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May 15, 2025

JAPAN POST INSURANCE Co., Ltd.

**Announcement of Financial Results for
the Fiscal Year Ended March 31, 2025**

JAPAN POST INSURANCE Co., Ltd. (the “Company”; TANIGAKI Kunio, Director and President, CEO, Representative Executive Officer) hereby announces its financial results for the fiscal year ended March 31, 2025 (April 1, 2024, to March 31, 2025).

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1. Business Highlights

(1) Policies in Force and New Policies

▪ Policies in Force

(Thousands of policies, billions of yen, %)

As of March 31	2024				2025			
	Number of policies		Policy amount		Number of policies		Policy amount	
		% of March 31, 2023 total		% of March 31, 2023 total		% of March 31, 2024 total		% of March 31, 2024 total
Individual insurance	13,095	95.4	36,698.0	94.2	12,786	97.6	35,407.9	96.5
Individual annuities	540	78.7	754.5	77.6	421	78.0	579.6	76.8
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

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

▪ New Policies

(Thousands of policies, billions of yen, %)

Fiscal years ended March 31	2024						2025					
	Number of policies		Policy amount				Number of policies		Policy amount			
		% of March 31, 2023 total	% of March 31, 2023 total	New policies	Net increase by conversion			% of March 31, 2024 total	% of March 31, 2024 total	New policies	Net increase by conversion	
Individual insurance	628	200.1	1,557.8	186.2	1,557.8	0.0	795	126.5	2,121.2	136.2	2,121.2	0.0
Individual annuities	0	341.8	2.0	361.0	2.0	-	0	53.0	1.1	59.4	1.1	-
Group insurance	-	-	-	-	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-	-	-	-	-

Notes: 1. Number of policies includes policies after conversion.

2. Policy amounts for individual annuities are the total of the accumulated contribution payment as of the date of annuity payment commencement.

(2) Annualized Premiums

▪ Policies in Force

(Billions of yen, %)

As of March 31	2024		2025	
		% of March 31, 2023 total		% of March 31, 2024 total
Individual insurance	2,200.2	93.5	2,137.2	97.1
Individual annuities	193.6	79.1	151.7	78.4
Total	2,393.9	92.1	2,289.0	95.6
Medical coverage, living benefits and other	308.8	95.9	296.4	96.0

▪ New Policies

(Billions of yen, %)

Fiscal years ended March 31	2024		2025	
		% of March 31, 2023 total		% of March 31, 2024 total
Individual insurance	116.8	177.3	175.0	149.9
Individual annuities	0.1	354.7	0.0	58.5
Total	116.9	177.4	175.1	149.7
Medical coverage, living benefits and other	10.3	161.4	7.1	68.9

Notes: 1. Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium by the insured period.
2. Medical coverage, living benefits and other includes medical benefits (including hospitalization and surgery benefits), living benefits (including limited illness and nursing care benefits), and premium payment waivers benefits (excluding disability and including specified diseases and nursing benefits).
3. New policies include net increase by conversion.

2. Policy in Force by Benefit Type as of March 31, 2025

(Thousands of policies, billions of yen)

Items		Individual insurance		Individual annuities		Group insurance		Total	
		Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount
Death benefit	General death	11,169	32,029.0	-	-	-	-	11,169	32,029.0
	Accidental death	16,927	39,341.7	1	6.8	-	-	16,929	39,348.5
	Other conditional death	-	-	-	-	-	-	-	-
Survival benefit		1,617	3,378.8	421	579.6	-	-	2,039	3,958.4
Hospitalization benefit	Hospitalization due to accident	8,833	33.6	2	0.0	-	-	8,836	33.6
	Hospitalization due to illness	8,773	33.4	1	0.0	-	-	8,774	33.4
	Other conditional hospitalization	5,597	3.6	2	0.0	-	-	5,600	3.6
Disability benefit		6,906	-	1	-	-	-	6,908	-
Surgery benefit		9,138	-	2	-	-	-	9,141	-

Items	Group annuities		Asset-formation insurance / asset-formation annuities		Total	
	Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount
Survival benefit	-	-	0	0.0	0	0.0

Items	Medical benefit insurance		Items	Occupational disability insurance	
	Number of policies	Policy amount		Number of policies	Policy amount
Hospitalization benefit	-	-	Occupational disability benefit	-	-

- Notes: 1. Figures for number of policies for asset-formation insurance and asset-formation annuities are the number of insured persons.
2. For survival benefit, policy amounts for individual annuities and asset-formation annuities are the total of (a) the accumulated contribution payment as of the date of annuity payment commencement for the annuity before payments commence and (b) the amount of policy reserves for the annuity after payments have commenced, and the policy amount for asset-formation insurance is the amount of policy reserves.
3. Amount for hospitalization benefit is the amount of daily hospitalization benefits.
4. As reinsurance from the Organization for Postal Savings, Postal Life Insurance and Post Office Network (hereinafter referred to as the "Management Network"), which is an independent administrative institution, the Company holds 6,023 thousand policies or ¥16,016.5 billion for insurance, and 1,106 thousand policies or ¥358.8 billion for annuities.

3. Policyholder Dividends Based on the Financial Results for the Fiscal Year Ended March 31, 2025

(1) The overview of policyholder dividends based on the financial results for the fiscal year ended March 31, 2025, is as follows:

1. Japan Post Insurance Policies (individual insurance / individual annuities, etc. purchased on and after October 1, 2007)
The payout ratio of policyholder dividends remains unchanged from the previous fiscal year regarding dividends from mortality rate margin, dividends from morbidity rate margin, and dividends from administrative expense margin, whereas the payout ratio of dividends from spread is partially increased.
2. Former Postal Life Insurance Policies (Postal Life Insurance Policies concluded by September 30, 2007)
The Company posted provision for reserve for policyholder dividends of ¥86,029 million under the reinsurance contract concluded with the Management Network based on the performance of the category of the reinsurance.

(2) Policyholder dividends on Japan Post Insurance policies based on the financial results for the fiscal year ended March 31, 2025, are as detailed below:

Ex. 1 Ordinary endowment insurance

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

Fiscal year of purchase <number of years since purchase>	Sex	Insurance premium (on an annual basis)	Dividends for the fiscal year
Fiscal year ended March 31, 2016 <ten years>	Male Female	¥103,320 ¥102,840	¥0 ¥0
Fiscal year ended March 31, 2021 <five years>	Male Female	¥108,480 ¥108,240	¥1,367 ¥1,345

Ex. 2 Special endowment insurance

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

Fiscal year of purchase <number of years since purchase>	Sex	Insurance premium (on an annual basis)	Dividends for the fiscal year
Fiscal year ended March 31, 2016 <ten years>	Male Female	¥55,440 ¥52,800	¥0 ¥0
Fiscal year ended March 31, 2021 <five years>	Male Female	¥59,760 ¥58,080	¥793 ¥710

Ex. 3 Ordinary term insurance

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

Fiscal year of purchase <number of years since purchase>	Sex	Insurance premium (on an annual basis)	Dividends for the fiscal year
Fiscal year ended March 31, 2016 <ten years>	Male Female	¥10,080 ¥7,680	¥2,069 ¥575
Fiscal year ended March 31, 2021 <five years>	Male Female	¥9,120 ¥7,680	¥155 ¥68

Ex. 4 Educational endowment insurance (H24)

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

Fiscal year of purchase <number of years since purchase>	Sex	Insurance premium (on an annual basis)	Dividends for the fiscal year
Fiscal year ended March 31, 2016 <ten years>	Male Female	¥54,120 ¥53,640	¥0 ¥0
Fiscal year ended March 31, 2021 <five years>	Male Female	¥59,040 ¥58,680	¥772 ¥744

Notes: 1. The sex of the policyholder and the insured are assumed to be the same.

2. In the event that the policyholder deceases, the insurance policies stipulate that premium payment thereafter is waived.

Ex. 5 Ordinary whole life insurance

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

Fiscal year of purchase <number of years since purchase>	Sex	Insurance premium (on an annual basis)	Dividends for the fiscal year
Fiscal year ended March 31, 2016 <ten years>	Male Female	¥12,600 ¥10,200	¥684 ¥24
Fiscal year ended March 31, 2021 <five years>	Male Female	¥13,800 ¥12,480	¥202 ¥152

Ex. 6 Accidental rider

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

Fiscal year of purchase <number of years since purchase>	Sex	Insurance premium (on an annual basis)	Dividends for the fiscal year
Fiscal year ended March 31, 2016 <ten years>	Male Female	¥600 ¥360	¥160 ¥100

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

a. Dividends from mortality rate margin [Unchanged]

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

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

Period of purchase	Payout ratio for dividends from mortality rate margin (per amount at risk of ¥1 million)
October 1, 2007 to August 1, 2016	¥420
August 2, 2016 to March 31, 2022	¥40

b. Dividends from morbidity rate margin [Unchanged]

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

(Ex.) Accidental rider, age 40, male

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

c. Dividends from administrative expense margin [Unchanged]

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

(Ex.) Ordinary endowment insurance

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

d. Dividends from spread [Increased partially]

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

(Ex.) Ordinary endowment insurance

Period of purchase	Payout ratio for dividends from spread
October 2007 to March 2008	1.3% – assumed rates of return
April 2008 to March 2010	1.2% – assumed rates of return
April 2010 to March 2012	1.1% – assumed rates of return
April 2012 to March 2013	1.0% – assumed rates of return
April 2013 to March 2014	0.9% – assumed rates of return
April 2014 to March 2016	0.8% – assumed rates of return
April 2016 to March 2020	0.7% – assumed rates of return
April 2020 to March 2022	0.8% – assumed rates of return

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

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

Necessary adjustments will be made to policies after conversion.

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

4. Investment Overview for the Fiscal Year Ended March 31, 2025 (General Account)

(1) Investment Environment

1) Investment environment

During the fiscal year ended March 31, 2025, despite some signs of stagnation in personal consumption, the Japanese economy saw a moderate recovery owing to the service industry, which continued to benefit from steady demand from international visitors, as well as strong corporate performance. While the U.S. economy remained steady, supported by a solid employment environment and strong personal consumption, personal consumption recently showed signs of a slowdown amid growing concerns over inflation stemming from tariff policies. The European economy witnessed a recovery in personal consumption backed by an improvement in household income supported by easing consumer prices, despite lingering political uncertainties. However, the pace of recovery slowed due to continued sluggishness in the manufacturing industry, particularly in Germany.

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

Domestic Bond Market

The domestic long-term yield rose to the 1.1% level in July marking the highest level in 12 years, driven by anticipation that the Bank of Japan will normalize its monetary policy amid rising wages and prices. Although the Bank of Japan raised the policy interest rate to 0.25% at the end of July, the yield declined due to concerns about a slowdown in the economy stemming from factors such as rising unemployment rates in the U.S., and remained flat through September. Thereafter, fueled once again by anticipation that the Bank of Japan will move ahead with the normalization, the yield resumed its upward trend. In January, the Bank of Japan announced a further hike of the policy interest rate to 0.5%, and by the end of March, the domestic long-term yield stood at around 1.5%.

