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Items Not Included In Delivered Documents Concerning the Notice of the 21st Annual General Meeting of Shareholders

The 21st Term (from April 1, 2025 to March 31, 2026)

1. Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements as of and for the Fiscal Year Ended March 31, 2026
2. Non-consolidated Statement of Changes in Net Assets and Notes to Non-consolidated Financial Statements as of and for the Fiscal Year Ended March 31, 2026

JAPAN POST HOLDINGS CO., Ltd.

Pursuant to laws and regulations and the provision of Article 16 of the Articles of Incorporation, “consolidated statement of changes in net assets“ and “notes to consolidated financial statements” of the consolidated financial statements and “non-consolidated statement of changes in net assets“ and “notes to non-consolidated financial statements” of the non-consolidated financial statements are not included in paper-based documents delivered to shareholders who have requested the delivery of paper-based documents.

Consolidated Statement of Changes in Net Assets
(For the fiscal year ended March 31, 2026)

(Millions of Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	3,500,000	-	5,588,795	(351,225)	8,737,569
Changes in the fiscal year					
Capital reduction	(1,750,000)	1,750,000			-
Cash dividends			(146,085)		(146,085)
Net income attributable to Japan Post Holdings			374,556		374,556
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders		9,100			9,100
Purchases of treasury stock				(251,115)	(251,115)
Disposals of treasury stock		(0)		77	77
Cancellation of treasury stock		(349,967)		349,967	-
Change in scope of consolidation			(11)		(11)
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	(1,750,000)	1,409,132	228,460	98,929	(13,477)
Balance at the end of the fiscal year	1,750,000	1,409,132	5,817,255	(252,296)	8,724,092

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Foreign currency translation adjustments	Effect of changes in discount rate assumptions	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	815,436	(567,068)	(48,225)	87,892	63,942	351,977	6,199,993	15,289,540
Changes in the fiscal year								
Capital reduction								-
Cash dividends								(146,085)
Net income attributable to Japan Post Holdings								374,556
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders								9,100
Purchases of treasury stock								(251,115)
Disposals of treasury stock								77
Cancellation of treasury stock								-
Change in scope of consolidation								(11)
Net changes in items other than shareholders' equity in the fiscal year	520,357	(182,057)	626	86,217	213,286	638,431	567,431	1,205,862
Net changes in the fiscal year	520,357	(182,057)	626	86,217	213,286	638,431	567,431	1,192,385
Balance at the end of the fiscal year	1,335,794	(749,126)	(47,599)	174,109	277,229	990,408	6,767,424	16,481,925

Notes to Consolidated Financial Statements

Amounts of less than one million yen are rounded down.

Since the Company ceased to be a bank holding company in the fiscal year ended March 31, 2026, the categories of subsidiary companies, subsidiary corporations, etc. and affiliated corporations, etc. based on Article 2, Paragraph 8 of the Banking Act and Article 4-2 of the Order for Enforcement of the Banking Act have been changed to the categories of subsidiaries and affiliates.

Basis of Presentation of Consolidated Financial Statements

1. Scope of consolidation

(1) Consolidated subsidiaries: 260

Principal companies:

Japan Post Co., Ltd.

Japan Post Bank Co., Ltd.

Japan Post Insurance Co., Ltd.

From the fiscal year ended March 31, 2026, JP Asset Management Co., Ltd., which was previously an affiliate accounted for by the equity method, has been included in the scope of consolidation, since this company became a consolidated subsidiary due to the acquisition of its additional shares. Furthermore, due to an increase in materiality pursuant to the acquisition of shares of Tonami Holdings Co., Ltd., JP Tonami Group Co., Ltd., which was previously a non-consolidated subsidiary, has been included in the scope of consolidation, together with 32 subsidiaries under JP Tonami Group Co., Ltd., from the fiscal year ended March 31, 2026. JP Tonami Group Co., Ltd. changed its trade name from JWT Co., Ltd., effective July 1, 2025.

Other than the above companies, 1 company has been included in the scope of consolidation due to its establishment.

In addition, 4 subsidiaries under Toll Holdings Pty Limited (hereinafter referred to as “Toll”) have been included in the scope of consolidation due to the establishment and other reasons from the fiscal year ended March 31, 2026. On the other hand, 4 subsidiaries of Toll have been excluded from the scope of consolidation due to their liquidation from the fiscal year ended March 31, 2026. (Hereinafter, the Company and its consolidated subsidiaries are collectively referred to as the “Group”)

(2) Non-consolidated subsidiaries

Principal companies:

JP Linex Nankai Parcel Co., Ltd.

Advanced Fintech I Limited Partnership

Japan Post Insurance NEXT Partners Co., Ltd.

Spring Investment Limited Partnership

The non-consolidated subsidiaries are excluded from the scope of consolidation because their assets, ordinary income, net income (loss) (amount corresponding to the Group’s equity position), retained earnings (amount corresponding to the Group’s equity position), accumulated other comprehensive income (amount corresponding to the Group’s equity position) and others are immaterial, and the exclusion of these companies from the scope of consolidation does not hinder a reasonable understanding of the Group’s financial position and results of operations.

2. Application of the equity method

(1) Non-consolidated subsidiaries accounted for by the equity method: 1

JP Linex Nankai Parcel Co., Ltd.

(2) Affiliates accounted for by the equity method: 14

JA Foods Oita Co., Ltd.

Ring Bell Co., Ltd.

Saison Asset Management Co., Ltd.

ATM Japan Business Service, Ltd.

Daiwa Asset Management Co. Ltd.

Good Technology Company, Ltd.

Aflac Incorporated

Toll's affiliates: 3

JP Tonami Group Co., Ltd.'s affiliates: 4

JP Asset Management Co., Ltd., which was previously an affiliate accounted for by the equity method, has been included in the scope of consolidation from the fiscal year ended March 31, 2026, since this company became a consolidated subsidiary due to the acquisition of its additional shares.

Furthermore, since JP Tonami Group Co., Ltd., which was previously a non-consolidated subsidiary, became a consolidated subsidiary, its affiliates have been included in the scope of application of the equity method from the fiscal year ended March 31, 2026.

(3) Non-consolidated subsidiaries that are not accounted for by the equity method

Principal companies:

YDM Co., Ltd.

Advanced Fintech I Limited Partnership

Japan Post Insurance NEXT Partners Co., Ltd.

Spring Investment Limited Partnership

(4) Affiliates that are not accounted for by the equity method

A.I. Squared, Inc.

AVILEN, Inc.

JKK Co., Ltd.

MKAM Co., Ltd.

The non-consolidated subsidiaries and affiliates that are not accounted for by the equity method are excluded from the scope of the equity method because their net income (loss) (amount corresponding to the Group's equity position), retained earnings (amount corresponding to the Group's equity position), accumulated other comprehensive income (amount corresponding to the Group's equity position) and others are immaterial, and the exclusion of these companies from the scope of companies accounted for by the equity method does not materially affect the consolidated financial statements.

(5) Application of the equity method

For the affiliates accounted for by the equity method that have a fiscal year-end date different from the consolidated fiscal year-end date, the financial statements pertaining to the most recent fiscal years of the respective affiliates are used.

Necessary adjustments are made for material transactions that occurred between the consolidated fiscal year-end date and the fiscal year-end dates mentioned above.

3. Fiscal year-end dates of consolidated subsidiaries

- (1) The fiscal year-end dates of consolidated subsidiaries are as follows:

June 30:	9 companies
December 31:	39 companies
March 31:	212 companies

- (2) Consolidated subsidiaries with a fiscal year-end date of June 30 and some consolidated subsidiaries with a fiscal year-end date of December 31 are consolidated using the preliminary financial statements as of March 31. In addition, other consolidated subsidiaries are consolidated using the financial statements on each fiscal year-end date.

Necessary adjustments are made for material transactions that occurred between the consolidated fiscal year-end date and the fiscal year-end dates mentioned above.

4. Amortization of goodwill

Goodwill is amortized for a period up to 20 years depending on the causes of occurrence using the straight-line method. Goodwill deemed immaterial, however, is expensed as incurred.

5. Significant accounting policies

- (1) Valuation criteria and methods for trading account securities

Trading account securities are carried at fair value.

- (2) Valuation criteria and methods for securities

- 1) 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. In accordance with “Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry” (Japanese Institute of Certified Public Accountants (“JICPA”) Industry Audit Committee Report No. 21), policy-reserve-matching bonds are carried at amortized cost and the cost of these securities sold is calculated using the moving-average method. Amortization is calculated using the straight-line method. Investments in non-consolidated subsidiaries and affiliates that are not accounted for by the equity method are carried at cost and the cost of these securities sold is calculated using the moving-average method. Available-for-sale securities are carried at fair value and the cost of securities sold is calculated using mainly the moving-average method, while stocks and other securities without market prices are carried at cost using the moving-average method.

Net unrealized gains (losses) on available-for-sale securities (including net unrealized gains (losses) arising from fluctuations in foreign exchange, but excluding cases where the fair value hedge accounting method is applied to hedge exposure to the risks of foreign exchange fluctuations), net of income taxes, are included in “Net assets.”

- 2) Securities included in “Money held in trust” are carried using the same method used for securities mentioned in 1) above.

Net unrealized gains (losses) on money held in trust classified as other than trading or held-to-maturity, net of income taxes, are included in “Net assets.”

- (3) Valuation criteria and methods for derivative transactions

All derivative transactions are measured at fair value.

(4) Depreciation methods of fixed assets

1) Tangible fixed assets (excluding leased assets and right-of-use assets)

Depreciation of tangible fixed assets is computed using the straight-line method.

Useful lives of principal assets are as follows:

Buildings: 2-65 years

Others: 2-75 years

2) Intangible assets (excluding leased assets)

Amortization of intangible assets is computed using the straight-line method. The capitalized development costs of software intended for internal use are amortized over the expected useful lives (mainly 5 years) determined by the Group.

3) Leased assets

Leased assets under finance lease arrangements that transfer the ownership of leased property to the lessee are depreciated using the same method applied to company-owned tangible assets.

Leased assets under finance lease arrangements that do not transfer the ownership of leased property to the lessee are depreciated to the residual value of zero (when a residual value guarantee is stipulated in the lease agreement, the residual value guarantee amount) using the straight-line method over the lease term.

4) Right-of-use assets

Right-of-use assets related to lease transactions of Toll and its subsidiaries and affiliates are depreciated using the straight-line method over the useful life of the right-of-use asset or the lease term, whichever is shorter. If it is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated using the straight-line method over the useful life of the underlying assets.

