

1 Japan Post Network Business Performance 122

1. Postal Operating Revenues and Mail Volume Handled	122
2. Time and <i>TEIGAKU</i> Deposits Handled	122
3. Counter Sales of Japanese Government Bonds	122
4. Investment Trust Sales	122
5. Life Insurance and Annuity Sales	123
6. Merchandise Sales	123

2 Japan Post Service Business Performance 124

1. Consigned Volume of Mail in Fiscal 2007 (Second Half)	124
2. Total Consigned Volume of Mail	125
3. Yu-Pack and Private-Sector Parcel Delivery Volume and Market Share	125
4. Volume of International Mail	125

3 Japan Post Bank Business Performance 126

1. Financial Highlights	126
2. Balances by Type of Deposit	126
1. At End of Fiscal Period	126
2. Average Balances	126
3. Loans by Category	127
1. At End of Fiscal Period	127
2. Average Balances	127
4. Securities by Type	127
1. At End of Fiscal Period	127
2. Average Balances	127
5. Investment Trust Sales	128
1. Investment Trust Sales Operations at Japan Post Bank and Japan Post Network	128
2. Investment Trust Sales (October 2005 to March 2008)	128
3. Investment Trust Sales	128
6. Over-the-Counter Sales of Japanese Government Bonds	129
7. Domestic Exchange	129
1. Mutual Remittances	129
2. Transfer Deposits	129
3. Ordinary Exchanges and Small-Amount Remittances	129
8. Foreign Exchange	129

4 Japan Post Insurance Business Performance 130

1. Insurance Policies	130
2. Earnings	130
3. Assets and Liabilities	131
4. Financial Soundness	132
1. Core Earnings	132
2. Solvency Margin Ratio	133
3. Risk Reserve and Reserve for Price Fluctuations	134
4. Effective Net Assets	134
5. Risk-Monitored Loans	134
5. Asset Management (General Account)	135

1. Japan Post Network Business Performance

1 Postal Operating Revenues and Mail Volume Handled

Operating revenues and the volume of mail handled associated with counter sales of postal services are shown below. The primary components of counter sales are postage stamps,

postcards, and EXPACK500 (¥500 parcels) and the handling of domestic and international mail, Yu-Pack and Yu-Mail, EMS (international express mail), and other services.

(Millions of yen)

	Fiscal 2007
Total sales	¥391,600

2 Time and TEIGAKU Deposits Handled

(Millions of yen)

	Fiscal 2007
New deposits	¥14,851,000

3 Counter Sales of Japanese Government Bonds

(Millions of yen)

Category	Fiscal 2007
Long-term bonds	¥ 37,516
Medium-term bonds	354,625
Bonds for individuals	220,497
Total	¥612,638

4 Investment Trust Sales

Japan Post Network sells investment trusts to meet the medium- and long-term savings and asset management needs of its customers. Investment trust sales are shown below.

Investment trust activities are divided into the following categories: 1) sales activities, 2) agent services for payment of

distributions and other payments, 3) transfer operations with account management agencies, and 4) purchases of investment trusts.

	Fiscal 2007
Number of trusts sold	680,329
Monetary sales (Millions of yen)	¥95,749

5 Life Insurance and Annuity Sales

Sales of new policies were as follows.

■ Insurance

	Fiscal 2007
Number of policies sold	557,918
Monetary amount (Millions of yen)	¥1,520,387

■ Annuities

	Fiscal 2007
Number of policies sold	61,120
Monetary amount (Millions of yen)	¥212,463

6 Merchandise Sales

Japan Post Network has been directly operating a merchandise sales business since its establishment in October 2007.

The primary activity is sales using catalogs.

(Millions of yen)