Domestic Stock Market

The Nikkei Stock Average rose in response to the solid U.S. economy as well as anticipation that the Japanese economy will depart from deflation and Japanese companies will reform their governance structure. It reached a new record high in July at the ¥42,000 level. Thereafter, the index was temporarily stagnant before quickly rebounding due to concerns over a downturn in the U.S. economy, but remained largely range-bound due to the impact of the moves of the Bank of Japan regarding its policy normalization on the Japanese economy, and ambiguity surrounding the policies of the new U.S. administration. At the end of March, the index declined to the ¥35,000 level amid concerns over economic deterioration caused by U.S. tariff policies.

Foreign Exchange Markets

Regarding the USD/JPY exchange rate, the dollar strengthened, driven by the U.S. central bank's stance to maintain its high policy interest rates, and reached the ¥160 level in July. Subsequently, the dollar weakened against the yen to reach the ¥140 level in September amid concerns that the U.S. economy will slow down and the U.S. central bank will begin interest rate cuts. However, given the outlook that the rate cuts will be gradual, the dollar rebounded against the yen, and reached the ¥158 level in December. The dollar then went on to weaken against the yen due to predictions of interest rate hikes by the Bank of Japan, and dropped to the ¥149 level at the end of March.

Regarding the EUR/JPY exchange rate, similar to USD/JPY, the euro appreciated against the yen on the back of the European Central Bank's stance to maintain its high policy interest rates, and rose to the ¥175 level in July. Subsequently, the euro depreciated against the yen due to ongoing interest rate cuts by the European Central Bank, and fell to the ¥162 level at the end of March.

2) Investment Policies

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

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

3) Performance Overview

[Assets]

As of March 31, 2025, total assets of the Company amounted to ¥59,555.5 billion, a decrease of ¥1,301.5 billion from ¥60,857.0 billion at the end of the previous fiscal year.

The balance of return-seeking assets including stocks and foreign securities remained at the same level as the end of the previous fiscal year due to the sale of unhedged foreign bonds amid yen depreciation and continued investments in alternative assets, which neutralized a decrease in unrealized gains on domestic stocks owing partly to the decline in the Nikkei Stock Average.

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

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

[Investment Income and Expenses]

For the fiscal year ended March 31, 2025, invest income of the Company decreased by ¥17.1 billion from the previous corresponding period to ¥1,195.6 billion, due to a decrease in gains on sales of securities and interest and dividend income.

Investment expenses decreased by ¥3.4 billion from the previous corresponding period to ¥279.0 billion mainly due to a decrease in losses on derivative financial instruments.

As a result, investment income and expenses amounted to ¥916.5 billion, a decrease of ¥13.6 billion from the previous corresponding period.

(2) Asset Composition

(Billions of yen, %)

As of March 31	2024		2025	
	Amount	Ratio	Amount	Ratio
Cash, deposits, call loans	1,192.7	2.0	2,000.3	3.4
Receivables under resale agreements	1,047.1	1.7	604.9	1.0
Receivables under securities borrowing transactions	-	-	-	-
Monetary claims bought	25.3	0.0	23.2	0.0
Trading account securities	-	-	-	-
Money held in trust	6,271.4	10.3	6,460.0	10.8
Securities	47,694.5	78.4	46,528.6	78.1
Corporate and government bonds	42,791.9	70.3	41,639.8	69.9
Domestic stocks	558.5	0.9	594.6	1.0
Foreign securities	2,168.8	3.6	2,024.5	3.4
Foreign corporate and government bonds	1,974.5	3.2	1,828.5	3.1
Foreign stocks and other securities	194.3	0.3	195.9	0.3
Other securities	2,175.2	3.6	2,269.6	3.8
Loans	3,281.3	5.4	2,530.0	4.2
Real estate	121.6	0.2	120.0	0.2
Deferred tax assets	636.5	1.0	728.3	1.2
Other	586.6	1.0	560.6	0.9
Reserve for possible loan losses	(0.3)	(0.0)	(0.7)	(0.0)
Total	60,857.0	100.0	59,555.5	100.0
Foreign currency-denominated assets	4,084.3	6.7	4,131.1	6.9

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

(3) Increase/Decrease in Assets

(Billions of yen)

Fiscal years ended March 31	2024	2025
Cash, deposits, call loans	(275.7)	807.6
Receivables under resale agreements	(337.5)	(442.2)
Receivables under securities borrowing transactions	-	-
Monetary claims bought	(21.9)	(2.1)
Trading account securities	-	-
Money held in trust	1,499.0	188.6
Securities	(2,147.8)	(1,165.9)
Corporate and government bonds	(1,951.7)	(1,152.0)
Domestic stocks	148.4	36.0
Foreign securities	(780.4)	(144.3)
Foreign corporate and government bonds	(812.6)	(145.9)
Foreign stocks and other securities	32.1	1.6
Other securities	435.8	94.3
Loans	(324.5)	(751.2)
Real estate	42.9	(1.5)
Deferred tax assets	(392.1)	91.8
Other	129.6	(25.9)
Reserve for possible loan losses	0.0	(0.4)
Total	(1,828.1)	(1,301.5)
Foreign currency-denominated assets	(258.9)	46.7

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

(4) Investment Income

(Billions of yen)

Fiscal years ended March 31	2024	2025
Interest and dividend income	866.4	864.5
Interest on deposits	0.0	2.4
Interest and dividends on securities	794.9	803.6
Interest on loans	12.9	12.3
Interest on loans to the Management Network	48.3	38.3
Rent revenue from real estate	-	-
Other interest and dividend income	10.0	7.7
Gains on trading account securities	-	-
Gains on money held in trust	181.4	199.1
Gains on trading securities	-	-
Gains on sales of securities	151.1	110.6
Gains on sales of Japanese government bonds and other bonds	22.1	31.1
Gains on sales of domestic stocks and other securities	14.3	23.2
Gains on sales of foreign securities	114.5	56.2
Other gains on sales of securities	-	-
Gains on redemption of securities	0.1	0.2
Gains on derivative financial instruments	-	-
Gains on foreign exchanges	13.5	20.9
Reversal of reserve for possible loan losses	-	-
Other investment income	0.0	0.0
Total	1,212.7	1,195.6

(5) Investment Expenses

(Billions of yen)

Fiscal years ended March 31	2024	2025
Interest expenses	4.9	13.6
Losses on trading account securities	-	-
Losses on money held in trust	-	-
Losses on trading securities	-	-
Losses on sales of securities	177.7	193.4
Losses on sales of Japanese government bonds and other bonds	57.3	160.7
Losses on sales of domestic stocks and other securities	4.4	2.3
Losses on sales of foreign securities	115.8	28.3
Other losses on sales of securities	-	1.9
Losses on valuation of securities	0.0	-
Losses on valuation of Japanese government bonds and other bonds	-	-
Losses on valuation of domestic stocks and other securities	-	-
Losses on valuation of foreign securities	-	-
Other losses on valuation of securities	0.0	-
Losses on redemption of securities	0.2	0.1
Losses on derivative financial instruments	95.8	68.3
Losses on foreign exchanges	-	-
Provision for reserve for possible loan losses	0.0	0.3
Write-off loans	-	-
Depreciation of real estate for lease and other assets	-	-
Other investment expenses	3.7	3.1
Total	282.5	279.0

(6) Investment Related Efficiency

1) Yield by Asset Type

(%)

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

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

2) Net Valuation Gain/Loss of Trading Securities

The Company does not hold securities for trading.

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

(Billions of yen)

As of March 31		2024					2025					
		Book value	Fair value	Net unrealized gains			Book value	Fair value	Net unrealized gains			
				(losses)					(losses)			
				Gains	Losses				Gains	Losses		
	Held-to-maturity bonds	32,343.1	33,401.9	1,058.8	2,097.0	1,038.1	31,425.3	30,144.0	(1,281.2)	733.4	2,014.7	
	Policy-reserve-matching bonds	7,139.6	6,954.0	(185.5)	278.1	463.7	7,243.7	6,522.3	(721.4)	91.1	812.5	
	Equities of subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-	
	Available-for-sale securities	12,353.7	14,800.2	2,446.5	2,950.7	504.1	12,558.0	14,719.6	2,161.6	2,746.9	585.3	
	Corporate and government bonds	3,560.1	3,329.2	(230.9)	6.6	237.6	3,303.5	2,990.7	(312.7)	4.2	317.0	
	Domestic stocks	1,842.6	3,578.3	1,735.7	1,750.9	15.1	1,962.2	3,509.2	1,547.0	1,581.4	34.4	
	Foreign securities	3,399.1	4,361.7	962.5	1,050.4	87.9	3,406.8	4,393.7	986.9	1,055.5	68.6	
	Foreign corporate and government bonds	1,932.7	1,954.5	21.7	109.6	87.8	1,840.4	1,808.5	(31.8)	36.7	68.5	
	Foreign stocks and other securities	1,466.4	2,407.2	940.8	940.8	0.0	1,566.4	2,585.2	1,018.7	1,018.8	0.1	
	Other securities	2,856.8	2,835.5	(21.2)	142.1	163.4	2,842.3	2,782.6	(59.6)	105.5	165.1	
	Monetary claims bought	24.9	25.3	0.4	0.4	-	23.1	23.2	0.1	0.1	-	
	Negotiable certificates of deposit	670.0	670.0	-	-	-	1,020.0	1,020.0	-	-	-	
	Other	-	-	-	-	-	-	-	-	-	-	
	Total		51,836.4	55,156.3	3,319.8	5,325.9	2,006.0	51,227.1	51,386.0	158.9	3,571.6	3,412.6
	Corporate and government bonds		43,022.9	43,665.7	642.7	2,381.9	1,739.1	41,952.6	39,638.2	(2,314.3)	828.9	3,143.3
Domestic stocks		1,842.6	3,578.3	1,735.7	1,750.9	15.1	1,962.2	3,509.2	1,547.0	1,581.4	34.4	
	Foreign securities	3,419.1	4,381.2	962.1	1,050.4	88.3	3,426.8	4,412.7	985.8	1,055.5	69.7	
	Foreign corporate and government bonds	1,952.7	1,974.0	21.2	109.6	88.3	1,860.4	1,827.5	(32.8)	36.7	69.6	
	Foreign stocks and other securities	1,466.4	2,407.2	940.8	940.8	0.0	1,566.4	2,585.2	1,018.7	1,018.8	0.1	
Other securities		2,856.8	2,835.5	(21.2)	142.1	163.4	2,842.3	2,782.6	(59.6)	105.5	165.1	
Monetary claims bought		24.9	25.3	0.4	0.4	-	23.1	23.2	0.1	0.1	-	
Negotiable certificates of deposit		670.0	670.0	-	-	-	1,020.0	1,020.0	-	-	-	
Other		-	-	-	-	-	-	-	-	-	-	

Note: 1. This table includes money held in trust other than trading securities and its book value is ¥3,484.3 billion with net unrealized gains of ¥2,515.5 billion as of March 31, 2024, and ¥3,577.1 billion with net unrealized gains of ¥2,455.7 billion as of March 31, 2025.
2. Stocks, etc. with no market price and investments in partnerships are not included in this table.