(5) Reserve for possible loan losses

1) For reserve for possible loan losses of the Group other than the banking subsidiary and insurance subsidiary, an allowance is provided for loans other than specific loans using a rate determined based on past bad debt experience. In addition, an allowance is provided for specific loans such as loans to bankrupt or effectively/substantially bankrupt borrowers at the estimated amount considered uncollectible based on the review of the respective nature of loans.

2) Reserve for possible loan losses of the banking subsidiary is provided for in accordance with the write-off and provision standards as described below:

In accordance with “Practical Guidance for Checking Internal Controls for Self-Assessments of Assets by Banks and Other Financial Institutions and for Audits of Loans Written Off and Loan Loss Allowance Provisions” (JICPA, Special Committee for Audits of Banks, etc., Report No. 4), loans to normal borrowers and borrowers requiring caution are classified into certain groups, and an allowance is provided for each group based on the estimated rate of loan losses. For loans to doubtful borrowers, an allowance is provided for based on the amount of loans net of amounts expected to be collected through disposal of collateral or through execution of guarantees and considered to be necessary based on a solvency assessment. For loans to bankrupt or substantially bankrupt borrowers, an allowance is provided in the amount of loans, net of amounts expected to be collected through disposal of collateral or to be recoverable under guarantees.

All loans are assessed initially by the marketing and other departments based on internal rules for self-assessment of asset quality. The asset evaluation department, which is independent from the marketing and other departments, reviews these self-assessments.

3) Reserve for possible loan losses of the insurance subsidiary is provided pursuant to its standards for self-assessment of asset quality and its write-off and provision standards, and a general allowance is provided using a rate determined by past bad debt experience. In addition, a specific allowance, which is determined after reviewing the individual collectability of accounts, is 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 allowances are recorded based on the results of these assessments.

For secured loans and guaranteed loans that were extended to borrowers in a state of legal bankruptcy, including legal bankrupt or civil rehabilitation, or that are considered substantially bankrupt, respective loan receivable amounts are directly written off for an estimated uncollectable amount, which is calculated as the amount of loans, net of collateral value or the amounts expected to be recoverable under guarantees. The amount written off for these loans was ¥114 million as of March 31, 2026.

(6) Allowance for investment losses

Certain consolidated subsidiaries provide allowance for investment losses based on the rule set by each company, taking into account the financial conditions, etc. of the issuers of the securities, as deemed necessary.

(7) Reserve for bonuses

A reserve for employee bonus payments is provided based on the amount expected to be incurred at the end of the fiscal year based on the projected obligations as of the end of the fiscal year.

(8) Reserve for management bonuses

For the Company and its certain consolidated subsidiaries, to provide for bonus payments to Executive Officers and other management that are determined based on the rule set by each company, a reserve is provided based on the amount expected to be incurred at the end of the fiscal year.

(9) Reserve for employee stock ownership plan trust

For a certain consolidated subsidiary, to provide for the payment of the consolidated subsidiary's shares to its employees that are determined based on the rule set by the consolidated subsidiary, a reserve is provided based on the estimated amount of stock benefit obligations at the end of the fiscal year.

(10) Reserve for management board benefit trust

For the Company and its certain consolidated subsidiaries, to provide for the payment of the Company's shares, etc. to Executive Officers and other management that are determined based on the rule set by each company, a reserve is provided based on the estimated amount of stock benefit obligations at the end of the fiscal year.

(11) Reserve for reimbursement of deposits

To provide for requests for refunds by depositors with regard to deposits that are no longer recorded as liabilities, a reserve is provided based on the estimated amount of losses to be incurred in accordance with future requests for refunds.

(12) Accounting method for retirement benefits

- 1) In calculating the projected benefit obligation, the benefit formula basis is used to attribute the expected benefit to the respective service period. Certain consolidated subsidiaries adopt the simplified method in calculating their retirement benefit obligations and costs. The simplified method estimates retirement benefit obligations at the amount payable if all employees were to seek voluntary retirement at the end of the fiscal year.

Treatment of prior service cost and actuarial difference are accounted for as follows.

Prior service cost	Prior service cost is amortized using the straight-line method over a fixed period (7-14 years) within the estimated average remaining service period for employees in the fiscal year of incurrence.
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Actuarial difference	Actuarial difference is amortized based on a proportional amount using the straight-line method over a fixed period (7-14 years) within the estimated average remaining service period for employees as incurred from the fiscal year following the respective fiscal year in which the difference is incurred.
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Certain consolidated subsidiaries have established retirement benefit trusts for the lump-sum severance indemnity.

- 2) Charges for the pension program of national public service personnel associated with pension benefits for the service period until December 1958 for those personnel who had worked in postal services for the former Ministry of Communications and the former Ministry of Posts and Telecommunications and retired after January 1959 (hereinafter referred to as “share of public service pension”) are recognized as part of “Asset for retirement benefits”.

The Company has established retirement benefit trusts for the above mutual aid pension program.

The actuarial difference is amortized based on a proportional amount using the straight-line method over a fixed period (6 years) within the estimated average remaining payment periods for eligible personnel as incurred from the fiscal year following the respective fiscal year in which the difference is incurred.

- 3) Charges for the pension program of national public service personnel associated with pension benefits for those personnel who had worked in postal services for the former Ministry of Communications and the former Ministry of Posts and Telecommunications and retired by December 1958 (hereinafter referred to as “share of another public service pension”) are recognized as part of “Liability for retirement benefits”.

The actuarial difference is amortized based on a proportional amount using the straight-line method over a fixed period (5 years) within the estimated average remaining payment periods for eligible personnel as incurred from the fiscal year following the respective fiscal year in which the difference is incurred.

(13) Recognition of significant revenue and expenses

In relation to the recognition of revenue from contracts with customers, the nature of principal performance obligations for major businesses of the Group and the typical timing of the satisfaction of those performance obligations (i.e., typical timing of revenue recognition) are as follows:

- 1) Revenue from post and parcels in the postal and domestic logistics business

In the postal and domestic logistics business, postal services are provided fairly at a flat rate nationwide. As logistics services, transportation services such as parcel delivery (Yu-Pack, etc.) and mail delivery (Yu-Mail, etc.) are provided.

Performance obligations underlying revenue from post and parcels in the postal and domestic logistics business are satisfied over time from the undertaking of the item to the completion of delivery. Therefore, revenue is recognized by measuring progress toward complete satisfaction of a performance obligation.

- 2) Revenue from catalogue sales, etc.

In the post office business, the Group engages in sale of regional specialty products and other goods using catalogues and other media as well as sale of related rights; sale of goods and provision of services including sale of original postage stamps, printing of New Year’s postcards, sale of stationery and other items at post offices and other channels.

The Group recognizes revenue from catalogue sales, etc. when goods and others are transferred to customers because that is when the customer has obtained control of the goods and others and performance obligations are deemed to be satisfied. Revenue from sales of goods and others in which the Group is deemed to be an agent is recognized at the net amount after deducting corresponding payments to suppliers.

- 3) Revenue from the international logistics business

In the international logistics business, the Group engages in a full line of international cargo transportation, mainly export and import from Asia and Oceania (hereinafter the “forwarding business”); as well as transportation and warehouse management and logistics and other services in the fields of resources and government contracts in Asia and Oceania (hereinafter the “logistics business”).

Performance obligations underlying revenue from the forwarding business are satisfied over the contractual transportation period. Therefore, revenue is recognized by measuring progress toward complete satisfaction of a performance obligation. On the other hand, the Group recognizes revenue from the logistics business when the provision of services to customers is completed, because that is when performance obligations are deemed to be satisfied.

4) Revenue from the real estate business

In the real estate business, the Group engages mainly in sale of developed real estate properties, real estate leasing of office buildings, etc. and the leasing management business.

Revenue from real estate sale is recognized at the point when the delivery obligation stipulated in the sales contract for the real estate is fulfilled by determining that the customer obtains control of the real estate property and the performance obligation has been satisfied.

Revenue from real estate leasing is recognized over the lease term in accordance with “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13).

Performance obligations for the leasing management business are satisfied at a point in time or over time depending on the nature of the performance obligation, and revenue is recognized accordingly.

(14) Translation of assets and liabilities denominated in foreign currencies into Japanese yen

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

Assets and liabilities of foreign subsidiaries, etc. are translated into Japanese yen at the spot rates prevailing at the fiscal year-end of foreign subsidiaries, etc. and income and expenses are translated into Japanese yen at the average exchange rates for the fiscal year. The resulting translation differences are included in “Foreign currency translation adjustments” and “Non-controlling interests” under “Net assets”.

(15) Hedge accounting

1) Hedge accounting for interest rate risks

The Group applies the deferred hedge method or the exceptional treatment for interest rate swaps for hedges of interest rate risk arising from the financial assets and liabilities.

The evaluation of hedge effectiveness is omitted because the Group designates the hedges in such a way that the major terms of the hedged items and the hedging instruments satisfy almost the same conditions as those required for the exceptional treatment for interest rate swaps and accordingly assume that the hedges are highly effective.

As for portfolio hedges on groups of large-volume, small-value monetary debts, the banking subsidiary applies the deferred hedge method as stipulated in “Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in the Banking Industry” (JICPA Industry Committee Practical Guidance No. 24). To evaluate the hedge effectiveness, the banking subsidiary designates deposits as hedged items and interest rate swaps and others as hedging instruments and assesses how the hedging instruments offset changes in the fair value of hedged items by grouping them based on their maturities.

2) Hedge accounting for foreign exchange risks

The Group applies the deferred hedge method, the fair value hedge method or the allocation method translating the foreign currency receivables at forward rates for hedges of foreign exchange fluctuation risk arising from the securities denominated in foreign currencies.

The Group applies portfolio hedges on the condition that the hedged securities denominated in foreign currencies are designated in advance and that sufficient on-balance (actual) or off-balance (forward) liability exposure exists to cover the acquisition costs of the hedged securities denominated in the same foreign currencies.

The evaluation of hedge effectiveness for individual hedges is omitted because the Group designates the hedges in such a way that the major terms of the hedged items and the hedging instruments are almost the same and accordingly assume that the hedges are highly effective.

(16) Reserve for price fluctuations

Reserve for price fluctuations is computed based on Article 115 of the Insurance Business Act.

(17) Method of accumulating policy reserves

To prepare for the fulfillment 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 reserve (Article 4, Paragraph 2, Item 4 of the Insurance Business Act) and accumulated, pursuant to Article 116, Paragraph 1 of the Insurance Business Act.

