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November 13, 2026
JAPAN POST INSURANCE Co., Ltd.

Announcement of Financial Results for the Six Months Ended September 30, 2026

JAPAN POST INSURANCE Co., Ltd. (the "Company"; ONISHI Toru, Director and President, CEO, Representative Executive Officer) hereby announces its financial results for the six months ended September 30, 2026 (April 1, 2026 to September 30, 2026).

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1. Business Highlights

(1) Policies in Force and New Policies

▪ Policies in Force

(Thousands of policies, billions of yen, %)

As of	March 31, 2026		September 30, 2026			
			Number of policies		Policy amount	
	Number of policies	Policy amount		% of March 31, 2026 total		% of March 31, 2026 total
Individual insurance	12,149	33,358.4	11,973	98.5	32,663.2	97.9
Individual annuities	329	440.0	281	85.2	383.3	87.1
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	2025				2026					
		Policy amount			Number of policies		Policy amount			
	Number of policies		New policies	Net increase by conversion		% of September 30, 2025 total		% of September 30, 2025 total	New policies	Net increase by conversion
Individual insurance	248	681.5	681.5	0.0	323	129.9	840.2	123.3	840.0	0.2
Individual annuities	0	0.2	0.2	-	0	331.6	1.1	418.4	1.1	-
Group insurance	-	-	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-	-	-

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

(2) Annualized Premiums

▪ Policies in Force

(Billions of yen, %)

As of	March 31, 2026	September 30, 2026	
			% of March 31, 2026 total
Individual insurance	2,017.9	1,986.6	98.5
Individual annuities	118.7	101.2	85.2
Total	2,136.7	2,087.9	97.7
Medical coverage, living benefits and other	284.4	282.0	99.2

▪ New Policies

(Billions of yen, %)

Six months ended September 30	2025	2026	
			% of September 30, 2025 total
Individual insurance	56.6	66.4	117.3
Individual annuities	0.0	0.0	403.8
Total	56.6	66.5	117.4
Medical coverage, living benefits and other	3.3	4.9	149.4

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, 2026 (General Account)

(1) Investment Environment

During the first half of the fiscal year ending March 31, 2027, the Japanese economy saw a moderate recovery, supported by wage increases and the government's measures to address rising prices, as well as a boost to exports and robust corporate performance against the backdrop of AI-related demand, although the deterioration of the situation in the Middle East exerted downward pressure on the economy. The U.S. economy remained steady, driven by an expansion of capital investment due to strong AI demand and resilient consumer spending supported by the wealth effect, despite a sluggish housing market due to the impact of monetary tightening policies. The European economy remained firm against the backdrop of a recovery in consumer spending due to the effects of wage increases and government spending, although it was affected by the deterioration of the situation in the Middle East.

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

Domestic Bond Market

The domestic long-term yield temporarily rose to around 2.85% in July due to concerns about inflation arising from the deterioration of the situation in the Middle East, expectations of additional interest rate hikes by the Bank of Japan, and caution about an expansion of fiscal spending surrounding the government's draft Basic Policy on Economic and Fiscal Management and Reform. Subsequently, the yield continued to rise against the backdrop of caution about an expansion of fiscal spending and a rise in global interest rates, and stood at around 3.02% at the end of September.

Domestic Stock Market

The Nikkei Stock Average rose due to expectations for an easing of the situation in the Middle East and an expansion in demand related to AI and semiconductors, temporarily reaching the ¥72,000 level in June and setting a new record high. Subsequently, although the index temporarily declined due to renewed deterioration of the situation in the Middle East and a correction in AI- and semiconductor-related sectors, it rebounded against the backdrop of a rise in the U.S. stock market driven by AI-related sectors and other factors, and stood at the ¥66,000 level at the end of September.

Foreign Exchange Markets

Regarding the USD/JPY exchange rate, the dollar temporarily depreciated against the yen due to yen-buying intervention conducted from April to May, but subsequently rebounded against the backdrop of the real interest rate differential between Japan and the U.S. and Japan's expansionary fiscal policies, and appreciated against the yen to the ¥164 level in July. Subsequently, the dollar depreciated against the yen due to coordinated intervention by Japan and the U.S. and measures to check yen depreciation, and stood at the ¥157 level at the end of September.

Regarding the EUR/JPY exchange rate, the euro remained strong against the yen due to expectations of interest rate hikes against the backdrop of concerns about inflation arising from the deterioration of the situation in the Middle East. However, as with USD/JPY, the trend shifted toward yen appreciation following coordinated intervention by Japan and the U.S., and the exchange rate stood at the ¥178 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, 2026, total assets of the Company amounted to ¥58,460.2 billion, an increase of ¥9.5 billion from ¥58,450.7 billion at the end of the previous fiscal year.

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

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

For loans, the Company provided loans including loans to the 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, 2026, investment income of the Company increased by ¥152.2 billion from the previous corresponding period to ¥773.7 billion mainly due to increases in gains on money held in trust, gains on sales of securities and gains on foreign exchanges.

Investment expenses increased by ¥204.1 billion from the previous corresponding period to ¥348.0 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 ¥425.6 billion, a decrease of ¥51.9 billion from the previous corresponding period.

3. Investment Performance (General Account)

(1) Asset Composition

(Billions of yen, %)

As of	March 31, 2026		September 30, 2026	
	Amount	Ratio	Amount	Ratio
Cash, deposits, call loans	1,779.7	3.0	2,451.9	4.2
Receivables under resale agreements	472.4	0.8	313.8	0.5
Receivables under securities borrowing transactions	-	-	-	-
Monetary claims bought	21.2	0.0	20.2	0.0
Trading account securities	-	-	-	-
Money held in trust	8,039.8	13.8	8,581.2	14.7
Securities	44,930.7	76.9	44,254.2	75.7
Corporate and government bonds	39,768.1	68.0	39,225.2	67.1
Domestic stocks	787.4	1.3	912.2	1.6
Foreign securities	2,104.9	3.6	1,866.6	3.2
Foreign corporate and government bonds	1,865.2	3.2	1,643.0	2.8
Foreign stocks and other securities	239.7	0.4	223.6	0.4
Other securities	2,270.2	3.9	2,250.0	3.8
Loans	2,134.7	3.7	1,942.2	3.3
Real estate	116.1	0.2	114.2	0.2
Deferred tax assets	327.4	0.6	167.4	0.3
Other	629.1	1.1	615.5	1.1
Reserve for possible loan losses	(0.8)	(0.0)	(0.8)	(0.0)
Total	58,450.7	100.0	58,460.2	100.0
Foreign currency-denominated assets	4,626.6	7.9	4,479.0	7.7

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	2025	2026
Cash, deposits, call loans	(254.0)	672.2
Receivables under resale agreements	(144.0)	(158.6)
Receivables under securities borrowing transactions	-	-
Monetary claims bought	(0.9)	(0.9)
Trading account securities	-	-
Money held in trust	800.0	541.3
Securities	(541.0)	(676.5)
Corporate and government bonds	(752.2)	(542.9)
Domestic stocks	102.7	124.7
Foreign securities	136.5	(238.2)
Foreign corporate and government bonds	140.7	(222.1)
Foreign stocks and other securities	(4.1)	(16.1)
Other securities	(28.0)	(20.1)
Loans	(192.5)	(192.5)
Real estate	(1.0)	(1.8)
Deferred tax assets	(224.2)	(159.9)
Other	(5.9)	(13.6)
Reserve for possible loan losses	(0.1)	0.0
Total	(564.1)	9.5
Foreign currency-denominated assets	310.9	(147.6)

