

UNOFFICIAL TRANSLATION

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

November 14, 2025
JAPAN POST INSURANCE Co., Ltd.

**Announcement of Financial Results for
the Six Months Ended September 30, 2025**

JAPAN POST INSURANCE Co., Ltd. (the “Company”; TANIGAKI Kunio, Director and President, CEO, Representative Executive Officer) hereby announces its financial results for the six months ended September 30, 2025 (April 1, 2025 to September 30, 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, 2025		September 30, 2025			
	Number of policies	Policy amount	Number of policies		Policy amount	
				% of March 31, 2025 total		% of March 31, 2025 total
Individual insurance	12,786	35,407.9	12,442	97.3	34,309.4	96.9
Individual annuities	421	579.6	367	87.2	505.4	87.2
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, %)

Six months ended September 30	2024				2025					
	Number of policies	Policy amount			Number of policies		Policy amount			
			New policies	Net increase by conversion		% of September 30, 2024 total		% of September 30, 2024 total	New policies	Net increase by conversion
Individual insurance	521	1,371.6	1,371.6	0.0	248	47.7	681.5	49.7	681.5	0.0
Individual annuities	0	0.7	0.7	-	0	46.3	0.2	37.6	0.2	-
Group insurance	-	-	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-	-	-

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

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

(2) Annualized Premiums

▪ Policies in Force

(Billions of yen, %)

As of	March 31, 2025	September 30, 2025	
			% of March 31, 2025 total
Individual insurance	2,137.2	2,068.0	96.8
Individual annuities	151.7	132.3	87.2
Total	2,289.0	2,200.4	96.1
Medical coverage, living benefits and other	296.4	289.3	97.6

▪ New Policies

(Billions of yen, %)

Six months ended September 30	2024	2025	
			% of September 30, 2024 total
Individual insurance	113.0	56.6	50.1
Individual annuities	0.0	0.0	37.1
Total	113.1	56.6	50.1
Medical coverage, living benefits and other	4.1	3.3	79.1

- 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. Investment Overview for the Six Months Ended September 30, 2025 (General Account)

(1) Investment Environment

During the first half of the fiscal year ending March 31, 2026, the Japanese economy saw a moderate recovery against the backdrop of robust capital investment, strong corporate performance, and firm consumer spending, especially in the service sector, despite concerns about the impact of U.S. tariff policies. The U.S. economy remained firm, supported by consumer spending and capital investment, although employment softened due to the impact of monetary tightening and tariff policies. The European economy slowed down due to a decline in exports to the U.S. caused by U.S. tariff policies, even as monetary easing supported consumer spending and other forms of domestic demand.

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

Domestic Bond Market

The domestic long-term yield temporarily dipped to around 1.13% due to economic concerns caused by U.S. tariff policies, but subsequently rose to around 1.64% at the end of September as caution about tariffs gradually eased while caution about the future expansion of fiscal spending increased and the supply-demand balance for government bonds deteriorated.

Domestic Stock Market

The Nikkei Stock Average temporarily plunged to the ¥31,000 level in early April due to concerns about the economy caused by U.S. tariff policies, but subsequently rebounded as caution gradually eased. It rose further to record highs against the backdrop of Japan and the U.S. reaching an agreement to ease tariffs in July, expectations of future fiscal spending expansion due to the results of the Upper House election and the resignation of the prime minister, and solid corporate earnings, reaching the ¥44,000 yen level at the end of September.

Foreign Exchange Markets

Regarding the USD/JPY exchange rate, although the yen temporarily appreciated against the dollar to the ¥140 level following the announcement of U.S. tariff policies in April, the dollar rebounded on the gradual easing of caution and solid U.S. economic indicators, appreciating against the yen. Expectations subsequently emerged of an interest rate hike by the Bank of Japan, and the exchange rate remained within a certain range, reaching the ¥147 level at the end of September.

Regarding the EUR/JPY exchange rate, the euro was on an upward trend against the backdrop of the buying of other currencies due to U.S. tariff policies, expectations of economic recovery in the eurozone, and the interest rate differential with Japan, reaching the ¥173 level at the end of September.

(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 September 30, 2025, total assets of the Company amounted to ¥58,991.4 billion, a decrease of ¥564.1 billion from ¥59,555.5 billion at the end of the previous fiscal year.

The balance of return-seeking assets including stocks and foreign securities increased mainly due to an increase in unrealized gains, mainly resulting from an increase 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 Organization for Postal Savings, Postal Life Insurance and Post Office Network (hereinafter referred to as 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 six months ended September 30, 2025, investment income of the Company decreased by ¥19.7 billion from the previous corresponding period to ¥621.4 billion mainly due to decreases in gains on sales of securities and gains on foreign exchanges, despite an increase in gains on money held in trust.

Investment expenses increased by ¥8.8 billion from the previous corresponding period to ¥143.9 billion, mainly due to an increase in losses on sales of securities, despite a decrease in losses on derivative financial instruments.

As a result, investment income and expenses amounted to ¥477.5 billion, a decrease of ¥28.5 billion from the previous corresponding period.

3. Investment Performance (General Account)

(1) Asset Composition

(Billions of yen, %)

As of	March 31, 2025		September 30, 2025	
	Amount	Ratio	Amount	Ratio
Cash, deposits, call loans	2,000.3	3.4	1,746.2	3.0
Receivables under resale agreements	604.9	1.0	460.8	0.8
Receivables under securities borrowing transactions	-	-	-	-
Monetary claims bought	23.2	0.0	22.2	0.0
Trading account securities	-	-	-	-
Money held in trust	6,460.0	10.8	7,260.0	12.3
Securities	46,528.6	78.1	45,987.6	78.0
Corporate and government bonds	41,639.8	69.9	40,887.6	69.3
Domestic stocks	594.6	1.0	697.3	1.2
Foreign securities	2,024.5	3.4	2,161.0	3.7
Foreign corporate and government bonds	1,828.5	3.1	1,969.2	3.3
Foreign stocks and other securities	195.9	0.3	191.7	0.3
Other securities	2,269.6	3.8	2,241.5	3.8
Loans	2,530.0	4.2	2,337.5	4.0
Real estate	120.0	0.2	118.9	0.2
Deferred tax assets	728.3	1.2	504.0	0.9
Other	560.6	0.9	554.6	0.9
Reserve for possible loan losses	(0.7)	(0.0)	(0.9)	(0.0)
Total	59,555.5	100.0	58,991.4	100.0
Foreign currency-denominated assets	4,131.1	6.9	4,442.1	7.5

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

(2) Increase/Decrease in Assets

(Billions of yen)

Six months ended September 30	2024	2025
Cash, deposits, call loans	484.4	(254.0)
Receivables under resale agreements	(101.5)	(144.0)
Receivables under securities borrowing transactions	-	-
Monetary claims bought	(1.1)	(0.9)
Trading account securities	-	-
Money held in trust	(69.1)	800.0
Securities	80.8	(541.0)
Corporate and government bonds	248.8	(752.2)
Domestic stocks	(5.8)	102.7
Foreign securities	(233.9)	136.5
Foreign corporate and government bonds	(230.7)	140.7
Foreign stocks and other securities	(3.2)	(4.1)
Other securities	75.8	(28.0)
Loans	(487.6)	(192.5)
Real estate	(1.2)	(1.0)
Deferred tax assets	53.4	(224.2)
Other	(39.2)	(5.9)
Reserve for possible loan losses	(0.0)	(0.1)
Total	(81.1)	(564.1)
Foreign currency-denominated assets	(230.0)	310.9