	Fiscal 2007
Total sales	¥32,954

2. Japan Post Service Business Performance

1 Consigned Volume of Mail in Fiscal 2007 (Second Half)

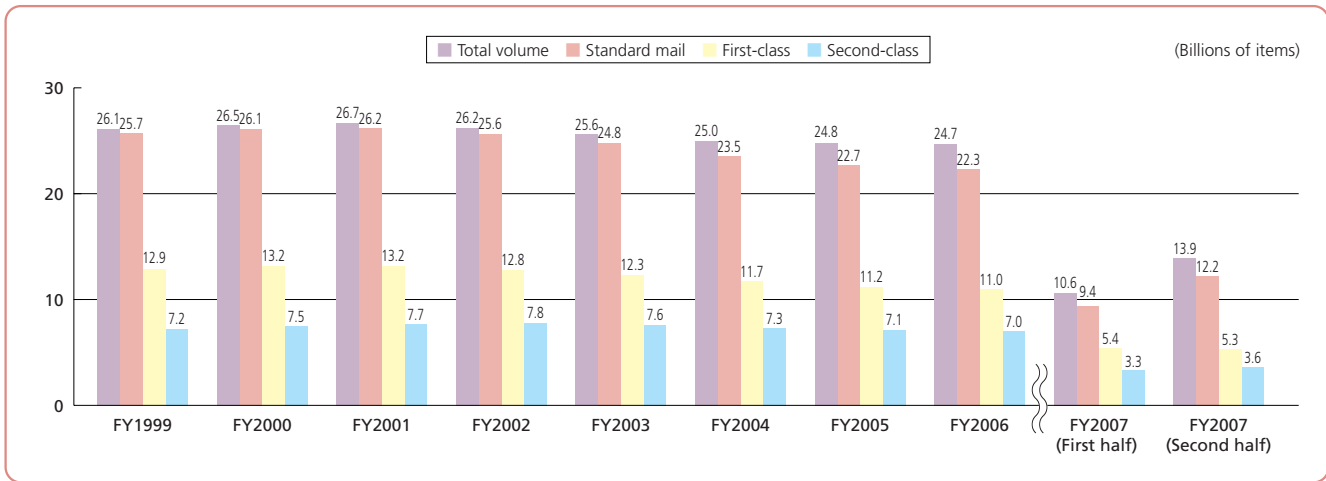
■ **Consigned Volume of Mail in Fiscal 2007 (Second Half): 13,904.38 million items, a decrease of 1.6% (232.42 million items) compared with one year earlier**

- (1) Standard mail: 12,556.86 million items, down 2.8% (362.79 million items)
 - First-class mail: 5,310.82 million items, down 3.9% (216.52 million items)
 - Second-class mail: 3,617.11 million items, down 2.6% (96.50 million items)
- (2) International mail: 41.14 million items, down 4.8% (2.10 million items)
- (3) Parcels: 1,347.51 million items, up 10.7% (130.37 million items)
 - Yu-Pack: 138.07 million items, down 2.8% (3.92 million items)
 - Yu-Mail: 1,209.45 million items, up 12.5% (134.29 million items)

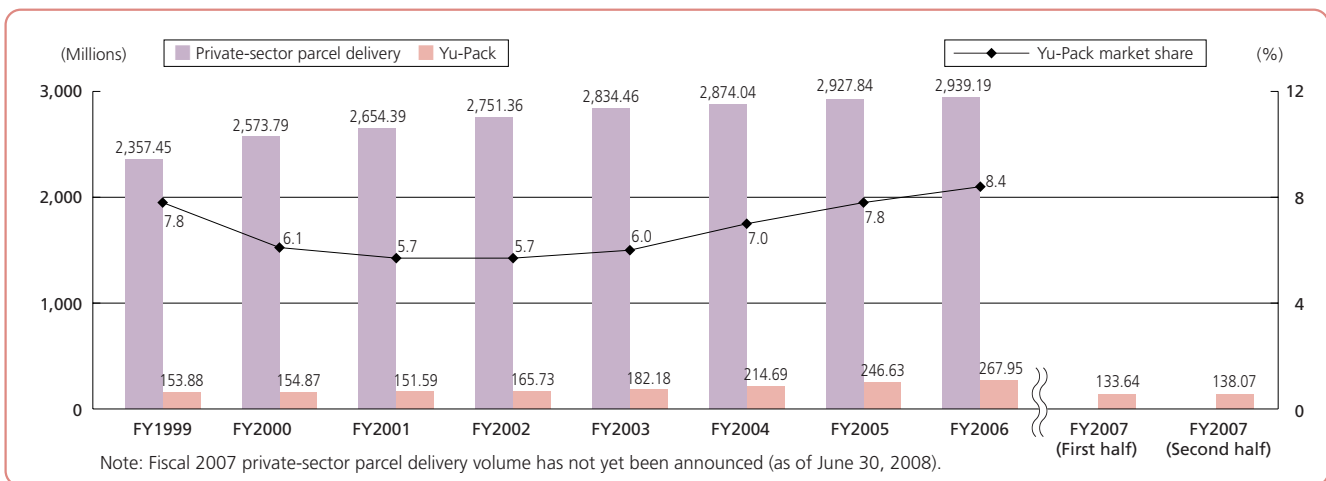
Category	Fiscal 2007 (second half)		Fiscal 2006 (second half)	
	Volume (thousand items)	Year-on-year change (%)	Volume (thousand items)	Year-on-year change (%)
Total	13,904,375	(1.6)	14,136,794	(0.6)
Mail	12,556,862	(2.8)	12,919,651	(0.8)
Domestic	12,515,720	(2.8)	12,876,413	(0.8)
Standard mail	12,199,855	(3.1)	12,583,896	(0.9)
First-class	5,310,816	(3.9)	5,527,335	(0.3)
Second-class	3,617,110	(2.6)	3,713,610	0.5
Third-class	273,791	(4.5)	286,570	(8.7)
Fourth-class	13,769	(4.3)	14,392	(3.6)
New Year's postcards	2,979,700	(1.8)	3,034,817	(2.7)
Election mail	4,670	(34.9)	7,172	(27.2)
Special mail	315,865	8.0	292,517	1.9
International	41,142	(4.8)	43,238	(2.0)
Standard mail	35,023	(6.0)	37,254	(2.8)
Parcels	812	4.9	774	2.2
EMS	5,306	1.9	5,209	3.7
Parcels	1,347,513	10.7	1,217,144	2.5
Yu-Pack	138,066	(2.8)	141,988	6.4
Yu-Mail	1,209,447	12.5	1,075,155	2.0

