

# JAPAN POST INSURANCE Co., Ltd.

Annual Report  
**2024**  
Data Section  
Year ended March 31, 2024

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## Management Philosophy

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

## Management Policy

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

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

## Code of Conduct

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

## History

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

company. On October 1, 2007, the Company changed its trade name to “JAPAN POST INSURANCE Co., Ltd.”

We currently engage in the life insurance business and Postal Life Insurance management business under commission from the Management Network.

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

Notes: 1. The Japan branch of the U.S. corporation was established as a Japanese corporation and the business conducted by the Japan branch was succeeded to the Japanese corporation. As a result, our contract partner at the date of publication of this report is Aflac Life Insurance Japan Ltd.  
2. Due to an internal transfer of management within the group of our business partner, our business alliance is with Dai-ichi Life Holdings, Inc. at the date of publication of this report.

### [Reference] History of Postal Life Insurance

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

#### New Operations after Privatization

(As of July 1, 2023)

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

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

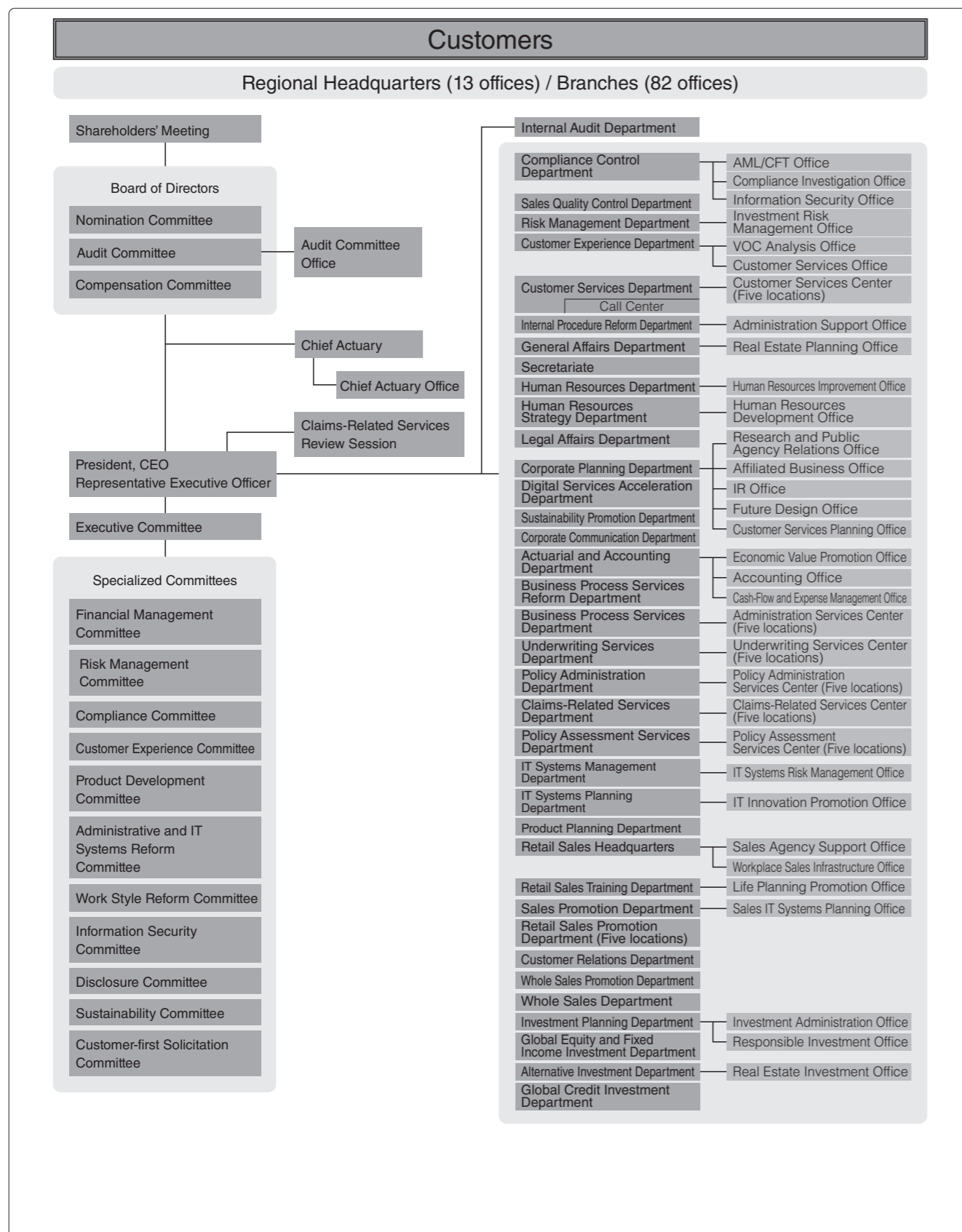
Note: Additional restrictions on new operations under the Postal Service Privatization Act were relaxed from a license system to a notification system in June 2021.

## Major Businesses

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

## Organization Chart

(As of July 1, 2024)



## Paid-in Capital

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

## Total Number of Stocks

|                                 |               |
|---------------------------------|---------------|
| Total number of issuable stocks | 2,400,000,000 |
| Total number of issued stocks   | 383,192,300   |
| Current period shareholders     | 152,307       |

## Condition of Stocks

### (1) Class of stocks issued

| Issued stocks | Class        | Number of issued stocks | Contents  |
|---------------|--------------|-------------------------|---|
|               | Common stock | 383,192,300             | The number of shares composing one share unit is 100. |

Note: The above number of shares includes 11,151 shares of treasury stock. Treasury stock does not include the 415,900 shares of the Company's stock held in the Board Benefit Trust (BBT).

### (2) Major shareholders

| Name of shareholder                                    | Number of shares held and percentage of shares held |                           |
|--|---|---------------------------|
|  | Number of shares held                               | Percentage of shares held |
| Japan Post Holdings Co., Ltd.                          | 190,963,900   | 49.84%                    |
| The Master Trust Bank of Japan, Ltd. (Trust Account)   | 30,020,900  | 7.83%                     |
| Custody Bank of Japan, Ltd. (Trust Account)            | 11,383,100  | 2.97%                     |
| JPMorgan Securities Japan Co., Ltd.                    | 4,139,400   | 1.08%                     |
| STATE STREET BANK WEST CLIENT - TREATY 505234          | 4,031,000   | 1.05%                     |
| STATE STREET BANK AND TRUST COMPANY 505103             | 3,881,422   | 1.01%                     |
| Japan Post Insurance Employee Shareholding Association | 3,428,900   | 0.89%                     |
| SSBTC CLIENT OMNIBUS ACCOUNT                           | 2,901,657   | 0.76%                     |
| JP MORGAN CHASE BANK 385781                            | 2,618,104   | 0.68%                     |
| MORGAN STANLEY & CO. LLC                               | 2,590,443   | 0.68%                     |

Notes: Percentage of shares held is calculated excluding treasury stock (11,151 shares) and rounded to two decimal places. Treasury stock does not include the 415,900 shares of the Company's stock held in the Board Benefit Trust (BBT).

## Principal Shareholder

| Name                          | Address of main place of business or sales | Paid-in capital or investment | Business outline                        | Date of establishment | Percentage of owned shares included in the total number of shares |
|-------------------------------|--|-------------------------------|---|-----------------------|---|
| Japan Post Holdings Co., Ltd. | Chiyoda-ku, Tokyo                          | ¥3,500,000 million            | Business management of Japan Post Group | January 23, 2006      | 49.84%  |

Notes: Percentage of owned shares included in the total number of shares is calculated excluding treasury stock (11,151 shares) and rounded to two decimal places. Treasury stock does not include the 415,900 shares of the Company's stock held in the Board Benefit Trust (BBT).

## Accounting Advisor

Not applicable.

## Independent Auditor

The Independent Auditor in the fiscal year ended March 31, 2024 was as follows.  
KPMG AZSA LLC

(Designated Engagement Partners)

Certified Public Accountant KANNO Masako  
Certified Public Accountant SATO Eihiro  
Certified Public Accountant SUDA Shunsuke

Fees paid or payable to the audit firm above and to other firms within the same network as the audit firm for audit and non-audit services provided to the Company and its consolidated subsidiary for the year ended March 31, 2024 were ¥198 million and ¥16 million, respectively.

## Total Number of Employees and Conditions of Employment

(Unit: persons, years)

| Category           | As of the end of FY2023/3 | As of the end of FY2024/3 | FY2023/3       | FY2024/3       | As of the end of FY2023/3 |                          | As of the end of FY2024/3 |                          |
|--------------------|---------------------------|---------------------------|----------------|----------------|---------------------------|--------------------------|---------------------------|--------------------------|
|                    | Total                     | Total                     | Staff employed | Staff employed | Average age               | Average years of service | Average age               | Average years of service |
| In-house employees | 8,925                     | 8,754                     | 152            | 134            | 44.1                      | 19.8                     | 44.4                      | 20.1                     |
| (Male)             | 5,199                     | 5,112                     | 70             | 76             | 47.1                      | 23.4                     | 47.2                      | 23.3                     |
| (Female)           | 3,726                     | 3,642                     | 82             | 58             | 39.8                      | 14.9                     | 40.6                      | 15.6                     |
| Sales employees    | 10,223                    | 9,673                     | 84             | 310            | 43.2                      | 16.9                     | 43.4                      | 17.0                     |
| (Male)             | 9,560                     | 8,976                     | 46             | 211            | 43.9                      | 17.5                     | 44.2                      | 17.7                     |
| (Female)           | 663                       | 697                       | 38             | 99             | 33.5                      | 7.7                      | 33.7                      | 7.8                      |

Notes: 1. The number of employees excludes employees assigned to other companies by Japan Post Insurance Co., Ltd., but includes employees assigned to Japan Post Insurance Co., Ltd. by other companies. The figures exclude non-regular employees (including indefinite-term employees based on the indefinite-term employment conversion system).  
2. Average years of service represent the number of years of continuous service including years at the Ministry of Posts and Telecommunications, the Postal Services Agency (Ministry of Internal Affairs and Communications) and Japan Post.  
3. Average age and average years of service are based on attained ages and years of service as of the end of each fiscal year, and truncated to one decimal place.  
4. Sales-related managers have been counted as in-house employees in order to reflect actual conditions since the end of the fiscal year ended March 31, 2024. This calculation method is also applied for the end of the fiscal year ended March 31, 2023.

## Average Monthly Salary (In-house employees)

(Thousands of yen)

| Category           | March 2023 | March 2024 |
|--------------------|------------|------------|
| In-house employees | 360.5      | 401.0      |

Notes: 1. Average monthly salary represents the pre-tax regular salary for March 2024, which excludes bonuses and overtime allowances.  
2. Sales-related managers are counted as in-house employees in order to reflect actual conditions from March 2024. This calculation method is also applied for March 2023.

## Average Monthly Salary (Sales employees)

(Thousands of yen)

| Category        | March 2023 | March 2024 |
|-----------------|------------|------------|
| Sales employees | 304.0      | 310.7      |

Notes: 1. Average monthly salary represents the pre-tax regular salary for March 2024, which excludes bonuses and overtime allowances.  
2. 2024年3月より、実態の反映を目的に、営業関係の管理者を内勤職員として集計しています。2023年3月についても、当該集計方法を適用しています。

## Summary of the Subsidiaries

### (1) Major Businesses and the Organizational Structure

Number of consolidated subsidiaries: One

### (2) Subsidiaries

| Name  | Location            | Amount of capital stock | Description of business  | Date of establishment                                      | Ratio of the voting rights in the subsidiary held by the Company against the voting rights held by all shareholders or equity holders | Ratio of the voting rights in the subsidiary held by the subsidiaries of the Company against the voting rights held by all shareholders or equity holders |
|---|---------------------|-------------------------|--|--|---|---|
| JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. | Shinagawa-ku, Tokyo | ¥500 million            | Commissioning of design, development, maintenance and operation of information systems | March 8, 1985 (Date of share acquisition: October 3, 2011) | 100 %   | —   |

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

JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. is mainly engaged in the design, development, and maintenance of software for systems that support the Company's business activities. In the fiscal year ended March 31, 2023, the second year of the five-year Medium-Term Management Plan, the subsidiary worked together with the Company under the basic policies formulated at the beginning of the year to provide new product support and implement next-generation system projects and other development projects, as well as to establish a new subsidiary, JAPAN POST INSURANCE DIGITAL SYSTEMS Co., LTD. (Note), in order to secure and develop digital human resources for the introduction of advanced technologies such as cloud operations and development.

Note: Established on May 1, 2023.

## Major Insurance Products for Individuals

(As of July 1, 2024)

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

## Major Insurance Products for Corporate Clients

(As of July 1, 2024)

|  | Nickname/Product Name  |  |
|--|--|--|
| Own products                                 | <b><i>Shin Free Plan</i> (ordinary endowment insurance)</b><br><b><i>Shin Free Plan</i> (double, fivefold and tenfold benefits) (special endowment insurance)</b><br><b><i>Kampo ni Omakase</i> (maturity type) (ordinary endowment insurance with relaxed underwriting criteria)</b>  |  |
|  | <b><i>Shin Ordinary Term Insurance</i> (ordinary term insurance (R04))</b>   |  |
| Products sold on commission (Term insurance) | <b>NN Life Insurance Company, Ltd.</b><br>Quality (term insurance), Smart Term (no cash value term insurance), and Term insurance with low cash value and increasing term insurance riders   |  |
|  | <b>SUMITOMO LIFE INSURANCE COMPANY</b><br>Term life insurance Emblem YOU Premium (low cash value term insurance without a dividend)  |  |
|  | <b>The Dai-ichi Life Insurance Company, Limited</b><br>Success (long-term life insurance 2018), Just (no cash value term insurance 2018), and Majesty (increasing term life insurance 2018)  |  |
|  | <b>Tokio Marine &amp; Nichido Life Insurance Co., Ltd.</b><br>Term Life Insurance [without dividend], Nagawari Teiki (Term Life Insurance with special provisions for low cash value [without dividend])<br>Increasing Term Life Insurance with low cash value [without dividend]<br>Smart Anshin Teiki (Term Life Insurance with special provision for no cash value [without dividend])<br>Household Protection Term Insurance NEO (no cash value household protection term insurance [non-participating insurance]) |  |
|  | <b>Nippon Life Insurance Company</b><br>Nissay Long-Term Term Insurance, Long-term life coverage with period of extensive coverage for accidents insurance, Nissay Term Life Insurance, and Nissay Increasing Term Insurance   |  |
|  | <b>The Neo First Life Insurance Company, Limited</b><br>Limited term security for fulfilling of accidental death term insurance  |  |
|  | <b>Mitsui Sumitomo Aioi Life Insurance Company, Limited</b><br>Term Life Insurance without Dividend, Term Life Insurance (no cash value) without Dividend, and Increasing Term Life Insurance without dividend   |  |
|  | <b>Meiji Yasuda Life Insurance Company</b><br>Revised term life insurance E (with interest dividends every five years), Revised increasing term life insurance   |  |
|  | <b>Products sold on commission (General welfare group term insurance)</b>  | <b>MetLife Insurance K. K.</b><br>General welfare group term insurance (with dividends), and nonparticipating group insurance (general welfare group term insurance without a dividend)  |
|  | <b>Products sold on commission (Cancer insurance)</b>  | <b>Aflac Life Insurance Japan Ltd.</b><br>Days 1—Cancer insurance for daily living (cancer insurance with low or no cash value 2018)<br>WINGS—cancer insurance to create “living in your own way” (cancer insurance with low or no cash value 2018)<br>Days 1 Plus—Cancer insurance for daily living (for policyholders of cancer insurance with no cash value 2018) |

Notes: 1. The company names are listed in the order of the Japanese syllabary.  
2. The riders that can be added to the above products are limited.

## Major Riders

(As of July 1, 2024)

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

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

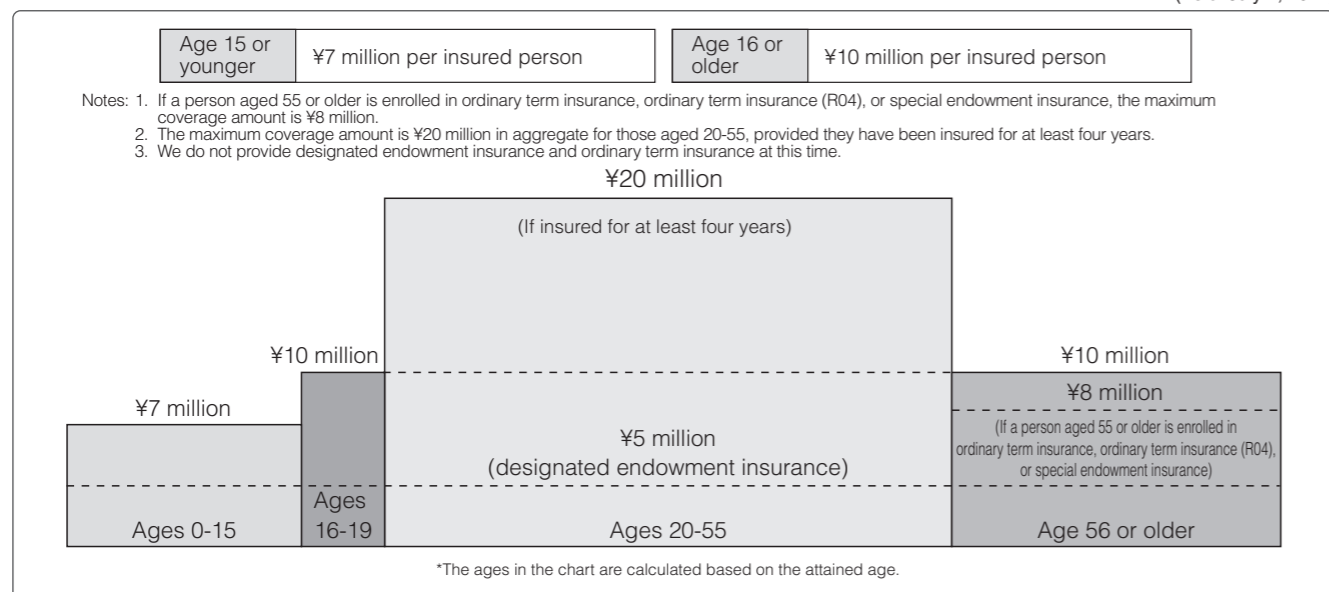
## Maximum Amount of Insurance Coverage

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

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

### Maximum Coverage Amount of the Basic Insurance Policy

(As of July 1, 2024)



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

### Maximum Coverage Amount of the Basic Annuity Policy

- First-year basic annuity amount of ¥0.9 million per insured person

Includes the annuity amount under longevity support insurance.

### Maximum Amount of Insurance Coverage for Riders

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

We do not provide the above riders in parentheses ("<>") now.

### Maximum Amount of Total Insurance Premiums Payable

- ¥5.5 million on a combined basis for asset-formation savings insurance and asset-formation housing funding insurance

Apart from the above, asset-formation insurance products are subject to restrictions under relevant laws and regulations such as the limitation of total amount of insurance premiums payable.

## Briefing on Important Matters/Provision of Literature about Disadvantageous Information

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

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

payments, amount of insurance coverage and the duty of declaration. To that end, we deliver the summaries that explain items we would especially like customers to confirm, including an "Insurance Design Document (Contract Outline)" and "Precautions about Insurance Contracts (Information Calling for Attention)," while making explanations.

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

## Notice of Policy Details

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

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

## Management of Conflicts of Interest

To prevent our customers’ interests from being unduly harmed in conjunction with conflicts of interest transactions between our customers and Japan Post Insurance, we have released the “Conflicts of Interest Management Regulations” in light of the Insurance Business Act and Financial Instruments and Exchange Act, and other laws and regulations. In accordance with these regulations, we engage in appropriate

business conduct that complies with laws and regulations, internal rules and ethical standards.

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

 **Japan Post Group Conflicts of Interest Management Policy**

[https://www.jp-life.japanpost.jp/english/aboutus/sustainability/corporate\\_governance/compliance/conflicts.html](https://www.jp-life.japanpost.jp/english/aboutus/sustainability/corporate_governance/compliance/conflicts.html)



## Life Insurance Policyholders Protection Corporation of Japan

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

### ● Life Insurance Policyholders Protection Corporation of Japan

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

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

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

policies<sup>(3)</sup> (which does not mean that the policyholder protection scheme provides 90% of the level of protection provided by the original insurance claims or annuities<sup>(4)</sup>).

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

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

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

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

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

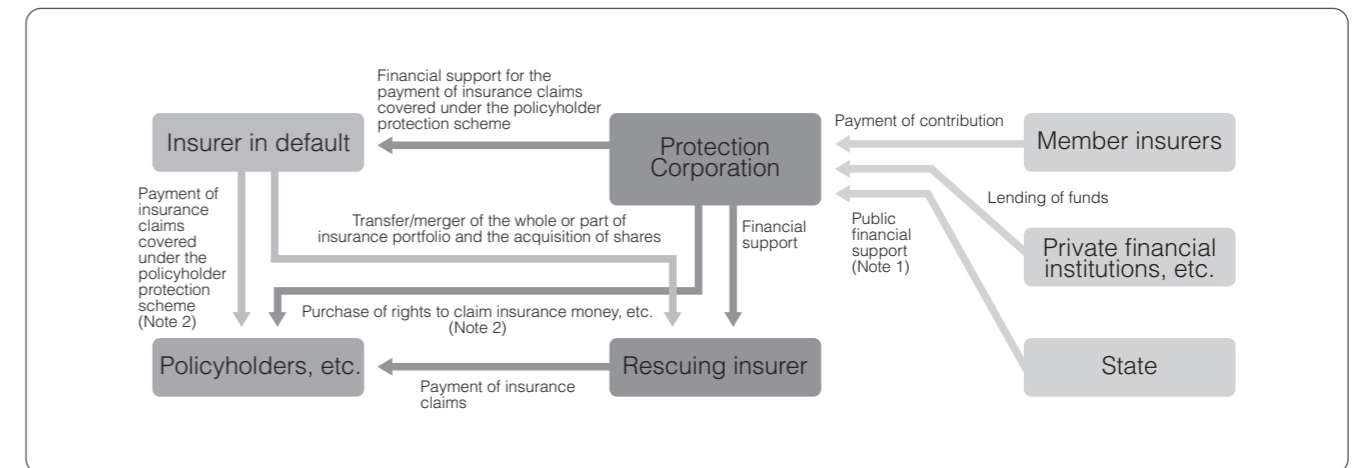
$$\text{Indemnity ratio in the high assumed interest rate policies} = 90\% - \frac{\text{[aggregate of (assumed interest rate less basic interest rate in each year in the past 5 years)]}}{2}$$

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

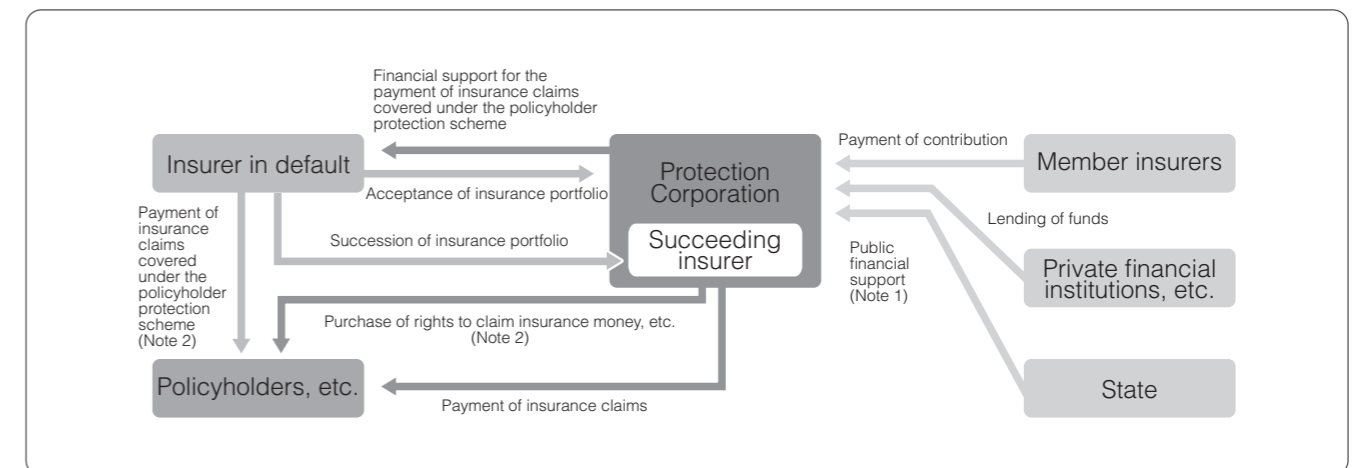
2. In the case where different assumed interest rates apply to the basic coverage and riders under one policy, each such basic coverage and rider applied by a different assumed interest rate shall be regarded as an independent insurance policy, and subject to the evaluation to determine whether it constitutes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

### ● Illustrated Outline of the Scheme

In the case where a rescuing insurer appears



In the case where no rescuing insurer appears



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

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

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

### [Reference] Government guarantee for the Postal Life Insurance Policies

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

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

## Principal Risk Categories and Definitions

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

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

### Insurance Underwriting Risk

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

Accordingly, we undertake such activities as verifying our setting of premium rates and assessing and analyzing the occurrence of insured events.

The Economic Value Promotion Office, Actuarial and Accounting Department, which is the section that manages underwriting risk, conducts risk management appropriately by measuring the amount

of insurance underwriting risk, evaluating the profitability of each product sold and verifying the appropriateness of our underwriting standards from a medical perspective.

As required in managing insurance underwriting risk, we cede reinsurance upon fully studying the financial status of reinsurers. On the other hand, when underwriting reinsurance, we secure the required information, study the profitability and risk characteristics and verify whether the underwriting risk is limited so as to cause no serious impact on management.

### Investment Risk

To provide for anticipated payment of insurance claims and other benefits, we need to carefully manage funds entrusted to us from customers under life insurance policies.

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

The Investment Risk Management Office of the Risk Management Department, which is the section in charge of investment risk management, and the General Affairs Department are assigned the task of managing investment risk. These sections monitor investment risk and enforce appropriate management under a checks and balances system with departments of the head office in charge of business execution. The Investment Risk Management Office of the Risk Management Department provides comprehensive management of investment risk, working in collaboration with the General Affairs Department. Meanwhile, we strive to develop adequate risk management systems according to the risk profiles of our asset portfolio which is becoming advanced and sophisticated.

### Funding Risk

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

To avoid such situations and ensure smooth cash flows, we enforce rigorous fund management by monitoring incoming and outgoing cash flows, including the receipt of premiums and payment of insurance claims, on a daily basis.

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

### Market Liquidity Risk

We might sell assets in which we have made investments using funds entrusted to us from customers, and could incur losses when we are forced to execute such transactions at extremely unfavorable prices compared to normal or are unable to execute such transactions at all because of market turmoil.

Accordingly, we make investments primarily in assets with high liquidity.

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

### Operational Risk

Our executives and employees strive to prevent operational risks that could cause inconvenience to our customers or corporate losses, and to appropriately respond when such risks occur. We have designated risk management sections in each detailed subcategory of operational risk, thereby identifying and assessing the location, scale and

nature of company-wide operational risk and managing the risk according to severity. In this way, we prevent operational risk from materializing and minimize losses in the event it does. The Risk Management Department works in collaboration with these risk management sections and provides comprehensive management of operational risk.

#### 1) Processing Risk

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

processing, as well as to supervise and educate employees.

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

#### 2) Computer System Risk

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

We have formulated a manual to respond to a major system failure and set up a structure to take immediate action. For the overall information systems for Japan Post Insurance, our main systems, we operate main computer centers as well as backup centers in order to respond to risk resulting from a system failure. In case of a system failure, we investigate the impact on customers, analyze the causes and implement appropriate countermeasures in order to prevent recurrence.

#### 3) Other Operational Risk Subcategories

Other detailed subcategories of operational risk are legal risk, human risk, reputational risk, tangible asset risk, outsourcing risk and compliance risk. For each subcategory, we designate a section to handle risk

management, undertake relevant activities and implement initiatives to enhance our risk management systems.

# Financial Statements

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Notes:

- Figures (except for % and ‰) shown in this Annual Report have been truncated, with exceptions as indicated.
- [-] indicates "not applicable," and [0] indicates less than one unit.

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## 1 Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

Regarding the key business results of the Company for the fiscal year ended March 31, 2024, on the sales front, as a result of our efforts to strengthen our sales force over the medium- to long-term, including the introduction of new products that meet customer needs and the introduction of a new development and evaluation system (Kampo GD System), annualized premiums from new policies for individual insurance increased ¥50.9 billion (77.3% increase year on year) to ¥116.8 billion, and those for third-sector insurance increased ¥3.9 billion (61.4% increase year on year) to ¥10.3 billion.

Annualized premiums from policies in force decreased in both categories: those for individual insurance decreased ¥230.3 billion (7.2% decrease year on year) to ¥2,987.3 billion (including reinsured Postal Life Insurance Policies (insurance)), while those for third-sector insurance decreased ¥28.4 billion (4.8% decrease year on year) to ¥564.6 billion (including reinsured Postal Life Insurance Policies).

In asset management, our positive spread decreased ¥2.2 billion year on year to ¥91.8 billion.

Ordinary income amounted to ¥6,744.1 billion (5.7% increase year on year), comprising the sum of insurance premiums and others of ¥2,484.0 billion (12.9% increase year on year), investment income of ¥1,211.5 billion (4.5% increase year on year), and other ordinary income of ¥3,048.5 billion (1.0% increase year on year).

Ordinary expenses amounted to ¥6,582.9 billion (5.1% increase year on year), comprising the sum of insurance claims and others of ¥5,778.5 billion (5.3% increase year on year), investment expenses of ¥282.5 billion (14.7% increase year on year), operating expenses of ¥440.3 billion (1.2% decrease year on year), and other ordinary expenses of ¥81.3 billion (9.9% increase year on year).

As a result, ordinary profit amounted to ¥161.1 billion (37.1% increase year on year), and net income attributable to Japan Post Insurance amounted to ¥87.0 billion (10.8% decrease year on year), which is calculated by adjusting extraordinary gains/losses with ordinary profit, and subtracting provision for reserve for policyholder dividends and total income taxes from ordinary profit.

## 2 Consolidated Financial Statements

JAPAN POST INSURANCE CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

MARCH 31, 2024 AND 2023

|  | Millions of Yen     |                     | Millions of U.S.<br>Dollars (Note 1) |
|--|---------------------|---------------------|--------------------------------------|
|  | 2024                | 2023                | 2024                                 |
| <b>ASSETS:</b>   |                     |                     |                                      |
| Cash and deposits (Note 3)                                     | ¥ 1,157,322         | ¥ 1,436,524         | \$ 7,644                             |
| Call loans   | 40,000              | 40,000              | 264                                  |
| Receivables under resale agreements                            | 1,047,192           | 1,384,764           | 6,916                                |
| Monetary claims bought (Note 24)                               | 25,392              | 47,345              | 168                                  |
| Money held in trust (Notes 4 and 24)                           | 6,271,415           | 4,772,321           | 41,420                               |
| Securities (Notes 4, 5 and 24)                                 | 47,693,813          | 49,841,494          | 314,998                              |
| Loans (Notes 6 and 24)   | 3,281,313           | 3,605,832           | 21,672                               |
| Tangible fixed assets (Note 7):                                |                     |                     |                                      |
| Land   | 76,610              | 43,112              | 506                                  |
| Buildings  | 45,086              | 35,703              | 298                                  |
| Leased assets  | 5,326               | 4,229               | 35                                   |
| Construction in progress                                       | 204                 | 24                  | 1                                    |
| Other tangible fixed assets                                    | 9,708               | 9,647               | 64                                   |
| Total tangible fixed assets                                    | 136,936             | 92,717              | 904                                  |
| Intangible fixed assets:                                       |                     |                     |                                      |
| Software   | 97,796              | 92,314              | 646                                  |
| Other intangible fixed assets                                  | 10                  | 12                  | 0                                    |
| Total intangible fixed assets                                  | 97,807              | 92,326              | 646                                  |
| Agency accounts receivable                                     | 11,296              | 41,307              | 75                                   |
| Reinsurance receivables  | 7,646               | 4,049               | 50                                   |
| Other assets (Notes 5 and 6)                                   | 449,463             | 300,299             | 2,969                                |
| Deferred tax assets (Note 14)                                  | 636,644             | 1,028,784           | 4,205                                |
| Reserve for possible loan losses                               | (346)               | (379)               | (2)                                  |
| <b>Total assets</b>  | <b>¥ 60,855,899</b> | <b>¥ 62,687,388</b> | <b>\$ 401,928</b>                    |
| <b>LIABILITIES:</b>  |                     |                     |                                      |
| Policy reserves and others:                                    |                     |                     |                                      |
| Reserve for outstanding claims (Note 8)                        | ¥ 373,913           | ¥ 410,387           | \$ 2,470                             |
| Policy reserves (Notes 8 and 12)                               | 50,512,792          | 53,518,219          | 333,616                              |
| Reserve for policyholder dividends (Note 9)                    | 1,101,628           | 1,175,171           | 7,276                                |
| Total policy reserves and others                               | 51,988,334          | 55,103,778          | 343,361                              |
| Reinsurance payables   | 6,001               | 6,297               | 40                                   |
| Bonds payable (Notes 10 and 24)                                | 400,000             | 300,000             | 2,642                                |
| Payables under repurchase agreements (Notes 5 and 10)          | 3,905,000           | 3,740,688           | 25,791                               |
| Other liabilities (Notes 6, 10 and 13)                         | 190,696             | 201,639             | 1,259                                |
| Liability for retirement benefits (Note 11)                    | 95,931              | 69,331              | 634                                  |
| Reserve for management board benefit trust                     | 391                 | 315                 | 3                                    |
| Reserve for price fluctuations (Note 12)                       | 873,799             | 889,960             | 5,771                                |
| <b>Total liabilities</b>                                       | <b>¥ 57,460,155</b> | <b>¥ 60,312,010</b> | <b>\$ 379,500</b>                    |
| <b>NET ASSETS (Note 15):</b>                                   |                     |                     |                                      |
| Capital stock  | ¥ 500,000           | ¥ 500,000           | \$ 3,302                             |
| Capital surplus  | 405,044             | 405,044             | 2,675                                |
| Retained earnings  | 717,960             | 701,540             | 4,742                                |
| Treasury stock   | (948)               | (36,082)            | (6)                                  |
| Total shareholders' equity                                     | 1,622,055           | 1,570,502           | 10,713                               |
| Net unrealized gains (losses) on available-for-sale securities | 1,775,693           | 797,912             | 11,728                               |
| Net deferred gains (losses) on hedges                          | (4,186)             | 4,607               | (28)                                 |
| Accumulated adjustments for retirement benefits                | 2,182               | 2,354               | 14                                   |
| Total accumulated other comprehensive income                   | 1,773,689           | 804,875             | 11,714                               |
| <b>Total net assets</b>  | <b>3,395,744</b>    | <b>2,375,377</b>    | <b>22,427</b>                        |
| <b>Total liabilities and net assets</b>                        | <b>¥ 60,855,899</b> | <b>¥ 62,687,388</b> | <b>\$ 401,928</b>                    |

See accompanying notes to consolidated financial statements.

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

YEARS ENDED MARCH 31, 2024 AND 2023

|  | Millions of Yen  |                  | Millions of U.S.<br>Dollars (Note 1) |
|--|------------------|------------------|--------------------------------------|
|  | 2024             | 2023             | 2024                                 |
| <b>ORDINARY INCOME:</b>                                |                  |                  |                                      |
| Insurance premiums and others (Note 18)                | ¥ 2,484,007      | ¥ 2,200,945      | \$ 16,406                            |
| Investment income:                                     |                  |                  |                                      |
| Interest and dividend income                           | 865,269          | 950,717          | 5,715                                |
| Gains on money held in trust                           | 181,439          | 150,378          | 1,198                                |
| Gains on sales of securities                           | 151,153          | 50,567           | 998                                  |
| Gains on redemption of securities                      | 110              | 498              | 1                                    |
| Gains on foreign exchanges                             | 13,579           | 6,814            | 90                                   |
| Reversal of reserve for possible loan losses           | –                | 1                | –                                    |
| Other investment income                                | 27               | 44               | 0                                    |
| Total investment income                                | 1,211,578        | 1,159,020        | 8,002                                |
| <b>Other ordinary income:</b>                          |                  |                  |                                      |
| Reversal of reserve for outstanding claims (Note 17)   | 36,474           | –                | 241                                  |
| Reversal of policy reserves (Note 17)                  | 3,005,427        | 3,015,234        | 19,850                               |
| Other ordinary income                                  | 6,646            | 4,360            | 44                                   |
| Total other ordinary income                            | 3,048,548        | 3,019,595        | 20,134                               |
| <b>Total ordinary income</b>                           | <b>6,744,134</b> | <b>6,379,561</b> | <b>44,542</b>                        |
| <b>ORDINARY EXPENSES:</b>                              |                  |                  |                                      |
| Insurance claims and others:                           |                  |                  |                                      |
| Insurance claims (Note 19)                             | 4,149,769        | 4,451,916        | 27,407                               |
| Annuity payments                                       | 218,989          | 268,802          | 1,446                                |
| Benefits   | 200,725          | 211,958          | 1,326                                |
| Surrender benefits                                     | 439,018          | 457,654          | 2,900                                |
| Other refunds  | 61,170           | 76,141           | 404                                  |
| Reinsurance premiums                                   | 708,916          | 21,523           | 4,682                                |
| Total insurance claims and others                      | 5,778,590        | 5,487,997        | 38,165                               |
| <b>Provision for policy reserves and others</b>        |                  |                  |                                      |
| Provision for reserve for outstanding claims (Note 17) | –                | 7,778            | –                                    |
| Provision for interest on policyholder dividends       | 137              | 9                | 1                                    |
| Total provision for policy reserves and others         | 137              | 7,788            | 1                                    |
| <b>Investment expenses:</b>                            |                  |                  |                                      |
| Interest expenses                                      | 4,993            | 4,639            | 33                                   |
| Losses on sales of securities                          | 177,704          | 177,296          | 1,174                                |
| Losses on valuation of securities                      | 71               | 306              | 0                                    |
| Losses on redemption of securities                     | 240              | 1,554            | 2                                    |
| Losses on derivative financial instruments             | 95,835           | 60,588           | 633                                  |
| Provision for reserve for possible loan losses         | 0                | –                | 0                                    |
| Other investment expenses                              | 3,701            | 2,040            | 24                                   |
| Total investment expenses                              | 282,548          | 246,427          | 1,866                                |
| <b>Operating expenses (Note 16)</b>                    | <b>440,320</b>   | <b>445,761</b>   | <b>2,908</b>                         |
| <b>Other ordinary expenses</b>                         | <b>81,365</b>    | <b>74,016</b>    | <b>537</b>                           |
| <b>Total ordinary expenses</b>                         | <b>6,582,961</b> | <b>6,261,990</b> | <b>43,478</b>                        |
| <b>Ordinary profit</b>                                 | <b>161,173</b>   | <b>117,570</b>   | <b>1,064</b>                         |

See accompanying notes to consolidated financial statements.

|   | Millions of Yen |          | Millions of U.S.<br>Dollars (Note 1) |
|---|-----------------|----------|--------------------------------------|
|   | 2024            | 2023     | 2024                                 |
| <b>EXTRAORDINARY GAINS (Note 20)</b>                              | ¥ 16,161        | ¥ 82,645 | \$ 107                               |
| <b>EXTRAORDINARY LOSSES (Note 21)</b>                             | 190             | 319      | 1                                    |
| <b>Provision for reserve for policyholder dividends (Note 22)</b> | 55,899          | 62,067   | 369                                  |
| <b>Income before income taxes</b>                                 | 121,244         | 137,829  | 801                                  |
| <b>Income taxes (Note 14):</b>                                    |                 |          |                                      |
| Current   | 13,408          | 33,576   | 89                                   |
| Deferred  | 20,779          | 6,639    | 137                                  |
| <b>Total income taxes</b>   | 34,188          | 40,215   | 226                                  |
| <b>Net income</b>   | ¥ 87,056        | ¥ 97,614 | \$ 575                               |
| <b>Net income attributable to non-controlling interests</b>       | ¥ –             | ¥ –      | \$ –                                 |
| <b>Net income attributable to Japan Post Insurance</b>            | 87,056          | 97,614   | 575                                  |

|   | Yen      |          | U.S. Dollars |
|---|----------|----------|--------------|
|   | 2024     | 2023     | 2024         |
| <b>Per share of common stock (Note 29):</b> |          |          |              |
| Basic net income                            | ¥ 227.45 | ¥ 249.48 | \$ 1.50      |
| Diluted net income                          | –        | –        | –            |

See accompanying notes to consolidated financial statements.

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

YEARS ENDED MARCH 31, 2024 AND 2023

|  | Millions of Yen |          | Millions of U.S.<br>Dollars (Note 1) |
|--|-----------------|----------|--------------------------------------|
|  | 2024            | 2023     | 2024                                 |
| Net income   | ¥ 87,056        | ¥ 97,614 | \$ 575                               |
| Other comprehensive income (loss) (Note 23):                   |                 |          |                                      |
| Net unrealized gains (losses) on available-for-sale securities | 977,780         | (75,851) | 6,458                                |
| Net deferred gains (losses) on hedges                          | (8,794)         | 4,607    | (58)                                 |
| Adjustments for retirement benefits                            | (172)           | (431)    | (1)                                  |
| Total other comprehensive income (loss)                        | 968,813         | (71,675) | 6,399                                |
| Comprehensive income (loss)                                    | ¥ 1,055,870     | ¥ 25,938 | \$ 6,974                             |
| Total comprehensive income (loss) attributable to:             |                 |          |                                      |
| Japan Post Insurance   | ¥ 1,055,870     | ¥ 25,938 | \$ 6,974                             |
| Non-controlling interests                                      | –               | –        | –                                    |

See accompanying notes to consolidated financial statements.

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

YEARS ENDED MARCH 31, 2024 AND 2023

|   | Millions of Yen      |                  |                   |                 |                            |
|---|----------------------|------------------|-------------------|-----------------|----------------------------|
|   | Shareholders' equity |                  |                   |                 |                            |
|   | Capital stock        | Capital surplus  | Retained earnings | Treasury stock  | Total shareholders' equity |
| BALANCE, APRIL 1, 2022  | ¥ 500,000            | ¥ 405,044        | ¥ 639,822         | ¥ (355)         | ¥ 1,544,511                |
| Changes in the fiscal year:   |                      |                  |                   |                 |                            |
| Cash dividends  |                      |                  | (35,896)          |                 | (35,896)                   |
| Net income attributable to Japan Post Insurance                         |                      |                  | 97,614            |                 | 97,614                     |
| Purchases of treasury stock   |                      |                  |                   | (35,739)        | (35,739)                   |
| Disposals of treasury stock   |                      |                  |                   | 12              | 12                         |
| Net changes in items other than shareholders' equity in the fiscal year |                      |                  |                   |                 |                            |
| Net changes in the fiscal year  | —                    | —                | 61,717            | (35,727)        | 25,990                     |
| <b>BALANCE, MARCH 31, 2023</b>  | <b>500,000</b>       | <b>405,044</b>   | <b>701,540</b>    | <b>(36,082)</b> | <b>1,570,502</b>           |
| 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                     |
| <b>BALANCE, MARCH 31, 2024</b>  | <b>¥ 500,000</b>     | <b>¥ 405,044</b> | <b>¥ 717,960</b>  | <b>¥ (948)</b>  | <b>¥ 1,622,055</b>         |

|   | Millions of Yen  |                                       |   |  |                    |
|---|--|---------------------------------------|---|--|--------------------|
|   | Accumulated other comprehensive income                         |                                       |   |  |                    |
|   | Net unrealized gains (losses) on available-for-sale securities | Net deferred gains (losses) on hedges | Accumulated adjustments for retirement benefits | Total accumulated other comprehensive income | Total net assets   |
| BALANCE, APRIL 1, 2022  | ¥ 873,764  | ¥ —                                   | ¥ 2,786   | ¥ 876,551                                    | ¥ 2,421,063        |
| Changes in the fiscal year:   |  |                                       |   |  |                    |
| Cash dividends  |  |                                       |   |  | (35,896)           |
| Net income attributable to Japan Post Insurance                         |  |                                       |   |  | 97,614             |
| Purchases of treasury stock   |  |                                       |   |  | (35,739)           |
| Disposals of treasury stock   |  |                                       |   |  | 12                 |
| Net changes in items other than shareholders' equity in the fiscal year | (75,851)   | 4,607                                 | (431)   | (71,675)                                     | (71,675)           |
| Net changes in the fiscal year  | (75,851)   | 4,607                                 | (431)   | (71,675)                                     | (45,685)           |
| <b>BALANCE, MARCH 31, 2023</b>  | <b>797,912</b>   | <b>4,607</b>                          | <b>2,354</b>                                    | <b>804,875</b>                               | <b>2,375,377</b>   |
| 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          |
| <b>BALANCE, MARCH 31, 2024</b>  | <b>¥ 1,775,693</b>   | <b>¥ (4,186)</b>                      | <b>¥ 2,182</b>                                  | <b>¥ 1,773,689</b>                           | <b>¥ 3,395,744</b> |

See accompanying notes to consolidated financial statements.

|   | Millions of U.S. Dollars (Note 1) |                 |                   |                |                            |
|---|-----------------------------------|-----------------|-------------------|----------------|----------------------------|
|   | Shareholders' equity              |                 |                   |                |                            |
|   | Capital stock                     | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| BALANCE, MARCH 31, 2023   | \$ 3,302                          | \$ 2,675        | \$ 4,633          | \$ (238)       | \$ 10,373                  |
| Changes in the fiscal year:   |                                   |                 |                   |                |                            |
| Cash dividends  |                                   |                 | (235)             |                | (235)                      |
| Net income attributable to Japan Post Insurance                         |                                   |                 | 575               |                | 575                        |
| Disposals of treasury stock   |                                   |                 |                   | 1              | 1                          |
| Cancellation of treasury stock  |                                   | (231)           |                   | 231            | —                          |
| Transfer from retained earnings to capital surplus                      |                                   | 231             | (231)             |                | —                          |
| Net changes in items other than shareholders' equity in the fiscal year |                                   |                 |                   |                |                            |
| Net changes in the fiscal year  | —                                 | —               | 108               | 232            | 340                        |
| <b>BALANCE, MARCH 31, 2024</b>  | <b>\$ 3,302</b>                   | <b>\$ 2,675</b> | <b>\$ 4,742</b>   | <b>\$ (6)</b>  | <b>\$ 10,713</b>           |

|   | Millions of U.S. Dollars (Note 1)                              |                                       |   |  |                  |
|---|--|---------------------------------------|---|--|------------------|
|   | Accumulated other comprehensive income                         |                                       |   |  |                  |
|   | Net unrealized gains (losses) on available-for-sale securities | Net deferred gains (losses) on hedges | Accumulated adjustments for retirement benefits | Total accumulated other comprehensive income | Total net assets |
| BALANCE, MARCH 31, 2023   | \$ 5,270   | \$ 30                                 | \$ 16   | \$ 5,316                                     | \$ 15,688        |
| Changes in the fiscal year:   |  |                                       |   |  |                  |
| Cash dividends  |  |                                       |   |  | (235)            |
| Net income attributable to Japan Post Insurance                         |  |                                       |   |  | 575              |
| Disposals of treasury stock   |  |                                       |   |  | 1                |
| Cancellation of treasury stock  |  |                                       |   |  | —                |
| Transfer from retained earnings to capital surplus                      |  |                                       |   |  | —                |
| Net changes in items other than shareholders' equity in the fiscal year | 6,458  | (58)                                  | (1)   | 6,399  | 6,399            |
| Net changes in the fiscal year  | 6,458  | (58)                                  | (1)   | 6,399  | 6,739            |
| <b>BALANCE, MARCH 31, 2024</b>  | <b>\$ 11,728</b>   | <b>\$ (28)</b>                        | <b>\$ 14</b>                                    | <b>\$ 11,714</b>                             | <b>\$ 22,427</b> |

See accompanying notes to consolidated financial statements.

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

YEARS ENDED MARCH 31, 2024 AND 2023

|  | Millions of Yen |               | Millions of U.S.<br>Dollars (Note 1) |
|--|-----------------|---------------|--------------------------------------|
|  | 2024            | 2023          | 2024                                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                 |               |                                      |
| Income before income taxes   | ¥ 121,244       | ¥ 137,829     | \$ 801                               |
| Depreciation and amortization  | 41,217          | 39,490        | 272                                  |
| Net change in reserve for outstanding claims   | (36,474)        | 7,778         | (241)                                |
| Net change in policy reserves  | (3,005,427)     | (3,015,234)   | (19,850)                             |
| Provision for interest on policyholder dividends   | 137             | 9             | 1                                    |
| Provision for reserve for policyholder dividends   | 55,899          | 62,067        | 369                                  |
| Net change in reserve for possible loan losses   | (32)            | (0)           | (0)                                  |
| Net change in liability for retirement benefits  | 26,600          | 1,017         | 176                                  |
| Net change in reserve for management board benefit trust   | 76              | 85            | 1                                    |
| Net change in reserve for price fluctuations   | (16,161)        | (82,645)      | (107)                                |
| Interest and dividend income (accrual basis)   | (865,269)       | (950,717)     | (5,715)                              |
| Net (gains) losses on securities   | 26,753          | 128,092       | 177                                  |
| Interest expenses (accrual basis)  | 4,993           | 4,639         | 33                                   |
| Net (gains) losses on foreign exchanges  | (13,579)        | (6,814)       | (90)                                 |
| Net (gains) losses on tangible fixed assets  | 174             | 263           | 1                                    |
| Net change in agency accounts receivable   | 30,010          | 5,980         | 198                                  |
| Net change in reinsurance receivables  | (3,597)         | (134)         | (24)                                 |
| Net change in other assets (excluding those related to investing activities and financing activities)      | (145,438)       | 1,251         | (961)                                |
| Net change in reinsurance payables   | (295)           | 40            | (2)                                  |
| Net change in other liabilities (excluding those related to investing activities and financing activities) | 21,712          | 15,885        | 143                                  |
| Other, net   | (82,147)        | (88,367)      | (543)                                |
| Subtotal   | (3,839,603)     | (3,739,480)   | (25,359)                             |
| Interest and dividend received (cash basis)  | 878,801         | 991,216       | 5,804                                |
| Interest paid (cash basis)   | (4,862)         | (4,524)       | (32)                                 |
| Policyholder dividends paid  | (129,463)       | (146,714)     | (855)                                |
| Income taxes (paid) refund   | 31,960          | (78,594)      | 211                                  |
| Net cash used in operating activities  | ¥ (3,063,168)   | ¥ (2,978,098) | \$ (20,231)                          |

See accompanying notes to consolidated financial statements.