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		2025	2026
Interest and dividend income		430.9	441.5
	Interest on deposits	3.7	6.5
	Interest and dividends on securities	400.9	410.9
	Interest on loans	5.9	5.7
	Interest on loans to the Management Network	15.9	12.7
	Rent revenue from real estate	-	-
	Other interest and dividend income	4.3	5.4
Gains on trading account securities		-	-
Gains on money held in trust		168.4	280.5
Gains on trading securities		-	-
Gains on sales of securities		21.8	39.0
	Gains on sales of Japanese government bonds and other bonds	4.7	1.4
	Gains on sales of domestic stocks and other securities	12.5	21.2
	Gains on sales of foreign securities	4.5	16.3
	Other gains on sales of securities	-	-
Gains on redemption of securities		0.1	0.1
Gains on derivative financial instruments		-	-
Gains on foreign exchanges		0.0	12.4
Reversal of reserve for possible loan losses		0.0	0.0
Other investment income		0.0	0.0
Total		621.4	773.7

(4) Investment Expenses

(Billions of yen)

Six months ended September 30	2025	2026
Interest expenses	13.8	25.3
Losses on trading account securities	-	-
Losses on money held in trust	-	-
Losses on trading securities	-	-
Losses on sales of securities	103.2	300.4
Losses on sales of Japanese government bonds and other bonds	84.5	223.0
Losses on sales of domestic stocks and other securities	4.6	2.7
Losses on sales of foreign securities	2.1	20.3
Other losses on sales of securities	11.9	54.2
Losses on valuation of securities	-	-
Losses on valuation of Japanese government bonds and other bonds	-	-
Losses on valuation of domestic stocks and other securities	-	-
Losses on valuation of foreign securities	-	-
Other losses on valuation of securities	-	-
Losses on redemption of securities	0.1	0.0
Losses on derivative financial instruments	23.9	18.2
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	2.8	3.9
Total	143.9	348.0

(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, 2026					September 30, 2026				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
				Gains	Losses				Gains	Losses
Held-to-maturity bonds	30,481.0	26,903.2	(3,577.7)	119.9	3,697.7	29,969.0	25,269.5	(4,699.4)	20.2	4,719.6
Policy-reserve-matching bonds	7,001.8	5,902.1	(1,099.7)	20.3	1,120.0	6,653.9	5,483.5	(1,170.4)	1.7	1,172.1
Equities of subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	12,551.7	15,974.1	3,422.4	4,100.6	678.1	12,715.8	16,613.8	3,898.0	4,727.4	829.4
Corporate and government bonds	2,743.6	2,305.2	(438.4)	2.9	441.3	3,167.7	2,622.2	(545.4)	0.3	545.7
Domestic stocks	2,217.0	4,702.9	2,485.8	2,509.1	23.2	2,110.3	5,202.4	3,092.0	3,107.9	15.8
Foreign securities	3,515.0	4,864.8	1,349.7	1,419.0	69.2	3,404.4	4,723.1	1,318.7	1,439.2	120.5
Foreign corporate and government bonds	1,866.1	1,845.2	(20.9)	48.2	69.2	1,738.7	1,623.0	(115.7)	3.8	119.6
Foreign stocks and other securities	1,648.9	3,019.6	1,370.7	1,370.7	-	1,665.6	3,100.0	1,434.4	1,435.3	0.9
Other securities	2,829.2	2,854.8	25.5	169.6	144.0	2,802.4	2,835.7	33.3	179.9	146.5
Monetary claims bought	21.6	21.2	(0.3)	0.0	0.3	20.8	20.2	(0.6)	0.0	0.6
Negotiable certificates of deposit	1,225.0	1,225.0	-	-	-	1,210.0	1,210.0	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total	50,034.6	48,779.5	(1,255.0)	4,240.9	5,495.9	49,338.8	47,366.9	(1,971.8)	4,749.3	6,721.2
Corporate and government bonds	40,206.5	35,092.4	(5,114.0)	143.2	5,257.2	39,770.6	33,357.8	(6,412.8)	22.2	6,435.0
Domestic stocks	2,217.0	4,702.9	2,485.8	2,509.1	23.2	2,110.3	5,202.4	3,092.0	3,107.9	15.8
Foreign securities	3,535.0	4,883.0	1,347.9	1,419.0	71.0	3,424.4	4,740.6	1,316.2	1,439.2	123.0
Foreign corporate and government bonds	1,886.1	1,863.3	(22.8)	48.2	71.0	1,758.7	1,640.5	(118.2)	3.8	122.1
Foreign stocks and other securities	1,648.9	3,019.6	1,370.7	1,370.7	-	1,665.6	3,100.0	1,434.4	1,435.3	0.9
Other securities	2,829.2	2,854.8	25.5	169.6	144.0	2,802.4	2,835.7	33.3	179.9	146.5
Monetary claims bought	21.6	21.2	(0.3)	0.0	0.3	20.8	20.2	(0.6)	0.0	0.6
Negotiable certificates of deposit	1,225.0	1,225.0	-	-	-	1,210.0	1,210.0	-	-	-
Other	-	-	-	-	-	-	-	-	-	-

Notes: 1. This table includes money held in trust other than trading securities and its book value is ¥3,893.3 billion with net unrealized gains of ¥3,628.9 billion as of March 31, 2026 and ¥3,810.3 billion with net unrealized gains of ¥4,191.8 billion as of September 30, 2026.

2. Stocks, etc. with no market price and investments in partnerships are not included in this table.

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

(Billions of yen)

As of	March 31, 2026	September 30, 2026
Equities of subsidiaries and affiliates	167.4	174.6
Available-for-sale securities	202.0	208.2
Domestic stocks	7.8	7.8
Foreign stocks	30.3	30.3
Other	163.8	169.9
Total	369.5	382.8

Note: This table includes money held in trust other than trading securities (¥129.4 billion as of March 31, 2026 and ¥134.6 billion as of September 30, 2026).

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, 2026					September 30, 2026				
	Balance sheet amount	Fair value	Net unrealized gains (losses)	Gains	Losses	Balance sheet amount	Fair value	Net unrealized gains (losses)	Gains	Losses
Money held in trust	7,901.3	7,901.3	-	-	-	8,436.3	8,436.3	-	-	-

- Money held in trust for trading purposes

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

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

(Billions of yen)

As of	March 31, 2026					September 30, 2026				
	Book value	Fair value	Net unrealized gains (losses)	Gains	Losses	Book value	Fair value	Net unrealized gains (losses)	Gains	Losses
Assets held-to-maturity in trust	-	-	-	-	-	-	-	-	-	-
Assets held for reserves in trust	-	-	-	-	-	-	-	-	-	-
Other money held in trust	4,272.3	7,901.3	3,628.9	3,659.9	30.9	4,244.4	8,436.3	4,191.8	4,226.2	34.3

Note: Other money held in trust, which is not subject to fair value disclosure, is ¥138.4 billion as of March 31, 2026 and ¥144.8 billion as of September 30, 2026.