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

(3) Investment Income

(Billions of yen)

Six months ended September 30	2024	2025
Interest and dividend income	446.1	430.9
Interest on deposits	0.5	3.7
Interest and dividends on securities	415.2	400.9
Interest on loans	6.2	5.9
Interest on loans to the Management Network	20.2	15.9
Rent revenue from real estate	-	-
Other interest and dividend income	3.7	4.3
Gains on trading account securities	-	-
Gains on money held in trust	112.6	168.4
Gains on trading securities	-	-
Gains on sales of securities	64.1	21.8
Gains on sales of Japanese government bonds and other bonds	-	4.7
Gains on sales of domestic stocks and other securities	12.4	12.5
Gains on sales of foreign securities	51.6	4.5
Other gains on sales of securities	-	-
Gains on redemption of securities	0.0	0.1
Gains on derivative financial instruments	-	-
Gains on foreign exchanges	18.2	0.0
Reversal of reserve for possible loan losses	0.0	0.0
Other investment income	0.0	0.0
Total	641.2	621.4

(4) Investment Expenses

(Billions of yen)

Six months ended September 30	2024	2025
Interest expenses	4.4	13.8
Losses on trading account securities	-	-
Losses on money held in trust	-	-
Losses on trading securities	-	-
Losses on sales of securities	91.0	103.2
Losses on sales of Japanese government bonds and other bonds	77.6	84.5
Losses on sales of domestic stocks and other securities	0.6	4.6
Losses on sales of foreign securities	12.7	2.1
Other losses on sales of securities	-	11.9
Losses on valuation of securities	-	-
Losses on valuation of Japanese government bonds and other bonds	-	-
Losses on valuation of domestic stocks and other securities	-	-
Losses on valuation of foreign securities	-	-
Other losses on valuation of securities	-	-
Losses on redemption of securities	0.0	0.1
Losses on derivative financial instruments	37.8	23.9
Losses on foreign exchanges	-	-
Provision for reserve for possible loan losses	-	-
Write-off loans	-	-
Depreciation of real estate for lease and other assets	-	-
Other investment expenses	1.6	2.8
Total	135.1	143.9

(5) Net Valuation Gain/Loss of Trading Securities

The Company does not hold securities for trading.

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

(Billions of yen)

As of		March 31, 2025					September 30, 2025				
		Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
				Gains	Losses				Gains	Losses	
	Held-to-maturity bonds	31,425.3	30,144.0	(1,281.2)	733.4	2,014.7	30,950.8	28,851.9	(2,098.8)	488.7	2,587.5
	Policy-reserve-matching bonds	7,243.7	6,522.3	(721.4)	91.1	812.5	7,127.8	6,253.9	(873.9)	65.1	939.0
	Equities of subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-
	Available-for-sale securities	12,558.0	14,719.6	2,161.6	2,746.9	585.3	12,795.4	15,714.9	2,919.5	3,512.5	593.0
	Corporate and government bonds	3,303.5	2,990.7	(312.7)	4.2	317.0	3,216.1	2,828.9	(387.1)	4.2	391.3
	Domestic stocks	1,962.2	3,509.2	1,547.0	1,581.4	34.4	2,076.3	4,214.1	2,137.8	2,158.2	20.3
	Foreign securities	3,406.8	4,393.7	986.9	1,055.5	68.6	3,555.9	4,691.5	1,135.5	1,197.2	61.7
	Foreign corporate and government bonds	1,840.4	1,808.5	(31.8)	36.7	68.5	1,965.0	1,949.2	(15.7)	45.7	61.4
	Foreign stocks and other securities	1,566.4	2,585.2	1,018.7	1,018.8	0.1	1,590.9	2,742.2	1,151.3	1,151.5	0.2
	Other securities	2,842.3	2,782.6	(59.6)	105.5	165.1	2,754.7	2,788.0	33.2	152.7	119.4
	Monetary claims bought	23.1	23.2	0.1	0.1	-	22.3	22.2	(0.0)	0.0	0.0
	Negotiable certificates of deposit	1,020.0	1,020.0	-	-	-	1,170.0	1,170.0	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-
	Total	51,227.1	51,386.0	158.9	3,571.6	3,412.6	50,874.1	50,820.8	(53.2)	4,066.4	4,119.7
	Corporate and government bonds	41,952.6	39,638.2	(2,314.3)	828.9	3,143.3	41,274.8	37,916.0	(3,358.7)	558.0	3,916.8
	Domestic stocks	1,962.2	3,509.2	1,547.0	1,581.4	34.4	2,076.3	4,214.1	2,137.8	2,158.2	20.3
	Foreign securities	3,426.8	4,412.7	985.8	1,055.5	69.7	3,575.9	4,710.3	1,134.3	1,197.2	62.9
	Foreign corporate and government bonds	1,860.4	1,827.5	(32.8)	36.7	69.6	1,985.0	1,968.0	(16.9)	45.7	62.6
	Foreign stocks and other securities	1,566.4	2,585.2	1,018.7	1,018.8	0.1	1,590.9	2,742.2	1,151.3	1,151.5	0.2
	Other securities	2,842.3	2,782.6	(59.6)	105.5	165.1	2,754.7	2,788.0	33.2	152.7	119.4
	Monetary claims bought	23.1	23.2	0.1	0.1	-	22.3	22.2	(0.0)	0.0	0.0
	Negotiable certificates of deposit	1,020.0	1,020.0	-	-	-	1,170.0	1,170.0	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-

Notes: 1. This table includes money held in trust other than trading securities and its book value is ¥3,577.1 billion with net unrealized gains of ¥2,455.7 billion as of March 31, 2025 and ¥3,716.7 billion with net unrealized gains of ¥3,114.3 billion as of September 30, 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 are as follows:

(Billions of yen)

As of	March 31, 2025	September 30, 2025
Equities of subsidiaries and affiliates	187.5	191.0
Available-for-sale securities	150.1	151.5
Domestic stocks	4.2	4.2
Foreign stocks	23.6	21.6
Other	122.2	125.6
Total	337.6	342.5

Note: This table includes money held in trust other than trading securities (¥122.2 billion as of March 31, 2025 and ¥125.6 billion as of September 30, 2025).

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

(7) Fair Value of Money Held in Trust

(Billions of yen)

As of	March 31, 2025					September 30, 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	6,330.2	6,330.2	-	-	-	7,124.7	7,124.7	-	-	-

- Money held in trust for trading purposes

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

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

(Billions of yen)

As of	March 31, 2025					September 30, 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	3,874.5	6,330.2	2,455.7	2,495.5	39.8	4,010.4	7,124.7	3,114.3	3,136.9	22.5

Note: Other money held in trust, which is not subject to fair value disclosure, is ¥129.7 billion as of March 31, 2025 and ¥135.2 billion as of September 30, 2025.