Note: Sums of individual items may not match totals due to rounding.

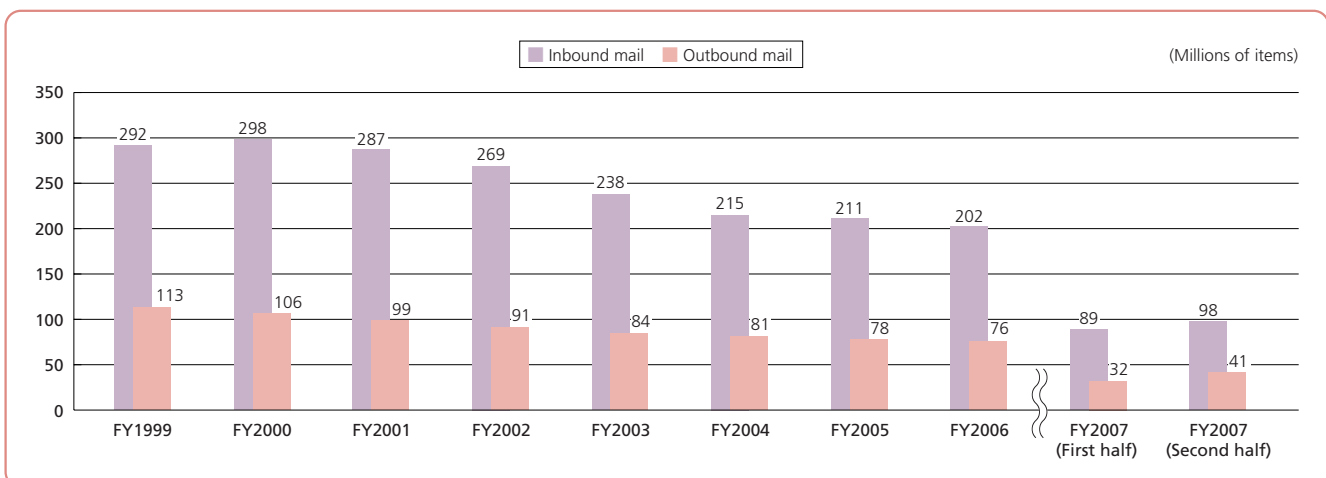
2 Total Consigned Volume of Mail



3 Yu-Pack and Private-Sector Parcel Delivery Volume and Market Share



4 Volume of International Mail



3. Japan Post Bank Business Performance

1 Financial Highlights

(Millions of yen, rounded down)

	Fiscal 2007
Ordinary income	¥ 1,328,904
Banking profit (before provision for (reversal of) general reserve for possible loan losses)	302,859
Banking profit	301,945
Net ordinary income	256,171
Net income	152,180
Common stock	3,500,000
Shares issued (Thousands)	150,000
Net assets	8,076,855
Total assets	212,149,182
Deposits	181,743,807
Loans	3,771,527
Securities	172,532,116
Non-consolidated capital adequacy ratio (domestic standard)	85.90%
Dividend payout ratio	14.98%

Notes:

- Earnings for the current fiscal period represent the six-month period of banking operations following the October 1, 2007, privatization. However, earnings include the operations of the privatization preparation company (net loss of ¥731 million, etc.) and other operations in the first half of the fiscal year that began on April 1, 2007.
- Deposits are as defined by the corresponding liability item in the Ordinance for Enforcement of Banking Act.
- The balance of deposits including accrued interest is ¥182,384,346 million.
- The non-consolidated capital adequacy ratio is calculated in line with provisions of Article 14-2 of the Banking Act and on the basis of calculation formulae prescribed under the criteria for judging whether a bank's capital adequacy ratio is appropriate in light of assets held (Financial Services Agency Notice No. 19 of March 27, 2006). Japan Post Bank uses the capital adequacy ratio standard applicable in Japan.