4. Unaudited Non-Consolidated Balance Sheets

(Millions of yen)

Items \ Term	As of March 31, 2026 Amount	As of September 30, 2026 Amount
ASSETS:		
Cash and deposits	1,749,746	2,421,971
Call loans	30,000	30,000
Receivables under resale agreements	472,482	313,863
Monetary claims bought	21,229	20,239
Money held in trust	8,039,836	8,581,235
Securities	44,930,781	44,254,228
[Japanese government bonds]	[34,085,398]	[33,728,710]
[Japanese local government bonds]	[1,927,062]	[1,844,968]
[Japanese corporate bonds]	[3,755,681]	[3,651,556]
[Stocks]	[787,434]	[912,226]
[Foreign securities]	[2,104,952]	[1,866,685]
Loans	2,134,764	1,942,213
Policy loans	164,791	164,509
Industrial and commercial loans	676,553	622,264
Loans to the Management Network	1,293,418	1,155,440
Tangible fixed assets	134,944	131,112
Intangible fixed assets	128,447	127,454
Agency accounts receivable	11,837	3,318
Reinsurance receivables	15,779	17,760
Other assets	454,357	450,214
Deferred tax assets	327,434	167,499
Reserve for possible loan losses	(864)	(815)
Total assets	58,450,779	58,460,296
LIABILITIES:		
Policy reserves and others	48,102,350	47,375,594
Reserve for outstanding claims	319,831	312,291
Policy reserves	46,653,326	45,903,615
Reserve for policyholder dividends	1,129,192	1,159,688
Reinsurance payables	5,978	5,927
Bonds payable	500,000	653,700
Other liabilities	4,862,178	5,117,234
Payables under repurchase agreements	4,595,895	4,890,997
Income taxes payable	1,492	836
Lease obligations	5,000	4,276
Asset retirement obligations	814	814
Other liabilities	258,976	220,308
Reserve for management bonuses	248	-
Reserve for employees' retirement benefits	116,849	129,708
Reserve for management board benefit trust	481	437
Reserve for price fluctuations	719,232	638,967
Total liabilities	54,307,320	53,921,569
NET ASSETS:		
Capital stock	500,000	500,000
Capital surplus	405,044	405,044
Legal capital surplus	405,044	405,044
Retained earnings	898,501	920,079
Legal retained earnings	107,398	111,882
Other retained earnings	791,102	808,197
Reserve for reduction entry of real estate	3,939	3,812
Retained earnings brought forward	787,163	804,384
Treasury stock	(45,903)	(873)
Total shareholders' equity	1,757,642	1,824,250
Net unrealized gains (losses) on available-for-sale securities	2,448,471	2,788,871
Net deferred gains (losses) on hedges	(62,655)	(74,394)
Total valuation and translation adjustments	2,385,816	2,714,477
Total net assets	4,143,459	4,538,727
Total liabilities and net assets	58,450,779	58,460,296

5. Unaudited Non-Consolidated Statements of Income

(Millions of yen)

Items \ Term	Six months ended September 30, 2025	Six months ended September 30, 2026
	Amount	Amount
ORDINARY INCOME	2,880,821	2,663,588
Insurance premiums and others	1,198,936	1,126,700
[Insurance premiums]	[1,168,635]	[1,091,788]
Investment income	621,494	773,720
[Interest and dividend income]	[430,957]	[441,518]
[Gains on money held in trust]	[168,419]	[280,538]
[Gains on sales of securities]	[21,889]	[39,031]
Other ordinary income	1,060,391	763,167
[Reversal of reserve for outstanding claims]	[22,253]	[7,539]
[Reversal of policy reserves]	[1,032,444]	[749,711]
ORDINARY EXPENSES	2,694,894	2,549,642
Insurance claims and others	2,311,809	1,960,687
[Insurance claims]	[1,888,301]	[1,550,516]
[Annuity payments]	[74,451]	[58,133]
[Benefits]	[119,881]	[124,861]
[Surrender benefits]	[198,467]	[199,272]
[Other refunds]	[22,346]	[20,146]
Provision for policy reserves and others	928	2,647
Provision for interest on policyholder dividends	928	2,647
Investment expenses	143,910	348,053
[Interest expenses]	[13,809]	[25,372]
[Losses on sales of securities]	[103,252]	[300,446]
[Losses on derivative financial instruments]	[23,925]	[18,219]
Operating expenses	200,689	196,386
Other ordinary expenses	37,557	41,867
ORDINARY PROFIT	185,926	113,945
EXTRAORDINARY GAINS	26,378	80,634
Gains on sales of fixed assets	10	369
Reversal of reserve for price fluctuations	26,367	80,265
EXTRAORDINARY LOSSES	208	33
Losses on sales and disposal of fixed assets	208	33
Provision for reserve for policyholder dividends	78,479	71,442
Income before income taxes	133,617	123,103
Income taxes - Current	23,032	7,831
Income taxes - Deferred	14,576	26,290
Total income taxes	37,609	34,121
Net income	96,008	88,982

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

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

(Millions of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
						Other retained earnings		
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for reduction entry of real estate	Retained earnings brought forward	Total retained earnings
Balance at the beginning of the fiscal year	500,000	405,044	-	405,044	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			
	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	Total net assets
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

Six months ended September 30, 2026 (From April 1, 2026 to September 30, 2026)

(Millions of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
						Other retained earnings		
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for reduction entry of real estate	Retained earnings brought forward	Total retained earnings
Balance at the beginning of the fiscal year	500,000	405,044	-	405,044	107,398	3,939	787,163	898,501
Changes in the period								
Cash dividends					4,483		(26,902)	(22,418)
Net income							88,982	88,982
Purchases of treasury stock								
Disposals of treasury stock								
Cancellation of treasury stock			(44,984)	(44,984)				
Reversal of reserve for reduction entry of real estate						(126)	126	-
Transfer from retained earnings to capital surplus			44,984	44,984			(44,984)	(44,984)
Net changes in items other than shareholders' equity in the period								
Net changes in the period	-	-	-	-	4,483	(126)	17,221	21,578
Balance at the end of the period	500,000	405,044	-	405,044	111,882	3,812	804,384	920,079

	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	(45,903)	1,757,642	2,448,471	(62,655)	2,385,816	4,143,459
Changes in the period						
Cash dividends		(22,418)				(22,418)
Net income		88,982				88,982
Purchases of treasury stock	(0)	(0)				(0)
Disposals of treasury stock	45	45				45
Cancellation of treasury stock	44,984	-				-
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			340,399	(11,739)	328,660	328,660
Net changes in the period	45,029	66,607	340,399	(11,739)	328,660	395,268
Balance at the end of the period	(873)	1,824,250	2,788,871	(74,394)	2,714,477	4,538,727

NOTES TO THE UNAUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2026

(Notes to the Unaudited Non-Consolidated Balance Sheets)

1. Significant Accounting Policies

(1) Valuation Criteria and Methods for Securities

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

1) Held-to-maturity Bonds

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

2) Policy-reserve-matching Bonds

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

3) Equities of Subsidiaries and Affiliates (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)

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

4) Available-for-sale Securities

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

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

(ii) Stocks and other securities with no market price

Stocks and other securities with no market price are carried at cost using the moving-average method.

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

(2) 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 a general allowance is provided using a rate based on historical collectability experience. In addition, specific allowances, which are determined based on individual collectability of accounts, are recorded.

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

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

for in the amount of loans, net of collateral value or the amounts expected to be recoverable under guarantees. The reserve for possible loan losses also includes amounts set aside for other assets subject to valuation allowance. The amount written off for loans and other assets during the six months ended September 30, 2026 was ¥44 million.

2) Reserve for Management Bonuses

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

3) Reserve for Employees' Retirement Benefits

To provide for payment of retirement benefits to employees, a reserve for employees' retirement benefits is provided in the amount considered to have incurred at the end of the six months ended September 30, 2026 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 the respective service period.

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

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

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

4) Reserve for Management Board Benefit Trust

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

(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, 2026 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 and the allocation method through currency swaps to hedge cash flows related to foreign exchange fluctuations for a portion of its foreign-currency-denominated bonds and its foreign-currency-denominated bonds payable (liabilities), 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". In addition, deferred hedge accounting through interest rate swaps to hedge interest rate risk for a portion of its insurance liabilities is applied in accordance with the "Accounting and Auditing Treatment on the Application of the Financial Instruments Accounting Standard to the Insurance Industry" (JICPA Industry Committee Practical Guidelines No. 26).