4. Unaudited Non-Consolidated Balance Sheet

(Millions of yen)

		(in millions of yen)	
Term		As of March 31, 2025	As of September 30, 2025
Items		Amount	Amount
ASSETS:			
Cash and deposits		1,970,343	1,716,298
Call loans		30,000	30,000
Receivables under resale agreements		604,914	460,826
Monetary claims bought		23,215	22,286
Money held in trust		6,460,029	7,260,092
Securities		46,528,662	45,987,625
[Japanese government bonds]		[35,390,389]	[34,857,346]
[Japanese local government bonds]		[2,123,485]	[2,099,964]
[Japanese corporate bonds]		[4,126,013]	[3,930,348]
[Stocks]		[594,608]	[697,322]
[Foreign securities]		[2,024,510]	[2,161,060]
Loans		2,530,051	2,337,526
Policy loans		159,074	161,798
Industrial and commercial loans		754,604	727,720
Loans to the Management Network		1,616,372	1,448,007
Tangible fixed assets		140,266	138,121
Intangible fixed assets		120,899	129,783
Agency accounts receivable		10,872	11,559
Reinsurance receivables		10,641	15,467
Other assets		398,023	378,684
Deferred tax assets		728,362	504,066
Reserve for possible loan losses		(766)	(929)
Total assets		59,555,517	58,991,410
LIABILITIES:			
Policy reserves and others		50,165,652	49,135,783
Reserve for outstanding claims		314,993	292,739
Policy reserves		48,765,531	47,733,087
Reserve for policyholder dividends		1,085,126	1,109,955
Reinsurance payables		5,945	5,820
Bonds payable		500,000	500,000
Other liabilities		4,702,371	4,622,103
Payables under repurchase agreements		4,516,922	4,422,076
Income taxes payable		2,149	2,084
Lease obligations		4,799	4,311
Other liabilities		178,499	193,630
Reserve for management bonuses		227	-
Reserve for employees' retirement benefits		108,493	120,401
Reserve for management board benefit trust		407	395
Reserve for price fluctuations		829,930	803,562
Total liabilities		56,313,029	55,188,065
NET ASSETS:			
Capital stock		500,000	500,000
Capital surplus		405,044	405,044
Legal capital surplus		405,044	405,044
Retained earnings		806,270	847,364
Legal retained earnings		98,803	102,788
Other retained earnings		707,467	744,576
Reserve for reduction entry of real estate		4,193	4,066
Retained earnings brought forward		703,274	740,509
Treasury stock		(901)	(903)
Total shareholders' equity		1,710,413	1,751,505
Net unrealized gains (losses) on available-for-sale securities		1,551,688	2,087,730
Net deferred gains (losses) on hedges		(19,614)	(35,890)
Total valuation and translation adjustments		1,532,073	2,051,839
Total net assets		3,242,487	3,803,345
Total liabilities and net assets		59,555,517	58,991,410

5. Unaudited Non-Consolidated Statements of Income

(Millions of yen)

Items	Term	Six months ended September 30, 2024	Six months ended September 30, 2025
		Amount	Amount
ORDINARY INCOME		2,943,445	2,880,821
Insurance premiums and others		1,887,929	1,198,936
[Insurance premiums]		[1,868,216]	[1,168,635]
Investment income		641,271	621,494
[Interest and dividend income]		[446,118]	[430,957]
[Gains on money held in trust]		[112,641]	[168,419]
[Gains on sales of securities]		[64,162]	[21,889]
Other ordinary income		414,244	1,060,391
[Reversal of reserve for outstanding claims]		[50,151]	[22,253]
[Reversal of policy reserves]		[360,293]	[1,032,444]
ORDINARY EXPENSES		2,776,483	2,694,894
Insurance claims and others		2,386,223	2,311,809
[Insurance claims]		[1,937,238]	[1,888,301]
[Annuity payments]		[95,594]	[74,451]
[Benefits]		[108,541]	[119,881]
[Surrender benefits]		[209,787]	[198,467]
[Other refunds]		[25,841]	[22,346]
Provision for policy reserves and others		337	928
Provision for interest on policyholder dividends		337	928
Investment expenses		135,100	143,910
[Interest expenses]		[4,467]	[13,809]
[Losses on sales of securities]		[91,069]	[103,252]
[Losses on derivative financial instruments]		[37,847]	[23,925]
Operating expenses		210,873	200,689
Other ordinary expenses		43,948	37,557
ORDINARY PROFIT		166,961	185,926
EXTRAORDINARY GAINS		-	26,378
Gains on sales of fixed assets		-	10
Reversal of reserve for price fluctuations		-	26,367
EXTRAORDINARY LOSSES		20,579	208
Losses on sales and disposal of fixed assets		93	208
Provision for reserve for price fluctuations		20,485	-
Provision for reserve for policyholder dividends		57,361	78,479
Income before income taxes		89,020	133,617
Income taxes - Current		27,176	23,032
Income taxes - Deferred		(1,392)	14,576
Total income taxes		25,784	37,609
Net income		63,235	96,008

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

Six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)

(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 period								
Cash dividends					3,601		(21,611)	(18,009)
Net income							63,235	63,235
Disposals of treasury stock								
Reversal of reserve for reduction entry of real estate						(129)	129	-
Net changes in items other than shareholders' equity in the period								
Net changes in the period	-	-	-	-	3,601	(129)	41,754	45,226
Balance at the end of the period	500,000	405,044	-	405,044	94,818	4,377	666,144	765,339

	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 period						
Cash dividends		(18,009)				(18,009)
Net income		63,235				63,235
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 period			(134,933)	(2,379)	(137,313)	(137,313)
Net changes in the period	47	45,273	(134,933)	(2,379)	(137,313)	(92,039)
Balance at the end of the period	(901)	1,669,482	1,640,759	(6,566)	1,634,193	3,303,675

Six months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Other 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	98,803	4,193	703,274	806,270
Changes in the period								
Cash dividends					3,985		(23,910)	(19,925)
Net income							96,008	96,008
Purchases of treasury stock								
Disposals of treasury stock								
Cancellation of treasury stock			(34,989)	(34,989)				
Reversal of reserve for reduction entry of real estate						(126)	126	-
Transfer from retained earnings to capital surplus			34,989	34,989			(34,989)	(34,989)
Net changes in items other than shareholders' equity in the period								
Net changes in the period	-	-	-	-	3,985	(126)	37,235	41,093
Balance at the end of the period	500,000	405,044	-	405,044	102,788	4,066	740,509	847,364

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	(901)	1,710,413	1,551,688	(19,614)	1,532,073	3,242,487
Changes in the period						
Cash dividends		(19,925)				(19,925)
Net income		96,008				96,008
Purchases of treasury stock	(34,999)	(34,999)				(34,999)
Disposals of treasury stock	8	8				8
Cancellation of treasury stock	34,989	-				-
Reversal of reserve for reduction entry of real estate		-				-
Transfer from retained earnings to capital surplus		-				-
Net changes in items other than shareholders' equity in the period			536,041	(16,276)	519,765	519,765
Net changes in the period	(1)	41,091	536,041	(16,276)	519,765	560,857
Balance at the end of the period	(903)	1,751,505	2,087,730	(35,890)	2,051,839	3,803,345

NOTES TO THE UNAUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025

(Notes to the Unaudited Non-Consolidated Balance Sheet)

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 first half 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 six months ended September 30, 2025 was ¥37 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 in the amount considered to have incurred at the end of the six months ended September 30, 2025 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, 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.

Provision for reserve for price fluctuations for the six months ended September 30, 2025 is calculated at the annually required amount allocated to the accounting period on a pro-rata basis.

(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 end date of the first half of the fiscal year.

(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 end of the first half of the fiscal year, policy reserves are calculated in accordance with the statement of calculation procedures for insurance premiums and policy reserves (Article 4, Paragraph 2, Item 4 of the Insurance Business Act) and accumulated, pursuant to Article 116, Paragraph 1 of the Insurance Business Act.

