' retirement benefits		97,157	108,493	11,336	108,493	116,849	8,355
Reserve for management board benefit trust		391	407	16	407	481	73
Reserve for price fluctuations		873,799	829,930	(43,869)	829,930	719,232	(110,697)

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, 2025, and 2026.

(10) Capital Stock, etc.

(Millions of yen)							
			Balance at the beginning of the year ended March 31, 2026	Increase in the fiscal year	Decrease in the fiscal year	Balance at the end of the year ended March 31, 2026	Remarks
Capital stock			500,000	—	—	500,000	
Of which shares issued	[Common stock]	[383,192 thousand shares]	—	[11,369 thousand shares]	[371,822 thousand shares]	Decrease due to cancellation of treasury stock	
		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	2025	2026
Individual insurance	2,977,967	2,018,305
(Lump-sum payment)	1,288,082	545,576
(Annual payment)	—	—
(Semi-annual payment)	—	—
(Monthly payment)	1,689,885	1,472,728
Individual annuities	2,603	1,986
(Lump-sum payment)	—	—
(Annual payment)	—	—
(Semi-annual payment)	—	—
(Monthly payment)	2,603	1,986
Group insurance	—	—
Group annuities	—	—
Net, including other premiums	3,115,427	2,128,126

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		2025	2026
Individual insurance Individual annuities	First-year premiums	1,357,433	597,306
	Premiums for the following years	1,623,138	1,422,984
	Subtotal	2,980,571	2,020,291
Group insurance Group annuities	First-year premiums	—	—
	Premiums for the following years	—	—
	Subtotal	—	—
Net, including other premiums	First-year premiums	1,357,858	597,820
	Premiums for the following years	1,757,568	1,530,305
	Total	3,115,427	2,128,126

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
For the year ended March 31, 2025						
Individual insurance	98,989	5,557	2,280	1,613,775	—	1,720,602
Individual annuities	—	5	—	—	—	5
Group insurance	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—
Asset-formation insurance, asset-formation annuities	—	—	—	6	—	6
Other insurance	—	—	—	—	2,067,127	2,067,127
Total	98,989	5,562	2,280	1,613,781	2,067,127	3,787,741
For the year ended March 31, 2026						
Individual insurance	104,465	5,279	2,337	1,471,318	—	1,583,400
Individual annuities	—	2	—	—	—	2
Group insurance	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—
Asset-formation insurance, asset-formation annuities	—	—	—	6	—	6
Other insurance	—	—	—	—	1,785,774	1,785,774
Total	104,465	5,281	2,337	1,471,324	1,785,774	3,369,183

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, 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
For the year ended March 31, 2026						
Individual insurance	46,623	2,554	858	766,668	—	816,703
Individual annuities	—	1	—	—	—	1
Group insurance	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—
Asset-formation insurance, asset-formation annuities	—	—	—	4	—	4
Other insurance	—	—	—	—	8,226,352	8,226,352
Total	46,623	2,555	858	766,672	8,226,352	9,043,060

Note: "Other insurance" includes receiving reinsurance.

(13) Annuities

(Millions of yen)						
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
For the year ended March 31, 2026						
Individual insurance	Individual annuities	Group insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Other insurance	Total
128	140,276	—	—	—	—	140,405

(14) Benefits

1) Benefits (amounts)

(Millions of yen)							
	Death benefits	Hospitalization benefits	Surgery benefits	Disability benefits	Living benefits	Other	Total
For the year ended March 31, 2025							
Individual insurance	183	38,419	26,326	2,145	152,824	931	220,832
Individual annuities	—	11	6	1	—	0	19
Group insurance	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—
Asset-formation insurance, asset-formation annuities	—	—	—	—	—	—	—
Other insurance	—	—	—	—	—	—	—
Total	183	38,431	26,333	2,146	152,824	932	220,852
For the year ended March 31, 2026							
Individual insurance	199	38,880	26,173	2,148	168,338	901	236,640
Individual annuities	—	14	8	1	—	0	25
Group insurance	—	—	—	—	—	—	—
Group annuities	—	—	—	—	—	—	—
Asset-formation insurance, asset-formation annuities	—	—	—	—	—	—	—
Other insurance	—	—	—	—	—	—	—
Total	199	38,894	26,182	2,150	168,338	902	236,666

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, 2025							
Individual insurance	137	779,798	429,206	2,850	377,394	16,576	1,605,961
Individual annuities	–	121	86	3	–	4	214
Group insurance	–	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–	–
Asset-formation insurance, asset-formation annuities	–	–	–	–	–	–	–
Other insurance	–	–	–	–	–	–	–
Total	137	779,919	429,292	2,853	377,394	16,580	1,606,175
For the year ended March 31, 2026							
Individual insurance	114	787,902	437,950	2,899	373,210	16,453	1,618,528
Individual annuities	–	136	98	1	–	7	242
Group insurance	–	–	–	–	–	–	–
Group annuities	–	–	–	–	–	–	–
Asset-formation insurance, asset-formation annuities	–	–	–	–	–	–	–
Other insurance	–	–	–	–	–	–	–
Total	114	788,038	438,048	2,900	373,210	16,460	1,618,770