Among the policy reserves, insurance premium reserves are calculated based on the following methodology. The amount includes additional policy reserves accumulated for a portion of the reinsurance contracts from the Organization for Postal Savings, Postal Life Insurance and Post Office Network (hereinafter referred to as “the Japan Postal Service Organization”) 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 (Ordinance No. 48 issued by the Ministry of Finance in 1996).
- 2) Reserves for the other contracts are calculated based on the net level premium method.

Among the policy reserves, contingency reserves are accumulated to ensure the fulfillment of future obligations under the insurance contracts in the amount of risks that may accrue in the future, 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 confirms whether the policy reserves have been appropriately accumulated as of the fiscal year-end, pursuant to Article 121, Paragraph 1 of the Insurance Business Act and Article 80 of the Ordinance for Enforcement of the Insurance Business Act.

(18) Other

- 1) Presentation of gains (losses) on cancellation or redemption of investment trusts

Gains (losses) on cancellation or redemption of investment trusts at the banking subsidiary are recorded as interest and dividends on securities in “Banking business income” for those with bonds or assets equivalent to bonds as trust asset components, and as gains on sale of equity securities in “Banking business income” or losses on sale of equity securities in “Other ordinary expenses” for those with other trust asset components. In the event interest and dividends on securities from investment trusts results in a loss as a whole, they are recognized as losses on redemption of bonds in “Operating expenses.”

- 2) Recognition of insurance premiums and others

(a) Insurance premiums

The first premium at the insurance subsidiary is recognized for premiums that have been collected and for which the policy has commenced, in the amount collected under “Life insurance business income.” Premiums thereafter are recognized in the amount of each collection under “Life insurance business income.”

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.

(b) Reinsurance income

Reinsurance income at the insurance subsidiary is the amount paid as insurance claims, etc. pertaining to original insurance contracts in accordance with reinsurance contracts, of which portions that correspond to reinsurance, and is recorded in “Life insurance business income” at the time of payment of these claims, etc.

3) Recognition of insurance claims and others

(a) 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) of the insurance subsidiary are recognized in the amount of such payment under “Operating expenses.”

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.

(b) Reinsurance premiums

Reinsurance premiums at the insurance subsidiary that have been agreed on based on reinsurance contracts are recorded in “Operating expenses” when the said reinsurance contracts are concluded or when insurance premiums corresponding to original insurance contracts are collected, etc.

A portion of policy reserves and reserve for outstanding claims for reinsured part are not set aside in accordance with Article 71, Paragraph 1 and Article 73, Paragraph 3 of the Ordinance for Enforcement of the Insurance Business Act.

4) Application of the group tax sharing system

The Company and certain domestic consolidated subsidiaries have applied the group tax sharing system.

New Accounting Pronouncements

“The Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024)

“Implementation Guidance on the Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024)

and other related Accounting Standards, Implementation Guidance, Practical Solutions and Transferred Guidance issued by ASBJ

1. Overview

These standards and guidance prescribe the accounting treatment whereby lessees are required to recognize assets and liabilities for all leases in the same manner as accounting principles generally accepted internationally.

2. Effective date

Effective from the beginning of the fiscal year ending March 31, 2028.

3. Effects of application of the accounting standards, etc.

The effects of the application are under assessment.

Significant Accounting Estimates

Items using accounting estimates recorded in the consolidated financial statements for the current fiscal year that have the possibility of significantly impacting the consolidated financial statements for the following fiscal year are as follows:

1. Fair value measurement of securities

Amounts of securities measured by fair value at the banking subsidiary and certain consolidated subsidiaries are considerable and their effects on the consolidated financial statements are significant. Therefore, the fair value of securities is considered as a significant factor in accounting estimates.

(1) Amount recorded in the consolidated financial statements as of March 31, 2026

Securities ¥191,440,416 million

(2) Information that will facilitate the understanding of significant accounting estimates related to identified items

1) Calculation method and principal assumptions

For bonds, the Group uses the Reference Statistical Prices [Yields] for OTC Bond Transactions published by the Japan Securities Dealers Association, the comparable price method, or the price provided by third parties such as outside vendors and brokers, etc., as the fair value. The Group uses the funds' unit price for investment trusts as the fair value. Key assumptions for the comparable price method, or the price provided by third parties are inputs used for fair value measurement which include directly or indirectly observable inputs in the markets such as yield curves, spreads estimated based on the prices of similar securities, as well as inputs that are unobservable in the markets containing significant estimates.

2) Impact on the consolidated financial statements for the following fiscal year

The fair value of securities may fluctuate as a result of changes in input, which are principal assumptions, due to factors such as changes in the market environment.

2. Impairment of fixed assets used for the postal and domestic logistics business of Japan Post Co., Ltd.

(1) Amount recorded in the consolidated financial statements as of March 31, 2026

Tangible fixed assets and intangible assets in the postal and domestic logistics business of Japan Post Co., Ltd. are ¥1,104,028 million.

(2) Information that will facilitate the understanding of significant accounting estimates related to identified items

In the determination of indications of impairment, the assets for the postal and domestic logistics business of Japan Post Co., Ltd. ("Japan Post Co.") are treated as a single asset group because all the fixed assets used by that business generate cash flows together as one.

As the postal and domestic logistics business of Japan Post Co. reported consecutive operating losses, the Group has identified indications of impairment on fixed assets and judged whether to recognize impairment losses. As a result of the judgment, although the total undiscounted future cash flows were lower than the book value due to a decline in profitability, the recoverable amount exceeded the book value. Therefore, no impairment loss was recorded.

Since Japan Post Co. cannot expect to recover the investment amount through the continued use of fixed assets related to the postal and domestic logistics business, and the value in use, which is calculated as the discounted present value of future cash flows, was lower than the net selling price of fixed assets related to the said business. Accordingly, the net selling price is used as the recoverable amount.

The real estate appraisal value, which is used as the basis for net selling price, has been calculated by real estate appraisers engaged by Japan Post Co. in accordance with the Real Estate Appraisal Standards through regional and individual analysis, assessment of the highest and best use, selection of the appraisal method, adjustment of indicative value, examination of the balance with the benchmark price, and other means. In the calculation for post offices with the collection and delivery function, etc., as they are essential hubs for the collection and delivery network that the postal and

domestic logistics business has established across Japan, regional and individual analysis, etc. is important for the assessment of the highest and best use.

Any significant changes to the real estate appraisal value due to deterioration in economic or market conditions may significantly impact the amount recorded as fixed assets used for the postal and domestic logistics business of Japan Post Co. in the following fiscal year.

3. Estimates on retirement benefit obligations

- (1) Amounts recorded in the consolidated financial statements as of March 31, 2026

This information is provided in “Retirement Benefits”.

- (2) Information that will facilitate the understanding of significant accounting estimates related to identified items

Retirement benefit obligations of the Company and certain consolidated subsidiaries are calculated based on actuarial assumptions. These assumptions include factors such as discount rates and retirement rates, etc. As estimates on retirement benefit obligations involve a high degree of uncertainty, if assumptions differ from actual results or if assumptions are changed, it may impact retirement benefit obligations in the following fiscal year.

Changes in Accounting Estimates

A consolidated subsidiary has changed the amortization period of actuarial differences and prior service costs concerning the lump-sum severance indemnity plans as a defined benefit plan from 13 years to 12 years from the fiscal year ended March 31, 2026, due to a decrease in the estimated average remaining service period for employees.

As a result of this change, ordinary expenses decreased by ¥7,737 million, while net ordinary income and income before income taxes each increased the same amount for the fiscal year ended March 31, 2026.

The Company has changed the amortization period of actuarial differences concerning the Company’s share of public service pension from 7 years to 6 years from the fiscal year ended March 31, 2026, due to a decrease in the estimated average remaining payment period for eligible personnel.

As a result of this change, ordinary expenses decreased by ¥1,725 million, while net ordinary income and income before income taxes each increased the same amount for the fiscal year ended March 31, 2026.

Additional Information

Transactions granting the Company's shares, etc. through a trust to Executive Officers and other management of the Group

The Company and Japan Post Co., a consolidated subsidiary, have introduced a performance-linked stock compensation system and non-performance-linked stock compensation system utilizing a trust (hereinafter the "System") for Executive Officers of the Company and Directors (excluding Directors who are not in charge of business execution) and Executive Officers of Japan Post Co. (collectively referred to as "Executives subject to the System").

In accounting for the trust agreement, "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees, etc. through Trusts" (ASBJ PITF No. 30, March 26, 2015) has been applied.

1. Outline of the transactions

The System is a structure to provide the Company's shares, etc. to Executives subject to the System in accordance with the Stock Benefit Regulations. The performance-linked stock compensation system grants points after the end of the last fiscal year of the Medium-term Management Plan period. The number of the points is calculated by the standard number for each position according to job responsibilities of Executives subject to the System, multiplied by a payout rate that varies depending on their levels of attainment of performance targets given in the Medium-term Management Plan. The non-performance-linked stock compensation system grants points for each position according to job responsibilities of Executives subject to the System after the end of fiscal years. After retirement, Executives subject to the System shall receive from the trust the Company's shares and money in the amount equivalent to the fair value of a certain portion of the Company's shares in accordance with the accumulated number of points granted.

The shares provided for Executives subject to the System are acquired by the trust in advance using the funds set by the Company, and are managed separately as trust assets.

2. The Company's shares remaining in the trust

The Company's shares remaining in the trust are recorded under net assets as treasury stock at the book value in the trust (excluding incidental expenses). The book value of the treasury stock was ¥2,145 million and the number of shares of the treasury stock was 1,777 thousand shares as of March 31, 2026.

A stock compensation system utilizing a trust has also been introduced at Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd., which are consolidated subsidiaries of the Company.

Administrative Dispositions Relating to the Incidents of Unperformed Roll Calls by the Ministry of Land, Infrastructure, Transport and Tourism, and Related Matters

On June 25, 2025, Japan Post Co., a consolidated subsidiary of the Company, received administrative dispositions to revoke the permission for its general motor truck transportation business and an order to ensure the safety of transportation under the Motor Truck Transportation Business Act (Act No. 83 of 1989) from the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) relating to the incidents of unperformed roll calls. Since June 26, 2025, Japan Post Co. has been unable to use vehicles of one ton or over in its general motor truck transportation business. On June 26, 2025, Japan Post Co. submitted a report as requested by the Ministry of Internal Affairs and Communications (MIC) in response to the incidents of unperformed roll calls. It also received further supervisory instructions under the Japan Post Co., Ltd. Act, including directives to ensure the provision of universal postal services, to safeguard customer convenience, and to steadily implement recurrence prevention measures.