**CASH FLOWS FROM INVESTING ACTIVITIES:**

|  |               |               |             |
|--|---------------|---------------|-------------|
| Purchases of call loans  | ¥ (7,340,000) | ¥ (7,380,000) | \$ (48,478) |
| Proceeds from redemption of call loans   | 7,340,000     | 7,380,000     | 48,478      |
| Net change in receivables under resale agreements  | 337,571       | 735,373       | 2,230       |
| Purchases of monetary claims bought  | (19,995)      | (119,988)     | (132)       |
| Proceeds from sale and redemption of monetary claims bought                              | 41,682        | 111,808       | 275         |
| Purchases of money held in trust   | (291,790)     | (179,250)     | (1,927)     |
| Proceeds from decrease in money held in trust  | 168,963       | 277,340       | 1,116       |
| Purchases of securities  | (2,025,036)   | (1,709,400)   | (13,375)    |
| Proceeds from sale and redemption of securities  | 4,459,587     | 4,985,845     | 29,454      |
| Payments for loans   | (444,874)     | (421,335)     | (2,938)     |
| Proceeds from collection of loans  | 769,394       | 1,067,457     | 5,082       |
| Net change in payables under repurchase agreements                                       | 164,312       | 1,169,788     | 1,085       |
| Net change in payables under securities lending transactions                             | —             | (2,236,696)   | —           |
| Other, net   | (353,155)     | (425,078)     | (2,332)     |
| Total of net cash provided by investment transactions                                    | 2,806,659     | 3,255,864     | 18,537      |
| Total of net cash provided by (used in) operating activities and investment transactions | (256,508)     | 277,765       | (1,694)     |
| Purchases of tangible fixed assets   | (48,738)      | (3,990)       | (322)       |
| Proceeds from sales of tangible fixed assets   | 10            | —             | 0           |
| Purchases of intangible fixed assets   | (37,791)      | (28,251)      | (250)       |
| Purchase of shares of subsidiaries   | (200)         | (800)         | (1)         |
| Other, net   | 1,856         | (6,022)       | 12          |
| Net cash provided by investing activities  | 2,721,796     | 3,216,799     | 17,976      |

**CASH FLOWS FROM FINANCING ACTIVITIES:**

|  |             |             |          |
|--|-------------|-------------|----------|
| Repayment of lease obligations                                   | (1,598)     | (1,310)     | (11)     |
| Proceeds from issuance of bonds payable                          | 99,383      | —           | 656      |
| Purchases of treasury stock                                      | —           | (35,739)    | —        |
| Proceeds from disposals of treasury stock                        | 4           | —           | 0        |
| Dividends paid   | (35,620)    | (35,888)    | (235)    |
| Net cash provided by (used in) financing activities              | 62,169      | (72,939)    | 411      |
| Effect of exchange rate changes on cash and cash equivalents     | —           | —           | —        |
| Net change in cash and cash equivalents                          | (279,202)   | 165,762     | (1,844)  |
| Cash and cash equivalents at the beginning of the fiscal year    | 1,436,524   | 1,270,762   | 9,488    |
| Cash and cash equivalents at the end of the fiscal year (Note 3) | ¥ 1,157,322 | ¥ 1,436,524 | \$ 7,644 |

See accompanying notes to consolidated financial statements.



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

YEARS ENDED MARCH 31, 2024 AND 2023

### 1. BASIS OF PRESENTATION

The accompanying consolidated financial statements of JAPAN POST INSURANCE Co., Ltd. (the "Company"), have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations concerning preparation of consolidated financial statements, the Ordinance for Enforcement of Insurance Business Act and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of the International Financial Reporting Standards. Intercompany balances and transactions have been eliminated.

In preparing these consolidated financial statements, certain re-classifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan.

All Japanese yen figures in the consolidated financial statements have been rounded down to the nearest million yen, except for per share information. Accordingly, the total of each account might not be equal to the combined total of individual items.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and mainly operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥151.41 to US\$1, the approximate rate of exchange as of March 31, 2024. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (1) Consolidation and Equity Method

##### 1) Scope of consolidation

Under Japanese GAAP, a company is required to consolidate any subsidiary when the company substantially controls the operations of the subsidiary, even if it is not majority owned. Control is defined as the power to govern the decision-making body of an enterprise. The consolidated financial statements for all periods presented include the accounts of the Company and a subsidiary, JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. (collectively, the "Group"). For the years ended March 31, 2024 and 2023, the Company's major non-consolidated subsidiaries were Japan Post Insurance NEXT Partners Co., Ltd., and Spring Investment Limited Partnership. These non-consolidated subsidiaries were small in terms of total assets, ordinary income, net income or loss (an amount attributable to the Company), retained earnings (an amount attributable to the Company), cash flows and other items. They were excluded from the scope of consolidation as they were not significant enough to interfere with rational judgment regarding the corporate group's financial conditions, business performance and cash flows.

#### 2) Application of the equity method

A company is required to apply the equity method accounting to its non-consolidated subsidiaries and affiliates under Japanese GAAP. For the years ended March 31, 2024 and 2023, non-consolidated subsidiaries (Japan Post Insurance NEXT Partners Co., Ltd., Spring Investment Limited Partnership) and affiliates (Japan Post Investment Corporation, MKAM Co., Ltd., and others) not accounted for under the equity method had been excluded from the scope of equity method, as they were insignificant as a whole, with minimal influence on the consolidated financial statements, in terms of net income or loss (an amount attributable to the Company), retained earnings (an amount attributable to the Company) and other items.

#### 3) Fiscal year-end date of the consolidated subsidiary

The fiscal year-end date of the consolidated subsidiary is the same as the consolidated balance sheet date.

#### (2) Securities

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

##### 1) Held-to-maturity bonds

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

##### 2) Policy-reserve-matching bonds

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

##### 3) Investments in non-consolidated subsidiaries and affiliates that are not accounted for under the equity method

Investments in non-consolidated subsidiaries and affiliates that are not accounted for under the equity method are carried at cost, and the cost of these securities sold is calculated using the moving-average method.

##### 4) Available-for-sale securities

###### A) Available-for-sale securities other than stocks, 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.

###### B) 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.

#### (3) Derivative Transactions

All derivative transactions are valued at fair value.

#### (4) Hedge Accounting

##### 1) Methods for hedge accounting

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 the "Financial Instruments Accounting Standard"), and 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.

#### (5) Depreciation

##### 1) Tangible fixed assets (excluding leased assets)

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

|                              |            |
|------------------------------|------------|
| Buildings:                   | 2–60 years |
| Other tangible fixed assets: | 2–20 years |

##### 2) Intangible fixed assets (excluding leased assets)

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

##### 3) Leased assets

The Group mainly leases vehicles under finance lease arrangements that do not transfer the ownership of leased property to the lessee.

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

#### (6) Reserve for Possible Loan Losses

Reserve for possible loan losses is provided pursuant to the Company's standards for self-assessment of asset quality, and a general allowance is provided using a rate

based on historical collectability experience. In addition, specific allowances, which are determined based on individual collectability of accounts, are recorded.

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

For loans and guaranteed loans that were extended to borrowers that have filed for bankruptcy, including legal bankruptcy or civil rehabilitation, or that are considered substantially bankrupt, an allowance is provided for in the amount of loans, net of collateral value or the amounts expected to be recoverable under guarantees. The reserve for possible loan losses also includes amounts set aside for other assets subject to valuation allowance. The amounts written off for loans and other assets during the years ended March 31, 2024 and 2023, were ¥45 million (\$0 million) and ¥92 million, respectively.

#### (7) Policy Reserves

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

The amount of policy reserves might be affected if the actual results of the basis of the calculation of policy reserves such as assumed mortality rates, assumed interest rates and expected rate of expenses deviate significantly or deviations are expected in the future due to changes in the environment.

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

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

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

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.

The Management Network was established in October 2007 to support the privatization of Japan Post by succeeding from Japan Post postal savings such as fixed amount or term postal savings deposited and Postal Life Insurance Contracts concluded by September 2007 to ensure that such postal savings and Postal Life Insurance are managed appropriately and to fulfill the relevant liabilities without fail.

The Company has entered into the reinsurance contracts comprising outsourcing agreements for the administrative operation of the Postal Life Insurance and the reinsurance contracts for insurance liabilities based on former Postal Life Insurance Contracts, for Postal Life Insurance Contracts concluded by September 2007 that have been assumed by the Management Network.

In addition, based on the master plan by the Postal Service Privatization Act, with respect to the amount equivalent to that lent to policyholders of the Postal Life Insurance Contracts and to Japanese local governments and others succeeded from Japan Post Corporation, the Company has lent loans to the Management Network under the same loan conditions as those of the contracts between Japan Post and its counterparties.

**(8) Insurance Premiums and Others**

**1) Insurance premiums**

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

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

**2) Reinsurance income**

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

**(9) Insurance Claims and Others**

**1) Insurance claims and others (excluding reinsurance premiums)**

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

Reserve for outstanding claims has been accumulated for insurance claims, 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.

**(10) Retirement Benefits**

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

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

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

**(11) Reserve for Management Board Benefit Trust**

To provide for the granting of shares and others 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.

**(12) Reserve for Price Fluctuations**

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

**(13) Translation of 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.

**(14) Consolidated Statement of Cash Flows**

Cash and cash equivalents consist of "Cash and deposits" in the consolidated balance sheets.

**(15) Changes in Accounting Policies**

**For the year ended March 31, 2023**

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter the "Fair Value Measurement Implementation Guidance") from the beginning of the year ended March 31, 2023. In accordance with the transitional treatment set forth in Paragraph 27-2 of the Fair Value Measurement Implementation Guidance, the Company decided to apply a new accounting policy prescribed in the Fair Value Measurement Implementation Guidance into the future. Accordingly, while cost method by moving-average method was previously adopted for mutual funds with no transaction price on the market, from the year ended March 31, 2023, the fair value method based on the market price and others as of the consolidated balance sheet date is adopted.

However, in accordance with the transitional treatment set forth in Paragraph 27-3 of the Fair Value Measurement Implementation Guidance, the notes on the fair value hierarchy of financial instruments and other items in Note "24. FINANCIAL INSTRUMENTS" do not include a statement on mutual funds for the year ended March 31, 2022.

**(16) Additional Information**

**Transactions for granting shares and others of the Company to executive officers of the Company through a trust**

The Company has introduced a trust-based performance-linked stock compensation system for executive officers of the Company from the year ended March 31, 2017.

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 No. 30, March 26, 2015) with respect to the accounting treatment of the aforementioned trust agreement.

**A) Outline of the transaction**

In accordance with 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 requirements for eligibility at the time of their retirement a given 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.

**B) Shares of the Company held in trust**

Shares of the Company held in trust are recorded as treasury stock under the category of net assets at book value in the trust (excluding accompanying expenses). The book value of such treasury stock at the end of the years ended March 31, 2024 and 2023, was ¥925 million (\$6 million) and ¥1,057 million, respectively, while the number of such treasury stock was 415 thousand shares and 475 thousand shares, respectively.

### 3. RECONCILIATIONS OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of March 31, 2024 and 2023, and cash and deposits in the consolidated balance sheets as of March 31, 2024 and 2023, were as follows:

|  | Millions of Yen |             | Millions of U.S. Dollars |
|--|-----------------|-------------|--------------------------|
|  | 2024            | 2023        | 2024                     |
| <b>March 31</b>                                  |                 |             |                          |
| Cash and deposits                                | ¥ 1,157,322     | ¥ 1,436,524 | \$ 7,644                 |
| Cash and cash equivalents at the end of the year | ¥ 1,157,322     | ¥ 1,436,524 | \$ 7,644                 |

### 4. SECURITIES

#### (1) Securities

Securities as of March 31, 2024 and 2023, consisted of the following:

|                                 | Millions of Yen |              | Millions of U.S. Dollars |
|---------------------------------|-----------------|--------------|--------------------------|
|                                 | 2024            | 2023         | 2024                     |
| <b>March 31</b>                 |                 |              |                          |
| Japanese government bonds       | ¥ 36,037,546    | ¥ 37,114,603 | \$ 238,013               |
| Japanese local government bonds | 2,634,528       | 3,400,150    | 17,400                   |
| Japanese corporate bonds        | 4,119,871       | 4,228,952    | 27,210                   |
| Stocks                          | 557,752         | 409,104      | 3,684                    |
| Foreign securities              | 2,168,841       | 2,949,260    | 14,324                   |
| Other                           | 2,175,272       | 1,739,423    | 14,367                   |
| Total                           | ¥ 47,693,813    | ¥ 49,841,494 | \$ 314,998               |

Investments in non-consolidated subsidiaries and affiliates included in "Stocks" and "Other" as of March 31, 2024 and 2023, were as follows:

|  | Millions of Yen |          | Millions of U.S. Dollars |
|--|-----------------|----------|--------------------------|
|  | 2024            | 2023     | 2024                     |
| <b>March 31</b>                              |                 |          |                          |
| Stocks (included in "Stocks")                | ¥ 7,462         | ¥ 7,262  | \$ 49                    |
| Investments in capital (included in "Other") | 70,384          | 45,478   | 465                      |
| Total  | ¥ 77,847        | ¥ 52,740 | \$ 514                   |

Securities lent under lending agreements in the amount of ¥1,597,184 million (\$10,549 million) and ¥1,164,763 million were included in "Securities" in the consolidated balance sheets as of March 31, 2024 and 2023, respectively.

The Group has the right to sell or pledge securities received as collateral for transactions such as resale agreements, borrowing agreements and derivative transactions. The fair value of such securities held in hand was ¥141,779 million (\$936 million) and ¥124,202 million as of March 31, 2024 and 2023, respectively.

#### (2) Policy-Reserve-Matching Bonds

The consolidated balance sheet amount and fair value of policy-reserve-matching bonds as of March 31, 2024 and 2023, were as follows:

|                                   | Millions of Yen |             | Millions of U.S. Dollars |
|-----------------------------------|-----------------|-------------|--------------------------|
|                                   | 2024            | 2023        | 2024                     |
| <b>March 31</b>                   |                 |             |                          |
| Consolidated balance sheet amount | ¥ 7,139,629     | ¥ 8,075,012 | \$ 47,154                |
| Fair value                        | 6,954,091       | 8,237,638   | 45,929                   |

The outline of the risk management policy of policy-reserve-matching bonds was as follows:

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

#### For the year ended March 31, 2023

All insurance contracts under Postal Life Insurance Contracts previously fell into the Postal Life Insurance Contracts sub-group, but a portion of Postal Life Insurance Contracts has been eliminated from the sub-group policy reserves from the fourth quarter of the year ended March 31, 2023, as the Company has decided to apply deferred hedge accounting through interest rate swaps to hedge interest rate fluctuation risk for the said part of Postal Life Insurance Contracts 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), as part of the Company's efforts to respond to the enhancement of risk management under the new capital regulation scheduled to be introduced in the year ending March 31, 2026. This change has no impact on profit or loss.

#### (3) Fair Value Information on Securities

##### 1) Held-to-maturity bonds

|                                 | (Millions of Yen)                 |              |                               |                  |                   |
|---------------------------------|-----------------------------------|--------------|-------------------------------|------------------|-------------------|
|                                 | 2024                              |              |                               |                  |                   |
|                                 | Consolidated balance sheet amount | Fair value   | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| <b>March 31</b>                 |                                   |              |                               |                  |                   |
| Bonds                           | ¥ 32,343,114                      | ¥ 33,401,975 | ¥ 1,058,860                   | ¥ 2,097,052      | ¥ (1,038,191)     |
| Japanese government bonds       | 29,227,631                        | 30,351,127   | 1,123,496                     | 1,982,935        | (859,439)         |
| Japanese local government bonds | 1,846,718                         | 1,863,068    | 16,349                        | 79,289           | (62,939)          |
| Japanese corporate bonds        | 1,268,765                         | 1,187,779    | (80,985)                      | 34,827           | (115,813)         |
| Total                           | ¥ 32,343,114                      | ¥ 33,401,975 | ¥ 1,058,860                   | ¥ 2,097,052      | ¥ (1,038,191)     |

|                                 | (Millions of Yen)                 |              |                               |                  |                   |
|---------------------------------|-----------------------------------|--------------|-------------------------------|------------------|-------------------|
|                                 | 2023                              |              |                               |                  |                   |
|                                 | Consolidated balance sheet amount | Fair value   | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| <b>March 31</b>                 |                                   |              |                               |                  |                   |
| Bonds                           | ¥ 32,935,527                      | ¥ 35,502,364 | ¥ 2,566,836                   | ¥ 3,130,570      | ¥ (563,734)       |
| Japanese government bonds       | 29,094,611                        | 31,605,451   | 2,510,840                     | 2,970,340        | (459,500)         |
| Japanese local government bonds | 2,516,810                         | 2,589,269    | 72,458                        | 111,002          | (38,543)          |
| Japanese corporate bonds        | 1,324,104                         | 1,307,642    | (16,462)                      | 49,228           | (65,690)          |
| Total                           | ¥ 32,935,527                      | ¥ 35,502,364 | ¥ 2,566,836                   | ¥ 3,130,570      | ¥ (563,734)       |

|                                 | (Millions of U.S. Dollars)        |            |                               |                  |                   |
|---------------------------------|-----------------------------------|------------|-------------------------------|------------------|-------------------|
|                                 | 2024                              |            |                               |                  |                   |
|                                 | Consolidated balance sheet amount | Fair value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| <b>March 31</b>                 |                                   |            |                               |                  |                   |
| Bonds                           | \$ 213,613                        | \$ 220,606 | \$ 6,993                      | \$ 13,850        | \$ (6,857)        |
| Japanese government bonds       | 193,036                           | 200,457    | 7,420                         | 13,096           | (5,676)           |
| Japanese local government bonds | 12,197                            | 12,305     | 108                           | 524              | (416)             |
| Japanese corporate bonds        | 8,380                             | 7,845      | (535)                         | 230              | (765)             |
| Total                           | \$ 213,613                        | \$ 220,606 | \$ 6,993                      | \$ 13,850        | \$ (6,857)        |

2) Policy-reserve-matching bonds

(Millions of Yen)

|                                 | 2024                              |             |                               |                  |                   |
|---------------------------------|-----------------------------------|-------------|-------------------------------|------------------|-------------------|
|                                 | Consolidated balance sheet amount | Fair value  | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| <b>March 31</b>                 |                                   |             |                               |                  |                   |
| Bonds                           | ¥ 7,119,629                       | ¥ 6,934,535 | ¥ (185,093)                   | ¥ 278,170        | ¥ (463,264)       |
| Japanese government bonds       | 5,471,984                         | 5,450,242   | (21,742)                      | 267,873          | (289,615)         |
| Japanese local government bonds | 407,116                           | 392,196     | (14,920)                      | 6,602            | (21,522)          |
| Japanese corporate bonds        | 1,240,528                         | 1,092,096   | (148,431)                     | 3,693            | (152,125)         |
| Foreign securities              | 20,000                            | 19,555      | (444)                         | –                | (444)             |
| Foreign bonds                   | 20,000                            | 19,555      | (444)                         | –                | (444)             |
| Total                           | ¥ 7,139,629                       | ¥ 6,954,091 | ¥ (185,537)                   | ¥ 278,170        | ¥ (463,708)       |

(Millions of Yen)

|                                 | 2023                              |             |                               |                  |                   |
|---------------------------------|-----------------------------------|-------------|-------------------------------|------------------|-------------------|
|                                 | Consolidated balance sheet amount | Fair value  | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| <b>March 31</b>                 |                                   |             |                               |                  |                   |
| Bonds                           | ¥ 8,075,012                       | ¥ 8,237,638 | ¥ 162,626                     | ¥ 447,691        | ¥ (285,064)       |
| Japanese government bonds       | 6,354,976                         | 6,628,341   | 273,365                       | 434,831          | (161,465)         |
| Japanese local government bonds | 492,432                           | 487,993     | (4,439)                       | 9,174            | (13,613)          |
| Japanese corporate bonds        | 1,227,603                         | 1,121,303   | (106,300)                     | 3,685            | (109,985)         |
| Foreign securities              | –                                 | –           | –                             | –                | –                 |
| Foreign bonds                   | –                                 | –           | –                             | –                | –                 |
| Total                           | ¥ 8,075,012                       | ¥ 8,237,638 | ¥ 162,626                     | ¥ 447,691        | ¥ (285,064)       |

(Millions of U.S. Dollars)

|                                 | 2024                              |            |                               |                  |                   |
|---------------------------------|-----------------------------------|------------|-------------------------------|------------------|-------------------|
|                                 | Consolidated balance sheet amount | Fair value | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| <b>March 31</b>                 |                                   |            |                               |                  |                   |
| Bonds                           | \$ 47,022                         | \$ 45,800  | \$ (1,222)                    | \$ 1,837         | \$ (3,060)        |
| Japanese government bonds       | 36,140                            | 35,997     | (144)                         | 1,769            | (1,913)           |
| Japanese local government bonds | 2,689                             | 2,590      | (99)                          | 44               | (142)             |
| Japanese corporate bonds        | 8,193                             | 7,213      | (980)                         | 24               | (1,005)           |
| Foreign securities              | 132                               | 129        | (3)                           | –                | (3)               |
| Foreign bonds                   | 132                               | 129        | (3)                           | –                | (3)               |
| Total                           | \$ 47,154                         | \$ 45,929  | \$ (1,225)                    | \$ 1,837         | \$ (3,063)        |

3) Available-for-sale securities

(Millions of Yen)

|                                 | 2024                              |             |                               |                  |                   |
|---------------------------------|-----------------------------------|-------------|-------------------------------|------------------|-------------------|
|                                 | Consolidated balance sheet amount | Cost        | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| <b>March 31</b>                 |                                   |             |                               |                  |                   |
| Bonds                           | ¥ 3,329,202                       | ¥ 3,560,198 | ¥ (230,996)                   | ¥ 6,688          | ¥ (237,685)       |
| Japanese government bonds       | 1,337,930                         | 1,530,689   | (192,758)                     | –                | (192,758)         |
| Japanese local government bonds | 380,693                           | 388,231     | (7,537)                       | 31               | (7,568)           |
| Japanese corporate bonds        | 1,610,578                         | 1,641,278   | (30,699)                      | 6,657            | (37,357)          |
| Stocks                          | 546,030                           | 344,973     | 201,056                       | 203,449          | (2,392)           |
| Foreign securities              | 2,124,846                         | 2,099,796   | 25,050                        | 112,961          | (87,911)          |
| Foreign bonds                   | 1,954,510                         | 1,932,785   | 21,725                        | 109,614          | (87,888)          |
| Foreign other securities        | 170,336                           | 167,011     | 3,324                         | 3,347            | (22)              |
| Other <sup>1</sup>              | 2,800,279                         | 2,864,405   | (64,125)                      | 73,704           | (137,830)         |
| Total                           | ¥ 8,800,359                       | ¥ 8,869,374 | ¥ (69,015)                    | ¥ 396,804        | ¥ (465,819)       |

(Millions of Yen)

|                                 | 2023                              |             |                               |                  |                   |
|---------------------------------|-----------------------------------|-------------|-------------------------------|------------------|-------------------|
|                                 | Consolidated balance sheet amount | Cost        | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| <b>March 31</b>                 |                                   |             |                               |                  |                   |
| Bonds                           | ¥ 3,733,166                       | ¥ 3,878,732 | ¥ (145,565)                   | ¥ 11,530         | ¥ (157,095)       |
| Japanese government bonds       | 1,665,015                         | 1,784,911   | (119,896)                     | 1,756            | (121,653)         |
| Japanese local government bonds | 390,906                           | 395,430     | (4,524)                       | 171              | (4,695)           |
| Japanese corporate bonds        | 1,677,244                         | 1,698,389   | (21,144)                      | 9,601            | (30,746)          |
| Stocks                          | 397,582                           | 330,088     | 67,493                        | 74,543           | (7,049)           |
| Foreign securities              | 2,949,260                         | 2,964,306   | (15,045)                      | 156,712          | (171,758)         |
| Foreign bonds                   | 2,787,121                         | 2,801,828   | (14,706)                      | 155,222          | (169,928)         |
| Foreign other securities        | 162,139                           | 162,478     | (339)                         | 1,490            | (1,829)           |
| Other <sup>2</sup>              | 2,266,290                         | 2,371,817   | (105,526)                     | 31,428           | (136,955)         |
| Total                           | ¥ 9,346,300                       | ¥ 9,544,944 | ¥ (198,644)                   | ¥ 274,214        | ¥ (472,859)       |

(Millions of U.S. Dollars)

|                                 | 2024                              |           |                               |                  |                   |
|---------------------------------|-----------------------------------|-----------|-------------------------------|------------------|-------------------|
|                                 | Consolidated balance sheet amount | Cost      | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| <b>March 31</b>                 |                                   |           |                               |                  |                   |
| Bonds                           | \$ 21,988                         | \$ 23,514 | \$ (1,526)                    | \$ 44            | \$ (1,570)        |
| Japanese government bonds       | 8,836                             | 10,110    | (1,273)                       | –                | (1,273)           |
| Japanese local government bonds | 2,514                             | 2,564     | (50)                          | 0                | (50)              |
| Japanese corporate bonds        | 10,637                            | 10,840    | (203)                         | 44               | (247)             |
| Stocks                          | 3,606                             | 2,278     | 1,328                         | 1,344            | (16)              |
| Foreign securities              | 14,034                            | 13,868    | 165                           | 746              | (581)             |
| Foreign bonds                   | 12,909                            | 12,765    | 143                           | 724              | (580)             |
| Foreign other securities        | 1,125                             | 1,103     | 22                            | 22               | (0)               |
| Other <sup>1</sup>              | 18,495                            | 18,918    | (424)                         | 487              | (910)             |
| Total                           | \$ 58,123                         | \$ 58,579 | \$ (456)                      | \$ 2,621         | \$ (3,077)        |

Notes:

1. "Other" includes negotiable certificates of deposit (cost: ¥670,000 million (\$4,425 million), consolidated balance sheet amount: ¥670,000 million (\$4,425 million)) presented as "Cash and deposits" in the consolidated balance sheet and monetary claims bought (cost: ¥24,907 million (\$165 million), consolidated balance sheet amount: ¥25,392 million (\$168 million)) as of March 31, 2024.
2. "Other" includes negotiable certificates of deposit (cost: ¥525,000 million, consolidated balance sheet amount: ¥525,000 million) presented as "Cash and deposits" in the consolidated balance sheet and monetary claims bought (cost: ¥46,588 million, consolidated balance sheet amount: ¥47,345 million) as of March 31, 2023.

4) Policy-reserve-matching bonds sold for the years ended March 31, 2024 and 2023

(Millions of Yen)

| March 31                        | 2024      |          |           |
|---------------------------------|-----------|----------|-----------|
|                                 | 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) |

(Millions of Yen)

| March 31                        | 2023      |         |        |
|---------------------------------|-----------|---------|--------|
|                                 | Sales     | Gains   | Losses |
| Bonds                           | ¥ 295,753 | ¥ 4,003 | ¥ —    |
| Japanese government bonds       | 295,753   | 4,003   | —      |
| Japanese local government bonds | —         | —       | —      |
| Japanese corporate bonds        | —         | —       | —      |
| Total                           | ¥ 295,753 | ¥ 4,003 | ¥ —    |

(Millions of U.S. Dollars)

| March 31                        | 2024     |        |         |
|---------------------------------|----------|--------|---------|
|                                 | Sales    | Gains  | Losses  |
| Bonds                           | \$ 5,297 | \$ 146 | \$ (55) |
| Japanese government bonds       | 4,871    | 146    | (21)    |
| Japanese local government bonds | 1        | 0      | —       |
| Japanese corporate bonds        | 425      | —      | (34)    |
| Total                           | \$ 5,297 | \$ 146 | \$ (55) |

5) Available-for-sale securities sold for the years ended March 31, 2024 and 2023

(Millions of Yen)

| March 31                        | 2024        |           |             |
|---------------------------------|-------------|-----------|-------------|
|                                 | Sales       | Gains     | Losses      |
| Bonds                           | ¥ 433,135   | ¥ 28      | ¥ (48,975)  |
| Japanese government bonds       | 363,609     | —         | (44,493)    |
| Japanese local government bonds | —           | —         | —           |
| 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)   |
| Foreign other securities        | 1,442       | —         | (71)        |
| Other securities                | —           | —         | —           |
| Total                           | ¥ 1,935,083 | ¥ 129,011 | ¥ (169,350) |

(Millions of Yen)

| March 31                        | 2023        |          |             |
|---------------------------------|-------------|----------|-------------|
|                                 | Sales       | Gains    | Losses      |
| Bonds                           | ¥ 506,413   | ¥ 476    | ¥ (17,833)  |
| Japanese government bonds       | 69,001      | —        | (5,690)     |
| Japanese local government bonds | 277,139     | 58       | (125)       |
| Japanese corporate bonds        | 160,272     | 417      | (12,017)    |
| Stocks                          | 117,038     | 18,830   | (6,372)     |
| Foreign securities              | 1,764,440   | 27,256   | (120,852)   |
| Foreign bonds                   | 1,764,440   | 27,256   | (120,852)   |
| Foreign other securities        | —           | —        | —           |
| Other securities                | 167,250     | —        | (32,238)    |
| Total                           | ¥ 2,555,143 | ¥ 46,564 | ¥ (177,296) |

(Millions of U.S. Dollars)

| March 31                        | 2024      |        |            |
|---------------------------------|-----------|--------|------------|
|                                 | Sales     | Gains  | Losses     |
| Bonds                           | \$ 2,861  | \$ 0   | \$ (323)   |
| Japanese government bonds       | 2,401     | —      | (294)      |
| Japanese local government bonds | —         | —      | —          |
| Japanese corporate bonds        | 459       | 0      | (30)       |
| Stocks                          | 440       | 95     | (30)       |
| Foreign securities              | 9,479     | 757    | (765)      |
| Foreign bonds                   | 9,470     | 757    | (765)      |
| Foreign other securities        | 10        | —      | (0)        |
| Other securities                | —         | —      | —          |
| Total                           | \$ 12,780 | \$ 852 | \$ (1,118) |

6) Securities for which losses on valuation were recognized

The Group recognized losses on valuation of ¥71 million (\$0 million) and ¥306 million for available-for-sale securities with market value for the years ended March 31, 2024 and 2023, respectively.

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.

(4) Money Held in Trust

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

(Millions of Yen)

| March 31                      | 2024                              |             |                               |                  |                   |
|-------------------------------|-----------------------------------|-------------|-------------------------------|------------------|-------------------|
|                               | Consolidated balance sheet amount | Cost        | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Specified money held in trust | ¥ 6,158,055                       | ¥ 3,642,486 | ¥ 2,515,569                   | ¥ 2,553,934      | ¥ (38,365)        |

(Millions of Yen)

| March 31                      | 2023                              |             |                               |                  |                   |
|-------------------------------|-----------------------------------|-------------|-------------------------------|------------------|-------------------|
|                               | Consolidated balance sheet amount | Cost        | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Specified money held in trust | ¥ 4,672,032                       | ¥ 3,376,790 | ¥ 1,295,241                   | ¥ 1,364,388      | ¥ (69,147)        |

(Millions of U.S. Dollars)

| March 31                      | 2024                              |           |                               |                  |                   |
|-------------------------------|-----------------------------------|-----------|-------------------------------|------------------|-------------------|
|                               | Consolidated balance sheet amount | Cost      | Net unrealized gains (losses) | Unrealized gains | Unrealized losses |
| Specified money held in trust | \$ 40,671                         | \$ 24,057 | \$ 16,614                     | \$ 16,868        | \$ (253)          |

Note:

The Group recognized losses on valuation of ¥3,882 million (\$26 million) and ¥6,360 million for the years ended March 31, 2024 and 2023, respectively.

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.

5. ASSETS PLEDGED AS COLLATERAL

Assets pledged as collateral as of March 31, 2024 and 2023, consisted of the following:

| March 31   | Millions of Yen |             | Millions of U.S. Dollars |
|--|-----------------|-------------|--------------------------|
|  | 2024            | 2023        | 2024                     |
| Assets pledged as collateral:                              |                 |             |                          |
| Securities   | ¥ 3,715,475     | ¥ 3,499,456 | \$ 24,539                |
| Liabilities corresponding to assets pledged as collateral: |                 |             |                          |
| Payables under repurchase agreements                       | 3,905,000       | 3,740,688   | 25,791                   |

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.

| March 31                                       | Millions of Yen |           | Millions of U.S. Dollars |
|--|-----------------|-----------|--------------------------|
|  | 2024            | 2023      | 2024                     |
| Securities                                     | ¥ 213,657       | ¥ 133,667 | \$ 1,411                 |
| Margin deposits for futures transactions       | 4,284           | 9         | 28                       |
| Cash collateral paid for financial instruments | 35,750          | 4,094     | 236                      |

## 6. LOANS

There were no bankrupt loans or quasi-bankrupt loans, doubtful loans, past due loans for three months or more, or restructured loans as of March 31, 2024 and 2023.

Definitions for each of the respective loans are as follows:

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

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

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

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

The amounts of unused commitments as of March 31, 2024 and 2023, were as follows:

| March 31                     | Millions of Yen |          | Millions of U.S. Dollars |
|------------------------------|-----------------|----------|--------------------------|
|                              | 2024            | 2023     | 2024                     |
| Amount of unused commitments | ¥ 4,890         | ¥ 15,659 | \$ 32                    |

With regard to the loans (loans to the Management Network) that became due on March 31, 2024, 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, the amount received in advance was recorded as other liabilities (suspense receipt) as its due date had not yet arrived. Details of the loans (loans to the Management Network) that became due on March 31, 2024, as well as the amount recorded as accrued interest in other assets (accrued revenue) and the amount received in advance which was recorded as other liabilities (suspense receipt) for these loans to the Management Network were as follows. March 31, 2023, did not fall on a bank holiday.

| March 31                                | Millions of Yen |      | Millions of U.S. Dollars |
|---|-----------------|------|--------------------------|
|   | 2024            | 2023 | 2024                     |
| Loans (loans to the Management Network) | ¥ 242,568       | ¥ -  | \$ 1,602                 |
| Other assets (accrued revenue)          | 21,100          | -    | 139                      |
| Other liabilities (suspense receipt)    | 13,276          | -    | 88                       |

## 7. TANGIBLE FIXED ASSETS

Accumulated depreciation as of March 31, 2024 and 2023, was as follows:

| March 31                 | Millions of Yen |          | Millions of U.S. Dollars |
|--------------------------|-----------------|----------|--------------------------|
|                          | 2024            | 2023     | 2024                     |
| Accumulated depreciation | ¥ 62,049        | ¥ 56,263 | \$ 410                   |

## 8. REINSURANCE

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 the "reserve for outstanding claims—ceded"), as of March 31, 2024 and 2023, was as follows:

| March 31                             | Millions of Yen |       | Millions of U.S. Dollars |
|--------------------------------------|-----------------|-------|--------------------------|
|                                      | 2024            | 2023  | 2024                     |
| Reserve for outstanding claims—ceded | ¥ 426           | ¥ 690 | \$ 3                     |

Policy reserves for reinsured part defined in Article 71, Paragraph 1 of the said Ordinance (hereinafter "policy reserves—ceded") as of March 31, 2024 and 2023, were as follows:

| March 31              | Millions of Yen |       | Millions of U.S. Dollars |
|-----------------------|-----------------|-------|--------------------------|
|                       | 2024            | 2023  | 2024                     |
| Policy reserves—ceded | ¥ 641,745       | ¥ 880 | \$ 4,238                 |

## 9. RESERVE FOR POLICYHOLDER DIVIDENDS

Changes in reserve for policyholder dividends for the years ended March 31, 2024 and 2023, were as follows:

| Years ended March 31                                   | Millions of Yen |             | Millions of U.S. Dollars |
|--|-----------------|-------------|--------------------------|
|  | 2024            | 2023        | 2024                     |
| Balance at the beginning of the year                   | ¥ 1,175,171     | ¥ 1,260,009 | \$ 7,762                 |
| Policyholder dividends paid                            | (129,463)       | (146,714)   | (855)                    |
| Interest accrual                                       | 137             | 9           | 1                        |
| Reduction due to the acquisition of additional annuity | (115)           | (200)       | (1)                      |
| Provision for reserve for policyholder dividends       | 55,899          | 62,067      | 369                      |
| Balance at the end of the year                         | ¥ 1,101,628     | ¥ 1,175,171 | \$ 7,276                 |

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

Bonds payable as of March 31, 2024 and 2023, were as follows:

| March 31  | Date of issuance  | Millions of Yen |           | Millions of U.S. Dollars | Interest rate       | Collateral | Maturity date     |
|---|-------------------|-----------------|-----------|--------------------------|---------------------|------------|-------------------|
|   |                   | 2024            | 2023      | 2024                     |                     |            |                   |
| Issued by JAPAN POST INSURANCE Co., Ltd.:   |                   |                 |           |                          |                     |            |                   |
| First series of subordinated unsecured bonds with interest deferral option and early redemption option  | January 29, 2019  | ¥ 100,000       | ¥ 100,000 | \$ 660                   | 1.00% <sup>1</sup>  | None       | January 29, 2049  |
| Second series of subordinated unsecured bonds with interest deferral option and early redemption option | January 28, 2021  | 200,000         | 200,000   | 1,321                    | 1.050% <sup>2</sup> | None       | January 28, 2051  |
| Third series of subordinated unsecured bonds with interest deferral option and early redemption option  | September 7, 2023 | 100,000         | -         | 660                      | 1.910% <sup>3</sup> | None       | September 7, 2053 |
| Total   |                   | ¥ 400,000       | ¥ 300,000 | \$ 2,642                 |                     |            |                   |

Notes:

- Interest rate from the day immediately following January 29, 2029, shall be 6-month Euroyen LIBOR plus 1.78%.
- Interest rate from the day immediately following January 28, 2031, shall be the interest rate of 5-year Japanese government bonds plus 2.010% (reset every five years).
- Interest rate from the day immediately following September 7, 2033, shall be the interest rate of 5-year Japanese government bonds plus 2.277% (reset every five years).
- No scheduled redemption is due within 5 years after the end of the year ended March 31, 2024.
- Bonds payable are subordinated bonds stipulating that their priorities are ranked behind other obligations.

Lease obligations and other interest-bearing debt as of March 31, 2024 and 2023, were as follows:

| March 31                             | Millions of Yen |             | Millions of U.S. Dollars | Average interest rate | Due        |
|--------------------------------------|-----------------|-------------|--------------------------|-----------------------|------------|
|                                      | 2024            | 2023        | 2024                     | 2024                  |            |
| Lease obligations                    | ¥ 5,860         | ¥ 4,647     | \$ 39                    | -                     | March 2031 |
| Other interest-bearing debt:         |                 |             |                          |                       |            |
| Payables under repurchase agreements | 3,905,000       | 3,740,688   | 25,791                   | (0.07)%               | -          |
| Total                                | ¥ 3,910,860     | ¥ 3,745,335 | \$ 25,830                | -                     | -          |

Notes:

- Lease obligations are included in "Other liabilities" in the consolidated balance sheets.
- The interest rates are calculated using the weighted-average method based on the balance at the fiscal year-end. The average interest rate of lease obligations is not presented above because interest is included in the total amount of lease payments.
- Payables under repurchase agreements and payables under securities lending transactions are scheduled to be settled within one year.

The repayment schedule on lease obligations as of March 31, 2024, was as follows:

| March 31                          | Millions of Yen |      | Millions of U.S. Dollars |
|-----------------------------------|-----------------|------|--------------------------|
|                                   | 2024            | 2023 | 2024                     |
| Within 1 year                     | ¥ 1,232         | ¥ 8  | \$ 8                     |
| Due after 1 year through 2 years  | 1,144           | 8    | 8                        |
| Due after 2 years through 3 years | 1,089           | 7    | 7                        |
| Due after 3 years through 4 years | 985             | 7    | 7                        |
| Due after 4 years through 5 years | 798             | 5    | 5                        |
| Due after 5 years                 | 608             | 4    | 4                        |
| Total                             | ¥ 5,860         | ¥ 39 | \$ 39                    |

## 11. RETIREMENT BENEFITS

### (1) Outline of Retirement Benefits

The Group has adopted lump-sum severance indemnity plans as unfunded defined benefit plans.

In addition, starting from October 1, 2015, the Company has joined the retirement pension plan based on the Act for Partial Amendment of the Act on National Public Officers' Retirement Allowance, etc., for the Purpose of Review over the Levels of the Retirement Benefits for National Public Officers (Act No. 96 of 2012) and introduced a new pension system to replace the discontinued occupational portion (third-tier portion) of the mutual pension, and the pension contribution amount required for the Company for the years ended March 31, 2024 and 2023, was ¥913 million (\$6 million) and ¥952 million, respectively.

### (2) Defined Benefit Plans

#### 1) Changes in retirement benefit obligations

| Years ended March 31                 | Millions of Yen |          | Millions of U.S. Dollars |
|--------------------------------------|-----------------|----------|--------------------------|
|                                      | 2024            | 2023     | 2024                     |
| Balance at the beginning of the year | ¥ 69,331        | ¥ 68,313 | \$ 458                   |
| Service cost                         | 5,637           | 4,088    | 37                       |
| Interest cost                        | 666             | 472      | 4                        |
| Actuarial differences                | (404)           | (60)     | (3)                      |
| Benefits paid                        | (6,223)         | (3,583)  | (41)                     |
| Increase/decrease due to transfers   | 26,924          | 100      | 178                      |
| Balance at the end of the year       | ¥ 95,931        | ¥ 69,331 | \$ 634                   |

#### Changes in presentation method

"Increase/decrease due to transfers," which used to be included in "other," is indicated separately from the year ended March 31, 2024, as its financial significance has increased. To reflect this change, the figures for the year ended March 31, 2023, have been reclassified.

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

| March 31  | Millions of Yen |          | Millions of U.S. Dollars |
|---|-----------------|----------|--------------------------|
|   | 2024            | 2023     | 2024                     |
| Unfunded retirement benefit obligations                                       | ¥ 95,931        | ¥ 69,331 | \$ 634                   |
| Liability for retirement benefits recorded on the consolidated balance sheets | ¥ 95,931        | ¥ 69,331 | \$ 634                   |

#### 3) Retirement benefit costs

| Years ended March 31                                 | Millions of Yen |          | Millions of U.S. Dollars |
|--|-----------------|----------|--------------------------|
|  | 2024            | 2023     | 2024                     |
| Service cost   | ¥ 5,637         | ¥ 4,088  | \$ 37                    |
| Interest cost  | 666             | 472      | 4                        |
| Amortization of actuarial differences                | (178)           | (195)    | (1)                      |
| Amortization of prior service cost                   | (464)           | (464)    | (3)                      |
| Amount borne for seconded employees                  | 4,483           | 6,380    | 30                       |
| Other  | —               | 3        | —                        |
| Retirement benefit expenses of defined benefit plans | ¥ 10,143        | ¥ 10,284 | \$ 67                    |

#### 4) Adjustments for retirement benefits (before tax effect)

| Years ended March 31  | Millions of Yen |         | Millions of U.S. Dollars |
|-----------------------|-----------------|---------|--------------------------|
|                       | 2024            | 2023    | 2024                     |
| Prior service cost    | ¥ (464)         | ¥ (464) | \$ (3)                   |
| Actuarial differences | 225             | (135)   | 1                        |
| Total                 | ¥ (239)         | ¥ (600) | \$ (2)                   |

#### 5) Accumulated adjustments for retirement benefits (before tax effect)

| March 31                           | Millions of Yen |         | Millions of U.S. Dollars |
|------------------------------------|-----------------|---------|--------------------------|
|                                    | 2024            | 2023    | 2024                     |
| Unrecognized prior service cost    | ¥ 2,791         | ¥ 3,256 | \$ 18                    |
| Unrecognized actuarial differences | 241             | 16      | 2                        |
| Total                              | ¥ 3,033         | ¥ 3,273 | \$ 20                    |

### 6) Actuarial assumptions

The principal actuarial assumptions used for the years ended March 31, 2024 and 2023, were as follows:

| Years ended March 31 | 2024        | 2023        |
|----------------------|-------------|-------------|
| Discount rate        | 0.3% – 0.7% | 0.3% – 0.7% |

## 12. RESERVES RELATED TO REINSURANCE CONTRACTS

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

In addition, contingency reserve and reserve for price fluctuations are provided for the category of reinsurance.

The policy reserves, excluding contingency reserve and including policy reserves—ceded, contingency reserve and reserve for price fluctuations mentioned above as of March 31, 2024 and 2023, were as follows:

| March 31  | Millions of Yen |              | Millions of U.S. Dollars |
|---|-----------------|--------------|--------------------------|
|   | 2024            | 2023         | 2024                     |
| Policy reserves (excluding contingency reserve and including policy reserves—ceded) | ¥ 25,595,821    | ¥ 27,370,400 | \$ 169,050               |
| Contingency reserve   | 1,283,683       | 1,260,220    | 8,478                    |
| Reserve for price fluctuations  | 749,984         | 711,298      | 4,953                    |

## 13. DEPOSITS FROM THE MANAGEMENT NETWORK

"Other liabilities" in the consolidated balance sheets include deposits from the Management Network.

Deposits from the Management Network refer to the amounts equivalent to the reserve for outstanding claims and reserve for losses on compensation for damages related to litigation or conciliation of the Management Network, which were deposited at the time of privatization based on the outsourcing agreements with the Management Network for the administrative operation of the Postal Life Insurance Policy and which remained unpaid at the end of the fiscal years ended March 31, 2024 and 2023.

Deposits from the Management Network as of March 31, 2024 and 2023, were as follows:

| March 31                             | Millions of Yen |          | Millions of U.S. Dollars |
|--------------------------------------|-----------------|----------|--------------------------|
|                                      | 2024            | 2023     | 2024                     |
| Deposits from the Management Network | ¥ 37,575        | ¥ 38,647 | \$ 248                   |

## 14. DEFERRED TAX ASSETS AND LIABILITIES

Significant components of deferred tax assets and liabilities as of March 31, 2024 and 2023, were as follows:

| March 31   | Millions of Yen |             | Millions of U.S. Dollars |
|--|-----------------|-------------|--------------------------|
|  | 2024            | 2023        | 2024                     |
| Deferred tax assets:                               |                 |             |                          |
| Policy reserves                                    | ¥ 998,451       | ¥ 1,021,572 | \$ 6,594                 |
| Reserve for price fluctuations                     | 228,547         | 231,440     | 1,509                    |
| Reserve for outstanding claims                     | 42,693          | 48,375      | 282                      |
| Liability for retirement benefits                  | 26,909          | 19,459      | 178                      |
| Unrealized losses on available-for-sale securities | 141,183         | 151,762     | 932                      |
| Other  | 43,617          | 37,119      | 288                      |
| Subtotal   | 1,481,402       | 1,509,730   | 9,784                    |
| Valuation allowance                                | (14,973)        | (14,686)    | (99)                     |
| Total deferred tax assets                          | 1,466,429       | 1,495,043   | 9,685                    |
| Deferred tax liabilities:                          |                 |             |                          |
| Unrealized gains on available-for-sale securities  | (817,573)       | (453,303)   | (5,400)                  |
| Other  | (12,211)        | (12,955)    | (81)                     |
| Total deferred tax liabilities                     | (829,784)       | (466,259)   | (5,480)                  |
| Net deferred tax assets (liabilities)              | ¥ 636,644       | ¥ 1,028,784 | \$ 4,205                 |

Note:  
Deferred tax assets related to policy reserves and reserve for price fluctuations were recoverable because future taxable income would be generated over the long term and therefore deferred tax assets have an effect of reducing the amount of tax payable.

The Company and its domestic subsidiary are subject to Japanese national and local income taxes, which, in aggregate, would result in a statutory tax rate of approximately 28.00% for the years ended March 31, 2024 and 2023.

Reconciliation of the statutory tax rate and the effective income tax rate for the years ended March 31, 2024 and 2023, is omitted as the difference was less than 5% of the statutory tax rate.

## 15. NET ASSETS

### (1) Type and Number of Shares Issued and Treasury Stock

| Year ended March 31, 2024 | Thousands of shares |          |          |                |
|---------------------------|---------------------|----------|----------|----------------|
|                           | April 1, 2023       | Increase | Decrease | March 31, 2024 |
| Shares issued:            |                     |          |          |                |
| Common stock              | 399,693             | —        | 16,501   | 383,192        |
| Total                     | 399,693             | —        | 16,501   | 383,192        |
| Treasury stock            |                     |          |          |                |
| Common stock              | 16,988              | —        | 16,561   | 427            |
| Total                     | 16,988              | —        | 16,561   | 427            |

Notes:

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

| Year ended March 31, 2023 | Thousands of shares |          |          |                |
|---------------------------|---------------------|----------|----------|----------------|
|                           | April 1, 2022       | Increase | Decrease | March 31, 2023 |
| Shares issued:            |                     |          |          |                |
| Common stock              | 399,693             | —        | —        | 399,693        |
| Total                     | 399,693             | —        | —        | 399,693        |
| Treasury stock            |                     |          |          |                |
| Common stock              | 151                 | 16,842   | 5        | 16,988         |
| Total                     | 151                 | 16,842   | 5        | 16,988         |

Notes:

- Numbers of treasury stock at the beginning and the end of the year ended March 31, 2023 include shares of the Company held in the BBT, and were 140 thousand shares and 475 thousand shares, respectively.
- The increase of 16,842 thousand shares in the number of treasury stock was attributable to an increase of 16,501 thousand shares due to the purchases of treasury stock based on the written resolution passed by the Board of Directors on August 10, 2022, an increase of 340 thousand shares due to the acquisition of the BBT and an increase of 0 thousand shares due to the purchase of fractional shares.
- The decrease of 5 thousand shares in the number of treasury stock was attributable to the granting of shares via the BBT.

