UNOFFICIAL TRANSLATION
Although Japan Post Insurance pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.

Materials for the 18th Ordinary General Meeting of Shareholders Other Items for Electronic Provision (Items Omitted in the Paper-based Documents Delivered to Shareholders)

JAPAN POST INSURANCE Co., Ltd.

This document includes the items that are not provided in the paper-based documents delivered to shareholders who have requested the delivery of paper-based documents in accordance with the provisions of relevant laws and regulations and Article 15 of the Company’s Articles of Incorporation.

I. Matters Concerning the Current Status of JAPAN POST INSURANCE Co., Ltd.

2. Financial Condition and Results of Operations of the Corporate Group and the Company

1) Financial condition and results of operations of the corporate group

(Millions of yen)

For the fiscal year ended March 31	2021	2022	2023	2024
Ordinary income	6,786,226	6,454,208	6,379,561	6,744,134
Ordinary profit	345,736	356,113	117,570	161,173
Net income attributable to Japan Post Insurance	166,103	158,062	97,614	87,056
Comprehensive income	934,447	(824)	25,938	1,055,870
Net assets	2,841,475	2,421,063	2,375,377	3,395,744
Total assets	70,172,982	67,174,796	62,687,388	60,855,899

Note: The figures are truncated.

2) Financial condition and results of operations of the Company

For the fiscal year ended March 31		2021	2022	2023	2024
		(Billions of yen)	(Billions of yen)	(Billions of yen)	(Billions of yen)
Policy amount in force as of the fiscal year-end	Individual insurance	45,912.2	42,283.8	38,950.9	36,698.0
	Individual annuities	1,563.8	1,242.7	972.9	754.5
	Group insurance	—	—	—	—
	Group annuities	—	—	—	—
	Other insurance	0.1	0.0	0.0	0.0
		(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Insurance premiums and others		2,697,936	2,418,979	2,200,945	2,484,007
Investment income		1,121,668	1,149,145	1,159,020	1,212,778
Insurance claims and others		5,866,091	5,549,315	5,487,997	5,778,590
Ordinary profit		345,022	355,762	117,652	162,581
Provision for reserve for policyholder dividends		65,465	73,113	62,067	55,899
Net income		165,586	157,885	97,791	88,564
Total assets		70,173,857	67,174,848	62,685,230	60,857,090
		(Yen)	(Yen)	(Yen)	(Yen)
Net income per share		294.41	374.72	249.93	231.39

Notes:

1. The figures are truncated. However, amount of net income per share is rounded off.
2. Policy amounts at each year-end do not include the Postal Life Insurance Policies received from the Management Network in the form of reinsurance. Status of reinsured Postal Life Insurance Policies received from the Management Network is described in the <reference> of I. Matters Concerning the Current Status of JAPAN POST INSURANCE Co., Ltd., 1. Progress and Results of Business, etc., of the Corporate Group, [Main performance of the Company].
3. Policy amounts in force 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.
4. The Company underwrites neither group insurance nor group annuities.

5. Other insurance refers to asset-formation insurance and asset-formation annuities. The amount of policies in force is the total of (a) for asset-formation insurance, the policy reserves, and (b) for asset-formation annuities, the accumulated contribution payment as of the date of annuity payment commencement for the annuity before payments commence, and the amount of policy reserves for the annuity after payments have commenced.
6. The Company has a Board Benefit Trust (BBT). Shares of the Company held in the trust, which was recorded as treasury stock under the category of shareholders' equity, were included in treasury stock to be deducted from the calculation of the average number of shares during the fiscal year, for the purpose of calculating net income per share.

3. Main Offices of the Corporate Group

Department	Name of company	Name of office	Location	Date of establishment
Insurance business and related business	The Company	Head Office	Chiyoda-ku, Tokyo	September 1, 2006
Information systems-related business	JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., LTD.	Head Office	Shinagawa-ku, Tokyo	October 3, 2011

Note: Date of establishment refers to the date of establishment of the Company for the insurance business and related business, while the date on which JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., LTD. became a subsidiary is stated for the information systems-related business.

[Branches and agencies of the Company]

(Number of locations/ branches)

Category	As of March 31, 2023	As of March 31, 2024	Increase (Decrease)
Regional Headquarters	13	13	—
Branches	82	82	—
Agency	411	364	(47)
Japan Post Co., Ltd.	1	1	—
Contracted post office	410	363	(47)

Notes:

1. The Company has shifted to a new Japan Post Insurance sales system since April 2022, and as of March 31, 2024, branch offices (Retail service division) have been established in 623 locations across Japan.
2. Number of offices (post offices) of Japan Post Co., Ltd. handling insurance solicitation business for the Company was 19,985 as of March 31, 2024 (a decrease of 37 year on year). In addition, 27 post offices are temporarily closed due to the Great East Japan Earthquake.
3. Number of contracted post offices represents those acting as insurance agencies handling the insurance solicitation business for the Company, while the number of contracted post offices commissioned to conduct customer referral (referral agencies) for Japan Post Co., Ltd. which acts as an agency of the Company was 2,347 as of March 31, 2024 (a decrease of 38 year on year).

4. Employees of the Corporate Group

(Persons)

Department	As of March 31, 2023	As of March 31, 2024	Increase (Decrease)
Insurance business and related business	19,148	18,427	(721)
Information systems-related business	628	665	+37
Total	19,776	19,092	(684)

Note: Number of employees (including those seconded from companies outside the Corporate Group, but excluding those seconded to companies outside the Corporate Group) represents the number of employees in full-time employment, and excludes those in temporary employment (including associate employees who have converted to indefinite-term employment based on the system for conversion to indefinite-term employment).

(Reference) Percentage of women in management positions, male childcare leave acquisition rate and wage difference between men and women

(%)

Name	Percentage of women in management positions	Male childcare leave acquisition rate	Wage difference between men and women			Notes
			All workers	Of which, regular workers	Of which, non-regular workers	
The Company	9.8	100.0	73.4	71.8	80.6	
JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., LTD.	10.7	75.0	75.2	76.1	58.6	

Notes:

1. The above information is based on the indicators, etc., published by the Company and its consolidated subsidiaries in accordance with the provisions of the Act on Promotion of Women's Active Engagement in Professional Life.
2. Percentage of women in management positions is the actual result as of April 1, 2024, and other indicators are the actual result for the current fiscal year.
3. Percentage of women in management positions is for employees registered at each Japan Post Group company in order to ensure consistency with other Japan Post Group companies, and does not include those seconded from other companies, but includes those seconded to other companies. The percentage of the Company when including employees seconded from other companies accompanying the shift to the new Japan Post Insurance sales system from April 2022 is 9.1%.
4. The male childcare leave acquisition rate is for employees registered at each Japan Post Group company in order to ensure consistency with other Japan Post Group companies, and does not include those seconded from other companies, but includes those seconded to other companies. In addition, temporary employees (including associate employees who have converted to indefinite-term employment based on the system for conversion to indefinite-term employment)

are not included. For the male childcare leave acquisition rate, the percentage of employees whose spouse has given birth and who have started childcare leave, etc. (including those who have applied for leave and are scheduled to start it) during the current fiscal year is shown. The male childcare leave acquisition rate of the Company if calculated including those seconded from other companies accompanying the shift to the new Japan Post Insurance sales system from April 2022 is 100%.

5. The wage difference between men and women is based on employees recorded on the wage ledger, and includes employees seconded from other companies and employees seconded to other companies who are paid by the Company and JAPAN POST INSURANCE SYSTEM SOLUTIONS in accordance with the terms of their secondment agreements.
6. The wage difference between men and women is based on the wage ledger and is the ratio of the average wages of female workers recorded to the average wages of male workers recorded (average annual wages = total wages / number of employees). Retirement allowances are excluded from total wages, and employees on leave are excluded from the number of employees. In addition, associate employees who have been converted to indefinite-term employment based on the system for conversion to indefinite-term employment are included in regular (indefinite) workers.
7. The Japan Post Group does not differentiate between men and women in terms of the wage system, operations such as promotions or pay raises, or hiring standards. The main factor for regular workers in the difference in wages between men and women is that there is a bias in the ratio of men and women based on the age structure, where the percentage of women is low in the older and in management positions, where wages are relatively high. The main reason for the non-regular workers is the high salaries of professional hires, which account for about 40% of the male workers. The Japan Post Group continues to work on enhancing the ratio of women in management positions through efforts including implementing career development support for female employees who are expected to be active in management positions in the future.

[Employees of the Company]

Category	As of March 31, 2023	As of March 31, 2024	Increase (Decrease)	As of March 31, 2024		
				Average age	Average years of service	Average monthly salary
	(Persons)	(Persons)	(Persons)	(Years old)	(Years)	(Thousand yen)
In-house employees	8,925	8,754	(171)	44.4	20.1	401.0
Sales employees	10,223	9,673	(550)	43.4		

Notes:

1. Number of employees represents the number of employees in full-time employment (including those seconded from other companies, but excluding those seconded to other companies), and excludes those in temporary employment (including associate employees who have converted to indefinite-term employment based on the system for conversion to indefinite-term employment).
2. Sales-related managers are counted as in-house employees in order to reflect actual conditions from the fiscal year under review. The number of in-house employees and sales employees as

of March 31, 2023 also applies this calculation method.

3. Average number of years of service represents the number of years of continuous service including years at Ministry of Posts and Telecommunications, Postal Services Agency (Ministry of Internal Affairs and Communications) and Japan Post.
4. Average age and average years of service are based on ages and years counted by the western-style method as of March 31, 2024, and truncated to one decimal place.
5. Average monthly salary represents fixed salary as of March 2024, excluding overtime allowance and bonus. The figures are truncated.

5. Major Creditors of the Corporate Group

Not applicable.

10. Other Important Matters Concerning the Current State of the Corporate Group

Not applicable.

II. Matters Concerning Directors and Executive Officers

3. Liability Limitation Agreement

<table>
<tr><th>Name</th><th>Overview of the contracts for limitation of liability, etc.</th></tr>
<tr><td>NARA Tomoaki</td><td rowspan="9">The overview of contracts for limitation of liability entered into with Directors in accordance with provisions of Article 427, Paragraph 1 of the Companies Act and Articles of Incorporation, are as follows.