In addition, since October 8, 2025, several post offices received administrative dispositions from MLIT ordering the suspension of the use of light four-wheel vehicles based on the Motor Truck Transportation Business Act (Act No. 83 of 1989). The post offices that received these dispositions will be unable to use some of their light four-wheel vehicles for the duration of the dispositions. On February 10, 2026, Japan Post Co. received the final administrative dispositions notice related to the series of incidents of unperformed roll calls, based on the special audit of the post offices that serve as branch offices utilizing light four-wheel vehicles.

Some vehicles continue to be suspended based on the administrative dispositions, but Japan Post Co. will take appropriate steps to continue to provide mail and parcel services (such as Yu-Pack) properly and appropriately without inconveniencing customers.

Notes to Consolidated Balance Sheet

1. Items related to the non-consolidated subsidiaries and affiliates are as follows

Stocks	¥676,198 million
Investments in capital	¥164,887 million
Bonds	¥94,786 million

2. Unsecured and secured loaned securities for which borrowers have the right to sell or pledge included in Japanese government bonds and other in “Securities” amounted to ¥7,551,828 million.

Securities borrowed under resale agreements, etc. for which the Group has the right to sell or pledge but has not sold or pledged as of March 31, 2026 amounted to ¥4,153,461 million.

3. Receivables based on the Banking Act and the Act on Emergency Measures for the Revitalization of Financial Functions were as follows. The receivables consist of those recorded in the consolidated balance sheet as bonds in “Securities” (limited to those guaranteeing all or a part of principal and interest, and offered through private placement in accordance with Article 2, Paragraph 3 of the Financial Instruments and Exchange Act), “Loans,” “Foreign exchanges,” accrued interest and suspense payments in “Other assets” and “Customers’ liabilities for acceptance and guarantees.”

Claims provable in bankruptcy	¥ - million
Doubtful receivables	¥ 0 million
Past-due loans for three months or more	¥ - million
<u>Restructured loans</u>	<u>¥ - million</u>
Total	¥ 0 million

The above loan amounts are stated before deduction of reserve for possible loan losses.

4. Assets pledged as collateral were as follows:

- (1) Assets pledged as collateral:

Securities	¥34,504,060 million
Other tangible fixed assets	¥19,778 million

- (2) Liabilities related to collateral:

Deposits	¥290,835 million
Payables under repurchase agreements	¥27,113,363 million
Payables under securities lending transactions	¥2,433,717 million
Borrowed money	¥2,833,386 million
Other liabilities	¥2 million

- (3) In addition to the assets pledged as collateral and the liabilities related to collateral presented above, the total assets of the Company have been pledged as general collateral for corporate bonds issued valued at ¥85,300 million.

In addition to the above, securities valued at ¥5,790,864 million and loans of ¥250,000 million are pledged as collateral for the settlement accounts of Bank of Japan overdrafts, exchange settlement transactions, or derivative transactions and other transactions, and substituted for margins for future transactions.

“Other assets” include margins for future transactions of ¥14,932 million, guarantee deposits of ¥29,483 million, margins with central counterparty of ¥211,944 million and cash collateral paid for financial instruments of ¥2,526,783 million.

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

(1) The consolidated balance sheet amount and fair value of policy-reserve-matching bonds are ¥7,001,851 million and ¥5,902,104 million, respectively.

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

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

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

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

3) Japan Post Insurance life insurance contracts (single-premium payment) (excluding some insurance types)

6. Contracts of overdraft facilities and loan commitments are contracts with customers to lend funds up to a certain limit agreed upon in advance. The banking subsidiary will make the loans upon the request of an obligor to draw down funds under such loan agreements, unless any terms or conditions stipulated in the relevant loan agreement are violated. The amount of unused commitments on loans of the banking subsidiary amounted to ¥35,247 million. Of this amount, there was unused commitments of ¥4,442 million with a term of less than one year or that may be cancelled unconditionally at any point of time.

In many cases, the term of the agreement runs its course without the loan ever being drawn down. Therefore, the unused amount will not necessarily affect the future cash flows of the banking subsidiary. Conditions are included in certain loan agreements that allow the banking subsidiary to decline the request for a loan draw-down when there is due cause to do so, such as when there is a change in financial condition or when it is necessary to protect the banking subsidiary’s credit. At the inception of contracts, the banking subsidiary has the obligor pledge collateral to the banking subsidiary in the form of real estate, securities, etc., if considered to be necessary. Subsequently, the banking subsidiary reviews the obligor’s financial condition in accordance with the banking subsidiary’s established internal procedures and takes necessary measures to protect its credit.

7. Accumulated depreciation of tangible fixed assets ¥2,105,751 million

Note: The above does not include accumulated depreciation related to right-of-use assets.

8. Deferred gains on tangible fixed assets not recognized for tax purposes ¥95,619 million

9. Changes in reserve for policyholder dividends

Balance at the beginning of the fiscal year	¥1,085,126 million
Policyholder dividends paid	¥101,997 million
Interest accrual, etc.	¥2,765 million
Reduction due to the acquisition of additional annuity	¥282 million
Provision for reserve for policyholder dividends	¥143,579 million
Balance at the end of the fiscal year	¥1,129,192 million

10. Reserve for outstanding claims for reinsured part defined in Article 71, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the said Ordinance was ¥295 million. In addition, policy reserves for reinsured part defined in Article 71, Paragraph 1 of the said Ordinance was ¥1,378,781 million.
11. Policy reserves, excluding contingency reserve but including ceded reinsurance policy reserve, related to the reinsurance contracts with the Japan Postal Service Organization, are provided at amounts calculated based on the statement of calculation procedures for the insurance subsidiary's insurance premiums and policy reserves. Such amount is set not to fall below the amount calculated based on the statement of calculation procedures for the Postal Life Insurance policy reserves in accordance with the Act on the Organization for Postal Savings, Postal Life Insurance and Post Office Network (Act No. 101 of 2005). Accordingly, policy reserves (excluding contingency reserve but including ceded reinsurance policy reserve) of ¥23,140,530 million was provided.
In addition, contingency reserve of ¥937,984 million and reserve for price fluctuations of ¥530,349 million were provided for this category of reinsurance.
12. In the consolidated balance sheet, "Deposits" corresponds to the liability item "Deposits" in the Regulation for Enforcement of the Banking Act.
13. "Bonds" in the consolidated balance sheet includes ¥500,000 million in subordinated bonds with the special provisions that subordinate the fulfillment of obligations on the bonds to all other debt obligations.
14. In the consolidated balance sheet, "Effect of changes in discount rate assumptions" is recorded by a foreign affiliate accounted for by the equity method which applies generally accepted accounting principles in the United States of America (Accounting Standards Update 2018-12).
15. Contingent liabilities
In the event that the Company's consolidated subsidiary cancels all or part of its lease contracts for post offices, the lessors shall be entitled to seek compensation for the cancellation. The amounts of compensation are calculated based on the amounts of uncollectible investment. The possible amount of compensation was ¥51,270 million as of March 31, 2026.
Compensation shall not be made in full in the case where the offices are used for purposes other than originally intended, regardless of whether the contracts were cancelled on the side of the Company's subsidiary.

Notes to Consolidated Statement of Income

1. For ordinary income, revenue from contracts with customers, and other revenue are not provided separately. The amount of revenue from contracts with customers is provided in "Revenue Recognition 1. Disaggregation of revenue from contracts with customers".
2. Provision for reserve for policyholder dividends, which is provided for the Japan Postal Service Organization based on gains or losses and others arising in the category of reinsurance due to the reinsurance contracts with the Japan Postal Service Organization, was ¥126,124 million for the fiscal year ended March 31, 2026.

Notes to Consolidated Statement of Changes in Net Assets

1. Class and number of shares issued

(Thousands of shares)

	April 1, 2025	Increase	Decrease	March 31, 2026	Remarks
Shares issued					
Common stock	3,206,240	-	233,305	2,972,934	(Note)

Note: The decrease of 233,305 thousand shares issued is due to the cancellation of treasury stock.

2. Class and number of shares of treasury stock

(Thousands of shares)

	April 1, 2025	Increase	Decrease	March 31, 2026	Remarks
Treasury stock					
Common stock	234,444	165,542	233,369	166,617	(Notes 1, 2, 3)

Notes: 1. The number of shares of treasury stock at the beginning of the fiscal year includes the shares of the Company held by the management board benefit trust of 1,038 thousand shares. The number of shares of treasury stock at the end of the fiscal year includes the shares of the Company held by the management board benefit trust of 1,777 thousand shares.

2. The increase of 165,542 thousand shares of treasury stock is due to 164,740 thousand shares repurchased from August 1, 2025 to March 24, 2026 based on the resolution of the Board of Directors' meeting held on May 15, 2025, 802 thousand shares repurchased by the management board benefit trust, and the purchase of shares less than one unit of 0 thousand shares. The decrease of 233,369 thousand shares of treasury stock is due to the cancellation of treasury stock of 233,305 thousand shares, based on the resolution of the Board of Directors' meeting held on March 28, 2025, the benefits paid of the shares of the Company by the management board benefit trust of 63 thousand shares.

3. The Company resolved to cancel its treasury stock in accordance with Article 178 of the Companies Act at the Board of Directors' meeting held on March 27, 2026, however, the cancellation procedures of the following treasury stock had not been completed at the end of the fiscal year ended March 31, 2026.

Book value: ¥249,998 million

Class of shares to be cancelled: Common stock

Number of shares to be cancelled: 164,740 thousand shares

The cancellation procedures of the above treasury stock have been completed on April 10, 2026.

3. Information on dividends

Dividends from retained earnings require approval from the Minister for Internal Affairs and Communications pursuant to the provisions of Article 11 of the Act on Japan Post Holdings Co., Ltd.

(1) Dividends paid for the fiscal year ended March 31, 2026

Resolution	Class of shares	Total amount (Millions of Yen)	Per share amount (Yen)	Record date	Effective date
Board of Directors' meeting held on May 15, 2025	Common stock	74,320	25.00	March 31, 2025	June 26, 2025
Board of Directors' meeting held on November 14, 2025	Common stock	71,764	25.00	September 30, 2025	December 5, 2025

Notes: 1. The total amount of dividends based on the resolution of the Board of Directors' meeting held on May 15, 2025 includes dividends of ¥25 million for the Company's shares held by the management board benefit trust.

2. The total amount of dividends based on the resolution of the Board of Directors' meeting held on November 14, 2025 includes dividends of ¥44 million for the Company's shares held by the management board benefit trust.