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

(Billions of yen)

As of March 31	2024	2025
Equities of subsidiaries and affiliates	78.6	187.5
Available-for-sale securities	137.6	150.1
Domestic stocks	4.2	4.2
Foreign stocks	23.1	23.6
Other	110.1	122.2
Total	216.2	337.6

Note: This table includes money held in trust other than trading securities (¥110.1 billion as of March 31, 2024, and ¥122.2 billion as of March 31, 2025).

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

4) Fair Value of Money Held in Trust

(Billions of yen)

As of March 31	2024					2025				
	Balance sheet amount	Fair value	Net unrealized gains (losses)			Balance sheet amount	Fair value	Net unrealized gains (losses)		
				Gains	Losses				Gains	Losses
Money held in trust	6,158.0	6,158.0	-	-	-	6,330.2	6,330.2	-	-	-

- Money held in trust for trading purposes

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

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

(Billions of yen)

As of March 31	2024					2025				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
				Gains	Losses				Gains	Losses
Assets held-to-maturity in trust	-	-	-	-	-	-	-	-	-	-
Assets held for reserves in trust	-	-	-	-	-	-	-	-	-	-
Other money held in trust	3,642.4	6,158.0	2,515.5	2,553.9	38.3	3,874.5	6,330.2	2,455.7	2,495.5	39.8

Note: Other money held in trust, which is not subject to fair value disclosure, is ¥113.3 billion as of March 31, 2024, and ¥129.7 billion as of March 31, 2025.

5. Unaudited Non-Consolidated Balance Sheets

(Millions of yen)

Items	Year	As of March 31, 2024	As of March 31, 2025	Items	Year	As of March 31, 2024	As of March 31, 2025
	Amount	Amount	Amount		Amount	Amount	Amount
ASSETS:				LIABILITIES:			
Cash and deposits		1,152,730	1,970,343	Policy reserves and others		51,988,334	50,165,652
Cash		723	582	Reserve for outstanding claims		373,913	314,993
Deposits		1,152,007	1,969,761	Policy reserves		50,512,792	48,765,531
Call loans		40,000	30,000	Reserve for policyholder dividends		1,101,628	1,085,126
Receivables under resale agreements		1,047,192	604,914	Reinsurance payables		6,001	5,945
Monetary claims bought		25,392	23,215	Bonds payable		400,000	500,000
Money held in trust		6,271,415	6,460,029	Other liabilities		4,095,691	4,702,371
Securities		47,694,597	46,528,662	Payables under repurchase agreements		3,905,000	4,516,922
Japanese government bonds		36,037,546	35,390,389	Income taxes payable		1,617	2,149
Japanese local government bonds		2,634,528	2,123,485	Accounts payable		20,572	23,391
Japanese corporate bonds		4,119,871	4,126,013	Accrued expenses		43,719	44,612
Stocks		558,536	594,608	Deposits received		3,023	2,525
Foreign securities		2,168,841	2,024,510	Deposits from the Management Network		37,575	36,678
Other securities		2,175,272	2,269,655	Guarantee deposits received		109	109
Loans		3,281,313	2,530,051	Derivative financial instruments		46,327	52,286
Policy loans		149,707	159,074	Cash collateral received for financial instruments		-	2,442
Industrial and commercial loans		849,174	754,604	Lease obligations		5,860	4,799
Loans to the Management Network		2,282,432	1,616,372	Suspense receipt		21,587	4,772
Tangible fixed assets		136,571	140,266	Other liabilities		10,298	11,680
Land		76,610	76,632	Reserve for management bonuses		-	227
Buildings		44,984	42,921	Reserve for employees' retirement benefits		97,157	108,493
Leased assets		5,326	4,363	Reserve for management board benefit trust		391	407
Construction in progress		47	513	Reserve for price fluctuations		873,799	829,930
Other tangible fixed assets		9,602	15,836	Total liabilities		57,461,376	56,313,029
Intangible fixed assets		103,202	120,899	NET ASSETS:			
Software		103,191	120,887	Capital stock		500,000	500,000
Other intangible fixed assets		10	11	Capital surplus		405,044	405,044
Agency accounts receivable		11,296	10,872	Legal capital surplus		405,044	405,044
Reinsurance receivables		7,646	10,641	Retained earnings		720,112	806,270
Other assets		449,553	398,023	Legal retained earnings		91,216	98,803
Accounts receivable		244,606	136,783	Other retained earnings		628,896	707,467
Prepaid expenses		4,610	4,941	Reserve for reduction entry of real estate		4,506	4,193
Accrued income		143,911	119,938	Retained earnings brought forward		624,389	703,274
Money on deposit		6,244	6,433	Treasury stock		(948)	(901)
Margin deposits for futures transactions		4,284	4,437	Total shareholders' equity		1,624,208	1,710,413
Derivative financial instruments		2,785	18,674	Net unrealized gains (losses) on available-for-sale securities		1,775,693	1,551,688
Cash collateral paid for financial instruments		35,750	56,013	Net deferred gains (losses) on hedges		(4,186)	(19,614)
Suspense payments		1,022	2,044	Total valuation and translation adjustments		1,771,506	1,532,073
Other assets		6,338	48,756				
Deferred tax assets		636,524	728,362	Total net assets		3,395,714	3,242,487
Reserve for possible loan losses		(346)	(766)	Total liabilities and net assets		60,857,090	59,555,517
Total assets		60,857,090	59,555,517				

6. Unaudited Non-Consolidated Statements of Income

(Millions of yen)

Items	Year	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
		Amount	Amount
ORDINARY INCOME		6,745,422	6,164,489
Insurance premiums and others		2,484,007	3,154,875
Insurance premiums		2,467,931	3,115,427
Reinsurance income		16,076	39,448
Investment income		1,212,778	1,195,618
Interest and dividend income		866,469	864,561
Interest on deposits		86	2,482
Interest and dividends on securities		794,962	803,699
Interest on loans		12,954	12,318
Interest on loans to the Management Network		48,373	38,318
Other interest and dividend income		10,092	7,742
Gains on money held in trust		181,439	199,152
Gains on sales of securities		151,153	110,640
Gains on redemption of securities		110	220
Gains on foreign exchanges		13,579	20,999
Other investment income		27	44
Other ordinary income		3,048,636	1,813,995
Reversal of reserve for outstanding claims		36,474	58,919
Reversal of policy reserves		3,005,427	1,747,260
Reversal of reserve for employees' retirement benefits		634	427
Other ordinary income		6,099	7,388
ORDINARY EXPENSES		6,582,841	5,993,508
Insurance claims and others		5,778,590	5,205,305
Insurance claims		4,149,769	3,787,741
Annuity payments		218,989	178,715
Benefits		200,725	220,852
Surrender benefits		439,018	415,441
Other refunds		61,170	49,194
Reinsurance premiums		708,916	553,360
Provision for policy reserves and others		137	679
Provision for interest on policyholder dividends		137	679
Investment expenses		282,548	279,079
Interest expenses		4,993	13,641
Losses on sales of securities		177,704	193,470
Losses on valuation of securities		71	-
Losses on redemption of securities		240	185
Losses on derivative financial instruments		95,835	68,329
Provision for reserve for possible loan losses		0	335
Other investment expenses		3,701	3,116
Operating expenses		438,531	428,363
Other ordinary expenses		83,034	80,080
Taxes		35,480	35,869
Depreciation and amortization		42,959	40,736
Other ordinary expenses		4,593	3,474
ORDINARY PROFIT		162,581	170,981
EXTRAORDINARY GAINS		16,161	43,884
Gains on sales of fixed assets		-	15
Reversal of reserve for price fluctuations		16,161	43,869
EXTRAORDINARY LOSSES		190	240
Losses on sales and disposal of fixed assets		190	240
Provision for reserve for policyholder dividends		55,899	96,990
Income before income taxes		122,652	117,634
Income taxes - Current		13,379	20,759
Income taxes - Deferred		20,709	(27,217)
Total income taxes		34,088	(6,458)
Net income		88,564	124,093

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

Fiscal year ended March 31, 2024 (From April 1, 2023, to March 31, 2024)

(Millions of yen)

(millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						Reserve for reduction entry of real estate	Retained earnings brought forward	
Balance at the beginning of the fiscal year	500,000	405,044	-	405,044	84,089	4,767	613,328	702,185
Changes in the fiscal year								
Cash dividends					7,127		(42,763)	(35,635)
Net income							88,564	88,564
Disposals of treasury stock								
Cancellation of treasury stock			(35,000)	(35,000)				
Reversal of reserve for reduction entry of real estate						(260)	260	-
Transfer from retained earnings to capital surplus			35,000	35,000			(35,000)	(35,000)
Net changes in items other than shareholders' equity in the fiscal year								
Net changes in the fiscal year	-	-	-	-	7,127	(260)	11,060	17,927
Balance at the end of the fiscal year	500,000	405,044	-	405,044	91,216	4,506	624,389	720,112

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	(36,082)	1,571,147	797,912	4,607	802,520	2,373,667
Changes in the fiscal year						
Cash dividends		(35,635)				(35,635)
Net income		88,564				88,564
Disposals of treasury stock	132	132				132
Cancellation of treasury stock	35,000	-				-
Reversal of reserve for reduction entry of real estate		-				-
Transfer from retained earnings to capital surplus		-				-
Net changes in items other than shareholders' equity in the fiscal year			977,780	(8,794)	968,986	968,986
Net changes in the fiscal year	35,133	53,061	977,780	(8,794)	968,986	1,022,047
Balance at the end of the fiscal year	(948)	1,624,208	1,775,693	(4,186)	1,771,506	3,395,714

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

(Millions of yen)

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

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

NOTES TO THE UNAUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED MARCH 31, 2025

(Notes to the Unaudited Non-Consolidated Balance Sheets)

1. Significant Accounting Policies

(1) Valuation Criteria and Methods for Securities

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

1) Held-to-maturity Bonds

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

2) Policy-reserve-matching Bonds

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

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

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

4) Available-for-sale Securities

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

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

(ii) Stocks, etc. with no market price

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

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

(2) Valuation Criteria and Methods for Derivative Transactions

All derivative transactions are valued at fair value.