For liability provided for in Article 423, Paragraph 1 of the Companies Act, when the Directors (excluding Directors with executive functions) performed their duties in good faith and without gross negligence, they shall be liable to the minimum liability amount prescribed under Article 425, Paragraph 1 of the Companies Act.</td></tr>
<tr><td>MASUDA Hiroya</td></tr>
<tr><td>SUZUKI Masako</td></tr>
<tr><td>HARADA Kazuyuki</td></tr>
<tr><td>YAMAZAKI Hisashi</td></tr>
<tr><td>TONOSU Kaori</td></tr>
<tr><td>TOMII Satoshi</td></tr>
<tr><td>SHINGU Yuki</td></tr>
<tr><td>OMACHI Reiko</td></tr>
</table>

4. Compensation Agreement

[Compensation Agreements with Directors and Executive Officers]

Name	Overview of the compensation agreement, etc.
TANIGAKI Kunio	The Company has entered into a compensation agreement in accordance with provisions of Article 430-2, Paragraph 1 of the Companies Act, and the Company indemnifies costs mentioned in Item 1 of the same Paragraph and the losses mentioned in the Item 2 of the same Paragraph to the extent provided by laws and regulations.
ONISHI Toru	
NARA Tomoaki	
MASUDA Hiroya	
SUZUKI Masako	
HARADA Kazuyuki	
YAMAZAKI Hisashi	
TONOSU Kaori	
TOMII Satoshi	
SHINGU Yuki	
OMACHI Reiko	
SHIMA Toshitaka	
HIRONAKA Yasuaki	
TACHIBANA Atsushi	
KUME Takeshi	
KOIE Junko	
SAKAMOTO Hidekazu	
HARUNA Takayuki	
IIDA Takashi	
YOKOYAMA Masamichi	
MIYAZAWA Hitoshi	
MURO Takashi	
IMAIZUMI Michinori	
TAGUCHI Yoshihiro	
SHIGEMATSU Jun	
YOSHIDA Syouichi	
KIMURA Yoshihisa	
HAMASAKI Rika	
HANDA Shuji	
IZUMI Mamiko	
ADACHI Tamami	
IWATA Kazuhiko	
SENDA Tetsuya	
ICHIKURA Noboru	
TANAKA Motonori	

Note: Mr. SENDA Tetsuya, Mr. ICHIKURA Noboru, and Mr. TANAKA Motonori resigned as Executive Officer of the Company on June 21, 2023.

[Payouts under Compensation Agreements, etc.]

Not applicable.

5. Directors and Officers Liability Insurance Contract

Scope of the Insured	Overview of Directors and Officers Liability Insurance contract
Directors and Executive Officers	The Company has entered into a Directors and Officers Liability Insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, with all insurance premiums at its expense. The insurance covers damages that may arise when officers, etc. assume liability for the execution of their duties or receive a claim in the pursuit of such liability. Provided that damages, etc. incurred by the officers themselves as a result of bribery or other criminal acts or intentional misconduct are not covered, as a measure to ensure that the appropriate execution of duties by officers, etc. is not impaired.

III. Matters Concerning Outside Directors

1. Concurrent Positions and Other Details on Outside Directors

(As of March 31, 2024)

Name	Concurrent positions and other details
SUZUKI Masako	Outside Director of NIPPON SIGNAL CO., LTD. Outside Audit & Supervisory Board Member of Unite and Grow Inc. <Transactions and other relationships with the Company and each company> Not applicable
HARADA Kazuyuki	Chairman of the Board, Representative Director of Keikyu Corporation President and Representative Director of Yokohama Shintoshi Center Corporation <Transactions and other relationships with the Company and each company> Not applicable
YAMAZAKI Hisashi	Attorney-at-law Outside Director of Sumitomo Corporation <Transactions and other relationships with the Company and each company> Not applicable
TONOSU Kaori	Outside Director of Internet Initiative Japan Inc. <Transactions and other relationships with the Company and each company> Not applicable
TOMII Satoshi	Chairman of DBJ Investment Advisory Co., Ltd. Outside Audit & Supervisory Board Member of Fuji Oil Company, Ltd. <Transactions and other relationships with the Company and each company> Not applicable
SHINGU Yuki	Director of Future Corporation <Transactions and other relationships with the Company and each company> Not applicable
OMACHI Reiko	Attorney-at-law <Transactions and other relationships with the Company and each company> Not applicable

2. Main Activities of Outside Directors

Name	Term of office	Attendance at meetings of the Board of Directors, etc.	Summary of remarks made at meetings of the Board of Directors, etc. and duties performed with respect to expected roles
SUZUKI Masako	7 years, 9 months	Board of Directors: Attended all 14 meetings held during the fiscal year under review Nomination Committee: Attended all 3 meetings held during the fiscal year under review after assuming office Audit Committee: Attended all 16 meetings held during the fiscal year under review	She has a wealth of experience in corporate management in the field of deploying human resources and health support services. We have expected her to fulfill supervisory functions from such perspective. She actively provided comments, in particular from the perspective of corporate management. She fulfilled her role appropriately as Outside Director of the Company, such as supervision and the provision of advice regarding the Company’s business execution.

Name	Term of office	Attendance at meetings of the Board of Directors, etc.	Summary of remarks made at meetings of the Board of Directors, etc. and duties performed with respect to expected roles
HARADA Kazuyuki	5 years, 9 months	Board of Directors: Attended all 14 meetings held during the fiscal year under review Nomination Committee: Attended all 7 meetings held during the fiscal year under review Compensation Committee: Attended all 6 meetings held during the fiscal year under review	He has a wealth of experience in corporate management in a company serving as a social infrastructure with a strong public nature. We have expected him to fulfill supervisory functions from such perspective. He actively provided comments, in particular from the perspective of corporate management. He fulfilled his role appropriately as Outside Director of the Company, such as supervision and the provision of advice regarding the Company's business execution.
YAMAZAKI Hisashi	3 years, 9 months	Board of Directors: Attended all 14 meetings held during the fiscal year under review Nomination Committee: Attended all 7 meetings held during the fiscal year under review Audit Committee: Attended all 4 meetings held during his tenure during the fiscal year under review	He has extensive expertise as a legal expert nurtured as a judge and attorney-at law. We have expected him to fulfill supervisory functions from such perspective. He actively provided comments, in particular from the perspective of legal affairs and compliance. He fulfilled his role appropriately as Outside Director of the Company, such as supervision and the provision of advice regarding the Company's business execution.
TONOSU Kaori	1 year, 9 months	Board of Directors: Attended all 14 meetings held during the fiscal year under review Audit Committee: Attended all 16 meetings held during the fiscal year under review	She has extensive experience as an IT governance and risk management expert nurtured through her career involving many engagements in overall system risk assessment and advisory activities at accounting firms. We have expected her to fulfill supervisory functions from such perspective. She actively provided comments, in particular from the perspective of IT governance and risk management. She fulfilled her role appropriately as Outside Director of the Company, such as supervision and the provision of advice regarding the Company's business execution.

Name	Term of office	Attendance at meetings of the Board of Directors, etc.	Summary of remarks made at meetings of the Board of Directors, etc. and duties performed with respect to expected roles
TOMII Satoshi	1 year, 9 months	Board of Directors: Attended all 14 meetings held during the fiscal year under review Audit Committee: Attended all 12 meetings held during the fiscal year under review after assuming office Compensation Committee: Attended all 6 meetings held during the fiscal year under review	He has a wealth of experience in corporate management in a company making investments and loans with a strong public nature. We have expected him to fulfill supervisory functions from such perspective. He actively provided comments, in particular from the perspective of corporate management. He fulfilled his role appropriately as Outside Director of the Company, such as supervision and the provision of advice regarding the Company's business execution.
SHINGU Yuki	0 year, 9 months	Board of Directors: Attended all 11 meetings held during the fiscal year under review after assuming office Compensation Committee: Attended all 3 meetings held during the fiscal year under review after assuming office	She has a wealth of experience in corporate management in a company providing consulting service capitalizing on expertise in IT strategy. We have expected her to fulfill supervisory functions from such perspective. She actively provided comments, in particular from the perspective of corporate management. She fulfilled her role appropriately as Outside Director of the Company, such as supervision and the provision of advice regarding the Company's business execution.
OMACHI Reiko	0 year, 9 months	Board of Directors: Attended all 11 meetings held during the fiscal year under review after assuming office Audit Committee: Attended all 12 meetings held during the fiscal year under review after assuming office	She has extensive expertise especially in the field of financial regulations related to financial institutions, and Financial Instruments and Exchange Act as a legal expert nurtured as an attorney-at law. We have expected her to fulfill supervisory functions from such perspective. She actively provided comments, in particular from the perspective of legal affairs and compliance. She fulfilled her role appropriately as Outside Director of the Company, such as supervision and the provision of advice regarding the Company's business execution.

Note: The term of office is the period up to March 31, 2024, and the period less than one month is truncated.

3. Compensation for Outside Directors

(Millions of yen)

	Compensation paid to	Compensation from the Company	Compensation from parent company of the Company
Total compensation	8 persons	80 (of which, other than compensation: —)	—

Note: The figures are truncated.

4. Opinions of Outside Directors

Not applicable.

IV. Matters Concerning Shares

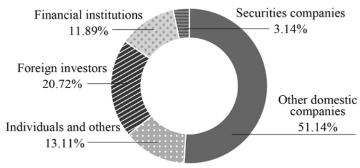
1. Number of Shares

Total number of authorized shares 2,400,000 thousand shares

Total number of outstanding shares 383,192 thousand shares

Note: The figures are truncated.

<Reference> Distribution of shares by shareholder type



* "Individuals and others" includes treasury stock.

2. Total Number of Shareholders as of March 31, 2024: 152,307

3. Major Shareholders

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held	Percentage of shares held
Japan Post Holdings Co., Ltd.	190,963 thousand shares	49.84%
The Master Trust Bank of Japan, Ltd. (Trust Account)	30,020 thousand shares	7.83%
Custody Bank of Japan, Ltd. (Trust Account)	11,383 thousand shares	2.97%
JPMorgan Securities Japan Co., Ltd.	4,139 thousand shares	1.08%
STATE STREET BANK WEST CLIENT - TREATY 505234	4,031 thousand shares	1.05%
STATE STREET BANK AND TRUST COMPANY 505103	3,881 thousand shares	1.01%
Japan Post Insurance Employee Shareholding Association	3,428 thousand shares	0.89%
SSBTC CLIENT OMNIBUS ACCOUNT	2,901 thousand shares	0.76%
JP MORGAN CHASE BANK 385781	2,618 thousand shares	0.68%
MORGAN STANLEY & CO. LLC	2,590 thousand shares	0.68%

Notes:

1. The figures are truncated.
2. Percentage of shares held are calculated excluding treasury stock (11 thousand shares) and rounded off to the second decimal place. Treasury stock does not include the 415 thousand shares of the Company's stock held in the Board Benefit Trust (BBT).