(2) Dividends whose effective date falls after the end of the fiscal year ended March 31, 2026 (scheduled)

Resolution	Class of shares	Total amount (Millions of Yen)	Source of dividends	Per share amount (Yen)	Record date	Effective date
Board of Directors' meeting held on May 15, 2026	Common stock	70,202	Retained earnings	25.00	March 31, 2026	June 25, 2026

Notes: 1. Dividends are subject to approval from the Minister for Internal Affairs and Communications by the above effective date.

2. The total amount of dividends includes dividends of ¥44 million for the Company's shares held by the management board benefit trust.

Financial Instruments

1. Status of financial instruments

(1) Policy for handling financial instruments

The Group is required to manage financial assets and financial liabilities owned by the banking subsidiary and insurance subsidiary in order to avoid the negative impact on the stability of their financial results resulting from the volatility due to future interest rate fluctuation and foreign exchange fluctuation since these assets and liabilities are generally subject to changes in value due to fluctuations in the market.

For this purpose, both companies endeavor to properly manage return and risk by using an asset liability management (ALM) framework, under which the companies enter into derivative transactions such as interest rate swaps, currency swaps and forward foreign exchange.

Derivative transactions are identified as a key hedging method against interest rate fluctuation risk and foreign exchange fluctuation risk to our investment assets.

In addition, from the viewpoint of increasing profitability, both companies also work to invest in risk assets within an acceptable range while at the same time strengthening their risk management structures.

(2) Features and risks of financial instruments

In the Group, financial assets owned by the banking subsidiary and insurance subsidiary consist mainly of securities such as domestic and foreign bonds, in particular Japanese government bonds, loans, stock investments through money held in trust and others. Such financial assets are exposed to risks including the credit risk of their issuing bodies, interest rate fluctuation risk and market price fluctuation risk.

From an ALM viewpoint, interest rate swaps are used as a means of hedging future economic value fluctuation risk and interest rate risk of securities, loans, fixed term deposits and others for interest rate-related transactions.

For currency-related transactions, currency swaps and forward foreign exchange are used as a means of hedging foreign exchange fluctuation risk in connection with the translation of foreign currency-denominated assets held by the banking subsidiary and insurance subsidiary and related Japanese yen translation amounts of redemption of principal and interest.

In hedging risk using derivative transactions, the Group applies hedge accounting for transactions meeting certain prescribed requirements in order to limit impacts on financial results.

(3) Risk management framework for financial instruments

The Group has a basic policy for group risk management whereby basic principles regarding risk management as well as basic matters for which compliance is mandatory for risk management including risk categories to be managed by Group companies are prescribed, and risk management is carried out on a group basis.

The status of the risk management at each company is periodically reported to the management meeting at which the Group's risk management policies and risk management structures are discussed.

For risks such as market risk, credit risk and other types of risk, each company identifies risks that can be quantified and then uses value at risk (VaR), a measure of the maximum expected loss that could occur due to events with a certain probability, and other methods to measure these risks. The Company manages risk by confirming that the amount of risk measured at each of these companies is kept within each company's equity capital.

1) Credit risk management

The banking subsidiary and insurance subsidiary use the VaR method to quantify and manage credit risk exposure, in accordance with the respective rules of the companies on credit risk management. Moreover, to control credit concentration risk, the companies provide credit limits and other criteria for individual companies and corporate groups and supervise these limits during each fiscal year.

2) Management of market risk

The banking subsidiary and insurance subsidiary use the VaR method to quantify and manage market risk exposure, in accordance with the respective rules of the companies on market risk management.

3) Management of liquidity risk related to fund raising activities

The banking subsidiary and insurance subsidiary manage liquidity risk related to fund raising activities through the establishment of indexes of fund raising, etc.

(4) Additional notes concerning the fair value of financial instruments

In calculating the fair value of a financial instrument, certain premises and assumptions are adopted, and the use of different premises and assumptions may lead to changes in pricing.

2. Fair values of financial instruments

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

Stocks and other securities without market prices and investments in partnerships are not included in the table below (Note 1.)

Notes regarding cash and due from banks, call loans, receivables under resale agreements, payables under repurchase agreements and payables under securities lending transactions have been omitted, as these instruments are settled over a short-term, and their carrying amounts approximate their fair values.

(Millions of Yen)

	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
(1) Monetary claims bought	539,146	539,146	-
(2) Trading account securities			
Trading securities	214	214	-
(3) Money held in trust (* 1)	10,190,074	10,190,074	-
(4) Securities			
Held-to-maturity bonds	83,161,276	74,287,846	(8,873,430)
Policy-reserve-matching bonds	7,001,851	5,902,104	(1,099,747)
Stocks of subsidiaries and affiliates	603,087	912,931	309,843
Available-for-sale securities (* 1)	100,050,523	100,050,523	-
(5) Loans	6,434,130		
Reserve for possible loan losses (* 2)	(652)		
	6,433,478	6,177,978	(255,500)
Total assets	207,979,652	198,060,818	(9,918,833)
(1) Deposits	184,652,065	184,195,393	(456,672)
(2) Borrowed money	3,209,411	3,204,398	(5,013)
(3) Bonds	585,300	546,536	(38,763)
Total liabilities	188,446,776	187,946,328	(500,448)
Derivative transactions (* 3)			
Hedge accounting not applied	(145,272)	(145,272)	-
Hedge accounting applied	(2,400,863)	(2,400,863)	-
Total derivative transactions	(2,546,136)	(2,546,136)	-

(*1) Investment trusts that apply the treatment to regard a unit price as the fair value based on Paragraph 24-3 and Paragraph 24-9 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) are included.

(*2) General reserve for possible loan losses and specific reserve for possible loan losses corresponding to loans have been deducted.

(*3) Derivative transactions recorded in Other assets/Other liabilities are expressed as lump sums.

Net receivables and payables arising from derivative transactions are stated at net values, and if the values are negative, they are indicated in parentheses. Additionally, those subject to the exceptional treatment for interest rate swaps or the allocation method for forward foreign exchange, etc. which requires recognized foreign currency assets or liabilities to be translated using the corresponding foreign exchange contract rates are jointly disclosed with hedged securities. Therefore, their fair values are included in the relevant securities.

Note 1. Amounts carried on the consolidated balance sheet for stocks and other securities without market prices and investments in partnerships are as shown below; they are not included in “Assets (3) Money held in trust” and “Assets (4) Securities” under information concerning fair values of financial instruments.

(Millions of Yen)

Class	Consolidated balance sheet amount
Money held in trust (*1) (*2)	4,072,592
Securities	
Unlisted stocks, etc. (*1)	322,575
Investments in partnerships (*2)	301,102
Total (*3)	4,696,270

- (*1) In accordance with the provisions of Paragraph 5 of “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 31, 2020), unlisted stocks, etc. are not included in the scope of fair value disclosures.
- (*2) In accordance with the provisions of Paragraph 24-16 of “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021), investments in partnerships are not included in the scope of fair value disclosures.
- (*3) Impairment losses of ¥1,261 million were recognized for the fiscal year ended March 31, 2026.

Note 2. Redemption schedule of monetary claims and securities with maturities were as follows:

(Millions of Yen)

	Within 1 year	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
Monetary claims bought	11,039	17,744	18,438	102,052	149,111	264,535
Securities						
Held-to-maturity bonds	4,313,827	11,305,477	8,724,106	5,991,252	22,796,321	30,438,884
Policy-reserve-matching bonds	261,100	573,900	948,800	818,600	469,400	4,172,488
Available-for-sale securities with maturities	6,344,972	10,770,675	7,240,739	3,816,447	6,012,055	16,632,019
Loans (*)	2,805,600	1,200,671	937,620	603,526	383,608	500,932
Total	13,736,539	23,868,468	17,869,704	11,331,878	29,810,496	52,008,859

(*) Loans does not include ¥0 million of claims whose redemption schedules are not expected, such as claims against bankrupt obligors, substantially bankrupt obligors and doubtful borrowers.

Note 3. Redemption schedule of deposits, borrowed money and bonds were as follows:

(Millions of Yen)

	Within 1 year	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
Deposits (*)	134,142,148	12,983,176	11,020,790	4,556,309	21,949,639	-
Borrowed money	1,680,447	1,394,949	71,812	60,100	2,101	-
Bonds	-	41,000	24,300	15,000	-	505,000
Total	135,822,596	14,419,126	11,116,903	4,631,409	21,951,740	505,000

(*) Demand deposits are included in “Within 1 year”.

3. Fair value information of financial instruments by level of inputs

Based on the observability and the significance of the inputs used to determine fair values, fair value information of financial instruments is presented by categorizing measurements into the following three levels:

Level 1 fair value: The fair value measured by quoted prices of identical assets or liabilities in active markets.

Level 2 fair value: The fair value measured using observable inputs other than Level 1.

Level 3 fair value: The fair values measured using unobservable inputs.

When multiple inputs of different categories are used in measuring fair value, the Group classified fair values into a category to which the lowest priority is assigned.

(1) Financial assets and financial liabilities measured at fair value

(Millions of Yen)

Class	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	-	9,981	529,164	539,146
Money held in trust (*1)	7,068,786	791,138	-	7,859,925
Trading account securities and securities				
Trading securities				
Japanese government bonds	214	-	-	214
Available-for-sale securities				
Stocks	929,750	-	-	929,750
Japanese government bonds	11,297,592	133,884	-	11,431,476
Japanese local government bonds	-	650,375	16,918	667,294
Japanese short-term corporate bonds	-	823,599	-	823,599
Japanese corporate bonds	-	3,424,957	-	3,424,957
Other	12,487,778	60,957,873	270,138	73,715,790
Of which: foreign bonds	12,478,062	8,608,992	91,212	21,178,267
Of which: investment trusts (*1)	9,716	52,333,874	-	52,343,591
Total assets	31,784,122	66,791,810	816,222	99,392,155
Derivative transactions (*2)				
Interest rate-related derivatives	-	97,962	-	97,962
Currency-related derivatives	-	(2,644,099)	-	(2,644,099)
Total derivative transactions	-	(2,546,136)	-	(2,546,136)

(*1) Investment trusts that apply the treatment to regard a unit price as the fair value based on Paragraph 24-3 and Paragraph 24-9 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) are not included. The consolidated balance sheet amount of investment trusts that apply the treatment of Paragraph 24-3 was ¥10,453,090 million, and the consolidated balance sheet amount of investment trusts that apply the treatment of Paragraph 24-9 was ¥399,398 million.

(*2) Derivative transactions recorded in Other assets/Other liabilities are expressed as lump sums. Net receivables and payables arising from derivative transactions are stated at net values, and if the values are negative, they are indicated in parentheses.