(15) Surrender Benefits

(Millions of yen)						
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
For the year ended March 31, 2026						
Individual insurance	Individual annuities	Group insurance	Group annuities	Asset-formation insurance, asset-formation annuities	Other insurance	Total
410,227	1,050	–	–	2	–	411,279

(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
For the year ended March 31, 2025					
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
Total	798,774	40,736	614,550	184,223	76.9
For the year ended March 31, 2026					
Tangible fixed assets	122,872	6,895	63,487	59,384	51.7
Buildings	78,508	3,386	37,896	40,612	48.3
Leased assets	8,213	1,159	3,668	4,545	44.7
Other tangible fixed assets	36,150	2,350	21,923	14,227	60.6
Intangible fixed assets	710,566	33,294	582,119	128,447	81.9
Others	782	35	594	187	76.0
Total	834,221	40,225	646,201	188,020	77.5

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	2025	2026
Sales activity expenses	58,906	45,754
Sales administration expenses	17,761	17,014
General administration expenses	351,696	347,379
Total	428,363	410,148

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	2025	2026
National taxes	21,874	19,040
Consumption tax	19,418	17,386
Special corporate enterprise tax	2,169	1,485
Stamp duty	285	161
Registration license tax	0	0
Other national taxes	2	7
Local taxes	13,994	11,375
Local consumption tax	5,476	4,904
Enterprise tax	7,413	5,099
Fixed property tax	769	966
Real estate acquisition tax	(106)	1
Business office tax	440	404
Other local taxes	0	0
Total	35,869	30,416

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, 2025, and 2026.

(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
As of March 31, 2025							
Bonds payable	—	—	—	—	—	500,000	500,000
Payables under repurchase agreements	4,516,922	—	—	—	—	—	4,516,922
Total	4,516,922	—	—	—	—	500,000	5,016,922
As of March 31, 2026							
Bonds payable	—	—	—	—	—	500,000	500,000
Payables under repurchase agreements	4,595,895	—	—	—	—	—	4,595,895
Total	4,595,895	—	—	—	—	500,000	5,095,895

7-5 Indicators Related to Asset Management (General Account)

(1) Portfolio Trends

Asset Structure, Increase/Decrease in Assets

(Millions of yen, %)

As of March 31	2025			2026		
	Amount	Percentage	Increase/decrease	Amount	Percentage	Increase/decrease
Cash, deposits, call loans	2,000,343	3.4	807,613	1,779,746	3.0	(220,597)
Receivables under resale agreements	604,914	1.0	(442,278)	472,482	0.8	(132,431)
Receivables under securities borrowing transactions	—	—	—	—	—	—
Monetary claims bought	23,215	0.0	(2,176)	21,229	0.0	(1,985)
Trading account securities	—	—	—	—	—	—
Money held in trust	6,460,029	10.8	188,613	8,039,836	13.8	1,579,807
Securities	46,528,662	78.1	(1,165,934)	44,930,781	76.9	(1,597,881)
Corporate and government bonds	41,639,888	69.9	(1,152,058)	39,768,142	68.0	(1,871,745)
Domestic stocks	594,608	1.0	36,071	787,434	1.3	192,825
Foreign securities	2,024,510	3.4	(144,330)	2,104,952	3.6	80,441
Foreign corporate and government bonds	1,828,539	3.1	(145,970)	1,865,205	3.2	36,665
Foreign stocks and other securities	195,971	0.3	1,639	239,747	0.4	43,776
Other securities	2,269,655	3.8	94,382	2,270,251	3.9	596
Loans	2,530,051	4.2	(751,262)	2,134,764	3.7	(395,286)
Policy loans	159,074	0.3	9,367	164,791	0.3	5,717
Industrial and commercial loans	754,604	1.3	(94,570)	676,553	1.2	(78,050)
Loans to the Management Network	1,616,372	2.7	(666,059)	1,293,418	2.2	(322,954)
Real estate	120,066	0.2	(1,575)	116,171	0.2	(3,895)
Investment property	—	—	—	—	—	—
Deferred tax assets	728,362	1.2	91,838	327,434	0.6	(400,928)
Other	560,635	0.9	(25,993)	629,195	1.1	68,560
Reserve for possible loan losses	(766)	(0.0)	(419)	(864)	(0.0)	(98)
General account total	59,555,517	100.0	(1,301,573)	58,450,779	100.0	(1,104,738)
Foreign-currency-denominated assets	4,131,183	6.9	46,790	4,626,682	7.9	495,499