2) Hedging Instruments and Hedged Items

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

3) Hedging Policies

The Company hedges foreign currency exchange risks and interest rate risks associated with hedged items 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 methodology. 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 Other Benefits of the Company to Executive Officers of the Company through Trust

Notes to the transactions for granting shares and other benefits 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, 2026 (Notes to the Unaudited Consolidated Balance Sheets).

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

(1) The balance sheet amount and fair value of policy-reserve-matching bonds amount to ¥6,653,964 million and ¥5,483,515 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 the interest rates of assets and liabilities, and adopts a management policy whereby the duration gap between policy-reserve-matching bonds and policy reserves by sub-groups is reconciled within a specified range and monitored on a regular basis.

1) Postal Life Insurance Contracts (excluding 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 ¥2,920,874 million were included in "Securities" in the balance sheet as of September 30, 2026.

5. There were no bankrupt loans or quasi-bankrupt loans, doubtful loans, past due loans for three months or more, or restructured loans as of September 30, 2026.

Definitions for each of the respective loans are as follows:

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

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

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

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

6. Accumulated depreciation for tangible fixed assets as of September 30, 2026 was ¥65,452 million.

7. Changes in reserve for policyholder dividends for the six months ended September 30, 2026 were as follows:

Balance at the beginning of the six months ended September 30, 2026	¥1,129,192 million
Policyholder dividends paid during the six months ended September 30, 2026	¥43,028 million
Interest accrual	¥2,647 million
Reduction due to the acquisition of additional annuity	¥565 million
Provision for reserve for policyholder dividends	¥71,442 million
Balance at the end of the six months ended September 30, 2026	¥1,159,688 million

8. Equities and other investments of subsidiaries and affiliates were ¥174,661 million.

9. Assets pledged as collateral consisted of the following:

Securities	¥5,192,078 million

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

Payables under repurchase agreements	¥4,890,997 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	¥204,824 million
Margin deposits for futures transactions	¥1,933 million
Cash collateral paid for financial instruments	¥125,264 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, 2026 was ¥284 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, 2026 were ¥1,368,739 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 ¥39,477 million as of September 30, 2026.

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 ¥22,515,515 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 ¥948,192 million and ¥474,551 million, respectively, for the category of the reinsurance.

14. “Other liabilities” in the balance sheets includes ¥35,611 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, 2026.

15. Notes to significant subsequent events are as follows:

(Acquisition of treasury stock)

At the Board of Directors’ meeting held on November 13, 2026, the Company resolved to acquire treasury stock pursuant to Article 39, Paragraph 1 of the Company’s Articles of Incorporation in accordance with Article 459, Paragraph 1, Item 1 of the Companies Act.

(1) Reason for the acquisition of treasury stock

The Company’s shareholder return policies during the period of the Medium-term Management Plan aim for a medium-term average total payout ratio of approximately 55%, through acquisition of treasury stock and other timely measures with the primary aim of returning profits to shareholders flexibly. Based on these policies, the Company intends to conduct the acquisition of treasury stock to improve capital efficiency and enhance shareholder returns.

(2) Details of the acquisition

1) Class of shares to be acquired: Common stock of the Company
2) Total number of shares to be acquired: 50,000,000 shares (maximum)
(The ratio of the total number of shares to be acquired to the total number of shares issued (excluding treasury stock): 4.6%)
3) Total acquisition price of shares to be acquired: ¥47,000,000,000 (maximum)
4) Acquisition period: From November 16, 2026 to March 31, 2027
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 and others for which payment is due but has not been paid at the end of the first half of the fiscal year, or insurance claims and others for which the occurrence of the insured event has not been reported but the Company deems that the insured event provided in the insurance contract has occurred, pursuant to Article 117 of the Insurance Business Act and Article 72 of the Ordinance for Enforcement of the Insurance Business Act.

2) Reinsurance premiums

Reinsurance premiums that have been agreed on based on reinsurance contracts are recorded when the said reinsurance contracts are concluded or when insurance premiums corresponding to original insurance contracts are collected, 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 ¥1,475 million, domestic stocks of ¥21,249 million and foreign securities of ¥16,305 million.

3. Losses on sales of securities comprise domestic bonds of ¥223,054 million, domestic stocks of ¥2,790 million, foreign securities of ¥20,336 million and other securities of ¥54,264 million.

4. Gains on money held in trust include losses on valuation of ¥741 million.

5. Losses on derivative financial instruments include gains on valuation of ¥2,840 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, 2026 was ¥10 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, 2026 was ¥10,041 million.

7. Net income per share for the six months ended September 30, 2026 was ¥82.41.

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, 2026, 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.

The 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, 2026 was 1,134 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, 2026 were ¥45,318 million.

9. Insurance claims based on reinsurance contracts with the Management Network included in insurance claims for the six months ended September 30, 2026 were ¥792,785 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 ¥61,405 million for the six months ended September 30, 2026.

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

Type and Number of Treasury Stock

(Thousands of shares)

	April 1, 2026	Increase	Decrease	September 30, 2026
Treasury stock				
Common stock	10,618	21,237	30,711	1,144

(*1) The Company conducted a stock split effective April 1, 2026, splitting its common stock at a ratio of three shares for every one share.

(*2) Numbers of treasury stock at the beginning of the fiscal year ending March 31, 2027 and the end of the six months ended September 30, 2026, include shares of the Company held in the Board Benefit Trust (BBT), and were 390 thousand shares and 1,110 thousand shares, respectively.

(*3) The increase of 21,237 thousand shares in the number of treasury stock was attributable to the increase of 21,237 thousand shares from the stock split and the increase of 0 thousand shares from the purchase of shares less than one unit.

(*4) The decrease of 30,711 thousand shares in the number of treasury stock was attributable to the decrease of 30,650 thousand shares from the cancellation of treasury stock based on the resolution passed at the Board of Directors' meeting held on April 24, 2026 and the decrease of 60 thousand shares from 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		2025	2026
Core profit	A	226,698	214,941
Capital gains		214,517	353,614
Gains on money held in trust		168,419	280,538
Gains on trading securities		-	-
Gains on sales of securities		21,889	39,031
Gains on derivative financial instruments		-	-
Gains on foreign exchanges		54	12,469
Other capital gains		24,154	21,574
Capital losses		245,922	437,557
Losses on money held in trust		-	-
Losses on trading securities		-	-
Losses on sales of securities		103,252	300,446
Losses on valuation of securities		-	-
Losses on derivative financial instruments		23,925	18,219
Losses on foreign exchanges		-	-
Other capital losses		118,744	118,890
Net capital gains (losses)	B	(31,404)	(83,943)
Core profit including net capital gains (losses)	A+B	195,294	130,997
Other one-time gains		-	-
Reinsurance income		-	-
Reversal of contingency reserve		-	-
Reversal of specific reserve for possible loan losses		-	-
Other		-	-
Other one-time losses		9,367	17,052
Reinsurance premiums		-	-
Provision for contingency reserve		9,367	17,052
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	(9,367)	(17,052)
Ordinary profit	A+B+C	185,926	113,945

(Reference) Breakdown of Other Items

(Millions of yen)

Six months ended September 30	2025	2026
Impact on core profit	94,589	97,316
Gains on cancellation of mutual funds	(358)	(3,387)
Amount equivalent to income gains associated with money held in trust	118,744	118,890
Costs for hedging currency fluctuations	(23,796)	(18,187)
Gain/loss from reinsurance cession of the existing policies	-	-
Other capital gains	24,154	21,574
Gains on cancellation of mutual funds	358	3,387
Amount equivalent to income gains associated with money held in trust	-	-
Costs for hedging currency fluctuations	23,796	18,187
Other capital losses	118,744	118,890
Amount equivalent to income gains associated with money held in trust	118,744	118,890
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, 2026	September 30, 2026
	Bankrupt or quasi-bankrupt loans	-	-
	Doubtful loans	-	-
	Past due loans for three months or more	-	-
	Restructured loans	-	-
Subtotal (Percentage in total)		- (-)	- (-)
Normal loans		5,143,222	4,718,935
Total		5,143,222	4,718,935

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

9. Separate Account for the Six Months Ended September 30, 2026

Not applicable.

10. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(Millions of yen)

Six months ended September 30	2025	2026
Ordinary income	2,879,798	2,661,656
Ordinary profit	183,865	112,200
Net income attributable to Japan Post Insurance	93,862	87,035
Comprehensive income (loss)	613,478	415,069

As of	March 31, 2026	September 30, 2026
Total assets	58,442,160	58,449,103

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

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

(3) Unaudited Consolidated Balance Sheets

(Millions of yen)

Items \ Term	As of March 31, 2026	As of September 30, 2026
	Amount	Amount
ASSETS:		
Cash and deposits	1,752,984	2,424,771
Call loans	30,000	30,000
Receivables under resale agreements	472,482	313,863
Monetary claims bought	21,229	20,239
Money held in trust	8,039,836	8,581,235
Securities	44,931,286	44,252,797
Loans	2,134,764	1,942,213
Tangible fixed assets	135,807	131,889
Intangible fixed assets	119,394	118,000
Agency accounts receivable	11,837	3,318
Reinsurance receivables	15,779	17,760
Other assets	454,878	450,751
Deferred tax assets	322,742	163,077
Reserve for possible loan losses	(864)	(815)
Total assets	58,442,160	58,449,103
LIABILITIES:		
Policy reserves and others	48,102,350	47,375,594
Reserve for outstanding claims	319,831	312,291
Policy reserves	46,653,326	45,903,615
Reserve for policyholder dividends	1,129,192	1,159,688
Reinsurance payables	5,978	5,927
Bonds payable	500,000	653,700
Payables under repurchase agreements	4,595,895	4,890,997
Other liabilities	265,686	224,679
Reserve for management bonuses	248	-
Liability for retirement benefits	98,658	112,474
Reserve for management board benefit trust	481	437
Reserve for price fluctuations	719,232	638,967
Total liabilities	54,288,531	53,902,779
NET ASSETS:		
Capital stock	500,000	500,000
Capital surplus	405,044	405,044
Retained earnings	894,329	913,961
Treasury stock	(45,903)	(873)
Total shareholders' equity	1,753,470	1,818,131
Net unrealized gains (losses) on available-for-sale securities	2,448,521	2,788,925
Net deferred gains (losses) on hedges	(62,655)	(74,394)
Accumulated adjustments for retirement benefits	14,291	13,660
Total accumulated other comprehensive income	2,400,158	2,728,192
Total net assets	4,153,628	4,546,323
Total liabilities and net assets	58,442,160	58,449,103

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

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

Items \ Term	Six months ended September 30, 2025	Six months ended September 30, 2026
	Amount	Amount
ORDINARY INCOME	2,879,798	2,661,656
Insurance premiums and others	1,198,936	1,126,700
Investment income	619,700	769,890
[Interest and dividend income]	[429,163]	[437,688]
[Gains on money held in trust]	[168,419]	[280,538]
[Gains on sales of securities]	[21,889]	[39,031]
Other ordinary income	1,061,161	765,065
[Reversal of reserve for outstanding claims]	[22,253]	[7,539]
[Reversal of policy reserves]	[1,032,444]	[749,711]
ORDINARY EXPENSES	2,695,932	2,549,456
Insurance claims and others	2,311,809	1,960,687
[Insurance claims]	[1,888,301]	[1,550,516]
[Annuity payments]	[74,451]	[58,133]
[Benefits]	[119,881]	[124,861]
[Surrender benefits]	[198,467]	[199,272]
Provision for policy reserves and others	928	2,647
Provision for interest on policyholder dividends	928	2,647
Investment expenses	143,910	348,054
[Interest expenses]	[13,809]	[25,373]
[Losses on sales of securities]	[103,252]	[300,446]
[Losses on derivative financial instruments]	[23,925]	[18,219]
Operating expenses	202,445	197,133
Other ordinary expenses	36,840	40,932
ORDINARY PROFIT	183,865	112,200
EXTRAORDINARY GAINS	26,378	80,634
Gains on sales of fixed assets	10	369
Reversal of reserve for price fluctuations	26,367	80,265
EXTRAORDINARY LOSSES	211	33
Losses on sales and disposal of fixed assets	211	33
Provision for reserve for policyholder dividends	78,479	71,442
Income before income taxes	131,553	121,358
Income taxes - Current	23,077	8,045
Income taxes - Deferred	14,612	26,278
Total income taxes	37,690	34,323
Net income	93,862	87,035
Net income attributable to non-controlling interests	-	-
Net income attributable to Japan Post Insurance	93,862	87,035

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

Items \ Term	Six months ended September 30, 2025	Six months ended September 30, 2026
	Amount	Amount
Net income	93,862	87,035
Other comprehensive income (loss)	519,615	328,033
Net unrealized gains (losses) on available-for-sale securities	536,041	340,399
Net deferred gains (losses) on hedges	(16,276)	(11,739)
Adjustments for retirement benefits	(181)	(630)
Share of other comprehensive income (loss) of affiliates accounted for under the equity method	31	3
Total comprehensive income (loss)	613,478	415,069
Comprehensive income (loss) attributable to Japan Post Insurance	613,478	415,069
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, 2025 Amount	Six months ended September 30, 2026 Amount
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	131,553	121,358
Depreciation and amortization	18,256	20,887
Net change in reserve for outstanding claims	(22,253)	(7,539)
Net change in policy reserves	(1,032,444)	(749,711)
Provision for interest on policyholder dividends	928	2,647
Provision for reserve for policyholder dividends	78,479	71,442
Net change in reserve for possible loan losses	163	(49)
Net change in reserve for management bonuses	(227)	(248)
Net change in liability for retirement benefits	12,198	13,816
Net change in reserve for management board benefit trust	(12)	(44)
Net change in reserve for price fluctuations	(26,367)	(80,265)
Interest and dividend income (accrual basis)	(429,163)	(437,688)
Net (gains) losses on securities	81,320	261,345
Interest expenses (accrual basis)	13,809	25,373
Net (gains) losses on foreign exchanges	(54)	(12,469)
Net (gains) losses on tangible fixed assets	40	(363)
Equity in (earnings) losses of affiliates	(762)	(1,889)
Net change in agency accounts receivable	(687)	8,519
Net change in reinsurance receivables	(4,825)	(1,980)
Net change in other assets (excluding those related to investing activities and financing activities)	7,869	(24,666)
Net change in reinsurance payables	(125)	(51)
Net change in other liabilities (excluding those related to investing activities and financing activities)	(16,188)	(8,532)
Other, net	(143,481)	(257,777)
Subtotal	**(1,331,976)**	**(1,057,885)**
Interest and dividend received (cash basis)	440,513	438,390
Interest paid (cash basis)	(12,944)	(23,549)
Policyholder dividends paid	(54,435)	(43,028)
Income taxes (paid) refund	16,973	30,839
Net cash used in operating activities	**(941,869)**	**(655,233)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of call loans	(3,719,575)	(3,660,000)
Proceeds from redemption of call loans	3,719,575	3,660,000
Net change in receivables under resale agreements	144,088	158,619
Purchases of monetary claims bought	(19,969)	(19,938)
Proceeds from sale and redemption of monetary claims bought	20,794	20,698
Purchases of money held in trust	(95,045)	(75,355)
Proceeds from decrease in money held in trust	101,150	356,700
Purchases of securities	(666,620)	(1,806,944)
Proceeds from sale and redemption of securities	1,240,125	2,130,025
Payments for loans	(249,522)	(239,080)
Proceeds from collection of loans	442,052	431,636
Net change in payables under repurchase agreements	(94,845)	295,102
Other, net	(56,351)	(35,569)
Total of net cash provided by investment transactions	**765,857**	**1,215,895**
Total of net cash provided by (used in) operating activities and investment transactions	**(176,012)**	**560,662**
Purchases of tangible fixed assets	(1,492)	(453)
Proceeds from sales of tangible fixed assets	11	369
Purchases of intangible fixed assets	(22,228)	(17,189)
Purchase of shares in subsidiaries	-	(474)
Other, net	(79)	(85)
Net cash provided by investing activities	**742,067**	**1,198,062**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease obligations	(646)	(762)
Proceeds from issuance of bonds	-	152,125
Purchases of treasury stock	(34,999)	(0)
Dividends paid	(19,918)	(22,403)
Net cash provided by (used in) financing activities	**(55,565)**	**128,957**
Effect of exchange rate changes on cash and cash equivalents	**-**	**-**
Net change in cash and cash equivalents	**(255,367)**	**671,787**
Cash and cash equivalents at the beginning of the fiscal year	**1,976,083**	**1,752,984**
Cash and cash equivalents at the end of the period	**1,720,716**	**2,424,771**