(2) Financial assets and financial liabilities not measured at fair value

(Millions of Yen)

Class	Fair value			
	Level 1	Level 2	Level 3	Total
Money held in trust	-	535,313	-	535,313
Securities				
Held-to-maturity bonds				
Japanese government bonds	51,290,781	-	-	51,290,781
Japanese local government bonds	-	6,061,867	2,563	6,064,430
Japanese corporate bonds	-	7,566,271	-	7,566,271
Other	3,496,120	5,870,241	-	9,366,362
Policy-reserve-matching bonds				
Japanese government bonds	4,602,622	-	-	4,602,622
Japanese local government bonds	-	272,203	17,125	289,329
Japanese corporate bonds	-	992,024	-	992,024
Other	-	18,127	-	18,127
Stocks of subsidiaries and affiliates				
Stocks	912,931	-	-	912,931
Loans	-	-	6,177,978	6,177,978
Total assets	60,302,456	21,316,050	6,197,667	87,816,174
Deposits	-	184,195,393	-	184,195,393
Borrowed money	-	3,204,398	-	3,204,398
Bonds	-	546,536	-	546,536
Total liabilities	-	187,946,328	-	187,946,328

Note 1. A description of the valuation techniques and inputs used in the fair value measurements

Assets

Monetary claims bought

The fair value of monetary claims bought is based on pricing offered by the broker and other third parties, and is classified primarily into Level 3 fair value.

Money held in trust

For securities representing trust assets in money held in trust, the fair value of stocks and investment trusts with market prices is based on the price on the stock exchange, and the fair value of bonds is based on the Reference Statistical Prices [Yields] for OTC Bond Transactions published by the Japan Securities Dealers Association. These are classified primarily into Level 1 fair value. The fair value of investment trusts without market prices is based on a unit price if there are no restrictions that are significant enough to cause market participants to demand compensation for risks with respect to cancellation or repurchase requests, and the fair value is categorized as Level 2.

Notes to money held in trust by categories based on holding purposes are provided in “Money Held in Trust” notes.

Trading account securities

The fair value of trading account securities is based on the purchase price of the Bank of Japan, and is classified primarily into Level 1 fair value because unadjusted quoted prices in active markets are available.

Securities

The fair value of stocks and investment trusts with market prices is based on the price on the stock exchange, and is classified primarily into Level 1 fair value because unadjusted quoted prices in active markets are available.

The fair value of bonds is based on the Reference Statistical Prices [Yields] for OTC Bond Transactions published by the Japan Securities Dealers Association, the amount calculated using the comparable price method or the price provided by a third party such as a vendor or a broker.

For bonds whose fair value is based on the Reference Statistical Prices [Yields] for OTC Bond Transactions published by the Japan Securities Dealers Association or the amount calculated using the comparable price method and other criteria, principally, the fair value of Japanese government bonds and Japanese treasury discount bills is classified into Level 1 fair value, and that of other bonds is classified into Level 2 fair value. In addition, the fair value of bonds whose fair value is based on the price provided by a third party such as a vendor or a broker is classified into Level 1, Level 2 or Level 3 fair value depending on whether the obtained prices and inputs and other indicators used in the pricing are observable in markets.

The fair value of bonds subject to the exceptional treatment for interest rate swaps or the allocation method of forward foreign exchange, etc. reflects the fair value of the relevant interest rate swap or forward foreign exchange, etc.

The fair value of investment trusts without market prices is based on a unit price if there are no restrictions that are significant enough to cause market participants to demand compensation for risks with respect to cancellation or repurchase requests, and the fair value is categorized as Level 2.

Notes to securities by categories considering holding purposes are provided in “Securities” notes.

Loans

For loans with variable interest rates, which follow market interest rates only over the short-term, book value approximates fair value provided the obligor’s credit standing has not significantly changed after the transaction. In such cases, book value serves as fair value. For loans with fixed interest rates, fair value is considered a net discounted present value of future cash flows, etc.

For loans that are limited to within a designated percentage of the amount of pledged assets, book values are used as fair values, because their fair values approximate book values based on the loan terms and conditions.

The fair value of these loans is classified into Level 3 fair value.

Liabilities

Deposits

For demand deposits such as transfer deposits and ordinary deposits, the payment amount (book value) if demanded on the consolidated balance sheet date is deemed to be the fair value of such demand deposits, and the fair value is classified into Level 2 fair value.

For time deposits, fair value is based on the net present value calculated by discounting estimated future cash flows, following a division into certain periods, and fair value is classified into Level 2 fair value.

For fixed deposits, fair value is based on the net present value calculated by discounting estimated future cash flows, which reflect an early cancellation rate calculated using historical results, following a division into certain periods. The fair value is classified into Level 2 fair value if the effect of unobservable inputs is immaterial, and into Level 3 fair value if significant unobservable inputs are used.

The interest rates applicable to new savings are used as the discount rates of time deposits and fixed deposits.

Borrowed money

For borrowed money with variable interest rates, fair value approximates book value since it follows market interest rates only over the short-term and the credit standing of the Group has not changed significantly after the transaction, therefore book value serves as fair value. For borrowed money with fixed interest rates, fair value is determined based on the present value calculated by discounting the total amount of principal and interest of the borrowed money classified by a certain period, by an interest rate assumed for a new borrowing under the same terms and conditions. For borrowed money for which the contract period is short (within a year), fair value approximates book value, which is therefore used as fair value.

The fair value of borrowed money is classified into Level 2 fair value.

Bonds

The fair value of bonds issued by the Group is based on the publicly released quoted price, etc. and is classified into Level 2 fair value.

Derivative transactions

For derivative transactions that unadjusted quoted prices in active markets are available, fair value is classified into Level 1 fair value.

However, as most of the derivative transactions are over-the-counter transactions and there is no publicly released quoted price, valuation techniques such as the discounted present value method is used to calculate fair value depending on the type of transaction and the period to maturity. The main inputs used in these techniques are interest rates and foreign exchange rates. In case where unobservable inputs are not used or their effects are immaterial, the fair value of derivative transactions is classified into Level 2 fair value, such as for plain vanilla interest rate swaps and forward foreign exchange. In case where significant unobservable inputs are used, the item is classified into Level 3 fair value.

Note 2. Information about Level 3 fair value of financial assets and financial liabilities measured at fair value is as follows:

(1) Quantitative information on significant unobservable inputs

This information is not presented because the Company's consolidated subsidiaries do not estimate unobservable inputs.

(2) Changes from balance at the beginning of the fiscal year to balance at the end of the fiscal year and gain (loss) on valuation recognized as gain (loss) for the fiscal year under review

(Millions of Yen)

	Balance at the beginning of the fiscal year	Gain (loss) or other comprehensive income in the fiscal year		Net amount of purchases, sales, issuances, and settlements	Reclassified as Level 3 fair value	Reclassified from Level 3 fair value	Balance at the end of the fiscal year	Of the amounts listed under gain (loss) for the fiscal year, gain (loss) on valuation of financial assets and liabilities held on the date of the consolidated balance sheet (*)
		Recorded as gain (loss) (*)	Recorded in other comprehensive income					
Monetary claims bought	606,966	90	(11,441)	(66,450)	-	-	529,164	-
Securities								
Available-for-sale securities								
Japanese local government bonds	19,262	-	(1,337)	(1,006)	-	-	16,918	-
Other	165,253	641	(1,672)	105,915	-	-	270,138	-
Of which: foreign bonds	95,315	641	(1,384)	(3,359)	-	-	91,212	-

(*) Included mainly in "Banking business income," "Life insurance business income" and "Operating expenses" in the consolidated statement of income.

(3) A description of valuation processes of fair value

The fair value verification department of the banking subsidiary has established policies and procedures for measuring fair value, and each fair value measurement department measures fair value accordingly. A fair value verification department independent from the fair value measurement departments verifies whether the fair value obtained is measured using valid valuation techniques and inputs and classifies them into levels of the fair value hierarchy. The results of the verification are reported to the ALM committee to ensure that the policies and procedures for measuring fair value are appropriate.

In measuring fair value, the banking subsidiary uses a valuation model that most appropriately reflects the nature, characteristics and risks of each financial instrument. In addition, when using quoted prices obtained from third parties, the Company verifies whether the prices are valid using appropriate methods, such as confirming the valuation techniques and inputs used and comparing them with the fair value of similar financial instruments.

The fair value measurement division of the insurance subsidiary has established policies and procedures for measuring fair value, measures fair value, and determines its level in the fair value hierarchy. The risk

management division of the insurance subsidiary has established verification procedures for measuring fair value of financial instruments. If quoted prices obtained from a third party are used, the division verifies the validity of prices using appropriate methods such as confirmation of the valuation techniques and inputs used, and comparison with fair value of similar financial instruments. Thus, the insurance subsidiary ensures that the fair value measurement of financial instruments and other matters are appropriate.

- (4) A narrative description of sensitivity of the fair value measurement to changes in significant unobservable inputs

This information is not presented because the Company's consolidated subsidiaries do not estimate unobservable inputs.

Note 3. Information on investment trusts that apply the treatment to regard a unit price as the fair value based on Paragraph 24-3 and Paragraph 24-9 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) is as follows:

- (1) Changes from balance at the beginning of the fiscal year to balance at the end of the fiscal year of the investment trusts that apply the treatment of Paragraph 24-3

(Millions of Yen)

Balance at the beginning of the fiscal year	Gain (loss) or other comprehensive income in the fiscal year		Net amount of purchases, sales and redemption	Amount of investment trusts that regards a unit price as fair value	Amount of investment trusts that doesn't regard a unit price as fair value	Balance at the end of the fiscal year	Of the amounts listed under gain (loss) for the fiscal year, gain (loss) on valuation of investment trusts held on the date of the consolidated balance sheet
	Recorded as gain (loss) (*)	Recorded in other comprehensive income					
9,145,738	96,810	453,848	756,693	-	-	10,453,090	-

(*) Included mainly in "Banking business income" in the consolidated statement of income.

- (2) Changes from balance at the beginning of the fiscal year to balance at the end of the fiscal year of the investment trusts that apply the treatment of Paragraph 24-9

(Millions of Yen)

Balance at the beginning of the fiscal year	Gain (loss) or other comprehensive income in the fiscal year		Net amount of purchases, sales and redemption	Amount of investment trusts that regards a unit price as fair value	Amount of investment trusts that doesn't regard a unit price as fair value	Balance at the end of the fiscal year	Of the amounts listed under gain (loss) for the fiscal year, gain (loss) on valuation of held investment trusts held on the date of the consolidated balance sheet
	Recorded as gain (loss) (*)	Recorded in other comprehensive income					
366,198	1,204	15,784	16,211	-	-	399,398	-

(*) Included mainly in "Banking business income" in the consolidated statement of income.