4. Shares Delivered to Directors and Executive Officers as Consideration for Execution of Their Duties during the Fiscal Year Ended March 31, 2024

	Number of shares	Number of recipients
Directors (excluding Outside Directors) and Executive Officers	57,500 (Note)	9
Outside Directors (limited to Outside Directors)	Not applicable	Not applicable

Note: Delivered in accordance with the performance-linked stock compensation system described in "II. Matters Concerning Directors and Executive Officers, 2. Compensation, etc., for Directors and Executive Officers, [Matters Concerning Performance-linked Compensation, etc.]" Since the System grants the Company's shares and cash in the amount translated at fair value of a certain portion of the shares at the retirement date, the above number of shares does not include the portion of shares to be paid in cash.

5. Other Significant Matters Concerning Shares

At the meeting of the Board of Directors held on April 17, 2023, the Company resolved to cancel treasury stock in accordance with the provision of Article 178 of the Companies Act, and carried out the cancellation on May 8, 2023.

- Class of shares cancelled: Common stock of the Company
- Number of shares cancelled: 16,501,400 shares
- Total number of outstanding shares after the cancellation: 383,192,300 shares

V. Matters Concerning Stock Acquisition Rights, etc.

1. Stock Acquisition Rights, etc., Held by Directors and Executive Officers of the Company as of March 31, 2024

   Not applicable.

2. Stock Acquisition Rights, etc., of the Company that have been Granted to Employees, etc., during the Fiscal Year Ended March 31, 2024

   Not applicable.

VI. Matters Concerning Independent Auditor

1. Independent Auditor

(Millions of yen)

Name	Compensation, etc., for the fiscal year ended March 31, 2024	Others
KPMG AZSA LLC KANNO Masako Designated Limited Liability Partner SATO Eihiro Designated Limited Liability Partner SUDA Shunsuke Designated Limited Liability Partner	188	- The Audit Committee confirmed the content of the independent auditor's audit plan, and the audit plan and results for the previous fiscal year, then considered the validity, etc. of the time scheduled for audits and the estimated compensation amount for the fiscal year under review. As a result, the Audit Committee has given consent for the compensation, etc., for the independent auditor pursuant to Article 399, Paragraph 1 of the Companies Act. - The Company entrusted to the independent auditor the advisory services, etc. related to tax-related advisory services and support services related to compliance with solvency regulations based on economic value (non-audit service) which are services other than those set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan, and paid fees to the independent auditor for these services.

Notes:

1. The figure is truncated.
2. The audit engagement entered into by the Company and the Independent Auditor does not clearly distinguish the amount of compensation, etc. for audits prescribed in the Companies Act and those prescribed in the Financial Instruments and Exchange Act. Therefore, the figure above shows the total compensation, etc., for the fiscal year ended March 31, 2024.
3. The total monetary and other property benefits which are to be paid to the independent auditor by the Company and its subsidiary is ¥214 million.

2. Liability Limitation Agreement and Compensation Agreement

   Not applicable.

3. Directors and Officers Liability Insurance Contract

   Not applicable.

4. Other Matters Concerning Independent Auditor

The Audit Committee resolved the "Policy of determining the dismissal or refusal of reelection of an independent auditor" as follows:

[Policy of determining the dismissal or refusal of reelection of an independent auditor]

The Audit Committee shall dismiss the independent auditor if it determines that the independent auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act and causes a problem on the audit of the Company.

In addition, the Audit Committee takes into consideration such matters as status of performance of duties of the independent auditor, and if it determines necessary, it shall determine detail of proposals on the dismissal or refusal of reelection of the independent auditor to be submitted to the General Meeting of Shareholders.

VII. Basic Policy Regarding Persons Who Control the Decisions on Financial and Business Policies

Not applicable.

VIII. Systems to Ensure the Appropriateness of Business Operations

(Systems to ensure the appropriateness of business operations)

The Company has formulated the following "Fundamental Policy for Establishment of Internal Control Systems" by resolution of the Board of Directors as a fundamental policy related to establishment of system for ensuring proper operations.

(Revised on March 25, 2020)

Fundamental Policy for Establishment of Internal Control Systems

1. System for ensuring execution of duties by the Executive Officers and employees of the Company are in compliance with laws and regulations and the Articles of Incorporation
   (1) In addition to the formulation of management philosophy and management policy, the Company shall ensure thorough understanding of all Executive Officers and employees of the compliance with laws and regulations in every aspect of its business activities, in accordance with the Japan Post Group's Charter of Corporate Conduct established by Japan Post Holdings Co., Ltd. Furthermore, the Company shall establish its compliance framework by formulating compliance rules.
   (2) The Company shall establish a department that supervises compliance to promote compliance within the Company. Meanwhile, a Compliance Committee shall be established to deliberate on the management policies concerning compliance, specific compliance operations and response to various issues, and report important matters to the Executive Committee and the Audit Committee.
   (3) The Company shall prepare a Compliance Manual that serves as a guide to the laws and regulations and other rules concerning its corporate activities, while carrying out trainings on

laws and regulations as well as internal regulations that must be observed by Executive Officers and employees, in order to ensure thorough implementation of compliance.

(4) For the purpose of establishing compliance framework and ensuring sound business management, the Company shall set up a liaison meeting, comprised of the President, CEO, Representative Executive Officer and others, with Japan Post Co., Ltd., which serves as the Company's insurance agent, to discuss matters related to the enhancement and reinforcement of the internal control systems of Japan Post Co., Ltd., and shall take measures necessary for guidance and management of Japan Post Co., Ltd.

(5) The Company shall set out response as an organization to anti-social forces in the internal rules for dealing with anti-social forces, and cut off and exclude any relationship with anti-social forces that may threaten social order and sound corporate activities by firmly refusing their undue demand, while regularly cooperating with external expert bodies including the police.

(6) In order to ensure adequacy of the documents related to financial accounting and other information, the Company shall strive to secure credibility of its financial reporting, and report important matters to the Executive Committee, the Audit Committee and the accounting auditor, as appropriate.

(7) The Company shall establish rules for reporting for any violations or suspected violations of compliance, and set up points of contact for whistleblowing both inside and outside the Company, the use of which shall be thoroughly informed to all Executive Officers and employees.

(8) The Company shall formulate internal audit rules and develop an internal audit framework. Meanwhile, the Internal Audit Department independent of all departments to be audited shall conduct effective internal audits of compliance in the Company's business activities and report the status of internal audits to the Executive Committee and the Audit Committee.

2. System for retaining and managing information concerning the execution of duties by the Executive Officers

In the Executive Committee rules and the document management rules, the Company shall define the methods and system for retaining and managing various documents concerning the execution of duties by the Executive Officers, such as the minutes of the Executive Committee meetings and approval documents, in order to appropriately retain and manage such information. Documents shall be accessed or copied at the request of the Audit Committee or the Internal Audit Department.

3. System and rules for managing the risk of loss to the Company

(1) Through formulating basic risk management policies and other risk management rules, the Company shall present to Executive Officers and employees the basic matters related to risk

management such as basic principles, the management framework and management methods, and implement risk management based on such basic policies and others.

(2) The Company shall establish a department that supervises risk management, identify the status of risks, and analyze and manage such risks. Meanwhile, a Risk Management Committee shall be established to deliberate on the policies concerning risk management, matters related to the development and operations of risk management system and matters related to the implementation of risk management and report important matters to the Executive Committee and the Audit Committee.

(3) The Company shall formulate crisis management rules and develop a crisis management framework to promptly and appropriately address and take necessary countermeasures in cases where risks that have a significant impact on the management arise.

4. System for ensuring the efficient execution of duties by the Executive Officers

(1) The Company shall, in principle, hold a meeting of the Executive Committee, comprised of Executive Officers, on a weekly basis, and discuss matters delegated from the Board of Directors and matters to be approved by the Board of Directors. Furthermore, specialized committees shall be established as advisory bodies to the Executive Committee as appropriate.

(2) The Company shall formulate organization rules and administrative authority rules and define the duties of each organizational unit, administrative authority and responsibility of each Executive Officer, and the procedures for approvals on business decisions, with a view to ensuring the efficient execution of duties by the Executive Officers.

5. System for ensuring proper operations within the corporate group comprising the Company and Japan Post Holdings, and subsidiaries of the Company

(1) The Company shall conclude the Japan Post Group Agreement with Japan Post Holdings Co., Ltd., Japan Post Co., Ltd. and Japan Post Bank Co., Ltd., while concluding an agreement on the operations of the Japan Post Group and a memorandum of understanding on the rules for such operations with Japan Post Holdings Co., Ltd., whereby prior consultation or reports shall be made over the matters necessary for proper and smooth operations of the Group.

(2) The Company shall formulate rules concerning the management of subsidiaries, and establish a framework for appropriately managing business operations of subsidiaries as follows.

(i) The Company shall have subsidiaries take measures based on the Japan Post Group Agreement, etc. which serves as a basis for the Group management.

(ii) The Company shall carry out management analysis, guidance on business operations, risk management, guidance on compliance, audits, etc., for subsidiaries.

(iii) Formulation of management policies, business plans and other important matters by subsidiaries shall be subject to the prior approval of the Company.

(iv) Matters filed to the authorities by subsidiaries, monthly business results, and the results of external audits shall be reported to the Company.

(3) The Company shall formulate rules concerning the management of intra-Group transactions and ensure proper transactions with the Group companies based on the arm's-length rule.

6. Matters concerning employees who are to assist the duties of the Audit Committee

The Company shall establish the Office of Audit Committee as an organization that provides assistance to the Audit Committee in performing its duties, and assign full-time employees with knowledge and ability necessary to assist the duties of the Audit Committee.

7. Matters related to maintaining the independence of employees who are to assist the duties of the Audit Committee from the Executive Officers, and matters related to ensuring the effectiveness of instructions given by the Audit Committee to these employees

The employees assigned to the Office of Audit Committee shall assist the duties of the Audit Committee under its sole direction. In addition, matters relating to recruitment, transfer, personnel evaluation or disciplinary actions involving the employees assigned to the Office of Audit Committee shall be subject to the approval of the Audit Committee or of a member of the Audit Committee appointed by the Audit Committee.