### (2) Information on Dividends

#### 1) Dividends paid

##### Dividends paid for the year ended March 31, 2024

| Resolution  | Class of shares | Total amount (Millions of Yen) | Total amount (Millions of U.S. Dollars) | Per share amount (Yen) | Per share amount (U.S. Dollars) | Record date        | Effective date   |
|---|-----------------|--------------------------------|---|------------------------|---------------------------------|--------------------|------------------|
| Board of Directors' meeting held on May 15, 2023      | Common stock    | ¥ 17,626                       | \$ 116                                  | ¥ 46.00                | \$ 0.30                         | March 31, 2023     | June 20, 2023    |
| Board of Directors' meeting held on November 13, 2023 | Common stock    | ¥ 18,009                       | \$ 119                                  | ¥ 47.00                | \$ 0.31                         | September 30, 2023 | December 5, 2023 |

Notes:

- Total amount of dividends based on the resolution at the Board of Directors' meeting held on May 15, 2023, included ¥21 million (\$0 million) of dividends paid for shares of the Company held in the BBT.
- Total amount of dividends based on the resolution at the Board of Directors' meeting held on November 13, 2023, included ¥19 million (\$0 million) of dividends paid for shares of the Company held in the BBT.

##### Dividends paid for the year ended March 31, 2023

| Resolution  | Class of shares | Total amount (Millions of Yen) | Per share amount (Yen) | Record date        | Effective date   |
|---|-----------------|--------------------------------|------------------------|--------------------|------------------|
| Board of Directors' meeting held on May 13, 2022      | Common stock    | ¥ 17,985                       | ¥ 45.00                | March 31, 2022     | June 16, 2022    |
| Board of Directors' meeting held on November 11, 2022 | Common stock    | ¥ 17,910                       | ¥ 46.00                | September 30, 2022 | December 5, 2022 |

Notes:

- Total amount of dividends based on the resolution at the Board of Directors' meeting held on May 13, 2022, included ¥6 million of dividends paid for shares of the Company held in the BBT.
- Total amount of dividends based on the resolution at the Board of Directors' meeting held on November 11, 2022, included ¥21 million of dividends paid for shares of the Company held in the BBT.

### 2) Dividends for which the effective date falls after the end of the fiscal year

#### Dividends for which the effective date falls after the end of the year ended March 31, 2024

| Resolution                                       | Class of shares | Total amount (Millions of Yen) | Total amount (Millions of U.S. Dollars) | Source of dividends | Per share amount (Yen) | Per share amount (U.S. Dollars) | Record date    | Effective date |
|--|-----------------|--------------------------------|---|---------------------|------------------------|---------------------------------|----------------|----------------|
| Board of Directors' meeting held on May 15, 2024 | Common stock    | ¥ 18,009                       | \$ 119                                  | Retained earnings   | ¥ 47.00                | \$ 0.31                         | March 31, 2024 | June 18, 2024  |

Note: Total amount of dividends includes ¥19 million (\$0 million) of dividends paid for shares of the Company held in the BBT.

## 16. OPERATING EXPENSES

Operating expenses for the years ended March 31, 2024 and 2023, consisted of the following:

| Years ended March 31            | Millions of Yen |           | Millions of U.S. Dollars |
|---------------------------------|-----------------|-----------|--------------------------|
|                                 | 2024            | 2023      | 2024                     |
| Sales activity expenses         | ¥ 53,928        | ¥ 59,980  | \$ 356                   |
| Sales administration expenses   | 19,511          | 19,012    | 129                      |
| General administration expenses | 366,879         | 366,768   | 2,423                    |
| Total                           | ¥ 440,320       | ¥ 445,761 | \$ 2,908                 |

## 17. POLICY RESERVES FOR CEDED REINSURANCE

The amount of reversal of reserve for outstanding claims—ceded that is deducted from the calculation of reversal of reserve for outstanding claims for the year ended March 31, 2024, was ¥264 million (\$2 million). The amount of provision for reserve for outstanding claims—ceded that is deducted from the calculation of provision for reserve for outstanding claims for the year ended March 31, 2023, was ¥165 million.

The amount of provision for policy reserves—ceded that is added to the calculation of reversal of policy reserves for the year ended March 31, 2024, was ¥640,865 million (\$4,233 million). The amount of reversal of policy reserves—ceded that is deducted from the calculation of reversal of policy reserves for the year ended March 31, 2023, was ¥27 million.

## 18. INSURANCE PREMIUMS AND OTHERS

Insurance premiums assumed based on reinsurance contracts with the Management Network included in insurance premiums and others for the years ended March 31, 2024 and 2023, were as follows:

| Years ended March 31 | Millions of Yen |           | Millions of U.S. Dollars |
|----------------------|-----------------|-----------|--------------------------|
|                      | 2024            | 2023      | 2024                     |
| Insurance premiums   | ¥ 171,727       | ¥ 222,610 | \$ 1,134                 |

## 19. INSURANCE CLAIMS

Insurance claims based on reinsurance contracts with the Management Network included in insurance claims for the years ended March 31, 2024 and 2023, were as follows:

| Years ended March 31 | Millions of Yen |             | Millions of U.S. Dollars |
|----------------------|-----------------|-------------|--------------------------|
|                      | 2024            | 2023        | 2024                     |
| Insurance claims     | ¥ 2,268,384     | ¥ 2,535,300 | \$ 14,982                |

## 20. EXTRAORDINARY GAINS

Extraordinary gains for the years ended March 31, 2024 and 2023, consisted of the following:

| Years ended March 31                       | Millions of Yen |          | Millions of U.S. Dollars |
|--|-----------------|----------|--------------------------|
|  | 2024            | 2023     | 2024                     |
| Reversal of reserve for price fluctuations | ¥ 16,161        | ¥ 82,645 | \$ 107                   |
| Total                                      | ¥ 16,161        | ¥ 82,645 | \$ 107                   |



## 21. EXTRAORDINARY LOSSES

Extraordinary losses for the years ended March 31, 2024 and 2023, consisted of the following:

|  | Millions of Yen |       | Millions of U.S. Dollars |
|--|-----------------|-------|--------------------------|
|  | 2024            | 2023  | 2024                     |
| <b>Years ended March 31</b>                  |                 |       |                          |
| Losses on sales and disposal of fixed assets | ¥ 190           | ¥ 319 | \$ 1                     |
| Total  | ¥ 190           | ¥ 319 | \$ 1                     |

## 22. PROVISION FOR RESERVE FOR POLICYHOLDER DIVIDENDS

Provision for reserve for policyholder dividends, which is provided for the Management Network based on gains or losses and others arising in the category of reinsurance due to the reinsurance contracts with the Management Network, for the years ended March 31, 2024 and 2023, was as follows:

|  | Millions of Yen |          | Millions of U.S. Dollars |
|--|-----------------|----------|--------------------------|
|  | 2024            | 2023     | 2024                     |
| <b>Years ended March 31</b>                      |                 |          |                          |
| Provision for reserve for policyholder dividends | ¥ 46,866        | ¥ 43,678 | \$ 310                   |

## 23. OTHER COMPREHENSIVE INCOME

The amount reclassified and the tax-effect amounts related to other comprehensive income for the years ended March 31, 2024 and 2023, were as follows:

|   | Millions of Yen |             | Millions of U.S. Dollars |
|---|-----------------|-------------|--------------------------|
|   | 2024            | 2023        | 2024                     |
| <b>Years ended March 31</b>                                     |                 |             |                          |
| Net unrealized gains (losses) on available-for-sale securities: |                 |             |                          |
| Amount arising during the fiscal year                           | ¥ 1,356,281     | ¥ (195,537) | \$ 8,958                 |
| Reclassification adjustments                                    | (3,653)         | 87,984      | (24)                     |
| Before tax-effect adjustments                                   | 1,352,628       | (107,552)   | 8,934                    |
| Tax effect  | (374,848)       | 31,701      | (2,476)                  |
| Net unrealized gains (losses) on available-for-sale securities  | 977,780         | (75,851)    | 6,458                    |
| Net deferred gains (losses) on hedges:                          |                 |             |                          |
| Amount arising during the fiscal year                           | (12,214)        | 6,399       | (81)                     |
| Reclassification adjustments                                    | -               | -           | -                        |
| Before tax-effect adjustments                                   | (12,214)        | 6,399       | (81)                     |
| Tax effect  | 3,420           | (1,792)     | 23                       |
| Net deferred gains (losses) on hedges                           | (8,794)         | 4,607       | (58)                     |
| Adjustments for retirement benefits:                            |                 |             |                          |
| Amount arising during the fiscal year                           | 404             | 60          | 3                        |
| Reclassification adjustments                                    | (643)           | (660)       | (4)                      |
| Before tax-effect adjustments                                   | (239)           | (600)       | (2)                      |
| Tax effect  | 67              | 168         | 0                        |
| Adjustments for retirement benefits                             | (172)           | (431)       | (1)                      |
| Total other comprehensive income (loss)                         | ¥ 968,813       | ¥ (71,675)  | \$ 6,399                 |

## 24. FINANCIAL INSTRUMENTS

### (1) Policy for Handling Financial Instruments

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

Derivative transactions are used mainly as a hedging method against 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 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 foreign exchange risk.

Derivative transactions that the Company uses are mainly foreign exchange contracts. These are identified as a key hedging method against foreign exchange fluctuation risk. Other derivative transactions are also 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

#### 1) Management of market risk

Market risk is the risk of losses resulting from fluctuation in the value of assets and liabilities held that include off-balance-sheet assets and liabilities due to fluctuations in various market risk factors such as interest rates, foreign exchange rates and stock prices. 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 market risk, the Company identifies those that can be quantified and manages the company-wide risks by comparing the capital amount and the company-wide integrated risk amount calculated based on the amount of the quantified risks.

#### 2) Management of credit risk

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

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

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

#### (4) Additional Notes Concerning the Fair Value of Financial Instruments

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

The contract amounts of derivative transactions in Note 25 "DERIVATIVE TRANSACTIONS" do not indicate the market risk related to derivative transactions.

#### (5) Fair Values of Financial Instruments

Amounts carried on the consolidated balance sheets, fair values and the differences between them as of March 31, 2024 and 2023, were as follows.

Stocks, etc., with no market price and investments in partnership are not included in the following table and are described in "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)

|   | 2024                              |              |                               |
|---|-----------------------------------|--------------|-------------------------------|
|   | Consolidated balance sheet amount | Fair value   | Net unrealized gains (losses) |
| <b>March 31</b>                               |                                   |              |                               |
| Monetary claims bought                        | ¥ 25,392                          | ¥ 25,392     | ¥ -                           |
| Available-for-sale securities                 | 25,392                            | 25,392       | -                             |
| Money held in trust <sup>1,2</sup>            | 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 <sup>2</sup>    | 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 <sup>3</sup>  | 849,174                           | 829,355      | (19,786)                      |
| Loans to the Management Network <sup>3</sup>  | 2,282,432                         | 2,370,957    | 88,524                        |
| Reserve for possible loan losses <sup>4</sup> | (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 <sup>5</sup>          |                                   |              |                               |
| Hedge accounting not applied                  | ¥ [1,097]                         | ¥ [1,097]    | ¥ -                           |
| Hedge accounting applied                      | [43,537]                          | [43,537]     | -                             |
| Total derivative transactions                 | ¥ [44,634]                        | ¥ [44,634]   | ¥ -                           |

(Millions of Yen)

|   | 2023                              |              |                               |
|---|-----------------------------------|--------------|-------------------------------|
|   | Consolidated balance sheet amount | Fair value   | Net unrealized gains (losses) |
| <b>March 31</b>                               |                                   |              |                               |
| Monetary claims bought                        | ¥ 47,345                          | ¥ 47,345     | ¥ -                           |
| Available-for-sale securities                 | 47,345                            | 47,345       | -                             |
| Money held in trust <sup>1,2</sup>            | 4,672,032                         | 4,672,032    | -                             |
| Securities                                    | 49,784,494                        | 52,513,957   | 2,729,463                     |
| Held-to-maturity bonds                        | 32,935,527                        | 35,502,364   | 2,566,836                     |
| Policy-reserve-matching bonds                 | 8,075,012                         | 8,237,638    | 162,626                       |
| Available-for-sale securities <sup>2</sup>    | 8,773,954                         | 8,773,954    | -                             |
| Loans   | 3,605,801                         | 3,733,374    | 127,573                       |
| Policy loans                                  | 140,355                           | 140,355      | -                             |
| Industrial and commercial loans <sup>3</sup>  | 916,374                           | 912,110      | (4,232)                       |
| Loans to the Management Network <sup>3</sup>  | 2,549,102                         | 2,680,908    | 131,805                       |
| Reserve for possible loan losses <sup>4</sup> | (31)                              | -            | -                             |
| Total assets                                  | ¥ 58,109,674                      | ¥ 60,966,710 | ¥ 2,857,036                   |
| Bonds payable                                 | ¥ 300,000                         | ¥ 283,490    | ¥ (16,510)                    |
| Total liabilities                             | ¥ 300,000                         | ¥ 283,490    | ¥ (16,510)                    |
| Derivative transactions <sup>5</sup>          |                                   |              |                               |
| Hedge accounting not applied                  | ¥ [182]                           | ¥ [182]      | ¥ -                           |
| Hedge accounting applied                      | 11,568                            | 11,568       | -                             |
| Total derivative transactions                 | ¥ 11,385                          | ¥ 11,385     | ¥ -                           |

(Millions of U.S. Dollars)

|   | 2024                              |            |                               |
|---|-----------------------------------|------------|-------------------------------|
|   | Consolidated balance sheet amount | Fair value | Net unrealized gains (losses) |
| <b>March 31</b>                               |                                   |            |                               |
| Monetary claims bought                        | \$ 168                            | \$ 168     | \$ -                          |
| Available-for-sale securities                 | 168                               | 168        | -                             |
| Money held in trust <sup>1,2</sup>            | 40,671                            | 40,671     | -                             |
| Securities                                    | 314,297                           | 320,065    | 5,768                         |
| Held-to-maturity bonds                        | 213,613                           | 220,606    | 6,993                         |
| Policy-reserve-matching bonds                 | 47,154                            | 45,929     | (1,225)                       |
| Available-for-sale securities <sup>2</sup>    | 53,530                            | 53,530     | -                             |
| Loans   | 21,672                            | 22,125     | 454                           |
| Policy loans                                  | 989                               | 989        | -                             |
| Industrial and commercial loans <sup>3</sup>  | 5,608                             | 5,478      | (131)                         |
| Loans to the Management Network <sup>3</sup>  | 15,075                            | 15,659     | 585                           |
| Reserve for possible loan losses <sup>4</sup> | (0)                               | -          | -                             |
| Total assets                                  | \$ 376,808                        | \$ 383,030 | \$ 6,222                      |
| Bonds payable                                 | \$ 2,642                          | \$ 2,588   | \$ (53)                       |
| Total liabilities                             | \$ 2,642                          | \$ 2,588   | \$ (53)                       |
| Derivative transactions <sup>5</sup>          |                                   |            |                               |
| Hedge accounting not applied                  | \$ [7]                            | \$ [7]     | \$ -                          |
| Hedge accounting applied                      | [288]                             | [288]      | -                             |
| Total derivative transactions                 | \$ [295]                          | \$ [295]   | \$ -                          |

- Notes:
1. Money held in trust classified as other than trading, held-to-maturity and policy-reserve-matching.
  2. In accordance with Paragraphs 24-3 and 24-9 of the Fair Value Measurement Implementation Guidance, mutual funds that apply treatments that consider net asset value to be the fair value are included.
  3. In the column of "Net unrealized gains (losses)," the difference between the consolidated balance sheet amount after deduction of reserve for possible loan losses and the fair value is provided.
  4. Reserve for possible loan losses corresponding to loans has been deducted.
  5. Net receivables and payables arising from derivative transactions are stated at net values, and if the values are negative, they are indicated in [ ] brackets.

(Note 1) The amounts carried on the consolidated balance sheets for stocks, etc., with no market price and investments in partnership as of March 31, 2024 and 2023, 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 |           | Millions of U.S. Dollars |
|---|-----------------|-----------|--------------------------|
|   | 2024            | 2023      | 2024                     |
| <b>March 31</b>                         |                 |           |                          |
| Money held in trust <sup>1</sup>        | ¥ 113,360       | ¥ 100,288 | \$ 749                   |
| Securities                              | 106,101         | 57,000    | 701                      |
| Unlisted stocks <sup>2</sup>            | 11,722          | 11,522    | 77                       |
| Foreign securities <sup>2</sup>         | 23,994          | -         | 158                      |
| Investments in partnership <sup>3</sup> | 70,384          | 45,478    | 465                      |
| Total                                   | ¥ 219,461       | ¥ 157,288 | \$ 1,449                 |

- Notes:
1. Trust asset components that are investments in partnership are not subject to fair value disclosure in accordance with Paragraph 24-16 of the Fair Value Measurement Implementation Guidance as of March 31, 2024 and 2023.
  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 as of March 31, 2024 and 2023.

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

(Millions of Yen)

|   | 2024               |                                  |                                    |                     |
|---|--------------------|----------------------------------|------------------------------------|---------------------|
|   | Within 1 year      | Due after 1 year through 5 years | Due after 5 years through 10 years | Due after 10 years  |
| <b>March 31</b>                               |                    |                                  |                                    |                     |
| 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             |
| <b>Total</b>                                  | <b>¥ 2,503,062</b> | <b>¥ 10,902,828</b>              | <b>¥ 12,189,220</b>                | <b>¥ 22,511,397</b> |

(Millions of Yen)

|   | 2023               |                                  |                                    |                     |
|---|--------------------|----------------------------------|------------------------------------|---------------------|
|   | Within 1 year      | Due after 1 year through 5 years | Due after 5 years through 10 years | Due after 10 years  |
| <b>March 31</b>                               |                    |                                  |                                    |                     |
| Monetary claims bought                        | ¥ 30,000           | ¥ -                              | ¥ -                                | ¥ 16,591            |
| Securities                                    | 1,897,969          | 8,335,771                        | 14,077,207                         | 23,145,754          |
| Held-to-maturity bonds                        | 955,098            | 5,634,636                        | 9,290,630                          | 16,684,564          |
| Bonds   | 955,098            | 5,634,636                        | 9,290,630                          | 16,684,564          |
| Japanese government bonds                     | 209,600            | 5,094,000                        | 8,474,500                          | 14,953,400          |
| Japanese local government bonds               | 671,742            | 452,822                          | 575,080                            | 810,854             |
| Japanese corporate bonds                      | 73,756             | 87,814                           | 241,050                            | 920,310             |
| Policy-reserve-matching bonds                 | 478,065            | 1,176,816                        | 2,835,800                          | 3,423,393           |
| Bonds   | 478,065            | 1,176,816                        | 2,835,800                          | 3,423,393           |
| Japanese government bonds                     | 351,900            | 1,005,600                        | 2,599,700                          | 2,240,400           |
| Japanese local government bonds               | 105,865            | 78,599                           | 65,000                             | 242,693             |
| Japanese corporate bonds                      | 20,300             | 92,617                           | 171,100                            | 940,300             |
| Foreign securities                            | -                  | -                                | -                                  | -                   |
| Available-for-sale securities with maturities | 464,804            | 1,524,318                        | 1,950,777                          | 3,037,796           |
| Bonds   | 150,419            | 688,283                          | 524,512                            | 2,556,144           |
| Japanese government bonds                     | -                  | -                                | -                                  | 1,827,100           |
| Japanese local government bonds               | 19,647             | 225,984                          | 12,075                             | 136,019             |
| Japanese corporate bonds                      | 130,772            | 462,299                          | 512,437                            | 593,024             |
| Foreign securities                            | 314,384            | 836,035                          | 1,426,265                          | 470,235             |
| Other securities                              | -                  | -                                | -                                  | 11,415              |
| Loans   | 580,282            | 1,725,846                        | 821,912                            | 478,194             |
| <b>Total</b>                                  | <b>¥ 2,508,251</b> | <b>¥ 10,061,617</b>              | <b>¥ 14,899,120</b>                | <b>¥ 23,640,540</b> |

(Millions of U.S. Dollars)

|   | 2024             |                                  |                                    |                    |
|---|------------------|----------------------------------|------------------------------------|--------------------|
|   | Within 1 year    | Due after 1 year through 5 years | Due after 5 years through 10 years | Due after 10 years |
| <b>March 31</b>                               |                  |                                  |                                    |                    |
| Monetary claims bought                        | \$ 66            | \$ -                             | \$ -                               | \$ 98              |
| Securities                                    | 9,913            | 63,961                           | 76,048                             | 145,962            |
| Held-to-maturity bonds                        | 6,463            | 44,252                           | 57,825                             | 102,933            |
| Bonds   | 6,463            | 44,252                           | 57,825                             | 102,933            |
| Japanese government bonds                     | 3,346            | 42,763                           | 51,868                             | 92,964             |
| Japanese local government bonds               | 2,598            | 1,186                            | 3,946                              | 4,429              |
| Japanese corporate bonds                      | 519              | 304                              | 2,011                              | 5,539              |
| Policy-reserve-matching bonds                 | 783              | 10,721                           | 11,647                             | 22,987             |
| Bonds   | 783              | 10,721                           | 11,515                             | 22,987             |
| Japanese government bonds                     | 54               | 10,273                           | 9,227                              | 15,591             |
| Japanese local government bonds               | 511              | 7                                | 567                                | 1,602              |
| Japanese corporate bonds                      | 219              | 440                              | 1,720                              | 5,794              |
| Foreign securities                            | -                | -                                | 132                                | -                  |
| Available-for-sale securities with maturities | 2,666            | 8,989                            | 6,576                              | 20,043             |
| Bonds   | 1,181            | 4,426                            | 3,007                              | 15,204             |
| Japanese government bonds                     | -                | -                                | -                                  | 10,351             |
| Japanese local government bonds               | 339              | 1,224                            | 22                                 | 981                |
| Japanese corporate bonds                      | 843              | 3,202                            | 2,985                              | 3,872              |
| Foreign securities                            | 1,485            | 4,563                            | 3,569                              | 4,767              |
| Other securities                              | -                | -                                | -                                  | 71                 |
| Loans   | 6,552            | 8,047                            | 4,457                              | 2,618              |
| <b>Total</b>                                  | <b>\$ 16,532</b> | <b>\$ 72,009</b>                 | <b>\$ 80,505</b>                   | <b>\$ 148,678</b>  |

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

(Millions of Yen)

|                 | 2024          |                                  |                                   |                                   |                                   |                   |
|-----------------|---------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------------|
|                 | 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 |
| <b>March 31</b> |               |                                  |                                   |                                   |                                   |                   |
| Bonds payable   | ¥ -           | ¥ -                              | ¥ -                               | ¥ -                               | ¥ -                               | ¥ 400,000         |
| <b>Total</b>    | <b>¥ -</b>    | <b>¥ -</b>                       | <b>¥ -</b>                        | <b>¥ -</b>                        | <b>¥ -</b>                        | <b>¥ 400,000</b>  |

(Millions of Yen)

|                 | 2023          |                                  |                                   |                                   |                                   |                   |
|-----------------|---------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------------|
|                 | 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 |
| <b>March 31</b> |               |                                  |                                   |                                   |                                   |                   |
| Bonds payable   | ¥ -           | ¥ -                              | ¥ -                               | ¥ -                               | ¥ -                               | ¥ 300,000         |
| <b>Total</b>    | <b>¥ -</b>    | <b>¥ -</b>                       | <b>¥ -</b>                        | <b>¥ -</b>                        | <b>¥ -</b>                        | <b>¥ 300,000</b>  |

(Millions of U.S. Dollars)

|                 | 2024          |                                  |                                   |                                   |                                   |                   |
|-----------------|---------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-------------------|
|                 | 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 |
| <b>March 31</b> |               |                                  |                                   |                                   |                                   |                   |
| Bonds payable   | \$ -          | \$ -                             | \$ -                              | \$ -                              | \$ -                              | \$ 2,642          |
| <b>Total</b>    | <b>\$ -</b>   | <b>\$ -</b>                      | <b>\$ -</b>                       | <b>\$ -</b>                       | <b>\$ -</b>                       | <b>\$ 2,642</b>   |

**(6) Fair Value Hierarchy of Financial Instruments**

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

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

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

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

(Millions of Yen)

|                                      | 2024        |             |          |              |
|--------------------------------------|-------------|-------------|----------|--------------|
|                                      | Fair value  |             |          |              |
|                                      | Level 1     | Level 2     | Level 3  | Total        |
| <b>March 31</b>                      |             |             |          |              |
| Monetary claims bought               | ¥ –         | ¥ 9,998     | ¥ 15,393 | ¥ 25,392     |
| Money held in trust <sup>1</sup>     | 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 <sup>1</sup>      | –           | 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 <sup>2</sup> |             |             |          |              |
| Currency-related derivatives         | ¥ –         | ¥ [38,819]  | ¥ –      | ¥ [38,819]   |
| Interest rate-related derivatives    | –           | [5,814]     | –        | [5,814]      |
| Total derivative transactions        | ¥ –         | ¥ [44,634]  | ¥ –      | ¥ [44,634]   |

(Millions of Yen)

|                                      | 2023        |             |          |              |
|--------------------------------------|-------------|-------------|----------|--------------|
|                                      | Fair value  |             |          |              |
|                                      | Level 1     | Level 2     | Level 3  | Total        |
| <b>March 31</b>                      |             |             |          |              |
| Monetary claims bought               | ¥ –         | ¥ 29,996    | ¥ 17,348 | ¥ 47,345     |
| Money held in trust <sup>1</sup>     | 2,808,008   | 736,851     | –        | 3,544,860    |
| Securities                           |             |             |          |              |
| Available-for-sale securities        |             |             |          |              |
| Japanese government bonds            | 1,665,015   | –           | –        | 1,665,015    |
| Japanese local government bonds      | –           | 358,225     | 32,681   | 390,906      |
| Japanese corporate bonds             | –           | 1,677,244   | –        | 1,677,244    |
| Stocks                               | 397,582     | –           | –        | 397,582      |
| Foreign securities <sup>1</sup>      | 79,832      | 2,676,817   | 30,472   | 2,787,121    |
| Other securities                     | –           | 1,682,783   | 11,161   | 1,693,945    |
| Total assets                         | ¥ 4,950,438 | ¥ 7,161,918 | ¥ 91,664 | ¥ 12,204,021 |
| Derivative transactions <sup>2</sup> |             |             |          |              |
| Currency-related derivatives         | ¥ –         | ¥ 4,986     | ¥ –      | ¥ 4,986      |
| Interest rate-related derivatives    | –           | 6,399       | –        | 6,399        |
| Total derivative transactions        | ¥ –         | ¥ 11,385    | ¥ –      | ¥ 11,385     |

(Millions of U.S. Dollars)

|                                      | 2024       |           |         |           |
|--------------------------------------|------------|-----------|---------|-----------|
|                                      | Fair value |           |         |           |
|                                      | Level 1    | Level 2   | Level 3 | Total     |
| <b>March 31</b>                      |            |           |         |           |
| Monetary claims bought               | \$ –       | \$ 66     | \$ 102  | \$ 168    |
| Money held in trust <sup>1</sup>     | 25,575     | 5,687     | –       | 31,263    |
| Securities                           |            |           |         |           |
| Available-for-sale securities        |            |           |         |           |
| Japanese government bonds            | 8,836      | –         | –       | 8,836     |
| Japanese local government bonds      | –          | 2,372     | 143     | 2,514     |
| Japanese corporate bonds             | –          | 10,637    | –       | 10,637    |
| Stocks                               | 3,606      | –         | –       | 3,606     |
| Foreign securities <sup>1</sup>      | –          | 12,909    | –       | 12,909    |
| Other securities                     | –          | 13,834    | 68      | 13,902    |
| Total assets                         | \$ 38,018  | \$ 45,505 | \$ 313  | \$ 83,835 |
| Derivative transactions <sup>2</sup> |            |           |         |           |
| Currency-related derivatives         | \$ –       | \$ [256]  | \$ –    | \$ [256]  |
| Interest rate-related derivatives    | –          | [38]      | –       | [38]      |
| Total derivative transactions        | \$ –       | \$ [295]  | \$ –    | \$ [295]  |

Notes:

1. In accordance with Paragraphs 24-3 and 24-9 of the Fair Value Measurement Implementation Guidance, mutual funds that apply treatments that consider net asset value to be the fair value are not included in the above table. The consolidated balance sheet amounts for mutual funds to which the treatments in Paragraphs 24-3 and 24-9 are applied are ¥1,260,483 million (\$8,325 million) and ¥176,297 million (\$1,164 million), and ¥976,210 million and ¥168,115 million as of March 31, 2024 and 2023, respectively.

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

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

(Millions of Yen)

|                                 | 2024         |             |             |              |
|---------------------------------|--------------|-------------|-------------|--------------|
|                                 | Fair value   |             |             |              |
|                                 | Level 1      | Level 2     | Level 3     | Total        |
| <b>March 31</b>                 |              |             |             |              |
| 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    |

(Millions of Yen)

|                                 | 2023         |             |             |              |
|---------------------------------|--------------|-------------|-------------|--------------|
|                                 | Fair value   |             |             |              |
|                                 | Level 1      | Level 2     | Level 3     | Total        |
| <b>March 31</b>                 |              |             |             |              |
| Money held in trust             | ¥ –          | ¥ 144,985   | ¥ –         | ¥ 144,985    |
| Securities                      |              |             |             |              |
| Held-to-maturity bonds          |              |             |             |              |
| Japanese government bonds       | 31,605,451   | –           | –           | 31,605,451   |
| Japanese local government bonds | –            | 2,585,517   | 3,752       | 2,589,269    |
| Japanese corporate bonds        | –            | 1,307,642   | –           | 1,307,642    |
| Policy-reserve-matching bonds   |              |             |             |              |
| Japanese government bonds       | 6,628,341    | –           | –           | 6,628,341    |
| Japanese local government bonds | –            | 464,269     | 23,723      | 487,993      |
| Japanese corporate bonds        | –            | 1,121,303   | –           | 1,121,303    |
| Foreign securities              | –            | –           | –           | –            |
| Loans                           | –            | –           | 3,733,374   | 3,733,374    |
| Total assets                    | ¥ 38,233,793 | ¥ 5,623,718 | ¥ 3,760,850 | ¥ 47,618,362 |
| Bonds payable                   | ¥ –          | ¥ 283,490   | ¥ –         | ¥ 283,490    |
| Total liabilities               | ¥ –          | ¥ 283,490   | ¥ –         | ¥ 283,490    |

(Millions of U.S. Dollars)

|                                 | 2024       |           |           |            |
|---------------------------------|------------|-----------|-----------|------------|
|                                 | Fair value |           |           |            |
|                                 | Level 1    | Level 2   | Level 3   | Total      |
| <b>March 31</b>                 |            |           |           |            |
| Money held in trust             | \$ –       | \$ 1,044  | \$ –      | \$ 1,044   |
| Securities                      |            |           |           |            |
| Held-to-maturity bonds          |            |           |           |            |
| Japanese government bonds       | 200,457    | –         | –         | 200,457    |
| Japanese local government bonds | –          | 12,282    | 23        | 12,305     |
| Japanese corporate bonds        | –          | 7,845     | –         | 7,845      |
| Policy-reserve-matching bonds   |            |           |           |            |
| Japanese government bonds       | 35,997     | –         | –         | 35,997     |
| Japanese local government bonds | –          | 2,443     | 147       | 2,590      |
| Japanese corporate bonds        | –          | 7,213     | –         | 7,213      |
| Foreign securities              | –          | 129       | –         | 129        |
| Loans                           | –          | –         | 22,125    | 22,125     |
| Total assets                    | \$ 236,453 | \$ 30,956 | \$ 22,296 | \$ 289,705 |
| Bonds payable                   | \$ –       | \$ 2,588  | \$ –      | \$ 2,588   |
| Total liabilities               | \$ –       | \$ 2,588  | \$ –      | \$ 2,588   |

(Note 1) Calculation methods for fair values of financial instruments and explanation of inputs used in fair value measurement are as follows:

Assets

Monetary claims bought

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

Among monetary claims bought, securitized instruments are classified into Level 3, and all others are classified into Level 2.

Money held in trust

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

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

Moreover, money held in trust is described in Note 4 "SECURITIES" in accordance with the purpose of the holdings.

Securities

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

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

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

Moreover, securities are described in Note 4 "SECURITIES" in accordance with the purpose of the holdings.

Loans

For policy loans and those included in loans to the Management Network of Postal Life Insurance Contracts, book values are used as fair values because amounts are limited to the values of 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 classified into Level 3.

Liabilities

Bonds payable

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

Derivative transactions

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

(Note 2) Information regarding the fair value of financial instruments carried at fair value in the consolidated balance sheet that is classified into Level 3 is as follows:

A) Quantitative information regarding material, unobservable inputs

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

B) Changes in net valuation gain/loss recognized in gain/loss for the years ended March 31, 2024 and 2023

(Millions of Yen)

|                                 | 2024                                 |  |  |  |                                |   |                                | Of gain/loss in fiscal year ended March 31, 2024, net valuation gain/loss of financial instruments held on consolidated balance sheet date <sup>1</sup> |
|---------------------------------|--------------------------------------|--|--|--|--------------------------------|---|--------------------------------|---|
|                                 | Balance at the beginning of the 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 <sup>3</sup> | Balance at the end of the year |   |
|                                 |                                      | Recorded in gain/loss <sup>1</sup>                                     | Recorded in Other comprehensive income (loss) <sup>2</sup> |  |                                |   |                                |   |
| 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                         | -   |
| <b>Total assets</b>             | <b>¥ 91,664</b>                      | <b>¥ 3,090</b>   | <b>¥ 4,140</b>   | <b>¥ (42,026)</b>                                      | <b>¥ -</b>                     | <b>¥ (9,531)</b>                              | <b>¥ 47,337</b>                | <b>¥ -</b>  |

(Millions of Yen)

|                                 | 2023                                 |  |  |  |                                |                                  |                                | Of gain/loss in fiscal year ended March 31, 2023, net valuation gain/loss of financial instruments held on consolidated balance sheet date <sup>1</sup> |
|---------------------------------|--------------------------------------|--|--|--|--------------------------------|----------------------------------|--------------------------------|---|
|                                 | Balance at the beginning of the year | Gain/loss for period under review or Other comprehensive income (loss) |  | Changes due to purchase, sale, issuance and settlement | Transfer to Level 3 fair value | Transfer from Level 3 fair value | Balance at the end of the year |   |
|                                 |                                      | Recorded in gain/loss <sup>1</sup>                                     | Recorded in Other comprehensive income (loss) <sup>2</sup> |  |                                |                                  |                                |   |
| Monetary claims bought          | ¥ 19,544                             | ¥ -  | ¥ (387)  | ¥ (1,808)  | ¥ -                            | ¥ -                              | ¥ 17,348                       | ¥ -   |
| Securities                      |                                      |  |  |  |                                |                                  |                                |   |
| Available-for-sale securities   |                                      |  |  |  |                                |                                  |                                |   |
| Japanese local government bonds | 34,642                               | 106  | (1,185)  | (882)  | -                              | -                                | 32,681                         | 106   |
| Foreign securities              | 32,350                               | 745  | (2,623)  | -  | -                              | -                                | 30,472                         | 745   |
| Other securities                | 12,551                               | -  | (179)  | (1,209)  | -                              | -                                | 11,161                         | -   |
| <b>Total assets</b>             | <b>¥ 99,089</b>                      | <b>¥ 852</b>   | <b>¥ (4,375)</b>   | <b>¥ (3,901)</b>                                       | <b>¥ -</b>                     | <b>¥ -</b>                       | <b>¥ 91,664</b>                | <b>¥ 852</b>  |

(Millions of U.S. Dollars)

|                                 | 2024                                 |  |  |  |                                |   |                                | Of gain/loss in fiscal year ended March 31, 2024, net valuation gain/loss of financial instruments held on consolidated balance sheet date <sup>1</sup> |
|---------------------------------|--------------------------------------|--|--|--|--------------------------------|---|--------------------------------|---|
|                                 | Balance at the beginning of the 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 <sup>3</sup> | Balance at the end of the year |   |
|                                 |                                      | Recorded in gain/loss <sup>1</sup>                                     | Recorded in Other comprehensive income (loss) <sup>2</sup> |  |                                |   |                                |   |
| Monetary claims bought          | \$ 115                               | \$ -   | \$ (2)   | \$ (11)  | \$ -                           | \$ -  | \$ 102                         | \$ -  |
| Securities                      |                                      |  |  |  |                                |   |                                |   |
| Available-for-sale securities   |                                      |  |  |  |                                |   |                                |   |
| Japanese local government bonds | 216                                  | -  | (4)  | (7)  | -                              | (63)  | 143                            | -   |
| Foreign securities              | 201                                  | 20   | 34   | (255)  | -                              | -   | -                              | -   |
| Other securities                | 74                                   | -  | (1)  | (4)  | -                              | -   | 68                             | -   |
| <b>Total assets</b>             | <b>\$ 605</b>                        | <b>\$ 20</b>   | <b>\$ 27</b>   | <b>\$ (278)</b>  | <b>\$ -</b>                    | <b>\$ (63)</b>                                | <b>\$ 313</b>                  | <b>\$ -</b>   |

Notes:

- Included in "Investment income" and "Investment expenses" in the consolidated statements of income.
- Included in "Net unrealized gains (losses) on available-for-sale securities" of "Other comprehensive income (loss)" in the consolidated statements of comprehensive income.
- 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 year ended March 31, 2024.

C) Explanation of the fair value valuation process

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

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

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

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

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

(Millions of Yen)

| 2024                                 |  |  |  |  |  |                                |   |
|--------------------------------------|--|--|--|--|--|--------------------------------|---|
| Balance at the beginning of the 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 the year | 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) <sup>1</sup> |  |  |  |                                |   |
| ¥ 976,210                            | ¥ -  | ¥ 134,697  | ¥ 149,575                                    | ¥ -  | ¥ -  | ¥ 1,260,483                    | ¥ -   |

(Millions of Yen)

| 2023                                 |  |  |  |  |  |                                |   |
|--------------------------------------|--|--|--|--|--|--------------------------------|---|
| Balance at the beginning of the 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 the year | Of gain/loss in fiscal year ended March 31, 2023, net valuation gain/loss of mutual funds held on consolidated balance sheet date |
|                                      | Recorded in gain/loss  | Recorded in Other comprehensive income (loss) <sup>1</sup> |  |  |  |                                |   |
| ¥ 632,360                            | ¥ -  | ¥ 201,336  | ¥ 142,513                                    | ¥ -  | ¥ -  | ¥ 976,210                      | ¥ -   |

(Millions of U.S. Dollars)

| 2024                                 |  |  |  |  |  |                                |   |
|--------------------------------------|--|--|--|--|--|--------------------------------|---|
| Balance at the beginning of the 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 the year | 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) <sup>1</sup> |  |  |  |                                |   |
| \$ 6,447                             | \$ -   | \$ 890   | \$ 988                                       | \$ -   | \$ -   | \$ 8,325                       | \$ -  |

Note: Included in "Net unrealized gains (losses) on available-for-sale securities" of "Other comprehensive income (loss)" in the consolidated statements of comprehensive income.

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

(Millions of Yen)

| 2024                                 |  |  |  |  |  |                                |   |
|--------------------------------------|--|--|--|--|--|--------------------------------|---|
| Balance at the beginning of the 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 the year | 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) <sup>1</sup> |  |  |  |                                |   |
| ¥ 168,115                            | ¥ -  | ¥ 3,517  | ¥ 4,665                                      | ¥ -  | ¥ -  | ¥ 176,297                      | ¥ -   |

(Millions of Yen)

| 2023                                 |  |  |  |  |  |                                |   |
|--------------------------------------|--|--|--|--|--|--------------------------------|---|
| Balance at the beginning of the 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 the year | Of gain/loss in fiscal year ended March 31, 2023, net valuation gain/loss of mutual funds held on consolidated balance sheet date |
|                                      | Recorded in gain/loss  | Recorded in Other comprehensive income (loss) <sup>1</sup> |  |  |  |                                |   |
| ¥ 127,642                            | ¥ -  | ¥ 24,198   | ¥ 16,273                                     | ¥ -  | ¥ -  | ¥ 168,115                      | ¥ -   |

(Millions of U.S. Dollars)

| 2024                                 |  |  |  |  |  |                                |   |
|--------------------------------------|--|--|--|--|--|--------------------------------|---|
| Balance at the beginning of the 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 the year | 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) <sup>1</sup> |  |  |  |                                |   |
| \$ 1,110                             | \$ -   | \$ 23  | \$ 31  | \$ -   | \$ -   | \$ 1,164                       | \$ -  |

Note: Included in "Net unrealized gains (losses) on available-for-sale securities" of "Other comprehensive income (loss)" in the consolidated statements of comprehensive income.

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

| March 31   | Millions of Yen |           | Millions of U.S. Dollars |
|--|-----------------|-----------|--------------------------|
|  | 2024            | 2023      | 2024                     |
| Items that require a certain amount of time for cancellation, etc. | ¥ 1,260,483     | ¥ 976,210 | \$ 8,325                 |

## 25. DERIVATIVE TRANSACTIONS

### (1) Derivative Transactions to Which the Hedge Accounting Is Not Applied

#### Currency-related derivatives

(Millions of Yen)

| March 31                      | Category                 | Type of derivative | 2024            |                                  |                              |
|-------------------------------|--------------------------|--------------------|-----------------|----------------------------------|------------------------------|
|                               |                          |                    | Contract amount | Contract amount due after 1 year | Net valuation gains (losses) |
| Over-the-counter transactions | Forward foreign exchange | Sold               | ¥ 58,287        | ¥ -                              | ¥ (1,097)                    |
|                               |                          | U.S. dollars       | 53,516          | -                                | (1,005)                      |
|                               |                          | Euros              | 4,770           | -                                | (91)                         |
|                               | Total                    |                    |                 | ¥ (1,097)                        |                              |

(Millions of Yen)

| March 31                      | Category                 | Type of derivative | 2023            |                                  |                              |
|-------------------------------|--------------------------|--------------------|-----------------|----------------------------------|------------------------------|
|                               |                          |                    | Contract amount | Contract amount due after 1 year | Net valuation gains (losses) |
| Over-the-counter transactions | Forward foreign exchange | Sold               | ¥ 17,678        | ¥ -                              | ¥ (182)                      |
|                               |                          | U.S. dollars       | 17,678          | -                                | (182)                        |
|                               |                          | Total              |                 |                                  | ¥ (182)                      |

(Millions of U.S. Dollars)

| March 31                      | Category                 | Type of derivative | 2024            |                                  |                              |
|-------------------------------|--------------------------|--------------------|-----------------|----------------------------------|------------------------------|
|                               |                          |                    | Contract amount | Contract amount due after 1 year | Net valuation gains (losses) |
| Over-the-counter transactions | Forward foreign exchange | Sold               | \$ 385          | \$ -                             | \$ (7)                       |
|                               |                          | U.S. dollars       | 353             | -                                | (7)                          |
|                               |                          | Euros              | 32              | -                                | (1)                          |
|                               | Total                    |                    |                 | \$ (7)                           |                              |

### (2) Derivative Transactions to Which the Hedge Accounting Is Applied

#### 1) Currency-related derivatives

(Millions of Yen)

| March 31                    | Hedge accounting method  | Type of derivative | Major hedged item                  | 2024            |                                  |            |
|-----------------------------|--------------------------|--------------------|------------------------------------|-----------------|----------------------------------|------------|
|                             |                          |                    |                                    | Contract amount | Contract amount due after 1 year | Fair value |
| Fair value hedge accounting | Forward foreign exchange | Sold               | Foreign-currency-denominated bonds | ¥ 1,352,953     | ¥ -                              | ¥ (37,722) |
|                             |                          |                    |                                    | 842,648         | -                                | (23,249)   |
|                             |                          |                    |                                    | 161,215         | -                                | (7,561)    |
|                             |                          |                    |                                    | 227,770         | -                                | (5,314)    |
|                             |                          |                    |                                    | 121,319         | -                                | (1,597)    |
|                             | Total                    |                    | ¥ (37,722)                         |                 |                                  |            |

(Millions of Yen)

| March 31                    | Hedge accounting method  | Type of derivative | Major hedged item                  | 2023            |                                  |            |
|-----------------------------|--------------------------|--------------------|------------------------------------|-----------------|----------------------------------|------------|
|                             |                          |                    |                                    | Contract amount | Contract amount due after 1 year | Fair value |
| Fair value hedge accounting | Forward foreign exchange | Sold               | Foreign-currency-denominated bonds | ¥ 1,882,083     | ¥ -                              | ¥ 5,168    |
|                             |                          |                    |                                    | 1,074,323       | -                                | 9,972      |
|                             |                          |                    |                                    | 180,142         | -                                | (5,537)    |
|                             |                          |                    |                                    | 391,275         | -                                | 4,005      |
|                             |                          |                    |                                    | 236,341         | -                                | (3,271)    |
|                             | Total                    |                    | ¥ 5,168                            |                 |                                  |            |

(Millions of U.S. Dollars)

| March 31                    |                          |                                    | 2024            |                                  |                 |
|-----------------------------|--------------------------|------------------------------------|-----------------|----------------------------------|-----------------|
| 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                     |                                    | \$ 8,936        | \$ –                             | \$ (249)        |
|                             | U.S. dollars             |                                    | 5,565           | –                                | (154)           |
|                             | Euros                    |                                    | 1,065           | –                                | (50)            |
|                             | Australian dollars       |                                    | 1,504           | –                                | (35)            |
|                             | Other                    |                                    | 801             | –                                | (11)            |
|                             |                          | <b>Total</b>                       |                 |                                  | <b>\$ (249)</b> |

2) Interest rate–related derivatives

(Millions of Yen)

| March 31                  |   |                       | 2024            |                                  |                  |
|---------------------------|---|-----------------------|-----------------|----------------------------------|------------------|
| Hedge accounting method   | Type of derivative                          | Major hedged item     | Contract amount | Contract amount due after 1 year | Fair value       |
| Deferred hedge accounting | Interest rate swaps                         | Insurance liabilities |                 |                                  |                  |
|                           | Receivable fixed rate/Payable floating rate |                       | ¥ 250,000       | ¥ 250,000                        | ¥ (5,814)        |
|                           |   | <b>Total</b>          |                 |                                  | <b>¥ (5,814)</b> |

(Millions of Yen)

| March 31                  |   |                       | 2023            |                                  |                |
|---------------------------|---|-----------------------|-----------------|----------------------------------|----------------|
| Hedge accounting method   | Type of derivative                          | Major hedged item     | Contract amount | Contract amount due after 1 year | Fair value     |
| Deferred hedge accounting | Interest rate swaps                         | Insurance liabilities |                 |                                  |                |
|                           | Receivable fixed rate/Payable floating rate |                       | ¥ 100,000       | ¥ 100,000                        | ¥ 6,399        |
|                           |   | <b>Total</b>          |                 |                                  | <b>¥ 6,399</b> |

(Millions of U.S. Dollars)

| March 31                  |   |                       | 2024            |                                  |                |
|---------------------------|---|-----------------------|-----------------|----------------------------------|----------------|
| Hedge accounting method   | Type of derivative                          | Major hedged item     | Contract amount | Contract amount due after 1 year | Fair value     |
| Deferred hedge accounting | Interest rate swaps                         | Insurance liabilities |                 |                                  |                |
|                           | Receivable fixed rate/Payable floating rate |                       | \$ 1,651        | \$ 1,651                         | \$ (38)        |
|                           |   | <b>Total</b>          |                 |                                  | <b>\$ (38)</b> |

26. LEASE TRANSACTIONS

Operating Leases

As lessee

Future lease payments under non-cancelable operating leases as of March 31, 2024 and 2023, were as follows:

| March 31          | Millions of Yen |          | Millions of U.S. Dollars |
|-------------------|-----------------|----------|--------------------------|
|                   | 2024            | 2023     | 2024                     |
| Due within 1 year | ¥ 4,625         | ¥ 6,452  | \$ 31                    |
| Due after 1 year  | ¥ 11,909        | ¥ 21,695 | \$ 79                    |
| Total             | ¥ 16,535        | ¥ 28,147 | \$ 109                   |

27. SEGMENT INFORMATION

(1) Segment Information

The Group has only one segment, namely, the life insurance business in Japan.

(2) Information on Losses on Impairment of Fixed Assets by Reportable Segment

No losses on impairment of fixed assets were recognized for the years ended March 31, 2024 and 2023

(3) Supplemental Information

1) Information by product and service

The Group's products and services are placed under one category for the years ended March 31, 2024 and 2023.

2) Information by geographic region

Ordinary income in Japan exceeded 90% of ordinary income in the consolidated statements of income, and the balance of tangible fixed assets in Japan exceeded 90% of the total balance on the consolidated balance sheets for the years ended March 31, 2024 and 2023.

3) Information by major customer

No customer accounted for 10% or more of ordinary income in the consolidated statements of income for the years ended March 31, 2024 and 2023.