- (3) Breakdown by the content of the restrictions regarding cancellation or repurchase requests on the last day of the fiscal period

Investment trusts that require a certain period of time for cancellation, etc. ¥10,453,090 million

Securities

The amounts shown in the following tables include “Trading account securities,” negotiable certificates of deposit included in “Cash and due from banks,” and “Monetary claims bought,” in addition to “Securities.”

1. Trading securities (As of March 31, 2026)

There were no valuation gains (losses) associated with trading securities recorded under gains or losses for the fiscal year ended March 31, 2026.

2. Held-to-maturity bonds (As of March 31, 2026)

(Millions of Yen)

	Type	Consolidated balance sheet amount	Fair value	Difference
Those for which fair value exceeds consolidated balance sheet amount	Japanese government bonds	8,900,137	9,014,748	114,610
	Japanese local government bonds	381,389	385,964	4,574
	Japanese corporate bonds	83,058	83,959	901
	Other	7,534,907	8,266,122	731,215
	Subtotal	16,899,493	17,750,794	851,300
Those for which fair value does not exceed consolidated balance sheet amount	Japanese government bonds	49,778,919	42,276,033	(7,502,885)
	Japanese local government bonds	6,094,553	5,676,356	(418,196)
	Japanese corporate bonds	8,242,598	7,475,996	(766,602)
	Other	2,145,712	2,110,356	(35,356)
	Subtotal	66,261,783	57,538,742	(8,723,040)
Total		83,161,276	75,289,536	(7,871,739)

3. Policy-reserve-matching bonds (As of March 31, 2026)

(Millions of Yen)

	Type	Consolidated balance sheet amount	Fair value	Difference
Those for which fair value exceeds consolidated balance sheet amount	Japanese government bonds	1,563,205	1,583,395	20,190
	Japanese local government bonds	32,139	32,268	129
	Japanese corporate bonds	3,989	3,991	1
	Other	-	-	-
	Subtotal	1,599,334	1,619,655	20,321
Those for which fair value does not exceed consolidated balance sheet amount	Japanese government bonds	3,849,543	3,019,226	(830,316)
	Japanese local government bonds	325,584	257,060	(68,523)
	Japanese corporate bonds	1,207,388	988,033	(219,355)
	Other	20,000	18,127	(1,872)
	Subtotal	5,402,517	4,282,448	(1,120,068)
Total		7,001,851	5,902,104	(1,099,747)

4. Available-for-sale securities (As of March 31, 2026)

(Millions of Yen)

	Type	Consolidated balance sheet amount	Cost	Difference
Those for which consolidated balance sheet amount exceeds cost	Stocks	766,043	411,665	354,378
	Bonds	1,476,878	1,459,651	17,227
	Japanese government bonds	1,320,165	1,305,975	14,189
	Japanese local government bonds	8,645	8,530	115
	Japanese short-term corporate bonds	-	-	-
	Japanese corporate bonds	148,067	145,145	2,922
	Other	72,119,183	66,444,986	5,674,197
	Of which: foreign bonds	18,552,127	14,879,585	3,672,542
	Of which: investment trusts	53,566,046	51,564,399	2,001,646
	Subtotal	74,362,106	68,316,302	6,045,803
Those for which consolidated balance sheet amount does not exceed cost	Stocks	163,706	227,843	(64,137)
	Bonds	14,870,449	18,000,778	(3,130,329)
	Japanese government bonds	10,111,310	12,944,384	(2,833,073)
	Japanese local government bonds	658,649	688,686	(30,037)
	Japanese short-term corporate bonds	823,599	823,599	-
	Japanese corporate bonds	3,276,889	3,544,108	(267,218)
	Other	12,428,408	12,899,361	(470,953)
	Of which: foreign bonds	2,626,139	2,730,665	(104,526)
	Of which: investment trusts	7,835,199	8,177,957	(342,757)
	Subtotal	27,462,563	31,127,984	(3,665,420)
Total	101,824,669	99,444,287	2,380,382	

5. Held-to-maturity bonds sold during the fiscal year (from April 1, 2025 to March 31, 2026)

There were no held-to-maturity bonds sold during the fiscal year.

6. Policy-reserve-matching bonds sold during the fiscal year (from April 1, 2025 to March 31, 2026)

(Millions of Yen)

	Sales	Gains	Losses
Bonds	458,810	6,028	(223,780)
Japanese government bonds	321,973	6,028	(104,165)
Japanese corporate bonds	136,837	-	(119,614)
Total	458,810	6,028	(223,780)

7. Available-for-sale securities sold during the fiscal year (from April 1, 2025 to March 31, 2026)

(Millions of Yen)

	Sales	Gains	Losses
Stocks	146,212	38,277	(9,214)
Bonds	1,077,937	938	(119,250)
Japanese government bonds	896,572	807	(115,869)
Japanese local government bonds	80,197	-	(442)
Japanese corporate bonds	101,167	130	(2,938)
Other	1,510,458	106,277	(71,176)
Of which: foreign bonds	513,024	9,198	(10,333)
Of which: investment trusts	997,433	97,079	(60,843)
Total	2,734,607	145,493	(199,641)

8. Securities that incurred impairment losses

For securities other than trading securities (excluding stocks without market prices and investments in partnerships), and in case whose fair value declines significantly from their acquisition costs, with no prospect of recovering to their acquisition costs, the Company records the fair value of such securities on the consolidated balance sheet and charges valuation differences as losses in the fiscal year in which they are recognized.

Impairment losses amounted to ¥242 million for the fiscal year ended March 31, 2026.

Money Held in Trust

1. Money held in trust classified as trading (As of March 31, 2026)

None

2. Money held in trust classified as held-to-maturity (As of March 31, 2026)

None

3. Money held in trust classified as other than trading or held-to-maturity (As of March 31, 2026)

(Millions of Yen)

	Consolidated balance sheet amount	Cost	Difference	Amount for which consolidated balance sheet amount exceeds cost	Amount for which consolidated balance sheet amount does not exceed cost
Money held in trust classified as other than trading or held-to-maturity	10,190,074	6,391,335	3,798,738	4,057,077	(258,339)

Notes: 1. "Amount for which consolidated balance sheet amount exceeds cost" and "Amount for which consolidated balance sheet amount does not exceed cost" are sub-items of "Difference" respectively.

2. For securities with market quotations included as trust assets in "Money held in trust classified as other than trading or held-to-maturity" (excluding stocks without market prices and investments in partnerships, etc.), and in case whose fair value declines significantly from their acquisition costs, with no prospect of recovering to their acquisition costs, the Company records the fair value of such securities on the consolidated balance sheet and charges valuation differences as losses in the fiscal year in which they are recognized.

Impairment losses amounted to ¥5,986 million for the fiscal year ended March 31, 2026.

Retirement Benefits

1. Outline of retirement benefits

- (1) The Company and major consolidated subsidiaries have lump-sum severance indemnity plans as a defined benefit plan. Certain consolidated subsidiaries adopt corporate pension plans, and as part of them, use a cash balance plan.

Certain consolidated subsidiaries adopt the simplified method in calculating their retirement benefit obligations. The charges concerning share of public service pension and share of another public service pension are included in the Company's retirement benefit obligations.

The Company has established retirement benefit trusts for the share of public service pension of the Company. In addition, certain consolidated subsidiaries have established retirement benefit trusts for the lump-sum severance indemnity plan.

- (2) Certain consolidated subsidiaries have defined contribution pension plans. In addition, the amounts required to be contributed to the retirement pension benefit plans by the Company and certain consolidated subsidiaries based on the "Act for Partial Amendment of National Government Officials' Retirement Allowance Act, etc. for the Purposes of Reviewing Benefit Levels of the Retirement Benefits for National Government Officials" (Act No. 96 of 2012) was ¥10,347 million for the fiscal year ended March 31, 2026.

2. Defined benefit plans

(1) Changes in retirement benefit obligations

	(Millions of Yen)
Balance at the beginning of the fiscal year	2,322,986
Service cost	104,097
Interest cost	15,677
Actuarial differences	(264,036)
Benefits paid	(185,859)
Prior service cost	(99)
Increases arising from new consolidation	14,343
Other	221
Balance at the end of the fiscal year	<u>2,007,330</u>

(2) Changes in plan assets

	(Millions of Yen)
Balance at the beginning of the fiscal year	361,185
Expected return on plan assets	4,860
Actuarial differences	14,463
Contributions paid by the employer	427
Benefits paid	(22,151)
Increases arising from new consolidation	8,217
Other	81
Balance at the end of the fiscal year	<u>367,085</u>

(3) Balance of retirement benefit obligations, plan assets and liability (asset) for retirement benefits on the consolidated balance sheet

	(Millions of Yen)
Funded retirement benefit obligations	255,687
Share of public service pension	132,425
Share of another public service pension	107
Lump-sum severance indemnity	112,005
Corporate pension plan	11,147
Plan assets	(367,085)
Share of public service pension	(196,751)
Lump-sum severance indemnity	(154,746)
Corporate pension plan	(15,587)
	<hr/>
	(111,397)
Unfunded retirement benefit obligations	1,751,643
Lump-sum severance indemnity	1,751,643
	<hr/>
Net liability (asset) for retirement benefits	1,640,245
	<hr/>
Liability for retirement benefits	1,752,204
Asset for retirement benefits	(111,959)
	<hr/>
Net liability (asset) for retirement benefits	1,640,245
	<hr/>

Note: Plans using the simplified method are included.

(4) Retirement benefit costs

	(Millions of Yen)
Service cost	104,097
Interest cost	15,677
Expected return on plan assets	(4,860)
Amortization of actuarial differences	(7,951)
Amortization of prior service cost	(23,276)
Other	2,553
	<hr/>
Total	86,239
	<hr/>

Note: Plans using the simplified method are included.