(3) Depreciation Method for Fixed Assets

1) Tangible Fixed Assets (excluding leased assets)

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

(i) Buildings: 2-60 years

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

2) Intangible Fixed Assets (excluding leased assets)

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

3) Leased Assets

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

(4) Recognition of Reserves

1) Reserve for Possible Loan Losses

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

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

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

for in the amount of loans, net of collateral value or the amounts expected to be recoverable under guarantees. Reserve for possible loan losses also includes amounts set aside for other assets subject to valuation allowance. The amount written off for loans and other assets during the fiscal year ended March 31, 2025, was ¥44 million.

2) Reserve for Management Bonuses

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

3) Reserve for Employees' Retirement Benefits

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

(i) Method for Attributing Expected Benefits to Periods

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

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

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

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

4) Reserve for Management Board Benefit Trust

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

(5) Reserve for Price Fluctuations

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

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

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

(7) Hedge Accounting

1) Methods for Hedge Accounting

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

2) Hedging Instruments and Hedged Items

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

3) Hedging Policies

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

4) Assessment of Hedge Effectiveness

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

(8) Policy Reserves

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

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

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

In the fiscal year ended March 31, 2025, the Company accumulated additional policy reserves for the portion of reinsurance 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 reversed 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 fulfilment of future obligations under insurance contracts in preparation of possible future risks, pursuant to Article 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 3 of the Ordinance for Enforcement of the Insurance Business Act.

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

(9) Employees' Retirement Benefits Accounting

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

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

Notes to the transactions for granting shares and others of the Company to Executive Officers of the Company through trust are omitted as they are presented in NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED MARCH 31, 2025 (Notes to the Unaudited Consolidated Balance Sheets).

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

- (1) The balance sheet amount and fair value of policy-reserve-matching bonds amount to ¥7,243,771 million and ¥6,522,343 million, respectively.

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

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

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

From the fiscal 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 and loss.

4. Securities lent under lending agreements in the amount of ¥1,390,979 million were included in "Securities" in the balance sheets as of March 31, 2025.

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

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

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

6. Accumulated depreciation for tangible fixed assets as of March 31, 2025, was ¥63,379 million.

7. Total monetary claims and total monetary obligations with respect to subsidiaries and affiliates amounted to ¥174 million and ¥16,989 million, respectively.

8. Total deferred tax assets and total deferred tax liabilities were ¥1,546,041 million and ¥801,668 million, respectively. A deduction from deferred tax assets as valuation allowance was ¥16,009 million.

Significant components of deferred tax assets include ¥1,025,316 million of policy reserves, ¥225,014 million of reserve for price fluctuations, ¥42,760 million of reserve for outstanding claims, ¥31,315 million of reserve for employees' retirement benefits, and ¥169,314 million of unrealized losses on available-for-sale securities.

Significant components of deferred tax liabilities include ¥787,439 million of unrealized gains on available-for-sale securities.

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

9. The effective statutory tax rate for the fiscal year ended March 31, 2025, was 28.00%. The main factor contributing to the difference between the effective statutory tax rate and the actual income tax rate after applying tax effect accounting was -34.62% due to an upward adjustment of deferred tax assets at the end of the fiscal year resulting from a change in tax rate.

10. Following the enactment of the Act on Partial Revision of the Income Tax Act (Act No. 13 of 2025) by the Diet on March 31, 2025, the effective statutory tax rate used to calculate deferred tax assets and liabilities for the fiscal year ended March 31, 2025, has been changed from 28.00% in the previous fiscal year to 28.93% for amounts 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 fiscal year ended March 31, 2025.

11. Changes in reserve for policyholder dividends for the fiscal year ended March 31, 2025, were as follows:

Balance at the beginning of the fiscal year	¥1,101,628 million
Policyholder dividends paid	¥114,060 million
Interest accrual	¥679 million
Reduction due to the acquisition of additional annuity	¥112 million
Provision for reserve for policyholder dividends	¥96,990 million
Balance at the end of the fiscal year	¥1,085,126 million

12. Equities, etc. of subsidiaries and affiliates were ¥187,582 million.

13. Assets pledged as collateral consisted of the following:

Securities	¥4,489,608 million
Liabilities corresponding to assets pledged as collateral consisted of the following:	
Payables under repurchase agreements	¥4,516,922 million
The above securities are those sold under repurchase agreements.	

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

Securities	¥160,554 million
Margin deposits for futures transactions	¥4,437 million
Cash collateral paid for financial instruments	¥56,013 million

14. Reserve for outstanding claims for reinsured part defined in Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Ordinance (hereinafter referred to as “reserve for outstanding claims-ceded”), as of March 31, 2025, was ¥357 million. Policy reserves for reinsured part defined in Article 71, Paragraph 1 of the said Ordinance (hereinafter referred to as “policy reserves-ceded”) as of March 31, 2025, were ¥1,187,171 million.

15. Net assets per share were ¥8,470.75.

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

Total number of treasury stock at the end of the fiscal year which was deducted from the calculation of net assets per share for the fiscal year ended March 31, 2025, was 394 thousand shares.

16. The Company has the right to sell or pledge securities received as collateral for transactions such as resale agreements, borrowing agreements and derivative transactions. The fair value of such securities held in hand was ¥109,672 million as of March 31, 2025.

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

18. Policy reserves, excluding contingency reserve and including policy reserves-ceded, related to reinsurance contracts with the Management Network, amounted to ¥24,576,340 million and are provided at amounts calculated based on the statement of calculation procedures for the Company’s insurance premiums and policy reserves. The amounts calculated based on the foregoing procedures are not less than the amounts calculated based on the statement of calculation procedures for the Postal Life Insurance policy reserves in accordance with the Act on Organization for Postal Savings, Postal Life Insurance and Post Office Network (Act No. 101 of 2005).

In addition, contingency reserve and reserve for price fluctuations are provided in the amount of ¥915,558 million and ¥581,452 million, respectively, for the category of the reinsurance.

19. Deposits from the Management Network in the balance sheets refer to the amounts equivalent to the reserve for outstanding claims and reserve for losses on compensation for damages related to litigation or conciliation of the Management Network, which were deposited at the time of privatization based on the outsourcing agreements with the Management Network for the administrative operation of the Postal Life Insurance Policy and which remained unpaid as of the fiscal year ended March 31, 2025.

20. Notes to significant subsequent events are as follows:

(Acquisition of Treasury Stock)

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

1. Board of Directors' resolutions concerning the acquisition of treasury stock

(1) Reason for the acquisition of treasury stock

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

(2) Details of the acquisition

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

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

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

3) Total amount of shares to be acquired: ¥35,000,000,000 (maximum)

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

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

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

2. Details of the acquisition of treasury stock as implemented

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

2) Total number of shares acquired: 11,369,600 shares

3) Total amount of shares acquired: ¥34,999,885,750

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

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

(Cancellation of treasury stock)

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

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

(Reference)

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

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

1. Significant Accounting Policies

(1) Recognition of insurance premiums and others

1) Insurance premiums

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

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

2) Reinsurance income

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

(2) Recognition of insurance claims and others

1) Insurance claims and others (excluding reinsurance premiums)

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

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

2) Reinsurance premiums

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

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

2. Total expenses from transactions with subsidiaries and affiliates amounted to ¥19,114 million.

3. Gains on sales of securities comprise domestic bonds of ¥31,104 million, domestic stocks of ¥23,280 million and foreign securities of ¥56,256 million.

4. Losses on sales of securities comprise domestic bonds of ¥160,749 million, domestic stocks of ¥2,381 million, foreign securities of ¥28,375 million and other securities of ¥1,964 million.

5. Gains on money held in trust include losses on valuation of ¥4,975 million.

6. Losses on derivative financial instruments include losses on valuation of ¥6,288 million.

7. 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 fiscal 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 fiscal year ended March 31, 2025, was ¥545,425 million.

8. Net income per share was ¥324.19.

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

Average number of treasury stock during the fiscal year which was deducted from the calculation of net income per share for the fiscal year ended March 31, 2025, was 401 thousand shares.

9. Insurance premiums assumed based on reinsurance contracts with the Management Network included in insurance premiums and others for the fiscal year ended March 31, 2025, were ¥131,451 million.

10. Insurance claims based on reinsurance contracts with the Management Network included in insurance claims for the fiscal year ended March 31, 2025, were ¥2,065,061 million.

11. Provision for reserve for policyholder dividends, which is provided for the Management Network based on gains or losses and others arising in the category of the reinsurance due to the reinsurance contracts with the Management Network, was ¥86,029 million for the fiscal year ended March 31, 2025.

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

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

Type	Company name	Percentage of voting rights	Relationship	Transaction	Transaction amount	Account	Year-end balance
Parent company	Japan Post Holdings Co., Ltd.	Directly owned 49.85%	Group management Interlocking officers	Payment of brand royalty fees (*)	¥1,951 million	Accounts Payable	¥178 million

Conditions of transactions and policies to decide the conditions

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

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

Type	Company name	Percentage of voting rights	Relationship	Transaction	Transaction amount	Account	Year-end balance
Subsidiary of parent company	Japan Post Co., Ltd.	None	Insurance agency Interlocking officers	Payments for commission of agency services (*1)	¥111,436 million	Agency accounts payable	¥9,916 million

Conditions of transactions and policies to decide the conditions

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

(*2) In addition to the above, from the fiscal year ended March 31, 2020, out of the expenses required for the maintenance of the post office network, the expenses necessary to ensure universal service will be covered by the funds provided to Japan Post Co., Ltd. from the Management Network using the contributions from the Company and JAPAN POST BANK Co., Ltd. as funds, with the exception of the amount to be borne by Japan Post Co., Ltd., in accordance with the Act on Organization for Postal Savings, Postal Life Insurance and Post Office Network. In the fiscal year ended March 31, 2025, the contributions paid by the Company to the Management Network amounted to ¥56,300 million.

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

Type and Number of Treasury Stock

(Thousands of shares)

	April 1, 2024	Increase	Decrease	March 31, 2025
Treasury stock				
Common stock	427	0	21	405

(*1) Numbers of treasury stock at the beginning and the end of the fiscal year ended March 31, 2025, include shares of the Company held in the Board Benefit Trust (BBT), and were 415 thousand shares and 394 thousand shares, respectively.

(*2) The increase of 0 thousand shares in the number of treasury stock was attributable to the purchase of shares less than one unit.

(*3) The decrease of 21 thousand shares in the number of treasury stock was attributable to the granting of shares via the Board Benefit Trust (BBT).