(6) Unaudited Consolidated Statements of Changes in Net Assets

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

Six months ended September 30, 2026 (From April 1, 2026 to September 30, 2026) (Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	500,000	405,044	894,329	(45,903)	1,753,470
Changes in the period					
Cash dividends			(22,418)		(22,418)
Net income attributable to Japan Post Insurance			87,035		87,035
Purchases of treasury stock				(0)	(0)
Disposals of treasury stock				45	45
Cancellation of treasury stock		(44,984)		44,984	-
Transfer from retained earnings to capital surplus		44,984	(44,984)		-
Net changes in items other than shareholders' equity in the period					
Net changes in the period	-	-	19,632	45,029	64,661
Balance at the end of the period	500,000	405,044	913,961	(873)	1,818,131

	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	2,448,521	(62,655)	14,291	2,400,158	4,153,628
Changes in the period					
Cash dividends					(22,418)
Net income attributable to Japan Post Insurance					87,035
Purchases of treasury stock					(0)
Disposals of treasury stock					45
Cancellation of treasury stock					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity in the period	340,403	(11,739)	(630)	328,033	328,033
Net changes in the period	340,403	(11,739)	(630)	328,033	392,694
Balance at the end of the period	2,788,925	(74,394)	13,660	2,728,192	4,546,323

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2026

(Basis for Preparation of the Unaudited Consolidated Financial Statements)

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

2. Application of the Equity Method
   (1) Number of non-consolidated subsidiaries and affiliates accounted for under the equity method: 0
   (2) Number of affiliates accounted for under the equity method: 1
   Company name: Daiwa Asset Management Co. Ltd.
   (3) Non-consolidated subsidiaries (Japan Post Insurance NEXT Partners Co., Ltd., Spring Investment Limited Partnership and others) and affiliates (MKAM Co., Ltd. and others) not accounted for under the equity method have been excluded from the scope of application of the equity method, as they 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 the "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 and other securities with no market price

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

(ii) Stocks securities with no market price

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

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

(2) 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 a general allowance is provided using a rate based on historical collectability experience. In addition, specific allowances, which are determined based on individual collectability of accounts, are recorded.

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

For loans and guaranteed loans that were extended to borrowers that have filed for bankruptcy, including legal bankruptcy or civil rehabilitation, or that are considered substantially bankrupt, an allowance is provided for in the amount of loans, net of collateral value or the amounts expected to be recoverable under guarantees. The reserve for possible loan losses also includes amounts set aside for other assets subject to valuation allowance. The amount written off for loans and other assets during the six months ended September 30, 2026 was ¥44 million.

2) Reserve for Management Bonuses

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

3) Reserve for Management Board Benefit Trust

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

(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 the respective service period.

2) Method for Recognizing Actuarial Differences and Prior Service Cost

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

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

(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, 2026 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") apply deferred hedge accounting and the allocation method through currency swaps to hedge cash flows related to foreign exchange fluctuations for a portion of its foreign-currency-denominated bonds and its foreign-currency-denominated bonds payable (liabilities), and fair value hedge accounting for foreign currency exchange contracts to hedge foreign exchange fluctuation risk for a portion of its foreign-currency-denominated bonds in accordance with the Financial Instruments Accounting Standard. In addition, deferred hedge accounting through interest rate swaps to hedge interest rate risk for a portion of its insurance liabilities is applied in accordance with the "Accounting and Auditing Treatment on the Application of the Financial Instruments Accounting Standard to the Insurance Industry" (JICPA Industry Committee Practical Guidelines No. 26).

2) Hedging Instruments and Hedged Items

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

3) Hedging Policies

The Company hedges foreign currency exchange risks and interest rate risks associated with hedged items 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 methodology. 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 Other Benefits 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 trust-based non-performance-linked stock compensation system for Executive Officers of the Company.

The Company has adopted the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (Practical Issues Task Force ("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). The book value of such treasury stock at the end of the six months ended September 30, 2026 was ¥823 million, while the number of such treasury stock was 1,110 thousand shares.

3. Financial Instruments

(1) Fair Values of Financial Instruments

Amounts carried on the consolidated balance sheets, fair values, and the differences between them as of September 30, 2026 were as follows.

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

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Monetary claims bought	20,239	20,239	-
Available-for-sale securities	20,239	20,239	-
Money held in trust (*1) (*2)	8,436,381	8,436,381	-
Securities	44,004,342	38,134,419	(5,869,922)
Held-to-maturity bonds	29,969,010	25,269,536	(4,699,473)
Policy-reserve-matching bonds	6,653,964	5,483,515	(1,170,449)
Available-for-sale securities (*2)	7,381,367	7,381,367	-
Loans	1,941,898	1,806,491	(135,407)
Policy loans	164,509	164,509	-
Industrial and commercial loans (*3)	622,264	513,405	(108,543)
Loans to the Management Network (*3)	1,155,440	1,128,576	(26,864)
Reserve for possible loan losses (*4)	(315)	-	-
Total assets	54,402,861	48,397,531	(6,005,330)
Bonds payable	653,700	609,188	(44,511)
Total liabilities	653,700	609,188	(44,511)
Derivative transactions (*5)			
Hedge accounting not applied	[49]	[49]	-
Hedge accounting applied	[101,787]	[101,787]	-
Total derivative transactions	[101,836]	[101,836]	-

(*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.

Derivatives under the allocation method, such as forward foreign exchange contracts, are treated as being an inseparable part of the bonds payable being hedged, and their fair value is therefore included in that of the corresponding bonds payable.

Note: The amounts carried on the consolidated balance sheets for stocks and other securities 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 (*2)	144,854
Securities	248,454
Unlisted stocks, etc.(*1)	97,676
Investments in partnership (*2)	150,777
Total	393,308

(*1) Unlisted stocks, etc. are not subject to fair value disclosure in accordance with Paragraph 5 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, September 13, 2024).

(*2) 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 at the level to which the input with the lowest priority in fair value measurement belongs.