28. RELATED PARTY TRANSACTIONS

(1) Related Party Transactions

Transactions of the Company with related parties for the years ended March 31, 2024 and 2023, were as follows:

| 2024                         |                               |                   |                                       |  |                             |  |   |                                  |                         |                               |
|------------------------------|-------------------------------|-------------------|---------------------------------------|--|-----------------------------|--|---|----------------------------------|-------------------------|-------------------------------|
| Type                         | Company name                  | Location          | Capital                               | Business   | Percentage of voting rights | Relationship                           | Transaction   | Transaction amount               | Account                 | Year-end balance              |
| Parent company               | JAPAN POST HOLDINGS Co., Ltd. | Chiyoda-ku, Tokyo | ¥3,500,000 million (\$23,116 million) | Formulation of group management strategy           | Directly owned 49.84%       | Group management Interlocking officers | Payments of brand royalty fees <sup>1</sup>             | ¥2,094 million (\$14 million)    | Accounts payable—other  | ¥191 million (\$1 million)    |
| Subsidiary of parent company | JAPAN POST Co., Ltd.          | Chiyoda-ku, Tokyo | ¥400,000 million (\$2,642 million)    | Postal and logistics business Post office business | –                           | Insurance agency Interlocking officers | Payments for commission of agency services <sup>2</sup> | ¥123,794 million (\$818 million) | Agency accounts payable | ¥9,655 million (\$64 million) |

| 2023                         |                               |                   |                    |  |                             |  |   |                    |                         |                  |
|------------------------------|-------------------------------|-------------------|--------------------|--|-----------------------------|--|---|--------------------|-------------------------|------------------|
| Type                         | Company name                  | Location          | Capital            | Business   | Percentage of voting rights | Relationship                           | Transaction   | Transaction amount | Account                 | Year-end balance |
| Parent company               | JAPAN POST HOLDINGS Co., Ltd. | Chiyoda-ku, Tokyo | ¥3,500,000 million | Formulation of group management strategy           | Directly owned 49.84%       | Group management Interlocking officers | Payments of brand royalty fees <sup>1</sup>             | ¥2,288 million     | Accounts payable—other  | ¥209 million     |
| Subsidiary of parent company | JAPAN POST Co., Ltd.          | Chiyoda-ku, Tokyo | ¥400,000 million   | Postal and logistics business Post office business | –                           | Insurance agency Interlocking officers | Payments for commission of agency services <sup>2</sup> | ¥134,846 million   | Agency accounts payable | ¥9,841 million   |

Notes:

- Based on the concept that the benefits of brand value enjoyed by the Company from maintaining its membership in Japan Post Group are reflected on the Company's performance, brand royalty fees are calculated by multiplying the amount of insurance policies in force as of the end of the previous fiscal year, which is a financial indicator whereupon such benefits have been reflected, by a fixed rate.
- The Company makes payments including commission of insurance solicitation calculated by multiplying the insurance amounts and the insurance premiums of each contract by the commission rates set for each class of insurance, and the commission of maintenance and collection calculated by multiplying the unit prices set for each type of outsourcing services, such as the collection of insurance premiums and payments for insurance money, by the volume of work.
- In addition to the above, from the 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 years ended March 31, 2024 and 2023, the contributions paid by the Company to the Management Network amounted to ¥56,486 million (\$373 million) and ¥50,174 million, respectively.

(2) Parent Company

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

29. PER SHARE DATA

| March 31             | Yen        |            | U.S. Dollars |
|----------------------|------------|------------|--------------|
|                      | 2024       | 2023       | 2024         |
| Net assets per share | ¥ 8,871.61 | ¥ 6,206.80 | \$ 58.59     |

Years ended March 31

| Net income per share | Yen      |          | U.S. Dollars |
|----------------------|----------|----------|--------------|
|                      | 2024     | 2023     | 2024         |
|                      | ¥ 227.45 | ¥ 249.48 | \$ 1.50      |

Notes:

- Diluted net income per share is not presented for the years ended March 31, 2024 and 2023, as potential common stock did not exist.

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

|  | Millions of Yen |          | Millions of U.S. Dollars |
|--|-----------------|----------|--------------------------|
|  | 2024            | 2023     | 2024                     |
| Net income                                     | ¥ 87,056        | ¥ 97,614 | \$ 575                   |
| Amount not attributable to common stockholders | –               | –        | –                        |
| Net income attributable to common stock        | ¥ 87,056        | ¥ 97,614 | \$ 575                   |

**Years ended March 31**

Average number of common stock during the fiscal year

| Thousands of shares |         |
|---------------------|---------|
| 2024                | 2023    |
| 382,747             | 391,270 |

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

**March 31**

Net assets  
Amount deducted from net assets  
Net assets attributable to common stock at the fiscal year-end

|  | Millions of Yen |             | Millions of U.S. Dollars |
|--|-----------------|-------------|--------------------------|
|  | 2024            | 2023        | 2024                     |
| Net assets   | ¥ 3,395,744     | ¥ 2,375,377 | \$ 22,427                |
| Amount deducted from net assets                                | –               | –           | –                        |
| Net assets attributable to common stock at the fiscal year-end | ¥ 3,395,744     | ¥ 2,375,377 | \$ 22,427                |

**March 31**

Number of common stock at the fiscal year-end used for the calculation of net assets per share

| Thousands of shares |         |
|---------------------|---------|
| 2024                | 2023    |
| 382,765             | 382,705 |

4. The Company establishes the Board Benefit Trust (BBT). Shares of the Company held in trust, which were recorded as treasury stock under the category of shareholders' equity, were included in treasury stock to be deducted from the calculation of the average number of shares during the fiscal year for the purpose of calculating net income per share. In addition, they were included in treasury stock to be deducted from the calculation of the total number of shares issued at the end of the fiscal year, for the purpose of calculating net assets per share.  
The average number of treasury stock during the fiscal year that was deducted from the calculation of net income per share for the years ended March 31, 2024 and 2023, was 433 thousand shares and 423 thousand shares, respectively. The number of treasury stock at the end of the fiscal year that was deducted from the calculation of net assets per share as of March 31, 2024 and 2023, was 415 thousand shares and 475 thousand shares, respectively.

### 30. SUBSEQUENT EVENTS

#### Issuance of Subordinated Unsecured Bonds for Domestic Public Offering

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<br>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              | (1) From the day immediately following April 17, 2024, until April 17, 2034: 2.133%<br>(2) From the day immediately following April 17, 2034: 5-year 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 principal amount of ¥100 of each bond   |
| 8. Redemption price           | ¥100 per principal 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 the future) and shall be senior to its common stock.  |
| 12. Purpose of funds          | General working capital  |

### Independent Auditor's Report



## Independent auditor's report

To the Board of Directors of JAPAN POST INSURANCE Co., Ltd.:

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the accompanying consolidated financial statements of JAPAN POST INSURANCE Co., Ltd. ("the Company") and its consolidated subsidiary (collectively referred to as "the Group"), which comprise the consolidated balance sheets as at March 31, 2024 and 2023, the consolidated statements of income comprehensive income, changes in net assets and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

##### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### 1. Accuracy of the calculation and sufficiency of policy reserves

| The key audit matter   | How the matter was addressed in our audit  |
|--|--|
| In the consolidated balance sheet of Japan Post Insurance Co., Ltd. (the "Company") and its consolidated subsidiary, Policy reserves of ¥50,512,792 million were | In order to assess whether the calculation of policy reserves was accurate and the amount of policy reserves was sufficient, we performed the following procedures, among others, by involving actuarial |



recognized as of March 31, 2024, accounting for a significant portion (87.9%) of total liabilities therein.

As described in Note 2, “SIGNIFICANT ACCOUNTING POLICIES, (7) Policy Reserves”, policy reserves are set aside for the fulfillment of future obligations under the insurance contracts pursuant to the Insurance Business Act and other applicable laws and regulations (hereinafter collectively referred to as the “Act”).

Pursuant to the Act, policy reserves, which represent a large portion of total liabilities of an insurance company, are required to be accumulated each accounting period in accordance with the statements of calculation procedures approved by the Financial Services Agency in Japan (FSA). In addition, the Act requires an insurance company to validate the sufficiency of policy reserves, and an additional policy reserve may be required to be provided for, as necessary.

Policy reserves are calculated based on certain calculation assumptions affecting long-term future cash flows, such as assumed mortality rates, assumed interest rates, and expected operating expense ratios. The calculation formula for policy reserves stipulated in the statements of calculation procedures approved by the FSA is complex, and therefore involves a high level of expertise in actuarial valuation. In addition, pursuant to the Act, in order to validate the sufficiency of policy reserves, an analysis on future income and expenses must be performed by the chief actuary. This analysis requires significant management judgment on assumptions underlying the estimate of future cash flows, such as a level of insurance product sales, the amount of insurance claims and other benefit payments, investment income and operating expenses, which involves a high level of expertise in actuarial valuation.

We, therefore, determined that our assessment of the accuracy of the calculation and sufficiency of policy reserves was of most significance in our audit of the

specialists and IT system specialists within our firm:

(1) Internal control testing

We tested the design and operating effectiveness of certain of the Company’s internal controls over the processes to ensure the accuracy of the calculation and sufficiency of policy reserves. In the assessment, special attention was given to the following controls:

- IT controls over the policy reserve calculation system to ensure the accuracy of the calculation of policy reserves;
- controls that the actuarial-related departments ensure that policy reserves are recognized completely for all of the Company’s insurance contracts;
- controls that the actuarial-related departments ensure the accuracy of the calculation of policy reserves by reperforming the calculation of policy reserves on a sample basis, and assessing the consistency with the amount of policy reserves calculated by a system other than the policy reserve calculation system used for financial reporting purpose; and
- controls that the Company’s management receives the opinion report of the chief actuary to evaluate the sufficiency of policy reserves.

(2) Assessment of the accuracy of the calculation of policy reserves

- We confirmed that the policy reserves for insurance products which were newly sold and revised during the current fiscal year were accurately calculated in accordance with the statements of calculation procedures approved by the FSA through recalculation; and
- We confirmed that the changes in policy reserves from the previous fiscal year were consistent with insurance premium, insurance claims and operating expenses for the current fiscal year.

(3) Assessment of the sufficiency of the amount of policy reserves

- We assessed whether the amount of policy reserves was sufficient by confirming that an analysis on future income and expenses was appropriately performed pursuant to the Act in accordance with the “Standard of Practice for Appointed Actuaries of Life Insurance Companies” issued by the Institute of Actuaries of Japan, and comparing the amount of policy reserves with the calculation

consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.

results of the previous fiscal year; and

- We assessed the contents of the opinion and supplementary reports of the chief actuary considering the chief actuary’s opinion, and inquired of the chief actuary about the reports.

**2. Reasonableness of management’s judgment on the recoverability of deferred tax assets**

| The key audit matter  | How the matter was addressed in our audit   |
|---|---|
| <p>In the consolidated balance sheet of Japan Post Insurance Co., Ltd. (the “Company”) and its consolidated subsidiary, deferred tax assets of ¥636,644 million were recognized as of March 31, 2024. As described in Note 14, “DEFERRED TAX ASSETS AND LIABILITIES” to the consolidated financial statements, the amount of gross deferred tax assets before being offset by deferred tax liabilities amounted to ¥1,466,429 million. Of this amount, the deferred tax assets related to policy reserves and reserve for price fluctuations were ¥998,451 million and ¥228,547 million, respectively, accounting for a significant portion.</p> <p>Deferred tax assets are recognized to the extent that deductible temporary differences are expected to reduce future taxable income. The amount recognized as deferred tax assets depends on the appropriateness of the company category determined in accordance with the “Implementation Guidance on Recoverability of Deferred Tax Assets” (Guidance No. 26 of the Accounting Standards Board of Japan) and the estimated future taxable income.</p> <p>As described in Note 14, “DEFERRED TAX ASSETS AND LIABILITIES”, the Company determined that deferred tax assets related to policy reserves and reserve for price fluctuations were recoverable because future taxable income would be generated over the long term and therefore deferred tax assets would have the effect of reducing the amount of tax payable. Management’s estimate of future taxable income that would be generated over the long term involved significant management judgment on key assumptions, such as forecasts of the level of</p> | <p>In order to assess whether management’s judgment on the recoverability of deferred tax assets was appropriate, we performed the following audit procedures, among others:</p> <p>(1) Internal control testing</p> <p>We tested the design and operating effectiveness of certain of the Company’s internal controls relevant to the estimate of future taxable income, including those over the development of the business plan.</p> <p>(2) Assessment of the company category</p> <p>We evaluated the appropriateness of the Company category determined in accordance with the “Implementation Guidance on Recoverability of Deferred Tax Assets,” with a particular focus on the assessment of whether significant changes in the business environment were expected in the near future.</p> <p>(3) Assessment of the appropriateness and feasibility of estimated future taxable income</p> <ul style="list-style-type: none"> <li>• We inquired of management of the Company and of the relevant department and obtained an understanding of assumptions underlying the business plan, which formed the basis for the estimate of future taxable income;</li> <li>• We obtained an understanding of the main causes of any differences between the future taxable income estimated in the previous fiscal years and the actual results by inquiring of the relevant department and assessed their impact to the estimated future taxable income;</li> <li>• We confirmed the consistency between the estimated future taxable income and the business plan; and</li> <li>• We inquired of the relevant department regarding alternative assumptions used by management for stress test scenarios in estimating future taxable</li> </ul> |

new contracts for insurance products, the amount of insurance claims and other benefit payments, investment income and operating expenses. Although the actual results of new contracts increased in the current fiscal year, it did not reach the level expected, and the estimate of the level of new contracts based on the business plan prepared in the current fiscal year involved a high degree of uncertainty.

We, therefore, determined that our assessment of the reasonableness of management's judgment on the recoverability of deferred tax assets was of most significance in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.

income, understood the results of the stress test, and assessed the appropriateness of the evaluation of uncertainty in management's estimate.

#### Other Information

The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements, the financial statements, and our auditor's reports thereon. Management is responsible for the preparation and presentation of the other information. The audit committee is responsible for overseeing the executive officers' and directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in

accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the executive officers' and directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Fee-related Information**

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its consolidated subsidiary are described in "Independent Auditor" included in "Corporate Information" of the Annual Report.

**Convenience Translation**

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2024 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

**Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

/S/ KANNO Masako

Designated Engagement Partner

Certified Public Accountant

/S/ SATO Eihiro

Designated Engagement Partner

Certified Public Accountant

/S/ SUDA Shunsuke

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Tokyo Office, Japan

September 17, 2024

**Notes to the Reader of Independent Auditor's Report:**

This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

## 3 Non-Consolidated Financial Statements

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

MARCH 31, 2024 AND 2023

|   | Millions of Yen     |                     | Millions of U.S.<br>Dollars (Note 1) |
|---|---------------------|---------------------|--------------------------------------|
|   | 2024                | 2023                | 2024                                 |
| <b>ASSETS:</b>  |                     |                     |                                      |
| Cash and deposits:                                      |                     |                     |                                      |
| Cash  | ¥ 723               | ¥ 201               | \$ 5                                 |
| Deposits  | 1,152,007           | 1,428,281           | 7,609                                |
| Total cash and deposits                                 | 1,152,730           | 1,428,483           | 7,613                                |
| Call loans  | 40,000              | 40,000              | 264                                  |
| Receivables under resale agreements                     | 1,047,192           | 1,384,764           | 6,916                                |
| Monetary claims bought                                  | 25,392              | 47,345              | 168                                  |
| Money held in trust                                     | 6,271,415           | 4,772,321           | 41,420                               |
| Securities (Notes 3 and 4):                             |                     |                     |                                      |
| Japanese government bonds                               | 36,037,546          | 37,114,603          | 238,013                              |
| Japanese local government bonds                         | 2,634,528           | 3,400,150           | 17,400                               |
| Japanese corporate bonds                                | 4,119,871           | 4,228,952           | 27,210                               |
| Stocks  | 558,536             | 410,088             | 3,689                                |
| Foreign securities                                      | 2,168,841           | 2,949,260           | 14,324                               |
| Other securities  | 2,175,272           | 1,739,423           | 14,367                               |
| Total securities  | 47,694,597          | 49,842,478          | 315,003                              |
| Loans (Note 5):   |                     |                     |                                      |
| Policy loans  | 149,707             | 140,355             | 989                                  |
| Industrial and commercial loans                         | 849,174             | 916,374             | 5,608                                |
| Loans to the Management Network                         | 2,282,432           | 2,549,102           | 15,075                               |
| Total loans   | 3,281,313           | 3,605,832           | 21,672                               |
| Tangible fixed assets (Note 25):                        |                     |                     |                                      |
| Land  | 76,610              | 43,112              | 506                                  |
| Buildings   | 44,984              | 35,590              | 297                                  |
| Leased assets   | 5,326               | 4,189               | 35                                   |
| Construction in progress                                | 47                  | 24                  | 0                                    |
| Other tangible fixed assets                             | 9,602               | 9,512               | 63                                   |
| Total tangible fixed assets                             | 136,571             | 92,429              | 902                                  |
| Intangible fixed assets (Note 25):                      |                     |                     |                                      |
| Software  | 103,191             | 97,335              | 682                                  |
| Other intangible fixed assets                           | 10                  | 12                  | 0                                    |
| Total intangible fixed assets                           | 103,202             | 97,347              | 682                                  |
| Agency accounts receivable                              | 11,296              | 41,307              | 75                                   |
| Reinsurance receivables                                 | 7,646               | 4,049               | 50                                   |
| Other assets:   |                     |                     |                                      |
| Accounts receivable                                     | 244,606             | 116,048             | 1,616                                |
| Prepaid expenses (Note 25)                              | 4,610               | 4,744               | 30                                   |
| Accrued income (Note 5)                                 | 143,911             | 129,974             | 950                                  |
| Money on deposit  | 6,244               | 7,883               | 41                                   |
| Margin deposits for futures transactions (Note 4)       | 4,284               | 9                   | 28                                   |
| Derivative financial instruments                        | 2,785               | 35,271              | 18                                   |
| Cash collateral paid for financial instruments (Note 4) | 35,750              | 4,094               | 236                                  |
| Suspense payments                                       | 1,022               | 1,041               | 7                                    |
| Other assets  | 6,338               | 1,520               | 42                                   |
| Total other assets                                      | 449,553             | 300,588             | 2,969                                |
| Deferred tax assets (Note 11)                           | 636,524             | 1,028,662           | 4,204                                |
| Reserve for possible loan losses (Note 25)              | (346)               | (379)               | (2)                                  |
| <b>Total assets</b>                                     | <b>¥ 60,857,090</b> | <b>¥ 62,685,230</b> | <b>\$ 401,936</b>                    |

See accompanying notes to non-consolidated financial statements.

|  | Millions of Yen     |                     | Millions of U.S.<br>Dollars (Note 1) |
|--|---------------------|---------------------|--------------------------------------|
|  | 2024                | 2023                | 2024                                 |
| <b>LIABILITIES:</b>  |                     |                     |                                      |
| Policy reserves and others:                                    |                     |                     |                                      |
| Reserve for outstanding claims (Note 6)                        | ¥ 373,913           | ¥ 410,387           | \$ 2,470                             |
| Policy reserves (Notes 6 and 8)                                | 50,512,792          | 53,518,219          | 333,616                              |
| Reserve for policyholder dividends (Note 7)                    | 1,101,628           | 1,175,171           | 7,276                                |
| Total policy reserves and others                               | 51,988,334          | 55,103,778          | 343,361                              |
| Reinsurance payables   | 6,001               | 6,297               | 40                                   |
| Bonds payable (Note 9)   | 400,000             | 300,000             | 2,642                                |
| Other liabilities:   |                     |                     |                                      |
| Payables under repurchase agreements (Note 4)                  | 3,905,000           | 3,740,688           | 25,791                               |
| Income taxes payable   | 1,617               | —                   | 11                                   |
| Accounts payable   | 20,572              | 19,319              | 136                                  |
| Accrued expenses   | 43,719              | 42,136              | 289                                  |
| Deposits received  | 3,023               | 2,324               | 20                                   |
| Deposits from the Management Network (Note 10)                 | 37,575              | 38,647              | 248                                  |
| Guarantee deposits received                                    | 109                 | 73                  | 1                                    |
| Derivative financial instruments                               | 46,327              | 23,691              | 306                                  |
| Cash collateral received for financial instruments             | —                   | 20,011              | —                                    |
| Lease obligations  | 5,860               | 4,609               | 39                                   |
| Suspense receipt (Note 5)                                      | 21,587              | 2,713               | 143                                  |
| Other liabilities  | 10,298              | 46,189              | 68                                   |
| Total other liabilities  | 4,095,691           | 3,940,404           | 27,050                               |
| Reserve for employees' retirement benefits                     | 97,157              | 70,806              | 642                                  |
| Reserve for management board benefit trust (Note 25)           | 391                 | 315                 | 3                                    |
| Reserve for price fluctuations (Notes 8 and 25)                | 873,799             | 889,960             | 5,771                                |
| <b>Total liabilities</b>                                       | <b>¥ 57,461,376</b> | <b>¥ 60,311,562</b> | <b>\$ 379,508</b>                    |
| <b>NET ASSETS:</b>   |                     |                     |                                      |
| Capital stock  | ¥ 500,000           | ¥ 500,000           | \$ 3,302                             |
| Capital surplus:   |                     |                     |                                      |
| Legal capital surplus  | 405,044             | 405,044             | 2,675                                |
| Total capital surplus  | 405,044             | 405,044             | 2,675                                |
| Retained earnings:   |                     |                     |                                      |
| Legal retained earnings  | 91,216              | 84,089              | 602                                  |
| Other retained earnings:                                       |                     |                     |                                      |
| Reserve for reduction entry of real estate                     | 4,506               | 4,767               | 30                                   |
| Retained earnings brought forward                              | 624,389             | 613,328             | 4,124                                |
| Total other retained earnings                                  | 628,896             | 618,096             | 4,154                                |
| Total retained earnings  | 720,112             | 702,185             | 4,756                                |
| Treasury stock   | (948)               | (36,082)            | (6)                                  |
| Total shareholders' equity                                     | 1,624,208           | 1,571,147           | 10,727                               |
| Net unrealized gains (losses) on available-for-sale securities | 1,775,693           | 797,912             | 11,728                               |
| Net deferred gains (losses) on hedges                          | (4,186)             | 4,607               | (28)                                 |
| Total valuation and translation adjustments                    | 1,771,506           | 802,520             | 11,700                               |
| <b>Total net assets</b>  | <b>3,395,714</b>    | <b>2,373,667</b>    | <b>22,427</b>                        |
| <b>Total liabilities and net assets</b>                        | <b>¥ 60,857,090</b> | <b>¥ 62,685,230</b> | <b>\$ 401,936</b>                    |

See accompanying notes to non-consolidated financial statements.

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

YEARS ENDED MARCH 31, 2024 AND 2023

|   | Millions of Yen |             | Millions of U.S.<br>Dollars (Note 1) |
|---|-----------------|-------------|--------------------------------------|
|   | 2024            | 2023        | 2024                                 |
| <b>ORDINARY INCOME:</b>   |                 |             |                                      |
| <b>Insurance premiums and others:</b>                             |                 |             |                                      |
| Insurance premiums (Note 13)                                      | ¥ 2,467,931     | ¥ 2,183,985 | \$ 16,300                            |
| Reinsurance income  | 16,076          | 16,959      | 106                                  |
| Total insurance premiums and others                               | 2,484,007       | 2,200,945   | 16,406                               |
| <b>Investment income:</b>   |                 |             |                                      |
| Interest and dividend income:                                     |                 |             |                                      |
| Interest on deposits  | 86              | 34          | 1                                    |
| Interest and dividends on securities                              | 794,962         | 869,716     | 5,250                                |
| Interest on loans   | 12,954          | 13,385      | 86                                   |
| Interest on loans to the Management Network                       | 48,373          | 60,171      | 319                                  |
| Other interest and dividend income                                | 10,092          | 7,409       | 67                                   |
| Total interest and dividend income                                | 866,469         | 950,717     | 5,723                                |
| Gains on money held in trust (Note 15)                            | 181,439         | 150,378     | 1,198                                |
| Gains on sales of securities (Note 16)                            | 151,153         | 50,567      | 998                                  |
| Gains on redemption of securities                                 | 110             | 498         | 1                                    |
| Gains on foreign exchanges  | 13,579          | 6,814       | 90                                   |
| Reversal of reserve for possible loan losses                      | -               | 1           | -                                    |
| Other investment income   | 27              | 44          | 0                                    |
| Total investment income   | 1,212,778       | 1,159,020   | 8,010                                |
| <b>Other ordinary income:</b>                                     |                 |             |                                      |
| Reversal of reserve for outstanding claims (Note 12)              | 36,474          | -           | 241                                  |
| Reversal of policy reserves (Note 12)                             | 3,005,427       | 3,015,234   | 19,850                               |
| Reversal of reserve for employees' retirement benefits            | 634             | -           | 4                                    |
| Other ordinary income   | 6,099           | 4,355       | 40                                   |
| Total other ordinary income                                       | 3,048,636       | 3,019,589   | 20,135                               |
| Total ordinary income   | 6,745,422       | 6,379,556   | 44,551                               |
| <b>ORDINARY EXPENSES:</b>   |                 |             |                                      |
| <b>Insurance claims and others:</b>                               |                 |             |                                      |
| Insurance claims (Note 14)  | 4,149,769       | 4,451,916   | 27,407                               |
| Annuity payments  | 218,989         | 268,802     | 1,446                                |
| Benefits  | 200,725         | 211,958     | 1,326                                |
| Surrender benefits  | 439,018         | 457,654     | 2,900                                |
| Other refunds   | 61,170          | 76,141      | 404                                  |
| Reinsurance premiums  | 708,916         | 21,523      | 4,682                                |
| Total insurance claims and others                                 | 5,778,590       | 5,487,997   | 38,165                               |
| <b>Provision for policy reserves and others</b>                   |                 |             |                                      |
| Provision for reserve for outstanding claims (Note 12)            | -               | 7,778       | -                                    |
| Provision for interest on policyholder dividends                  | 137             | 9           | 1                                    |
| Total provision for policy reserves and others                    | 137             | 7,788       | 1                                    |
| <b>Investment expenses:</b>                                       |                 |             |                                      |
| Interest expenses   | 4,993           | 4,639       | 33                                   |
| Losses on sales of securities (Note 17)                           | 177,704         | 177,296     | 1,174                                |
| Losses on valuation of securities (Note 18)                       | 71              | 306         | 0                                    |
| Losses on redemption of securities                                | 240             | 1,554       | 2                                    |
| Losses on derivative financial instruments (Note 19)              | 95,835          | 60,588      | 633                                  |
| Provision for reserve for possible loan losses                    | 0               | -           | 0                                    |
| Other investment expenses   | 3,701           | 2,040       | 24                                   |
| Total investment expenses   | 282,548         | 246,426     | 1,866                                |
| <b>Operating expenses (Note 25)</b>                               | 438,531         | 444,209     | 2,896                                |
| <b>Other ordinary expenses:</b>                                   |                 |             |                                      |
| Taxes   | 35,480          | 33,571      | 234                                  |
| Depreciation and amortization                                     | 42,959          | 41,125      | 284                                  |
| Provision for reserve for employees' retirement benefits          | -               | 169         | -                                    |
| Other ordinary expenses   | 4,593           | 615         | 30                                   |
| Total other ordinary expenses                                     | 83,034          | 75,481      | 548                                  |
| Total ordinary expenses   | 6,582,841       | 6,261,903   | 43,477                               |
| <b>Ordinary profit</b>  | 162,581         | 117,652     | 1,074                                |
| <b>EXTRAORDINARY GAINS (Note 20)</b>                              | 16,161          | 82,645      | 107                                  |
| <b>EXTRAORDINARY LOSSES (Note 21)</b>                             | 190             | 318         | 1                                    |
| <b>Provision for reserve for policyholder dividends (Note 22)</b> | 55,899          | 62,067      | 369                                  |
| <b>Income before income taxes</b>                                 | 122,652         | 137,912     | 810                                  |
| <b>Income taxes (Note 11):</b>                                    |                 |             |                                      |
| Current   | 13,379          | 33,516      | 88                                   |
| Deferred  | 20,709          | 6,604       | 137                                  |
| <b>Total income taxes</b>   | 34,088          | 40,120      | 225                                  |
| <b>Net income</b>   | ¥ 88,564        | ¥ 97,791    | \$ 585                               |

See accompanying notes to non-consolidated financial statements.

**JAPAN POST INSURANCE CO., LTD.**  
**NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS**

YEARS ENDED MARCH 31, 2024 AND 2023

|   | Millions of Yen |                       |                       |                       |                         |  |                                   |                         |          |                |                            |
|---|-----------------|-----------------------|-----------------------|-----------------------|-------------------------|--|-----------------------------------|-------------------------|----------|----------------|----------------------------|
|   | Capital surplus |                       |                       |                       |                         | Shareholders' equity                       |                                   |                         |          |                |                            |
|   | Capital stock   | Legal capital surplus | Other capital surplus | Total capital surplus | Legal retained earnings | Retained earnings                          |                                   |                         |          | Treasury stock | Total shareholders' equity |
|   |                 |                       |                       |                       |                         | Reserve for reduction entry of real estate | Retained earnings brought forward | Total retained earnings |          |                |                            |
| BALANCE, APRIL 1, 2022  | ¥ 500,000       | ¥ 405,044             | ¥ -                   | ¥ 405,044             | ¥ 76,909                | ¥ 5,026                                    | ¥ 558,353                         | ¥ 640,289               | ¥ -      | ¥ (355)        | ¥1,544,978                 |
| Changes in the fiscal year:   |                 |                       |                       |                       |                         |  |                                   |                         |          |                |                            |
| Cash dividends  |                 |                       |                       |                       | 7,179                   |  | (43,075)                          | (35,896)                |          |                | (35,896)                   |
| Net income  |                 |                       |                       |                       |                         |  | 97,791                            | 97,791                  |          |                | 97,791                     |
| Purchases of treasury stock   |                 |                       |                       |                       |                         |  |                                   |                         |          | (35,739)       | (35,739)                   |
| Disposals of treasury stock   |                 |                       |                       |                       |                         |  |                                   |                         |          | 12             | 12                         |
| Reversal of reserve for reduction entry of real estate                  |                 |                       |                       |                       |                         |  | (259)                             | 259                     | -        |                | -                          |
| Net changes in items other than shareholders' equity in the fiscal year |                 |                       |                       |                       | 7,179                   | (259)                                      | 54,975                            | 61,895                  | (35,727) |                | 26,168                     |
| BALANCE, MARCH 31, 2023   | 500,000         | 405,044               | -                     | 405,044               | 84,089                  | 4,767                                      | 613,328                           | 702,185                 | (36,082) |                | 1,571,147                  |
| Changes in the fiscal year:   |                 |                       |                       |                       |                         |  |                                   |                         |          |                |                            |
| Cash dividends  |                 |                       |                       |                       | 7,127                   |  | (42,763)                          | (35,635)                |          |                | (35,635)                   |
| Net income  |                 |                       |                       |                       |                         |  | 88,564                            | 88,564                  |          |                | 88,564                     |
| Disposals of treasury stock   |                 |                       |                       |                       |                         |  |                                   |                         |          | 132            | 132                        |
| Cancellation of treasury stock  |                 |                       |                       |                       |                         |  |                                   |                         |          | 35,000         | -                          |
| Reversal of reserve for reduction entry of real estate                  |                 |                       |                       |                       |                         |  | (260)                             | 260                     | -        |                | -                          |
| Transfer from retained earnings to capital surplus                      |                 |                       |                       |                       |                         |  | 35,000                            | 35,000                  | (35,000) | (35,000)       | -                          |
| Net changes in items other than shareholders' equity in the fiscal year |                 |                       |                       |                       | 7,127                   | (260)                                      | 11,060                            | 17,927                  | 35,133   |                | 53,061                     |
| BALANCE, MARCH 31, 2024   | ¥ 500,000       | ¥ 405,044             | ¥ -                   | ¥ 405,044             | ¥ 91,216                | ¥ 4,506                                    | ¥ 624,389                         | ¥ 720,112               | ¥ (948)  |                | ¥1,624,208                 |

|   | Millions of Yen  |                                       |   |                  |
|---|--|---------------------------------------|---|------------------|
|   | Valuation and translation adjustments                          |                                       |   |                  |
|   | Net unrealized gains (losses) on available-for-sale securities | Net deferred gains (losses) on hedges | Total valuation and translation adjustments | Total net assets |
| BALANCE, APRIL 1, 2022  | ¥ 873,764  | ¥ -                                   | ¥ 873,764                                   | ¥ 2,418,743      |
| Changes in the fiscal year:   |  |                                       |   |                  |
| Cash dividends  |  |                                       |   | (35,896)         |
| Net income  |  |                                       |   | 97,791           |
| Purchases of treasury stock   |  |                                       |   | (35,739)         |
| Disposals of treasury stock   |  |                                       |   | 12               |
| Reversal of reserve for reduction entry of real estate                  |  |                                       |   | -                |
| Net changes in items other than shareholders' equity in the fiscal year | (75,851)   | 4,607                                 | (71,243)                                    | (71,243)         |
| Net changes in the fiscal year  | (75,851)   | 4,607                                 | (71,243)                                    | (45,075)         |
| BALANCE, MARCH 31, 2023   | 797,912  | 4,607                                 | 802,520                                     | 2,373,667        |
| Changes in the fiscal year:   |  |                                       |   |                  |
| Cash dividends  |  |                                       |   | (35,635)         |
| Net income  |  |                                       |   | 88,564           |
| Disposals of treasury stock   |  |                                       |   | 132              |
| Cancellation of treasury stock  |  |                                       |   | -                |
| Reversal of reserve for reduction entry of real estate                  |  |                                       |   | -                |
| Transfer from retained earnings to capital surplus                      |  |                                       |   | -                |
| Net changes in items other than shareholders' equity in the fiscal year | 977,780  | (8,794)                               | 968,986                                     | 968,986          |
| Net changes in the fiscal year  | 977,780  | (8,794)                               | 968,986                                     | 1,022,047        |
| BALANCE, MARCH 31, 2024   | ¥ 1,775,693  | ¥ (4,186)                             | ¥ 1,771,506                                 | ¥ 3,395,714      |

See accompanying notes to non-consolidated financial statements.

**JAPAN POST INSURANCE CO., LTD.**  
**NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS**

YEARS ENDED MARCH 31, 2024 AND 2023

**1. BASIS OF PRESENTATION**

The accompanying financial statements of JAPAN POST INSURANCE Co., Ltd. (the "Company"), have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations concerning preparation of financial statements, the Ordinance for Enforcement of Insurance Business Act and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of the International Financial Reporting Standards.

In preparing these non-consolidated financial statements, certain reclassifications and rearrangements have been made to the non-consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan.

All Japanese yen figures in the non-consolidated financial statements have been rounded down to the nearest million yen. Accordingly, the total of each account might not be equal to the combined total of individual items.

The non-consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and mainly operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥151.41 to US\$1, the approximate rate of exchange as of March 31, 2024. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(1) Securities**

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

**1) Held-to-maturity bonds**

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

**2) Policy-reserve-matching bonds**

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

**3) Equities of subsidiaries and affiliates**

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

**4) Available-for-sale securities**

A) Available-for-sale securities other than stocks, 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.

B) 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) Derivative Transactions**

All derivative transactions are valued at fair value.

**(3) 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 the "Financial Instruments Accounting Standard"), and 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.

**(4) Depreciation**

**1) Tangible fixed assets (excluding leased assets)**

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

- Buildings : 2-60 years
- Other tangible fixed assets: 2-20 years

**2) Intangible fixed assets (excluding leased assets)**

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

**3) Leased assets**

The Company mainly leases vehicles under finance lease arrangements that do not transfer the ownership of leased property to the lessee.

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

**(5) Reserve for Possible Loan Losses**

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

Millions of U.S. Dollars (Note 1)

|   | Shareholders' equity |                       |                       |                       |                         |  |                                   |                         |                |                            |
|---|----------------------|-----------------------|-----------------------|-----------------------|-------------------------|--|-----------------------------------|-------------------------|----------------|----------------------------|
|   | Capital surplus      |                       |                       |                       | Retained earnings       |  |                                   |                         |                |                            |
|   | Capital stock        | Legal capital surplus | Other capital surplus | Total capital surplus | Other retained earnings |  |                                   | Total retained earnings | Treasury stock | Total shareholders' equity |
|   |                      |                       |                       |                       | Legal retained earnings | Reserve for reduction entry of real estate | Retained earnings brought forward |                         |                |                            |
| <b>BALANCE, MARCH 31, 2023</b>  | \$ 3,302             | \$ 2,675              | \$ -                  | \$ 2,675              | \$ 555                  | \$ 31                                      | \$ 4,051                          | \$ 4,638                | \$ (238)       | \$ 10,377                  |
| <b>Changes in the fiscal year:</b>                                      |                      |                       |                       |                       |                         |  |                                   |                         |                |                            |
| Cash dividends  |                      |                       |                       |                       | 47                      |  | (282)                             | (235)                   |                | (235)                      |
| Net income  |                      |                       |                       |                       |                         |  | 585                               | 585                     |                | 585                        |
| Disposals of treasury stock   |                      |                       |                       |                       |                         |  |                                   |                         | 1              | 1                          |
| Cancellation of treasury stock  |                      |                       | (231)                 | (231)                 |                         |  |                                   |                         | 231            | -                          |
| Reversal of reserve for reduction entry of real estate                  |                      |                       |                       |                       |                         | (2)  | 2                                 | -                       |                | -                          |
| Transfer from retained earnings to capital surplus                      |                      |                       | 231                   | 231                   |                         |  | (231)                             | (231)                   |                | -                          |
| Net changes in items other than shareholders' equity in the fiscal year |                      |                       |                       |                       | 47                      | (2)  | 73                                | 118                     | 232            | 350                        |
| Net changes in the fiscal year  | -                    | -                     | -                     | -                     | 47                      | (2)  | 73                                | 118                     | 232            | 350                        |
| <b>BALANCE, MARCH 31, 2024</b>  | \$ 3,302             | \$ 2,675              | \$ -                  | \$ 2,675              | \$ 602                  | \$ 30                                      | \$ 4,124                          | \$ 4,756                | \$ (6)         | \$ 10,727                  |

Millions of U.S. Dollars (Note 1)

|   | Valuation and translation adjustments                          |                                       |   |                  |
|---|--|---------------------------------------|---|------------------|
|   | Net unrealized gains (losses) on available-for-sale securities | Net deferred gains (losses) on hedges | Total valuation and translation adjustments | Total net assets |
| <b>BALANCE, MARCH 31, 2023</b>  | \$ 5,270   | \$ 30                                 | \$ 5,300                                    | \$ 15,677        |
| <b>Changes in the fiscal year:</b>                                      |  |                                       |   |                  |
| Cash dividends  |  |                                       |   | (235)            |
| Net income  |  |                                       |   | 585              |
| Disposals of treasury stock   |  |                                       |   | 1                |
| Cancellation of treasury stock  |  |                                       |   | -                |
| Reversal of reserve for reduction entry of real estate                  |  |                                       |   | -                |
| Transfer from retained earnings to capital surplus                      |  |                                       |   | -                |
| Net changes in items other than shareholders' equity in the fiscal year | 6,458  | (58)                                  | 6,400                                       | 6,400            |
| Net changes in the fiscal year  | 6,458  | (58)                                  | 6,400                                       | 6,750            |
| <b>BALANCE, MARCH 31, 2024</b>  | \$ 11,728  | \$ (28)                               | \$ 11,700                                   | \$ 22,427        |

See accompanying notes to non-consolidated financial statements.

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

For loans and guaranteed loans that were extended to borrowers that have filed for bankruptcy, including legal bankruptcy or civil rehabilitation, or that are considered substantially bankrupt, an allowance is provided for in the amount of loans, net of collateral value or the amounts expected to be recoverable under guarantees. The reserve for possible loan losses also includes amounts set aside for other assets subject to valuation allowance. The amounts written off for loans and other assets during the years ended March 31, 2024 and 2023, were ¥45 million (\$0 million) and ¥92 million, respectively.

**(6) Policy Reserves**

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

The amount of policy reserves might be affected if the actual results of the basis of the calculation of policy reserves such as assumed mortality rates, assumed interest rates and expected rate of expenses deviate significantly or deviations are expected in the future due to changes in the environment.

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

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

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.

The Management Network was established in October 2007 to support the privatization of Japan Post by succeeding from Japan Post postal savings such as fixed amount or term postal savings deposited and Postal Life Insurance Contracts concluded by September 2007 to ensure that such postal savings and Postal Life Insurance are managed appropriately and to fulfill the relevant liabilities without fail.

The Company has entered into the reinsurance contracts comprising outsourcing agreements for the administrative operation of the Postal Life Insurance and the reinsurance contracts for insurance liabilities based on former Postal Life Insurance Contracts, for Postal Life Insurance Contracts concluded by September 2007 that have been assumed by the Management Network.

In addition, based on the master plan by the Postal Service Privatization Act, with respect to the amount equivalent to that lent to policyholders of the Postal Life Insurance Contracts and to Japanese local governments and others succeeded from Japan Post Corporation, the Company has lent loans to the Management Network under the same loan conditions as those of the contracts between Japan Post and its counterparties.

**(7) Insurance Premiums and Others**

**1) Insurance premiums**

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

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

**2) Reinsurance income**

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

**(8) Insurance Claims and Others**

**1) Insurance claims and others (excluding reinsurance premiums)**

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

Reserve for outstanding claims has been accumulated for insurance claims, 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.

**(9) Reserve for Employees' Retirement Benefits**

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

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

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

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

Accounting methods for unrecognized actuarial difference and unrecognized prior service cost are different from those of the consolidated financial statements.

**(10) Reserve for Management Board Benefit Trust**

To provide for the granting of shares and others 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.

**(11) Reserve for Price Fluctuations**

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

**(12) 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.

**(13) Changes in Accounting Policies For the year ended March 31, 2023**

The Company has applied the "Fair Value Measurement Implementation Guidance" from the beginning of the year

ended March 31, 2023. In accordance with the transitional treatment set forth in Paragraph 27-2 of the Fair Value Measurement Implementation Guidance, the Company decided to apply a new accounting policy prescribed in the Fair Value Measurement Implementation Guidance into the future. Accordingly, while cost method by moving-average method was previously adopted for mutual funds with no transaction price on the market, from the year ended March 31, 2023, the fair value method based on the market price and others as of the balance sheet date is adopted.

**(14) Additional Information Transactions for granting shares and others of the Company to executive officers of the Company through a trust**

Notes to the transactions for granting shares and others of the Company to executive officers of the Company through a trust are omitted as they are presented in Note 2 "SIGNIFICANT ACCOUNTING POLICIES" of the consolidated financial statements.

**3. SECURITIES**

**(1) Securities**

Equities of subsidiaries and affiliates were included in "Stocks," and investments in capital of subsidiaries and affiliates were included in "Other securities," all of which are carried at cost because they are instruments with no market price. Such securities as of March 31, 2024 and 2023, consisted of the following:

|  | Millions of Yen |         | Millions of U.S. Dollars |
|--|-----------------|---------|--------------------------|
|  | 2024            | 2023    | 2024                     |
| <b>March 31</b>                        |                 |         |                          |
| Equities of subsidiaries               | ¥ 1,784         | ¥ 1,784 | \$ 12                    |
| Investments in capital of subsidiaries | 41,345          | 19,386  | 273                      |
| Equities of affiliates                 | 6,462           | 6,462   | 43                       |
| Investments in capital of affiliates   | 29,039          | 26,091  | 192                      |

Securities lent under lending agreements in the amount of ¥1,597,184 million (\$10,549 million) and ¥1,164,763 million were included in "Securities" in the balance sheets as of March 31, 2024 and 2023, respectively.

The Company has the right to sell or pledge securities received as collateral for transactions such as resale agreements, borrowing agreements and derivative transactions. The fair value of such securities held in hand was ¥141,779 million (\$936 million) and ¥124,202 million as of March 31, 2024 and 2023, respectively.

**(2) Policy-Reserve-Matching Bonds**

The balance sheet amount and fair value of policy-reserve-matching bonds as of March 31, 2024 and 2023, were as follows:

|                      | Millions of Yen |             | Millions of U.S. Dollars |
|----------------------|-----------------|-------------|--------------------------|
|                      | 2024            | 2023        | 2024                     |
| <b>March 31</b>      |                 |             |                          |
| Balance sheet amount | ¥ 7,139,629     | ¥ 8,075,012 | \$ 47,154                |
| Fair value           | 6,954,091       | 8,237,638   | 45,929                   |

The outline of the risk management policy of policy-reserve-matching bonds was as follows:

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

**For the year ended March 31, 2023**

All insurance contracts under Postal Life Insurance Contracts previously fell into the Postal Life Insurance Contracts sub-group, but a portion of Postal Life Insurance Contracts has been eliminated from the sub-group policy reserves from the fourth quarter of the year ended March 31, 2023, as the Company has decided to apply deferred hedge accounting through interest rate swaps to hedge interest rate fluctuation risk for the said part of Postal Life Insurance Contracts 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), as part of the Company's efforts to respond to the enhancement of risk management under the new capital regulation scheduled to be introduced in the year ending March 31, 2026. This change has no impact on profit or loss.

#### 4. ASSETS PLEDGED AS COLLATERAL

Assets pledged as collateral as of March 31, 2024 and 2023, consisted of the following:

|  | Millions of Yen |             | Millions of U.S. Dollars |
|--|-----------------|-------------|--------------------------|
|  | 2024            | 2023        | 2024                     |
| <b>March 31</b>  |                 |             |                          |
| Assets pledged as collateral:                              |                 |             |                          |
| Securities   | ¥ 3,715,475     | ¥ 3,499,456 | \$ 24,539                |
| Liabilities corresponding to assets pledged as collateral: |                 |             |                          |
| Payables under repurchase agreements                       | 3,905,000       | 3,740,688   | 25,791                   |

The above securities are those sold under repurchase agreements.

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

|  | Millions of Yen |           | Millions of U.S. Dollars |
|--|-----------------|-----------|--------------------------|
|  | 2024            | 2023      | 2024                     |
| <b>March 31</b>                                |                 |           |                          |
| Securities                                     | ¥ 213,657       | ¥ 133,667 | \$ 1,411                 |
| Margin deposits for futures transactions       | 4,284           | 9         | 28                       |
| Cash collateral paid for financial instruments | 35,750          | 4,094     | 236                      |

#### 5. LOANS

There were no bankrupt loans or quasi-bankrupt loans, doubtful loans, past due loans for three months or more, or restructured loans as of March 31, 2024 and 2023.

Definitions for each of the respective loans are as follows:

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

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

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

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

The amounts of unused commitments as of March 31, 2024 and 2023, were as follows:

|                              | Millions of Yen |          | Millions of U.S. Dollars |
|------------------------------|-----------------|----------|--------------------------|
|                              | 2024            | 2023     | 2024                     |
| <b>March 31</b>              |                 |          |                          |
| Amount of unused commitments | ¥ 4,890         | ¥ 15,659 | \$ 32                    |

With regard to the loans to the Management Network that became due on March 31, 2024, 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, the amount received in advance was recorded as a suspense receipt as its due date had not yet arrived. Details of the loans to the Management Network that became due on March 31, 2024, as well as the amount recorded as accrued interest in accrued revenue and the amount received in advance which was recorded as a suspense receipt for these loans to the Management Network were as follows. March 31, 2023, did not fall on a bank holiday.

|                                 | Millions of Yen |      | Millions of U.S. Dollars |
|---------------------------------|-----------------|------|--------------------------|
|                                 | 2024            | 2023 | 2024                     |
| <b>March 31</b>                 |                 |      |                          |
| Loans to the Management Network | ¥ 242,568       | ¥ —  | \$ 1,602                 |
| Accrued income                  | 21,100          | —    | 139                      |
| Suspense receipt                | 13,276          | —    | 88                       |

#### 6. REINSURANCE

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 the "reserve for outstanding claims—ceded"), as of March 31, 2024 and 2023, was as follows:

|                                      | Millions of Yen |       | Millions of U.S. Dollars |
|--------------------------------------|-----------------|-------|--------------------------|
|                                      | 2024            | 2023  | 2024                     |
| <b>March 31</b>                      |                 |       |                          |
| Reserve for outstanding claims—ceded | ¥ 426           | ¥ 690 | \$ 3                     |

Policy reserves for reinsured part defined in Article 71, Paragraph 1 of the said Ordinance (hereinafter "policy reserves—ceded") as of March 31, 2024 and 2023, were as follows:

|                       | Millions of Yen |       | Millions of U.S. Dollars |
|-----------------------|-----------------|-------|--------------------------|
|                       | 2024            | 2023  | 2024                     |
| <b>March 31</b>       |                 |       |                          |
| Policy reserves—ceded | ¥ 641,745       | ¥ 880 | \$ 4,238                 |

#### 7. RESERVE FOR POLICYHOLDER DIVIDENDS

Changes in reserve for policyholder dividends for the years ended March 31, 2024 and 2023, were as follows:

|  | Millions of Yen |             | Millions of U.S. Dollars |
|--|-----------------|-------------|--------------------------|
|  | 2024            | 2023        | 2024                     |
| <b>Years ended March 31</b>                            |                 |             |                          |
| Balance at the beginning of the year                   | ¥ 1,175,171     | ¥ 1,260,009 | \$ 7,762                 |
| Policyholder dividends paid                            | (129,463)       | (146,714)   | (855)                    |
| Interest accrual                                       | 137             | 9           | 1                        |
| Reduction due to the acquisition of additional annuity | (115)           | (200)       | (1)                      |
| Provision for reserve for policyholder dividends       | 55,899          | 62,067      | 369                      |
| Balance at the end of the year                         | ¥ 1,101,628     | ¥ 1,175,171 | \$ 7,276                 |

#### 8. RESERVES RELATED TO REINSURANCE CONTRACTS

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

In addition, contingency reserve and reserve for price fluctuations are provided for the category of the reinsurance.