8. System for the Executive Officers and employees to report to the Audit Committee, and other systems of reporting to the Audit Committee

(1) The Executive Officer in charge of internal controls shall regularly report to the Audit Committee on the status of the performance of duties related to internal controls of the Company and its subsidiaries.

(2) Executive Officers and employees shall promptly report to the members of the Audit Committee on important matters that are likely to have a significant impact on the management of the Company or its subsidiaries.

(3) The Executive Officer in charge of internal audits shall regularly report to the Audit Committee on the status and results of the internal audits of the Company and its subsidiaries, and report to the members of the Audit Committee on the important matters that are likely to have a significant impact on the management.

(4) Executive Officers and employees shall report the matters related to the business execution of the Company or its subsidiaries, as required by the Audit Committee. In this case, The Audit Committee shall request an investigation to the Executive Officer in charge of internal audits or give specific instructions concerning the officer's execution of the duty, whenever the Audit Committee deems necessary.

(5) Executive Officers and employees shall promptly report to the members of the Audit

Committee on any significant compliance violation (including any suspected matters) of the Company or its subsidiaries discovered through whistleblowing or by other means.

(6) Any person who reported to the Audit Committee or any whistleblower within the Company shall not be subject to disadvantageous treatment on the ground of such report or whistleblowing.

9. Procedures for making advanced payment or reimbursement of expenses to be incurred in the execution of duties by the members of the Audit Committee, and matters concerning a policy for the handling of expenses or debts to be incurred in the execution of such duties

Executive Officers and employees may not deny a request for payment made by the members of the Audit Committee for expenses incurred in the course of audits carried out as part of the execution of duties of the Audit Committee, including fees for advice they sought from attorneys, certified public accountants or other external experts, or duties they outsourced for investigation, appraisal or others, unless the Company proved that the aforementioned expenses were not necessary for the execution of duties of the Audit Committee.

10. Other systems for ensuring effective audits by the Audit Committee

(1) The President, CEO, Representative Executive Officer shall strive to exchange opinions with the Audit Committee regularly in an effort to enhance mutual understanding over the important management matters including basic management policy, issues to be addressed and the functional status of the internal control system.

(2) The Executive Officer in charge of internal audits shall formulate or amend the audit plan upon providing prior explanation about the audit plan to the Audit Committee and obtaining its consent.

(3) The Audit Committee shall cooperate with the Executive Officer in charge of internal audits such as by exchanging opinions whenever necessary in order to stay abreast of important points of audit.

(4) The Audit Committee shall receive prior explanation about the audit plan from the accounting auditor and regular reports on the status of audit implementation, and shall cooperate with the accounting auditor through exchange of opinions as appropriate in order to be acquainted with important points concerning accounting audit at all times.

(5) In executing its duties, the Audit Committee shall cooperate with the Audit Committee of Japan Post Holdings Co., Ltd., through measures such as regular exchange of opinions.

(6) Important personnel appointments of the Executive Officer in charge of internal audits and the Senior General Manager of the Internal Audit Department shall be subject to the approval of the Audit Committee or of a member of the Audit Committee appointed by the Audit Committee.

(Status of operation of systems to ensure the appropriateness of business operations)

The Company has established and is operating the internal control systems to ensure proper operations based on the "Fundamental Policy for Establishment of Internal Control Systems," an overview of which is as follows:

(1) System for ensuring that the execution of duties by the Executive Officers and employees of the Company are in compliance with laws and regulations and the Articles of Incorporation

- In order to realize the management philosophy of "Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being," the Company announced the "Basic Policies for Customer-first Business Operations," the "Declaration of Customer-Oriented Services" and "Solicitation Policy," and sent messages inside and outside the Company to strive for thorough customer-first business operations. In addition, with regard to the Standard of Japan Post Insurance Sales which was formulated to ensure that our principle-based approach to providing coverage has a high level of ethics that takes into account the original role and mission of life insurance and to reflect our customer-first philosophy, the Company is working to ensure that our customer-first business operations are thoroughly implemented through means such as training, and it is continuously working to restore and earn the trust of our customers based on our "Commitments to Regain Customers' Trust."
- In order to ensure thorough compliance, the Company established the Compliance Committee, where management policies concerning compliance, specific compliance operations and various issues were deliberated, and important matters were reported to the Executive Committee and the Audit Committee. In addition, ongoing and multi-layered compliance training has been conducted in the workplace.
- The AML/CFT Office, which is in charge of developing a framework for countermeasures against money laundering, terrorist financing, and proliferation finance, has been established, and in order to identify, assess, and mitigate risks, the office is working to develop a framework and proceeding with initiatives to identify and strictly manage high-risk customers, and properly take measures to prevent the misuse of our products and services for illegal activities such as money laundering.
- The Company has set up points of contact for whistleblowing both inside and outside the Company for reporting compliance violations or the possibility of such violations, the use of which are thoroughly informed to all Executive Officers and employees. In addition, the Company has promoted measures such as actively detecting whether there were any disadvantageous treatments of whistleblowers on the ground of such reporting by following up on them.

- The sales divisions at the Head Office formulates measures with a responsibility for sales based on ensuring the solicitation quality, while compliance divisions implement these measures and the Internal Audit Department verifies the sufficiency, appropriateness, and effectiveness of overall initiatives, including mutual checks between both divisions, and branches, post offices, etc. conduct appropriate checks at between the time of application and the conclusion of contracts. In this manner, we have established a system for each organization and have built an appropriate solicitation management system.
- In addition, in order to discuss various issues including matters related to the enhancement and strengthening of the internal control system of Japan Post Co., Ltd., meetings were held regularly with the presidents of both the Company and Japan Post Co., Ltd. to discuss measures necessary for guidance and management.

(2) System for retaining and managing information concerning the execution of duties by the Executive Officers of the Company

- In the Executive Committee rules and the document management rules, the Company clarified the methods and system for retaining and managing documents concerning the execution of duties by the Executive Officers, including the minutes of the Executive Committee meetings and approval documents, and appropriately retained and managed such information.

(3) System and rules for managing the risk of loss to the Company

- The Company established the Risk Management Department as a department that supervises risk management. Meanwhile, the Risk Management Committee conducted deliberations and made reports on the risk management, and the Executive Officer responsible for the Risk Management Department reported important matters related to risk management to the Executive Committee and to the Audit Committee.
- The Company has developed a PDCA cycle, which utilizes risk information detected from customer feedback, employee feedback, social interests/trends of other companies, status of policies in force, etc., and links them to improvement measures.
- The Company has established a system to ensure that customer service and insurance administration can be conducted in a timely and appropriate manner, including the establishment of a Crisis Management Committee, in the event of a large-scale natural disaster or cyberattacks, etc. that make it difficult to carry out normal business operations. The Company has also taken measures against crises, including organizing responses to the occurrence of cyberattacks in advance.

  In addition, regarding the 2024 Noto Peninsula Earthquake, the Company regularly holds Crisis Management Committee meetings, and has provided customer service and responded to employees affected by the earthquake, mainly for the severely damaged areas where substantial time is required for the restoration of infrastructure.

(4) System for ensuring the efficient execution of duties by the Executive Officers of the Company

- In order to ensure the efficient execution of duties by the Executive Officers of the Company, the Company formulated internal regulations which define the duties of each organizational unit, the role of Executive Officers, and the administrative authority and responsibility of each Executive Officer. In principle, a meeting of the Executive Committee is held on a weekly basis, and conducts deliberations and reports on important matters on management.
  In addition, 10 specialized committees were established as advisory bodies to the Executive Committee and engaged in deliberations regarding cross-divisional issues, including the Sustainability Committee for discussing the policy for promoting sustainability strategies from an expert viewpoint.
- Furthermore, in order to promptly and reliably implement measures under the leadership of the management team and improve solicitation quality, the Company implemented various measures such as establishing a Customer-first Solicitation Committee and holding discussions, holding a new "deliberation" session at the Board of Directors' meeting to utilize the knowledge of Outside Directors from the drafting stage of proposals, holding extraordinary meetings of the Board of Directors and meetings of Outside Directors as necessary, and enhancing and accelerating the provision of information to Outside Directors.

(5) System for ensuring proper operations within the corporate group comprising the Company and Japan Post Holdings, and subsidiaries of the Company

- Based on the Japan Post Group Agreement, the Company engaged in prior consultation with and made reports to Japan Post Holdings Co., Ltd. In addition, in order to ensure the appropriateness of operations among the Group companies, we held the Group Steering Committee to discuss critical issues for the Group such as the operational status of each company, customers' and employees' feedback and operational risks. We also held Group liaison meetings regularly on various management issues such as internal audits and compliance.
- In addition to the internal contact point for whistleblowing within the Company, we established an external contact point and a contact point to accept a wide range of business consultations, including those that do not constitute compliance violations. The "One-Stop Consultation and Reporting Platform," a portal site to improve the convenience of these services, has been established and its use has been broadly communicated to employees, including those of subsidiaries. In addition, we will also carry out Group-wide initiatives; for example, if there is a report from sales personnel of Japan Post Co., Ltd. regarding a Japan Post Insurance product, the Company and Japan Post Co., Ltd. will share the necessary

information and respond to the report.

- The Company established a framework for appropriately managing business operations of subsidiaries by formulating rules concerning the management of subsidiaries, and prescribing matters requiring application for prior approval from and reports to the Company, based on business management contracts concluded with subsidiaries. The status of management, etc. of subsidiaries is reported to the Executive Committee and the Board of Directors.

(6) System for ensuring effective audits by the Audit Committee

- The Company established the Audit Committee Office and assigned full-time employees who are independent and have knowledge and capabilities needed to support the duties of the Audit Committee.
- Based on a resolution of the Audit Committee, the Company stipulated Audit Committee auditing standards and prescribed a system for ensuring effective audits by the Audit Committee. A system for reports to the Audit Committee has been established, whereby the Executive Officer responsible for internal control reports regularly on the status of business execution, and important matters are immediately reported to a member of the Audit Committee. Moreover, in order to strengthen the involvement of the Audit Committee in the Internal Audit Department, formulations or amendments to the internal audit plan and important personnel appointments of the Executive Officers responsible for internal audits and the Senior General Manager of the Internal Audit Department are made with the consent of the Audit Committee or an Audit Committee Member selected by the Audit Committee.
- In response to reports from the Executive Officer responsible for the Internal Audit Department, the Audit Committee instructs the Internal Audit Department to investigate as necessary, and has established a system that allows for in-depth discussions based on reports of investigations by the Executive Officer responsible for internal audits, or to provide advice to the said Executive Officer as necessary. In addition, in order to enrich the discussions of the Audit Committee, Audit Committee Members are updated on the status of the most recent audits related to the Audit Committee’s audit topics each month.
- The Audit Committee regularly exchanged opinions with the President, CEO, Representative Executive Officer, and with the Audit Committee of Japan Post Holdings Co., Ltd. and the Audit and Supervisory Board of Japan Post Co., Ltd., on important management matters.