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	2025	2026
Cash, deposits, and call loans	0.02	0.05
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary claims bought	1.17	1.28
Trading account securities	—	—
Money held in trust	5.26	9.92
Securities	1.41	0.97
Corporate and government bonds	1.25	0.80
Domestic stocks	8.75	10.59
Foreign securities	3.04	2.14
Loans	1.74	1.74
Industrial and commercial loans	1.02	1.08
Real estate	—	—
General account total	1.57	1.54
Overseas loans and investments	3.49	4.12

Notes:
1. Yields are calculated by dividing investment income less investment expenses by the daily average balance based on book value.
2. “General account total” includes assets related 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	2025	2026
Cash, deposits, and call loans	645,484	562,408
Receivables under resale agreements	—	—
Receivables under securities borrowing transactions	—	—
Monetary claims bought	24,196	22,612
Trading account securities	—	—
Money held in trust	3,787,253	4,008,993
Securities	47,719,288	46,190,516
Corporate and government bonds	43,009,808	41,302,295
Domestic stocks	402,182	459,764
Foreign securities	2,020,661	2,133,898
Loans	2,898,702	2,419,725
Industrial and commercial loans	816,826	728,692
Real estate	120,511	119,119
General account total	58,442,086	56,369,423
Overseas loans and investments	3,596,171	3,828,551

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	2025	2026
Interest and dividend income	864,561	855,640
Gains on trading account securities	—	—
Gains on money held in trust	199,152	397,705
Gains on trading securities	—	—
Gains on sales of securities	110,640	52,634
Gains on redemption of securities	220	305
Gains on derivative financial instruments	—	—
Gains on foreign exchanges	20,999	6,229
Reversal of reserve for possible loan losses	—	29
Other investment income	44	47
Total	1,195,618	1,312,592

(5) Investment Expenses

(Millions of yen)		
For the years ended March 31	2025	2026
Interest expenses	13,641	31,102
Losses on trading account securities	—	—
Losses on money held in trust	—	—
Losses on trading securities	—	—
Losses on sales of securities	193,470	364,721
Losses on valuation of securities	—	—
Losses on redemption of securities	185	178
Losses on derivative financial instruments	68,329	43,974
Losses on foreign exchanges	—	—
Provision for reserve for possible loan losses	335	—
Write-off loans	—	—
Depreciation of real estate for lease and other assets	—	—
Other investment expenses	3,116	4,893
Total	279,079	444,870

(6) Interest, Dividends, and Other Income

(Millions of yen)

For the years ended March 31	2025	2026
Interest on deposits	2,482	8,312
Interest and dividends on securities	803,699	795,677
Interest on corporate and government bonds	673,715	658,940
Domestic stock dividends	14,552	19,863
Interest and dividends on foreign securities	74,538	85,056
Interest on loans	12,318	11,712
Interest on loans to the Management Network	38,318	30,146
Rent revenue from real estate	—	—
Net, including other income	864,561	855,640

(7) Gains on Sales of Securities

(Millions of yen)

For the years ended March 31	2025	2026
Japanese government bonds and other bonds	31,104	6,159
Domestic stocks and other securities	23,280	39,476
Foreign securities	56,256	6,998
Net, including other gains on sales of securities	110,640	52,634

(8) Losses on Sales of Securities

(Millions of yen)

For the years ended March 31	2025	2026
Japanese government bonds and other bonds	160,749	333,401
Domestic stocks and other securities	2,381	9,151
Foreign securities	28,375	10,267
Net, including other losses on sales of securities	193,470	364,721

(9) Losses on Valuation of Securities

Not applicable as of March 31, 2025, and 2026.

(10) Proprietary Trading Securities

Not applicable as of March 31, 2025, and 2026.

(11) Proceeds on Sales of Proprietary Trading Securities

Not applicable as of March 31, 2025, and 2026.

(12) Securities Composition

(Millions of yen, %)