The policy reserves, excluding contingency reserve and including policy reserves—ceded, contingency reserve and reserve for price fluctuations mentioned above as of March 31, 2024 and 2023, were as follows:

|   | Millions of Yen |              | Millions of U.S. Dollars |
|---|-----------------|--------------|--------------------------|
|   | 2024            | 2023         | 2024                     |
| <b>March 31</b>   |                 |              |                          |
| Policy reserves (excluding contingency reserve and including policy reserves—ceded) | ¥ 25,595,821    | ¥ 27,370,400 | \$ 169,050               |
| Contingency reserve   | 1,283,683       | 1,260,220    | 8,478                    |
| Reserve for price fluctuations  | 749,984         | 711,298      | 4,953                    |

#### 9. BONDS PAYABLE

Bonds payable, which are subordinated bonds stipulating that their priorities are ranked behind other obligations, as of March 31, 2024 and 2023, were as follows:

|                    | Millions of Yen |           | Millions of U.S. Dollars |
|--------------------|-----------------|-----------|--------------------------|
|                    | 2024            | 2023      | 2024                     |
| <b>March 31</b>    |                 |           |                          |
| Subordinated bonds | ¥ 400,000       | ¥ 300,000 | \$ 2,642                 |



## 10. DEPOSITS FROM THE MANAGEMENT NETWORK

Deposits from the Management Network refer to the amounts equivalent to the reserve for outstanding claims and reserve for losses on compensation for damages related to litigation or conciliation of the Management Network, which were deposited at the time of privatization based on the outsourcing agreements with the Management Network for the administrative operation of the Postal Life Insurance Policy and which remained unpaid at the end of the fiscal years ended March 31, 2024 and 2023.

## 11. DEFERRED TAX ASSETS AND LIABILITIES

Significant components of deferred tax assets and liabilities as of March 31, 2024 and 2023, were as follows:

|  | Millions of Yen |             | Millions of U.S. Dollars |
|--|-----------------|-------------|--------------------------|
|  | 2024            | 2023        | 2024                     |
| <b>March 31</b>                                    |                 |             |                          |
| Deferred tax assets:                               |                 |             |                          |
| Policy reserves                                    | ¥ 998,451       | ¥ 1,021,572 | \$ 6,594                 |
| Reserve for price fluctuations                     | 228,547         | 231,440     | 1,509                    |
| Reserve for outstanding claims                     | 42,693          | 48,375      | 282                      |
| Reserve for employees' retirement benefits         | 27,206          | 19,827      | 180                      |
| Unrealized losses on available-for-sale securities | 141,183         | 151,762     | 932                      |
| Other  | 43,182          | 36,611      | 285                      |
| Subtotal   | 1,481,264       | 1,509,589   | 9,783                    |
| Valuation allowance                                | (14,960)        | (14,674)    | (99)                     |
| Total deferred tax assets                          | 1,466,303       | 1,494,915   | 9,684                    |
| Deferred tax liabilities:                          |                 |             |                          |
| Unrealized gains on available-for-sale securities  | (817,573)       | (453,303)   | (5,400)                  |
| Other  | (12,206)        | (12,949)    | (81)                     |
| Total deferred tax liabilities                     | (829,779)       | (466,253)   | (5,480)                  |
| Net deferred tax assets (liabilities)              | ¥ 636,524       | ¥ 1,028,662 | \$ 4,204                 |

Note: Deferred tax assets related to policy reserves and reserve for price fluctuations were recoverable because future taxable income would be generated over the long term, and therefore deferred tax assets have an effect of reducing the amount of tax payable.

The Company is subject to Japanese national and local income taxes, which, in aggregate, would result in a statutory tax rate of approximately 28.00% for the years ended March 31, 2024 and 2023.

Reconciliation of the statutory tax rate and the effective income tax rate for the years ended March 31, 2024 and 2023, is omitted as the difference was less than 5% of the statutory tax rate.

## 12. POLICY RESERVES FOR CEDED REINSURANCE

The amount of reversal of reserve for outstanding claims—ceded that is deducted from the calculation of reversal of reserve for outstanding claims for the year ended March 31, 2024, was ¥264 million (\$2 million). The amount of provision for reserve for outstanding claims—ceded that is deducted from the calculation of provision for reserve for outstanding claims for the year ended March 31, 2023, was ¥165 million.

The amount of provision for policy reserves—ceded that is added to the calculation of reversal of policy reserves for the year ended March 31, 2024, was ¥640,865 million (\$4,233 million). The amount of reversal of policy reserves—ceded that is deducted from the calculation of reversal of policy reserves for the year ended March 31, 2023, was ¥27 million.

## 13. INSURANCE PREMIUMS

Insurance premiums assumed based on reinsurance contracts with the Management Network included in insurance premiums for the years ended March 31, 2024 and 2023, were as follows:

|                             | Millions of Yen |           | Millions of U.S. Dollars |
|-----------------------------|-----------------|-----------|--------------------------|
|                             | 2024            | 2023      | 2024                     |
| <b>Years ended March 31</b> |                 |           |                          |
| Insurance premiums          | ¥ 171,727       | ¥ 222,610 | \$ 1,134                 |

## 14. INSURANCE CLAIMS

Insurance claims based on reinsurance contracts with the Management Network included in insurance claims for the years ended March 31, 2024 and 2023, were as follows:

|                             | Millions of Yen |             | Millions of U.S. Dollars |
|-----------------------------|-----------------|-------------|--------------------------|
|                             | 2024            | 2023        | 2024                     |
| <b>Years ended March 31</b> |                 |             |                          |
| Insurance claims            | ¥ 2,268,384     | ¥ 2,535,300 | \$ 14,982                |

## 15. GAINS ON MONEY HELD IN TRUST

Gains on money held in trust included losses on valuation of ¥3,882 million (\$26 million) and ¥6,360 million for the years ended March 31, 2024 and 2023, respectively.

## 16. GAINS ON SALES OF SECURITIES

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

|                                 | Millions of Yen |         | Millions of U.S. Dollars |
|---------------------------------|-----------------|---------|--------------------------|
|                                 | 2024            | 2023    | 2024                     |
| <b>Years ended March 31</b>     |                 |         |                          |
| Japanese government bonds, etc. | ¥ 22,169        | ¥ 4,480 | \$ 146                   |
| Stocks                          | 14,394          | 18,830  | 95                       |
| Foreign securities              | 114,588         | 27,256  | 757                      |

## 17. LOSSES ON SALES OF SECURITIES

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

|                                 | Millions of Yen |          | Millions of U.S. Dollars |
|---------------------------------|-----------------|----------|--------------------------|
|                                 | 2024            | 2023     | 2024                     |
| <b>Years ended March 31</b>     |                 |          |                          |
| Japanese government bonds, etc. | ¥ 57,329        | ¥ 17,833 | \$ 379                   |
| Stocks                          | 4,489           | 6,372    | 30                       |
| Foreign securities              | 115,885         | 120,852  | 765                      |
| Other securities                | —               | 32,238   | —                        |

## 18. LOSSES ON VALUATION OF SECURITIES

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

|                             | Millions of Yen |       | Millions of U.S. Dollars |
|-----------------------------|-----------------|-------|--------------------------|
|                             | 2024            | 2023  | 2024                     |
| <b>Years ended March 31</b> |                 |       |                          |
| Other securities            | ¥ 71            | ¥ 306 | \$ 0                     |

## 19. LOSSES ON DERIVATIVE FINANCIAL INSTRUMENTS

Losses on derivative financial instruments included losses on valuation of ¥38,819 million (\$256 million) for the year ended March 31, 2024, and gains on valuation of ¥4,986 million for the year ended March 31, 2023.

## 20. EXTRAORDINARY GAINS

Extraordinary gains for the years ended March 31, 2024 and 2023, consisted of the following:

|  | Millions of Yen |          | Millions of U.S. Dollars |
|--|-----------------|----------|--------------------------|
|  | 2024            | 2023     | 2024                     |
| <b>Years ended March 31</b>                |                 |          |                          |
| Reversal of reserve for price fluctuations | ¥ 16,161        | ¥ 82,645 | \$ 107                   |

## 21. EXTRAORDINARY LOSSES

Extraordinary losses for the years ended March 31, 2024 and 2023, consisted of the following:

|  | Millions of Yen |       | Millions of U.S. Dollars |
|--|-----------------|-------|--------------------------|
|  | 2024            | 2023  | 2024                     |
| <b>Years ended March 31</b>                  |                 |       |                          |
| Losses on sales and disposal of fixed assets | ¥ 190           | ¥ 318 | \$ 1                     |

## 22. PROVISION FOR RESERVE FOR POLICYHOLDER DIVIDENDS

Provision for reserve for policyholder dividends, which is provided for the Management Network based on gains or losses and others arising in the category of reinsurance due to the reinsurance contracts with the Management Network, for the years ended March 31, 2024 and 2023, was as follows:

|  | Millions of Yen |          | Millions of U.S. Dollars |
|--|-----------------|----------|--------------------------|
|  | 2024            | 2023     | 2024                     |
| <b>Years ended March 31</b>                      |                 |          |                          |
| Provision for reserve for policyholder dividends | ¥ 46,866        | ¥ 43,678 | \$ 310                   |

## 23. TRANSACTIONS WITH SUBSIDIARIES AND AFFILIATES

Transactions with the subsidiaries and affiliates for the years ended March 31, 2024 and 2023, and outstanding balances arising from such transactions as of March 31, 2024 and 2023, were as follows:

|                             | Millions of Yen |        | Millions of U.S. Dollars |
|-----------------------------|-----------------|--------|--------------------------|
|                             | 2024            | 2023   | 2024                     |
| <b>Years ended March 31</b> |                 |        |                          |
| Income                      | ¥ -             | ¥ -    | \$ -                     |
| Expenses                    | 19,067          | 17,473 | 126                      |

|                      | Millions of Yen |        | Millions of U.S. Dollars |
|----------------------|-----------------|--------|--------------------------|
|                      | 2024            | 2023   | 2024                     |
| <b>March 31</b>      |                 |        |                          |
| Monetary claims      | ¥ 169           | ¥ 259  | \$ 1                     |
| Monetary obligations | 18,300          | 16,091 | 121                      |

## 24. SUBSEQUENT EVENTS

### Issuance of Subordinated Unsecured Bonds for Domestic Public Offering

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<br>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              | (1) From the day immediately following April 17, 2024, until April 17, 2034: 2.133%<br>(2) From the day immediately following April 17, 2034: 5-year 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 principal amount of ¥100 of each bond   |
| 8. Redemption price           | ¥100 per principal 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 the future) and shall be senior to its common stock.  |
| 12. Purpose of funds          | General working capital  |

## 25. SUPPLEMENTARY SCHEDULES

### Schedule of Operating Expenses

|   | Millions of Yen |           | Millions of U.S. Dollars |
|---|-----------------|-----------|--------------------------|
|   | 2024            | 2023      | 2024                     |
| <b>Years ended March 31</b>                   |                 |           |                          |
| Sales activity expenses:                      | ¥ 53,928        | ¥ 59,980  | \$ 356                   |
| Field sales staff-related expenses            | 26,774          | 25,451    | 177                      |
| Sales agencies-related expenses               | 27,154          | 34,529    | 179                      |
| Selection expenses of policyholders           | 0               | 0         | 0                        |
| Sales administration expenses:                | 19,511          | 19,012    | 129                      |
| Management of sales agencies                  | 13,559          | 12,883    | 90                       |
| Training and education of sales staff         | 258             | 143       | 2                        |
| Advertising                                   | 5,693           | 5,986     | 38                       |
| General administration expenses:              | 365,091         | 365,216   | 2,411                    |
| Personnel expenses                            | 107,099         | 109,303   | 707                      |
| Property expenses                             | 257,990         | 255,911   | 1,704                    |
| Donation, contribution and miscellaneous dues | 403             | 96        | 3                        |
| Obligations                                   | 1               | 1         | 0                        |
| <b>Total</b>                                  | ¥ 438,531       | ¥ 444,209 | \$ 2,896                 |

Notes:

1. "Property expenses" include consignment costs related to the maintenance and control of insurance policies, IT system-related costs and contributions based on Article 18-3 of the Act on Organization for Postal Savings, Postal Life Insurance and Post Office Network.

2. "Obligations" are obligations paid to Life Insurance Policyholders Protection Corporation based on the provision of Article 259 of the Insurance Business Act.

### Schedule of Tangible and Intangible Fixed Assets

| Type of assets                       | Millions of Yen           |          |          |                |  |  |                    |
|--------------------------------------|---------------------------|----------|----------|----------------|--|--|--------------------|
|                                      | Year ended March 31, 2024 |          |          |                |  |  |                    |
|                                      | Beginning balance         | Increase | Decrease | Ending balance | Accumulated depreciation and amortization at the end of the year | Depreciation and amortization for the year | Net ending balance |
| <b>Tangible fixed assets:</b>        |                           |          |          |                |  |  |                    |
| Land                                 | ¥ -                       | ¥ -      | ¥ -      | ¥ 76,610       | ¥ -  | ¥ -  | ¥ 76,610           |
| Buildings                            | -                         | -        | -        | 76,100         | 31,115   | 2,764                                      | 44,984             |
| Leased assets                        | -                         | -        | -        | 7,696          | 2,369  | 1,336                                      | 5,326              |
| Construction in progress             | -                         | -        | -        | 47             | -  | -  | 47                 |
| Other                                | -                         | -        | -        | 37,834         | 28,232   | 3,541                                      | 9,602              |
| <b>Total tangible fixed assets</b>   | -                         | -        | -        | 198,288        | 61,717   | 7,642                                      | 136,571            |
| <b>Intangible fixed assets:</b>      |                           |          |          |                |  |  |                    |
| Software                             | -                         | -        | -        | 620,272        | 517,080  | 35,285                                     | 103,191            |
| Other                                | -                         | -        | -        | 34             | 23   | 2  | 10                 |
| <b>Total intangible fixed assets</b> | -                         | -        | -        | 620,306        | 517,104  | 35,287                                     | 103,202            |
| Long-term prepaid expenses           | 709                       | -        | -        | 709            | 526  | 30   | 183                |
| Deferred assets                      | -                         | -        | -        | -              | -  | -  | -                  |

| Type of assets                       | Millions of Yen           |          |          |                |  |  |                    |
|--------------------------------------|---------------------------|----------|----------|----------------|--|--|--------------------|
|                                      | Year ended March 31, 2023 |          |          |                |  |  |                    |
|                                      | Beginning balance         | Increase | Decrease | Ending balance | Accumulated depreciation and amortization at the end of the year | Depreciation and amortization for the year | Net ending balance |
| <b>Tangible fixed assets:</b>        |                           |          |          |                |  |  |                    |
| Land                                 | ¥ -                       | ¥ -      | ¥ -      | ¥ 43,112       | ¥ -  | ¥ -  | ¥ 43,112           |
| Buildings                            | -                         | -        | -        | 63,965         | 28,374   | 2,741                                      | 35,590             |
| Leased assets                        | -                         | -        | -        | 6,689          | 2,499  | 1,209                                      | 4,189              |
| Construction in progress             | -                         | -        | -        | 24             | -  | -  | 24                 |
| Other                                | -                         | -        | -        | 34,429         | 24,916   | 3,424                                      | 9,512              |
| <b>Total tangible fixed assets</b>   | -                         | -        | -        | 148,220        | 55,790   | 7,376                                      | 92,429             |
| <b>Intangible fixed assets:</b>      |                           |          |          |                |  |  |                    |
| Software                             | -                         | -        | -        | 579,295        | 481,960  | 33,716                                     | 97,335             |
| Other                                | -                         | -        | -        | 33             | 21   | 2  | 12                 |
| <b>Total intangible fixed assets</b> | -                         | -        | -        | 579,329        | 481,981  | 33,718                                     | 97,347             |
| Long-term prepaid expenses           | 709                       | -        | -        | 709            | 496  | 30   | 213                |
| Deferred assets                      | -                         | -        | -        | -              | -  | -  | -                  |

| Millions of U.S. Dollars             |                   |          |          |                |  |  |                    |
|--------------------------------------|-------------------|----------|----------|----------------|--|--|--------------------|
| Year ended March 31, 2024            |                   |          |          |                |  |  |                    |
| Type of assets                       | Beginning balance | Increase | Decrease | Ending balance | Accumulated depreciation and amortization at the end of the year | Depreciation and amortization for the year | Net ending balance |
| <b>Tangible fixed assets:</b>        |                   |          |          |                |  |  |                    |
| Land                                 | \$ -              | \$ -     | \$ -     | \$ 506         | \$ -   | \$ -                                       | \$ 506             |
| Buildings                            | -                 | -        | -        | 503            | 206  | 18   | 297                |
| Leased assets                        | -                 | -        | -        | 51             | 16   | 9  | 35                 |
| Construction in progress             | -                 | -        | -        | 0              | -  | -  | 0                  |
| Other                                | -                 | -        | -        | 250            | 186  | 23   | 63                 |
| <b>Total tangible fixed assets</b>   | <b>-</b>          | <b>-</b> | <b>-</b> | <b>1,310</b>   | <b>408</b>   | <b>50</b>                                  | <b>902</b>         |
| <b>Intangible fixed assets:</b>      |                   |          |          |                |  |  |                    |
| Software                             | -                 | -        | -        | 4,097          | 3,415  | 233  | 682                |
| Other                                | -                 | -        | -        | 0              | 0  | 0  | 0                  |
| <b>Total intangible fixed assets</b> | <b>-</b>          | <b>-</b> | <b>-</b> | <b>4,097</b>   | <b>3,415</b>   | <b>233</b>                                 | <b>682</b>         |
| Long-term prepaid expenses           | 5                 | -        | -        | 5              | 3  | 0  | 1                  |
| Deferred assets                      | -                 | -        | -        | -              | -  | -  | -                  |

Notes:  
 1. "Beginning balance," "Increase" and "Decrease" of tangible fixed assets and intangible fixed assets are omitted because the amounts are less than 1% of total assets.  
 2. Long-term prepaid expenses are included in "Prepaid expenses" in the non-consolidated balance sheets.

Schedule of Reserves

| Millions of Yen                            |                   |          |                                       |                              |                |         |
|--|-------------------|----------|---------------------------------------|------------------------------|----------------|---------|
| Year ended March 31, 2024                  |                   |          |                                       |                              |                |         |
|  | Beginning balance | Increase | Decrease (used for original purposes) | Decrease (for other reasons) | Ending balance |         |
| Reserve for possible loan losses           | ¥ 379             | ¥ 346    | ¥ 31                                  | ¥ 348                        | ¥              | 346     |
| General reserve                            | 31                | 31       | -                                     | 31                           |                | 31      |
| Specific reserve                           | 347               | 314      | 31                                    | 316                          |                | 314     |
| Reserve for management board benefit trust | 315               | 228      | 151                                   | -                            |                | 391     |
| Reserve for price fluctuations             | 889,960           | 17,060   | 33,221                                | -                            |                | 873,799 |

| Millions of Yen                            |                   |          |                                       |                              |                |         |
|--|-------------------|----------|---------------------------------------|------------------------------|----------------|---------|
| Year ended March 31, 2023                  |                   |          |                                       |                              |                |         |
|  | Beginning balance | Increase | Decrease (used for original purposes) | Decrease (for other reasons) | Ending balance |         |
| Reserve for possible loan losses           | ¥ 379             | ¥ 379    | ¥ 20                                  | ¥ 359                        | ¥              | 379     |
| General reserve                            | 32                | 31       | -                                     | 32                           |                | 31      |
| Specific reserve                           | 347               | 347      | 20                                    | 327                          |                | 347     |
| Reserve for management board benefit trust | 230               | 123      | 38                                    | -                            |                | 315     |
| Reserve for price fluctuations             | 972,606           | 17,769   | 100,415                               | -                            |                | 889,960 |

| Millions of U.S. Dollars                   |                   |          |                                       |                              |                |       |
|--|-------------------|----------|---------------------------------------|------------------------------|----------------|-------|
| Year ended March 31, 2024                  |                   |          |                                       |                              |                |       |
|  | Beginning balance | Increase | Decrease (used for original purposes) | Decrease (for other reasons) | Ending balance |       |
| Reserve for possible loan losses           | \$ 3              | \$ 2     | \$ 0                                  | \$ 2                         | \$             | 2     |
| General reserve                            | 0                 | 0        | -                                     | 0                            |                | 0     |
| Specific reserve                           | 2                 | 2        | 0                                     | 2                            |                | 2     |
| Reserve for management board benefit trust | 2                 | 2        | 1                                     | -                            |                | 3     |
| Reserve for price fluctuations             | 5,878             | 113      | 219                                   | -                            |                | 5,771 |

Note: Decrease (for other reasons) of reserve for possible loan losses represents the reversed amount of the unused balance of the previous year's reserve.

Independent Auditor's Report



Independent auditor's report

To the Board of Directors of JAPAN POST INSURANCE Co., Ltd.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying non-consolidated financial statements of JAPAN POST INSURANCE Co., Ltd. ("the Company"), which comprise the non-consolidated balance sheets as at March 31, 2024 and 2023, the non-consolidated statements of income, changes in net assets for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024 and 2023, and its financial performance for the years then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the non-consolidated financial statements of the current period. These matters were addressed in the context of our audit of the non-consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accuracy of the calculation and sufficiency of policy reserves

The descriptions of the above key audit matter to be provided in our auditor's report on the non-consolidated financial statements are substantially the same as those described for the key audit matter, "Accuracy of the calculation and sufficiency of policy reserves" in our auditor's report on the consolidated financial statements. Therefore, information concerning this key audit matter is omitted in the auditor's report on the non-consolidated financial statements.

Reasonableness of management’s judgment on the recoverability of deferred tax assets

The descriptions of the above key audit matter to be provided in our auditor’s report on the non-consolidated financial statements are substantially the same as those described for the key audit matter, “Reasonableness of management’s judgment on the recoverability of deferred tax assets” in our auditor’s report on the consolidated financial statements. Therefore, information concerning this key audit matter is omitted in the auditor’s report on the non-consolidated financial statements.

**Other Information**

The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor’s report thereon. Management is responsible for the preparation and presentation of the other information. The audit committee is responsible for overseeing the executive officers’ and directors’ performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of Management and the Audit Committee for the Non-Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the executive officers’ and directors’ performance of their duties with regard to the design, implementation and maintenance of the Company’s financial reporting process.

**Auditor’s Responsibilities for the Audit of the Non-Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the non-consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the non-consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Fee-related Information**

Fee-related information is described in the auditor’s report on the consolidated financial statements.

**Convenience Translation**

## 4 Status of Financial Assets (Consolidated)

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

(Millions of yen, %)

| As of March 31                          | 2023             | 2024             |
|---|------------------|------------------|
| Bankrupt or quasi-bankrupt loans        | ¥ -              | ¥ -              |
| Doubtful loans                          | -                | -                |
| Past due loans for three months or more | -                | -                |
| Restructured loans                      | -                | -                |
| Subtotal                                | -                | -                |
| (Percentage in total)                   | ( - )            | ( - )            |
| Normal loans                            | 4,676,174        | 4,755,406        |
| <b>Total</b>                            | <b>4,676,174</b> | <b>4,755,406</b> |

Notes:

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

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2024 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the non-consolidated financial statements.

#### Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

/S/ KANNO Masako

Designated Engagement Partner

Certified Public Accountant

/S/ SATO Eihiro

Designated Engagement Partner

Certified Public Accountant

/S/ SUDA Shunsuke

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Tokyo Office, Japan

September 17, 2024

#### Notes to the Reader of Independent Auditor's Report:

This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

## 5 Status of Financial Assets (Non-Consolidated)

## 4-2 Status of Insurance Claims Paying Ability of the Company and Its Subsidiaries (Consolidated Solvency Margin Ratio)

(Millions of yen)

| As of March 31   | 2023        | 2024        |
|--|-------------|-------------|
| Total amount of solvency margin (A)  | ¥ 5,636,995 | ¥ 6,928,566 |
| Capital stock, etc.  | 1,552,875   | 1,604,045   |
| Reserve for price fluctuations   | 889,960     | 873,799     |
| Contingency reserve  | 1,701,877   | 1,725,335   |
| Catastrophe loss reserve   | —           | —           |
| General reserve for possible loan losses   | 31          | 31          |
| (Net unrealized gains (losses) on available-for-sale securities (before taxes)-Net deferred gains (losses) on hedges (before taxes)) × 90% (if negative, × 100%) | 989,508     | 2,206,874   |
| Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)   | 2,534       | (21,656)    |
| Sum of unrecognized actuarial differences and unrecognized prior service cost (before taxes)   | 3,273       | 3,033       |
| Excess of continued Zillmerized reserve  | 249,674     | 214,749     |
| Capital raised through debt financing  | 300,000     | 400,000     |
| Amounts within “excess of continued Zillmerized reserve” and “capital raised through debt financing” not calculated into the margin                              | —           | —           |
| Deductions   | (52,740)    | (77,647)    |
| Other  | —           | —           |
| Total amount of risk (B)   | 1,117,128   | 1,354,164   |
| $\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$  |             |             |
| Insurance risk R <sub>1</sub>  | 119,580     | 107,916     |
| General insurance risk R <sub>5</sub>  | —           | —           |
| Catastrophe risk R <sub>6</sub>  | —           | —           |
| Underwriting risk of third-sector insurance R <sub>8</sub>   | 40,824      | 37,822      |
| Small amount and short-term insurance risk R <sub>9</sub>  | —           | —           |
| Anticipated yield risk R <sub>2</sub>  | 118,481     | 108,247     |
| Minimum guarantee risk R <sub>7</sub>  | —           | —           |
| Investment risk R <sub>3</sub>   | 961,987     | 1,208,624   |
| Business management risk R <sub>4</sub>  | 24,817      | 29,252      |
| Solvency margin ratio<br>(A) / ((1/2) × (B)) × 100   | 1,009.1%    | 1,023.2%    |

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

## 4-3 Status of Insurance Claims Paying Ability of the Company's Subsidiaries (Solvency Margin Ratio)

There are no subsidiaries classified as an insurance company.

## 5-1 Status of Loans under the Insurance Business Act

(Millions of yen, %)

| As of March 31                          | 2023      | 2024      |
|---|-----------|-----------|
| Bankrupt or quasi-bankrupt loans        | ¥ —       | ¥ —       |
| Doubtful loans                          | —         | —         |
| Past due loans for three months or more | —         | —         |
| Restructured loans                      | —         | —         |
| Subtotal                                | —         | —         |
| (Percentage in total)                   | ( — )     | ( — )     |
| Normal loans                            | 4,676,174 | 4,755,406 |
| Total                                   | 4,676,174 | 4,755,406 |

Notes:

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

## 5-2 Loans Concerning the Trusts with Contracts Indemnifying the Principal Amounts

There were no such outstanding balances as of March 31, 2023 and 2024.

### 5-3 Status of Insurance Claims Paying Ability (Solvency Margin Ratio)

(Millions of yen)

| As of March 31   | 2023        | 2024        |
|--|-------------|-------------|
| Total amount of solvency margin (A)  | ¥ 5,687,107 | ¥ 7,005,333 |
| Capital stock, etc.  | 1,553,520   | 1,606,198   |
| Reserve for price fluctuations   | 889,960     | 873,799     |
| Contingency reserve  | 1,701,877   | 1,725,335   |
| General reserve for possible loan losses   | 31          | 31          |
| (Net unrealized gains (losses) on available-for-sale securities (before taxes)-Net deferred gains (losses) on hedges (before taxes)) × 90% (if negative, × 100%) | 989,508     | 2,206,874   |
| Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)   | 2,534       | (21,656)    |
| Excess of continued Zillmerized reserve  | 249,674     | 214,749     |
| Capital raised through debt financing  | 300,000     | 400,000     |
| Amounts within "excess of continued Zillmerized reserve" and "capital raised through debt financing" not calculated into the margin                              | -           | -           |
| Deductions   | -           | -           |
| Other  | -           | -           |
| Total amount of risk (B)   | 1,133,215   | 1,377,901   |
| $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$   |             |             |
| Insurance risk R1  | 119,580     | 107,916     |
| Underwriting risk of third-sector insurance R8   | 40,824      | 37,822      |
| Anticipated yield risk R2  | 118,481     | 108,247     |
| Minimum guarantee risk R7  | -           | -           |
| Investment risk R3   | 977,926     | 1,232,032   |
| Business management risk R4  | 25,136      | 29,720      |
| Solvency margin ratio (A) × 100 / (1/2) × (B)  | 1,003.7%    | 1,016.8%    |

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

### 5-4 Real Net Assets

(Millions of yen, %)

| As of March 31                    | 2023        | 2024        |
|-----------------------------------|-------------|-------------|
| Real net assets                   | ¥ 8,250,958 | ¥ 7,736,026 |
| [Ratio to general account assets] | [13.2]      | [12.7]      |

Note: These figures are calculated based on the provisions set forth in Article 3, Paragraph 2 of the "Order Providing for Categories Prescribed in Article 132, Paragraph 2 of the Insurance Business Act."

### 5-5 Fair Value Information of Securities (Company Total)

#### (1) Fair Value Information of Securities

##### 1) Net Valuation Gain/Loss of Trading Securities

The Company did not hold securities for trading as of March 31, 2023 and 2024.

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

(Millions of yen)

| As of March 31                          | 2023         |              |                               |             |            | 2024         |                               |             |             |            |
|---|--------------|--------------|-------------------------------|-------------|------------|--------------|-------------------------------|-------------|-------------|------------|
|   | Book value   | Fair value   | Net unrealized gains (losses) |             | Book value | Fair value   | Net unrealized gains (losses) |             |             |            |
|   |              | Gains        | Losses                        | Gains       |            |              | Losses                        |             |             |            |
| Held-to-maturity bonds                  | ¥ 32,935,527 | ¥ 35,502,364 | ¥ 2,566,836                   | ¥ 3,130,570 | ¥ 563,734  | ¥ 32,343,114 | ¥ 33,401,975                  | ¥ 1,058,860 | ¥ 2,097,052 | ¥1,038,191 |
| Policy-reserve-matching bonds           | 8,075,012    | 8,237,638    | 162,626                       | 447,691     | 285,064    | 7,139,629    | 6,954,091                     | (185,537)   | 278,170     | 463,708    |
| Equities of subsidiaries and affiliates | -            | -            | -                             | -           | -          | -            | -                             | -           | -           | -          |
| Available-for-sale securities           | 12,776,750   | 13,873,347   | 1,096,597                     | 1,638,603   | 542,006    | 12,353,736   | 14,800,291                    | 2,446,554   | 2,950,739   | 504,184    |
| Corporate and government bonds          | 3,878,732    | 3,733,166    | (145,565)                     | 11,530      | 157,095    | 3,560,198    | 3,329,202                     | (230,996)   | 6,688       | 237,685    |
| Domestic stocks                         | 1,800,873    | 2,596,724    | 795,850                       | 832,041     | 36,190     | 1,842,609    | 3,578,396                     | 1,735,787   | 1,750,959   | 15,171     |
| Foreign securities                      | 4,101,245    | 4,654,311    | 553,065                       | 725,222     | 172,156    | 3,399,190    | 4,361,735                     | 962,545     | 1,050,457   | 87,911     |
| Foreign corporate and government bonds  | 2,801,828    | 2,787,121    | (14,706)                      | 155,222     | 169,928    | 1,932,785    | 1,954,510                     | 21,725      | 109,614     | 87,888     |
| Foreign stocks and other securities     | 1,299,417    | 1,867,189    | 567,772                       | 569,999     | 2,227      | 1,466,405    | 2,407,225                     | 940,820     | 940,842     | 22         |
| Other securities                        | 2,424,310    | 2,316,799    | (107,510)                     | 69,053      | 176,564    | 2,856,830    | 2,835,563                     | (21,266)    | 142,149     | 163,416    |
| Monetary claims bought                  | 46,588       | 47,345       | 757                           | 757         | -          | 24,907       | 25,392                        | 484         | 484         | -          |
| Negotiable certificates of deposit      | 525,000      | 525,000      | -                             | -           | -          | 670,000      | 670,000                       | -           | -           | -          |
| Other                                   | -            | -            | -                             | -           | -          | -            | -                             | -           | -           | -          |
| <b>Total</b>                            | 53,787,289   | 57,613,350   | 3,826,060                     | 5,216,865   | 1,390,805  | 51,836,480   | 55,156,357                    | 3,319,876   | 5,325,962   | 2,006,085  |
| Corporate and government bonds          | 44,889,271   | 47,473,169   | 2,583,897                     | 3,589,792   | 1,005,894  | 43,022,942   | 43,665,713                    | 642,770     | 2,381,911   | 1,739,141  |
| Domestic stocks                         | 1,800,873    | 2,596,724    | 795,850                       | 832,041     | 36,190     | 1,842,609    | 3,578,396                     | 1,735,787   | 1,750,959   | 15,171     |
| Foreign securities                      | 4,101,245    | 4,654,311    | 553,065                       | 725,222     | 172,156    | 3,419,190    | 4,381,291                     | 962,101     | 1,050,457   | 88,355     |
| Foreign corporate and government bonds  | 2,801,828    | 2,787,121    | (14,706)                      | 155,222     | 169,928    | 1,952,785    | 1,974,065                     | 21,280      | 109,614     | 88,333     |
| Foreign stocks and other securities     | 1,299,417    | 1,867,189    | 567,772                       | 569,999     | 2,227      | 1,466,405    | 2,407,225                     | 940,820     | 940,842     | 22         |
| Other securities                        | 2,424,310    | 2,316,799    | (107,510)                     | 69,053      | 176,564    | 2,856,830    | 2,835,563                     | (21,266)    | 142,149     | 163,416    |
| Monetary claims bought                  | 46,588       | 47,345       | 757                           | 757         | -          | 24,907       | 25,392                        | 484         | 484         | -          |
| Negotiable certificates of deposit      | 525,000      | 525,000      | -                             | -           | -          | 670,000      | 670,000                       | -           | -           | -          |
| Other                                   | -            | -            | -                             | -           | -          | -            | -                             | -           | -           | -          |

Notes:

- This table includes the handling of securities under the Financial Instruments and Exchange Act.
- This table includes money held in trust other than trading securities and its book value was ¥3,484,362 million with net unrealized gains of ¥2,515,569 million as of March 31, 2024 and ¥3,231,805 million with net unrealized gains of ¥1,295,241 million as of March 31, 2023.
- This table excludes stocks, etc. with no market price and investments in partnerships, etc.

○ Held-to-maturity bonds

(Millions of yen)

| As of March 31  | 2023                 |              |             | 2024                 |              |             |
|---|----------------------|--------------|-------------|----------------------|--------------|-------------|
|   | Balance sheet amount | Fair value   | Difference  | Balance sheet amount | Fair value   | Difference  |
| Those for which fair value exceeds the balance sheet amount         | ¥ 27,456,876         | ¥ 30,587,447 | ¥ 3,130,570 | ¥ 25,189,236         | ¥ 27,286,288 | ¥ 2,097,052 |
| Corporate and government bonds                                      | 27,456,876           | 30,587,447   | 3,130,570   | 25,189,236           | 27,286,288   | 2,097,052   |
| Foreign securities  | -                    | -            | -           | -                    | -            | -           |
| Other   | -                    | -            | -           | -                    | -            | -           |
| Those for which fair value does not exceed the balance sheet amount | 5,478,650            | 4,914,916    | (563,734)   | 7,153,878            | 6,115,686    | (1,038,191) |
| Corporate and government bonds                                      | 5,478,650            | 4,914,916    | (563,734)   | 7,153,878            | 6,115,686    | (1,038,191) |
| Foreign securities  | -                    | -            | -           | -                    | -            | -           |
| Other   | -                    | -            | -           | -                    | -            | -           |

○ Policy-reserve-matching bonds

(Millions of yen)

| As of March 31  | 2023                 |             |            | 2024                 |             |            |
|---|----------------------|-------------|------------|----------------------|-------------|------------|
|   | Balance sheet amount | Fair value  | Difference | Balance sheet amount | Fair value  | Difference |
| Those for which fair value exceeds the balance sheet amount         | ¥ 4,846,042          | ¥ 5,293,734 | ¥ 447,691  | ¥ 3,703,306          | ¥ 3,981,476 | ¥ 278,170  |
| Corporate and government bonds                                      | 4,846,042            | 5,293,734   | 447,691    | 3,703,306            | 3,981,476   | 278,170    |
| Foreign securities  | -                    | -           | -          | -                    | -           | -          |
| Other   | -                    | -           | -          | -                    | -           | -          |
| Those for which fair value does not exceed the balance sheet amount | 3,228,969            | 2,943,904   | (285,064)  | 3,436,323            | 2,972,614   | (463,708)  |
| Corporate and government bonds                                      | 3,228,969            | 2,943,904   | (285,064)  | 3,416,323            | 2,953,059   | (463,264)  |
| Foreign securities  | -                    | -           | -          | 20,000               | 19,555      | (444)      |
| Other   | -                    | -           | -          | -                    | -           | -          |

○ Available-for-sale securities

(Millions of yen)

| As of March 31  | 2023        |                      |            | 2024        |                      |            |
|---|-------------|----------------------|------------|-------------|----------------------|------------|
|   | Book value  | Balance sheet amount | Difference | Book value  | Balance sheet amount | Difference |
| Those for which the balance sheet amount exceeds book value         | ¥ 2,150,509 | ¥ 2,424,724          | ¥ 274,214  | ¥ 2,301,287 | ¥ 2,698,092          | ¥ 396,804  |
| Corporate and government bonds                                      | 765,459     | 776,990              | 11,530     | 408,270     | 414,959              | 6,688      |
| Domestic stocks   | 225,660     | 300,204              | 74,543     | 315,950     | 519,399              | 203,449    |
| Foreign securities  | 858,190     | 1,014,903            | 156,712    | 857,720     | 970,682              | 112,961    |
| Other securities  | 284,606     | 315,278              | 30,671     | 704,437     | 777,658              | 73,220     |
| Monetary claims bought  | 16,591      | 17,348               | 757        | 14,909      | 15,393               | 484        |
| Negotiable certificates of deposit                                  | -           | -                    | -          | -           | -                    | -          |
| Other   | -           | -                    | -          | -           | -                    | -          |
| Those for which the balance sheet amount does not exceed book value | 7,394,434   | 6,921,575            | (472,859)  | 6,568,086   | 6,102,267            | (465,819)  |
| Corporate and government bonds                                      | 3,113,272   | 2,956,176            | (157,095)  | 3,151,928   | 2,914,243            | (237,685)  |
| Domestic stocks   | 104,428     | 97,378               | (7,049)    | 29,023      | 26,631               | (2,392)    |
| Foreign securities  | 2,106,115   | 1,934,357            | (171,758)  | 1,242,076   | 1,154,164            | (87,911)   |
| Other securities  | 1,515,622   | 1,378,667            | (136,955)  | 1,465,059   | 1,327,229            | (137,830)  |
| Monetary claims bought  | 29,996      | 29,996               | -          | 9,998       | 9,998                | -          |
| Negotiable certificates of deposit                                  | 525,000     | 525,000              | -          | 670,000     | 670,000              | -          |
| Other   | -           | -                    | -          | -           | -                    | -          |

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

(Millions of yen)

| As of March 31                          | 2023     | 2024     |
|---|----------|----------|
| Equities of subsidiaries and affiliates | ¥ 53,724 | ¥ 78,631 |
| Available-for-sale securities           | 102,639  | 137,627  |
| Domestic stocks                         | 4,239    | 4,259    |
| Foreign stocks                          | -        | 23,197   |
| Other                                   | 98,399   | 110,170  |
| Total                                   | 156,363  | 216,258  |

Note: This table includes money held in trust other than trading securities (¥98,399 million as of March 31, 2023 and ¥110,170 million as of March 31, 2024).

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

(Millions of yen)

| As of March 31      | 2023                 |             |                               |        |                      | 2024       |                               |        |     |  |
|---------------------|----------------------|-------------|-------------------------------|--------|----------------------|------------|-------------------------------|--------|-----|--|
|                     | Balance sheet amount | Fair value  | Net unrealized gains (losses) |        | Balance sheet amount | Fair value | Net unrealized gains (losses) |        |     |  |
|                     |                      |             | Gains                         | Losses |                      |            | Gains                         | Losses |     |  |
| Money held in trust | ¥ 4,672,032          | ¥ 4,672,032 | ¥ -                           | ¥ -    | ¥ -                  | ¥ -        | ¥ -                           | ¥ -    | ¥ - |  |

Note: Excluding money held in trust not subject to fair value disclosure (¥100,288 million as of March 31, 2023 and ¥113,360 million as of March 31, 2024).

1) Money Held in Trust for Trading Purposes

The Company did not have money held in trust for trading purposes as of March 31, 2023 and 2024.

2) Assets Held-to-Maturity in Trust/Assets Held for Reserves in Trust/Other Money Held in Trust

(Millions of yen)

| As of March 31                    | 2023       |            |                               |           |            | 2024       |                               |           |           |        |
|-----------------------------------|------------|------------|-------------------------------|-----------|------------|------------|-------------------------------|-----------|-----------|--------|
|                                   | Book value | Fair value | Net unrealized gains (losses) |           | Book value | Fair value | Net unrealized gains (losses) |           |           |        |
|                                   |            |            | Gains                         | Losses    |            |            | Gains                         | Losses    |           |        |
| Assets held-to-maturity in trust  | ¥ -        | ¥ -        | ¥ -                           | ¥ -       | ¥ -        | ¥ -        | ¥ -                           | ¥ -       | ¥ -       |        |
| Assets held for reserves in trust | -          | -          | -                             | -         | -          | -          | -                             | -         | -         |        |
| Other money held in trust         | 3,376,790  | 4,672,032  | 1,295,241                     | 1,364,388 | 69,147     | 3,642,486  | 6,158,055                     | 2,515,569 | 2,553,934 | 38,365 |
| Domestic stocks                   | 1,470,785  | 2,199,142  | 728,356                       | 757,497   | 29,140     | 1,497,635  | 3,032,366                     | 1,534,730 | 1,547,510 | 12,779 |
| Foreign stocks                    | 275,471    | 534,515    | 259,043                       | 259,043   | -          | 285,216    | 742,211                       | 456,995   | 456,995   | -      |
| Foreign bonds                     | 643,194    | 673,286    | 30,092                        | 64,204    | 34,111     | 687,182    | 795,422                       | 108,239   | 130,157   | 21,917 |
| Other                             | 987,339    | 1,265,088  | 277,748                       | 283,643   | 5,895      | 1,172,451  | 1,588,056                     | 415,604   | 419,272   | 3,668  |

Notes:

- Excluding other money held in trust not subject to fair value disclosure (¥100,288 million as of March 31, 2023 and ¥113,360 million as of March 31, 2024).
  - "Domestic stocks," "Foreign stocks" and "Foreign bonds" include individual stocks and bonds as well as mutual funds which exclusively invest in these assets.
  - "Other" includes cash and deposits, bank loans, and alternative investment.
- Due to the application of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" from the fiscal year ended March 31, 2023, mutual funds with no transaction price on the market are measured by assuming net asset value as the fair value.



**(3) Combined Fair Value of Derivative Transactions (with or without Hedge Accounting)**

**1) Qualitative Information**

**(i) Detail of the transactions**

The derivative transactions used by the Company are as follows:

- Interest rate-related: Interest rate swap transactions
- Currency-related: Foreign exchange contracts and currency option transactions
- Bond-related: Over-the-counter bond options and bond futures

**(ii) Policy for using derivative transactions**

The Company uses derivative transactions primarily for the purpose of hedging foreign exchange fluctuation risk of our investment assets.

**(iii) Purposes of the use of derivative transactions**

The Company mainly conducts derivative transactions relating to currencies to control foreign exchange risks associated with foreign currency-denominated assets.

An overview of the hedge accounting using derivative transactions conducted by the Company is as follows:

**(1) Methods for hedge accounting**

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

**(2) Hedging instruments and hedged items**

- (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.

**(iv) Description of the risks**

Derivative transactions used by the Company are exposed to market risk (risks due to fluctuations in interest rates, foreign exchange rates, etc.) and credit risk (risks of transaction partners' default, including bankruptcy).

The Company uses derivative transactions primarily for the purpose of hedging the risks of our investment assets, and therefore it believes that the market-related risk of derivative transactions is reduced and limited.

Meanwhile, as we engage in derivative transactions through exchanges or select transaction partners with superior creditworthiness based on their ratings and other factors, the credit risk of derivative transactions is believed to be limited.

**(v) Risk management framework**

The Company has formulated the Basic Risk Management Policy, which sets out the investment policies of derivative transactions, and uses derivative transactions primarily for hedging purposes.

In addition, we prevent risks by setting credit limits for each transaction partner selected on the basis of superior creditworthiness verified by their ratings and other factors.

The Risk Management Department is in place as an organizational unit responsible for comprehensively managing all types of risks, as part of an effort to reinforce our internal management system.

**(vi) Additional notes about quantitative information**

- Additional notes about credit risk  
We calculate the credit risk amount associated with derivative transactions by using the current exposure method.
- Additional notes about the calculation of fair value  
We calculate fair value on the following basis:  
[Interest rate swap transactions]  
Appraised values obtained from information vendors  
[Foreign exchange contracts]  
Fair value is calculated using the forward foreign exchange rate as of the fiscal year-end date.  
[Currency options]  
Appraised values obtained from information vendors  
[Over-the-counter bond options]  
Appraised values obtained from information vendors  
[Bond futures]  
Closing price as of the fiscal year-end date.
- Additional notes about net unrealized gains (losses)  
We use derivative transactions primarily as a means to hedge the market risk of our investment assets, and there are no so-called transactions for trading purposes.  
Profit or loss from derivative transactions and the hedged assets and liabilities is recognized on a combined basis, whereby the effect of a reduction in interest rate risk and foreign exchange fluctuation risk has been verified.

## 2) Quantitative Information

### (i) Breakdown of net unrealized gains (losses) (breakdown of portions with hedge accounting applied and not applied)

(Millions of yen)

|   | (ii) Interest rate related | (iii) Currency related | (iv) Stock related | (v) Bond related | (vi) Others | Total           |
|---|----------------------------|------------------------|--------------------|------------------|-------------|-----------------|
|   |                            |                        |                    |                  |             |                 |
| As of March 31, 2023                      | ¥ 6,399                    | ¥ 4,986                | ¥ -                | ¥ -              | ¥ -         | ¥ 11,385        |
| Portion with hedge accounting applied     | 6,399                      | 5,168                  | -                  | -                | -           | 11,568          |
| Portion with hedge accounting not applied | -                          | (182)                  | -                  | -                | -           | (182)           |
| <b>As of March 31, 2024</b>               | <b>(5,814)</b>             | <b>(38,819)</b>        | <b>-</b>           | <b>-</b>         | <b>-</b>    | <b>(44,634)</b> |
| Portion with hedge accounting applied     | (5,814)                    | (37,722)               | -                  | -                | -           | (43,537)        |
| Portion with hedge accounting not applied | -                          | (1,097)                | -                  | -                | -           | (1,097)         |

Notes:

- Net unrealized gains (losses) on the portion subject to the fair value hedge method (currency related ¥5,168 million) of the portion with hedge accounting applied, and those on the portion with hedge accounting not applied as of March 31, 2023 are accrued in the statement of income.
- Net unrealized gains (losses) on the portion subject to the fair value hedge method (currency related ¥(37,722) million) of the portion with hedge accounting applied, and those on the portion with hedge accounting not applied as of March 31, 2024, are accrued in the statement of income.

### Derivative transactions to which hedge accounting is not applied

#### (ii) Interest rate-related derivatives

There were no such outstanding balances as of March 31, 2023 and 2024.

#### (iii) Currency-related derivatives

(Millions of yen)

| Category         | Type                                | As of March 31, 2023  |     |            |                               | As of March 31, 2024  |     |            |                               |
|------------------|-------------------------------------|-----------------------|-----|------------|-------------------------------|-----------------------|-----|------------|-------------------------------|
|                  |                                     | Contract amount, etc. |     | Fair value | Net unrealized gains (losses) | Contract amount, etc. |     | Fair value | Net unrealized gains (losses) |
|                  |                                     | Due after 1 year      |     |            |                               | Due after 1 year      |     |            |                               |
| Over-the-counter | Foreign currency exchange contracts |                       |     |            |                               |                       |     |            |                               |
|                  | Sold                                | ¥17,678               | ¥ - | ¥ (182)    | ¥ (182)                       | ¥58,287               | ¥ - | ¥ (1,097)  | ¥ (1,097)                     |
|                  | U.S. dollars                        | 17,678                | -   | (182)      | (182)                         | 53,516                | -   | (1,005)    | (1,005)                       |
|                  | Euros                               | -                     | -   | -          | -                             | 4,770                 | -   | (91)       | (91)                          |
|                  | Total                               |                       |     |            | (182)                         |                       |     |            | (1,097)                       |

Notes:

- Fair value is calculated using forward foreign exchange rates at the fiscal year-end.
- Fair value of foreign exchange contracts is represented by net unrealized gains (losses).

#### (iv) Stock-related derivatives

There were no such outstanding balances as of March 31, 2023 and 2024.

#### (v) Bond-related derivatives

There were no such outstanding balances as of March 31, 2023 and 2024.

#### (vi) Others

There were no such outstanding balances as of March 31, 2023 and 2024.

### Derivative transactions to which hedge accounting is applied

#### (ii) Interest rate-related derivatives

(Millions of yen)

| Hedge accounting method    | Type  | Major hedged item   | As of March 31, 2023  |                  |            | As of March 31, 2024  |                  |            |
|----------------------------|---|---------------------|-----------------------|------------------|------------|-----------------------|------------------|------------|
|                            |   |                     | Contract amount, etc. | Due after 1 year | Fair value | Contract amount, etc. | Due after 1 year | Fair value |
| Principle treatment method | Interest rate swaps                           | Insurance liability | 100,000               | 100,000          | 6,399      | 250,000               | 250,000          | (5,814)    |
|                            | Receivable fixed rate / Payable floating rate |                     |                       |                  |            |                       |                  |            |
|                            | Total   |                     |                       | 6,399            |            |                       | (5,814)          |            |

Note: Fair value (present value) of interest rate swaps is represented by net unrealized gains (losses).