IX. Matters Concerning Specified Wholly-Owned Subsidiaries

Not applicable.

X. Matters Concerning Transactions with Parent Company and Others

1. Points considered not to unfairly impair the benefits of the Company when conducting such transaction

   Business transactions between the Company and its parent company, Japan Post Holdings Co., Ltd., and other companies belonging to the Japan Post Group, are conducted fairly, based on the Insurance Business Act, in accordance with the arm's length rule (the arm's length rule stipulates that insurance companies must not engage in business transactions, etc., with certain related parties including the parent company or subsidiaries of the parent under significantly different terms than normal transactions.)

2. Determination and reasoning by the Board of Directors on whether such transaction does not unfairly impair the benefits of the Company

   In order to ensure the appropriateness of transactions within the Group, all transactions conducted by the Company are checked by the transacting department before the transactions take place to confirm whether or not they constitute intercompany transactions. In the case of transactions conducted with companies belonging to the Japan Post Group, we examine the transaction in advance, based on a fixed checklist, from the perspective of the necessity of an intercompany transaction, the appropriateness of the terms of the transaction, etc., to ensure the appropriateness of the transaction. In addition, a specialized department (Legal Affairs Department) confirms the appropriateness of this examination. Furthermore, the managing department (Corporate Planning Department) conducts an after-the-fact examination after the transaction is completed. Moreover, in order to ensure the properness of transaction terms related to intercompany transactions, we have established a system whereby a resolution is passed by the Board of Directors, including outside directors, when conducting important new transactions or changing the terms of important existing transactions. Thus, through the proper operation of the Company's arm's length rule check system, the Board of Directors confirms that the appropriateness of transactions with Japan Post Holdings Co., Ltd. is ensured.

3. The opinion of the outside directors in case the decision made by the Board of Directors in 2. above differs from the opinion of outside directors

   Not applicable.

XI. Matters Concerning Accounting Advisor

Not applicable.

XII. Other Matters

[Policy for the exercise of authority in case where there is a provision set in the Articles of Incorporation that cash dividends, etc., shall be determined by the Board of Directors]

The Company recognizes that the distribution of profit to shareholders is an important policy of management, and distributes profits to shareholders stably, while securing management soundness.

Specifically, with regard to shareholder dividends, the Company in principle aims not to decrease but to increase dividend per share for the period of the Medium-term Management Plan up to the fiscal year ending March 31, 2026, while considering earning prospects and financial soundness.

Furthermore, with the primary aim of returning profits to shareholders flexibly, the Company will strive to achieve an average total payout ratio from 40% to 50% in the medium-term by engaging in the agile acquisition of treasury stock and other means.

Upon reviewing the Medium-term Management Plan in May 2024, the Company has established a new financial target "adjusted profit," which is partially adjusted for the effect unique to life insurance companies where an increase in new policies lowers net income in the short term. From the fiscal year ending March 31, 2025, the Company aims to achieve an average total payout ratio from 40% to 50% in the medium-term based on this "adjusted profit."

The Company secures internal reserves to fund stable business growth to enable it to respond to future changes in the business environment.

The Company has, in accordance with the provisions of Article 459 of the Companies Act, stipulated that it provides cash dividends based on the resolution of the Board of Directors in the Articles of Incorporation. As for the dividend for the fiscal year ended March 31, 2024, payment of ¥94 per share (including interim dividends of ¥47 per share) was decided at the Board of Directors' meeting held on May 15, 2024.

The Company stipulates in its Articles of Incorporation that it is able to pay interim dividends with a record date of September 30 of each year. For the purpose of enhancing the opportunities to distribute profits to shareholders, the Company plans to provide cash dividends twice a year as the interim dividends and the year-end dividends.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Changes in Net Assets (From April 1, 2023 to March 31, 2024)

(Millions of yen)

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED MARCH 31, 2024

(Basis for Preparation of the 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: 0

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

3. Fiscal Year-end Date of the Consolidated Subsidiary

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

(Notes to the Consolidated Balance Sheet)

1. Significant Accounting Policies

(1) Valuation Criteria and Methods for Securities

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

1) Held-to-maturity Bonds

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

2) Policy-reserve-matching Bonds

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

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

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

4) Available-for-sale Securities

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

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

(ii) Stocks, etc. with no market price

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

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

(2) Valuation Criteria and Methods for Derivative Transactions

All derivative transactions are valued at fair value.

(3) Depreciation Methods for Significant Depreciable Assets

1) Tangible Fixed Assets (excluding leased assets)

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

(i) Buildings: 2-60 years

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

2) Intangible Fixed Assets (excluding leased assets)

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

3) Leased Assets

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

(4) Recognition of Significant Reserves

1) Reserve for Possible Loan Losses

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

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

For loans and guaranteed loans that were extended to borrowers that have filed for bankruptcy including legal bankruptcy or civil rehabilitation, or that are considered substantially bankrupt, an allowance is provided for in the amount of loans, net of collateral value or the amounts expected to be recoverable under guarantees. Reserve for possible loan losses also includes amounts set aside for other assets subject to valuation allowance. The amount written off for loans and other assets during the fiscal year ended March 31, 2024 was ¥45 million.

2) Reserve for Management Board Benefit Trust

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

(5) Employees’ Retirement Benefits Accounting

1) Method for Attributing Expected Benefits to Periods

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

2) Method for Recognizing Actuarial Differences and Prior Service Cost

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

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

(6) Reserve for Price Fluctuations

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

(7) Translation of Significant Assets and Liabilities Denominated in Foreign Currencies

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

(8) Significant Hedge Accounting

1) Methods for Hedge Accounting

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

2) Hedging Instruments and Hedged Items

(i) Hedging instrument: Foreign currency exchange contracts
Hedged item: Foreign-currency-denominated bonds

(ii) Hedging instrument: Interest rate swaps
Hedged item: Insurance liabilities

3) Hedging Policies

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

4) Assessment of Hedge Effectiveness

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

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

Among the policy reserves, insurance premium reserves are calculated based on the following procedures. The amount includes additional policy reserves accumulated for the portion of the reinsurance contracts issued to the Organization for Postal Savings, Postal Life Insurance and Post Office Network (hereinafter referred to as the "Management Network") and for lump-sum payment annuities, pursuant to Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act.

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

2) Reserves for other contracts are calculated based on the net level premium method.

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

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

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

The Company has introduced a trust-based performance-linked stock compensation system 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 a certain number of points depending on the performance for the fiscal year, and later shall have the Board Benefit Trust (BBT) grant Executive Officers who meet the requirement for eligibility at the time of their retirement 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 at the time of their retirement.

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 by Trust

Shares of the Company held by Trust are recorded as treasury stock under the category of net assets at book value in the Trust (excluding accompanying expenses). Book value of such treasury stock at the end of the fiscal year ended March 31, 2024 was ¥925 million, while the number of such treasury stock was 415 thousand shares.

3. Matters Regarding Financial Instruments were as follows:

(1) Matters Regarding Status of Financial Instruments

1) Policy for handling financial instruments

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

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

2) Features and risks of financial instruments

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

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

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

3) Risk management framework for financial instruments

(i) Management of market risk

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

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

(ii) Management of credit risk

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

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

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

4) Additional notes concerning the fair value of financial instruments

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

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

(2) Fair Values of Financial Instruments

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

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

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
Monetary claims bought	25,392	25,392	-
Available-for-sale securities	25,392	25,392	-
Money held in trust (*1) (*2)	6,158,055	6,158,055	-
Securities	47,587,711	48,461,033	873,322
Held-to-maturity bonds	32,343,114	33,401,975	1,058,860
Policy-reserve-matching bonds	7,139,629	6,954,091	(185,537)
Available-for-sale securities (*2)	8,104,967	8,104,967	-
Loans	3,281,282	3,350,020	68,737
Policy loans	149,707	149,707	-
Industrial and commercial loans (*3)	849,174	829,355	(19,786)
Loans to the Management Network (*3)	2,282,432	2,370,957	88,524
Reserve for possible loan losses (*4)	(31)	-	-
Total assets	57,052,441	57,994,501	942,060
Bonds payable	400,000	391,900	(8,100)
Total liabilities	400,000	391,900	(8,100)
Derivative transactions (*5)			
Hedge accounting not applied	[1,097]	[1,097]	-
Hedge accounting applied	[43,537]	[43,537]	-
Total derivative transactions	[44,634]	[44,634]	-

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

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

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

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

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

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

(Millions of yen)

	Consolidated balance sheet amount
Money held in trust (*1)	113,360
Securities	106,101
Unlisted stocks (*2)	11,722
Foreign securities (*2)	23,994
Investments in partnership (*3)	70,384
Total	219,461

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

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

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

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

(Millions of yen)

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

Note 3: Redemption schedule of bonds payable

(Millions of yen)

	Within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Japanese corporate bonds	-	-	-	-	-	400,000
Total	-	-	-	-	-	400,000

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

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

Level 1 Fair Values: Fair values measured using observable inputs that are quoted prices for identified assets or liabilities in active markets

Level 2 Fair Values: Fair values measured using observable inputs other than those included within Level 1

Level 3 Fair Values: Fair values measured using unobservable inputs

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

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

(Millions of yen)

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

(*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 ¥1,260,483 million, and the consolidated balance sheet amount for mutual funds to which the treatment in Paragraph 24-9 is applied is ¥176,297 million.

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

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

(Millions of yen)

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

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

Assets

Monetary claims bought

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

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

Money held in trust

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

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

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

Securities

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

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

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

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

Loans

For policy loans and those included in loans to the Management Network of Postal Life Insurance Contracts, book values are used as fair values because amounts are limited to the values of corresponding cash surrender value and their fair value approximates book value considering their short maturities and interest conditions.

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

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

The fair value of loans is classed in Level 3.