As of March 31	2025		2026	
	Amount	Percentage	Amount	Percentage
Corporate and government bonds	41,639,888	89.5	39,768,142	88.5
Japanese government bonds	35,390,389	76.1	34,085,398	75.9
Japanese local government bonds	2,123,485	4.6	1,927,062	4.3
Japanese corporate bonds	4,126,013	8.9	3,755,681	8.4
Public entity bonds	2,078,328	4.5	1,841,214	4.1
Domestic stocks	594,608	1.3	787,434	1.8
Foreign securities	2,024,510	4.4	2,104,952	4.7
Foreign corporate and government bonds	1,828,539	3.9	1,865,205	4.2
Foreign stocks and other securities	195,971	0.4	239,747	0.5
Other securities	2,269,655	4.9	2,270,251	5.1
Total	46,528,662	100.0	44,930,781	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
As of March 31, 2025	2,289,131	4,332,182	5,847,631	5,362,692	5,093,449	24,646,790	47,571,878
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	—	—	—	—	—	—	—
As of March 31, 2026	2,853,465	5,830,331	5,214,358	4,654,786	4,210,328	23,413,740	46,177,011
Securities	1,618,483	5,830,331	5,214,358	4,654,786	4,210,328	23,402,492	44,930,781
Japanese government bonds	1,493,326	4,791,681	4,354,198	3,647,237	3,097,717	16,701,236	34,085,398
Japanese local government bonds	18,649	171,025	193,028	331,246	220,880	992,232	1,927,062
Japanese corporate bonds	33,797	476,385	465,729	429,931	513,620	1,836,217	3,755,681
Domestic stocks	—	—	—	—	—	787,434	787,434
Foreign securities	72,710	391,238	201,401	246,370	376,673	816,557	2,104,952
Foreign corporate and government bonds	72,710	391,238	201,401	246,370	376,673	576,809	1,865,205
Foreign stocks and other securities	—	—	—	—	—	239,747	239,747
Other securities	—	—	—	—	1,436	2,268,814	2,270,251
Monetary claims bought	9,981	—	—	—	—	11,248	21,229
Negotiable certificates of deposit	1,225,000	—	—	—	—	—	1,225,000
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	2025	2026
Corporate and government bonds	1.58	1.62
Foreign corporate and government bonds	3.66	3.61

(15) Breakdown of Local Government Bonds by Region

(Millions of yen)		
As of March 31	2025	2026
Hokkaido	93,980	85,553
Tohoku	19,354	7,502
Kanto	694,321	653,365
Chubu	343,551	296,051
Kinki	561,973	540,751
Chugoku	101,230	81,629
Shikoku	8,814	3,884
Kyushu	264,133	243,322
Other	36,124	15,001
Total	2,123,485	1,927,062

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

(16) Shareholdings by Industry Sector

(Millions of yen, %)				
As of March 31	2025		2026	
	Amount	Percentage	Amount	Percentage
Fishery, agriculture, and forestry	–	–	–	–
Mining	–	–	–	–
Construction	23,520	4.0	43,070	5.5
Manufacturing				
Foods	12,738	2.1	13,063	1.7
Textiles and apparel	–	–	6,238	0.8
Pulp and paper	–	–	–	–
Chemicals	67,844	11.4	76,576	9.7
Pharmaceuticals	23,862	4.0	26,864	3.4
Oil and coal products	–	–	–	–
Rubber products	–	–	1,306	0.2
Glass and ceramic products	8,940	1.5	21,137	2.7
Iron and steel	–	–	–	–
Nonferrous metals	5,213	0.9	29,715	3.8
Metal products	2,150	0.4	4,841	0.6
Machinery	37,770	6.4	57,183	7.3
Electric appliances	82,066	13.8	106,956	13.6
Transportation equipment	24,621	4.1	26,387	3.4
Precision instruments	14,137	2.4	14,604	1.9
Other products	7,266	1.2	12,407	1.6
Electric power and gas	–	–	–	–
Transportation, information, and communications				
Land transportation	9,233	1.6	11,301	1.4
Marine transportation	–	–	–	–
Air transportation	–	–	–	–
Warehousing and port transportation services	–	–	2,726	0.3
Information and communications	42,198	7.1	36,986	4.7
Trade and services				
Wholesale trade	36,251	6.1	66,201	8.4
Retail trade	45,321	7.6	44,072	5.6
Finance and insurance				
Banking	49,280	8.3	64,191	8.2
Securities and trading	53,796	9.0	51,784	6.6
Insurance	7,140	1.2	20,371	2.6
Other financial services	9,612	1.6	14,563	1.8
Real estate	8,244	1.4	16,352	2.1
Services	23,397	3.9	18,529	2.4
Total	594,608	100.0	787,434	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	2025	2026
Policy loans	159,074	164,791
Policyholder loans	159,071	164,789
Policy premium loans	2	2
Industrial and commercial loans	2,370,977	1,969,972
(Loans to non-residents)	(–)	(–)
Loans to companies	1,688,866	1,349,726
(Loans to domestic corporations)	(1,688,866)	(1,349,726)
Loans to state, international organizations, and government organizations	–	–
Loans to public bodies and public businesses	682,111	620,246
Housing loans	–	–
Consumer loans	–	–
Other	–	–
Total	2,530,051	2,134,764

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, 2025	394,542	668,143	436,545	283,442	259,003	329,300	2,370,977
Floating rate loans	–	–	–	–	–	–	–
Fixed rate loans	394,542	668,143	436,545	283,442	259,003	329,300	2,370,977
Total industrial and commercial loans as of March 31, 2026	346,388	559,006	355,919	229,945	206,389	272,323	1,969,972
Floating rate loans	–	–	–	–	–	–	–
Fixed rate loans	346,388	559,006	355,919	229,945	206,389	272,323	1,969,972

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

As of March 31		2025		2026	
			Percentage		Percentage
Large companies	Number of borrowers	2	10.5	1	6.7
	Amount of loans	4,210	0.2	210	0.0
Medium-sized companies	Number of borrowers	—	—	—	—
	Amount of loans	—	—	—	—
Small companies	Number of borrowers	17	89.5	14	93.3
	Amount of loans	1,684,656	99.8	1,349,516	100.0
Total loans to domestic companies	Number of borrowers	19	100.0	15	100.0
	Amount of loans	1,688,866	100.0	1,349,726	100.0

Notes:

1. 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.