8. Breakdown of Ordinary Profit (Core Profit)

(Millions of yen)

Fiscal years ended March 31		2024	2025
Core profit	A	224,005	242,166
Capital gains		427,662	421,042
Gains on money held in trust		181,439	199,152
Gains on trading securities		-	-
Gains on sales of securities		151,153	110,640
Gains on derivative financial instruments		-	-
Gains on foreign exchanges		13,579	20,999
Other capital gains		81,491	90,250
Capital losses		417,565	418,368
Losses on money held in trust		-	-
Losses on trading securities		-	-
Losses on sales of securities		177,704	193,470
Losses on valuation of securities		71	-
Losses on derivative financial instruments		95,835	68,329
Losses on foreign exchanges		-	-
Other capital losses		143,953	156,568
Net capital gains (losses)	B	10,097	2,674
Core profit including net capital gains (losses)	A+B	234,103	244,840
Other one-time gains		-	524,367
Reinsurance income		-	-
Reversal of contingency reserve		-	506,171
Reversal of specific reserve for possible loan losses		-	-
Other		-	18,196
Other one-time losses		71,521	598,226
Reinsurance premiums		-	-
Provision for contingency reserve		23,457	-
Provision for specific reserve for possible loan losses		-	-
Provision for reserve for specific foreign loans		-	-
Write-off of loans		-	-
Other		48,063	598,226
Other one-time profits (losses)	C	(71,521)	(73,859)
Ordinary profit	A+B+C	162,581	170,981

(Reference) Breakdown of Other Items

(Millions of yen)

Fiscal years ended March 31		2024	2025
Impact on core profit		110,526	48,122
	Gains on cancellation of mutual funds	(34)	(23,202)
	Amount equivalent to income gains associated with money held in trust	143,953	156,568
	Costs for hedging currency fluctuations	(81,456)	(67,047)
	Gain/loss from reinsurance cession of the existing policies	48,063	(18,196)
Other capital gains		81,491	90,250
	Gains on cancellation of mutual funds	34	23,202
	Amount equivalent to income gains associated with money held in trust	-	-
	Costs for hedging currency fluctuations	81,456	67,047
Other capital losses		143,953	156,568
	Amount equivalent to income gains associated with money held in trust	143,953	156,568
	Costs for hedging currency fluctuations	-	-
Other one-time gains - Other		-	18,196
	Gain/loss from reinsurance cession of the existing policies	-	18,196
Other one-time losses - Other		48,063	598,226
	Provision for additional policy reserves	-	598,226
	Gain/loss from reinsurance cession of the existing policies	48,063	-

9. Status of Loans under the Insurance Business Act

(Millions of yen, %)

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

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

10. Solvency Margin Ratio

(Millions of yen)

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

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

11. Separate Account for the Fiscal Year Ended March 31, 2025

Not applicable.

12. Consolidated Financial Summary**(1) Selected Financial Data and Other Information**

(Millions of yen)

Fiscal year ended March 31	2024	2025
Ordinary income	6,744,134	6,165,335
Ordinary profit	161,173	170,293
Net income attributable to Japan Post Insurance	87,056	123,472
Comprehensive income (loss)	1,055,870	(116,430)

As of March 31	2024	2025
Total assets	60,855,899	59,555,692
Consolidated solvency margin ratio	1,023.2%	903.2%

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

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

(3) Unaudited Consolidated Balance Sheets

(Millions of yen)

Year Items	As of March 31, 2024	As of March 31, 2025	Year Items	As of March 31, 2024	As of March 31, 2025
	Amount	Amount		Amount	Amount
ASSETS:			LIABILITIES:		
Cash and deposits	1,157,322	1,976,083	Policy reserves and others	51,988,334	50,165,652
Call loans	40,000	30,000	Reserve for outstanding claims	373,913	314,993
Receivables under resale agreements	1,047,192	604,914	Policy reserves	50,512,792	48,765,531
Monetary claims bought	25,392	23,215	Reserve for policyholder dividends	1,101,628	1,085,126
Money held in trust	6,271,415	6,460,029	Reinsurance payables	6,001	5,945
Securities	47,693,813	46,528,793	Bonds payable	400,000	500,000
Loans	3,281,313	2,530,051	Payables under repurchase agreements	3,905,000	4,516,922
Tangible fixed assets	136,936	141,068	Other liabilities	190,696	187,251
Land	76,610	76,632	Reserve for management bonuses	-	227
Buildings	45,086	43,040	Liability for retirement benefits	95,931	107,927
Leased assets	5,326	4,363	Reserve for management board benefit trust	391	407
Construction in progress	204	525	Reserve for price fluctuations	873,799	829,930
Other tangible fixed assets	9,708	16,507	Total liabilities	57,460,155	56,314,265
Intangible fixed assets	97,807	113,596	NET ASSETS:		
Software	97,796	113,585	Capital stock	500,000	500,000
Other intangible fixed assets	10	11	Capital surplus	405,044	405,044
Agency accounts receivable	11,296	10,872	Retained earnings	717,960	803,497
Reinsurance receivables	7,646	10,641	Treasury stock	(948)	(901)
Other assets	449,463	398,321	Total shareholders' equity	1,622,055	1,707,640
Deferred tax assets	636,644	728,870	Net unrealized gains (losses) on available-for-sale securities	1,775,693	1,551,673
Reserve for possible loan losses	(346)	(766)	Net deferred gains (losses) on hedges	(4,186)	(19,614)
			Accumulated adjustments for retirement benefits	2,182	1,727
			Total accumulated other comprehensive income	1,773,689	1,533,786
Total assets	60,855,899	59,555,692	Total net assets	3,395,744	3,241,426
			Total liabilities and net assets	60,855,899	59,555,692

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

(Unaudited Consolidated Statements of Income)

(Millions of yen)

Items	Year	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
		Amount	Amount
ORDINARY INCOME		6,744,134	6,165,335
Insurance premiums and others		2,484,007	3,154,875
Investment income		1,211,578	1,195,618
Interest and dividend income		865,269	864,561
Gains on money held in trust		181,439	199,152
Gains on sales of securities		151,153	110,640
Gains on redemption of securities		110	220
Gains on foreign exchanges		13,579	20,999
Other investment income		27	44
Other ordinary income		3,048,548	1,814,840
Reversal of reserve for outstanding claims		36,474	58,919
Reversal of policy reserves		3,005,427	1,747,260
Other ordinary income		6,646	8,660
ORDINARY EXPENSES		6,582,961	5,995,041
Insurance claims and others		5,778,590	5,205,305
Insurance claims		4,149,769	3,787,741
Annuity payments		218,989	178,715
Benefits		200,725	220,852
Surrender benefits		439,018	415,441
Other refunds		61,170	49,194
Reinsurance premiums		708,916	553,360
Provision for policy reserves and others		137	679
Provision for interest on policyholder dividends		137	679
Investment expenses		282,548	279,079
Interest expenses		4,993	13,641
Losses on sales of securities		177,704	193,470
Losses on valuation of securities		71	-
Losses on redemption of securities		240	185
Losses on derivative financial instruments		95,835	68,329
Provision for reserve for possible loan losses		0	335
Other investment expenses		3,701	3,116
Operating expenses		440,320	431,429
Other ordinary expenses		81,365	78,547
ORDINARY PROFIT		161,173	170,293
EXTRAORDINARY GAINS		16,161	43,884
Gains on sales of fixed assets		-	15
Reversal of reserve for price fluctuations		16,161	43,869
EXTRAORDINARY LOSSES		190	247
Losses on sales and disposal of fixed assets		190	247
Provision for reserve for policyholder dividends		55,899	96,990
Income before income taxes		121,244	116,940
Income taxes - Current		13,408	20,934
Income taxes - Deferred		20,779	(27,467)
Total income taxes		34,188	(6,532)
Net income		87,056	123,472
Net income attributable to non-controlling interests		-	-
Net income attributable to Japan Post Insurance		87,056	123,472

(Unaudited Consolidated Statements of Comprehensive Income)

(Millions of yen)

Items	Year	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
		Amount	Amount
Net income		87,056	123,472
Other comprehensive income (loss)		968,813	(239,903)
Net unrealized gains (losses) on available-for-sale securities		977,780	(224,004)
Net deferred gains (losses) on hedges		(8,794)	(15,428)
Adjustments for retirement benefits		(172)	(454)
Share of other comprehensive income (loss) of affiliates accounted for under the equity method		-	(15)
Total comprehensive income (loss)		1,055,870	(116,430)
Comprehensive income (loss) attributable to Japan Post Insurance		1,055,870	(116,430)
Comprehensive income (loss) attributable to non-controlling interests		-	-

(5) Unaudited Consolidated Statements of Cash Flows

(Millions of yen)

Items	Year	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
		Amount	Amount
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income taxes		121,244	116,940
Depreciation ⁽¹⁾ and amortization		41,217	39,113
Net change in reserve for outstanding claims		(36,474)	(58,919)
Net change in policy reserves		(3,005,427)	(1,747,260)
Provision for interest on policyholder dividends		137	679
Provision for reserve for policyholder dividends		55,899	96,990
Net change in reserve for possible loan losses		(32)	419
Net change in reserve for management bonuses		-	227
Net change in liability for retirement benefits		26,600	11,995
Net change in reserve for management board benefit trust		76	16
Net change in reserve for price fluctuations		(16,161)	(43,869)
Interest and dividend income (accrual basis)		(865,269)	(864,561)
Net (gains) losses on securities		26,753	82,795
Interest expenses (accrual basis)		4,993	13,641
Net (gains) losses on foreign exchanges		(13,579)	(20,999)
Net (gains) losses on tangible fixed assets		174	217
Equity in (earnings) losses of affiliates		-	(929)
Net change in agency accounts receivable		30,010	424
Net change in reinsurance receivables ⁽¹⁾		(3,597)	(2,994)
Net change in other assets (excluding those related to investing activities and financing activities)		(145,438)	93,497
Net change in reinsurance payables		(295)	(55)
Net change in other liabilities (excluding those related to investing activities and financing activities)		21,712	(15,562)
Other, net		(82,147)	(128,837)
Subtotal		(3,839,603)	(2,427,028)
Interest and dividend received (cash basis)		878,801	906,205
Interest paid (cash basis)		(4,862)	(10,826)
Policyholder dividends paid		(129,463)	(114,060)
Income taxes (paid) refund		31,960	17,867
Net cash used in operating activities		(3,063,168)	(1,627,842)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of call loans		(7,340,000)	(7,399,999)
Proceeds from redemption of call loans		7,340,000	7,409,999
Net change in receivables under resale agreements		337,571	442,278
Purchases of monetary claims bought		(19,995)	(39,958)
Proceeds from sale and redemption of monetary claims bought		41,682	41,787
Purchases of money held in trust		(291,790)	(126,841)
Proceeds from decrease in money held in trust		168,963	48,699
Purchases of securities		(2,025,036)	(2,593,437)
Proceeds from sale and redemption of securities		4,459,587	3,489,520
Payments for loans		(444,874)	(485,228)
Proceeds from collection of loans		769,394	1,236,498
Net change in payables under repurchase agreements		164,312	611,922
Other, net		(353,155)	(138,287)
Total of net cash provided by investment transactions		2,806,659	2,496,953
Total of net cash provided by (used in) operating activities and investment transactions		(256,508)	869,110
Purchases of tangible fixed assets		(48,738)	(12,357)
Proceeds from sales of tangible fixed assets		10	16
Purchases of intangible fixed assets		(37,791)	(45,390)
Purchase of shares of subsidiaries		(200)	-
Purchase of shares of affiliates accounted for under the equity method		-	(52,500)
Other, net		1,856	(261)
Net cash provided by investing activities		2,721,796	2,386,460