Liabilities

Bonds payable

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

Derivative transactions

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

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

1) Quantitative information regarding material, unobservable inputs

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

2) Changes in net valuation gain/loss recognized in gain/loss for the fiscal year ended March 31, 2024

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

(*1) Included in "Investment income" and "Investment expenses" in the consolidated statement of income.

(*2) Transfer from Level 3 fair value to Level 2 fair value whereby observable data of such Japanese local government bonds became available. Such transfer was effected at the beginning of the fiscal year under review.

3) Explanation of fair value valuation process

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

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

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

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

1) Changes in net valuation gain/loss recognized in gain/loss for mutual funds to which the treatment in Paragraph 24-3 is applied for the fiscal year ended March 31, 2024

(Millions of yen)

Balance at the beginning of the fiscal year	Gain/loss for period under review or other comprehensive income (loss)		Changes due to purchase, sale, and redemption	Amount for which the net asset value of mutual funds is regarded as the fair value	Amount for which the net asset value of mutual funds is not regarded as the fair value	Balance at the end of period	Of gain/loss in fiscal year ended March 31, 2024, net valuation gain/loss of mutual funds held on consolidated balance sheet date
	Recorded in gain/loss	Recorded in other comprehensive income (loss)					
976,210	-	134,697	149,575	-	-	1,260,483	-

2) Changes in net valuation gain/loss recognized in gain/loss for mutual funds to which the treatment in Paragraph 24-9 is applied for the fiscal year ended March 31, 2024

(Millions of yen)

Balance at the beginning of the fiscal year	Gain/loss for period under review or other comprehensive income (loss)		Changes due to purchase, sale, and redemption	Amount for which the net asset value of mutual funds is regarded as the fair value	Amount for which the net asset value of mutual funds is not regarded as the fair value	Balance at the end of period	Of gain/loss in fiscal year ended March 31, 2024, net valuation gain/loss of mutual funds held on consolidated balance sheet date
	Recorded in gain/loss	Recorded in other comprehensive income (loss)					
168,115	-	3,517	4,665	-	-	176,297	-

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

[Items that require a certain amount of time for cancellation, etc. ¥1,260,483 million]

(4) Securities

1) Held-to-maturity Bonds

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
Those for which fair value exceeds the consolidated balance sheet amount			
Bonds	25,189,236	27,286,288	2,097,052
Japanese government bonds	23,385,959	25,368,895	1,982,935
Japanese local government bonds	1,318,044	1,397,333	79,289
Japanese corporate bonds	485,232	520,059	34,827
Subtotal	25,189,236	27,286,288	2,097,052
Those for which fair value does not exceed the consolidated balance sheet amount			
Bonds	7,153,878	6,115,686	(1,038,191)
Japanese government bonds	5,841,671	4,982,232	(859,439)
Japanese local government bonds	528,674	465,734	(62,939)
Japanese corporate bonds	783,532	667,719	(115,813)
Subtotal	7,153,878	6,115,686	(1,038,191)
Total	32,343,114	33,401,975	1,058,860

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	3,703,306	3,981,476	278,170
Japanese government bonds	3,446,300	3,714,174	267,873
Japanese local government bonds	154,435	161,038	6,602
Japanese corporate bonds	102,569	106,263	3,693
Foreign securities	-	-	-
Foreign bonds	-	-	-
Subtotal	3,703,306	3,981,476	278,170
Those for which fair value does not exceed the consolidated balance sheet amount			
Bonds	3,416,323	2,953,059	(463,264)
Japanese government bonds	2,025,683	1,736,067	(289,615)
Japanese local government bonds	252,680	231,158	(21,522)
Japanese corporate bonds	1,137,958	985,833	(152,125)
Foreign securities	20,000	19,555	(444)
Foreign bonds	20,000	19,555	(444)
Subtotal	3,436,323	2,972,614	(463,708)
Total	7,139,629	6,954,091	(185,537)

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	414,959	408,270	6,688
Japanese government bonds	-	-	-
Japanese local government bonds	5,870	5,839	31
Japanese corporate bonds	409,088	402,430	6,657
Stocks	519,399	315,950	203,449
Foreign securities	970,682	857,720	112,961
Foreign bonds	840,323	730,708	109,614
Other foreign securities	130,358	127,011	3,347
Other (*)	793,051	719,347	73,704
Subtotal	2,698,092	2,301,287	396,804
Those for which the consolidated balance sheet amount does not exceed cost			
Bonds	2,914,243	3,151,928	(237,685)
Japanese government bonds	1,337,930	1,530,689	(192,758)
Japanese local government bonds	374,822	382,391	(7,568)
Japanese corporate bonds	1,201,489	1,238,847	(37,357)
Stocks	26,631	29,023	(2,392)
Foreign securities	1,154,164	1,242,076	(87,911)
Foreign bonds	1,114,187	1,202,076	(87,888)
Other foreign securities	39,977	40,000	(22)
Other (*)	2,007,227	2,145,058	(137,830)
Subtotal	6,102,267	6,568,086	(465,819)
Total	8,800,359	8,869,374	(69,015)

(*) "Other" includes negotiable certificates of deposit (cost: ¥670,000 million, consolidated balance sheet amount: ¥670,000 million) presented as "Cash and deposits" in the consolidated balance sheet, and monetary claims bought (cost: ¥24,907 million, consolidated balance sheet amount: ¥25,392 million).

4) Policy-reserve-matching Bonds Sold during the Fiscal Year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Sales	Gains	Losses
Bonds	802,064	22,141	8,354
Japanese government bonds	737,465	22,141	3,153
Japanese local government bonds	200	0	-
Japanese corporate bonds	64,399	-	5,200
Total	802,064	22,141	8,354

5) Available-for-sale Securities Sold during the Fiscal Year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Sales	Gains	Losses
Bonds	433,135	28	48,975
Japanese government bonds	363,609	-	44,493
Japanese corporate bonds	69,525	28	4,482
Stocks	66,681	14,394	4,489
Foreign securities	1,435,266	114,588	115,885
Foreign bonds	1,433,823	114,588	115,813
Other foreign securities	1,442	-	71
Total	1,935,083	129,011	169,350

6) Securities for which losses on valuation were recognized

The Group recognized losses on valuation of ¥71 million for available-for-sale securities with market value.

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

(5) Money Held in Trust

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

(Millions of yen)

	Consolidated balance sheet amount	Cost	Difference		
				Those for which the consolidated balance sheet amount exceeds cost	Those for which the consolidated balance sheet amount does not exceed cost
Specified money held in trust	6,158,055	3,642,486	2,515,569	2,553,934	(38,365)

(*) The Group recognized losses on valuation of ¥3,882 million for the fiscal year ended March 31, 2024.

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

(6) Derivative Transactions

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

Currency-related derivatives (Millions of yen)

Category	Type of derivative	Contract amount	Contract amount due after 1 year	Fair value	Net Valuation Gain/Loss
OTC	Forward foreign exchange				
	Sold	58,287	-	(1,097)	(1,097)
	U.S. dollars	53,516	-	(1,005)	(1,005)
	Euros	4,770	-	(91)	(91)
Total		-	-	-	(1,097)

2) Derivative transactions to which the hedge accounting is applied

(i) Currency-related derivatives (Millions of yen)

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

(ii) Interest-related derivatives (Millions of yen)

Hedge accounting method	Type of derivative	Major hedged item	Contract amount	Contract amount due after 1 year	Fair value
Principle treatment method	Interest rate swaps Receivable fixed rate / Payable floating rate	Insurance liability	250,000	250,000	(5,814)
Total			-	-	(5,814)

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

(1) The consolidated balance sheet amount and fair value of policy-reserve-matching bonds amount to ¥7,139,629 million and ¥6,954,091 million, respectively.

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

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

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

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

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

5. Securities lent under lending agreements in the amount of ¥1,597,184 million were included in "Securities" in the consolidated balance sheet as of March 31, 2024.

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 March 31, 2024.

Definitions for each of the respective loans are as follows:

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

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

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

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

7. The balance of the unused credit under loan commitment line agreements, etc. as of March 31, 2024 was ¥4,890 million.

8. With regard to the loans (loans to the Management Network) that became due on March 31, 2024, including ¥242,568 million in principal and ¥21,100 million in interest, the due date was moved to the following business day, pursuant to internal rules, as March 31, 2024 fell on a bank holiday. Of this amount, ¥13,276 million, received in advance, was recorded as other liabilities (suspense receipt) as its due date had not yet arrived.

9. Accumulated depreciation for tangible fixed assets as of March 31, 2024 was ¥62,049 million.

10. Total deferred tax assets and total deferred tax liabilities were ¥1,481,402 million and ¥829,784 million, respectively. A deduction from deferred tax assets as valuation allowance was ¥14,973 million.

Significant components of deferred tax assets include ¥998,451 million of policy reserves, ¥228,547 million of reserve for price fluctuations, ¥42,693 million of reserve for outstanding claims, ¥26,909 million of liability for retirement benefits, and ¥141,183 million of unrealized losses on available-for-sale securities.

Significant components of deferred tax liabilities include ¥817,573 million of unrealized gains on available-for-sale securities.

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

11. Changes in reserve for policyholder dividends for the fiscal year ended March 31, 2024 were as follows:

Balance at the beginning of the fiscal year	¥1,175,171 million
Policyholder dividends paid	¥129,463 million
Interest accrual	¥137 million
Reduction due to the acquisition of additional annuity	¥115 million
Provision for reserve for policyholder dividends	¥55,899 million
Balance at the end of the fiscal year	¥1,101,628 million

12. Equities, etc. of subsidiaries and affiliates was ¥77,847 million.

13. Assets pledged as collateral consisted of the following:

Securities	¥3,715,475 million

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

Payables under repurchase agreements	¥3,905,000 million

The above securities are those sold under repurchase agreements.

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

Securities	¥213,657 million
Margin deposits for futures transactions	¥4,284 million
Cash collateral paid for financial instruments	¥35,750 million

14. Reserve for outstanding claims for reinsured part defined in Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Ordinance (hereinafter referred to as "reserve for outstanding claims-ceded"), as of March 31, 2024 was ¥426 million. Policy reserves for reinsured part defined in Article 71, Paragraph 1 of the said Ordinance (hereinafter referred to as "policy reserves-ceded") as of March 31, 2024 were ¥641,745 million.