2. Classifications are defined as below.

3. "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

As of March 31		2025		2026	
		Amount	Percentage	Amount	Percentage
Domestic					
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	63,820	2.7	51,697	2.6
	Information and communications	—	—	—	—
	Transportation and postal	210	0.0	210	0.0
	Wholesale trade	4,000	0.2	—	—
	Retail trade	—	—	—	—
	Financing and insurance	1,616,372	68.2	1,293,418	65.7
	Real estate	4,462	0.2	4,400	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	682,111	28.8	620,246	31.5
	Individuals (residential/ consumption/local taxes/other)	—	—	—	—
	Total	2,370,977	100.0	1,969,972	100.0
Overseas					
Governments and public entities		—	—	—	—
	Financial institutions	—	—	—	—
	Commerce and industry, etc.	—	—	—	—
Total		—	—	—	—
Total industrial and commercial loans		2,370,977	100.0	1,969,972	100.0

Notes:

1. 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).

2. 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	2025		2026	
	Amount	Percentage	Amount	Percentage
Capital investments	642,683	27.1	580,955	29.5
Operations	1,728,293	72.9	1,389,016	70.5
Total	2,370,977	100.0	1,969,972	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	2025		2026	
	Amount	Percentage	Amount	Percentage
Hokkaido	11,416	0.5	10,987	0.6
Tohoku	31,602	1.3	27,304	1.4
Kanto	1,872,752	79.0	1,516,023	77.0
Chubu	205,008	8.6	191,082	9.7
Kinki	134,938	5.7	125,256	6.4
Chugoku	34,592	1.5	32,132	1.6
Shikoku	3,798	0.2	3,084	0.2
Kyushu	76,869	3.2	64,101	3.3
Total	2,370,977	100.0	1,969,972	100.0

Notes:

1. Loans to individuals and non-residents and loans for insurance policies are not included.
2. Regional classification depends on the location of the borrower’s headquarters.
3. 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	2025		2026	
	Amount	Percentage	Amount	Percentage
Secured loans	63,883	2.7	51,697	2.6
Loans secured by securities	—	—	—	—
Loans secured by real estate, movable property, or foundation	—	—	—	—
Loans secured by nominative claims	63,883	2.7	51,697	2.6
Guaranteed loans	210	0.0	210	0.0
Credit loans	690,511	29.1	624,646	31.7
Other	1,616,372	68.2	1,293,418	65.7
Industrial and commercial loans	2,370,977	100.0	1,969,972	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, 2025							
Land	76,610	21	—	—	76,632	—	—
Buildings, net	44,984	1,385	134	3,313	42,921	34,440	44.5
Leased assets, net	5,326	180	8	1,135	4,363	2,842	39.5
Construction in progress	47	2,041	1,575	—	513	—	—
Others, net	9,602	9,062	162	2,666	15,836	26,096	62.2
Total	136,571	12,692	1,882	7,114	140,266	63,379	—
(Includes rentals and other real estate)	—	—	—	—	—	—	—
For the year ended March 31, 2026							
Land	76,632	—	1,097 (1,097)	—	75,534	—	—
Buildings, net	42,921	2,632	1,555 (1,457)	3,386	40,612	37,896	48.3
Leased assets, net	4,363	1,359	17	1,159	4,545	3,668	44.7
Construction in progress	513	1,749	2,236	—	25	—	—
Others, net	15,836	849	108 (3)	2,350	14,227	21,923	60.6
Total	140,266	6,589	5,015 (2,558)	6,895	134,944	63,487	—
(Includes rentals and other real estate)	—	—	—	—	—	—	—

Notes:

1. The amount of impairment loss recorded is indicated in parentheses in the “Decrease in the fiscal year” column.
2. “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	2025	2026
Value of real estate holdings	120,066	116,171
For business operations	120,066	116,171
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	2025	2026
Tangible fixed assets	15	10
Land	—	—
Buildings	—	—
Leased assets	—	—
Other assets	15	10
Intangible fixed assets	—	—
Others	—	—
Total	15	10
Includes rentals and other real estate	—	—

(26) Losses on Disposal of Fixed Assets

(Millions of yen)

For the years ended March 31	2025	2026
Tangible fixed assets	226	140
Land	–	–
Buildings	70	35
Leased assets	8	17
Other assets	147	87
Intangible fixed assets	13	176
Others	–	–
Total	240	317
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, 2025, and 2026.