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

(Millions of yen)

	Fair Value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	-	9,973	10,265	20,239
Money held in trust (*1)	5,642,789	753,154	-	6,395,944
Securities				
Available-for-sale securities				
Japanese government bonds	1,121,198	-	-	1,121,198
Japanese local government bonds	-	108,729	15,870	124,599
Japanese corporate bonds	-	1,376,461	-	1,376,461
Stocks	845,608	-	-	845,608
Foreign securities (*1)	64,321	1,565,307	2,758	1,632,387
Other securities	-	2,091,427	7,875	2,099,303
Total assets	7,673,918	5,905,054	36,770	13,615,743
Derivative transactions (*2)				
Currency-related derivatives	-	[5,201]	-	[5,201]
Interest-related derivatives	-	[96,634]	-	[96,634]
Total derivative transactions	-	[101,836]	-	[101,836]

(*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 ¥1,574,337 million, and the consolidated balance sheet amount for mutual funds to which the treatment in Paragraph 24-9 is applied is ¥213,808 million.

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

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

(Millions of yen)

	Fair Value			
	Level 1	Level 2	Level 3	Total
Money held in trust	-	434,099	-	434,099
Securities				
Held-to-maturity bonds				
Japanese government bonds	23,223,913	-	-	23,223,913
Japanese local government bonds	-	1,196,260	2,368	1,198,628
Japanese corporate bonds	-	846,995	-	846,995
Policy-reserve-matching bonds				
Japanese government bonds	4,359,457	-	-	4,359,457
Japanese local government bonds	-	202,608	15,563	218,171
Japanese corporate bonds	-	888,387	-	888,387
Foreign securities	-	17,499	-	17,499
Loans	-	-	1,806,491	1,806,491
Total assets	27,583,370	3,585,850	1,824,422	32,993,642
Bonds payable	-	609,188	-	609,188
Total liabilities	-	609,188	-	609,188

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 classified into 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 the activeness of the market. In addition, for mutual funds with no transaction price on the market, in cases where there are no material restrictions that would require market participants to demand compensation for the risk associated with cancellation or repurchase requests, the net asset value is used as the fair value and such mutual funds are classed in Level 2.

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

Moreover, money held in trust is described in “(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 classified into Level 2. This includes Japanese local government bonds, Japanese corporate bonds, and foreign bonds.

If it is calculated with appraised values obtained from brokers and other third parties, and material, unobservable inputs are used, fair value is classified into Level 3. In addition, for mutual funds with no transaction price on the market, in cases where there are no material restrictions that would require market

participants to demand compensation for the risk associated with cancellation or repurchase requests, the net asset value is used as the fair value and such mutual funds are classed in Level 2.

Moreover, securities are described in "(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 with consideration of their short maturities and interest conditions.

For industrial and commercial loans with floating interest rates, whose future cash flows follow market interest rates, book value is used as fair value as their fair value approximates book value.

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

The fair value of loans is classified into Level 3.

Liabilities

Bonds payable

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

For bonds payable subject to the allocation method, such as forward foreign exchange contracts, the fair value of such forward foreign exchange contracts and other derivatives is reflected.

Derivative transactions

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

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

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, 2026

(Millions of yen)

	Balance at the beginning of the fiscal year	Gain/loss for period under review or other comprehensive income (loss)		Changes due to purchase, sale, issuance, and settlement	Transfer to Level 3 fair value	Transfer from Level 3 fair value	Balance at the end of period	Of gain/loss in six months ended September 30, 2026, net valuation gain/loss of financial instruments held on consolidated balance sheet date
		Recorded in gain/loss	Recorded in other comprehensive income (loss) (*)					
Monetary claims bought	11,248	-	(284)	(698)	-	-	10,265	-
Securities								
Available-for-sale securities								
Japanese local government bonds	16,918	-	(545)	(503)	-	-	15,870	-
Foreign securities	2,853	-	(94)	-	-	-	2,758	-
Other securities	8,419	-	(219)	(324)	-	-	7,875	-
Total assets	39,439	-	(1,144)	(1,525)	-	-	36,770	-

(*) 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 the fair value level. Because the risk management department establishes procedures for the verification of fair value of financial instruments and, in cases where quoted prices obtained from third parties are used, verifies the validity of those prices via appropriate means, such as confirming the valuation methods and inputs used and comparing them to the fair value of similar financial instruments, the appropriateness of fair value valuation and others of financial instruments is ensured.

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, 2026

(Millions of yen)

Balance at the beginning of the fiscal year	Gain/loss for period under review or other comprehensive income (loss)		Changes due to purchase, sale, and redemption	Amount for which the net asset value of mutual funds is regarded as the fair value	Amount for which the net asset value of mutual funds is not regarded as the fair value	Balance at the end of period	Of gain/loss in six months ended September 30, 2026, net valuation gain/loss of mutual funds held on consolidated balance sheet date
	Recorded in gain/loss	Recorded in other comprehensive income (loss) (*)					
1,602,653	-	(38,466)	10,150	-	-	1,574,337	-

(*) 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, 2026

(Millions of yen)

Balance at the beginning of the fiscal year	Gain/loss for period under review or other comprehensive income (loss)		Changes due to purchase, sale, and redemption	Amount for which the net asset value of mutual funds is regarded as the fair value	Amount for which the net asset value of mutual funds is not regarded as the fair value	Balance at the end of period	Of gain/loss in six months ended September 30, 2026, net valuation gain/loss of mutual funds held on consolidated balance sheet date
	Recorded in gain/loss	Recorded in other comprehensive income (loss) (*)					
207,113	-	816	5,878	-	-	213,808	-

(*) 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 and others ¥1,574,337 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	5,537,037	5,557,239	20,202
Japanese government bonds	5,310,610	5,329,837	19,226
Japanese local government bonds	181,335	182,121	785
Japanese corporate bonds	45,091	45,281	190
Subtotal	5,537,037	5,557,239	20,202
Those for which fair value does not exceed the consolidated balance sheet amount			
Bonds	24,431,972	19,712,296	(4,719,675)
Japanese government bonds	22,008,105	17,894,075	(4,114,029)
Japanese local government bonds	1,258,386	1,016,506	(241,879)
Japanese corporate bonds	1,165,480	801,714	(363,766)
Subtotal	24,431,972	19,712,296	(4,719,675)
Total	29,969,010	25,269,536	(4,699,473)

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	876,962	878,665	1,703
Japanese government bonds	876,962	878,665	1,703
Japanese local government bonds	-	-	-
Japanese corporate bonds	-	-	-
Foreign securities	-	-	-
Foreign bonds	-	-	-
Subtotal	876,962	878,665	1,703
Those for which fair value does not exceed the consolidated balance sheet amount			
Bonds	5,757,002	4,587,350	(1,169,651)
Japanese government bonds	4,411,832	3,480,791	(931,041)
Japanese local government bonds	280,646	218,171	(62,474)
Japanese corporate bonds	1,064,523	888,387	(176,135)
Foreign securities	20,000	17,499	(2,501)
Foreign bonds	20,000	17,499	(2,501)
Subtotal	5,777,002	4,604,849	(1,172,152)
Total	6,653,964	5,483,515	(1,170,449)

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	14,283	13,978	304
Japanese government bonds	-	-	-
Japanese local government bonds	-	-	-
Japanese corporate bonds	14,283	13,978	304
Stocks	797,530	392,387	405,142
Foreign securities	289,974	280,272	9,701
Foreign bonds	108,166	104,268	3,897
Foreign stocks	-	-	-
Other foreign securities	181,807	176,004	5,803
Other (*)	668,724	582,617	86,107
Subtotal	1,770,512	1,269,255	501,256
Those for which the consolidated balance sheet amount does not exceed cost			
Bonds	2,607,976	3,153,745	(545,769)
Japanese government bonds	1,121,198	1,484,770	(363,571)
Japanese local government bonds	124,599	150,037	(25,438)
Japanese corporate bonds	1,362,177	1,518,937	(156,759)
Stocks	48,078	52,111	(4,033)
Foreign securities	1,524,221	1,644,661	(120,440)
Foreign bonds	1,514,886	1,634,494	(119,608)
Foreign stocks	9,334	10,166	(832)
Other foreign securities	-	-	-
Other (*)	2,660,818	2,785,661	(124,842)
Subtotal	6,841,094	7,636,180	(795,085)
Total	8,611,606	8,905,435	(293,828)

(*) "Other" includes negotiable certificates of deposit (cost: ¥1,210,000 million, consolidated balance sheet amount: ¥1,210,000 million) presented as "Cash and deposits" in the consolidated balance sheets, and monetary claims bought (cost: ¥20,898 million, consolidated balance sheet amount: ¥20,239 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	8,436,381	4,244,491	4,191,889	4,226,212	(34,322)

(*) The Group recognized losses on valuation of ¥741 million for the six months ended September 30, 2026.