(Millions of yen)

Items	Year	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
		Amount	Amount
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease obligations		(1,598)	(1,305)
Proceeds from issuance of bonds		99,383	99,383
Purchases of treasury stock		-	(0)
Proceeds from disposals of treasury stock		4	-
Dividends paid		(35,620)	(37,933)
Net cash provided by (used in) financing activities		62,169	60,143
Effect of exchange rate changes on cash and cash equivalents		-	-
Net change in cash and cash equivalents		(279,202)	818,761
Cash and cash equivalents at the beginning of the fiscal year		1,436,524	1,157,322
Cash and cash equivalents at the end of the fiscal year		1,157,322	1,976,083

(6) Unaudited Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2024 (From April 1, 2023, to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	500,000	405,044	701,540	(36,082)	1,570,502
Changes in the fiscal year					
Cash dividends			(35,635)		(35,635)
Net income attributable to Japan Post Insurance			87,056		87,056
Disposals of treasury stock				132	132
Cancellation of treasury stock		(35,000)		35,000	-
Transfer from retained earnings to capital surplus		35,000	(35,000)		-
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	-	-	16,419	35,133	51,553
Balance at the end of the fiscal year	500,000	405,044	717,960	(948)	1,622,055

	Accumulated other comprehensive income				Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	
Balance at the beginning of the fiscal year	797,912	4,607	2,354	804,875	2,375,377
Changes in the fiscal year					
Cash dividends					(35,635)
Net income attributable to Japan Post Insurance					87,056
Disposals of treasury stock					132
Cancellation of treasury stock					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity in the fiscal year	977,780	(8,794)	(172)	968,813	968,813
Net changes in the fiscal year	977,780	(8,794)	(172)	968,813	1,020,366
Balance at the end of the fiscal year	1,775,693	(4,186)	2,182	1,773,689	3,395,744

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

(Millions of yen)

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

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

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED MARCH 31, 2025

(Basis for Preparation of the Unaudited Consolidated Financial Statements)

1. Scope of Consolidation

- (1) Number of consolidated subsidiaries: 1

Name of consolidated subsidiary: JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.

- (2) Major non-consolidated subsidiaries

The Company's major non-consolidated subsidiaries are Japan Post Insurance NEXT Partners Co., Ltd. and Spring Investment Limited Partnership.

Major non-consolidated subsidiaries are small in terms of total assets, ordinary income, net income or loss (an amount corresponding to ownership), retained earnings (an amount corresponding to ownership), cash flows, and other items. They are excluded from the scope of consolidation as they are not significant enough to interfere with rational judgement regarding the corporate group's financial conditions, business performance, and cash flows.

2. Application of the Equity Method

- (1) Number of non-consolidated subsidiaries and affiliates accounted for under the equity method: 0

- (2) Number of affiliates accounted for under the equity method: 1

Company name: Daiwa Asset Management Co. Ltd.

Daiwa Asset Management Co., Ltd. has been included in the scope of application of the equity method from the fiscal year ended March 31, 2025, due to the acquisition of shares.

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

3. Fiscal Year-end Date of the Consolidated Subsidiary

The consolidated subsidiary has the same fiscal year-end date as that of consolidated financial statements.

(Notes to the Unaudited Consolidated Balance Sheets)

1. Significant Accounting Policies

- (1) Valuation Criteria and Methods for Securities

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

- 1) Held-to-maturity Bonds

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

- 2) Policy-reserve-matching Bonds

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

- 3) Stocks of subsidiaries and affiliates that are neither consolidated nor accounted for under the equity method

Stocks of subsidiaries and affiliates that are neither consolidated nor accounted for under the equity method are carried at cost using the moving-average method.

- 4) Available-for-sale Securities

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

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

- (ii) Stocks, etc. with no market price

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

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

- (2) Valuation Criteria and Methods for Derivative Transactions
All derivative transactions are valued at fair value.
- (3) Depreciation Methods for Significant Depreciable Assets
- 1) Tangible Fixed Assets (excluding leased assets)
Depreciation of tangible fixed assets is calculated using the straight-line method based on the following useful lives:
 - (i) Buildings: 2-60 years
 - (ii) Other tangible fixed assets: 2-20 years
 - 2) Intangible Fixed Assets (excluding leased assets)
The capitalized development costs of software intended for internal use are amortized over the expected useful life of mainly 5 years using the straight-line method.
 - 3) Leased Assets
Finance lease transactions that do not transfer ownership are depreciated to a residual value of zero using the straight-line method over the lease term.
- (4) Recognition of Significant Reserves
- 1) Reserve for Possible Loan Losses
Reserve for possible loan losses is provided pursuant to the Company's standards for self-assessment of asset quality, and general allowance is provided using a rate based on historical collectability experience. In addition, specific allowances, which are determined based on individual collectability of accounts, are also recorded.
All loans and claims are assessed initially by the relevant departments based on internal rules for self-assessment of asset quality. The asset evaluation department, which is independent from the relevant departments, reviews these self-assessments. The above reserves and allowances are recorded based on the results of these assessments.
For loans and guaranteed loans that were extended to borrowers that have filed for bankruptcy including legal bankruptcy or civil rehabilitation, or that are considered substantially bankrupt, an allowance is provided for in the amount of loans, net of collateral value or the amounts expected to be recoverable under guarantees. Reserve for possible loan losses also includes amounts set aside for other assets subject to valuation allowance. The amount written off for loans and other assets during the fiscal year ended March 31, 2025, was ¥44 million.
 - 2) Reserve for Management Bonuses
To provide for the payment of bonuses to Executive Officers of the Company, a reserve for management bonuses is provided based on the projected amount of bonuses to be paid.
 - 3) Reserve for Management Board Benefit Trust
To provide for the granting of shares of the Company to Executive Officers of the Company in accordance with the Stock Benefit Rules, a reserve for management board benefit trust is provided in the projected amount of stock benefit obligations.
- (5) Employees' Retirement Benefits Accounting
- 1) Method for Attributing Expected Benefits to Periods
In calculating the projected benefit obligation, the benefit formula basis is used to attribute the expected benefit to respective service period.
 - 2) Method for Recognizing Actuarial Differences and Prior Service Cost
The actuarial difference is amortized using the straight-line method over a period of 14 years, which is less than the estimated average remaining service period for employees from the fiscal year following the respective fiscal year in which the difference is incurred.
Prior service cost is amortized using the straight-line method over a period of 14 years, which is less than the estimated average remaining service lives for employees in the fiscal year of incurrence.
- (6) Reserve for Price Fluctuations
Reserve for price fluctuations in security investments is calculated based on Article 115 of the Insurance Business Act.
- (7) Translation of Significant Assets and Liabilities Denominated in Foreign Currencies
Assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the fiscal year-end.

Significant Hedge Accounting

1) Methods for Hedge Accounting

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

2) Hedging Instruments and Hedged Items

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

3) Hedging Policies

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

4) Assessment of Hedge Effectiveness

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

(8) Policy Reserves

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

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

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

In the fiscal year ended March 31, 2025, the Company accumulated additional policy reserves for the portion of reinsurance 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 reversed 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 fulfilment of future obligations under insurance contracts in preparation of possible future risks, pursuant to Article 116 of the Insurance Business Act and Article 69, Paragraph 1, Item 3 of the Ordinance for Enforcement of the Insurance Business Act.

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

2. Unadopted Accounting Standards, etc.

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

(1) Outline

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

(2) Scheduled Date of Adoption

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

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

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

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

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

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

(1) Outline of the Transaction

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

1) Performance-linked stock compensation system

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

2) Non-performance-linked stock compensation system

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

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

(2) Shares of the Company Held in Trust

Shares of the Company held in trust are recorded as treasury stock under the category of net assets at book value in the Trust (excluding accompanying expenses). Book value of such treasury stock at the end of the fiscal year ended March 31, 2025, was ¥877 million, while the number of such treasury stock was 394 thousand shares.

4. Matters Regarding Financial Instruments were as follows:

(1) Matters Regarding Status of Financial Instruments

1) Policy for handling financial instruments

The Company promotes matching between assets and liabilities using yen-denominated interest-bearing assets, taking into consideration the characteristics of liabilities so as to maintain sound management and ensure payments for insurance claims and others. The Company endeavors to invest in yen-denominated bonds such as Japanese local government bonds and Japanese corporate bonds, of which yield is expected to be relatively higher than that of Japanese government bonds, as well as in “return-seeking assets” (which we previously referred to as “risk assets”) including foreign bonds and stocks from the perspective of improving profitability as well as to strengthen the risk management system.

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

2) Features and risks of financial instruments

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

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

As a hedging method against interest rate fluctuation risk for a portion of insurance liabilities, interest rate swap transactions are used in accordance with the “Accounting and Auditing Treatment on the Application of the Financial Instruments Accounting Standard to the Insurance Industry” (JICPA Industry Committee Practical Guidelines No. 26).