(28) Overseas Loans and Investments

1) Breakdown by Asset Composition

(Millions of yen, %)

As of March 31		2025		2026	
		Amount	Percentage	Amount	Percentage
Foreign-currency-denominated assets	Corporate and government bonds	1,742,271	37.8	1,813,298	35.4
	Stocks	813,675	17.6	1,043,832	20.4
	Cash and cash equivalents	1,575,235	34.2	1,769,552	34.6
	Subtotal	4,131,183	89.6	4,626,682	90.3
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	479,816	10.4	494,445	9.7
	Subtotal	479,816	10.4	494,445	9.7
Net overseas loans and investments		4,611,000	100.0	5,121,128	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, 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	—	—	—	—
As of March 31, 2026		4,917,408	100.0	1,865,205	100.0	3,052,203	100.0	—	—
	North America	2,008,761	40.9	1,053,595	56.5	955,166	31.3	—	—
	Europe	458,821	9.3	356,399	19.1	102,421	3.4	—	—
	Oceania	112,019	2.3	112,019	6.0	—	—	—	—
	Asia	81,688	1.7	81,688	4.4	—	—	—	—
	Central and South America	2,028,988	41.3	34,372	1.8	1,994,615	65.4	—	—
	Middle East	—	—	—	—	—	—	—	—
	Africa	—	—	—	—	—	—	—	—
	International organization	227,130	4.6	227,130	12.2	—	—	—	—

3) Composition of Foreign-Currency-Denominated Assets by Currency

(Millions of yen, %)

As of March 31	2025		2026	
	Amount	Percentage	Amount	Percentage
U.S. dollar	3,327,506	80.5	3,682,111	79.6
Euro	416,921	10.1	534,326	11.5
Australian dollar	210,947	5.1	224,484	4.9
New Zealand dollar	98,134	2.4	106,577	2.3
Canadian dollar	62,216	1.5	62,803	1.4
British pound	15,457	0.4	16,379	0.4
Total	4,131,183	100.0	4,626,682	100.0

(29) Yield on Overseas Loans and Investments

			(%)
For the years ended March 31	2025	2026	
Yield on overseas loans and investments	3.49	4.12	

(30) Summary of New Public-Sector Investment Underwriting and Loans

Not applicable for the years ended March 31, 2025, and 2026.

(31) Loan Interest Rates

Not applicable for the years ended March 31, 2025, and 2026.

(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, 2025								
Other	48,756	6,338	218,391	175,974	—	48,756		
Total	48,756	6,338	218,391	175,974	—	48,756		
For the year ended March 31, 2026								
Other	53,028	48,756	255,022	250,750	—	53,028		
Total	53,028	48,756	255,022	250,750	—	53,028		

7-6 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, 2025, and 2026.

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

		2025					2026					(Millions of yen)
As of March 31		Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)			
				Gains	Losses				Gains	Losses		
	Held-to-maturity bonds	31,425,320	30,144,069	(1,281,251)	733,467	2,014,718	30,481,050	26,903,275	(3,577,774)	119,982	3,697,756	
	Policy-reserve-matching bonds	7,243,771	6,522,343	(721,427)	91,171	812,599	7,001,851	5,902,104	(1,099,747)	20,321	1,120,068	
	Equities of subsidiaries and affiliates	—	—	—	—	—	—	—	—	—	—	
	Available-for-sale securities	12,558,013	14,719,680	2,161,666	2,746,991	585,324	12,551,708	15,974,166	3,422,458	4,100,618	678,159	
	Corporate and government bonds	3,303,529	2,990,796	(312,733)	4,289	317,023	2,743,668	2,305,241	(438,427)	2,900	441,327	
	Domestic stocks	1,962,202	3,509,230	1,547,028	1,581,457	34,429	2,217,093	4,702,964	2,485,870	2,509,102	23,231	
	Foreign securities	3,406,868	4,393,772	986,903	1,055,596	68,692	3,515,084	4,864,878	1,349,793	1,419,003	69,210	
	Foreign corporate and government bonds	1,840,400	1,808,539	(31,860)	36,707	68,567	1,866,156	1,845,205	(20,950)	48,259	69,210	
	Foreign stocks and other securities	1,566,468	2,585,232	1,018,764	1,018,889	124	1,648,928	3,019,672	1,370,744	1,370,744	—	
	Other securities	2,842,301	2,782,665	(59,636)	105,543	165,179	2,829,256	2,854,852	25,596	169,604	144,008	
	Monetary claims bought	23,110	23,215	104	104	—	21,603	21,229	(373)	7	381	
	Negotiable certificates of deposit	1,020,000	1,020,000	—	—	—	1,225,000	1,225,000	—	—	—	
	Other	—	—	—	—	—	—	—	—	—	—	
	Total	51,227,105	51,386,093	158,987	3,571,630	3,412,643	50,034,609	48,779,546	(1,255,062)	4,240,922	5,495,984	
	Corporate and government bonds	41,952,621	39,638,241	(2,314,379)	828,928	3,143,308	40,206,570	35,092,493	(5,114,076)	143,204	5,257,281	
	Domestic stocks	1,962,202	3,509,230	1,547,028	1,581,457	34,429	2,217,093	4,702,964	2,485,870	2,509,102	23,231	
	Foreign securities	3,426,868	4,412,739	985,870	1,055,596	69,725	3,535,084	4,883,006	1,347,921	1,419,003	71,082	
	Foreign corporate and government bonds	1,860,400	1,827,506	(32,893)	36,707	69,600	1,886,156	1,863,333	(22,822)	48,259	71,082	
	Foreign stocks and other securities	1,566,468	2,585,232	1,018,764	1,018,889	124	1,648,928	3,019,672	1,370,744	1,370,744	—	
	Other securities	2,842,301	2,782,665	(59,636)	105,543	165,179	2,829,256	2,854,852	25,596	169,604	144,008	
	Monetary claims bought	23,110	23,215	104	104	—	21,603	21,229	(373)	7	381	
	Negotiable certificates of deposit	1,020,000	1,020,000	—	—	—	1,225,000	1,225,000	—	—	—	
	Other	—	—	—	—	—	—	—	—	—	—	