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

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

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

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

(9) Employees' Retirement Benefits Accounting

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

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

Notes to the transactions for granting shares and others of the Company to Executive Officers of the Company through trust are omitted as they are presented in NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE SIX MONTHS ENDED SEPTEMBER 30, 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 ¥7,127,892 million and ¥6,253,982 million, respectively.
- (2) The outline of the risk management policy of policy-reserve-matching bonds is as follows:

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

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

4. Securities lent under lending agreements in the amount of ¥2,219,721 million were included in "Securities" in the balance sheet as of September 30, 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 September 30, 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 September 30, 2025 was ¥64,344 million.

7. Changes in reserve for policyholder dividends for the six months ended September 30, 2025 were as follows:

Balance at the beginning of the six months ended September 30, 2025	¥1,085,126 million
Policyholder dividends paid during the six months ended September 30, 2025	¥54,435 million
Interest accrual	¥928 million
Reduction due to the acquisition of additional annuity	¥143 million
Provision for reserve for policyholder dividends	¥78,479 million
Balance at the end of the six months ended September 30, 2025	¥1,109,955 million

8. Equities, etc. of subsidiaries and affiliates were ¥191,021 million.

9. Assets pledged as collateral consisted of the following:

Securities ¥4,510,530 million

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

Payables under repurchase agreements ¥4,422,076 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 ¥213,040 million

Margin deposits for futures transactions ¥4,510 million

Cash collateral paid for financial instruments ¥95,112 million

10. 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 September 30, 2025 was ¥274 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 September 30, 2025 were ¥1,179,050 million.

11. 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 ¥64,635 million as of September 30, 2025.

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

13. Policy reserves, excluding contingency reserve and including policy reserves-ceded, related to reinsurance contracts with the Management Network, amounted to ¥23,823,286 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 ¥920,639 million and ¥557,749 million, respectively, for the category of the reinsurance.

14. “Other liabilities” in the balance sheet includes ¥36,354 million of deposits from the Management Network.

Deposits from the Management Network refer to the amounts equivalent to the reserve for outstanding claims, 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 September 30, 2025.

15. Notes to significant subsequent events are as follows:

(Purchases of treasury stock)

At the Board of Directors' meeting held on November 14, 2025, the Company resolved to purchase 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.

(1) Reasons for purchases 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. For the fiscal year ending March 31, 2026, the Company plans to implement shareholder returns with a target total payout ratio of approximately 55%. Based on these policies, the Company intends to conduct the acquisition of treasury stock to improve capital efficiency and enhance shareholder returns.

(2) Contents of matters pertaining to the purchases

- 1) Class of shares to be purchased: Common stock of the Company
- 2) Total number of shares that may be purchased: 20,000,000 shares (maximum)
(The ratio to the total number of shares issued (excluding treasury stock) is 5.4%)
- 3) Total amount of shares to be purchased: ¥45,000,000,000 (maximum)
- 4) Purchase period: From November 17, 2025 to March 31, 2026
- 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.

(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 end of the first half of the fiscal year 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 end of the first half of the fiscal year, 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. Gains on sales of securities comprise domestic bonds of ¥4,759 million, domestic stocks of ¥12,577 million and foreign securities of ¥4,552 million.

3. Losses on sales of securities comprise domestic bonds of ¥84,562 million, domestic stocks of ¥4,669 million, foreign securities of ¥2,119 million and other securities of ¥11,901 million.

4. Gains on money held in trust include losses on valuation of ¥967 million.

5. Losses on derivative financial instruments include losses on valuation of ¥28,520 million.

6. 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 six months ended September 30, 2025 was ¥82 million. The amount of reversal of policy reserves-ceded that is deducted from the calculation of reversal of policy reserves for the six months ended September 30, 2025 was ¥8,120 million.

7. Net income per share for the six months ended September 30, 2025 was ¥258.33.

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 for the six months ended September 30, 2025, were included in treasury stock to be deducted from the calculation of the average number of shares during the period, for the purpose of calculating net income per share.

Average number of treasury stock during the period which was deducted from the calculation of net income per share for the six months ended September 30, 2025 was 392 thousand shares.

8. Insurance premiums assumed based on reinsurance contracts with the Management Network included in insurance premiums and others for the six months ended September 30, 2025 were ¥54,258 million.

9. Insurance claims based on reinsurance contracts with the Management Network included in insurance claims for the six months ended September 30, 2025 were ¥934,517 million.

10. 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 ¥72,720 million for the six months ended September 30, 2025.

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

Type and Number of Treasury Stock

(Thousands of shares)

	April 1, 2025	Increase	Decrease	September 30, 2025
Treasury stock				
Common stock	405	11,369	11,373	401

(*1) Numbers of treasury stock at the beginning of the fiscal year ending March 31, 2026 and the end of the six months ended September 30, 2025 include 394 thousand and 390 thousand shares of the Company, respectively, held in the Board Benefit Trust (BBT).

(*2) The increase of 11,369 thousand shares in the number of treasury stock was attributable to the acquisition of treasury stock based on the resolutions passed at the Board of Directors meetings on November 14, 2024 and March 28, 2025.

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

7. Breakdown of Ordinary Profit (Core Profit)

(Millions of yen)

Six months ended September 30		2024	2025
Core profit	A	116,218	226,698
Capital gains		255,246	214,517
Gains on money held in trust		112,641	168,419
Gains on trading securities		-	-
Gains on sales of securities		64,162	21,889
Gains on derivative financial instruments		-	-
Gains on foreign exchanges		18,251	54
Other capital gains		60,191	24,154
Capital losses		210,195	245,922
Losses on money held in trust		-	-
Losses on trading securities		-	-
Losses on sales of securities		91,069	103,252
Losses on valuation of securities		-	-
Losses on derivative financial instruments		37,847	23,925
Losses on foreign exchanges		-	-
Other capital losses		81,277	118,744
Net capital gains (losses)	B	45,051	(31,404)
Core profit including net capital gains (losses)	A+B	161,270	195,294
Other one-time gains		5,691	-
Reinsurance income		-	-
Reversal of contingency reserve		5,691	-
Reversal of specific reserve for possible loan losses		-	-
Other		-	-
Other one-time losses		-	9,367
Reinsurance premiums		-	-
Provision for contingency reserve		-	9,367
Provision for specific reserve for possible loan losses		-	-
Provision for reserve for specific foreign loans		-	-
Write-off of loans		-	-
Other		-	-
Other one-time profits (losses)	C	5,691	(9,367)
Ordinary profit	A+B+C	166,961	185,926

(Reference) Breakdown of Other Items

(Millions of yen)

Six months ended September 30	2024	2025
Impact on core profit	21,085	94,589
Gains on cancellation of mutual funds	(22,960)	(358)
Amount equivalent to income gains associated with money held in trust	81,277	118,744
Costs for hedging currency fluctuations	(37,231)	(23,796)
Gain/loss from reinsurance cession of the existing policies	-	-
Other capital gains	60,191	24,154
Gains on cancellation of mutual funds	22,960	358
Amount equivalent to income gains associated with money held in trust	-	-
Costs for hedging currency fluctuations	37,231	23,796
Other capital losses	81,277	118,744
Amount equivalent to income gains associated with money held in trust	81,277	118,744
Costs for hedging currency fluctuations	-	-
Other one-time gains - Other	-	-
Gain/loss from reinsurance cession of the existing policies	-	-
Other one-time losses - Other	-	-
Provision for additional policy reserves	-	-
Gain/loss from reinsurance cession of the existing policies	-	-

8. Status of Loans under the Insurance Business Act

(Millions of yen, %)

As of	March 31, 2025	September 30, 2025
Bankrupt or quasi-bankrupt loans	-	-
Doubtful loans	-	-
Past due loans for three months or more	-	-
Restructured loans	-	-
Subtotal	-	-
(Percentage in total)	(-)	(-)
Normal loans	3,808,619	4,412,769
Total	3,808,619	4,412,769

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

2. Doubtful loans are loans which principal and interest are unlikely to be collected or received as stipulated in an agreement due to the borrower's deteriorating financial conditions and results even though the borrower is not fallen into bankruptcy (excluding the loans noted in 1).