15. Net assets per share were ¥8,871.61.

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

Total number of treasury stock at the end of the fiscal year which was deducted from the calculation of net assets per share for the fiscal year ended March 31, 2024 was 415 thousand shares.

16. The Company has the right to sell or pledge securities received as collateral for transactions such as resale agreements, borrowing agreements, and derivative transactions. The fair value of such securities held in hand was ¥141,779 million as of March 31, 2024.

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

18. Matters related to retirement benefits are as follows:

(1) Outline of retirement benefits

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

In addition, starting from October 1, 2015, the Company has joined the retirement pension plan based on the Act for Partial Amendment of the Act on National Public Officers' Retirement Allowance, etc., for the Purpose of Review over the Levels of the Retirement Benefits for National Public Officers (Act No. 96 of 2012) and introduced as a new pension system to replace the discontinued occupational portion (third-tier portion) of the mutual pension, and the pension contribution amount required of the Company for the fiscal year ended March 31, 2024 was ¥913 million.

(2) Defined benefit plans

1) Changes in retirement benefit obligations

	(Millions of yen)
Balance at the beginning of the fiscal year	69,331
Service cost	5,637
Interest cost	666
Actuarial differences	(404)
Benefits paid	(6,223)
Increase/decrease due to transfers	26,924
Balance at the end of the fiscal year	95,931

(Changes in presentation method)

"Increase/decrease due to transfers," which used to be included in "other" is indicated separately from the fiscal year ended March 31, 2024, as its financial significance has increased.

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

	(Millions of yen)
Unfunded retirement benefit obligations	95,931
Liability for retirement benefits recorded on the consolidated balance sheet	95,931

3) Retirement benefit costs

	(Millions of yen)
Service cost	5,637
Interest cost	666
Amortization of actuarial differences	(178)
Amortization of prior service cost	(464)
Amount borne by seconded employees	4,483
Retirement benefit expenses of defined benefit plans	10,143

4) Adjustments for retirement benefits

The breakdown of adjustments for retirement benefits (before tax effect) is as follows:

	(Millions of yen)
Prior service cost	(464)
Actuarial differences	225
Total	(239)

5) Accumulated adjustments for retirement benefits

The breakdown of accumulated adjustments for retirement benefits (before tax effect) is as follows:

	(Millions of yen)
Unrecognized prior service cost	2,791
Unrecognized actuarial differences	241
Total	3,033

6) Actuarial assumptions

The principal actuarial assumption used for the fiscal year ended March 31, 2024 was as follows:

Discount rate	0.3 to 0.7%

19. Policy reserves, excluding contingency reserve and including policy reserves-ceded, related to reinsurance contracts with the Management Network, amounted to ¥25,595,821 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 ¥1,283,683 million and ¥749,984 million, respectively, for the category of the reinsurance.

20. “Other liabilities” in the consolidated balance sheet includes ¥37,575 million of deposits from the Management Network. Deposits from the Management Network refer to the amounts equivalent to the reserve for outstanding claims and reserve for losses on compensation for damages related to litigation or conciliation of the Management Network, which were deposited at the time of privatization based on the outsourcing agreements with the Management Network for the administrative operation of the Postal Life Insurance Policy and which remained unpaid as of the fiscal year ended March 31, 2024.

21. Notes to significant subsequent events are as follows:

As indicated below, the Company issued subordinated unsecured bonds by way of domestic public offering on April 17, 2024, and payment for the bonds was completed on the same day.

(1) Name of bond	Fourth series of subordinated unsecured bonds with interest deferral option and early redemption option
(2) Principal amount	¥100 billion
(3) Denomination	¥100 million
(4) Maturity date	April 17, 2054 The Company may, at its discretion, redeem the bond (i) on April 17, 2034 and every date which falls five, or a multiple of five, years thereafter or (ii) upon the occurrence and continuation of a regulatory event, a tax deductibility event or a rating agency event on and after the payment date, subject to the prior approval of the regulatory authority.
(5) Interest rate	(i) From the day immediately following April 17, 2024 until April 17, 2034: 2.133% (ii) From the day immediately following April 17, 2034: 5-years JGB plus 2.300% (reset every 5 years)
(6) Interest payment date	April 17 and October 17 of each year
(7) Issue price	¥100 per amount of ¥100 of each bond
(8) Redemption price	¥100 per amount of ¥100 of each bond
(9) Payment date	April 17, 2024
(10) Collateral and guarantees	No collateral or guarantee will be provided.
(11) Prioritization	As to the payment of debt in liquidation or other proceedings of the issuer, the bonds shall be subordinated to general debt, ranking substantially pari passu with its pari-passu subordinated debt as well as its most preferred stock of the issuer (if issued by the issuer in future) and shall be senior to its common stock.
(12) Purpose of funds	General working capital

(Notes to the Consolidated Statement of Income)

1. Significant Accounting Policies

(1) Recognition of insurance premiums and others

1) Insurance premiums

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

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

2) Reinsurance income

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

(2) Recognition of insurance claims and others

1) Insurance claims and others (excluding reinsurance premiums)

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

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

2) Reinsurance premiums

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

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

2. The amount of reversal of reserve for outstanding claims-ceded that is deducted from the calculation of reversal of reserve for outstanding claims for the fiscal year ended March 31, 2024 was ¥264 million. The amount of provision for policy reserves-ceded that is added to the calculation of reversal of policy reserves for the fiscal year ended March 31, 2024 was ¥640,865 million.

3. Net income per share was ¥227.45.

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

Average number of treasury stock during the fiscal year which was deducted from the calculation of net income per share for the fiscal year ended March 31, 2024 was 433 thousand shares.

4. Insurance premiums assumed based on reinsurance contracts with the Management Network included in insurance premiums and others for the fiscal year ended March 31, 2024 were ¥171,727 million.

5. Insurance claims based on reinsurance contracts with the Management Network included in insurance claims for the fiscal year ended March 31, 2024 were ¥2,268,384 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 ¥46,866 million for the fiscal year ended March 31, 2024.

(Notes to the Consolidated Statement of Changes in Net Assets)

1. Type and Number of Shares Issued and Treasury Stock (Thousands of shares)

	April 1, 2023	Increase	Decrease	March 31, 2024
Shares issued				
Common stock	399,693	-	16,501	383,192
Treasury stock				
Common stock	16,988	-	16,561	427

(*1) The decrease of 16,501 thousand shares in the number of shares issued was attributable to a decrease due to the cancellation by treasury stock based on the written resolution passed by the Board of Directors on April 17, 2023.

(*2) Numbers of treasury stock at the beginning and the end of the fiscal year ended March 31, 2024 include shares of the Company held in the BBT, and were 475 thousand shares and 415 thousand shares, respectively.

(*3) The decrease of 16,561 thousand shares in the number of treasury stock was attributable to a decrease of 16,501 thousand shares due to the cancellation of treasury stock based on the written resolution passed by the Board of Directors on April 17, 2023 and a decrease of 59 thousand shares due to the granting and sale of shares via the BBT.

2. 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, 2023	Common stock	17,626	46.00	March 31, 2023	June 20, 2023
Board of Directors' meeting held on November 13, 2023	Common stock	18,009	47.00	September 30, 2023	December 5, 2023

(*1) Total amount of dividends based on the resolution at the Board of Directors meeting held on May 15, 2023 includes ¥21 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

(*2) Total amount of dividends based on the resolution at the Board of Directors meeting held on November 13, 2023 includes ¥19 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

(2) Dividends whose effective date falls after the end of the fiscal year ended March 31, 2024

Resolution	Class of shares	Total amount (Millions of yen)	Source of dividends	Per share amount (Yen)	Record date	Effective date
Board of Directors' meeting held on May 15, 2024	Common stock	18,009	Retained earnings	47.00	March 31, 2024	June 18, 2024

(*) Total amount of dividends includes ¥19 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

NON-CONSOLIDATED FINANCIAL STATEMENTS

Non-Consolidated Statement of Changes in Net Assets (From April 1, 2023 to March 31, 2024)

(Millions of yen)

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

	Shareholders' equity			Valuation and translation adjustments			
	Retained earnings						
	Total retained earnings	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	**702,185**	**(36,082)**	**1,571,147**	**797,912**	**4,607**	**802,520**	**2,373,667**
Changes in the fiscal year							
Cash dividends	(35,635)		(35,635)				(35,635)
Net income	88,564		88,564				88,564
Disposals of treasury stock		132	132				132
Cancellation of treasury stock		35,000	—				—
Reversal of reserve for reduction entry of real estate	—		—				—
Transfer from retained earnings to capital surplus	(35,000)		—				—
Net changes in items other than shareholders' equity in the fiscal year				977,780	(8,794)	968,986	968,986
Net changes in the fiscal year	**17,927**	**35,133**	**53,061**	**977,780**	**(8,794)**	**968,986**	**1,022,047**
Balance at the end of the fiscal year	**720,112**	**(948)**	**1,624,208**	**1,775,693**	**(4,186)**	**1,771,506**	**3,395,714**

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED MARCH 31, 2024

(Notes to the Non-Consolidated Balance Sheet)

1. Significant Accounting Policies

(1) Valuation Criteria and Methods for Securities

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

1) Held-to-maturity Bonds

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

2) Policy-reserve-matching Bonds

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

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

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

4) Available-for-sale Securities

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

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

(ii) Stocks, etc. with no market price

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

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

(2) Valuation Criteria and Methods for Derivative Transactions

All derivative transactions are valued at fair value.

(3) Depreciation Method for Fixed Assets

1) Tangible Fixed Assets (excluding leased assets)

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

(i) Buildings: 2-60 years

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

2) Intangible Fixed Assets (excluding leased assets)

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

3) Leased Assets

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

(4) Recognition of Reserves

1) Reserve for Possible Loan Losses

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

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

For loans and guaranteed loans that were extended to borrowers that have filed for bankruptcy including legal bankruptcy or civil rehabilitation, or that are considered substantially bankrupt, an allowance is provided for in the amount of loans, net of collateral value or the amounts expected to be recoverable under guarantees. Reserve for possible loan losses also includes amounts set aside for other assets subject to valuation allowance. The amount written off for loans and other assets during the fiscal year ended March 31, 2024 was ¥45 million.