3) Risk management framework for financial instruments

(i) Management of market risk

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

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

(ii) Management of credit risk

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

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

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

4) Additional notes concerning the fair value of financial instruments

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

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

(2) Fair Values of Financial Instruments

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

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

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Monetary claims bought	23,215	23,215	-
Available-for-sale securities	23,215	23,215	-
Money held in trust (*1) (*2)	6,330,280	6,330,280	-
Securities	46,312,623	44,309,944	(2,002,679)
Held-to-maturity bonds	31,425,320	30,144,069	(1,281,251)
Policy-reserve-matching bonds	7,243,771	6,522,343	(721,427)
Available-for-sale securities (*2)	7,643,531	7,643,531	-
Loans	2,529,683	2,497,771	(31,912)
Policy loans	159,074	159,074	-
Industrial and commercial loans (*3)	754,604	694,746	(59,490)
Loans to the Management Network (*3)	1,616,372	1,643,950	27,577
Reserve for possible loan losses (*4)	(367)	-	-
Total assets	55,195,803	53,161,211	(2,034,591)
Bonds payable	500,000	477,490	(22,510)
Total liabilities	500,000	477,490	(22,510)
Derivative transactions (*5)			
Hedge accounting not applied	5	5	-
Hedge accounting applied	[33,892]	[33,892]	-
Total derivative transactions	[33,887]	[33,887]	-

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

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

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

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

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

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

(Millions of yen)

	Consolidated balance sheet amount
Money held in trust (*1)	129,749
Securities	216,169
Unlisted stocks (*2)	65,137
Foreign securities (*2)	24,197
Investments in partnership (*3)	126,835
Total	345,919

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

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

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

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

(Millions of yen)

	Within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Monetary claims bought	10,000	-	-	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

Note 3: Redemption schedule of bonds payable

(Millions of yen)

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

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

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

- Level 1 Fair Values: Fair values measured using observable inputs that are quoted prices for identified assets or liabilities in active markets
- Level 2 Fair Values: Fair values measured using observable inputs other than those included within Level 1
- Level 3 Fair Values: Fair values measured using unobservable inputs

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

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

(Millions of yen)

	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	-	9,988	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-related derivatives	-	[27,848]	-	[27,848]
Total derivative transactions	-	[33,887]	-	[33,887]

(*1) In accordance with Paragraph 24-3 and 24-9 of the Fair Value Measurement Implementation Guidance, mutual funds that apply treatments that consider net asset value to be the fair value are not included in the above table. The consolidated balance sheet amount for mutual funds to which the treatment in Paragraph 24-3 is applied is ¥1,393,205 million, and the consolidated balance sheet amount for mutual funds to which the treatment in Paragraph 24-9 is applied is ¥183,614 million.

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

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

(Millions of yen)

	Fair Value			
	Level 1	Level 2	Level 3	Total
Money held in trust	-	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

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

Assets
Monetary claims bought

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

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

Money held in trust

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

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

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

Securities

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

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

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

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

Loans

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

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

The fair value of loans is classed in Level 3.

Liabilities

Bonds payable

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

Derivative transactions

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

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

1) Quantitative information regarding material, unobservable inputs

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

2) Changes in net valuation gain/loss recognized in gain/loss for the fiscal year ended March 31, 2025

(Millions of yen)

	Balance at the beginning of the fiscal year	Gain/loss for period under review or other comprehensive income (loss)		Changes due to purchase, sale, issuance, and settlement	Transfer to Level 3 fair value	Transfer from Level 3 fair value	Balance at the end of period	Of gain/loss in fiscal year ended March 31, 2025, net valuation gain/loss of financial instruments held on consolidated balance sheet date
		Recorded in gain/loss	Recorded in other comprehensive income (loss) (*)					
Monetary claims bought	15,393	-	(379)	(1,787)	-	-	13,227	-
Securities								
Available-for-sale securities								
Japanese local government bonds	21,591	-	(1,322)	(1,006)	-	-	19,262	-
Other securities	10,352	-	(209)	(711)	-	-	9,431	-
Total assets	47,337	-	(1,911)	(3,504)	-	-	41,921	-

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

3) Explanation of fair value valuation process

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

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

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

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

- (1) Changes in net valuation gain/loss recognized in gain/loss for mutual funds to which the treatment in Paragraph 24-3 is applied for the fiscal year ended March 31, 2025

(Millions of yen)

Balance at the beginning of the fiscal year	Gain/loss for period under review or other comprehensive income (loss)		Changes due to purchase, sale, and redemption	Amount for which the net asset value of mutual funds is regarded as the fair value	Amount for which the net asset value of mutual funds is not regarded as the fair value	Balance at the end of period	Of gain/loss in fiscal year ended March 31, 2025, net valuation gain/loss of mutual funds held on consolidated balance sheet date
	Recorded in gain/loss	Recorded in other comprehensive income (loss) (*)					
1,260,483	-	45,732	86,989	-	-	1,393,205	-

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

- (2) Changes in net valuation gain/loss recognized in gain/loss for mutual funds to which the treatment in Paragraph 24-9 is applied for the fiscal year ended March 31, 2025

(Millions of yen)

Balance at the beginning of the fiscal year	Gain/loss for period under review or other comprehensive income (loss)		Changes due to purchase, sale, and redemption	Amount for which the net asset value of mutual funds is regarded as the fair value	Amount for which the net asset value of mutual funds is not regarded as the fair value	Balance at the end of period	Of gain/loss in fiscal year ended March 31, 2025, net valuation gain/loss of mutual funds held on consolidated balance sheet date
	Recorded in gain/loss	Recorded in other comprehensive income (loss) (*)					
176,297	-	(4,257)	11,574	-	-	183,614	-

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

- (3) Breakdown of restrictions on cancellation or repurchase requests at the end of the fiscal year
[Items that require a certain amount of time for cancellation, etc. ¥1,393,205 million]

(4) Securities

1) Held-to-maturity Bonds

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
Those for which fair value exceeds the consolidated balance sheet amount			
Bonds	20,610,414	21,343,882	733,467
Japanese government bonds	19,409,987	20,106,463	696,476
Japanese local government bonds	830,734	856,839	26,104
Japanese corporate bonds	369,693	380,579	10,886
Subtotal	20,610,414	21,343,882	733,467
Those for which fair value does not exceed the consolidated balance sheet amount			
Bonds	10,814,905	8,800,187	(2,014,718)
Japanese government bonds	9,353,831	7,659,329	(1,694,502)
Japanese local government bonds	619,005	502,129	(116,875)
Japanese corporate bonds	842,068	638,727	(203,340)
Subtotal	10,814,905	8,800,187	(2,014,718)
Total	31,425,320	30,144,069	(1,281,251)

2) Policy-reserve-matching Bonds

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
Those for which fair value exceeds the consolidated balance sheet amount			
Bonds	2,348,989	2,440,161	91,171
Japanese government bonds	2,258,017	2,345,824	87,806
Japanese local government bonds	65,217	67,639	2,422
Japanese corporate bonds	25,754	26,697	942
Foreign securities	-	-	-
Foreign bonds	-	-	-
Subtotal	2,348,989	2,440,161	91,171
Those for which fair value does not exceed the consolidated balance sheet amount			
Bonds	4,874,781	4,063,215	(811,566)
Japanese government bonds	3,163,851	2,632,657	(531,193)
Japanese local government bonds	296,463	253,617	(42,845)
Japanese corporate bonds	1,414,467	1,176,940	(237,527)
Foreign securities	20,000	18,967	(1,033)
Foreign bonds	20,000	18,967	(1,033)
Subtotal	4,894,781	4,082,182	(812,599)
Total	7,243,771	6,522,343	(721,427)

3) Available-for-sale Securities

(Millions of yen)

	Consolidated balance sheet amount	Cost	Difference
Those for which the consolidated balance sheet amount exceeds cost			
Bonds	264,642	260,353	4,289
Japanese government bonds	110,217	108,801	1,416
Japanese local government bonds	-	-	-
Japanese corporate bonds	154,425	151,552	2,873
Stocks	439,641	280,526	159,115
Foreign securities	764,278	723,626	40,652
Foreign bonds	592,504	555,797	36,707
Other foreign securities	171,773	167,828	3,945
Other (*)	795,048	747,692	47,355
Subtotal	2,263,610	2,012,197	251,412
Those for which the consolidated balance sheet amount does not exceed cost			
Bonds	2,726,153	3,043,176	(317,023)
Japanese government bonds	1,094,484	1,320,010	(225,526)
Japanese local government bonds	312,064	327,571	(15,507)
Japanese corporate bonds	1,319,604	1,395,593	(75,989)
Stocks	89,960	100,553	(10,592)
Foreign securities	1,216,035	1,284,603	(68,567)
Foreign bonds	1,216,035	1,284,603	(68,567)
Other foreign securities	-	-	-
Other (*)	2,390,987	2,540,295	(149,308)
Subtotal	6,423,136	6,968,629	(545,492)
Total	8,686,747	8,980,826	(294,079)

(*) “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 sheets, and monetary claims bought (cost: ¥23,110 million, consolidated balance sheet amount: ¥23,215 million).

4) Policy-reserve-matching Bonds Sold during the Fiscal Year (From April 1, 2024, to March 31, 2025)

(Millions of yen)

	Sales	Gains	Losses
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

5) Available-for-sale Securities Sold during the Fiscal Year (From April 1, 2024, to March 31, 2025)

(Millions of yen)

	Sales	Gains	Losses
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
Other foreign securities	1,144	-	0
Other securities	22,943	-	1,964
Total	1,212,979	79,580	152,070

(5) Money Held in Trust

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

(Millions of yen)

	Consolidated balance sheet amount	Cost	Difference	Those for which the consolidated balance sheet amount exceeds cost	Those for which the consolidated balance sheet amount does not exceed cost
Specified money held in trust	6,330,280	3,874,533	2,455,746	2,495,579	(39,832)

(*) The Group recognized losses on valuation of ¥4,975 million for the fiscal year ended March 31, 2025.

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

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.

(6) Derivative Transactions

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

Currency-related derivatives

(Millions of yen)

Category	Type of derivative	Contract amount	Contract amount due after 1 year	Fair value	Net Valuation Gain/Loss
OTC	Forward foreign exchange				
	Sold	282	-	3	3
	U.S. dollars	282	-	3	3
	Currency option				
	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

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

(*2) In the net valuation gain/loss column, the difference between the option premium and the fair value is shown for options transactions.

2) Derivative transactions to which the hedge accounting is applied

(i) Currency-related derivatives

(Millions of yen)

Hedge accounting method	Type of derivative	Major hedged item	Contract amount	Contract amount due after 1 year	Fair value
Deferred hedge accounting	Currency swaps				
	Yen-receipt / Foreign currency payment	Foreign currency-denominated bonds	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	Foreign currency-denominated bonds	1,319,941	-	(6,293)
	U.S. dollars		798,266	-	(12,180)
	Euros		165,283	-	(4,804)
	Australian dollars		206,698	-	6,395
	Other		149,692	-	4,295
Total			-	-	(6,043)

(ii) Interest-related derivatives

(Millions of yen)

Hedge accounting method	Type of derivative	Major hedged item	Contract amount	Contract amount due after 1 year	Fair value
Deferred hedge accounting	Interest rate swaps				
	Fixed-rate receivable / Floating-rate payable	Insurance liability	300,000	300,000	(27,848)
Total			-	-	(27,848)

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

(1) The consolidated balance sheet amount and fair value of policy-reserve-matching bonds amount to ¥7,243,771 million and ¥6,522,343 million, respectively.

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

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

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

2) Japan Post Insurance life insurance contracts (general) (all insurance policies)

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

From the fiscal 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 and loss.

6. Securities lent under lending agreements in the amount of ¥1,390,979 million were included in “Securities” in the consolidated balance sheets as of March 31, 2025.