- Notes:
1. This table includes the handling of securities under the Financial Instruments and Exchange Act, etc.
 2. 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 ¥3,893,370 million with net unrealized gains (losses) of ¥3,628,963 million as of March 31, 2026.
 3. 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	2025	2026
Equities of subsidiaries and affiliates	187,582	167,435
Available-for-sale securities	150,107	202,099
Domestic stocks	4,259	7,883
Foreign stocks	23,646	30,366
Other	122,201	163,849
Total	337,689	369,535

Note: This table includes money held in trust other than trading securities (¥122,201 million as of March 31, 2025, and ¥129,421 million as of March 31, 2026).

(2) Fair Value of Money Held in Trust

(Millions of yen)

As of March 31	2025					2026				
	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	6,330,280	6,330,280	–	–	–	7,901,359	7,901,359	–	–	–

Note: Excluding money held in trust not subject to fair value disclosure (¥129,749 million as of March 31, 2025, and ¥138,477 million as of March 31, 2026).

1) Money Held in Trust for Trading Purposes

The Company did not hold money held in trust for trading purposes as of March 31, 2025, and 2026.

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	2025					2026				
	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	3,874,533	6,330,280	2,455,746	2,495,579	39,832	4,272,395	7,901,359	3,628,963	3,659,948	30,984
Domestic stocks	1,582,123	2,980,598	1,398,475	1,422,342	23,867	1,802,319	3,986,460	2,184,141	2,202,787	18,646
Foreign stocks	298,289	789,478	491,189	491,189	–	311,173	1,011,301	700,128	700,128	–
Foreign bonds	562,195	676,754	114,558	124,008	9,449	562,195	722,802	160,607	170,276	9,669
Other	1,431,925	1,883,448	451,523	458,038	6,515	1,596,707	2,180,794	584,086	586,755	2,668

Notes:

- Excluding other money held in trust not subject to fair value disclosure (¥129,749 million as of March 31, 2025, and ¥138,477 million as of March 31, 2026).
- “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) 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
As of March 31, 2025							
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
As of March 31, 2026							
Domestic stocks						3,982,148	
Foreign securities						2,812,455	
Foreign corporate and government bonds						–	
Foreign stocks and other securities						2,812,455	
Other securities						857,151	7,651,756