#### (Reference) Interest Rate Swaps by Maturity Date

(Millions of yen, %)

| Category   | Due in 1 year or less                                 | Due after 1 year through 3 years                      | Due after 3 years through 5 years | Due after 5 years through 7 years | Due after 7 years through 10 years | Due after 10 years | Total   |
|--|---|---|-----------------------------------|-----------------------------------|------------------------------------|--------------------|---------|
|  | As of March 31, 2023                                  | Notional principal of swaps for receivable fixed rate | -                                 | -                                 | -                                  | -                  | 100,000 |
| Average receivable fixed rate                      |   | -   | -                                 | -                                 | -                                  | 1.27               | 1.27    |
| Average payable floating rate                      |   | -   | -                                 | -                                 | -                                  | (0.02)             | (0.02)  |
| Notional principal of swaps for payable fixed rate |   | -   | -                                 | -                                 | -                                  | -                  | -       |
| Average payable fixed rate                         |   | -   | -                                 | -                                 | -                                  | -                  | -       |
| As of March 31, 2024                               | Notional principal of swaps for receivable fixed rate | -   | -                                 | -                                 | -                                  | 250,000            | 250,000 |
|  | Average receivable fixed rate                         | -   | -                                 | -                                 | -                                  | 1.28               | 1.28    |
|  | Average payable floating rate                         | -   | -                                 | -                                 | -                                  | 0.00               | 0.00    |
|  | Notional principal of swaps for payable fixed rate    | -   | -                                 | -                                 | -                                  | -                  | -       |
|  | Average payable fixed rate                            | -   | -                                 | -                                 | -                                  | -                  | -       |
| As of March 31, 2024                               | Average receivable floating rate                      | -   | -                                 | -                                 | -                                  | -                  | -       |
|  | Total   | -   | -                                 | -                                 | -                                  | 250,000            | 250,000 |

**(iii) Currency-related derivatives**

(Millions of yen)

| Hedge accounting method     | Type                       | Major hedged item             | As of March 31, 2023  |                  |            | As of March 31, 2024  |                  |            |
|-----------------------------|----------------------------|-------------------------------|-----------------------|------------------|------------|-----------------------|------------------|------------|
|                             |                            |                               | Contract amount, etc. |                  | Fair value | Contract amount, etc. |                  | Fair value |
|                             |                            |                               |                       | Due after 1 year |            |                       | Due after 1 year |            |
| Fair value hedge accounting | Foreign exchange contracts |                               |                       |                  |            |                       |                  |            |
|                             | Sold                       |                               | ¥ 1,882,083           | ¥ –              | ¥ 5,168    | ¥ 1,352,953           | ¥ –              | ¥ (37,722) |
|                             | U.S. dollars               | Available-for-sale securities | 1,074,323             | –                | 9,972      | 842,648               | –                | (23,249)   |
|                             | Euros                      |                               | 180,142               | –                | (5,537)    | 161,215               | –                | (7,561)    |
|                             | Australian dollars         |                               | 391,275               | –                | 4,005      | 227,770               | –                | (5,314)    |
|                             | Other                      |                               | 236,341               | –                | (3,271)    | 121,319               | –                | (1,597)    |
| Total                       |                            |                               |                       |                  | 5,168      |                       |                  | (37,722)   |

Notes:

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

2. Fair value of foreign exchange contracts is represented by net unrealized gains (losses).

**(iv) Stock-related derivatives**

There were no such outstanding balances as of March 31, 2023 and 2024.

**(v) Bond-related derivatives**

There were no such outstanding balances as of March 31, 2023 and 2024.

**(vi) Others**

There were no such outstanding balances as of March 31, 2023 and 2024.

**5-6 Breakdown of Ordinary Profit (Core Profit)**

(Millions of yen)

| For the years ended March 31                            | 2023          | 2024        |
|---|---------------|-------------|
| Core income   | ¥ 6,295,497   | ¥ 6,614,726 |
| Insurance premiums and others                           | 2,200,945     | 2,484,007   |
| Investment income                                       | 951,260       | 866,607     |
| Other ordinary income                                   | 3,030,473     | 3,072,094   |
| Reversal of policy reserves                             | 3,026,117     | 3,028,885   |
| Other core income                                       | 112,817       | 192,017     |
| Core expenses   | 6,103,150     | 6,390,720   |
| Insurance claims and others                             | 5,487,997     | 5,778,590   |
| Provision for policy reserves and others                | 7,788         | 137         |
| Investment expenses                                     | 8,234         | 8,936       |
| Operating expenses                                      | 444,209       | 438,531     |
| Other ordinary expenses                                 | 75,481        | 83,034      |
| Other core expenses                                     | 79,438        | 81,491      |
| Core profit   | A 192,346     | 224,005     |
| Capital gains   | 287,199       | 427,662     |
| Gains on money held in trust                            | 150,378       | 181,439     |
| Gains on trading securities                             | –             | –           |
| Gains on sales of securities                            | 50,567        | 151,153     |
| Gains on derivative financial instruments               | –             | –           |
| Gains on foreign exchanges                              | 6,814         | 13,579      |
| Other capital gains                                     | 79,438        | 81,491      |
| Capital losses  | 351,009       | 417,565     |
| Losses on money held in trust                           | –             | –           |
| Losses on trading securities                            | –             | –           |
| Losses on sales of securities                           | 177,296       | 177,704     |
| Losses on valuation of securities                       | 306           | 71          |
| Losses on derivative financial instruments              | 60,588        | 95,835      |
| Losses on foreign exchanges                             | –             | –           |
| Other capital losses                                    | 112,817       | 143,953     |
| Net capital gains (losses)                              | B (63,810)    | 10,097      |
| Core profit including net capital gains (losses)        | A+B 128,535   | 234,103     |
| Other one-time gains                                    | –             | –           |
| Reinsurance income                                      | –             | –           |
| Reversal of contingency reserve                         | –             | –           |
| Reversal of specific reserve for possible loan losses   | –             | –           |
| Other   | –             | –           |
| Other one-time losses                                   | 10,883        | 71,521      |
| Reinsurance premiums                                    | –             | –           |
| Provision for contingency reserve                       | 10,883        | 23,457      |
| Provision for specific reserve for possible loan losses | –             | –           |
| Provision for reserve for specific foreign loans        | –             | –           |
| Write-off of loans                                      | –             | –           |
| Other   | –             | 48,063      |
| Other one-time profits (losses)                         | C (10,883)    | (71,521)    |
| Ordinary profit   | A+B+C 117,652 | 162,581     |

Notes:

1. "Investment income" and "investment expenses" exclude the amount regarding net capital gains (losses).

2. "Reversal of policy reserves" excludes the amount regarding other one-time profits (reversal of contingency reserve) and includes the amount regarding other one-time losses (provision for contingency reserve).

## 6 Main Business Indicators

## (Reference) Breakdown of Other Items

(Millions of yen)

| For the years ended March 31  | 2023    | 2024    |
|---|---------|---------|
| Other core income   | 112,817 | 192,017 |
| Amount equivalent to income gains associated with money held in trust | 112,817 | 143,953 |
| Costs for hedging currency fluctuations                               | –       | –       |
| Gain/loss from reinsurance cession of the existing policies           | –       | 48,063  |
| Other core expenses   | 79,438  | 81,491  |
| Gains on cancellation of mutual funds                                 | 20,826  | 34      |
| Amount equivalent to income gains associated with money held in trust | –       | –       |
| Costs for hedging currency fluctuations                               | 58,612  | 81,456  |
| Other capital gains   | 79,438  | 81,491  |
| Gains on cancellation of mutual funds                                 | 20,826  | 34      |
| Amount equivalent to income gains associated with money held in trust | –       | –       |
| Costs for hedging currency fluctuations                               | 58,612  | 81,456  |
| Other capital losses  | 112,817 | 143,953 |
| Amount equivalent to income gains associated with money held in trust | 112,817 | 143,953 |
| Costs for hedging currency fluctuations                               | –       | –       |
| Other one-time losses – Other   | –       | 48,063  |
| Provision for additional policy reserves                              | –       | –       |
| Gain/loss from reinsurance cession of the existing policies           | –       | 48,063  |

## (Reference) Breakdown of Core Profit

(Millions of yen)

| For the years ended March 31                          | 2023      | 2024      |
|---|-----------|-----------|
| Core profit   | ¥ 192,346 | ¥ 224,005 |
| Spread (positive/negative spread)                     | 94,063    | 91,835    |
| Core profit attributable to life insurance activities | 98,282    | 132,170   |

## Spread (Positive/Negative Spread)

A spread is the differential between the assumed return on insurance premium investments and the actual investment return. When the actual investment return is higher than the assumed return on insurance premium investments, there is a "positive spread." Conversely, a "negative spread" exists when the actual investment return is lower than the assumed return on insurance premium investments. For the year ended March 31, 2024, there was a positive spread of ¥91.8 billion.

The spread (positive/negative spread) is calculated according to the following formula:

$$\text{Positive spread} = \frac{[\text{investment return on core profit} - \text{average assumed rate of return}] \times \text{general account policy reserves}}{[\text{1.84\%}] \quad [\text{1.66\%}] \quad [\text{¥49,887.8 billion}]}$$

[¥91.8billion]

- Investment return on core profit is the return on general account policy reserves after deducting the provision for interest on policyholder dividends from the general account investment revenue included in core profit.
- Average assumed rate of return is the return of assumed interest on general account policy reserves.
- General account policy reserves are calculated as follows for policy reserves in the general account, excluding contingency reserve:  
(Policy reserves at beginning of period + policy reserves at end of period – assumed interest) × 1/2
- Policy reserves and assumed interest are calculated based on the actual cumulative amount.

## 6-1 Key Business Indicators (Non-Consolidated)

(Billions of yen unless specifically indicated)

| As of/For the years ended March 31             | 2020      | 2021      | 2022      | 2023      | 2024      |
|--|-----------|-----------|-----------|-----------|-----------|
| Ordinary income                                | ¥ 7,211.4 | ¥ 6,786.2 | ¥ 6,454.1 | ¥ 6,379.5 | ¥ 6,745.4 |
| Ordinary profit                                | 286.8     | 345.0     | 355.7     | 117.6     | 162.5     |
| Core profit                                    | 400.6     | 421.9     | 429.7     | 192.3     | 224.0     |
| Net income                                     | 151.1     | 165.5     | 157.8     | 97.7      | 88.5      |
| Capital stock                                  | 500.0     | 500.0     | 500.0     | 500.0     | 500.0     |
| (Number of shares issued: thousands of shares) | (562,600) | (562,600) | (399,693) | (399,693) | (383,192) |
| Total assets                                   | 71,667.3  | 70,173.8  | 67,174.8  | 62,685.2  | 60,857.0  |
| Separate account                               | –         | –         | –         | –         | –         |
| Policy reserves                                | 62,293.1  | 59,397.7  | 56,533.4  | 53,518.2  | 50,512.7  |
| Loans  | 5,662.7   | 4,964.0   | 4,251.9   | 3,605.8   | 3,281.3   |
| Securities                                     | 55,871.5  | 55,274.5  | 53,418.5  | 49,842.4  | 47,694.5  |
| Solvency margin ratio (%)                      | 1,068.9%  | 1,118.1%  | 1,042.4%  | 1,003.7%  | 1,016.8%  |
| Number of employees (persons)                  | 7,638     | 7,645     | 7,545     | 19,148    | 18,427    |
| Policy amount in force                         | 51,846.2  | 47,476.0  | 43,526.5  | 39,923.8  | 37,452.6  |
| Individual insurance                           | 49,915.5  | 45,912.2  | 42,283.8  | 38,950.9  | 36,698.0  |
| Individual annuities                           | 1,930.6   | 1,563.8   | 1,242.7   | 972.9     | 754.5     |
| Group insurance                                | –         | –         | –         | –         | –         |
| Policy amount in force for group annuities     | –         | –         | –         | –         | –         |

Notes:

1. In the calculation of core profit, partial amendments (including costs for hedging currency fluctuations and excluding gains on cancellation of mutual funds from the calculation) have been made from the fiscal year ended March 31, 2023, from the perspective of reflecting the economic situation and encouraging consistency in the handling among companies. The figure for core profit for the fiscal year ended March 31, 2022 is calculated by applying such calculation procedures. Therefore, core profit is calculated based on different standards for the fiscal years ended March 31, 2020 through 2021 and the fiscal year ended March 31, 2022 onwards.
2. The Company cancelled its treasury stock on May 31, 2019, reducing the total number of shares issued by 37,400 thousand shares.
3. The Company cancelled its treasury stock on August 20, 2021, reducing the total number of shares issued by 162,906 thousand shares.
4. The Company cancelled its treasury stock on May 8, 2023, reducing the total number of shares issued by 16,501 thousand shares.
5. "Policy amount in force" is the total of individual insurance, individual annuities and group insurance.  
Figures for "individual annuities" are the total of (a) the accumulated contribution 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.

## 6-2 Selected Financial Data and Other Information

### (1) Policies in Force and New Policies

#### 1) Policies in Force

(Number of policies, millions of yen, %)

| As of March 31       | 2023                    |       |                         |       | 2024                    |       |                         |       |
|----------------------|-------------------------|-------|-------------------------|-------|-------------------------|-------|-------------------------|-------|
|                      | Number of policies      |       | Policy amount           |       | Number of policies      |       | Policy amount           |       |
|                      | Year-on-year comparison |       | Year-on-year comparison |       | Year-on-year comparison |       | Year-on-year comparison |       |
| Individual insurance | 13,722,373              | 93.1% | ¥ 38,950,900            | 92.1% | 13,095,779              | 95.4% | ¥ 36,698,079            | 94.2% |
| Individual annuities | 686,620                 | 80.8  | 972,944                 | 78.3  | 540,708                 | 78.7  | 754,563                 | 77.6  |
| Group insurance      | -                       | -     | -                       | -     | -                       | -     | -                       | -     |
| Group annuities      | -                       | -     | -                       | -     | -                       | -     | -                       | -     |

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

#### 2) New Policies

(Number of policies, millions of yen, %)

| For the years ended March 31 | 2023                    |        |                         |              |                            |                         | 2024               |                         |               |                            |             |   |
|------------------------------|-------------------------|--------|-------------------------|--------------|----------------------------|-------------------------|--------------------|-------------------------|---------------|----------------------------|-------------|---|
|                              | Number of policies      |        | Policy amount           |              |                            |                         | Number of policies |                         | Policy amount |                            |             |   |
|                              | Year-on-year comparison |        | Year-on-year comparison | New policies | Net increase by conversion | Year-on-year comparison |                    | Year-on-year comparison | New policies  | Net increase by conversion |             |   |
| Individual insurance         | 314,291                 | 181.3% | ¥ 836,677               | 144.9%       | ¥ 836,665                  | 12                      | 628,840            | 200.1%                  | ¥ 1,557,845   | 186.2%                     | ¥ 1,557,837 | 8 |
| Individual annuities         | 122                     | 290.5  | 557                     | 274.6        | 557                        | -                       | 417                | 341.8                   | 2,011         | 361.0                      | 2,011       | - |
| Group insurance              | -                       | -      | -                       | -            | -                          | -                       | -                  | -                       | -             | -                          | -           | - |
| Group annuities              | -                       | -      | -                       | -            | -                          | -                       | -                  | -                       | -             | -                          | -           | - |

Notes:

- Number of policies includes policies after conversion.
- Policy amounts for "individual annuities" are the total of the accumulated contribution payment as of the date of annuity payment commencement.

### (2) Annualized Premiums

#### 1) Policies in Force

(Millions of yen, %)

| As of March 31                              | 2023        |                         | 2024        |                         |
|---|-------------|-------------------------|-------------|-------------------------|
|   |             | Year-on-year comparison |             | Year-on-year comparison |
| Individual insurance                        | ¥ 2,353,983 | 91.1%                   | ¥ 2,200,282 | 93.5%                   |
| Individual annuities                        | 244,689     | 81.1                    | 193,670     | 79.1                    |
| Total                                       | ¥ 2,598,672 | 90.0                    | ¥ 2,393,952 | 92.1                    |
| Medical coverage, living benefits and other | 322,178     | 94.8                    | 308,878     | 95.9                    |

Notes:

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

### 2) New Policies

(Millions of yen, %)

| For the years ended March 31                | 2023     |                         | 2024      |                         |
|---|----------|-------------------------|-----------|-------------------------|
|   |          | Year-on-year comparison |           | Year-on-year comparison |
| Individual insurance                        | ¥ 65,888 | 142.7%                  | ¥ 116,830 | 177.3%                  |
| Individual annuities                        | 47       | 281.8                   | 169       | 354.7                   |
| Total                                       | ¥ 65,936 | 142.7                   | ¥ 116,999 | 177.4                   |
| Medical coverage, living benefits and other | 6,439    | 296.3                   | 10,392    | 161.4                   |

Notes:

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

### (3) New Policies by Product

(Number of policies, millions of yen)

| For the years ended March 31  | 2023               |               | 2024               |               |
|---|--------------------|---------------|--------------------|---------------|
|   | Number of policies | Policy amount | Number of policies | Policy amount |
| Individual insurance  | 314,231            | ¥ 836,665     | 628,817            | ¥ 1,557,837   |
|   | [314,291]          | [836,677]     | [628,840]          | [1,557,845]   |
| Lump-sum payment whole life insurance   | -                  | -             | 164,839            | 399,969       |
| Ordinary whole life insurance   | 41,215             | 84,204        | 73,121             | 149,503       |
| Fixed amount type   | 15,371             | 25,363        | 25,644             | 43,017        |
| Increased amount type   | 25,844             | 58,841        | 47,477             | 106,485       |
| (Inclusive) Ordinary whole life insurance (low cash value)                                    | 11,188             | 22,133        | 17,141             | 33,055        |
| Fixed amount type   | 5,081              | 8,710         | 7,668              | 13,606        |
| Increased amount type   | 6,107              | 13,423        | 9,473              | 19,449        |
| Ordinary whole life insurance with relaxed underwriting criteria                              | 3,730              | 2,542         | 6,250              | 4,251         |
| (Inclusive) Ordinary whole life insurance with relaxed underwriting criteria (low cash value) | 1,243              | 865           | 1,935              | 1,319         |
| Special whole life insurance  | 8,984              | 23,954        | 21,987             | 66,146        |
| (Inclusive) Special whole life insurance (low cash value)                                     | 2,755              | 7,598         | 6,684              | 20,993        |
| Ordinary term insurance   | 13,665             | 19,614        | 29,514             | 53,457        |
| Ordinary endowment insurance  | 151,744            | 455,112       | 174,976            | 503,205       |
| Ordinary endowment insurance with relaxed underwriting criteria                               | 5,896              | 5,867         | 6,484              | 5,990         |
| Special endowment insurance   | 63,967             | 195,055       | 81,086             | 246,345       |
| Educational endowment insurance (H24)   | 25,030             | 50,314        | 70,560             | 128,967       |
| Individual annuities  | 122                | ¥ 557         | 417                | ¥ 2,011       |
| Longevity support insurance (low cash value)  | 122                | 557           | 417                | 2,011         |
| Asset-formation insurance   | 3                  | ¥ 0           | 2                  | ¥ 0           |
| Asset-formation savings insurance   | 3                  | 0             | 2                  | 0             |
| Asset-formation housing funding insurance   | -                  | -             | -                  | -             |
| Asset-formation annuities   | -                  | ¥ -           | -                  | ¥ -           |
| Asset-formation whole life annuity  | -                  | -             | -                  | -             |

Notes:

- Figures within brackets "[ ]" in the sub-total row of individual insurance are the number of new policies plus the number of converted policies, and the policy amount of new policies plus net increase by conversion.
- Figures for number of policies for "asset-formation insurance" and "asset-formation annuities" are the number of insured persons.
- Policy amounts for "individual annuities" and "asset-formation annuities" are the total of the accumulated contribution payment as of the date of annuity payment commencement.
- Policy amount for "asset-formation insurance" is the amount of the first premium payment.

**(4) Policies in Force by Product**

(Number of policies, millions of yen)

| As of March 31  | 2023               |               | 2024               |               |
|---|--------------------|---------------|--------------------|---------------|
|   | Number of policies | Policy amount | Number of policies | Policy amount |
| Individual insurance  | 13,722,373         | ¥ 38,950,900  | 13,095,779         | ¥ 36,698,079  |
| Lump-sum payment whole life insurance   | –                  | –             | 164,810            | 399,893       |
| Ordinary whole life insurance   | 3,090,707          | 8,951,973     | 3,051,897          | 8,608,589     |
| Fixed amount type   | 1,121,717          | 2,494,691     | 1,106,693          | 2,448,472     |
| Increased amount type   | 1,968,990          | 6,457,282     | 1,945,204          | 6,160,116     |
| (Inclusive) Ordinary whole life insurance (low cash value)                                    | 202,838            | 530,972       | 211,783            | 541,633       |
| Fixed amount type   | 92,036             | 176,144       | 95,863             | 182,551       |
| Increased amount type   | 110,802            | 354,828       | 115,920            | 359,082       |
| Ordinary whole life insurance with relaxed underwriting criteria                              | 52,087             | 86,393        | 55,607             | 87,588        |
| (Inclusive) Ordinary whole life insurance with relaxed underwriting criteria (low cash value) | 11,474             | 17,177        | 12,848             | 18,396        |
| Special whole life insurance  | 1,765,815          | 5,690,253     | 1,751,852          | 5,548,566     |
| (Inclusive) Special whole life insurance (low cash value)                                     | 40,339             | 132,408       | 45,721             | 148,671       |
| Whole life insurance with nursing care benefit  | 104                | 169           | 103                | 142           |
| Ordinary term insurance   | 18,702             | 41,531        | 46,956             | 95,723        |
| Ordinary endowment insurance  | 4,057,560          | 10,576,835    | 3,535,118          | 9,369,269     |
| Ordinary endowment insurance with relaxed underwriting criteria                               | 36,049             | 66,634        | 40,689             | 73,544        |
| Special endowment insurance   | 2,100,924          | 8,384,625     | 1,883,132          | 7,447,926     |
| Designated endowment insurance  | 4,209              | 9,614         | 2,839              | 6,701         |
| Educational endowment insurance   | 906,723            | 1,611,180     | 852,882            | 1,505,686     |
| Educational endowment insurance with scholarship annuity                                      | 74,181             | 138,337       | 70,261             | 128,944       |
| Educational endowment insurance (H24)   | 1,614,973          | 3,392,157     | 1,639,298          | 3,424,383     |
| Husband-and-wife insurance  | 18                 | 55            | 17                 | 53            |
| Whole life insurance with whole life annuity  | 320                | 1,136         | 317                | 1,063         |
| Husband-and-wife insurance with husband-and-wife annuity                                      | 1                  | 3             | 1                  | 3             |
| Individual annuities  | 686,620            | ¥ 972,944     | 540,708            | ¥ 754,563     |
| Longevity support insurance (low cash value)  | 1,307              | 6,672         | 1,669              | 8,415         |
| Immediate whole life annuity  | 745                | 2,483         | 698                | 2,253         |
| Deferred whole life annuity   | 9,237              | 70,920        | 9,085              | 69,381        |
| Whole life annuity with additional nursing annuity  | 5                  | 49            | 5                  | 49            |
| Immediate term annuity  | 79,461             | 35,626        | 42,146             | 13,380        |
| Deferred term annuity   | 595,855            | 857,136       | 487,095            | 661,030       |
| Immediate husband-and-wife annuity  | 1                  | 2             | 1                  | 2             |
| Deferred husband-and-wife annuity   | 9                  | 52            | 9                  | 51            |
| Asset-formation insurance   | 28                 | ¥ 27          | 24                 | ¥ 24          |
| Asset-formation savings insurance   | 25                 | 21            | 21                 | 18            |
| Asset-formation housing funding insurance   | 3                  | 6             | 3                  | 6             |
| Asset-formation annuities   | 11                 | ¥ 46          | 11                 | ¥ 46          |
| Asset-formation whole life annuity  | 11                 | 46            | 11                 | 46            |

Notes:

- Figures for number of policies for "asset-formation insurance" and "asset-formation annuities" are the number of insured persons.
- Policy amounts for "individual annuities" and "asset-formation annuities" are the total of (a) the accumulated contribution 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.
- Policy amount for "asset-formation insurance" is the amount of policy reserves.
- "Educational endowment insurance (H24)" includes educational endowment insurance (H24) (without premium protection agreement).

**(5) Policies in Force by Benefit Type**

(Millions of yen)

| As of March 31          |                                   | Policy amount in force |               |               |
|-------------------------|-----------------------------------|------------------------|---------------|---------------|
|                         |                                   | 2023                   | 2024          |               |
| Death benefit           | General death                     | Individual insurance   | ¥ 35,558,743  | ¥ 33,273,695  |
|                         |                                   | Individual annuities   | –             | –             |
|                         |                                   | Group insurance        | –             | –             |
|                         |                                   | Group annuities        | –             | –             |
|                         |                                   | Net, including others  | 49,232,943    | 45,219,890    |
|                         | Accidental death                  | Individual insurance   | [ 46,227,768] | [ 42,483,640] |
|                         |                                   | Individual annuities   | [ 7,806]      | [ 7,288]      |
|                         |                                   | Group insurance        | [ –]          | [ –]          |
|                         |                                   | Group annuities        | [ –]          | [ –]          |
|                         |                                   | Net, including others  | [ 75,410,805] | [ 68,719,535] |
|                         | Other conditional death           | Individual insurance   | [ –]          | [ –]          |
|                         |                                   | Individual annuities   | [ –]          | [ –]          |
|                         |                                   | Group insurance        | [ –]          | [ –]          |
|                         |                                   | Group annuities        | [ –]          | [ –]          |
|                         |                                   | Net, including others  | [ –]          | [ –]          |
| Survival benefit        | Maturity/living benefits          | Individual insurance   | 3,392,157     | 3,424,383     |
|                         |                                   | Individual annuities   | 150,827       | 96,737        |
|                         |                                   | Group insurance        | –             | –             |
|                         |                                   | Group annuities        | –             | –             |
|                         |                                   | Net, including others  | 4,531,520     | 4,328,254     |
|                         | Annuities                         | Individual insurance   | [ 17,744]     | [ 16,880]     |
|                         |                                   | Individual annuities   | [ 253,678]    | [ 201,225]    |
|                         |                                   | Group insurance        | [ –]          | [ –]          |
|                         |                                   | Group annuities        | [ –]          | [ –]          |
|                         |                                   | Net, including others  | [ 689,306]    | [ 604,543]    |
|                         | Others                            | Individual insurance   | –             | –             |
|                         |                                   | Individual annuities   | 822,117       | 657,826       |
|                         |                                   | Group insurance        | –             | –             |
|                         |                                   | Group annuities        | –             | –             |
|                         |                                   | Net, including others  | 9,472,332     | 9,193,042     |
| Hospitalization benefit | Hospitalization due to accident   | Individual insurance   | [ 38,795]     | [ 36,104]     |
|                         |                                   | Individual annuities   | [ 17]         | [ 16]         |
|                         |                                   | Group insurance        | [ –]          | [ –]          |
|                         |                                   | Group annuities        | [ –]          | [ –]          |
|                         |                                   | Net, including others  | [ 63,666]     | [ 58,658]     |
|                         | Hospitalization due to illness    | Individual insurance   | [ 38,532]     | [ 35,872]     |
|                         |                                   | Individual annuities   | [ 5]          | [ 5]          |
|                         |                                   | Group insurance        | [ –]          | [ –]          |
|                         |                                   | Group annuities        | [ –]          | [ –]          |
|                         |                                   | Net, including others  | [ 63,343]     | [ 58,374]     |
|                         | Other conditional hospitalization | Individual insurance   | [ 4,657]      | [ 4,086]      |
|                         |                                   | Individual annuities   | [ 2]          | [ 2]          |
|                         |                                   | Group insurance        | [ –]          | [ –]          |
|                         |                                   | Group annuities        | [ –]          | [ –]          |
|                         |                                   | Net, including others  | [ 7,647]      | [ 6,943]      |

Notes:

- Figures within brackets "[ ]" are supplementary benefits of the basic policy and rider benefits.
- Policy amounts for "individual annuities" in the "maturity/living benefits" column in "survival benefit" are the accumulated contribution payments as of the date of annuity payment commencement for the annuity before payments commence.
- Policy amounts of "annuities" in survival benefit are the amounts of annuities to be paid annually.
- Policy amounts of "others" in survival benefit are the amounts of policy reserves for individual annuities (the annuity after payments have commenced).
- Policy amounts for "hospitalization benefits" are the amounts of daily hospitalization benefits.

(Number of policies)

| As of March 31     |                       | Number of policies in force |               |
|--------------------|-----------------------|-----------------------------|---------------|
|                    |                       | 2023                        | 2024          |
| Disability benefit | Individual insurance  | [ 8,029,332]                | [ 7,448,107]  |
|                    | Individual annuities  | [ 2,178]                    | [ 2,045]      |
|                    | Group insurance       | [ -]                        | [ -]          |
|                    | Group annuities       | [ -]                        | [ -]          |
|                    | Net, including others | [ 14,469,231]               | [ 13,295,584] |
| Surgery benefit    | Individual insurance  | [ 10,294,953]               | [ 9,715,570]  |
|                    | Individual annuities  | [ 3,312]                    | [ 3,123]      |
|                    | Group insurance       | [ -]                        | [ -]          |
|                    | Group annuities       | [ -]                        | [ -]          |
|                    | Net, including others | [ 18,014,648]               | [ 16,506,903] |

Note: Figures within brackets "[ ]" are supplementary benefits of the basic policy and rider benefits.

### (6) Policies in Force by Type of Policy of Individual Insurance and Individual Annuity

(Millions of yen)

| As of March 31                                |   | Policy amount in force          |              |
|---|---|---------------------------------|--------------|
|   |   | 2023                            | 2024         |
| Death protection insurance                    | Whole life insurance  | ¥ 14,728,790                    | ¥ 14,644,779 |
|   | Whole life insurance with term rider  | -                               | -            |
|   | Term insurance  | 41,531                          | 95,723       |
|   | Net, including others   | 14,771,460                      | 14,741,569   |
| Mixed insurance                               | Endowment insurance   | 19,037,709                      | 16,897,442   |
|   | Endowment insurance with term rider   | -                               | -            |
|   | Term insurance with living benefits   | -                               | -            |
|   | Net, including others   | 20,787,282                      | 18,532,126   |
| Pure endowment insurance                      |   | 3,392,157                       | 3,424,383    |
| Annuities                                     | Individual annuities  | 972,944                         | 754,563      |
| Accident/illness riders                       | Accident rider  | 17,265,608                      | 15,148,704   |
|   | Nursing care rider  | 179                             | 179          |
|   | Accident hospitalization rider  | 1                               | 1            |
|   | Illness hospitalization rider   | 0                               | 0            |
|   | Illness and accident hospitalization rider                                      | 418                             | 369          |
|   | Non-participating accident hospitalization rider                                | 162                             | 124          |
|   | Non-participating illness and accident hospitalization rider                    | 27,519                          | 24,161       |
|   | Non-participating accidental rider  | 4,753,928                       | 5,195,113    |
|   | Non-participating injury medical care rider                                     | 111                             | 117          |
|   | Non-participating general medical care rider                                    | 10,364                          | 11,097       |
|   | Non-participating general medical care rider with relaxed underwriting criteria | 235                             | 249          |
| Non-participating advanced medical care rider | (Number of policies)<br>224,965   | (Number of policies)<br>281,211 |              |

Notes:

1. Policy amounts for "individual annuities" are the total of (a) the accumulated contribution payment as of the date of annuity payment commencement for the annuity before payments commence and (b) the amount of policy reserves for the annuity after payments have commenced.
2. Policy amounts for "hospitalization/medical riders" are the amounts of daily hospitalization benefits.
3. The figure for "non-participating advanced medical care rider" represents the number of policies.

### (7) Annualized Premiums from Policies in Force by Type of Policy of Individual Insurance and Individual Annuity

(Millions of yen)

| As of March 31             |                                      | Annualized premiums from policies in force |           |
|----------------------------|--------------------------------------|--|-----------|
|                            |                                      | 2023                                       | 2024      |
| Death protection insurance | Whole life insurance                 | ¥ 691,172                                  | ¥ 712,757 |
|                            | Whole life insurance with term rider | -  | -         |
|                            | Term insurance                       | 643  | 1,599     |
|                            | Net, including others                | 691,913                                    | 714,453   |
|                            | Mixed insurance                      | Endowment insurance                        | 1,319,422 |
|                            | Endowment insurance with term rider  | -  | -         |
|                            | Term insurance with living benefits  | -  | -         |
|                            | Net, including others                | 1,434,721                                  | 1,257,371 |
| Pure endowment insurance   |                                      | 227,348                                    | 228,457   |
| Annuities                  | Individual annuities                 | 244,689                                    | 193,670   |

Note: Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium by the insured period.

## (8) Embedded Value (“EV”)

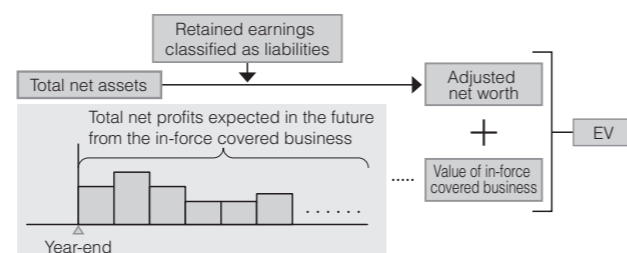
Embedded value (“EV”) is one of the corporate value indicators for life insurance companies.

The profit-loss structure in the life insurance business involves a loss at the time of sale and profit over a policy’s duration. A loss occurs temporarily at the time of sale, caused by a considerable amount of expenses generally incurred with the sale of a policy. Future profit is generated as the policy’s long duration serves to provide revenues over a long period of time, covering these initial expenses.

Under the current statutory accounting practices in Japan, gains and losses are recognized as they occur in each fiscal year. EV, on the other hand, is used to represent the present value of gains and losses that cover the entire duration. EV is the sum of the adjusted net worth (ANW), which reflects gains/losses from business activities in the past, and the value of in-force covered business (VIF), which is the present value of the expected future profits from the in-force covered business.

Since the end of the year ended March 31, 2013, we have been disclosing EV calculated on the basis of the European Embedded Value Principles (“EEV Principles”) as additional information supplementary to the financial data provided under the current statutory accounting practices.

### Outline of EV



Note:

The EEV Principles and Guidance were published in May 2004 by the CFO Forum, a group representing the Chief Financial Officers of major European insurance companies, in order to improve consistency and transparency in EV calculation and reporting.

## 1) EV Results

(Billions of yen)

| As of March 31                                       | 2023      | 2024      |                     |
|--|-----------|-----------|---------------------|
|  |           |           | Increase (Decrease) |
| <b>EV</b>  | ¥ 3,463.8 | ¥ 3,965.0 | ¥ 501.2             |
| Adjusted net worth                                   | 2,010.8   | 1,980.9   | (29.9)              |
| Total net assets on the balance sheet (Note 1)       | 1,571.5   | 1,622.9   | 51.4                |
| Reserve for price fluctuations (Note 2)              | 178.6     | 123.8     | (54.8)              |
| Contingency reserve (Note 2)                         | 441.6     | 441.6     | (0.0)               |
| Others (Note 3)                                      | (10.1)    | (68.3)    | (58.1)              |
| Tax effect on the above                              | (170.8)   | (139.2)   | 31.6                |
| Value of in-force covered business                   | 1,452.9   | 1,984.1   | 531.1               |
| Certainty equivalent present value of future profits | 1,763.6   | 2,322.7   | 559.0               |
| Time value of financial options and guarantees       | (159.4)   | (223.2)   | (63.8)              |
| Cost of holding required capital                     | (0.0)     | (0.0)     | (0.0)               |
| Allowance for non-hedgeable risks                    | (151.3)   | (115.3)   | 35.9                |

| For the years ended March 31                         | 2023    | 2024   |                     |
|--|---------|--------|---------------------|
|  |         |        | Increase (Decrease) |
| <b>Value of new business (Note 4)</b>                | ¥ (7.4) | ¥ 20.8 | ¥ 28.3              |
| Certainty equivalent present value of future profits | (3.6)   | 30.7   | 34.3                |
| Time value of financial options and guarantees       | (1.6)   | (3.5)  | (1.9)               |
| Cost of holding required capital                     | (0.0)   | (0.1)  | (0.1)               |
| Allowance for non-hedgeable risks                    | (2.1)   | (6.1)  | (4.0)               |

Notes:

- The total net assets are the total net assets as on the consolidated balance sheet, excluding the total amount of accumulated other comprehensive income. In addition, the board benefit trust reported as treasury stock has been added at book value.
- Excluding amounts in respect of the Postal Life Insurance policies that are included in the VIF.
- Unrealized gains/losses on securities, loans and real estate; general reserve for possible loan losses (excluding those related to insurance policies); unfunded retirement benefit obligations (unrecognized prior service costs and unrecognized actuarial differences); and unrealized gains/losses on subordinated bonds.
- The value of new business includes the net increase in value from policies issued using the conditional cancellation system and policies converted using the policy conversion system. New business includes policy renewals over the reporting period.

## 2) Movement Analysis

(Billions of yen)

|   | Adjusted net worth | Value of in-force covered business | EV        |
|---|--------------------|------------------------------------|-----------|
| Values as of March 31, 2023   | ¥ 2,010.8          | ¥ 1,452.9                          | ¥ 3,463.8 |
| (1) Opening adjustments   | (35.6)             | –                                  | (35.6)    |
| Values as of March 31, 2023 after adjustment  | ¥ 1,975.2          | ¥ 1,452.9                          | ¥ 3,428.1 |
| (2) Value of new business   | –                  | 20.8                               | 20.8      |
| (3) Expected existing business contribution (risk-free rate)                        | (1.7)              | 18.1                               | 16.3      |
| (4) Expected existing business contribution (in excess of risk-free rate)           | 8.4                | 162.4                              | 170.9     |
| (5) Expected transfer from value of in-force covered business to adjusted net worth | 20.9               | (20.9)                             | –         |
| On in-force at the beginning of the fiscal year                                     | 91.1               | (91.1)                             | –         |
| On new business   | (70.2)             | 70.2                               | –         |
| (6) Non-economic experience variances   | 12.7               | (12.7)                             | 0.0       |
| (7) Non-economic assumption changes   | –                  | 52.4                               | 52.4      |
| (8) Economic variances  | (34.7)             | 310.9                              | 276.2     |
| Values as of March 31, 2024   | ¥ 1,980.9          | ¥ 1,984.1                          | ¥ 3,965.0 |

## 3) Sensitivities

(Billions of yen)

| Assumptions   | EV        |              | Value of new business |                                 |
|---|-----------|--------------|-----------------------|---------------------------------|
|   |           | Change in EV |                       | Change in value of new business |
| Base Scenario March 31, 2024  | ¥ 3,965.0 | ¥ –          | ¥ 20.8                | ¥ –                             |
| Sensitivity 1 50bp increase in risk-free rate (Note 1)                              | 3,865.2   | (99.7)       | 48.6                  | 27.8                            |
| Sensitivity 2 50bp decrease in risk-free rate (Notes 1 and 2)                       | 4,045.0   | 80.0         | (22.5)                | (43.4)                          |
| Sensitivity 3 10% decrease in equity and real estate value                          | 3,784.6   | (180.3)      | 20.8                  | –                               |
| Sensitivity 4 10% decrease in maintenance expenses                                  | 4,143.0   | 177.9        | 28.2                  | 7.3                             |
| Sensitivity 5 10% decrease in surrender and lapse rates                             | 4,003.4   | 38.3         | 23.9                  | 3.0                             |
| Sensitivity 6 5% decrease in claim incidence rates for life business                | 4,047.4   | 82.4         | 23.8                  | 3.0                             |
| Sensitivity 7 5% decrease in claim incidence rates for annuity business             | 3,926.5   | (38.4)       | 20.8                  | (0.0)                           |
| Sensitivity 8 Change the required capital to statutory minimum                      | 3,965.0   | 0.0          | 20.9                  | 0.1                             |
| Sensitivity 9 25% increase in implied volatilities of equity and real estate values | 3,943.6   | (21.4)       | 20.9                  | 0.0                             |
| Sensitivity 10 25% increase in implied volatilities of swaptions                    | 3,906.0   | (58.9)       | 18.9                  | (1.8)                           |

Notes:

- For the long-duration risk-free rates at terms longer than the extrapolation entry term, extrapolation to the ultimate forward rate is applied without changing the ultimate forward rate itself.
- The 50bp decrease is applied to both positive and negative risk-free rates, without a floor.



#### 4) Main EV Assumptions

##### (i) Economic Assumptions

Based on the assets held by Japan Post Insurance, the risk-free rates for use in the certainty equivalent calculation have been determined based on Japanese government bonds as of the valuation date.

The table on the right shows, for selected terms, the risk-free rates (converted to spot rates) used for the calculation. For interest rates at longer durations, for which reference rates are not available, we take an extrapolation approach utilizing an ultimate forward rate assumed to converge over a period of time to a fixed ultimate level, commonly set based on macroeconomic or other methods.

We have assumed an ultimate forward rate of 3.8%, and as the market of Japanese government bonds beyond 30 years is not considered deep and liquid, we have determined the extrapolation entry term as 30 years. For the forward rate for year 31 and later years, we have applied the Smith-Wilson approach with convergence to the ultimate forward rate over 30 years.

| Term (Years) | For calculation of the value of in-force covered business |                | For calculation of the value of new business                  |  |
|--------------|---|----------------|---|--|
|              | March 31, 2023  | March 31, 2024 | Fiscal year ended March 31, 2023 (Rate at September 30, 2022) | Fiscal year ended March 31, 2024 (Rate at December 31, 2023) |
| 1            | (0.115)%  | 0.054%         | (0.115)%  | (0.026)%   |
| 2            | (0.061)%  | 0.189%         | (0.050)%  | 0.048%   |
| 3            | (0.052)%  | 0.202%         | (0.037)%  | 0.056%   |
| 4            | 0.024%  | 0.277%         | 0.009%  | 0.134%   |
| 5            | 0.101%  | 0.358%         | 0.085%  | 0.219%   |
| 10           | 0.396%  | 0.758%         | 0.286%  | 0.660%   |
| 15           | 0.800%  | 1.167%         | 0.745%  | 1.104%   |
| 20           | 1.108%  | 1.561%         | 1.055%  | 1.492%   |
| 25           | 1.234%  | 1.695%         | 1.290%  | 1.627%   |
| 30           | 1.370%  | 1.930%         | 1.503%  | 1.800%   |
| 40           | 1.789%  | 2.337%         | 1.936%  | 2.180%   |
| 50           | 2.162%  | 2.615%         | 2.285%  | 2.482%   |
| 60           | 2.429%  | 2.808%         | 2.532%  | 2.697%   |

Source: Analysis of Ministry of Finance data

##### (ii) Other Assumptions

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

#### 5) Notes on the Use of Results

(i) As the profits arising from the release of the contingency reserve and reserve for price fluctuations related to the Postal Life Insurance policies form a part of the reinsurance dividend paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network, the EV calculations take into consideration the profits net of this reinsurance dividend. Therefore, the contingency reserve and reserve for price fluctuations related to these policies are included in the VIF, rather than the ANW, as it is assumed that these reserves will be released in the future.

(ii) The calculation of EV is based on many assumptions, including future outlook, which involves certain risks and uncertainties. Since actual performance may differ materially from these assumptions, we strongly recommend that users exercise caution.

(iii) We requested an independent actuarial firm to review the assumptions and the calculation of our EV results and obtained a written opinion verifying the validity. For further details of this written opinion and our EV, please refer to our website ([https://www.jp-life.japanpost.jp/english/news/2024/en\\_news\\_id000167.html](https://www.jp-life.japanpost.jp/english/news/2024/en_news_id000167.html)).

### 6-3 Insurance Policy Indicators

#### (1) Policies in Force and New Policies

##### 1) Policies in Force

(Number of policies, millions of yen, %)

| As of March 31             | 2023               |                           |               |                           | 2024               |                           |               |                           |
|----------------------------|--------------------|---------------------------|---------------|---------------------------|--------------------|---------------------------|---------------|---------------------------|
|                            | Number of policies |                           | Policy amount |                           | Number of policies |                           | Policy amount |                           |
|                            |                    | Rate of increase/decrease |               | Rate of increase/decrease |                    | Rate of increase/decrease |               | Rate of increase/decrease |
| Individual insurance       | 13,722,373         | (6.9)%                    | ¥ 38,950,900  | (7.9)%                    | 13,095,779         | (4.6)%                    | ¥ 36,698,079  | (5.8)%                    |
| Death protection insurance | 4,927,736          | (2.0)                     | 14,771,460    | (4.0)                     | 5,071,543          | 2.9                       | 14,741,569    | (0.2)                     |
| Mixed insurance            | 7,179,664          | (11.2)                    | 20,787,282    | (11.5)                    | 6,384,938          | (11.1)                    | 18,532,126    | (10.8)                    |
| Pure endowment insurance   | 1,614,973          | (0.7)                     | 3,392,157     | (0.9)                     | 1,639,298          | 1.5                       | 3,424,383     | 1.0                       |
| Individual annuities       | 686,620            | (19.2)                    | 972,944       | (21.7)                    | 540,708            | (21.3)                    | 754,563       | (22.4)                    |
| Group insurance            | –                  | –                         | –             | –                         | –                  | –                         | –             | –                         |
| Group annuities            | –                  | –                         | –             | –                         | –                  | –                         | –             | –                         |
| Asset-formation insurance  | 28                 | (20.0)                    | 27            | (18.1)                    | 24                 | (14.3)                    | 24            | (11.0)                    |
| Asset-formation annuities  | 11                 | 0.0                       | 46            | 0.0                       | 11                 | 0.0                       | 46            | 0.0                       |

Notes:

- Figures for number of policies for "asset-formation insurance" and "asset-formation annuities" are the number of insured persons.
- Policy amounts for "individual annuities" and "asset-formation annuities" are the total of (a) the accumulated contribution 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.
- Policy amount for "asset-formation insurance" is the amount of policy reserves.

##### 2) New Policies

(Number of policies, millions of yen, %)

| For the years ended March 31 | 2023               |                           |               |                           | 2024               |                           |               |                           |
|------------------------------|--------------------|---------------------------|---------------|---------------------------|--------------------|---------------------------|---------------|---------------------------|
|                              | Number of policies |                           | Policy amount |                           | Number of policies |                           | Policy amount |                           |
|                              |                    | Rate of increase/decrease |               | Rate of increase/decrease |                    | Rate of increase/decrease |               | Rate of increase/decrease |
| Individual insurance         | 314,231            | 81.3%                     | ¥ 836,665     | 44.9%                     | 628,817            | 100.1%                    | ¥ 1,557,837   | 86.2%                     |
| Death protection insurance   | 67,594             | 244.8                     | 130,315       | 131.7                     | 295,711            | 337.5                     | 673,327       | 416.7                     |
| Mixed insurance              | 221,607            | 66.1                      | 656,034       | 37.3                      | 262,546            | 18.5                      | 755,541       | 15.2                      |
| Pure endowment insurance     | 25,030             | 23.4                      | 50,314        | 15.7                      | 70,560             | 181.9                     | 128,967       | 156.3                     |
| Individual annuities         | 122                | 190.5                     | 557           | 174.6                     | 417                | 241.8                     | 2,011         | 261.0                     |
| Group insurance              | –                  | –                         | –             | –                         | –                  | –                         | –             | –                         |
| Group annuities              | –                  | –                         | –             | –                         | –                  | –                         | –             | –                         |
| Asset-formation insurance    | 3                  | 200.0                     | 0             | 250.0                     | 2                  | (33.3)                    | 0             | (42.9)                    |
| Asset-formation annuities    | –                  | –                         | –             | –                         | –                  | –                         | –             | –                         |

Notes:

- Converted policies are not included.
- Figures for number of policies for "asset-formation insurance" and "asset-formation annuities" are the number of insured persons.
- Policy amounts for "individual annuities" and "asset-formation annuities" are the total of the accumulated contribution payment as of the date of annuity payment commencement.
- Policy amount for "asset-formation insurance" is the amount of the first premium payment.

**(2) Average Policy Amount of New Policies and Policies in Force (individual insurance)**

(Thousands of yen)

| Items                      | New Policies                      |                                   | Policies in Force    |                      |
|----------------------------|-----------------------------------|-----------------------------------|----------------------|----------------------|
|                            | For the year ended March 31, 2023 | For the year ended March 31, 2024 | As of March 31, 2023 | As of March 31, 2024 |
| Individual insurance       | ¥ 2,662                           | ¥ 2,477                           | ¥ 2,838              | ¥ 2,802              |
| Death protection insurance | 1,927                             | 2,276                             | 2,997                | 2,906                |
| Mixed insurance            | 2,960                             | 2,877                             | 2,895                | 2,902                |
| Pure endowment insurance   | 2,010                             | 1,827                             | 2,100                | 2,088                |

Note: Converted policies are not included in average policy amount of new policies.

**(3) Ratio of New Policies (against the policy in force at the beginning of fiscal year)**

(%)

| For the years ended March 31 | 2023 | 2024 |
|------------------------------|------|------|
| Individual insurance         | 2.0% | 4.0% |
| Individual annuities         | 0.0  | 0.2  |
| Group insurance              | –    | –    |

Notes:

- Converted policies are not included.
- This refers to the ratio of the policy amount of new policies against the policy amount in force at the beginning of fiscal year.