3. Past due loans for three months or more are loans for which principal or interest payments are delinquent for three months or more under the term of the loans from the day following the contractual due date (excluding the loans noted in 1 and 2).

4. Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reduction or exemption, postponement of principal or interest payments, debt waiver or other arrangements, have been made for the purpose of assisting and supporting the borrowers in the restructuring of their business (excluding the loans noted in 1 to 3).

5. Normal loans are loans which do not fall under the loans noted in 1 to 4 above as there are no particular problems found with the borrower's financial conditions and results.

9. Solvency Margin Ratio

(Millions of yen)

As of	March 31, 2025	September 30, 2025
Total amount of solvency margin (A)	6,327,197	7,045,906
Capital stock, etc.	1,657,444	1,728,453
Reserve for price fluctuations	829,930	803,562
Contingency reserve	1,219,164	1,228,531
General reserve for possible loan losses	367	356
(Net unrealized gains (losses) on available-for-sale securities (before taxes) • Net deferred gains (losses) on hedges (before taxes)) × 90% (if negative, × 100%)	1,953,057	2,626,948
Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)	(17,627)	(13,386)
Excess of continued Zillmerized reserve	184,861	171,265
Capital raised through debt financing	500,000	500,000
Amounts within “excess of continued Zillmerized reserve” and “capital raised through debt financing” not calculated into the margin	-	-
Deductions	-	-
Other	-	175
Total amount of risk $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$ (B)	1,416,274	1,568,541
Insurance risk R ₁	99,111	96,699
Underwriting risk of third-sector insurance R ₈	35,161	33,939
Anticipated yield risk R ₂	101,539	98,598
Minimum guarantee risk R ₇	-	-
Investment risk R ₃	1,277,940	1,431,167
Business management risk R ₄	30,275	33,208
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	893.4 %	898.4 %

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.

10. Separate Account for the Six Months Ended September 30, 2025

Not applicable.

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

(Millions of yen)

Six months ended September 30	2024	2025
Ordinary income	2,943,451	2,879,798
Ordinary profit	166,880	183,865
Net income attributable to Japan Post Insurance	62,887	93,862
Comprehensive income (loss)	(74,671)	613,478

As of	March 31, 2025	September 30, 2025
Total assets	59,555,692	58,988,356
Consolidated solvency margin ratio	903.2%	907.4 %

(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)

Term Items	As of March 31, 2025	As of September 30, 2025
	Amount	Amount
ASSETS:		
Cash and deposits	1,976,083	1,720,716
Call loans	30,000	30,000
Receivables under resale agreements	604,914	460,826
Monetary claims bought	23,215	22,286
Money held in trust	6,460,029	7,260,092
Securities	46,528,793	45,986,756
Loans	2,530,051	2,337,526
Tangible fixed assets	141,068	139,089
Intangible fixed assets	113,596	121,202
Agency accounts receivable	10,872	11,559
Reinsurance receivables	10,641	15,467
Other assets	398,321	379,152
Deferred tax assets	728,870	504,609
Reserve for possible loan losses	(766)	(929)
Total assets	59,555,692	58,988,356
LIABILITIES:		
Policy reserves and others	50,165,652	49,135,783
Reserve for outstanding claims	314,993	292,739
Policy reserves	48,765,531	47,733,087
Reserve for policyholder dividends	1,085,126	1,109,955
Reinsurance payables	5,945	5,820
Bonds payable	500,000	500,000
Payables under repurchase agreements	4,516,922	4,422,076
Other liabilities	187,251	200,603
Reserve for management bonuses	227	-
Liability for retirement benefits	107,927	120,126
Reserve for management board benefit trust	407	395
Reserve for price fluctuations	829,930	803,562
Total liabilities	56,314,265	55,188,367
NET ASSETS:		
Capital stock	500,000	500,000
Capital surplus	405,044	405,044
Retained earnings	803,497	842,446
Treasury stock	(901)	(903)
Total shareholders' equity	1,707,640	1,746,587
Net unrealized gains (losses) on available-for-sale securities	1,551,673	2,087,746
Net deferred gains (losses) on hedges	(19,614)	(35,890)
Accumulated adjustments for retirement benefits	1,727	1,546
Total accumulated other comprehensive income	1,533,786	2,053,401
Total net assets	3,241,426	3,799,988
Total liabilities and net assets	59,555,692	58,988,356

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

(Unaudited Consolidated Statements of Income)

(Millions of yen)

Term Items	Six months ended September 30, 2024	Six months ended September 30, 2025
	Amount	Amount
ORDINARY INCOME	2,943,451	2,879,798
Insurance premiums and others	1,887,929	1,198,936
Investment income	641,271	619,700
[Interest and dividend income]	[446,118]	[429,163]
[Gains on money held in trust]	[112,641]	[168,419]
[Gains on sales of securities]	[64,162]	[21,889]
Other ordinary income	414,250	1,061,161
[Reversal of reserve for outstanding claims]	[50,151]	[22,253]
[Reversal of policy reserves]	[360,293]	[1,032,444]
ORDINARY EXPENSES	2,776,571	2,695,932
Insurance claims and others	2,386,223	2,311,809
[Insurance claims]	[1,937,238]	[1,888,301]
[Annuity payments]	[95,594]	[74,451]
[Benefits]	[108,541]	[119,881]
[Surrender benefits]	[209,787]	[198,467]
Provision for policy reserves and others	337	928
Provision for interest on policyholder dividends	337	928
Investment expenses	135,100	143,910
[Interest expenses]	[4,467]	[13,809]
[Losses on sales of securities]	[91,069]	[103,252]
[Losses on derivative financial instruments]	[37,847]	[23,925]
Operating expenses	211,647	202,445
Other ordinary expenses	43,262	36,840
ORDINARY PROFIT	166,880	183,865
EXTRAORDINARY GAINS	-	26,378
Gains on sales of fixed assets	-	10
Reversal of reserve for price fluctuations	-	26,367
EXTRAORDINARY LOSSES	20,582	211
Losses on sales and disposal of fixed assets	96	211
Provision for reserve for price fluctuations	20,485	-
Provision for reserve for policyholder dividends	57,361	78,479
Income before income taxes	88,936	131,553
Income taxes - Current	27,448	23,077
Income taxes - Deferred	(1,399)	14,612
Total income taxes	26,048	37,690
Net income	62,887	93,862
Net income attributable to non-controlling interests	-	-
Net income attributable to Japan Post Insurance	62,887	93,862

(Unaudited Consolidated Statements of Comprehensive Income)

(Millions of yen)

Term Items	Six months ended September 30, 2024	Six months ended September 30, 2025
	Amount	Amount
Net income	62,887	93,862
Other comprehensive income (loss)	(137,559)	519,615
Net unrealized gains (losses) on available-for-sale securities	(134,933)	536,041
Net deferred gains (losses) on hedges	(2,379)	(16,276)
Adjustments for retirement benefits	(245)	(181)
Share of other comprehensive income (loss) of affiliates accounted for under the equity method	-	31
Total comprehensive income (loss)	(74,671)	613,478
Comprehensive income (loss) attributable to Japan Post Insurance	(74,671)	613,478
Comprehensive income (loss) attributable to non-controlling interests	-	-