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	2025		2026	
	Amount	Percentage	Amount	Percentage
Japanese yen	3,796,197	61.7	4,878,794	63.8
U.S. dollar	2,144,561	34.8	2,511,859	32.8
Euro	203,408	3.3	245,781	3.2
Others	10,966	0.2	15,320	0.2
Total	6,155,135	100.0	7,651,756	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	2025		2026	
	Fair value	Percentage	Fair value	Percentage
Fishery, agriculture, and forestry	2,229	0.1	3,061	0.1
Mining	8,504	0.3	19,098	0.5
Construction	95,017	3.2	132,870	3.3
Manufacturing				
Foods	109,132	3.7	120,205	3.0
Textiles and apparel	11,179	0.4	13,601	0.3
Pulp and paper	3,781	0.1	5,814	0.1
Chemicals	146,577	4.9	178,343	4.5
Pharmaceuticals	116,100	3.9	158,768	4.0
Oil and coal products	14,478	0.5	23,208	0.6
Rubber products	17,897	0.6	22,183	0.6
Glass and ceramic products	18,386	0.6	29,378	0.7
Iron and steel	22,583	0.8	26,170	0.7
Nonferrous metals	28,477	1.0	84,755	2.1
Metal products	13,081	0.4	15,805	0.4
Machinery	162,555	5.5	242,444	6.1
Electric appliances	490,203	16.5	654,162	16.4
Transportation equipment	218,706	7.3	276,648	6.9
Precision instruments	59,898	2.0	73,759	1.9
Other products	102,732	3.4	79,588	2.0
Electric power and gas	24,581	0.8	38,419	1.0
Transportation, information, and communications				
Land transportation	62,632	2.1	75,536	1.9
Marine transportation	28,838	1.0	33,320	0.8
Air transportation	8,516	0.3	9,090	0.2
Warehousing and port transportation services	4,344	0.1	5,951	0.1
Information and communications	262,490	8.8	294,879	7.4
Trade and services				
Wholesale trade	217,410	7.3	384,559	9.7
Retail trade	116,591	3.9	151,805	3.8
Finance and insurance				
Banking	244,899	8.2	372,120	9.3
Securities and trading	23,661	0.8	32,984	0.8
Insurance	142,790	4.8	187,101	4.7
Other financial services	33,114	1.1	51,867	1.3
Real estate	57,630	1.9	79,964	2.0
Services	110,603	3.7	104,675	2.6
Total	2,979,628	100.0	3,982,148	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, 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
As of March 31, 2026	(72,803)	(71,468)	—	—	—	(144,272)
Portion with hedge accounting applied	(72,803)	(71,187)	—	—	—	(143,990)
Portion with hedge accounting not applied	—	(281)	—	—	—	(281)

Notes:

1. 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.
2. Net unrealized gains (losses) on the portion subject to the fair value hedge method (currency related ¥(55,830) million) of the portion with hedge accounting applied, and those on the portion with hedge accounting not applied as of March 31, 2026, are accrued in the statement of income.

(ii) Interest rate related

(Millions of yen)

Category	As of March 31	2025				2026			
	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	300,000	300,000	(27,848)	(27,848)	300,000	300,000	(72,803)	(72,803)
Total					(27,848)				(72,803)

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, 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
		Total	—	—	—	—	—	300,000	300,000
As of March 31, 2026		Notional principal of swaps for receivable fixed rate	—	—	—	—	—	300,000	300,000
		Average receivable fixed rate	—	—	—	—	—	1.35	1.35
		Average payable floating rate	—	—	—	—	—	0.67	0.67
		Total	—	—	—	—	—	300,000	300,000

(iii) Currency related

(Millions of yen)

Category	As of March 31	2025				2026			
	Type	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	1,320,223	–	(6,290)	(6,290)	1,304,222	–	(56,111)	(56,111)
	(U.S. dollar)	798,548	–	(12,177)	(12,177)	715,849	–	(41,900)	(41,900)
	(Euro)	165,283	–	(4,804)	(4,804)	230,577	–	(4,756)	(4,756)
	(Australian dollar)	206,698	–	6,395	6,395	206,995	–	(4,612)	(4,612)
	(Others)	149,692	–	4,295	4,295	150,800	–	(4,842)	(4,842)
	Bought	–	–	–	–	–	–	–	–
	Currency options								
	Sold								
	Call	4,336	–	7	7	–	–	–	–
		(15)	(–)			(–)	(–)		
	(U.S. dollar)	4,336	–	7	7	–	–	–	–
		(15)	(–)			(–)	(–)		
	Bought								
	Put	4,336	–	10	(4)	–	–	–	–
		(15)	(–)			(–)	(–)		
	(U.S. dollar)	4,336	–	10	(4)	–	–	–	–
		(15)	(–)			(–)	(–)		
	Currency swap	108,263	108,263	249	249	135,725	135,725	(15,356)	(15,356)
	(U.S. dollar)	105,898	105,898	297	297	133,360	133,360	(14,924)	(14,924)
	(Euro)	2,365	2,365	(47)	(47)	2,365	2,365	(432)	(432)
Total					(6,038)				(71,468)

Notes:

1. Figures within brackets “()” show optional premium recorded on the balance sheet.

2. Fair value is calculated using forward foreign exchange rates at the fiscal year-end.

3. 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.

4. Fair value of currency swap is represented by Net gain/loss.

(iv) Stock related

There were no such outstanding balances as of March 31, 2025, and 2026.

(v) Bond related

There were no such outstanding balances as of March 31, 2025, and 2026.

(vi) Others

There were no such outstanding balances as of March 31, 2025, and 2026.

8 Indicators for Separate Accounts

Not applicable.

Annual Report 2026 Data Section

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The information in this Annual Report is as of March 31, 2026, unless expressly stated otherwise.

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