**(4) Ratio of Surrender and Lapse (against the policy in force at the beginning of fiscal year)**

(%)

| For the years ended March 31 | 2023 | 2024 |
|------------------------------|------|------|
| Individual insurance         | 3.0% | 2.8% |
| Individual annuities         | 0.8  | 1.0  |
| Group insurance              | –    | –    |

Notes:

- Ratio of surrender and lapse is calculated based on the policy amount associated with surrenders and lapses as modified by decrease or increase in policy amount, as well as the amount of the policy reinstatement.
- Ratio of surrender and lapse for "individual annuities" is based on the annuity before payments commence.

**(5) Average Premium for New Policies of Individual Insurance (monthly payment agreement)**

(Yen)

| For the years ended March 31 | 2023      | 2024      |
|------------------------------|-----------|-----------|
| Individual insurance         | ¥ 219,376 | ¥ 197,436 |

Notes:

- Converted policies are not included.
- These are annual premiums for the policies involving monthly payment agreement.

**(6) Mortality Rates (basic policies in individual insurance)**

(%)

| For the years ended March 31   | 2023  | 2024  |
|--------------------------------|-------|-------|
| In terms of number of policies | 2.91‰ | 3.18‰ |
| In terms of policy amount      | 2.32  | 2.54  |

Notes:

- Mortality rates are calculated by dividing the number of/policy amount for policies filing death claim by the number of/policy amount for policies exposed to risk.
- Number of/policy amount for policies exposed to risk is calculated by the formula as follows:  
(Number of/policy amount for policies in force at the beginning of fiscal year + number of/policy amount for policies in force at the end of fiscal year + the number of/policy amount for policies filing death claim) ÷ 2

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

(‰)

| For the years ended March 31                     |                                | 2023   | 2024   |
|--|--------------------------------|--------|--------|
| Accident death benefit policy                    | In terms of number of policies | 0.12 ‰ | 0.13 ‰ |
|  | In terms of policy amount      | 0.10   | 0.11   |
| Disability benefit policy                        | In terms of number of policies | 0.33   | 0.39   |
|  | In terms of policy amount      | 0.09   | 0.11   |
| Accident hospitalization benefit policy          | In terms of number of policies | 6.33   | 7.31   |
|  | In terms of policy amount      | 0.19   | 0.22   |
| Illness hospitalization benefit policy           | In terms of number of policies | 157.40 | 63.19  |
|  | In terms of policy amount      | 2.90   | 1.36   |
| Lifestyle disease hospitalization benefit policy | In terms of number of policies | –      | –      |
|  | In terms of policy amount      | –      | –      |
| Illness/accident surgery benefit policy          | In terms of number of policies | 41.02  | 47.92  |
| Lifestyle disease surgery benefit policy         | In terms of number of policies | –      | –      |

Notes:

- Ratio of the number of/policy amount for riders filing claim is calculated by dividing the number of/policy amount for riders filing claim by the number of/policy amount for policies exposed to risk.
- Number of/policy amount for policies exposed to risk is calculated by the formula as follows:  
(Number of/policy amount for policies in force at the beginning of fiscal year + number of/policy amount for policies in force at the end of fiscal year + the number of/policy amount for policies filing full-paid rider claim) ÷ 2

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

(%)

| For the year ended March 31, 2023 | For the year ended March 31, 2024 |
|-----------------------------------|-----------------------------------|
| 20.34%                            | 17.77%                            |

**(9) In the Cases Where Insurance Policies are Reinsured, Number of Principal Insurance Companies Accepting Reinsurance**

(Number of companies)

| For the year ended March 31, 2023 | For the year ended March 31, 2024 |
|-----------------------------------|-----------------------------------|
| 5                                 | 6                                 |

Note: This is not applicable to third-sector insurance, in which the accumulation of insurance premium reserves is not required pursuant to Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

**(10) In the Cases Where Insurance Policies are Reinsured, Ratio of Reinsurance Premiums Paid to the Top Five Reinsurers in Terms of the Volume of Reinsurance Premiums Paid, Against Reinsurance Premiums Paid to All Reinsurers Accepting Reinsurance**

(%)

| For the year ended March 31, 2023 | For the year ended March 31, 2024 |
|-----------------------------------|-----------------------------------|
| 100.0%                            | 100.0%                            |

Note: This is not applicable to third-sector insurance, in which the accumulation of insurance premium reserves is not required pursuant to Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

**(11) In the Cases Where Insurance Policies are Reinsured, Ratio of Reinsurance Premiums Paid, of Each Group of Principal Reinsurers Accepting Reinsurance, Where the Grouping is Done Based on Ratings by a Rating Agency**

| Category of credit ratings | For the year ended March 31, 2023 | For the year ended March 31, 2024 |
|----------------------------|-----------------------------------|-----------------------------------|
| A or superior              | 100.0%                            | 100.0%                            |
| BBB or superior            | —                                 | —                                 |
| Other                      | —                                 | —                                 |

Notes:

- The above ratings are based on the ratings provided by S&P (Standard & Poor's) at each fiscal year-end, where "A or superior" represents A- or superior, while "BBB or superior" represents the range from BBB- to less than A-.
- This is not applicable to third-sector insurance, in which the accumulation of insurance premium reserves is not required pursuant to Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

**(12) Amount of Reinsurance Proceeds Yet to be Recovered**

| For the year ended March 31, 2023 | For the year ended March 31, 2024 |
|-----------------------------------|-----------------------------------|
| ¥ 3,667                           | ¥ 3,488                           |

Note: This is not applicable to third-sector insurance, in which the accumulation of insurance premium reserves is not required pursuant to Article 71 of the Ordinance for Enforcement of the Insurance Business Act.

**(13) Ratio of the Insurance Amount Paid Against Earned Premiums by Reason of Benefit or Class of Insurance in Third-Sector Insurance**

| For the years ended March 31                 | 2023  | 2024  |
|--|-------|-------|
| Claim-filing ratio in third-sector insurance | 49.9% | 42.5% |
| Medical (Illness)                            | 45.3  | 36.1  |
| Cancer                                       | —     | —     |
| Nursing care                                 | 102.4 | 98.7  |
| Other  | 75.9  | 78.2  |

**6-4 Accounting Data**

**(1) Reserve for Outstanding Claims**

| As of March 31                                      | 2023     | 2024     |
|---|----------|----------|
| Insurance claims                                    |          |          |
| Death benefits                                      | ¥ 15,402 | ¥ 13,850 |
| Accidental benefits                                 | 3,402    | 2,873    |
| Serious disability benefits                         | 1,186    | 1,795    |
| Maturity benefits                                   | 71,535   | 65,698   |
| Other   | 249,776  | 233,844  |
| Subtotal  | 341,303  | 318,062  |
| Annuity payments                                    | 6,905    | 7,501    |
| Benefits  | 42,601   | 29,571   |
| Surrender benefits                                  | 17,621   | 16,930   |
| Deferred insurance benefits payment                 | —        | —        |
| Net, including other reserve for outstanding claims | 410,387  | 373,913  |

**(2) Policy Reserves**

| As of March 31       | 2023          | 2024          |
|----------------------|---------------|---------------|
| Individual insurance | ¥ 23,492,684  | ¥ 23,095,608  |
| [General account]    | [ 23,492,684] | [ 23,095,608] |
| [Separate account]   | [ —]          | [ —]          |
| Individual annuities | 953,198       | 736,929       |
| [General account]    | [ 953,198]    | [ 736,929]    |
| [Separate account]   | [ —]          | [ —]          |
| Group insurance      | —             | —             |
| [General account]    | [ —]          | [ —]          |
| [Separate account]   | [ —]          | [ —]          |
| Group annuities      | —             | —             |
| [General account]    | [ —]          | [ —]          |
| [Separate account]   | [ —]          | [ —]          |
| Other                | 27,370,459    | 24,954,918    |
| [General account]    | [ 27,370,459] | [ 24,954,918] |
| [Separate account]   | [ —]          | [ —]          |
| Subtotal             | 51,816,342    | 48,787,456    |
| [General account]    | [ 51,816,342] | [ 48,787,456] |
| [Separate account]   | [ —]          | [ —]          |
| Contingency reserve  | 1,701,877     | 1,725,335     |
| Total                | 53,518,219    | 50,512,792    |
| [General account]    | [ 53,518,219] | [ 50,512,792] |
| [Separate account]   | [ —]          | [ —]          |

Note: "Other" includes asset-formation insurance, asset-formation annuities and assumed reinsurance.

**(3) Balance of Policy Reserves**

|                      | Insurance premium reserves | Unearned premiums | Reserve for refunds | Contingency reserve | Total        |
|----------------------|----------------------------|-------------------|---------------------|---------------------|--------------|
| As of March 31, 2023 | ¥ 47,591,714               | ¥ 4,224,628       | ¥ —                 | ¥ 1,701,877         | ¥ 53,518,219 |
| As of March 31, 2024 | 45,309,104                 | 3,478,352         | —                   | 1,725,335           | 50,512,792   |

**(4) Reserving Method, Reserve Ratio and Reserve Balance for Policy Reserves for Individual Insurance and Individual Annuities (by contract year)**

**1) Reserving Method and Reserve Ratio for Policy Reserves**

| As of March 31  | 2023   | 2024   |
|---|--|--|
| Reserving method  |  |  |
| Contracts subject to the standard policy reserves           | The method prescribed by Ordinance No. 48 issued by the Ministry of Finance in 1996 (standard policy reserves) | The method prescribed by Ordinance No. 48 issued by the Ministry of Finance in 1996 (standard policy reserves) |
| Contracts outside the scope of the standard policy reserves | —  | —  |
| Reserve ratio (excluding contingency reserve)               | 100.0%   | 100.0%   |

Notes:

- Individual insurance and individual annuities are subject to the reserving method and the reserve ratio. Asset-formation insurance, asset-formation annuities and receiving reinsurance are not included here, while they are computed based on the net level premium method.
- Reserve ratios here are the ratios against insurance premium reserves and unearned premiums as calculated by the method prescribed by the public notification No. 48 issued by the Ministry of Finance in 1996.

## 2) Balance of Policy Reserves (by contract year)

(Millions of yen)

| Contract year                              | Balance of policy reserves | Assumed rates of return |
|--|----------------------------|-------------------------|
| For the years ended March 31, 2008 to 2011 | ¥ 3,513,742                | 1.00%–1.50%             |
| For the year ended March 31, 2012          | 1,327,002                  | 0.80%–1.50%             |
| For the year ended March 31, 2013          | 1,484,992                  | 0.70%–1.50%             |
| For the year ended March 31, 2014          | 1,771,545                  | 0.70%–1.00%             |
| For the year ended March 31, 2015          | 3,627,540                  | 0.55%–1.00%             |
| For the year ended March 31, 2016          | 3,257,304                  | 0.50%–1.00%             |
| For the year ended March 31, 2017          | 3,565,694                  | 0.50%–1.00%             |
| For the year ended March 31, 2018          | 2,033,166                  | 0.25%                   |
| For the year ended March 31, 2019          | 1,619,357                  | 0.25%                   |
| For the year ended March 31, 2020          | 609,352                    | 0.25%                   |
| For the year ended March 31, 2021          | 95,602                     | 0.25%                   |
| For the year ended March 31, 2022          | 127,525                    | 0.25%                   |
| For the year ended March 31, 2023          | 166,058                    | 0.25%                   |
| For the year ended March 31, 2024          | 633,653                    | 0.25%–0.75%             |

Notes:

- Balance of policy reserves includes policy reserves for individual insurance and individual annuities (excluding policy reserves in the separate account and the contingency reserve).
- Assumed rates of return here refer to the main assumed rates of return applicable to policy reserves by contract year.

## (5) Balance of Policy Reserves in General Account Associated with Insurance Policies Involving a Separate Account with a Guarantee for Minimum Insurance Claims and Others, Their Calculation Methods and the Multiplier Used in Such Calculation

Not applicable as of March 31, 2023 and 2024.

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

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

We carry out the liability adequacy test and stress test as required by laws and regulations in order to ensure a sufficient level of policy reserves.

The scope of the stress test includes the applicable products of Postal Life Insurance.

### 2) Rationality and Adequacy of the Level of Risk Frequency and Others Assumed for the Purpose of the Liability Adequacy Test and Stress Test

For the purpose of assuming risk frequency, we calculate the occurrence rate that covers the fluctuations of payment of hospitalization benefits and others with certain rates of probability (99% and 97.7%) during the next 10 years, based on the historical actual payment, etc. of hospitalization benefits and others.

### 3) Results of the Liability Adequacy Test and Stress Test

We have verified as a result of the stress test that there is no need for an additional provision of contingency reserve or policy reserves for third-sector insurance, as the expected occurrence rate we assumed beforehand adequately covers the risks expected to materialize in the future.

## (7) Reserve for Policyholder Dividends

(Millions of yen)

|  | Individual insurance | Individual annuities | Group insurance | Group annuities | Asset-formation insurance<br>Asset-formation annuities | Other insurance | Total       |
|--|----------------------|----------------------|-----------------|-----------------|--|-----------------|-------------|
| For the year ended March 31, 2023                      |                      |                      |                 |                 |  |                 |             |
| Balance at the beginning of the fiscal year            | ¥ 114,954            | ¥ 1,216              | ¥ –             | ¥ –             | ¥ –  | ¥ 1,143,838     | ¥ 1,260,009 |
| Interest accrual                                       | 9                    | 0                    | –               | –               | –  | –               | 9           |
| Reduction due to policyholder dividends paid           | 12,063               | 18                   | –               | –               | –  | 134,632         | 146,714     |
| Reduction due to the acquisition of additional annuity | –                    | 2                    | –               | –               | –  | 197             | 200         |
| Provision for reserve for policyholder dividends       | 18,386               | 2                    | –               | –               | –  | 43,678          | 62,067      |
| Balance at the end of the fiscal year                  | 121,286              | 1,197                | –               | –               | –  | 1,052,687       | 1,175,171   |
|  | [ 101,873]           | [ 1,194]             | [ –]            | [ –]            | [ –]   | [ –]            | [ 103,068]  |
| For the year ended March 31, 2024                      |                      |                      |                 |                 |  |                 |             |
| Balance at the beginning of the fiscal year            | 121,286              | 1,197                | –               | –               | –  | 1,052,687       | 1,175,171   |
| Interest accrual                                       | 10                   | 0                    | –               | –               | –  | 126             | 137         |
| Reduction due to policyholder dividends paid           | 13,919               | 86                   | –               | –               | –  | 115,457         | 129,463     |
| Reduction due to the acquisition of additional annuity | –                    | 3                    | –               | –               | –  | 112             | 115         |
| Provision for reserve for policyholder dividends       | 9,027                | 5                    | –               | –               | –  | 46,866          | 55,899      |
| Balance at the end of the fiscal year                  | 116,405              | 1,112                | –               | –               | –  | 984,110         | 1,101,628   |
|  | [ 106,411]           | [ 1,105]             | [ –]            | [ –]            | [ –]   | [ –]            | [ 107,516]  |

Note: Figures within brackets “[ ]” are accumulated dividends. Meanwhile, the reserve for policyholder dividends associated with the reinsurance from the Management Network (¥1,052,687 million for the year ended March 31, 2023 and ¥984,110 million for the year ended March 31, 2024) is scheduled to be distributed/paid to the Management Network, based on the reinsurance contract.

## (8) Reserves

(Millions of yen)

| For the years ended March 31               | 2023  |                                       |                            | 2024  |                                       |                            |
|--|---|---------------------------------------|----------------------------|---|---------------------------------------|----------------------------|
|  | Balance at the beginning of the fiscal year | Balance at the end of the fiscal year | Changes in the fiscal year | Balance at the beginning of the fiscal year | Balance at the end of the fiscal year | Changes in the fiscal year |
| General reserve for possible loan losses   | ¥ 32  | ¥ 31                                  | ¥ (1)                      | ¥ 31  | ¥ 31                                  | ¥ 0                        |
| Reserve for Possible Loan Losses           | 347   | 347                                   | 0                          | 347   | 314                                   | (33)                       |
| Specific reserve for possible loan losses  | –   | –                                     | –                          | –   | –                                     | –                          |
| Reserve for specific foreign loans         | –   | –                                     | –                          | –   | –                                     | –                          |
| Reserve for employees' retirement benefits | 70,470                                      | 70,806                                | 336                        | 70,806                                      | 97,157                                | 26,350                     |
| Reserve for management board benefit trust | 230   | 315                                   | 85                         | 315   | 391                                   | 76                         |
| Reserve for price fluctuations             | 972,606                                     | 889,960                               | (82,645)                   | 889,960                                     | 873,799                               | (16,161)                   |

Note: Reason for reserving and its calculation method are omitted here as they are stated in the notes (notes to non-consolidated financial statements).

## (9) Provision for Reserve for Specific Foreign Loans

Not applicable for the years ended March 31, 2023 and 2024.

**(10) Capital Stock, etc.**

(Millions of yen)

|                        |                         | Balance at the beginning of the year ended March 31, 2024 | Increase in the fiscal year | Decrease in the fiscal year | Balance at the end of the year ended March 31, 2024 | Remarks  |
|------------------------|-------------------------|---|-----------------------------|-----------------------------|---|--|
| Capital stock          |                         | ¥ 500,000   | ¥ -                         | ¥ -                         | ¥ 500,000   |  |
| Of which shares issued | [Common stock]          | [399,693 thousand shares]                                 | -                           | [16,501 thousand shares]    | [383,192 thousand shares]                           | Decrease due to the cancellation of treasury stock |
|                        |                         | 500,000   | -                           | -                           | 500,000   |  |
|                        | Total                   | 500,000   | -                           | -                           | 500,000   |  |
| Capital surplus        | [Legal capital surplus] | 405,044   | -                           | -                           | 405,044   |  |
|                        | Total                   | 405,044   | -                           | -                           | 405,044   |  |

**(11) Premiums**

(Millions of yen)

| For the years ended March 31  | 2023        | 2024        |
|-------------------------------|-------------|-------------|
| Individual insurance          | ¥ 1,953,642 | ¥ 2,289,177 |
| (Lump-sum payment)            | -           | 400,754     |
| (Annual payment)              | -           | -           |
| (Semi-annual payment)         | -           | -           |
| (Monthly payment)             | 1,953,642   | 1,888,423   |
| Individual annuities          | 4,859       | 3,950       |
| (Lump-sum payment)            | -           | -           |
| (Annual payment)              | -           | -           |
| (Semi-annual payment)         | -           | -           |
| (Monthly payment)             | 4,859       | 3,950       |
| Group insurance               | -           | -           |
| Group annuities               | -           | -           |
| Net, including other premiums | 2,183,985   | 2,467,931   |

Note: "Net, including other premiums" includes asset-formation insurance, asset-formation annuities and receiving reinsurance.

**• Premiums by Income Year**

(Millions of yen)

| For the years ended March 31  |                                  | 2023      | 2024      |
|-------------------------------|----------------------------------|-----------|-----------|
| Individual insurance          | First-year premiums              | ¥ 60,983  | ¥ 485,110 |
|                               | Premiums for the following years | 1,897,518 | 1,808,017 |
|                               | Subtotal                         | 1,958,502 | 2,293,128 |
| Group insurance               | First-year premiums              | -         | -         |
|                               | Premiums for the following years | -         | -         |
|                               | Subtotal                         | -         | -         |
| Net, including other premiums | First-year premiums              | 61,088    | 485,369   |
|                               | Premiums for the following years | 2,122,896 | 1,982,561 |
|                               | Total                            | 2,183,985 | 2,467,931 |

Note: "Net, including other premiums" includes asset-formation insurance, asset-formation annuities and receiving reinsurance.

**(12) Insurance Claims**

**1) Insurance Claims (amounts)**

(Millions of yen)

|  | Death benefits | Accidental benefits | Serious disability benefits | Maturity benefits | Other     | Total       |
|--|----------------|---------------------|-----------------------------|-------------------|-----------|-------------|
| For the year ended March 31, 2023                    |                |                     |                             |                   |           |             |
| Individual insurance                                 | ¥ 91,782       | ¥ 7,247             | ¥ 2,007                     | ¥ 1,814,036       | ¥ -       | ¥ 1,915,073 |
| Individual annuities                                 | -              | -                   | -                           | -                 | -         | -           |
| Group insurance                                      | -              | -                   | -                           | -                 | -         | -           |
| Group annuities                                      | -              | -                   | -                           | -                 | -         | -           |
| Asset-formation insurance, asset-formation annuities | -              | -                   | -                           | 10                | -         | 10          |
| Other insurance                                      | -              | -                   | -                           | -                 | 2,536,833 | 2,536,833   |
| Total  | 91,782         | 7,247               | 2,007                       | 1,814,046         | 2,536,833 | 4,451,916   |
| For the year ended March 31, 2024                    |                |                     |                             |                   |           |             |
| Individual insurance                                 | 93,113         | 6,325               | 2,620                       | 1,777,530         | -         | 1,879,589   |
| Individual annuities                                 | -              | -                   | -                           | -                 | -         | -           |
| Group insurance                                      | -              | -                   | -                           | -                 | -         | -           |
| Group annuities                                      | -              | -                   | -                           | -                 | -         | -           |
| Asset-formation insurance, asset-formation annuities | -              | -                   | -                           | 6                 | -         | 6           |
| Other insurance                                      | -              | -                   | -                           | -                 | 2,270,173 | 2,270,173   |
| Total  | 93,113         | 6,325               | 2,620                       | 1,777,536         | 2,270,173 | 4,149,769   |

Note: "Other insurance" includes receiving reinsurance.

**2) Insurance Claims (number of benefits)**

(Number of benefits)

|  | Death benefits | Accidental benefits | Serious disability benefits | Maturity benefits | Other            | Total             |
|--|----------------|---------------------|-----------------------------|-------------------|------------------|-------------------|
| For the year ended March 31, 2023                    |                |                     |                             |                   |                  |                   |
| Individual insurance                                 | 40,563         | 3,605               | 765                         | 912,060           | –                | 956,993           |
| Individual annuities                                 | –              | –                   | –                           | –                 | –                | –                 |
| Group insurance                                      | –              | –                   | –                           | –                 | –                | –                 |
| Group annuities                                      | –              | –                   | –                           | –                 | –                | –                 |
| Asset-formation insurance, asset-formation annuities | –              | –                   | –                           | 9                 | –                | 9                 |
| Other insurance                                      | –              | –                   | –                           | –                 | 9,857,421        | 9,857,421         |
| <b>Total</b>   | <b>40,563</b>  | <b>3,605</b>        | <b>765</b>                  | <b>912,069</b>    | <b>9,857,421</b> | <b>10,814,423</b> |
| For the year ended March 31, 2024                    |                |                     |                             |                   |                  |                   |
| Individual insurance                                 | 41,813         | 3,063               | 938                         | 933,659           | –                | 979,473           |
| Individual annuities                                 | –              | –                   | –                           | –                 | –                | –                 |
| Group insurance                                      | –              | –                   | –                           | –                 | –                | –                 |
| Group annuities                                      | –              | –                   | –                           | –                 | –                | –                 |
| Asset-formation insurance, asset-formation annuities | –              | –                   | –                           | 5                 | –                | 5                 |
| Other insurance                                      | –              | –                   | –                           | –                 | 9,018,739        | 9,018,739         |
| <b>Total</b>   | <b>41,813</b>  | <b>3,063</b>        | <b>938</b>                  | <b>933,664</b>    | <b>9,018,739</b> | <b>9,998,217</b>  |

Note: "Other insurance" includes receiving reinsurance.

**(13) Annuities**

(Millions of yen)

| For the year ended March 31, 2023 |                      |                 |                 |  |                 |           |
|-----------------------------------|----------------------|-----------------|-----------------|--|-----------------|-----------|
| Individual insurance              | Individual annuities | Group insurance | Group annuities | Asset-formation insurance, asset-formation annuities | Other insurance | Total     |
| ¥ 119                             | ¥ 268,682            | ¥ –             | ¥ –             | ¥ –  | ¥ –             | ¥ 268,802 |

| For the year ended March 31, 2024 |                      |                 |                 |  |                 |           |
|-----------------------------------|----------------------|-----------------|-----------------|--|-----------------|-----------|
| Individual insurance              | Individual annuities | Group insurance | Group annuities | Asset-formation insurance, asset-formation annuities | Other insurance | Total     |
| ¥ 140                             | ¥ 218,848            | ¥ –             | ¥ –             | ¥ –  | ¥ –             | ¥ 218,989 |

**(14) Benefits**

**1) Benefits (amounts)**

(Millions of yen)

|  | Death benefits | Hospitalization benefits | Surgery benefits | Disability benefits | Living benefits | Other      | Total          |
|--|----------------|--------------------------|------------------|---------------------|-----------------|------------|----------------|
| For the year ended March 31, 2023                    |                |                          |                  |                     |                 |            |                |
| Individual insurance                                 | ¥ 122          | ¥ 83,289                 | ¥ 25,590         | ¥ 1,955             | ¥ 100,044       | ¥ 919      | ¥ 211,922      |
| Individual annuities                                 | –              | 16                       | 6                | 11                  | –               | 0          | 35             |
| Group insurance                                      | –              | –                        | –                | –                   | –               | –          | –              |
| Group annuities                                      | –              | –                        | –                | –                   | –               | –          | –              |
| Asset-formation insurance, asset-formation annuities | –              | –                        | –                | –                   | –               | –          | –              |
| Other insurance                                      | –              | –                        | –                | –                   | –               | –          | –              |
| <b>Total</b>   | <b>122</b>     | <b>83,305</b>            | <b>25,597</b>    | <b>1,966</b>        | <b>100,044</b>  | <b>920</b> | <b>211,958</b> |
| For the year ended March 31, 2024                    |                |                          |                  |                     |                 |            |                |
| Individual insurance                                 | 112            | 39,969                   | 27,440           | 2,258               | 129,968         | 952        | 200,702        |
| Individual annuities                                 | –              | 14                       | 6                | 1                   | –               | 0          | 23             |
| Group insurance                                      | –              | –                        | –                | –                   | –               | –          | –              |
| Group annuities                                      | –              | –                        | –                | –                   | –               | –          | –              |
| Asset-formation insurance, asset-formation annuities | –              | –                        | –                | –                   | –               | –          | –              |
| Other insurance                                      | –              | –                        | –                | –                   | –               | –          | –              |
| <b>Total</b>   | <b>112</b>     | <b>39,983</b>            | <b>27,447</b>    | <b>2,260</b>        | <b>129,968</b>  | <b>953</b> | <b>200,725</b> |

**2) Benefits (number of benefits)**

(Number of benefits)

|  | Death benefits | Hospitalization benefits | Surgery benefits | Disability benefits | Living benefits | Other         | Total            |
|--|----------------|--------------------------|------------------|---------------------|-----------------|---------------|------------------|
| For the year ended March 31, 2023                    |                |                          |                  |                     |                 |               |                  |
| Individual insurance                                 | 92             | 2,081,668                | 396,459          | 2,693               | 313,881         | 16,047        | 2,810,840        |
| Individual annuities                                 | –              | 198                      | 69               | 2                   | –               | 3             | 272              |
| Group insurance                                      | –              | –                        | –                | –                   | –               | –             | –                |
| Group annuities                                      | –              | –                        | –                | –                   | –               | –             | –                |
| Asset-formation insurance, asset-formation annuities | –              | –                        | –                | –                   | –               | –             | –                |
| Other insurance                                      | –              | –                        | –                | –                   | –               | –             | –                |
| <b>Total</b>   | <b>92</b>      | <b>2,081,866</b>         | <b>396,528</b>   | <b>2,695</b>        | <b>313,881</b>  | <b>16,050</b> | <b>2,811,112</b> |
| For the year ended March 31, 2024                    |                |                          |                  |                     |                 |               |                  |
| Individual insurance                                 | 92             | 833,324                  | 436,295          | 3,021               | 362,963         | 16,905        | 1,652,600        |
| Individual annuities                                 | –              | 119                      | 70               | 2                   | –               | 5             | 196              |
| Group insurance                                      | –              | –                        | –                | –                   | –               | –             | –                |
| Group annuities                                      | –              | –                        | –                | –                   | –               | –             | –                |
| Asset-formation insurance, asset-formation annuities | –              | –                        | –                | –                   | –               | –             | –                |
| Other insurance                                      | –              | –                        | –                | –                   | –               | –             | –                |
| <b>Total</b>   | <b>92</b>      | <b>833,443</b>           | <b>436,365</b>   | <b>3,023</b>        | <b>362,963</b>  | <b>16,910</b> | <b>1,652,796</b> |

**(15) Surrender Benefits**

(Millions of yen)

| For the year ended March 31, 2023 |                      |                 |                 |  |                 |           |
|-----------------------------------|----------------------|-----------------|-----------------|--|-----------------|-----------|
| Individual insurance              | Individual annuities | Group insurance | Group annuities | Asset-formation insurance, asset-formation annuities | Other insurance | Total     |
| ¥ 455,403                         | ¥ 2,250              | ¥ –             | ¥ –             | ¥ 1  | ¥ –             | ¥ 457,654 |

| For the year ended March 31, 2024 |                      |                 |                 |  |                 |           |
|-----------------------------------|----------------------|-----------------|-----------------|--|-----------------|-----------|
| Individual insurance              | Individual annuities | Group insurance | Group annuities | Asset-formation insurance, asset-formation annuities | Other insurance | Total     |
| ¥ 437,208                         | ¥ 1,809              | ¥ –             | ¥ –             | ¥ 0  | ¥ –             | ¥ 439,018 |

**(16) Depreciation and Amortization**

(Millions of yen, %)

|                                   | Cost           | Depreciation and amortization in the fiscal year | Accumulated depreciation and amortization | Balance at the end of the fiscal year | Accumulated depreciation percentage |
|-----------------------------------|----------------|--|---|---------------------------------------|-------------------------------------|
| For the year ended March 31, 2023 |                |  |   |                                       |                                     |
| Tangible fixed assets             | ¥ 105,083      | ¥ 7,376  | ¥ 55,790                                  | ¥ 49,293                              | 53.1                                |
| Buildings                         | 63,965         | 2,741  | 28,374                                    | 35,590                                | 44.4                                |
| Leased assets                     | 6,689          | 1,209  | 2,499                                     | 4,189                                 | 37.4                                |
| Other tangible fixed assets       | 34,429         | 3,424  | 24,916                                    | 9,512                                 | 72.4                                |
| Intangible fixed assets           | 579,329        | 33,718   | 481,981                                   | 97,347                                | 83.2                                |
| Others                            | 709            | 30   | 496                                       | 213                                   | 70.0                                |
| <b>Total</b>                      | <b>685,123</b> | <b>41,125</b>                                    | <b>538,269</b>                            | <b>146,853</b>                        | <b>78.6</b>                         |
| For the year ended March 31, 2024 |                |  |   |                                       |                                     |
| Tangible fixed assets             | 121,631        | 7,642  | 61,717                                    | 59,913                                | 50.7                                |
| Buildings                         | 76,100         | 2,764  | 31,115                                    | 44,984                                | 40.9                                |
| Leased assets                     | 7,696          | 1,336  | 2,369                                     | 5,326                                 | 30.8                                |
| Other tangible fixed assets       | 37,834         | 3,541  | 28,232                                    | 9,602                                 | 74.6                                |
| Intangible fixed assets           | 620,306        | 35,287   | 517,104                                   | 103,202                               | 83.4                                |
| Others                            | 709            | 30   | 526                                       | 183                                   | 74.2                                |
| <b>Total</b>                      | <b>742,647</b> | <b>42,959</b>                                    | <b>579,348</b>                            | <b>163,298</b>                        | <b>78.0</b>                         |

Notes:

- "Buildings" includes all buildings, facilities and structures.
- "Intangible fixed assets" includes software in progress.

**(17) Operating Expenses**

(Millions of yen)

| For the years ended March 31    | 2023           | 2024           |
|---------------------------------|----------------|----------------|
| Sales activity expenses         | ¥ 59,980       | ¥ 53,928       |
| Sales administration expenses   | 19,012         | 19,511         |
| General administration expenses | 365,216        | 365,091        |
| <b>Total</b>                    | <b>444,209</b> | <b>438,531</b> |

Note: "General administration expenses" do not include the contributions to the Life Insurance Policyholders Protection Corporation of Japan, pursuant to Article 259 of the Insurance Business Act.

**(18) Taxes**

(Millions of yen)

| For the years ended March 31     | 2023 |               | 2024 |               |
|----------------------------------|------|---------------|------|---------------|
| National taxes                   | ¥    | 21,777        | ¥    | 22,550        |
| Consumption tax                  |      | 20,119        |      | 20,413        |
| Special corporate enterprise tax |      | 1,427         |      | 1,675         |
| Stamp duty                       |      | 220           |      | 264           |
| Registration license tax         |      | 2             |      | 197           |
| Other national taxes             |      | 6             |      | –             |
| Local taxes                      |      | 11,793        |      | 12,929        |
| Local consumption tax            |      | 5,674         |      | 5,757         |
| Enterprise tax                   |      | 4,912         |      | 5,682         |
| Fixed property tax               |      | 777           |      | 765           |
| Real estate acquisition tax      |      | 5             |      | 394           |
| Business office tax              |      | 422           |      | 330           |
| Other local taxes                |      | 0             |      | –             |
| <b>Total</b>                     |      | <b>33,571</b> |      | <b>35,480</b> |

Note: "Fixed property tax" includes city planning tax.

**(19) Lease Transactions**

Lease transactions (as lessee)

[Finance lease transactions without transfer of ownership that apply an accounting treatment equivalent to those for operating lease transactions]

Not applicable for the years ended March 31, 2023 and 2024.

**(20) Borrowings by Maturity Date**

(Millions of yen)

|                                      | Due in 1 year or less | Due after 1 year through 3 years | Due after 3 years through 5 years | Due after 5 years through 7 years | Due after 7 years through 10 years | Due after 10 years or having no maturity date | Total            |
|--------------------------------------|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|------------------------------------|---|------------------|
| <b>As of March 31, 2023</b>          |                       |                                  |                                   |                                   |                                    |   |                  |
| Bonds payable                        | ¥ –                   | ¥ –                              | ¥ –                               | ¥ –                               | ¥ –                                | ¥ 300,000                                     | ¥ 300,000        |
| Payables under repurchase agreements | 3,740,688             | –                                | –                                 | –                                 | –                                  | –   | 3,740,688        |
| <b>Total</b>                         | <b>3,740,688</b>      | <b>–</b>                         | <b>–</b>                          | <b>–</b>                          | <b>–</b>                           | <b>300,000</b>                                | <b>4,040,688</b> |
| <b>As of March 31, 2024</b>          |                       |                                  |                                   |                                   |                                    |   |                  |
| Bonds payable                        | –                     | –                                | –                                 | –                                 | –                                  | 400,000                                       | 400,000          |
| Payables under repurchase agreements | 3,905,000             | –                                | –                                 | –                                 | –                                  | –   | 3,905,000        |
| <b>Total</b>                         | <b>3,905,000</b>      | <b>–</b>                         | <b>–</b>                          | <b>–</b>                          | <b>–</b>                           | <b>400,000</b>                                | <b>4,305,000</b> |

**6-5 Indicators Related to Asset Management (General Account)**

**(1) Portfolio Trends**

**Asset Structure, Increase/Decrease in Assets**

(Millions of yen, %)

| As of March 31                                      | 2023        |            |                   | 2024        |            |                   |
|---|-------------|------------|-------------------|-------------|------------|-------------------|
|   | Amount      | Percentage | Increase/decrease | Amount      | Percentage | Increase/decrease |
| Cash, deposits, call loans                          | ¥ 1,468,483 | 2.3        | ¥ 163,412         | ¥ 1,192,730 | 2.0        | ¥ (275,752)       |
| Receivables under resale agreements                 | 1,384,764   | 2.2        | (735,373)         | 1,047,192   | 1.7        | (337,571)         |
| Receivables under securities borrowing transactions | –           | –          | –                 | –           | –          | –                 |
| Monetary claims bought                              | 47,345      | 0.1        | 7,801             | 25,392      | 0.0        | (21,953)          |
| Trading account securities                          | –           | –          | –                 | –           | –          | –                 |
| Money held in trust                                 | 4,772,321   | 7.6        | 250,408           | 6,271,415   | 10.3       | 1,499,094         |
| Securities  | 49,842,478  | 79.5       | (3,576,086)       | 47,694,597  | 78.4       | (2,147,881)       |
| Corporate and government bonds                      | 44,743,706  | 71.4       | (2,004,240)       | 42,791,946  | 70.3       | (1,951,759)       |
| Domestic stocks                                     | 410,088     | 0.7        | (15,465)          | 558,536     | 0.9        | 148,448           |
| Foreign securities                                  | 2,949,260   | 4.7        | (1,383,259)       | 2,168,841   | 3.6        | (780,419)         |
| Foreign corporate and government bonds              | 2,787,121   | 4.4        | (1,394,405)       | 1,974,510   | 3.2        | (812,611)         |
| Foreign stocks and other securities                 | 162,139     | 0.3        | 11,146            | 194,331     | 0.3        | 32,192            |
| Other securities                                    | 1,739,423   | 2.8        | (173,121)         | 2,175,272   | 3.6        | 435,848           |
| Loans   | 3,605,832   | 5.8        | (646,123)         | 3,281,313   | 5.4        | (324,518)         |
| Policy loans  | 140,355     | 0.2        | (625)             | 149,707     | 0.2        | 9,351             |
| Industrial and commercial loans                     | 916,374     | 1.5        | (49,497)          | 849,174     | 1.4        | (67,200)          |
| Loans to the Management Network                     | 2,549,102   | 4.1        | (596,000)         | 2,282,432   | 3.8        | (266,670)         |
| Real estate   | 78,727      | 0.1        | (1,845)           | 121,642     | 0.2        | 42,914            |
| Investment property                                 | –           | –          | –                 | –           | –          | –                 |
| Deferred tax assets                                 | 1,028,662   | 1.6        | 23,304            | 636,524     | 1.0        | (392,137)         |
| Other   | 456,994     | 0.7        | 24,882            | 586,628     | 1.0        | 129,633           |
| Reserve for possible loan losses                    | (379)       | (0.0)      | 0                 | (346)       | (0.0)      | 32                |
| General account total                               | 62,685,230  | 100.0      | (4,489,618)       | 60,857,090  | 100.0      | (1,828,139)       |
| Foreign-currency-denominated assets                 | 4,343,334   | 6.9        | (1,123,410)       | 4,084,392   | 6.7        | (258,942)         |

Notes:

- "Loans to the Management Network" includes lending to the Management Network (Postal Life Insurance Account).
- "Real estate" is booked as the sum total of land, buildings and construction in progress.



**(2) Yield**

| For the years ended March 31                        | 2023   | 2024  |
|---|--------|-------|
| Cash, deposits and call loans                       | 0.00%  | 0.00% |
| Receivables under resale agreements                 | –      | –     |
| Receivables under securities borrowing transactions | –      | –     |
| Monetary claims bought                              | 0.71   | 0.96  |
| Trading account securities                          | –      | –     |
| Money held in trust                                 | 4.44   | 5.17  |
| Securities  | 1.33   | 1.40  |
| Corporate and government bonds                      | 1.49   | 1.46  |
| Domestic stocks                                     | 6.68   | 6.53  |
| Foreign securities                                  | (0.68) | 0.21  |
| Loans   | 1.81   | 1.78  |
| Industrial and commercial loans                     | 1.06   | 1.06  |
| Real estate   | –      | –     |
| General account total                               | 1.43   | 1.54  |
| Overseas loans and investments                      | 0.29   | 1.88  |

Notes:

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

**(3) Average Balance on Primary Assets**

| For the years ended March 31                        | 2023       | 2024       |
|---|------------|------------|
| Cash, deposits and call loans                       | ¥ 509,049  | ¥ 587,202  |
| Receivables under resale agreements                 | –          | –          |
| Receivables under securities borrowing transactions | –          | –          |
| Monetary claims bought                              | 46,047     | 29,987     |
| Trading account securities                          | –          | –          |
| Money held in trust                                 | 3,387,021  | 3,509,817  |
| Securities  | 51,949,411 | 49,164,676 |
| Corporate and government bonds                      | 46,033,726 | 44,293,675 |
| Domestic stocks                                     | 353,328    | 350,733    |
| Foreign securities                                  | 3,727,944  | 2,499,614  |
| Loans   | 4,067,756  | 3,451,081  |
| Industrial and commercial loans                     | 945,345    | 890,505    |
| Real estate   | 79,766     | 78,154     |
| General account total                               | 63,774,347 | 60,236,877 |
| Overseas loans and investments                      | 5,015,494  | 3,911,242  |

Notes:

1. "General account total" includes assets related to securities trusts.
2. "Real estate" is booked as the sum total of land, buildings and construction in progress.
3. "Overseas loans and investments" is the total of assets denominated in foreign currencies and yen-denominated assets.

**(4) Investment Income**

| For the years ended March 31                 | 2023      | 2024      |
|--|-----------|-----------|
| Interest and dividend income                 | ¥ 950,717 | ¥ 866,469 |
| Gains on trading account securities          | –         | –         |
| Gains on money held in trust                 | 150,378   | 181,439   |
| Gains on trading securities                  | –         | –         |
| Gains on sales of securities                 | 50,567    | 151,153   |
| Gains on redemption of securities            | 498       | 110       |
| Gains on derivative financial instruments    | –         | –         |
| Gains on foreign exchanges                   | 6,814     | 13,579    |
| Reversal of reserve for possible loan losses | 1         | –         |
| Other investment income                      | 44        | 27        |
| Total  | 1,159,020 | 1,212,778 |

**(5) Investment Expenses**

| For the years ended March 31                           | 2023    | 2024    |
|--|---------|---------|
| Interest expenses                                      | ¥ 4,639 | ¥ 4,993 |
| Losses on trading account securities                   | –       | –       |
| Losses on money held in trust                          | –       | –       |
| Losses on trading securities                           | –       | –       |
| Losses on sales of securities                          | 177,296 | 177,704 |
| Losses on valuation of securities                      | 306     | 71      |
| Losses on redemption of securities                     | 1,554   | 240     |
| Losses on derivative financial instruments             | 60,588  | 95,835  |
| Losses on foreign exchanges                            | –       | –       |
| Provision for reserve for possible loan losses         | –       | 0       |
| Write-off loans  | –       | –       |
| Depreciation of real estate for lease and other assets | –       | –       |
| Other investment expenses                              | 2,040   | 3,701   |
| Total  | 246,426 | 282,548 |

**(6) Interest, Dividends and Other Income**

(Millions of yen)

| For the years ended March 31                 | 2023    | 2024    |
|--|---------|---------|
| Interest on deposits                         | ¥ 34    | ¥ 86    |
| Interest and dividends on securities         | 869,716 | 794,962 |
| Interest on corporate and government bonds   | 699,116 | 685,485 |
| Domestic stock dividends                     | 11,221  | 13,101  |
| Interest and dividends on foreign securities | 117,700 | 81,562  |
| Interest on loans                            | 13,385  | 12,954  |
| Interest on loans to the Management Network  | 60,171  | 48,373  |
| Rent revenue from real estate                | –       | –       |
| Net, including other income                  | 950,717 | 866,469 |

**(7) Gains on Sales of Securities**

(Millions of yen)

| For the years ended March 31                      | 2023    | 2024     |
|---|---------|----------|
| Japanese government bonds and other bonds         | ¥ 4,480 | ¥ 22,169 |
| Domestic stocks and other securities              | 18,830  | 14,394   |
| Foreign securities                                | 27,256  | 114,588  |
| Net, including other gains on sales of securities | 50,567  | 151,153  |

**(8) Losses on Sales of Securities**

(Millions of yen)

| For the years ended March 31                       | 2023     | 2024     |
|--|----------|----------|
| Japanese government bonds and other bonds          | ¥ 17,833 | ¥ 57,329 |
| Domestic stocks and other securities               | 6,372    | 4,489    |
| Foreign securities                                 | 120,852  | 115,885  |
| Net, including other losses on sales of securities | 177,296  | 177,704  |

**(9) Losses on Valuation of Securities**

(Millions of yen)

| For the years ended March 31                           | 2023 | 2024 |
|--|------|------|
| Japanese government bonds and other bonds              | ¥ –  | ¥ –  |
| Domestic stocks and other securities                   | –    | –    |
| Foreign securities                                     | –    | –    |
| Other securities                                       | 306  | 71   |
| Net, including other losses on valuation of securities | 306  | 71   |

**(10) Proprietary Trading Securities**

Not applicable as of March 31, 2023 and 2024.

**(11) Proceeds on Sales of Proprietary Trading Securities**

Not applicable as of March 31, 2023 and 2024.

**(12) Securities Composition**

(Millions of yen, %)

| As of March 31                         | 2023         |            | 2024         |            |
|--|--------------|------------|--------------|------------|
|  | Amount       | Percentage | Amount       | Percentage |
| Corporate and government bonds         | ¥ 44,743,706 | 89.8       | ¥ 42,791,946 | 89.7       |
| Japanese government bonds              | 37,114,603   | 74.5       | 36,037,546   | 75.6       |
| Japanese local government bonds        | 3,400,150    | 6.8        | 2,634,528    | 5.5        |
| Japanese corporate bonds               | 4,228,952    | 8.5        | 4,119,871    | 8.6        |
| Public entity bonds                    | 2,345,987    | 4.7        | 2,240,226    | 4.7        |
| Domestic stocks                        | 410,088      | 0.8        | 558,536      | 1.2        |
| Foreign securities                     | 2,949,260    | 5.9        | 2,168,841    | 4.5        |
| Foreign corporate and government bonds | 2,787,121    | 5.6        | 1,974,510    | 4.1        |
| Foreign stocks and other securities    | 162,139      | 0.3        | 194,331      | 0.4        |
| Other securities                       | 1,739,423    | 3.5        | 2,175,272    | 4.6        |
| Total                                  | 49,842,478   | 100.0      | 47,694,597   | 100.0      |

**(13) Securities by Maturity Date**

(Millions of yen)

|  | Due in 1 year or less | Due after 1 year through 3 years | Due after 3 years through 5 years | Due after 5 years through 7 years | Due after 7 years through 10 years | Due after 10 years or having no maturity date | Total              |
|--|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|------------------------------------|---|--------------------|
| <b>As of March 31, 2023</b>            | <b>¥ 2,451,310</b>    | <b>¥ 3,244,152</b>               | <b>¥ 5,076,038</b>                | <b>¥ 6,682,513</b>                | <b>¥ 7,301,203</b>                 | <b>¥25,659,606</b>                            | <b>¥50,414,824</b> |
| <b>Securities</b>                      | <b>1,896,313</b>      | <b>3,244,152</b>                 | <b>5,076,038</b>                  | <b>6,682,513</b>                  | <b>7,301,203</b>                   | <b>25,642,257</b>                             | <b>49,842,478</b>  |
| Japanese government bonds              | 562,309               | 1,943,577                        | 4,165,805                         | 5,222,626                         | 5,883,253                          | 19,337,030                                    | 37,114,603         |
| Japanese local government bonds        | 797,363               | 617,877                          | 140,849                           | 200,836                           | 451,160                            | 1,192,063                                     | 3,400,150          |
| Japanese corporate bonds               | 225,075               | 327,147                          | 314,020                           | 402,588                           | 505,668                            | 2,454,452                                     | 4,228,952          |
| Domestic stocks                        | –                     | –                                | –                                 | –                                 | –                                  | 410,088                                       | 410,088            |
| Foreign securities                     | 311,565               | 355,549                          | 455,363                           | 856,461                           | 461,121                            | 509,199                                       | 2,949,260          |
| Foreign corporate and government bonds | 311,565               | 355,549                          | 455,363                           | 856,461                           | 461,121                            | 347,060                                       | 2,787,121          |
| Foreign stocks and other securities    | –                     | –                                | –                                 | –                                 | –                                  | 162,139                                       | 162,139            |
| Other securities                       | –                     | –                                | –                                 | –                                 | –                                  | 1,739,423                                     | 1,739,423          |
| Monetary claims bought                 | 29,996                | –                                | –                                 | –                                 | –                                  | 17,348  | 47,345             |
| Negotiable certificates of deposit     | 525,000               | –                                | –                                 | –                                 | –                                  | –   | 525,000            |
| Other                                  | –                     | –                                | –                                 | –                                 | –                                  | –   | –                  |
| <b>As of March 31, 2024</b>            | <b>2,181,335</b>      | <b>2,883,572</b>                 | <b>6,783,072</b>                  | <b>5,129,949</b>                  | <b>6,363,387</b>                   | <b>25,048,670</b>                             | <b>48,389,989</b>  |
| <b>Securities</b>                      | <b>1,501,337</b>      | <b>2,883,572</b>                 | <b>6,783,072</b>                  | <b>5,129,949</b>                  | <b>6,363,387</b>                   | <b>25,033,276</b>                             | <b>47,694,597</b>  |
| Japanese government bonds              | 515,686               | 2,412,446                        | 5,627,063                         | 4,356,978                         | 4,941,745                          | 18,183,625                                    | 36,037,546         |
| Japanese local government bonds        | 522,180               | 194,972                          | 170,294                           | 193,045                           | 493,725                            | 1,060,310                                     | 2,634,528          |
| Japanese corporate bonds               | 239,531               | 142,663                          | 449,570                           | 359,210                           | 639,496                            | 2,289,398                                     | 4,119,871          |
| Domestic stocks                        | –                     | –                                | –                                 | –                                 | –                                  | 558,536                                       | 558,536            |
| Foreign securities                     | 223,939               | 133,489                          | 536,144                           | 220,715                           | 288,419                            | 766,133                                       | 2,168,841          |
| Foreign corporate and government bonds | 223,939               | 133,489                          | 536,144                           | 220,715                           | 288,419                            | 571,802                                       | 1,974,510          |
| Foreign stocks and other securities    | –                     | –                                | –                                 | –                                 | –                                  | 194,331                                       | 194,331            |
| Other securities                       | –                     | –                                | –                                 | –                                 | –                                  | 2,175,272                                     | 2,175,272          |
| Monetary claims bought                 | 9,998                 | –                                | –                                 | –                                 | –                                  | 15,393  | 25,392             |
| Negotiable certificates of deposit     | 670,000               | –                                | –                                 | –                                 | –                                  | –   | 670,000            |
| Other                                  | –                     | –                                | –                                 | –                                 | –                                  | –   | –                  |

Note: Includes the handling of securities based on "Accounting Standard for Financial Instruments"(Accounting Standards Board of Japan ("ASBJ") Statement No. 10).