(5) Unaudited Consolidated Statements of Cash Flows

(Millions of yen)

Items	Term	Six months ended September 30, 2024	Six months ended September 30, 2025
		Amount	Amount
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income taxes		88,936	131,553
Depreciation and amortization		19,759	18,256
Net change in reserve for outstanding claims		(50,151)	(22,253)
Net change in policy reserves		(360,293)	(1,032,444)
Provision for interest on policyholder dividends		337	928
Provision for reserve for policyholder dividends		57,361	78,479
Net change in reserve for possible loan losses		28	163
Net change in reserve for management bonuses		-	(227)
Net change in liability for retirement benefits		14,753	12,198
Net change in reserve for management board benefit trust		(62)	(12)
Net change in reserve for price fluctuations		20,485	(26,367)
Interest and dividend income (accrual basis)		(446,118)	(429,163)
Net (gains) losses on securities		26,921	81,320
Interest expenses (accrual basis)		4,467	13,809
Net (gains) losses on foreign exchanges		(18,251)	(54)
Net (gains) losses on tangible fixed assets		96	40
Equity in (earnings) losses of affiliates		-	(762)
Net change in agency accounts receivable		873	(687)
Net change in reinsurance receivables		(2,510)	(4,825)
Net change in other assets (excluding those related to investing activities and financing activities)		34,107	7,869
Net change in reinsurance payables		(136)	(125)
Net change in other liabilities (excluding those related to investing activities and financing activities)		(22,648)	(16,188)
Other, net		(74,082)	(143,481)
Subtotal		(706,125)	(1,331,976)
Interest and dividend received (cash basis)		476,526	440,513
Interest paid (cash basis)		(3,245)	(12,944)
Policyholder dividends paid		(57,701)	(54,435)
Income taxes (paid) refund		17,981	16,973
Net cash used in operating activities		(272,564)	(941,869)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of call loans		(3,729,999)	(3,719,575)
Proceeds from redemption of call loans		3,739,999	3,719,575
Net change in receivables under resale agreements		101,506	144,088
Purchases of monetary claims bought		(19,985)	(19,969)
Proceeds from sale and redemption of monetary claims bought		21,016	20,794
Purchases of money held in trust		(54,326)	(95,045)
Proceeds from decrease in money held in trust		48,699	101,150
Purchases of securities		(1,631,561)	(666,620)
Proceeds from sale and redemption of securities		1,474,786	1,240,125
Payments for loans		(237,541)	(249,522)
Proceeds from collection of loans		725,145	442,052
Net change in payables under repurchase agreements		326,092	(94,845)
Other, net		(44,963)	(56,351)
Total of net cash provided by investment transactions		718,869	765,857
Total of net cash provided by (used in) operating activities and investment transactions		446,304	(176,012)
Purchases of tangible fixed assets		(7,401)	(1,492)
Proceeds from sales of tangible fixed assets		-	11
Purchases of intangible fixed assets		(25,369)	(22,228)
Other, net		(181)	(79)
Net cash provided by investing activities		685,916	742,067
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease obligations		(683)	(646)
Proceeds from issuance of bonds		99,383	-
Purchases of treasury stock		-	(34,999)
Dividends paid		(18,012)	(19,918)
Net cash provided by (used in) financing activities		80,687	(55,565)
Effect of exchange rate changes on cash and cash equivalents		-	-
Net change in cash and cash equivalents		494,039	(255,367)
Cash and cash equivalents at the beginning of the fiscal year		1,157,322	1,976,083
Cash and cash equivalents at the end of the period		1,651,361	1,720,716

(6) Unaudited Consolidated Statements of Changes in Net Assets

Six months ended September 30, 2024 (From April 1, 2024 to September 30, 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	717,960	(948)	1,622,055
Changes in the period					
Cash dividends			(18,009)		(18,009)
Net income attributable to Japan Post Insurance			62,887		62,887
Disposals of treasury stock				47	47
Net changes in items other than shareholders' equity in the period					
Net changes in the period	-	-	44,878	47	44,925
Balance at the end of the period	500,000	405,044	762,838	(901)	1,666,981

	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 period					
Cash dividends					(18,009)
Net income attributable to Japan Post Insurance					62,887
Disposals of treasury stock					47
Net changes in items other than shareholders' equity in the period	(134,933)	(2,379)	(245)	(137,559)	(137,559)
Net changes in the period	(134,933)	(2,379)	(245)	(137,559)	(92,633)
Balance at the end of the period	1,640,759	(6,566)	1,937	1,636,130	3,303,111

Six months ended September 30, 2025 (From April 1, 2025 to September 30, 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	803,497	(901)	1,707,640
Changes in the period					
Cash dividends			(19,925)		(19,925)
Net income attributable to Japan Post Insurance			93,862		93,862
Purchases of treasury stock				(34,999)	(34,999)
Disposals of treasury stock				8	8
Cancellation of treasury stock		(34,989)		34,989	-
Transfer from retained earnings to capital surplus		34,989	(34,989)		-
Net changes in items other than shareholders' equity in the period					
Net changes in the period	-	-	38,948	(1)	38,946
Balance at the end of the period	500,000	405,044	842,446	(903)	1,746,587

	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	1,551,673	(19,614)	1,727	1,533,786	3,241,426
Changes in the period					
Cash dividends					(19,925)
Net income attributable to Japan Post Insurance					93,862
Purchases of treasury stock					(34,999)
Disposals of treasury stock					8
Cancellation of treasury stock					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity in the period	536,073	(16,276)	(181)	519,615	519,615
Net changes in the period	536,073	(16,276)	(181)	519,615	558,561
Balance at the end of the period	2,087,746	(35,890)	1,546	2,053,401	3,799,988

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE SIX MONTHS ENDED SEPTEMBER 30, 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.

(3) Non-consolidated subsidiaries (Japan Post Insurance NEXT Partners Co., Ltd., Spring Investment Limited Partnership) and affiliates (Japan Post Investment Corporation, MKAM Co., Ltd. and others) not accounted for under the equity method have been excluded from the scope of application of the equity method, as they each have 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, and are insignificant as a whole.

3. End Date of the First Half of the Fiscal Year of Consolidated Subsidiary

The consolidated subsidiary has the same end date of the first half of the fiscal year 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 first half 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 six months ended September 30, 2025 was ¥37 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, 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.
 Provision for reserve for price fluctuations for the six months ended September 30, 2025 is calculated at the annually required amount allocated to the accounting period on a pro-rata basis.
- (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 end of the first half of the fiscal year.
- (8) Significant Hedge Accounting
 - 1) Methods for Hedge Accounting

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

2) Hedging Instruments and Hedged Items

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

3) Hedging Policies

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

4) Assessment of Hedge Effectiveness

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

(9) Policy Reserves

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

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

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

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

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

2. 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 six months ended September 30, 2025 was ¥868 million, while the number of such treasury stock was 390 thousand shares.