2) Reserve for Employees' Retirement Benefits

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

(i) Method for Attributing Expected Benefits to Periods

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

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

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

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

3) Reserve for Management Board Benefit Trust

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

(5) Reserve for Price Fluctuations

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

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

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

(7) Hedge Accounting

1) Methods for Hedge Accounting

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

2) Hedging Instruments and Hedged Items

(i) Hedging instrument: Foreign currency exchange contracts
Hedged item: Foreign-currency-denominated bonds

(ii) Hedging instrument: Interest rate swaps
Hedged item: Insurance liabilities

3) Hedging Policies

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

4) Assessment of Hedge Effectiveness

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

(8) Policy Reserves

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

Among the policy reserves, insurance premium reserves are calculated based on the following procedures. The amount includes additional policy reserves accumulated for the portion of the reinsurance contracts issued to the Organization for Postal Savings, Postal Life Insurance and Post Office Network (hereinafter referred to as the "Management Network") and for lump-sum payment annuities, pursuant to Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act.

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

2) Reserves for other contracts are calculated based on the net level premium method.

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

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

(9) Employees' Retirement Benefits Accounting

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

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

Notes to the transactions for granting shares and others of the Company to Executive Officers of the Company through trust are omitted as they are presented in NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED MARCH 31, 2024 (Notes to the Consolidated Balance Sheet).

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

(1) The balance sheet amount and fair value of policy-reserve-matching bonds amount to ¥7,139,629 million and ¥6,954,091 million, respectively.

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

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

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

4. Securities lent under lending agreements in the amount of ¥1,597,184 million were included in "Securities" in the balance sheet as of March 31, 2024.

5. There were no bankrupt loans or quasi-bankrupt loans, doubtful loans, past due loans for three months or more, or restructured loans as of March 31, 2024.

Definitions for each of the respective loans are as follows:

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

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

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

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

6. The balance of the unused credit under loan commitment line agreements as of March 31, 2024 was ¥4,890 million.

7. With regard to the loans to the Management Network that became due on March 31, 2024, including ¥242,568 million in principal and ¥21,100 million in interest, the due date was moved to the following business day, pursuant to internal rules, as March 31, 2024 fell on a bank holiday. Of this amount, ¥13,276 million, received in advance, was recorded as suspense receipt as its due date had not yet arrived.

8. Accumulated depreciation for tangible fixed assets as of March 31, 2024 was ¥61,717 million.

9. Total monetary claims and total monetary obligations with respect to subsidiaries and affiliates amounted to ¥169 million and ¥18,300 million, respectively.

10. Total deferred tax assets and total deferred tax liabilities were ¥1,481,264 million and ¥829,779 million, respectively. A deduction from deferred tax assets as valuation allowance was ¥14,960 million.

Significant components of deferred tax assets include ¥998,451 million of policy reserves, ¥228,547 million of reserve for price fluctuations, ¥42,693 million of reserve for outstanding claims, ¥27,206 million of reserve for employees' retirement benefits, and ¥141,183 million of unrealized losses on available-for-sale securities.

Significant components of deferred tax liabilities include ¥817,573 million of unrealized gains on available-for-sale securities.

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

11. Changes in reserve for policyholder dividends for the fiscal year ended March 31, 2024 were as follows:

Balance at the beginning of the fiscal year	¥1,175,171 million
Policyholder dividends paid	¥129,463 million
Interest accrual	¥137 million
Reduction due to the acquisition of additional annuity	¥115 million
Provision for reserve for policyholder dividends	¥55,899 million
Balance at the end of the fiscal year	¥1,101,628 million

12. Equities, etc. of subsidiaries and affiliates were ¥78,631 million.

13. Assets pledged as collateral consisted of the following:

Securities	¥3,715,475 million

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

Payables under repurchase agreements	¥3,905,000 million

The above securities are those sold under repurchase agreements.

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

Securities	¥213,657 million
Margin deposits for futures transactions	¥4,284 million
Cash collateral paid for financial instruments	¥35,750 million

14. Reserve for outstanding claims for reinsured part defined in Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Ordinance (hereinafter referred to as "reserve for outstanding claims-ceded"), as of March 31, 2024 was ¥426 million. Policy reserves for reinsured part defined in Article 71, Paragraph 1 of the said Ordinance (hereinafter referred to as "policy reserves-ceded") as of March 31, 2024 were ¥641,745 million.

15. Net assets per share were ¥8,871.53.

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

Total number of treasury stock at the end of the fiscal year which was deducted from the calculation of net assets per share for the fiscal year ended March 31, 2024 was 415 thousand shares.

16. The Company has the right to sell or pledge securities received as collateral for transactions such as resale agreements, borrowing agreements and derivative transactions. The fair value of such securities held in hand was ¥141,779 million as of March 31, 2024.

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

18. Policy reserves, excluding contingency reserve and including policy reserves-ceded, related to reinsurance contracts with the Management Network, amounted to ¥25,595,821 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 ¥1,283,683 million and ¥749,984 million, respectively, for the category of the reinsurance.

19. Deposits from the Management Network in the balance sheet refer to the amounts equivalent to the reserve for outstanding claims and reserve for losses on compensation for damages related to litigation or conciliation of the Management Network, which were deposited at the time of privatization based on the outsourcing agreements with the Management Network for the administrative operation of the Postal Life Insurance Policy and which remained unpaid as of the fiscal year ended March 31, 2024.

20. Notes to significant subsequent events are as follows:

As indicated below, the Company issued subordinated unsecured bonds by way of domestic public offering on April 17, 2024, and payment for the bonds was completed on the same day.

(1) Name of bond	Fourth series of subordinated unsecured bonds with interest deferral option and early redemption option
(2) Principal amount	¥100 billion
(3) Denomination	¥100 million
(4) Maturity date	April 17, 2054 The Company may, at its discretion, redeem the bond (i) on April 17, 2034 and every date which falls five, or a multiple of five, years thereafter or (ii) upon the occurrence and continuation of a regulatory event, a tax deductibility event or a rating agency event on and after the payment date, subject to the prior approval of the regulatory authority.
(5) Interest rate	(i) From the day immediately following April 17, 2024 until April 17, 2034: 2.133% (ii) From the day immediately following April 17, 2034: 5-years JGB plus 2.300% (reset every 5 years)
(6) Interest payment date	April 17 and October 17 of each year
(7) Issue price	¥100 per amount of ¥100 of each bond
(8) Redemption price	¥100 per amount of ¥100 of each bond
(9) Payment date	April 17, 2024
(10) Collateral and guarantees	No collateral or guarantee will be provided.
(11) Prioritization	As to the payment of debt in liquidation or other proceedings of the issuer, the bonds shall be subordinated to general debt, ranking substantially pari passu with its pari-passu subordinated debt as well as its most preferred stock of the issuer (if issued by the issuer in future) and shall be senior to its common stock.
(12) Purpose of funds	General working capital

(Notes to the Non-Consolidated Statement of Income)

1. Significant Accounting Policies

(1) Recognition of insurance premiums and others

1) Insurance premiums

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

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

2) Reinsurance income

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

(2) Recognition of insurance claims and others

1) Insurance claims and others (excluding reinsurance premiums)

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

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

2) Reinsurance premiums

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

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

2. Total expenses from transactions with subsidiaries and affiliates amounted to ¥19,067 million.

3. Gains on sales of securities comprise domestic bonds of ¥22,169 million, domestic stocks of ¥14,394 million and foreign securities of ¥114,588 million.

4. Losses on sales of securities comprise domestic bonds of ¥57,329 million, domestic stocks of ¥4,489 million, and foreign securities of ¥115,885 million.

5. Losses on valuation of securities comprise other securities of ¥71 million.

6. Gains on money held in trust include losses on valuation of ¥3,882 million.

7. Losses on derivative financial instruments include losses on valuation of ¥38,819 million.

8. The amount of reversal of reserve for outstanding claims-ceded that is deducted from the calculation of reversal of reserve for outstanding claims for the fiscal year ended March 31, 2024 was ¥264 million. The amount of provision for policy reserves-ceded that is added to the calculation of reversal of policy reserves for the fiscal year ended March 31, 2024 was ¥640,865 million.

9. Net income per share was ¥231.39.

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

Average number of treasury stock during the fiscal year which was deducted from the calculation of net income per share for the fiscal year ended March 31, 2024 was 433 thousand shares.

10. Insurance premiums assumed based on reinsurance contracts with the Management Network included in insurance premiums and others for the fiscal year ended March 31, 2024 were ¥171,727 million.

11. Insurance claims based on reinsurance contracts with the Management Network included in insurance claims for the fiscal year ended March 31, 2024 were ¥2,268,384 million.

12. 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 ¥46,866 million for the fiscal year ended March 31, 2024.

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

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

Type	Company name	Percentage of voting rights	Relationship	Transaction	Transaction amount	Account	Year-end balance
Parent company	Japan Post Holdings Co., Ltd.	Directly owned 49.84%	Group management Interlocking officers	Payment of brand royalty fees (*)	¥2,094 million	Accounts Payable	¥191 million

Conditions of transactions and policies to decide the conditions

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

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

Type	Company name	Percentage of voting rights	Relationship	Transaction	Transaction amount	Account	Year-end balance
Subsidiary of parent company	Japan Post Co., Ltd.	None	Insurance agency Interlocking officers	Payments for commission of agency services (*1)	¥123,794 million	Agency accounts payable	¥9,655 million

Conditions of transactions and policies to decide the conditions

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

(*2) In addition to the above, from the fiscal year ended March 31, 2020, out of the expenses required for the maintenance of the post office network, the expenses necessary to ensure universal service will be covered by the funds provided to Japan Post Co., Ltd. from the Management Network using the contributions from the Company and JAPAN POST BANK Co., Ltd. as funds, with the exception of the amount to be borne by Japan Post Co., Ltd., in accordance with the Act on Organization for Postal Savings, Postal Life Insurance and Post Office Network. In the fiscal year ended March 31, 2024, the contributions paid by the Company to the Management Network amounted to ¥56,486 million.

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

Type and Number of Treasury Stock

(Thousands of shares)

	April 1, 2023	Increase	Decrease	March 31, 2024
Treasury stock				
Common stock	16,988	-	16,561	427

(*1) Numbers of treasury stock at the beginning and the end of the fiscal year ended March 31, 2024 include shares of the Company held in the BBT, and were 475 thousand shares and 415 thousand shares, respectively.

(*2) The decrease of 16,561 thousand shares in the number of treasury stock was attributable to a decrease of 16,501 thousand shares due to the cancellation of treasury stock based on the written resolution passed by the Board of Directors on April 17, 2023 and a decrease of 59 thousand shares due to the granting and sale of shares via the BBT.