**(14) Bond Term-End Balance Yield**

(%)

| As of March 31                         | 2023  | 2024         |
|--|-------|--------------|
| Corporate and government bonds         | 1.54% | <b>1.56%</b> |
| Foreign corporate and government bonds | 2.93  | <b>3.27</b>  |

**(15) Breakdown of Local Government Bonds by Region**

(Millions of yen)

| As of March 31 | 2023             | 2024             |
|----------------|------------------|------------------|
| Hokkaido       | ¥ 104,851        | <b>¥ 97,163</b>  |
| Tohoku         | 40,991           | <b>27,359</b>    |
| Kanto          | 898,885          | <b>780,819</b>   |
| Chubu          | 485,391          | <b>388,711</b>   |
| Kinki          | 609,411          | <b>581,054</b>   |
| Chugoku        | 150,489          | <b>122,736</b>   |
| Shikoku        | 19,434           | <b>13,869</b>    |
| Kyushu         | 340,322          | <b>293,291</b>   |
| Other          | 750,373          | <b>329,523</b>   |
| <b>Total</b>   | <b>3,400,150</b> | <b>2,634,528</b> |

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

(16) Shareholdings by Industry Sector

(Millions of yen, %)

| As of March 31                                 | 2023           |              | 2024           |              |
|--|----------------|--------------|----------------|--------------|
|  | Amount         | Percentage   | Amount         | Percentage   |
| Fishery, agriculture and forestry              | ¥ –            | –            | ¥ –            | –            |
| Mining   | –              | –            | –              | –            |
| Construction                                   | 12,638         | 3.1          | 24,474         | 4.4          |
| Manufacturing                                  |                |              |                |              |
| Foods  | 11,772         | 2.9          | 9,010          | 1.6          |
| Textiles and apparel                           | 1,928          | 0.5          | –              | –            |
| Pulp and paper                                 | –              | –            | –              | –            |
| Chemicals                                      | 64,531         | 15.7         | 77,283         | 13.8         |
| Pharmaceuticals                                | 26,855         | 6.5          | 27,364         | 4.9          |
| Oil and coal products                          | –              | –            | –              | –            |
| Rubber products                                | –              | –            | –              | –            |
| Glass and ceramic products                     | 11,578         | 2.8          | 11,153         | 2.0          |
| Iron and steel                                 | –              | –            | –              | –            |
| Nonferrous metals                              | 5,169          | 1.3          | 8,415          | 1.5          |
| Metal products                                 | 1,796          | 0.4          | 2,919          | 0.5          |
| Machinery                                      | 29,598         | 7.2          | 41,263         | 7.4          |
| Electric appliances                            | 55,154         | 13.4         | 90,354         | 16.2         |
| Transportation equipment                       | 21,130         | 5.2          | 32,573         | 5.8          |
| Precision instruments                          | 11,486         | 2.8          | 17,438         | 3.1          |
| Other products                                 | 3,144          | 0.8          | 5,793          | 1.0          |
| Electric power and gas                         | –              | –            | –              | –            |
| Transportation, information and communications |                |              |                |              |
| Land transportation                            | 5,959          | 1.5          | 8,333          | 1.5          |
| Marine transportation                          | –              | –            | –              | –            |
| Air transportation                             | –              | –            | –              | –            |
| Warehousing and port transportation services   | –              | –            | –              | –            |
| Information and communications                 | 33,314         | 8.1          | 40,795         | 7.3          |
| Trade and services                             |                |              |                |              |
| Wholesale trade                                | 28,062         | 6.8          | 38,998         | 7.0          |
| Retail trade                                   | 31,436         | 7.7          | 45,172         | 8.1          |
| Finance and insurance                          |                |              |                |              |
| Banking  | 24,386         | 5.9          | 38,081         | 6.8          |
| Securities and trading                         | 495            | 0.1          | 1,295          | 0.2          |
| Insurance                                      | 4,230          | 1.0          | 4,565          | 0.8          |
| Other financial services                       | 2,458          | 0.6          | 2,903          | 0.5          |
| Real estate                                    | 7,230          | 1.8          | 10,452         | 1.9          |
| Services                                       | 15,727         | 3.8          | 19,893         | 3.6          |
| <b>Total</b>                                   | <b>410,088</b> | <b>100.0</b> | <b>558,536</b> | <b>100.0</b> |

Note: Industry sector category is based on the sector classification table of the Securities Identification Code Committee.

(17) Loans

(Millions of yen)

| As of March 31   | 2023             | 2024             |
|--|------------------|------------------|
| Policy loans   | ¥ 140,355        | ¥ 149,707        |
| Policyholder loans   | 140,352          | 149,704          |
| Policy premium loans   | 3                | 2                |
| Industrial and commercial loans  | 3,465,477        | 3,131,606        |
| (Loans to non-residents)   | ( – )            | ( – )            |
| Loans to companies   | 2,690,360        | 2,401,556        |
| (Loans to domestic corporations)   | ( 2,690,360 )    | ( 2,401,556 )    |
| Loans to state, international organizations and government organizations | –                | –                |
| Loans to public bodies and public businesses                             | 775,116          | 730,050          |
| Housing loans  | –                | –                |
| Consumer loans   | –                | –                |
| Other  | –                | –                |
| <b>Total</b>   | <b>3,605,832</b> | <b>3,281,313</b> |

Note: Loans to the Management Network (Postal Life Insurance Account) are recorded as loans to companies, as they are classified into loans to companies in “finance and insurance” in the Loans Questionnaire by Industrial Type in the “Guideline of Entry Statistics Questionnaire” as specified by the Research and Statistics Department, the Bank of Japan.

(18) Loans by Contractual Maturity Date

(Millions of yen)

|   | Due in 1 year or less | Due after 1 year through 3 years | Due after 3 years through 5 years | Due after 5 years through 7 years | Due after 7 years through 10 years | Due after 10 years or having no maturity date | Total            |
|---|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|------------------------------------|---|------------------|
| Total industrial and commercial loans as of March 31, 2023        | ¥ 341,084             | ¥ 1,227,279                      | ¥ 597,365                         | ¥ 435,422                         | ¥ 386,406                          | ¥ 477,919                                     | ¥ 3,465,477      |
| Floating rate loans   | 9,250                 | 5,000                            | –                                 | –                                 | –                                  | –   | 14,250           |
| Fixed rate loans  | 331,834               | 1,222,279                        | 597,365                           | 435,422                           | 386,406                            | 477,919                                       | 3,451,227        |
| <b>Total industrial and commercial loans as of March 31, 2024</b> | <b>759,093</b>        | <b>802,379</b>                   | <b>499,308</b>                    | <b>356,991</b>                    | <b>317,770</b>                     | <b>396,064</b>                                | <b>3,131,606</b> |
| Floating rate loans   | 5,000                 | –                                | –                                 | –                                 | –                                  | –   | 5,000            |
| Fixed rate loans  | 754,093               | 802,379                          | 499,308                           | 356,991                           | 317,770                            | 396,064                                       | 3,126,606        |

Notes:

- “Fixed rate loans” includes loans to the Management Network (Postal Life Insurance Account).
- Among the loans to the Management Network (Postal Life Insurance Account), the legal designated period is accrued as current maturity.

**(19) Loans to Domestic Companies by Company Size**

(Number of borrowers, millions of yen, %)

| As of March 31                    |                     | 2023        |            | 2024        |            |
|-----------------------------------|---------------------|-------------|------------|-------------|------------|
|                                   |                     |             | Percentage |             | Percentage |
| Large companies                   | Number of borrowers | 13          | 43.3       | 8           | 29.6       |
|                                   | Amount of loans     | ¥ 76,090    | 2.8        | ¥ 46,840    | 2.0        |
| Medium-sized companies            | Number of borrowers | –           | –          | –           | –          |
|                                   | Amount of loans     | ¥ –         | –          | ¥ –         | –          |
| Small companies                   | Number of borrowers | 17          | 56.7       | 19          | 70.4       |
|                                   | Amount of loans     | ¥ 2,614,270 | 97.2       | ¥ 2,354,716 | 98.0       |
| Total loans to domestic companies | Number of borrowers | 30          | 100.0      | 27          | 100.0      |
|                                   | Amount of loans     | ¥ 2,690,360 | 100.0      | ¥ 2,401,556 | 100.0      |

Notes:

- Loans to the Management Network (Postal Life Insurance Account) are classified as "small and medium-sized companies" in the "Corporate Guideline of Entry Statistics Questionnaire" as specified by the Research and Statistics Department, the Bank of Japan.
- Classifications are defined as shown below.
- "Number of borrowers" indicates the number of borrowers identified by name and is not the number of loans.

| Industry type          | 1. All industries (excluding 2–4)                              |   | 2. Retail and restaurant                                       |  | 3. Service  |  | 4. Wholesale   |   |
|------------------------|--|---|--|--|---|--|--|---|
|                        |  | Paid-in capital over ¥1 billion                     |  | Paid-in capital over ¥1 billion                      |   | Paid-in capital over ¥1 billion                      |  | Paid-in capital over ¥1 billion                     |
| Large companies        | More than 300 employees  |   | More than 50 employees   |  | More than 100 employees   |  | More than 100 employees  |   |
| Medium-sized companies |  | Paid-in capital between ¥0.3 billion and ¥1 billion |  | Paid-in capital between ¥0.05 billion and ¥1 billion |   | Paid-in capital between ¥0.05 billion and ¥1 billion |  | Paid-in capital between ¥0.1 billion and ¥1 billion |
| Small companies        | Paid-in capital under ¥0.3 billion or fewer than 300 employees |   | Paid-in capital under ¥0.05 billion or fewer than 50 employees |  | Paid-in capital under ¥0.05 billion or fewer than 100 employees |  | Paid-in capital under ¥0.1 billion or fewer than 100 employees |   |

**(20) Breakdown of Loans by Industry**

(Millions of yen, %)

| As of March 31  | 2023      |            | 2024      |            |
|---|-----------|------------|-----------|------------|
|   | Amount    | Percentage | Amount    | Percentage |
| Domestic  |           |            |           |            |
| Manufacturing   | ¥ 12,450  | 0.4        | ¥ –       | –          |
| Foods   | –         | –          | –         | –          |
| Textiles and apparel                                    | –         | –          | –         | –          |
| Wood, wood products                                     | –         | –          | –         | –          |
| Pulp and paper  | 5,450     | 0.2        | –         | –          |
| Printing  | –         | –          | –         | –          |
| Chemicals   | –         | –          | –         | –          |
| Oil and coal products                                   | –         | –          | –         | –          |
| Ceramics, soil and stone                                | 7,000     | 0.2        | –         | –          |
| Iron and steel  | –         | –          | –         | –          |
| Nonferrous metals                                       | –         | –          | –         | –          |
| Metal products  | –         | –          | –         | –          |
| General purpose, production and industrial machinery    | –         | –          | –         | –          |
| Electric appliances                                     | –         | –          | –         | –          |
| Transportation equipment                                | –         | –          | –         | –          |
| Other manufacturing products                            | –         | –          | –         | –          |
| Agriculture and forestry                                | –         | –          | –         | –          |
| Fishery   | –         | –          | –         | –          |
| Mining, quarrying and gravel extraction                 | –         | –          | –         | –          |
| Construction  | –         | –          | –         | –          |
| Electric power, gas, heat supply and waterworks         | 59,455    | 1.7        | 66,696    | 2.1        |
| Information and communications                          | 1,400     | 0.0        | 1,400     | 0.0        |
| Transportation and postal                               | 19,440    | 0.6        | 16,440    | 0.5        |
| Wholesale trade   | 15,000    | 0.4        | 11,000    | 0.4        |
| Retail trade  | –         | –          | –         | –          |
| Financing and insurance                                 | 2,564,102 | 74.0       | 2,290,432 | 73.1       |
| Real estate   | 18,512    | 0.5        | 15,587    | 0.5        |
| Rental  | –         | –          | –         | –          |
| Academic research, specialist and technology services   | –         | –          | –         | –          |
| Lodging   | –         | –          | –         | –          |
| Restaurant  | –         | –          | –         | –          |
| Lifestyle-related services, amusement                   | –         | –          | –         | –          |
| Education and learning support                          | –         | –          | –         | –          |
| Medical and welfare                                     | –         | –          | –         | –          |
| Other services  | –         | –          | –         | –          |
| Local organizations and public entities                 | 775,116   | 22.4       | 730,050   | 23.3       |
| Individuals (residential/consumption/local taxes/other) | –         | –          | –         | –          |
| Total   | 3,465,477 | 100.0      | 3,131,606 | 100.0      |
| Overseas  |           |            |           |            |
| Governments and public entities                         | –         | –          | –         | –          |
| Financial institutions                                  | –         | –          | –         | –          |
| Commerce and industry, etc.                             | –         | –          | –         | –          |
| Total   | –         | –          | –         | –          |
| Total industrial and commercial loans                   | 3,465,477 | 100.0      | 3,131,606 | 100.0      |

Notes:

- Domestic classification is based on the industrial classification of the Bank of Japan's rental payment previous to loans (by industry and loans for equipment rentals).
- Loans to the Management Network (Postal Life Insurance Account) are classified as "financing and insurance" in the Loans Questionnaire by Industrial Type in the "Guideline of Entry Statistics Questionnaire" as specified by the Research and Statistics Department, the Bank of Japan.

**(21) Breakdown of Industrial Loans by Use**

(Millions of yen, %)

| As of March 31      | 2023             |              | 2024             |              |
|---------------------|------------------|--------------|------------------|--------------|
|                     | Amount           | Percentage   | Amount           | Percentage   |
| Capital investments | ¥ 710,641        | 20.5         | ¥ 683,026        | 21.8         |
| Operations          | 2,754,835        | 79.5         | 2,448,579        | 78.2         |
| <b>Total</b>        | <b>3,465,477</b> | <b>100.0</b> | <b>3,131,606</b> | <b>100.0</b> |

Note: Loans to the Management Network (Postal Life Insurance Account) are classified as "operations."

**(22) Breakdown of Loans by Region**

(Millions of yen, %)

| As of March 31 | 2023             |              | 2024             |              |
|----------------|------------------|--------------|------------------|--------------|
|                | Amount           | Percentage   | Amount           | Percentage   |
| Hokkaido       | ¥ 12,274         | 0.4          | ¥ 11,845         | 0.4          |
| Tohoku         | 37,308           | 1.1          | 34,458           | 1.1          |
| Kanto          | 2,902,125        | 83.7         | 2,599,143        | 83.0         |
| Chubu          | 223,970          | 6.5          | 215,156          | 6.9          |
| Kinki          | 154,296          | 4.5          | 145,275          | 4.6          |
| Chugoku        | 39,511           | 1.1          | 37,051           | 1.2          |
| Shikoku        | 5,226            | 0.2          | 4,512            | 0.1          |
| Kyushu         | 90,765           | 2.6          | 84,164           | 2.7          |
| <b>Total</b>   | <b>3,465,477</b> | <b>100.0</b> | <b>3,131,606</b> | <b>100.0</b> |

Notes:

- Loans to individuals, non-residents and for insurance policies are not included.
- Regional classification depends on the location of the borrower's headquarters.
- Loans to the Management Network (Postal Life Insurance Account) are classified under "Kanto," as the Network is located in Tokyo.

**(23) Breakdown of Loans by Collateral**

(Millions of yen, %)

| As of March 31   | 2023      |            | 2024      |            |
|--|-----------|------------|-----------|------------|
|  | Amount    | Percentage | Amount    | Percentage |
| Secured loans  | ¥ 59,768  | 1.7        | ¥ 66,883  | 2.1        |
| Loans secured by securities                                  | —         | —          | —         | —          |
| Loans secured by real estate, movable property or foundation | —         | —          | —         | —          |
| Loans secured by nominative claims                           | 59,768    | 1.7        | 66,883    | 2.1        |
| Guaranteed loans   | 7,040     | 0.2        | 4,040     | 0.1        |
| Credit loans   | 849,566   | 24.5       | 778,250   | 24.9       |
| Other  | 2,549,102 | 73.6       | 2,282,432 | 72.9       |
| Industrial and commercial loans                              | 3,465,477 | 100.0      | 3,131,606 | 100.0      |
| Subordinated loans   | 1,000     | 0.0        | —         | —          |

Note: Loans to the Management Network (Postal Life Insurance Account) are classified as "Other."

**(24) Tangible Fixed Assets**

**1) Tangible Fixed Assets**

(Millions of yen, %)

|  | Balance at the end of the previous fiscal year | Increase in the fiscal year | Decrease in the fiscal year | Depreciation in the fiscal year | Balance at the end of the fiscal year | Accumulated depreciation | Accumulated depreciation percentage |
|--|--|-----------------------------|-----------------------------|---------------------------------|---------------------------------------|--------------------------|-------------------------------------|
| <b>For the year ended March 31, 2023</b> |  |                             |                             |                                 |                                       |                          |                                     |
| Land                                     | ¥ 43,112                                       | ¥ —                         | ¥ —                         | ¥ —                             | ¥ 43,112                              | ¥ —                      | ¥ —                                 |
| Buildings, net                           | 37,027   | 1,333                       | 28                          | 2,741                           | 35,590                                | 28,374                   | 44.4                                |
| Leased assets, net                       | 2,518  | 2,911                       | 30                          | 1,209                           | 4,189                                 | 2,499                    | 37.4                                |
| Construction in progress                 | 432  | 1,925                       | 2,333                       | —                               | 24                                    | —                        | —                                   |
| Others, net                              | 11,074   | 2,032                       | 169                         | 3,424                           | 9,512                                 | 24,916                   | 72.4                                |
| <b>Total</b>                             | <b>94,165</b>                                  | <b>8,203</b>                | <b>2,562</b>                | <b>7,376</b>                    | <b>92,429</b>                         | <b>55,790</b>            | <b>—</b>                            |
| (Includes rentals and other real estate) | —  | —                           | —                           | —                               | —                                     | —                        | —                                   |
| <b>For the year ended March 31, 2024</b> |  |                             |                             |                                 |                                       |                          |                                     |
| Land                                     | 43,112   | 34,038                      | 539                         | —                               | 76,610                                | —                        | —                                   |
| Buildings, net                           | 35,590   | 12,292                      | 135                         | 2,764                           | 44,984                                | 31,115                   | 40.9                                |
| Leased assets, net                       | 4,189  | 2,566                       | 93                          | 1,336                           | 5,326                                 | 2,369                    | 30.8                                |
| Construction in progress                 | 24   | 12,690                      | 12,667                      | —                               | 47                                    | —                        | —                                   |
| Others, net                              | 9,512  | 3,705                       | 74                          | 3,541                           | 9,602                                 | 28,232                   | 74.6                                |
| <b>Total</b>                             | <b>92,429</b>                                  | <b>65,293</b>               | <b>13,509</b>               | <b>7,642</b>                    | <b>136,571</b>                        | <b>61,717</b>            | <b>—</b>                            |
| (Includes rentals and other real estate) | —  | —                           | —                           | —                               | —                                     | —                        | —                                   |

Note: "Buildings, net" includes all buildings, facilities and structures.

**2) Breakdown of Real Estate Holdings by Use**

(Millions of yen, number of buildings)

| As of March 31                       | 2023     | 2024      |
|--------------------------------------|----------|-----------|
| Value of real estate holdings        | ¥ 78,727 | ¥ 121,642 |
| For business operations              | 78,727   | 121,642   |
| For lease                            | —        | —         |
| Number of buildings held for leasing | —        | —         |

Note: "Value of real estate holdings" includes all land, buildings (including facilities and structures) and construction in progress.

**(25) Gains on Disposal of Fixed Assets**

(Millions of yen)

| For the years ended March 31             | 2023     | 2024     |
|--|----------|----------|
| Tangible fixed assets                    | ¥ —      | ¥ —      |
| Land                                     | —        | —        |
| Buildings                                | —        | —        |
| Leased assets                            | —        | —        |
| Other assets                             | —        | —        |
| Intangible fixed assets                  | —        | —        |
| Others                                   | —        | —        |
| <b>Total</b>                             | <b>—</b> | <b>—</b> |
| (Includes rentals and other real estate) | —        | —        |

**(26) Losses on Disposal of Fixed Assets**

(Millions of yen)

| For the years ended March 31           | 2023       | 2024       |
|--|------------|------------|
| Tangible fixed assets                  | ¥ 263      | ¥ 174      |
| Land                                   | –          | –          |
| Buildings                              | 63         | 42         |
| Leased assets                          | 30         | 93         |
| Other assets                           | 169        | 38         |
| Intangible fixed assets                | 55         | 16         |
| Others                                 | –          | –          |
| <b>Total</b>                           | <b>318</b> | <b>190</b> |
| Includes rentals and other real estate | –          | –          |

**(27) Depreciation on Real Estate, Movable and Other Assets Held for Leasing**

Not applicable for the years ended March 31, 2023 and 2024.

**(28) Overseas Loans and Investments**

**1) Breakdown by Asset Composition**

(Millions of yen, %)

| As of March 31   |   | 2023             |              | 2024             |              |
|--|---|------------------|--------------|------------------|--------------|
|  |   | Amount           | Percentage   | Amount           | Percentage   |
| Foreign-currency-denominated assets                      | Corporate and government bonds                          | ¥ 2,679,595      | 56.0         | ¥ 1,865,943      | 40.9         |
|  | Stocks  | 534,515          | 11.2         | 766,205          | 16.8         |
|  | Cash and cash equivalents                               | 1,129,224        | 23.6         | 1,452,243        | 31.9         |
|  | Subtotal  | 4,343,334        | 90.8         | 4,084,392        | 89.6         |
| Foreign-currency-denominated assets with fixed yen value | Corporate and government bonds                          | –                | –            | –                | –            |
|  | Cash and cash equivalents                               | –                | –            | –                | –            |
|  | Subtotal  | –                | –            | –                | –            |
| Yen-denominated assets                                   | Loans to non-residents                                  | –                | –            | –                | –            |
|  | Foreign corporate and government bonds and other assets | 442,290          | 9.2          | 475,125          | 10.4         |
|  | Subtotal  | 442,290          | 9.2          | 475,125          | 10.4         |
| <b>Net overseas loans and investments</b>                |   | <b>4,785,625</b> | <b>100.0</b> | <b>4,559,518</b> | <b>100.0</b> |

Note: "Foreign-currency-denominated assets with fixed yen value" is recorded under assets on the balance sheets as the fixed yen value that was determined at settlement with foreign exchange forward contracts.

**2) Overseas Loans and Investments by Geographic Area**

(Millions of yen, %)

|                            | Foreign securities             |            |                             |            |             |            | Loans to non-residents |            |
|----------------------------|--------------------------------|------------|-----------------------------|------------|-------------|------------|------------------------|------------|
|                            | Corporate and government bonds |            | Stocks and other securities |            | Amount      | Percentage | Amount                 | Percentage |
|                            | Amount                         | Percentage | Amount                      | Percentage | Amount      | Percentage | Amount                 | Percentage |
| As of March 31, 2023       | ¥ 4,654,311                    | 100.0      | ¥ 2,787,121                 | 100.0      | ¥ 1,867,189 | 100.0      | –                      | –          |
| North America              | 2,220,028                      | 47.7       | 1,720,456                   | 61.7       | 499,572     | 26.8       | –                      | –          |
| Europe                     | 518,467                        | 11.1       | 443,603                     | 15.9       | 74,864      | 4.0        | –                      | –          |
| Oceania                    | 80,779                         | 1.7        | 80,779                      | 2.9        | –           | –          | –                      | –          |
| Asia                       | 82,383                         | 1.8        | 82,383                      | 3.0        | –           | –          | –                      | –          |
| Central and South America  | 1,336,661                      | 28.7       | 43,908                      | 1.6        | 1,292,753   | 69.2       | –                      | –          |
| Middle East                | –                              | –          | –                           | –          | –           | –          | –                      | –          |
| Africa                     | –                              | –          | –                           | –          | –           | –          | –                      | –          |
| International organization | 415,989                        | 8.9        | 415,989                     | 14.9       | –           | –          | –                      | –          |
| As of March 31, 2024       | 4,405,730                      | 100.0      | 1,974,510                   | 100.0      | 2,431,220   | 100.0      | –                      | –          |
| North America              | 1,890,957                      | 42.9       | 1,192,421                   | 60.4       | 698,536     | 28.7       | –                      | –          |
| Europe                     | 421,798                        | 9.6        | 331,300                     | 16.8       | 90,497      | 3.7        | –                      | –          |
| Oceania                    | 87,202                         | 2.0        | 87,202                      | 4.4        | –           | –          | –                      | –          |
| Asia                       | 105,826                        | 2.4        | 105,826                     | 5.4        | –           | –          | –                      | –          |
| Central and South America  | 1,686,143                      | 38.3       | 43,957                      | 2.2        | 1,642,186   | 67.5       | –                      | –          |
| Middle East                | –                              | –          | –                           | –          | –           | –          | –                      | –          |
| Africa                     | –                              | –          | –                           | –          | –           | –          | –                      | –          |
| International organization | 213,801                        | 4.9        | 213,801                     | 10.8       | –           | –          | –                      | –          |

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

(Millions of yen, %)

| As of March 31     | 2023             |              | 2024             |              |
|--------------------|------------------|--------------|------------------|--------------|
|                    | Amount           | Percentage   | Amount           | Percentage   |
| U.S. dollar        | ¥ 3,230,768      | 74.4         | ¥ 3,282,958      | 80.4         |
| Euro               | 359,554          | 8.3          | 384,342          | 9.4          |
| Australian dollar  | 398,631          | 9.2          | 241,597          | 5.9          |
| New Zealand dollar | 95,015           | 2.2          | 91,667           | 2.2          |
| Canadian dollar    | 63,962           | 1.5          | 40,424           | 1.0          |
| Singapore dollar   | 36,504           | 0.8          | 26,809           | 0.7          |
| British pound      | 15,316           | 0.4          | 16,592           | 0.4          |
| Swedish krona      | 88,580           | 2.0          | –                | –            |
| Polish zloty       | 55,001           | 1.3          | –                | –            |
| <b>Total</b>       | <b>4,343,334</b> | <b>100.0</b> | <b>4,084,392</b> | <b>100.0</b> |

**(29) Yield on Overseas Loans and Investments**

| (%)                                     |       |       |
|---|-------|-------|
| For the years ended March 31            | 2023  | 2024  |
| Yield on overseas loans and investments | 0.29% | 1.88% |

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

| (Millions of yen)            |                                 |       |      |
|------------------------------|---------------------------------|-------|------|
| For the years ended March 31 |                                 | 2023  | 2024 |
| Public bonds                 | Japanese government bonds       | ¥ -   | ¥ -  |
|                              | Japanese local government bonds | -     | -    |
|                              | Public entity bonds             | -     | -    |
|                              | Subtotal                        | -     | -    |
| Loans                        | Government organizations        | -     | -    |
|                              | Public entities                 | 1,000 | -    |
|                              | Subtotal                        | 1,000 | -    |
| Total                        |                                 | 1,000 | -    |

**(31) Loan Interest Rates**

Not applicable for the years ended March 31, 2023 and 2024.

**(32) Other Assets**

| (Millions of yen)                 |         |   |                             |                             |   |                                       |         |
|-----------------------------------|---------|---|-----------------------------|-----------------------------|---|---------------------------------------|---------|
| Asset class                       | Cost    | Balance at the beginning of the fiscal year | Increase in the fiscal year | Decrease in the fiscal year | Accumulated depreciation and amortization | Balance at the end of the fiscal year | Remarks |
| For the year ended March 31, 2023 |         |   |                             |                             |   |                                       |         |
| Other                             | ¥ 1,520 | ¥ 2,552                                     | ¥ 33,118                    | ¥ 34,150                    | ¥ -                                       | ¥ 1,520                               |         |
| Total                             | 1,520   | 2,552                                       | 33,118                      | 34,150                      | -   | 1,520                                 |         |
| For the year ended March 31, 2024 |         |   |                             |                             |   |                                       |         |
| Other                             | 6,338   | 1,520                                       | 114,954                     | 110,136                     | -   | 6,338                                 |         |
| Total                             | 6,338   | 1,520                                       | 114,954                     | 110,136                     | -   | 6,338                                 |         |

**6-6 Fair Value Information of Securities (General Account)**

**(1) Fair Value of Securities**

**1) Net Valuation Gain/Loss of Trading Securities**

Japan Post Insurance did not hold securities for trading as of March 31, 2023 and 2024.

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

| (Millions of yen)                       |              |              |                               |             |           |            |            |                               |           |           |
|---|--------------|--------------|-------------------------------|-------------|-----------|------------|------------|-------------------------------|-----------|-----------|
| As of March 31                          | 2023         |              |                               |             |           | 2024       |            |                               |           |           |
|   | Book value   | Fair value   | Net unrealized gains (losses) |             |           | Book value | Fair value | Net unrealized gains (losses) |           |           |
|   |              |              | Gains                         | Losses      | Gains     |            |            | Losses                        |           |           |
| Held-to-maturity bonds                  | ¥ 32,935,527 | ¥ 35,502,364 | ¥ 2,566,836                   | ¥ 3,130,570 | ¥ 563,734 | 32,343,114 | 33,401,975 | 1,058,860                     | 2,097,052 | 1,038,191 |
| Policy-reserve-matching bonds           | 8,075,012    | 8,237,638    | 162,626                       | 447,691     | 285,064   | 7,139,629  | 6,954,091  | (185,537)                     | 278,170   | 463,708   |
| Equities of subsidiaries and affiliates | -            | -            | -                             | -           | -         | -          | -          | -                             | -         | -         |
| Available-for-sale securities           | 12,776,750   | 13,873,347   | 1,096,597                     | 1,638,603   | 542,006   | 12,353,736 | 14,800,291 | 2,446,554                     | 2,950,739 | 504,184   |
| Corporate and government bonds          | 3,878,732    | 3,733,166    | (145,565)                     | 11,530      | 157,095   | 3,560,198  | 3,329,202  | (230,996)                     | 6,688     | 237,685   |
| Domestic stocks                         | 1,800,873    | 2,596,724    | 795,850                       | 832,041     | 36,190    | 1,842,609  | 3,578,396  | 1,735,787                     | 1,750,959 | 15,171    |
| Foreign securities                      | 4,101,245    | 4,654,311    | 553,065                       | 725,222     | 172,156   | 3,399,190  | 4,361,735  | 962,545                       | 1,050,457 | 87,911    |
| Foreign corporate and government bonds  | 2,801,828    | 2,787,121    | (14,706)                      | 155,222     | 169,928   | 1,932,785  | 1,954,510  | 21,725                        | 109,614   | 87,888    |
| Foreign stocks and other securities     | 1,299,417    | 1,867,189    | 567,772                       | 569,999     | 2,227     | 1,466,405  | 2,407,225  | 940,820                       | 940,842   | 22        |
| Other securities                        | 2,424,310    | 2,316,799    | (107,510)                     | 69,053      | 176,564   | 2,856,830  | 2,835,563  | (21,266)                      | 142,149   | 163,416   |
| Monetary claims bought                  | 46,588       | 47,345       | 757                           | 757         | -         | 24,907     | 25,392     | 484                           | 484       | -         |
| Negotiable certificates of deposit      | 525,000      | 525,000      | -                             | -           | -         | 670,000    | 670,000    | -                             | -         | -         |
| Other                                   | -            | -            | -                             | -           | -         | -          | -          | -                             | -         | -         |
| Total                                   | 53,787,289   | 57,613,350   | 3,826,060                     | 5,216,865   | 1,390,805 | 51,836,480 | 55,156,357 | 3,319,876                     | 5,325,962 | 2,006,085 |
| Corporate and government bonds          | 44,889,271   | 47,473,169   | 2,583,897                     | 3,589,792   | 1,005,894 | 43,022,942 | 43,665,713 | 642,770                       | 2,381,911 | 1,739,141 |
| Domestic stocks                         | 1,800,873    | 2,596,724    | 795,850                       | 832,041     | 36,190    | 1,842,609  | 3,578,396  | 1,735,787                     | 1,750,959 | 15,171    |
| Foreign securities                      | 4,101,245    | 4,654,311    | 553,065                       | 725,222     | 172,156   | 3,419,190  | 4,381,291  | 962,101                       | 1,050,457 | 88,355    |
| Foreign corporate and government bonds  | 2,801,828    | 2,787,121    | (14,706)                      | 155,222     | 169,928   | 1,952,785  | 1,974,065  | 21,280                        | 109,614   | 88,333    |
| Foreign stocks and other securities     | 1,299,417    | 1,867,189    | 567,772                       | 569,999     | 2,227     | 1,466,405  | 2,407,225  | 940,820                       | 940,842   | 22        |
| Other securities                        | 2,424,310    | 2,316,799    | (107,510)                     | 69,053      | 176,564   | 2,856,830  | 2,835,563  | (21,266)                      | 142,149   | 163,416   |
| Monetary claims bought                  | 46,588       | 47,345       | 757                           | 757         | -         | 24,907     | 25,392     | 484                           | 484       | -         |
| Negotiable certificates of deposit      | 525,000      | 525,000      | -                             | -           | -         | 670,000    | 670,000    | -                             | -         | -         |
| Other                                   | -            | -            | -                             | -           | -         | -          | -          | -                             | -         | -         |

Notes:

- This table includes the handling of securities under the Financial Instruments and Exchange Act, etc.
- This table includes money held in trust other than trading securities and its book value was ¥3,484,362 million with net unrealized gains (losses) of ¥2,515,569 million as of March 31, 2024 and ¥3,231,805 million with net unrealized gains (losses) of ¥1,295,241 million as of March 31, 2023.
- This table excludes stocks, etc. with no market price and investments in partnerships, etc.



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

(Millions of yen)

| As of March 31                          | 2023           | 2024           |
|---|----------------|----------------|
| Equities of subsidiaries and affiliates | ¥ 53,724       | ¥ 78,631       |
| Available-for-sale securities           | 102,639        | 137,627        |
| Domestic stocks                         | 4,239          | 4,259          |
| Foreign stocks                          | –              | 23,197         |
| Other                                   | 98,399         | 110,170        |
| <b>Total</b>                            | <b>156,363</b> | <b>216,258</b> |

Notes:

1. This table includes money held in trust other than trading securities (¥98,399 million as of March 31, 2023 and ¥110,170 million as of March 31, 2024).

**(2) Fair Value of Money Held in Trust**

(Millions of yen)

| As of March 31      | 2023                 |            |                               |        |       | 2024                 |            |                               |     |     |
|---------------------|----------------------|------------|-------------------------------|--------|-------|----------------------|------------|-------------------------------|-----|-----|
|                     | Balance sheet amount | Fair value | Net unrealized gains (losses) |        |       | Balance sheet amount | Fair value | Net unrealized gains (losses) |     |     |
|                     |                      |            | Gains                         | Losses | Gains |                      |            | Losses                        |     |     |
| Money held in trust | ¥4,672,032           | ¥4,672,032 | ¥ –                           | ¥ –    | ¥ –   | ¥6,158,055           | ¥6,158,055 | ¥ –                           | ¥ – | ¥ – |

Note: Excluding money held in trust not subject to fair value disclosure (¥100,288 million as of March 31, 2023 and ¥113,360 million as of March 31, 2024).

**1) Money Held in Trust for Trading Purposes**

The Company did not hold money held in trust for trading purposes as of March 31, 2023 and 2024.

**2) Assets Held-to-Maturity in Trust/Assets Held for Reserves in Trust/Other Money Held in Trust**

(Millions of yen)

| As of March 31                    | 2023       |            |                               |           |        | 2024       |            |                               |           |        |
|-----------------------------------|------------|------------|-------------------------------|-----------|--------|------------|------------|-------------------------------|-----------|--------|
|                                   | Book value | Fair value | Net unrealized gains (losses) |           |        | Book value | Fair value | Net unrealized gains (losses) |           |        |
|                                   |            |            | Gains                         | Losses    | Gains  |            |            | Losses                        |           |        |
| Assets held-to-maturity in trust  | ¥ –        | ¥ –        | ¥ –                           | ¥ –       | ¥ –    | ¥ –        | ¥ –        | ¥ –                           | ¥ –       | ¥ –    |
| Assets held for reserves in trust | –          | –          | –                             | –         | –      | –          | –          | –                             | –         | –      |
| Other money held in trust         | 3,376,790  | 4,672,032  | 1,295,241                     | 1,364,388 | 69,147 | 3,642,486  | 6,158,055  | 2,515,569                     | 2,553,934 | 38,365 |
| Domestic stocks                   | 1,470,785  | 2,199,142  | 728,356                       | 757,497   | 29,140 | 1,497,635  | 3,032,366  | 1,534,730                     | 1,547,510 | 12,779 |
| Foreign stocks                    | 275,471    | 534,515    | 259,043                       | 259,043   | –      | 285,216    | 742,211    | 456,995                       | 456,995   | –      |
| Foreign bonds                     | 643,194    | 673,286    | 30,092                        | 64,204    | 34,111 | 687,182    | 795,422    | 108,239                       | 130,157   | 21,917 |
| Other                             | 987,339    | 1,265,088  | 277,748                       | 283,643   | 5,895  | 1,172,451  | 1,588,056  | 415,604                       | 419,272   | 3,668  |

Notes:

1. Excluding other money held in trust not subject to fair value disclosure (¥100,288 million as of March 31, 2023 and ¥113,360 million as of March 31, 2024).

2. “Domestic stocks,” “Foreign stocks” and “Foreign bonds” include individual stocks and bonds as well as mutual funds which exclusively invest in these assets

3. “Other” includes cash and deposits, bank loans, and alternative investment.

Due to the application of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” from the fiscal year ended March 31, 2023, mutual funds with no transaction price on the market are measured by assuming net asset value as the fair value.

**3) Balances of Securities in Money Held in Trust**

(Millions of yen)

|  | Due in 1 year or less | Due after 1 year through 3 years | Due after 3 years through 5 years | Due after 5 years through 7 years | Due after 7 years through 10 years | Due after 10 years or having no maturity date | Total     |
|--|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|------------------------------------|---|-----------|
| <b>As of March 31, 2023</b>            |                       |                                  |                                   |                                   |                                    |   |           |
| Domestic stocks                        |                       |                                  |                                   |                                   |                                    | ¥ 2,199,142                                   |           |
| Foreign securities                     |                       |                                  |                                   |                                   |                                    | 1,705,050                                     |           |
| Foreign corporate and government bonds |                       |                                  |                                   |                                   |                                    | –   |           |
| Foreign stocks and other securities    |                       |                                  |                                   |                                   |                                    | 1,705,050                                     |           |
| Other securities                       |                       |                                  |                                   |                                   |                                    | 721,253                                       | 4,625,446 |
| <b>As of March 31, 2024</b>            |                       |                                  |                                   |                                   |                                    |   |           |
| Domestic stocks                        |                       |                                  |                                   |                                   |                                    | 3,032,366                                     |           |
| Foreign securities                     |                       |                                  |                                   |                                   |                                    | 2,236,889                                     |           |
| Foreign corporate and government bonds |                       |                                  |                                   |                                   |                                    | –   |           |
| Foreign stocks and other securities    |                       |                                  |                                   |                                   |                                    | 2,236,889                                     |           |
| Other securities                       |                       |                                  |                                   |                                   |                                    | 840,846                                       | 6,110,101 |

Note: Including money held in trust not subject to fair value disclosure.

**4) Currency Composition of Money Held in Trust**

(Millions of yen, %)

| As of March 31 | 2023             |              | 2024             |              |
|----------------|------------------|--------------|------------------|--------------|
|                | Amount           | Percentage   | Amount           | Percentage   |
| Japanese yen   | ¥ 2,963,117      | 64.1         | ¥ 3,921,702      | 64.2         |
| U.S. dollar    | 1,509,362        | 32.6         | 1,993,254        | 32.6         |
| Euro           | 144,615          | 3.1          | 184,689          | 3.0          |
| Others         | 8,350            | 0.2          | 10,455           | 0.2          |
| <b>Total</b>   | <b>4,625,446</b> | <b>100.0</b> | <b>6,110,101</b> | <b>100.0</b> |

Note: Includes money held in trust not subject to fair value disclosure. Excluding cash and deposits.

5) Industry Composition of Japanese Stocks of Money Held in Trust

(Millions of yen, %)

| As of March 31                                 | 2023             |              | 2024             |              |
|--|------------------|--------------|------------------|--------------|
|  | Fair value       | Percentage   | Fair value       | Percentage   |
| Fishery, agriculture and forestry              | ¥ 1,834          | 0.1          | ¥ 2,347          | 0.1          |
| Mining   | 5,892            | 0.3          | 9,603            | 0.3          |
| Construction                                   | 68,578           | 3.1          | 93,614           | 3.1          |
| Manufacturing                                  |                  |              |                  |              |
| Foods  | 90,972           | 4.1          | 105,656          | 3.5          |
| Textiles and apparel                           | 9,637            | 0.4          | 10,277           | 0.3          |
| Pulp and paper                                 | 3,481            | 0.2          | 4,737            | 0.2          |
| Chemicals                                      | 143,450          | 6.5          | 176,739          | 5.8          |
| Pharmaceuticals                                | 107,263          | 4.9          | 126,959          | 4.2          |
| Oil and coal products                          | 8,519            | 0.4          | 14,057           | 0.5          |
| Rubber products                                | 14,467           | 0.7          | 19,315           | 0.6          |
| Glass and ceramic products                     | 18,033           | 0.8          | 21,105           | 0.7          |
| Iron and steel                                 | 18,143           | 0.8          | 25,001           | 0.8          |
| Nonferrous metals                              | 19,917           | 0.9          | 22,742           | 0.8          |
| Metal products                                 | 10,845           | 0.5          | 17,316           | 0.6          |
| Machinery                                      | 106,764          | 4.9          | 169,184          | 5.6          |
| Electric appliances                            | 373,533          | 17.0         | 490,844          | 16.2         |
| Transportation equipment                       | 178,402          | 8.1          | 279,269          | 9.2          |
| Precision instruments                          | 50,065           | 2.3          | 62,892           | 2.1          |
| Other products                                 | 55,479           | 2.5          | 79,916           | 2.6          |
| Electric power and gas                         | 15,675           | 0.7          | 24,491           | 0.8          |
| Transportation, information and communications |                  |              |                  |              |
| Land transportation                            | 57,250           | 2.6          | 65,113           | 2.1          |
| Marine transportation                          | 16,426           | 0.7          | 35,213           | 1.2          |
| Air transportation                             | 8,322            | 0.4          | 9,853            | 0.3          |
| Warehousing and port transportation services   | 3,289            | 0.1          | 4,013            | 0.1          |
| Information and communications                 | 213,657          | 9.7          | 257,869          | 8.5          |
| Trade and services                             |                  |              |                  |              |
| Wholesale trade                                | 160,635          | 7.3          | 246,090          | 8.1          |
| Retail trade                                   | 85,033           | 3.9          | 112,732          | 3.7          |
| Finance and insurance                          |                  |              |                  |              |
| Banking  | 115,538          | 5.3          | 193,437          | 6.4          |
| Securities and trading                         | 13,764           | 0.6          | 25,120           | 0.8          |
| Insurance                                      | 71,796           | 3.3          | 119,234          | 3.9          |
| Other financial services                       | 22,584           | 1.0          | 35,708           | 1.2          |
| Real estate                                    | 37,753           | 1.7          | 60,588           | 2.0          |
| Services                                       | 92,132           | 4.2          | 111,317          | 3.7          |
| <b>Total</b>                                   | <b>2,199,142</b> | <b>100.0</b> | <b>3,032,366</b> | <b>100.0</b> |

(3) Combined Fair Value of Derivative Transactions (with or without Hedge Accounting)

(i) Breakdown of gains (losses) (breakdown of portions with hedge accounting applied and not applied)

(Millions of yen)

|   | (ii) Interest rate related | (iii) Currency related | (iv) Stock related | (v) Bond related | (vi) Others | Total           |
|---|----------------------------|------------------------|--------------------|------------------|-------------|-----------------|
| As of March 31, 2023                      | ¥ 6,399                    | ¥ 4,986                | ¥ -                | ¥ -              | ¥ -         | ¥ 11,385        |
| Portion with hedge accounting applied     | 6,399                      | 5,168                  | -                  | -                | -           | 11,568          |
| Portion with hedge accounting not applied | -                          | (182)                  | -                  | -                | -           | (182)           |
| <b>As of March 31, 2024</b>               | <b>(5,814)</b>             | <b>(38,819)</b>        | <b>-</b>           | <b>-</b>         | <b>-</b>    | <b>(44,634)</b> |
| Portion with hedge accounting applied     | (5,814)                    | (37,722)               | -                  | -                | -           | (43,537)        |
| Portion with hedge accounting not applied | -                          | (1,097)                | -                  | -                | -           | (1,097)         |

Notes:

- Net unrealized gains (losses) on the portion subject to the fair value hedge method (currency related ¥5,168 million) of the portion with hedge accounting applied, and those on the portion with hedge accounting not applied as of March 31, 2023 are accrued in the statement of income.
- Net unrealized gains (losses) on the portion subject to the fair value hedge method (currency related ¥(37,722) million) of the portion with hedge accounting applied, and those on the portion with hedge accounting not applied as of March 31, 2024, are accrued in the statement of income.

(ii) Interest rate related

(Millions of yen)

| Category         | As of March 31<br>Type                        | 2023                                      |            |                               | 2024                                      |            |                               |
|------------------|---|---|------------|-------------------------------|---|------------|-------------------------------|
|                  |   | Contract amount, etc.<br>Due after 1 year | Fair value | Net unrealized gains (losses) | Contract amount, etc.<br>Due after 1 year | Fair value | Net unrealized gains (losses) |
| Over-the-counter | Interest rate swaps                           |   |            |                               |   |            |                               |
|                  | Receivable fixed rate / Payable floating rate | ¥100,000                                  | ¥ 6,399    | ¥ 6,399                       | ¥250,000                                  | ¥ (5,814)  | ¥ (5,814)                     |
|                  | <b>Total</b>                                  |   |            | 6,399                         |   |            | (5,814)                       |

Note: "Net unrealized gains (losses)" are represented by the fair value (present value) of swap transactions.

(Reference) Interest Rate Swaps by Maturity Date

(Millions of yen, %)

| Category  | Due in 1 year or less | Due after 1 year through 3 years | Due after 3 years through 5 years | Due after 5 years through 7 years | Due after 7 years through 10 years | Due after 10 years | Total     |
|---|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|------------------------------------|--------------------|-----------|
|   | As of March 31, 2023  |                                  |                                   |                                   |                                    |                    |           |
| Notional principal of swaps for receivable fixed rate | ¥ -                   | ¥ -                              | ¥ -                               | ¥ -                               | ¥ -                                | ¥ 100,000          | ¥ 100,000 |
| Average receivable fixed rate                         | -                     | -                                | -                                 | -                                 | -                                  | 1.27               | 1.27      |
| Average payable floating rate                         | -                     | -                                | -                                 | -                                 | -                                  | (0.02)             | (0.02)    |
| <b>Total</b>  | -                     | -                                | -                                 | -                                 | -                                  | 100,000            | 100,000   |
| As of March 31, 2024                                  |                       |                                  |                                   |                                   |                                    |                    |           |
| Notional principal of swaps for receivable fixed rate | -                     | -                                | -                                 | -                                 | -                                  | 250,000            | 250,000   |
| Average receivable fixed rate                         | -                     | -                                | -                                 | -                                 | -                                  | 1.28               | 1.28      |
| Average payable floating rate                         | -                     | -                                | -                                 | -                                 | -                                  | 0.00               | 0.00      |
| <b>Total</b>  | -                     | -                                | -                                 | -                                 | -                                  | 250,000            | 250,000   |

(iii) Currency related

(Millions of yen)

| Category         | As of March 31                     | 2023                  |            |               | 2024                  |            |               |            |            |
|------------------|------------------------------------|-----------------------|------------|---------------|-----------------------|------------|---------------|------------|------------|
|                  | Type                               | Contract amount, etc. | Fair value | Net gain/loss | Contract amount, etc. | Fair value | Net gain/loss |            |            |
|                  |                                    | Over one year         |            |               | Over one year         |            |               |            |            |
| Over-the-counter | Foreign exchange forward contracts |                       |            |               |                       |            |               |            |            |
|                  | Sold                               | ¥1,899,761            | ¥ -        | ¥ 4,986       | ¥ 4,986               | ¥1,411,241 | ¥ -           | ¥ (38,819) | ¥ (38,819) |
|                  | U.S. dollars                       | 1,092,002             | -          | 9,789         | 9,789                 | 896,165    | -             | (24,254)   | (24,254)   |
|                  | Euros                              | 180,142               | -          | (5,537)       | (5,537)               | 165,985    | -             | (7,652)    | (7,652)    |
|                  | Australian dollars                 | 391,275               | -          | 4,005         | 4,005                 | 227,770    | -             | (5,314)    | (5,314)    |
|                  | Other                              | 236,341               | -          | (3,271)       | (3,271)               | 121,319    | -             | (1,597)    | (1,597)    |
|                  | Total                              |                       |            | 4,986         |                       |            |               | (38,819)   |            |

Notes:

1. Fair value is calculated using forward foreign exchange rates at the fiscal year-end.
2. Fair value of foreign exchange contracts is represented by net unrealized gains (losses).

(iv) Stock related

There were no such outstanding balances as of March 31, 2023 and 2024.

(v) Bond related

There were no such outstanding balances as of March 31, 2023 and 2024.

(vi) Others

There were no such outstanding balances as of March 31, 2023 and 2024.

## 7 Indicators for Separate Accounts

Not applicable.

Annual Report 2024 Data Section

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The information in this Annual Report is as of March 31, 2024, unless expressly stated otherwise.

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