3. Financial Instruments

(1) Fair Values of Financial Instruments

Amounts carried on the consolidated balance sheets, fair values, and the difference between them as of September 30, 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” 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	22,286	22,286	-
Available-for-sale securities	22,286	22,286	-
Money held in trust (*1) (*2)	7,124,796	7,124,796	-
Securities	45,770,314	42,797,526	(2,972,787)
Held-to-maturity bonds	30,950,809	28,851,931	(2,098,877)
Policy-reserve-matching bonds	7,127,892	6,253,982	(873,910)
Available-for-sale securities (*2)	7,691,611	7,691,611	-
Loans	2,337,169	2,285,938	(51,231)
Policy loans	161,798	161,798	-
Industrial and commercial loans (*3)	727,720	659,100	(68,262)
Loans to the Management Network (*3)	1,448,007	1,465,038	17,030
Reserve for possible loan losses (*4)	(356)	-	-
Total assets	55,254,566	52,230,546	(3,024,019)
Bonds payable	500,000	477,050	(22,950)
Total liabilities	500,000	477,050	(22,950)
Derivative transactions (*5)			
Hedge accounting not applied	[117]	[117]	-
Hedge accounting applied	[78,904]	[78,904]	-
Total derivative transactions	[79,021]	[79,021]	-

(*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: 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)	135,296
Securities	216,441
Unlisted stocks (*2)	62,620
Foreign securities (*2)	22,029
Investments in partnership (*3)	131,791
Total	351,738

(*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.

(2) 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	12,297	22,286
Money held in trust (*1)	4,651,799	760,303	-	5,412,103
Securities				
Available-for-sale securities				
Japanese government bonds	1,116,489	-	-	1,116,489
Japanese local government bonds	-	276,721	18,636	295,357
Japanese corporate bonds	-	1,417,109	-	1,417,109
Stocks	633,832	-	-	633,832
Foreign securities (*1)	180,164	1,766,168	2,944	1,949,277
Other securities	-	2,100,728	9,063	2,109,791
Total assets	6,582,285	6,331,019	42,942	12,956,247
Derivative transactions (*2)				
Currency-related derivatives	-	[31,889]	-	[31,889]
Interest-related derivatives	-	[47,132]	-	[47,132]
Total derivative transactions	-	[79,021]	-	[79,021]

(*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 ¥1,395,442 million, and the consolidated balance sheet amount for mutual funds to which the treatment in Paragraph 24-9 is applied is ¥193,287 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 sheet

(Millions of yen)

	Fair Value			
	Level 1	Level 2	Level 3	Total
Money held in trust	-	293,716	-	293,716
Securities				
Held-to-maturity bonds				
Japanese government bonds	26,557,663	-	-	26,557,663
Japanese local government bonds	-	1,321,815	2,900	1,324,716
Japanese corporate bonds	-	969,551	-	969,551
Policy-reserve-matching bonds				
Japanese government bonds	4,832,260	-	-	4,832,260
Japanese local government bonds	-	292,599	19,071	311,670
Japanese corporate bonds	-	1,091,235	-	1,091,235
Foreign securities	-	18,815	-	18,815
Loans	-	-	2,285,938	2,285,938
Total assets	31,389,924	3,987,734	2,307,910	37,685,569
Bonds payable	-	477,050	-	477,050
Total liabilities	-	477,050	-	477,050

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 “(4) 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 “(3) 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 six months ended September 30, 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 six months ended September 30, 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	13,227	-	(134)	(794)	-	-	12,297	-
Securities								
Available-for-sale securities								
Japanese local government bonds	19,262	-	(123)	(503)	-	-	18,636	-
Foreign securities	-	-	(55)	3,000	-	-	2,944	-
Other securities	9,431	-	(48)	(318)	-	-	9,063	-
Total assets	41,921	-	(362)	1,383	-	-	42,942	-

(*) 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 six months ended September 30, 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 six months ended September 30, 2025, net valuation gain/loss of mutual funds held on consolidated balance sheet date
	Recorded in gain/loss	Recorded in other comprehensive income (loss) (*)					
1,393,205	-	(16,182)	18,419	-	-	1,395,442	-

(*) 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 six months ended September 30, 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 six months ended September 30, 2025, net valuation gain/loss of mutual funds held on consolidated balance sheet date
	Recorded in gain/loss	Recorded in other comprehensive income (loss) (*)					
183,614	-	3,997	5,674	-	-	193,287	-

(*) 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 first half of the fiscal year
 [Items that require a certain amount of time for cancellation, etc. ¥1,395,442 million]

(3) 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	19,489,103	19,977,815	488,712
Japanese government bonds	18,438,016	18,903,020	465,004
Japanese local government bonds	728,650	746,281	17,631
Japanese corporate bonds	322,436	328,512	6,076
Subtotal	19,489,103	19,977,815	488,712
Those for which fair value does not exceed the consolidated balance sheet amount			
Bonds	11,461,706	8,874,116	(2,587,590)
Japanese government bonds	9,855,289	7,654,642	(2,200,646)
Japanese local government bonds	717,630	578,434	(139,195)
Japanese corporate bonds	888,787	641,038	(247,748)
Subtotal	11,461,706	8,874,116	(2,587,590)
Total	30,950,809	28,851,931	(2,098,877)

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	2,222,585	2,287,737	65,152
Japanese government bonds	2,131,813	2,194,648	62,835
Japanese local government bonds	65,013	66,726	1,713
Japanese corporate bonds	25,758	26,362	603
Foreign securities	-	-	-
Foreign bonds	-	-	-
Subtotal	2,222,585	2,287,737	65,152
Those for which fair value does not exceed the consolidated balance sheet amount			
Bonds	4,885,307	3,947,429	(937,878)
Japanese government bonds	3,315,737	2,637,612	(678,125)
Japanese local government bonds	293,312	244,943	(48,368)
Japanese corporate bonds	1,276,257	1,064,873	(211,383)
Foreign securities	20,000	18,815	(1,184)
Foreign bonds	20,000	18,815	(1,184)
Subtotal	4,905,307	3,966,244	(939,062)
Total	7,127,892	6,253,982	(873,910)

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	167,339	163,107	4,231
Japanese government bonds	-	-	-
Japanese local government bonds	-	-	-
Japanese corporate bonds	167,339	163,107	4,231
Stocks	580,968	332,352	248,616
Foreign securities	943,898	892,643	51,254
Foreign bonds	774,855	729,146	45,709
Other foreign securities	169,042	163,496	5,545
Other (*)	1,014,873	943,314	71,558
Subtotal	2,707,079	2,331,418	375,661
Those for which the consolidated balance sheet amount does not exceed cost			
Bonds	2,661,617	3,053,000	(391,383)
Japanese government bonds	1,116,489	1,409,427	(292,938)
Japanese local government bonds	295,357	311,452	(16,095)
Japanese corporate bonds	1,249,770	1,332,120	(82,349)
Stocks	52,863	59,088	(6,224)
Foreign securities	1,175,132	1,236,644	(61,512)
Foreign bonds	1,174,421	1,235,905	(61,483)
Other foreign securities	710	739	(28)
Other (*)	2,287,204	2,398,560	(111,355)
Subtotal	6,176,818	6,747,294	(570,475)
Total	8,883,898	9,078,712	(194,814)

(*) “Other” includes negotiable certificates of deposit (cost: ¥1,170,000 million, consolidated balance sheet amount: ¥1,170,000 million) presented as “Cash and deposits” in the consolidated balance sheets, and monetary claims bought (cost: ¥22,316 million, consolidated balance sheet amount: ¥22,286 million).

(4) Money Held in Trust

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

(Millions of yen)

	Consolidated balance sheet amount	Cost	Difference	Those for which the consolidated balance sheet amount exceeds cost	Those for which the consolidated balance sheet amount does not exceed cost
Specified money held in trust	7,124,796	4,010,478	3,114,317	3,136,913	(22,596)

(*) The Group recognized losses on valuation of ¥967 million for the six months ended September 30, 2025.