2 Balances by Type of Deposit

1. At End of Fiscal Period

(Millions of yen, rounded down; %)

		March 31, 2008	
		Amount	% of total
Domestic operations	Liquid deposits	¥ 63,482,363	34.92
	Time deposits	117,887,704	64.86
	Other deposits	373,739	0.20
	Sub-total	181,743,807	100.00
	Certificates of deposit	—	—
	Total	¥181,743,807	100.00
International operations	Total	¥ —	—
Total		¥181,743,807	—

(Reference):

Deposits including accrued interest	¥182,384,346	—
-------------------------------------	--------------	---

Notes:

- Liquid deposits = Transfer deposits + Ordinary deposits + Savings deposits + Special deposits (equivalent to ordinary savings)
- Time deposits = Time deposits + TEIGAKU deposits + Special savings deposits (Time equivalent + TEIGAKU savings equivalent + Accumulation postal savings equivalent + Housing accumulation postal savings equivalent + Education accumulation postal savings equivalent)
- "Transfer deposits" correspond with "Current deposits;" "TEIGAKU deposits" with "Other deposits" under Liabilities in accordance with the Ordinance for Enforcement of Banking Act.
- Special savings deposits are deposits with banks from the Management Organization for Postal Savings and Postal Life Insurance and represent the postal savings of this organization that were passed on to Japan Post Bank from Japan Post.
- Special deposits (equivalent to ordinary postal deposits) are the portion of deposits from the Management Organization for Postal Savings and Postal Life Insurance representing matured postal savings for time savings, TEIGAKU savings, accumulation postal savings, housing accumulation postal savings, and education accumulation postal savings that were passed on to this organization from the former Japan Post.
- Average balances are for the period from October 1, 2007, to March 31, 2008.

2. Average Balances

(Millions of yen, rounded down; %)

		Fiscal 2007	
		Amount	% of total
Domestic operations	Liquid deposits	¥ 64,155,140	34.56
	Time deposits	121,094,085	65.23
	Other deposits	377,268	0.20
	Sub-total	185,626,493	100.00
	Certificates of deposit	—	—
	Total	¥185,626,493	100.00
International operations	Total	¥ —	—
Total		¥185,626,493	—

(Reference):

Deposits including accrued interest	¥186,332,521	—
-------------------------------------	--------------	---

3 Loans by Category

1. At End of Fiscal Period

(Millions of yen, rounded down)

	March 31, 2008
Domestic operations	
Loans on notes	¥ —
Loans on deeds	3,502,875
Overdrafts	268,651
Notes discounted	—
Sub-total	3,771,527
International operations	
Sub-total	—
Total	¥3,771,527

2. Average Balances

(Millions of yen, rounded down)

	Fiscal 2007
Domestic operations	
Loans on notes	¥ —
Loans on deeds	3,631,550
Overdrafts	276,688
Notes discounted	—
Sub-total	3,908,239
International operations	
Sub-total	—
Total	¥3,908,239

Note: Average balances are for the period from October 1, 2007, to March 31, 2008.

4 Securities by Type

1. At End of Fiscal Period

(Millions of yen, rounded down)

	March 31, 2008
Domestic operations	
Japanese government bonds	¥156,773,157
Japanese local government bonds	7,499,247
Short-term corporate bonds	—
Corporate bonds	7,801,698
Stock	—
Others	—
Total	¥172,074,103
International operations	
Others	¥ 458,012
Foreign bonds	458,012
Foreign stock	—
Total	¥ 458,012
Total	¥172,532,116

2. Average Balances

(Millions of yen, rounded down)

	Fiscal 2007
Domestic operations	
Japanese government bonds	¥156,740,162
Japanese local government bonds	7,906,902
Short-term corporate bonds	—
Corporate bonds	7,445,295
Stock	—
Others	—
Total	¥172,092,360
International operations	
Others	¥ 331,451
Foreign bonds	331,451
Foreign stock	—
Total	¥ 331,451
Total	¥172,423,811

Note: Average balances are for the period from October 1, 2007, to March 31, 2008.