Stocks managed as trust assets whose average market price 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.

Stocks other than those mentioned above whose fair value declined by 50% or more of their acquisition costs shall, in principle, be subjected to recognition of losses on valuation, while those with fair values

declining by 30% or more, but less than 50% of their acquisition costs shall be subjected to recognition of losses on valuation, unless fair values are deemed likely to recover to the acquisition costs.

(5) 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	2,012	-	(49)	(49)
	U.S. dollars	2,012	-	(49)	(49)
Total		-	-	-	(49)

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 ¥6,653,964 million and ¥5,483,515 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 the interest rates of assets and liabilities, and adopts a management policy whereby the duration gap between policy-reserve-matching bonds and policy reserves by sub-groups is reconciled within a specified range and monitored on a regular basis.

1) Postal Life Insurance Contracts (excluding 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 ¥2,920,874 million were included in “Securities” in the consolidated balance sheet as of September 30, 2026.

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, 2026.

Definitions for each of the respective loans are as follows:

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

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

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

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

7. Accumulated depreciation for tangible fixed assets as of September 30, 2026 was ¥66,114 million.

8. Changes in reserve for policyholder dividends for the six months ended September 30, 2026 were as follows:

Balance at the beginning of the six months ended September 30, 2026	¥1,129,192 million
Policyholder dividends paid during the six months ended September 30, 2026	¥43,028 million
Interest accrual	¥2,647 million
Reduction due to the acquisition of additional annuity	¥565 million
Provision for reserve for policyholder dividends	¥71,442 million
Balance at the end of the six months ended September 30, 2026	¥1,159,688 million

9. Equities and other investments of subsidiaries and affiliates were ¥173,230 million.

10. Assets pledged as collateral consisted of the following:

Securities	¥5,192,078 million

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

Payables under repurchase agreements	¥4,890,997 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	¥204,824 million
Margin deposits for futures transactions	¥1,933 million
Cash collateral paid for financial instruments	¥125,264 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, 2026 was ¥284 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, 2026 were ¥1,368,739 million.

12. Net assets per share were ¥4,195.29.

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

The number of treasury stock at the end of the period that was deducted from the calculation of net assets per share as of September 30, 2026 was 1,110 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 ¥39,477 million as of September 30, 2026.

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 ¥22,515,515 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 ¥948,192 million and ¥474,551 million, respectively, for the category of the reinsurance.

16. "Other liabilities" in the consolidated balance sheets includes ¥35,611 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, 2026.

17. Notes to significant subsequent events are as follows:

(Acquisition of treasury stock)

At the Board of Directors' meeting held on November 13, 2026, the Company resolved to acquire treasury stock pursuant to Article 39, Paragraph 1 of the Company's Articles of Incorporation in accordance with Article 459, Paragraph 1, Item 1 of the Companies Act.

(1) Reason for the acquisition of treasury stock

The Company's shareholder return policies during the period of the Medium-term Management Plan aim for a medium-term average total payout ratio of approximately 55%, through acquisition of treasury stock and other timely measures with the primary aim of returning profits to shareholders flexibly. Based on these policies, the Company intends to conduct the acquisition of treasury stock to improve capital efficiency and enhance shareholder returns.

(2) Details of the acquisition

1) Class of shares to be acquired: Common stock of the Company
2) Total number of shares to be acquired: 50,000,000 shares (maximum)
(The ratio of the total number of shares to be acquired to the total number of shares issued (excluding treasury stock): 4.6%)
3) Total acquisition price of shares to be acquired: ¥47,000,000,000 (maximum)
4) Acquisition period: From November 16, 2026 to March 31, 2027
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 and others for which payment is due but has not been paid at the end of the first half of the fiscal year, or insurance claims and others for which the occurrence of the insured event has not been reported but the Company deems that the insured event provided in the insurance contract has occurred, pursuant to Article 117 of the Insurance Business Act and Article 72 of the Ordinance for Enforcement of the Insurance Business Act.

2) Reinsurance premiums

Reinsurance premiums that have been agreed on based on reinsurance contracts are recorded when the said reinsurance contracts are concluded or when insurance premiums corresponding to original insurance contracts are collected, 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, 2026 was ¥10 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, 2026 was ¥10,041 million.

3. Net income per share for the six months ended September 30, 2026 was ¥80.61.

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.

The average number of treasury stock during the period that was deducted from the calculation of net income per share for the six months ended September 30, 2026 was 1,134 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, 2026 were ¥45,318 million.

5. Insurance claims based on reinsurance contracts with the Management Network included in insurance claims for the six months ended September 30, 2026 were ¥792,785 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 ¥61,405 million for the six months ended September 30, 2026.

(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, 2026 was as follows:

Cash and deposits	¥2,424,771 million
Cash and cash equivalents	¥2,424,771 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, 2026	Increase	Decrease	September 30, 2026
Shares issued				
Common stock	371,822	743,645	30,650	1,084,817
Treasury stock				
Common stock	10,618	21,237	30,711	1,144

(*1) The Company conducted a stock split effective April 1, 2026, splitting its common stock at a ratio of three shares for every one share.

(*2) The increase of 743,645 thousand shares in the number of shares issued was attributable to the stock split.

(*3) The decrease of 30,650 thousand shares in the number of shares issued was attributable to the cancellation of treasury stock based on the resolution passed at the Board of Directors' meeting held on April 24, 2026.

(*4) Numbers of treasury stock at the beginning of the fiscal year ending March 31, 2027 and the end of the six months ended September 30, 2026, include shares of the Company held in the Board Benefit Trust (BBT), and were 390 thousand shares and 1,110 thousand shares, respectively.

(*5) The increase of 21,237 thousand shares in the number of treasury stock was attributable to the increase of 21,237 thousand shares from the stock split and the increase of 0 thousand shares from the purchase of shares less than one unit.

(*6) The decrease of 30,711 thousand shares in the number of treasury stock was attributable to the decrease of 30,650 thousand shares from the cancellation of treasury stock based on the resolution passed at the Board of Directors' meeting held on April 24, 2026 and the decrease of 60 thousand shares from 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, 2026	Common stock	22,418	62.00	March 31, 2026	June 23, 2026

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

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

(2) Dividends whose effective date falls after the end of the six months ended September 30, 2026

Resolution	Class of shares	Total amount (Millions of yen)	Source of dividends	Per share amount (Yen)	Record date	Effective date
Board of Directors' meeting held on November 13, 2026	Common stock	27,119	Retained earnings	25.00	September 30, 2026	December 4, 2026

(*) Total amount of dividends includes ¥27 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, 2026	September 30, 2026
	Bankrupt or quasi-bankrupt loans	-	-
	Doubtful loans	-	-
	Past due loans for three months or more	-	-
	Restructured loans	-	-
Subtotal (Percentage in total)		- (-)	- (-)
Normal loans		5,143,222	4,718,935
Total		5,143,222	4,718,935

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

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

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

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

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

(8) Segment Information

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