Stocks managed as trust assets whose average market value for the month before the end of the first half of the fiscal year 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.

(5) Derivative Transactions

Derivative transactions to which the hedge accounting is not applied are as follows:

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	4,590	-	(117)	(117)
	U.S. dollars	4,590	-	(117)	(117)
Total		-	-	-	(117)

4. 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 ¥7,127,892 million and ¥6,253,982 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)

5. Securities lent under lending agreements in the amount of ¥2,219,721 million were included in “Securities” in the consolidated balance sheets as of September 30, 2025.

6. There were no bankrupt loans or quasi-bankrupt loans, doubtful loans, past due loans for three months or more, or restructured loans as of September 30, 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.

7. The balance of the unused credit under loan commitment line agreements, etc. as of September 30, 2025 was ¥64,775 million.

8. Changes in reserve for policyholder dividends for the six months ended September 30, 2025 were as follows:	
Balance at the beginning of the six months ended September 30, 2025	¥1,085,126 million
Policyholder dividends paid during the six months ended September 30, 2025	¥54,435 million
Interest accrual	¥928 million
Reduction due to the acquisition of additional annuity	¥143 million
Provision for reserve for policyholder dividends	¥78,479 million
Balance at the end of the six months ended September 30, 2025	¥1,109,955 million

9. Equities, etc. of subsidiaries and affiliates were ¥190,152 million.

10. Assets pledged as collateral consisted of the following:

Securities	¥4,510,530 million
Liabilities corresponding to assets pledged as collateral consisted of the following:	
Payables under repurchase agreements	¥4,422,076 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	¥213,040 million
Margin deposits for futures transactions	¥4,510 million
Cash collateral paid for financial instruments	¥95,112 million

11. 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 September 30, 2025 was ¥274 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 September 30, 2025 were ¥1,179,050 million.

12. Net assets per share were ¥10,230.95.

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 average number of shares issued at the end of the period, for the purpose of calculating net assets per share.

Average number of treasury stock at the end of the period which was deducted from the calculation of net assets per share for the six months ended September 30, 2025 was 390 thousand shares.

13. 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 ¥64,635 million as of September 30, 2025.

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

15. Policy reserves, excluding contingency reserve and including policy reserves-ceded, related to reinsurance contracts with the Management Network, amounted to ¥23,823,286 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 ¥920,639 million and ¥557,749 million, respectively, for the category of the reinsurance.

16. “Other liabilities” in the consolidated balance sheets includes ¥36,354 million of deposits from the Management Network. Deposits from the Management Network refer to the amounts equivalent to the reserve for outstanding claims 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 September 30, 2025.

17. Notes to significant subsequent events are as follows:

(Purchases of treasury stock)

At the Board of Directors' meeting held on November 14, 2025, the Company resolved to purchase 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.

(1) Reasons for purchases 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. For the fiscal year ending March 31, 2026, the Company plans to implement shareholder returns with a target total payout ratio of approximately 55%. Based on these policies, the Company intends to conduct the acquisition of treasury stock to improve capital efficiency and enhance shareholder returns.

(2) Contents of matters pertaining to the purchases

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

2) Total number of shares that may be purchased: 20,000,000 shares (maximum)

(The ratio to the total number of shares issued (excluding treasury stock) is 5.4%)

3) Total amount of shares to be purchased: ¥45,000,000,000 (maximum)

4) Purchase period: From November 17, 2025 to March 31, 2026

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.

(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 end of the first half of the fiscal year 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 end of the first half of the fiscal year, 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 six months ended September 30, 2025 was ¥82 million. The amount of reversal of policy reserves-ceded that is deducted from the calculation of reversal of policy reserves for the six months ended September 30, 2025 was ¥8,120 million.

3. Net income per share for the six months ended September 30, 2025 was ¥252.56.

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 period, for the purpose of calculating net income per share.

Average number of treasury stock during the period which was deducted from the calculation of net income per share for the six months ended September 30, 2025 was 392 thousand shares.

4. Insurance premiums assumed based on reinsurance contracts with the Management Network included in insurance premiums and others for the six months ended September 30, 2025 were ¥54,258 million.

5. Insurance claims based on reinsurance contracts with the Management Network included in insurance claims for the six months ended September 30, 2025 were ¥934,517 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 ¥72,720 million for the six months ended September 30, 2025.

(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 September 30, 2025 was as follows:

Cash and deposits	¥1,720,716 million
Cash and cash equivalents	¥1,720,716 million

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

1. Type and Number of Shares Issued and Treasury Stock

(Thousands of shares)

	April 1, 2025	Increase	Decrease	September 30, 2025
Shares issued				
Common stock	383,192	-	11,369	371,822
Treasury stock				
Common stock	405	11,369	11,373	401

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

(*2) Number of treasury stock at the beginning of the fiscal year ending March 31, 2026 and the end of the six months ended September 30, 2025 include 394 thousand and 390 thousand shares of the Company, respectively, held in the Board Benefit Trust (BBT).

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

(*4) The decrease of 11,373 thousand shares in the number of treasury stock was attributable to the cancellation of 11,369 thousand shares of treasury stock based on the resolution passed at the Board of Directors meeting on May 15, 2025, and the decrease of 4 thousand shares due 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, 2025	Common stock	19,925	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).

(2) Dividends whose effective date falls after the end of the six months ended September 30, 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 November 14, 2025	Common stock	23,052	Retained earnings	62.00	September 30, 2025	December 5, 2025

(*) Total amount of dividends includes ¥24 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, 2025	September 30, 2025
Bankrupt or quasi-bankrupt loans	-	-
Doubtful loans	-	-
Past due loans for three months or more	-	-
Restructured loans	-	-
Subtotal	-	-
(Percentage in total)	(-)	(-)
Normal loans	3,808,619	4,412,769
Total	3,808,619	4,412,769

- 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, 2025	September 30, 2025
Total amount of solvency margin (A)	6,139,336	6,853,240
Capital stock, etc.	1,654,671	1,723,534
Reserve for price fluctuations	829,930	803,562
Contingency reserve	1,219,164	1,228,531
Catastrophe loss reserve	-	-
General reserve for possible loan losses	367	356
(Net unrealized gains (losses) on available-for-sale securities (before taxes) • Net deferred gains (losses) on hedges (before taxes)) × 90% (if negative, × 100%)	1,953,057	2,626,948
Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)	(17,627)	(13,386)
Sum of unrecognized actuarial differences and unrecognized prior service cost (before taxes)	2,440	2,188
Excess of continued Zillmerized reserve	184,861	171,265
Capital raised through debt financing	500,000	500,000
Amounts within “excess of continued Zillmerized reserve” and “capital raised through debt financing” not calculated into the margin	-	-
Deductions	(187,528)	(189,936)
Other	-	175
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)	1,359,345	1,510,487
Insurance risk R ₁	99,111	96,699
General insurance risk R ₅	-	-
Catastrophe risk R ₆	-	-
Underwriting risk of third-sector insurance R ₈	35,161	33,939
Small amount and short-term insurance risk R ₉	-	-
Anticipated yield risk R ₂	101,539	98,598
Minimum guarantee risk R ₇	-	-
Investment risk R ₃	1,221,858	1,374,041
Business management risk R ₄	29,153	32,065
Solvency margin ratio $\frac{(A)}{(1/2) \times (B)} \times 100$	903.2 %	907.4 %

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.