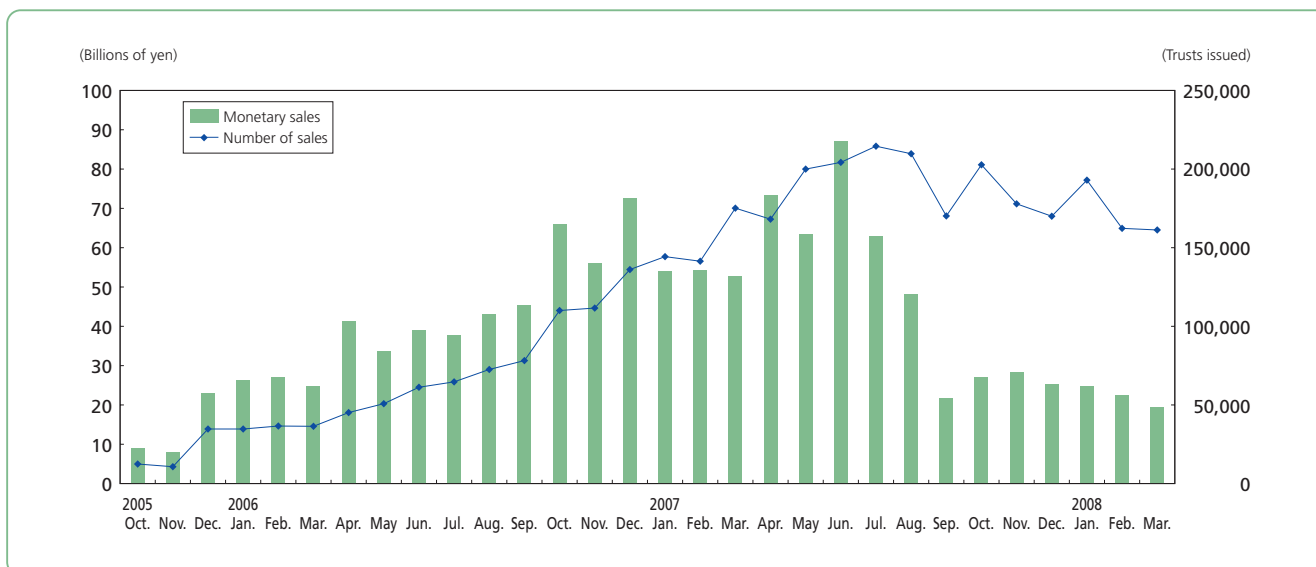
5 Investment Trust Sales

Investment trust sales began in October 2005 for the purpose of meeting the medium- and long-term savings and asset management needs of the customers of what are now Japan Post Bank and Japan Post Network. As of March 31, 2008, investment trusts were sold at 233 Japan Post Bank branches and 1,319 post offices.

1. Investment Trust Sales Operations at Japan Post Bank and Japan Post Network

- Sales activities
- Transfer operations with account management agencies
- Agent services for payment of distributions and other payments
- Purchases of investment trusts

2. Investment Trust Sales (October 2005 to March 2008)



3. Investment Trust Sales

The following is a summary of investment trust activities as of March 31, 2008.

Cumulative Sales (Contract Basis)

Number of investment trust sales	3,586,022
Monetary sales	¥1,219,485 million
Number of investment trust accounts	508,495
Net assets	¥978,531 million

6 Over-the-Counter Sales of Japanese Government Bonds

(Millions of yen, rounded down)

Category	Fiscal 2007	
	Remittances	Amount
Long-term bonds	¥ 40,389	
Medium-term bonds	383,662	
Bonds for individuals	235,485	
Total	¥659,537	

Note: Figures are for the period from October 1, 2007, to March 31, 2008.

7 Domestic Exchange

1. Mutual Remittances

(Figures rounded down to figures shown)
(Thousands of transactions, millions of yen)

	Fiscal 2007	
	Remittances	Amount
Sent	108	¥1,564,318
Received	38	203,405

Notes: 1. Mutual remittances show domestic exchanges with other financial institutions.

2. Figures are for the period from October 1, 2007, to March 31, 2008.

2. Transfer Deposits

(Figures rounded down to figures shown)
(Thousands of transactions, millions of yen)

	Fiscal 2007	
	Remittances	Amount
Inpayment	628,644	¥34,631,336
Transfers	39,948	34,638,839
Outpayment	61,768	35,524,900

Note: Figures are for the period from October 1, 2007, to March 31, 2008.

3. Ordinary Exchanges and Small-Amount Remittances

(Figures rounded down to figures shown)
(Thousands of transactions, millions of yen)

	Fiscal 2007	
	Remittances	Amount
Ordinary exchanges	2,590	¥42,155
Small-amount remittances	11,935	5,977

Note: Figures are for the period from October 1, 2007, to March 31, 2008.