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

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

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

8. Accumulated depreciation for tangible fixed assets as of March 31, 2025, was ¥63,740 million.

9. Total deferred tax assets and total deferred tax liabilities were ¥1,546,565 million and ¥801,673 million, respectively. A deduction from deferred tax assets as valuation allowance was ¥16,022 million.

Significant components of deferred tax assets include ¥1,025,316 million of policy reserves, ¥225,014 million of reserve for price fluctuations, ¥42,760 million of reserve for outstanding claims, ¥31,193 million of liability for retirement benefits, and ¥169,314 million of unrealized losses on available-for-sale securities.

Significant components of deferred tax liabilities include ¥787,439 million of unrealized gains on available-for-sale securities.

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

10. The effective statutory tax rate for the fiscal year ended March 31, 2025, was 28.00%. The main factor contributing to the difference between the effective statutory tax rate and the actual income tax rate after applying tax effect accounting was -34.84% due to an upward adjustment of deferred tax assets at the end of the fiscal year resulting from a change in tax rate.

11. Following the enactment of the Act on Partial Revision of the Income Tax Act (Act No. 13 of 2025) by the Diet on March 31, 2025, the effective statutory tax rate used to calculate deferred tax assets and liabilities for the fiscal year ended March 31, 2025, has been changed from 28.00% in the previous fiscal year to 28.93% for amounts 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 fiscal year ended March 31, 2025.

12. Changes in reserve for policyholder dividends for the fiscal year ended March 31, 2025, were as follows:

Balance at the beginning of the fiscal year	¥1,101,628 million
Policyholder dividends paid	¥114,060 million
Interest accrual	¥679 million
Reduction due to the acquisition of additional annuity	¥112 million
Provision for reserve for policyholder dividends	¥96,990 million
Balance at the end of the fiscal year	¥1,085,126 million

13. Equities, etc. of subsidiaries and affiliates was ¥187,713 million.

14. Assets pledged as collateral consisted of the following:

Securities	¥4,489,608 million
Liabilities corresponding to assets pledged as collateral consisted of the following:	
Payables under repurchase agreements	¥4,516,922 million
The above securities are those sold under repurchase agreements.	

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

Securities	¥160,554 million
Margin deposits for futures transactions	¥4,437 million
Cash collateral paid for financial instruments	¥56,013 million

15. Reserve for outstanding claims for reinsured part defined in Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Ordinance (hereinafter referred to as “reserve for outstanding claims-ceded”), as of March 31, 2025, was ¥357 million. Policy reserves for reinsured part defined in Article 71, Paragraph 1 of the said Ordinance (hereinafter referred to as “policy reserves-ceded”) as of March 31, 2025, were ¥1,187,171 million.

16. Net assets per share were ¥8,467.97.

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

Total number of treasury stock at the end of the fiscal year which was deducted from the calculation of net assets per share for the fiscal year ended March 31, 2025, was 394 thousand shares.

17. The Company has the right to sell or pledge securities received as collateral for transactions such as resale agreements, borrowing agreements, and derivative transactions. The fair value of such securities held in hand was ¥109,672 million as of March 31, 2025.

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

19. Matters related to retirement benefits are as follows:

(1) Outline of retirement benefits

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

In addition, starting from October 1, 2015, the Company has joined the retirement pension plan based on the Act for Partial Amendment of the Act on National Public Officers’ Retirement Allowance, etc., for the Purpose of Review over the Levels of the Retirement Benefits for National Public Officers (Act No. 96 of 2012) and introduced as a new pension system to replace the discontinued occupational portion (third-tier portion) of the mutual pension, and the pension contribution amount required of the Company for the fiscal year ended March 31, 2025, was ¥910 million.

(2) Defined benefit plans

1) Changes in retirement benefit obligations

	(Millions of yen)
Balance at the beginning of the fiscal year	95,931
Service cost	6,121
Interest cost	747
Actuarial differences	25
Benefits paid	(6,500)
Past service cost	(115)
Increase/decrease due to transfers	11,718
Balance at the end of the fiscal year	107,927

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

	(Millions of yen)
Unfunded retirement benefit obligations	107,927
Liability for retirement benefits recorded on the consolidated balance sheets	<u>107,927</u>

3) Retirement benefit costs

	(Millions of yen)
Service cost	6,121
Interest cost	747
Amortization of actuarial differences	(217)
Amortization of prior service cost	(465)
Amount borne by seconded employees	2,644
Retirement benefit expenses of defined benefit plans	<u>8,830</u>

4) Adjustments for retirement benefits

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

	(Millions of yen)
Prior service cost	(350)
Actuarial differences	(242)
Total	<u>(592)</u>

5) Accumulated adjustments for retirement benefits

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

	(Millions of yen)
Unrecognized prior service cost	2,441
Unrecognized actuarial differences	(1)
Total	<u>2,440</u>

6) Actuarial assumptions

The principal actuarial assumption used for the fiscal year ended March 31, 2025, was as follows:

Discount rate	0.7 to 1.9%
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20. Policy reserves, excluding contingency reserve and including policy reserves-ceded, related to reinsurance contracts with the Management Network, amounted to ¥24,576,340 million and are provided at amounts calculated based on the statement of calculation procedures for the Company's insurance premiums and policy reserves. The amounts calculated based on the foregoing procedures are not less than the amounts calculated based on the statement of calculation procedures for the Postal Life Insurance policy reserves in accordance with the Act on Organization for Postal Savings, Postal Life Insurance and Post Office Network (Act No. 101 of 2005).

In addition, contingency reserve and reserve for price fluctuations are provided in the amount of ¥915,558 million and ¥581,452 million, respectively, for the category of the reinsurance.

21. "Other liabilities" in the consolidated balance sheets includes ¥36,678 million of deposits from the Management Network. Deposits from the Management Network refer to the amounts equivalent to the reserve for outstanding claims and reserve for losses on compensation for damages related to litigation or conciliation of the Management Network, which were deposited at the time of privatization based on the outsourcing agreements with the Management Network for the administrative operation of the Postal Life Insurance Policy and which remained unpaid at the end of the fiscal year ended March 31, 2025.

22. Notes to significant subsequent events are as follows:

(Acquisition of Treasury Stock)

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

1. Board of Directors' resolutions concerning the acquisition of treasury stock

(1) Reason for the acquisition of treasury stock

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

(2) Details of the acquisition

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

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

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

3) Total amount of shares to be acquired: ¥35,000,000,000 (maximum)

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

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

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

2. Details of the acquisition of treasury stock as implemented

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

2) Total number of shares acquired: 11,369,600 shares

3) Total amount of shares acquired: ¥34,999,885,750

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

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

(Cancellation of treasury stock)

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

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

(Reference)

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

(Notes to the Unaudited Consolidated Statements of Income)

1. Significant Accounting Policies

(1) Recognition of insurance premiums and others

1) Insurance premiums

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

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

2) Reinsurance income

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

(2) Recognition of insurance claims and others

1) Insurance claims and others (excluding reinsurance premiums)

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

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

2) Reinsurance premiums

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

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

2. The amount of reversal of reserve for outstanding claims-ceded that is deducted from the calculation of reversal of reserve for outstanding claims for the fiscal 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 fiscal year ended March 31, 2025, was ¥545,425 million.

3. Net income per share was ¥322.57.

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

Average number of treasury stock during the fiscal year which was deducted from the calculation of net income per share for the fiscal year ended March 31, 2025, was 401 thousand shares.

4. Insurance premiums assumed based on reinsurance contracts with the Management Network included in insurance premiums and others for the fiscal year ended March 31, 2025, were ¥131,451 million.

5. Insurance claims based on reinsurance contracts with the Management Network included in insurance claims for the fiscal year ended March 31, 2025, were ¥2,065,061 million.

6. Provision for reserve for policyholder dividends, which is provided for the Management Network based on gains or losses and others arising in the category of the reinsurance due to the reinsurance contracts with the Management Network, was ¥86,029 million for the fiscal year ended March 31, 2025.

(Notes to the Unaudited Consolidated Statements of Comprehensive Income)

(Millions of yen)

Net unrealized gains (losses) on available-for-sale securities:	
Amount arising during the fiscal year	(273,083)
Reclassification adjustments	(9,185)
Before income taxes and tax effect adjustments	(282,268)
Income taxes and tax effects	58,264
Net unrealized gains (losses) on available-for-sale securities	(224,004)
Net deferred gains (losses) on hedges:	
Amount arising during the fiscal year	(21,784)
Reclassification adjustments	-
Before income taxes and tax effect adjustments	(21,784)
Income taxes and tax effects	6,356
Net deferred gains (losses) on hedges	(15,428)
Adjustments for retirement benefits:	
Amount arising during the fiscal year	89
Reclassification adjustments	(682)
Before income taxes and tax effect adjustments	(592)
Income taxes and tax effects	137
Adjustments for retirement benefits	(454)
Share of other comprehensive income of affiliates accounted for under the equity method	
Amount arising during the fiscal year	(15)
Total other comprehensive income (loss)	(239,903)

(Notes to the Unaudited Consolidated Statements of Cash Flows)

1. Scope of Cash and Cash Equivalents

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

2. The reconciliation of cash and cash equivalents in the consolidated statements of cash flows to cash and deposits in the consolidated balance sheets as of March 31, 2025, was as follows:

Cash and deposits	¥1,976,083 million
Cash and cash equivalents	¥1,976,083 million

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

1. Type and Number of Shares Issued and Treasury Stock

(Thousands of shares)

	April 1, 2024	Increase	Decrease	March 31, 2025
Shares issued				
Common stock	383,192	-	-	383,192
Treasury stock				
Common stock	427	0	21	405

(*1) Numbers of treasury stock at the beginning and the end of the fiscal year ended March 31, 2025 include shares of the Company held in the Board Benefit Trust (BBT), and were 415 thousand shares and 394 thousand shares, respectively.

(*2) The increase of 0 thousand shares in the number of treasury stock was attributable to the purchase of shares less than one unit.

(*3) The decrease of 21 thousand shares in the number of treasury stock was attributable to the granting of shares via the Board Benefit Trust (BBT).

2. Stock Acquisition Rights Including Those Owned by the Company

Not applicable.

3. Information on Dividends

(1) Dividends Paid

Resolution	Class of shares	Total amount (Millions of yen)	Per share amount (Yen)	Record date	Effective date
Board of Directors' meeting held on May 15, 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

(*1) Total amount of dividends based on the resolution at the Board of Directors meeting held on May 15, 2024, includes ¥19 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

(*2) Total amount of dividends based on the resolution at the Board of Directors meeting held on November 14, 2024, includes ¥20 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

(2) Dividends whose effective date falls after the end of the fiscal year ended March 31, 2025

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

(*) Total amount of dividends includes ¥20 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

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

(Millions of yen, %)

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

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

(8) Consolidated Solvency Margin Ratio

(Millions of yen)

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

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

(9) Segment Information

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