8 Foreign Exchange

(Figures rounded down to figures shown)
(Thousands of transactions, millions of dollars)

Fiscal 2007	
Transactions	Amount
230	\$632

Notes: 1. Foreign exchange figures are the total for international remittances and purchases and sales of travelers' checks.

2. Figures are for the period from October 1, 2007, to March 31, 2008.

4. Japan Post Insurance Business Performance

1 Insurance Policies

New Policies and Policies in Force

Number of Policies

(Thousands of transactions)

	Insurance for individuals	Annuities for individuals
New policies	592	62
Policies in force	589	62

Monetary Value

(Billions of yen)

	Insurance for individuals	Annuities for individuals
New policies	¥1,635.0	¥217.3
Policies in force	1,627.0	216.0

2 Earnings

Upon the privatization and divestiture that formed Japan Post Insurance, the company received assets classified as other securities from the former Japan Post at market value. Due to the decline in stock prices and increase in the yen's value, we recorded asset management expenses of ¥494.8 billion for money held in trust and foreign stocks received from Japan Post. However, because of a ¥240.0 billion reversal of the

risk reserve and other factors, net ordinary income was ¥11.9 billion.

There was an extraordinary gain of ¥113.5 billion for the reversal of the reserve for price fluctuations and an extraordinary loss of ¥106.9 billion for a provision for the policyholders' dividend reserve. The result was income before income taxes of ¥18.4 billion and net income of ¥7.6 billion.

3 Assets and Liabilities

Total assets were ¥112,524.6 billion as of March 31, 2008, including securities of ¥85,568.8 billion and loans of ¥19,921.2 billion.

Liabilities totaled ¥111,620.4 billion, including policy reserves of ¥108,479.9 billion.

Net assets amounted to ¥904.2 billion due to a decrease of ¥123.6 billion in unrealized gains on available-for-sale securities.

(Billions of yen, rounded down)

Item	Amount	Item	Amount
Assets		Liabilities	
Cash and deposits	¥ 2,080.1	Policy reserves	¥108,479.9
Money held in trust	1,861.5	Other liabilities	2,528.9
Securities	85,568.8	Reserve for employees' retirement benefits	52.3
Loans	19,921.2	Reserve for price fluctuations	559.0
Tangible fixed assets	97.8	Total Liabilities	¥111,620.4
Intangible fixed assets	44.3	Net assets	
Accrued receivables from insurance agents	137.7	Capital stock	¥ 500.0
Other assets	275.8	Capital surplus	500.0
Deferred tax assets	234.1	Retained earnings	27.8
		Total shareholders' equity	1,027.9
		Unrealized gains on available-for-sale securities	(123.6)
		Total Net Assets	¥ 904.2
Total Assets	¥112,524.6	Total Liabilities and Net Assets	¥112,524.6

Note: Only major balance-sheet items are shown in the above table.

4 Financial Soundness

1. Core Earnings

In fiscal 2007, core earnings were ¥267.2 billion. This figure is the sum of three types of earnings. The first is the difference between actual investment returns and projected returns on policies, which resulted in a negative spread of ¥200.0 billion. However, this was offset by increases in the other two components of profits. Risk profit, which is the difference between actual and assumed insurance benefit payments, improved as hospitalization rates among policyholders declined. Expense profit, which is the difference between actual and assumed operating expenses, increased due to an improvement in operating efficiency.

There is a 0.38 % point negative spread between the average planned return of 2.06% for policyholders and the actual 1.68% investment return. This gap is narrowing as policies with high projected returns reach maturity.

Core earnings ¥267.2 billion

(Reference): Three components of core earnings

(Billions of yen)

	Risk profit	Expense profit	Return difference (negative spread)	Total (core earnings)
Three components of core earnings	¥170.0	¥290.0	¥(200.0)	¥267.2

Note: Figures for the three components have been rounded off to the nearest ¥10 billion.

(Billions of yen, rounded down)

		Fiscal 2007 (October 1, 2007, to March 31, 2008)
Core earnings	A	¥ 267.2
Capital income		30.7
Income from money held in trust		—
Income from securities held for sale		—
Gains on sales of securities		30.7
Income from financial derivatives		—
Foreign exchange gain		—
Other capital income		—
Capital expenses		526.0
Losses on investment of money held in trust		318.5
Losses from securities held for sale		—
Losses on sales of securities		62.4
Losses on valuation of securities		105.5
Expenses for financial derivatives		—
Losses on foreign exchange		6.2
Other capital expenses		33.2
Capital gain or loss	B	(495.2)
Core earnings with capital gain/loss	A+B	(228.0)
Other income		240.0
Reinsurance income		—
Reversal of risk reserve		240.0
Other one-time items		—
Other expenses		—
Reinsurance premiums		—
Provisions for risk reserve		—
Provision for individual items in allowance for doubtful accounts		—
Provision for reserve for specific overseas loans		—
Loans written off		—
Other one-time expenses		—
Total other income/expenses	C	240.0
Net ordinary income/loss	A+B+C	¥ 11.9

Note: Core earnings include ¥33.2 billion for income and gains from investments in money held in trust.

2. Solvency Margin Ratio

To prepare for future payments of insurance benefits, life insurance companies maintain policy reserves to cover expected payments for risks that can be predicted under normal circumstances. The solvency margin ratio is a statistic used by regulatory agencies to determine if an insurer has sufficient financial resources for its obligations even after a major catastrophe, dramatic drop in stock prices, or other event of a magnitude that exceeds the so-called normal risks. When this ratio falls below 200%, regulatory agencies require an insurer to improve its operations quickly. A ratio above 200% demonstrates that an insurer fulfills this important standard of financial soundness.

At Japan Post Insurance, the solvency margin was ¥4,515.3 billion and the solvency margin ratio was 1,116.3% as of March 31, 2008. We will continue to take the actions needed to maintain adequate financial resources to fulfill our obligations.

Solvency margin ratio 1,116.3%

(Billions of yen, rounded down)

Item	March 31, 2008
Total solvency margin (A)	¥4,515.3
Capital, etc.	1,027.9
Reserve for price fluctuations	559.0
Risk reserve	3,076.2
Allowance for doubtful accounts	0
Other securities valuation difference x 90% (100% for a negative difference)	(193.8)
Unrealized gain/loss on land x 85% (100% for a loss)	2.5
Excess over policy reserves using the full fiscal period Zillmer method	15.4
Fund procurement methods using debt	—
Deductions	—
Others	28.1
Total amount of risk $\sqrt{(R_1+R_8)^2 + (R_2+R_3+R_7)^2} + R_4$ (B)	¥ 808.9
Underwriting risk R1	192.7
Assumed interest rate return risk R2	82.8
Asset management risk R3	600.9
Business management risk R4	21.4
Minimum guarantee risk R7	—
Insurance risk for third-sector insurance R8	197.7
Solvency margin ratio	1,116.3%
$\frac{(A)}{(1/2) \times (B)} \times 100$	

Note: The above solvency margin ratio is calculated in accordance with Articles 86 and 87 of the Ordinance for Enforcement of Insurance Business Act and Public Notice of the Ministry of Finance No. 50 of 1996 (Excess of continued Zillmerized reserve is calculated based on Article 1, Paragraph 3, Item of Public Notice No. 50)

● (A) Total solvency margin (total of the following items)

Capital, etc., reserve for price fluctuations, risk reserve, allowance for doubtful accounts, other securities valuation difference x 90% (see note), unrealized gain/loss on land x 85% (see note), excess over policy reserves using the full fiscal period Zillmer method, fund procurement methods using debt, deductions, others

Note: 100% for negative figures

● (B) Total amount of risk

Numerical values for underwriting risk, assumed interest rate return risk, asset management risk, business management risk, and other risks that exceed the scope of risks that can be predicted using normal methods

Underwriting risk (R1)

- Amount equivalent to the risk of a rapid increase in insurance payments caused by a major catastrophe or other event

**Assumed interest rate
return risk (R2)**

- Amount equivalent to the risk of the return on portfolio assets falling below the assumed return for policies due to a downturn in the investment climate

Asset management risk (R3)

- Amount equivalent to the risk of a sharp drop in the value of assets caused by a major downturn in stock prices, volatility in foreign exchange markets, or other events; also an amount equivalent to the risk of a rapid increase in non-performing loans caused by bankruptcies among obligors and other events

Business management risk (R4)

- Amount equivalent to the occurrence of a larger-than-expected problem involving the management of business operations

Minimum guarantee risk (R7)

- Amount equivalent to the risk involving minimum guarantees for variable life insurance, variable annuities, and other policies

**Insurance risk for third-sector
insurance (R8)**

- Amount equivalent to the risk of a rapid increase in insurance payments and other payments involving third-sector insurance, which includes hospitalization policies and certain other types of insurance

3. Risk Reserve and Reserve for Price Fluctuations

(Billions of yen, rounded down)

	End of FY2007 (March 31, 2008)	Start of business (October 1, 2007)
Risk reserve	¥3,076.2	¥3,316.2
Limit	3,569.0	3,530.5
Reserve for price fluctuations	559.0	672.5
Limit	559.0	662.6 (Note)
Total	¥3,635.2	¥3,988.7

Note: The reserve for price fluctuations that Japan Post Insurance received from the former Japan Post exceeded the limit prescribed by the Ordinance for Enforcement of Insurance Business Act. Consequently, the excess portion was reversed at the end of fiscal 2007.

Life insurance companies maintain a risk reserve and reserve for price fluctuations for the purpose of ensuring the soundness and stability of operations in the future. These reserves provide protection against risks associated with changes in the operating climate for the life insurance industry. Such changes include fluctuations in prices of financial assets, the occurrence of a major catastrophe, and other events.

As of March 31, 2008, Japan Post Insurance had a risk reserve of ¥3,076.2 billion and a reserve for price fluctuations of ¥559.0 billion, a total of ¥3,635.2 billion.

Risk reserve and reserve for price fluctuations ¥3,635.2 billion

4. Effective Net Assets

Effective net assets are calculated by subtracting total liabilities, less the reserve for price fluctuations, risk reserve, and other liabilities that are similar to equity, from the total assets valued at market. Regulatory agencies use effective net assets as an indication of an insurer's financial soundness at the end of a fiscal period. A negative figure shows that an insurer effectively has negative equity and may lead to an order to suspend operations or other regulatory actions.

As of March 31, 2008, Japan Post Insurance had effective net assets of ¥6,013.1 billion, which is adequate to maintain financial soundness.

(Billions of yen, rounded down)

Category	March 31, 2008
Effective net assets	¥6,013.1

5. Risk-Monitored Loans

There are no loans that require special monitoring for risk management.

5 Asset Management (General Account)

Asset Composition and Gains and Losses on Portfolio Assets

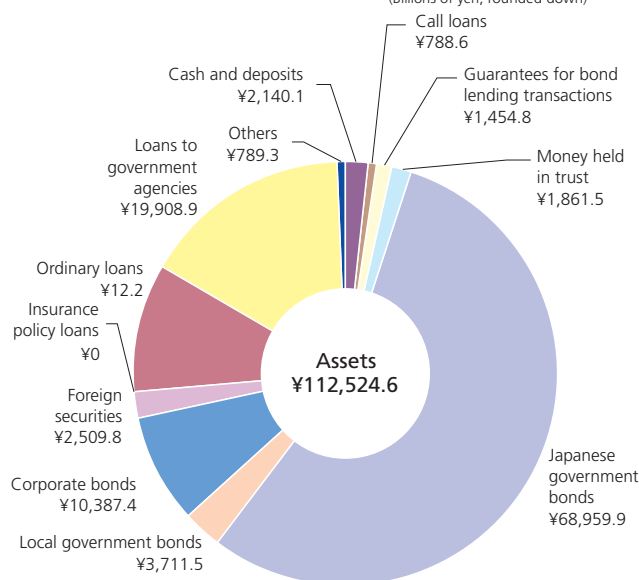
Portfolio Assets

(Trillions of yen, rounded down)

	End of FY2007 (March 31, 2008)	Start of business (October 1, 2007)
Portfolio assets	¥112.5	¥113.7

Composition of Portfolio Assets (March 31, 2008)

(Billions of yen, rounded down)



Return on Portfolio Assets

	Fiscal 2007 (October 1, 2007, to March 31, 2008)
Return	0.67% (1.68%)

Note: Return on investments includes capital gains and losses. The figure in parentheses is returns from interest.

(Reference): Holdings of Securitized Financial Instruments and Subprime Loans

(Billions of yen, rounded down)

Item	March 31, 2008	
	Market value	Unrealized gain
RMBS	¥180.7	¥3.0

Note: The residential mortgage-backed securities (RMBS) held by Japan Post Insurance are backed by housing loans in Japan.

Japan Post Insurance has no investments in subprime loans.

Net Unrealized Gain (Loss) on Securities

(Billions of yen, rounded down)

Breakdown by type	Book value	Net unrealized gain (loss) (before tax effects)	
	End of FY2007 (As of March 31, 2008)	End of FY2007 (As of March 31, 2008)	Start of business (October 1, 2007)
Total	¥88,638.8	¥1,331.6	¥(258.3)
Held-to-maturity bonds	31,366.9	820.5	120.3
Bonds held for policy reserves	44,037.1	704.8	(378.7)
Other securities	13,234.7	(193.8) (Note 1)	— (Note 2)
Securities, etc.	11,156.4	22.9	—
Money held in trust	2,078.3	(216.7)	—

Notes: 1. This figure after tax effects was a loss of ¥123.6 billion.

2. Other securities were transferred from the former Japan Post to Japan Post Insurance at market value; therefore, the unrealized gain (loss) was zero at the start of business.