(5) Adjustments for retirement benefits (before income taxes and tax effect)

Breakdown of items recognized as adjustments for retirement benefits (before income taxes and tax effect) is as follows:

	(Millions of Yen)
Prior service cost	(23,177)
Actuarial differences	270,548
	<hr/>
Total	247,370
	<hr/>

(6) Accumulated adjustments for retirement benefits (before income taxes and tax effect)

Breakdown of items recognized as accumulated adjustments for retirement benefits (before income taxes and tax effect) is as follows:

	(Millions of Yen)
Unrecognized prior service cost	38,432
Unrecognized actuarial differences	243,644
	<hr/>
Total	282,076
	<hr/>

(7) Plan assets

1) Breakdown of plan assets

Composition by main categories contained in plan assets is as follows:

	(%)
Bonds	51
Stocks	2
Life insurance general account	0
Investment trusts	42
Other	5
Total	<u>100</u>

Note: The percentage of retirement benefit trusts to total plan assets was 54% which was set up for share of public service pension of the Company, and 42% which was set up for the lump-sum severance indemnity of certain consolidated subsidiaries.

2) Method for determining long-term expected rate of return on plan assets

Current and target asset allocations, current and expected returns on various categories of plan assets have been taken into consideration in determining the long-term expected rate of return on plan assets.

(8) Actuarial assumptions

Actuarial assumptions as of March 31, 2026

	(%)
Discount rate	0.2 - 2.4
Long-term expected rate of return on plan assets	0.1 - 3.1

3. Defined contribution plans

The amount required to be contributed to the defined contribution plans by certain consolidated subsidiaries was ¥13,543 million.

Business Combinations

Business Combination Through Acquisition

Japan Post Co., a consolidated subsidiary of the Company, acquired shares of the common stock of Tonami Holdings Co., Ltd. (“Tonami HD”) through a tender offer by JP Tonami Group Co., Ltd., a consolidated subsidiary of Japan Post Co. Tonami HD became a consolidated subsidiary of the Company and Japan Post Co. on April 17, 2025.

JP Tonami Group Co., Ltd. changed its trade name from JWT Co., Ltd., effective July 1, 2025.

1. Overview of the business combination

(1) Name and description of business of the acquiree

Name of acquiree: Tonami Holdings Co., Ltd.

Description of business: Control and management of the business activities of companies engaged in the freight motor transportation business, etc.

(2) Main reason for the business combination

Tonami HD has a solid presence and customer network in the express delivery and logistics businesses. The Company believes that by combining the organizations and personnel that have made the development of these businesses possible with the public nature, reliability, capital availability, and logistics network strengths of Japan Post Co., it will generate synergies, helping to maximize the corporate value of both Tonami HD and Japan Post Co. It therefore acquired the shares of Tonami HD through a tender offer, aiming to make it a wholly owned subsidiary.

(3) Dates of the business combination

Acquisition of control (acquisition through tender offer)	April 17, 2025 (Deemed acquisition date: April 1, 2025)
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Additional acquisition (acquisition through share consolidation)	June 23, 2025 (Deemed acquisition date: April 1, 2025)
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(4) Legal form of the business combination

Acquisition of shares for cash consideration

(5) Name of the company after the business combination

Unchanged

(6) Ratio of voting rights acquired

Ratio of voting rights after the implementation of the tender offer (April 17, 2025)	87.24%
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Ratio of voting rights after the share consolidation (June 23, 2025)	100%
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The Company has treated the series of transactions aimed at acquiring all of the shares as a single transaction.

(7) Main grounds for determining the acquirer

JP Tonami Group Co., Ltd. acquired the shares of Tonami HD for a cash consideration.

2. Period during which the results of the acquiree are included in the consolidated financial statements

From April 1, 2025 to March 31, 2026

3. Acquisition cost of the acquiree and breakdown by type of consideration

Consideration:	Cash	¥92,544 million
Acquisition cost:		¥92,544 million

4. Details and amounts of main acquisition-related expenses

Advisory expenses, etc.: ¥1,794 million

5. Amount and cause of the gains on negative goodwill arising from the business combination

(1) Amount of the gains on negative goodwill

¥8,808 million

(2) Cause of the gains on negative goodwill

As the fair value of the net assets of the acquired company at the time of the business combination exceeded the acquisition cost, the difference has been recognized as gains on negative goodwill.

6. Amount and summary of the assets acquired and liabilities assumed on the date of the business combination

Total assets:	¥184,605 million
Total liabilities:	¥82,484 million

Real Estate for Rent

1. Status of real estate for rent

The Company and certain consolidated subsidiaries own office buildings (including land), commercial buildings and others for rental purposes in Tokyo and other areas.

2. Fair value of real estate for rent

(Millions of Yen)

Consolidated balance sheet amount	Fair value
902,955	1,605,658

Notes: 1. The consolidated balance sheet amount represents acquisition costs less accumulated depreciation and accumulated losses on impairment.

2. The fair value is calculated primarily based on the real estate appraisal standard.

3. Real estate for rent under construction is not included in the above table since it is extremely difficult to determine its fair value. The consolidated balance sheet amount was ¥27,724 million.

Revenue Recognition

1. Disaggregation of revenue from contracts with customers

The following is a disaggregation of the main components of revenue from contracts with customers in the Group. The relationship between this revenue disaggregation and segment income is as follows.

(Millions of Yen)

	Revenue from contracts with customers	Other sources	Income from third parties
Postal and domestic logistics business segment	2,258,250	12,018	2,270,269
Postal operations, etc.	1,907,352		
Other	350,898		
Post office business segment	45,680	3,238	48,918
Merchandising	33,690		
Third-party financial	7,233		
Other	4,756		
International logistics business segment	504,460	688	505,149
Real estate business segment	25,232	59,882	85,115
Banking business segment	194,783	2,655,069	2,849,853
Life insurance business segment	–	5,610,244	5,610,244
Other business	21,134	49,042	70,177
Total	3,049,542	8,390,185	11,439,727

Note: “Other business” includes the hospital business and other businesses not included in reportable segments. For the fiscal year ended March 31, 2025, “Other sources” in “Other business” includes equity in earnings of affiliates ¥41,689 million.

2. Fundamental information for understanding revenue from contracts with customers

(1) Postal and domestic logistics business

The postal and domestic logistics business consists primarily of the postal business, sale of stamps, issuance of items such as New Year’s postcards, domestic logistics business, and other businesses. The domestic logistics business also includes the general logistics business. The domestic logistics business involves not only the general motor truck transportation business, consigned freight

forwarding business, and incidental operations related to domestic cargo but also operations equivalent to parcel and mail delivery operations (Yu-Pack, Yu-Mail).

Performance obligations underlying revenue from mail and parcels in the postal operations, etc. are satisfied over time from the undertaking of the item to the completion of delivery. Therefore, revenue is recognized by measuring progress toward complete satisfaction of a performance obligation.

In addition, consideration amount received before performance obligations are satisfied is recognized as contract liabilities.

For revenue related to mail and parcels, consideration amount for deferred-payment mail is generally received within one month based on separately stipulated payment terms, and for receivables based on contracts with these customers, significant financing components are not included.

(2) Post office business

The post office business involves not only customer counter operations related to the postal and domestic logistics business, banking customer counter operations, and insurance customer counter operations conducted by directly-managed post offices established throughout the country as sales bases to provide services to customers but also merchandising business, third-party financial services and other related businesses.

The Group recognizes revenue from catalogue sales, etc., when goods and others are transferred to customers because that is when the customer has obtained control of the goods and others and performance obligations are deemed to be satisfied.

Revenue from sales of goods and others in which the Group is deemed to be an agent is recognized at the net amount after deducting corresponding payments to suppliers.

Consideration amount for catalogue sales, etc., is generally collected within one year of delivering products, etc., to customers, and for receivables based on contracts with these customers, significant financing components are not included.

(3) International logistics business

The international logistics business involves the forwarding business as well as the logistics business.

Performance obligations underlying revenue from the forwarding business are satisfied over the contractual transportation period. Therefore, revenue is recognized by measuring progress toward complete satisfaction of a performance obligation.

On the other hand, the Group recognizes revenue from the logistics business when the provision of services to customers is completed, because that is when performance obligations are deemed to be satisfied.

Consideration amount in the international logistics business is generally collected within one year of transferring items to customers through the provision of services to customers, and for receivables based on contracts with these customers, significant financing components are not included.

(4) Real estate business

The real estate business mainly consists of sale of developed real estate properties, real estate leasing of office buildings, etc. and the leasing management business.

Revenue from real estate sale is recognized at the point when the delivery obligation stipulated in the sales contract for the real estate is fulfilled by determining that the customer obtains control of the real estate property and the performance obligation has been satisfied.

Revenue from real estate leasing is recognized over the lease term in accordance with “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13).

Performance obligations for the leasing management business are satisfied at a point in time or over time depending on the nature of the performance obligation, and revenue is recognized accordingly.

In addition, although part of the consideration amount for the real estate business is accepted as advances received, the remaining portion is generally collected within one year after the delivery of

the real estate property that is to be recorded as revenue to customers, and for receivables based on contracts for these transactions, significant financing components are not included.

3. Relationship between satisfying performance obligations based on contracts with customers and cash flows from those contracts and amount of revenue projected to be recognized in the following fiscal year and after from contracts with existing customers as of the end of the fiscal year

(1) Balances of contract assets and contract liabilities

Receivables arising from contracts with customers, contract assets and contract liabilities are as follows.

Receivables arising from contracts with customers and contract assets are included in “Other assets” while contract liabilities are included in “Other liabilities” in the consolidated balance sheet.

(Millions of Yen)	
	Fiscal year under review
Receivables arising from contracts with customers (balance at the beginning of the fiscal year)	256,554
Receivables arising from contracts with customers (balance at the end of the fiscal year)	282,957
Contract assets (balance at the beginning of the fiscal year)	8,669
Contract assets (balance at the end of the fiscal year)	12,564
Contract liabilities (balance at the beginning of the fiscal year)	52,942
Contract liabilities (balance at the end of the fiscal year)	52,259

Contract assets are primarily those related to rationally estimated revenue proportional to progress in satisfying performance obligations for received mail and parcels employing deferred payment in the postal and domestic logistics business that have not been delivered by the end of the fiscal period. Contract assets are transferred to receivables arising from contracts with customers when rights to consideration become unconditional. The consideration for deferred postage payment mail, etc. is received mostly within one month based on payment terms separately determined.

Contract liabilities are primarily the rationally estimated amount considering the degree that performance obligations have been satisfied when delivery has not been completed by the end of the fiscal year for received mail and parcels in the postal and domestic logistics business (excluding deferred payment, etc.), and the rationally estimated amount of unused items at the end of the fiscal period based on factors such as the value of remaining inventory of postal stamps at locations that sell postal stamps compared to value of purchased postal stamps. Contract liabilities are reversed as revenue is recognized.

The amount of revenue recognized in the fiscal year ended March 31, 2026 and included in contract liabilities at the beginning of the fiscal year was ¥46,750 million.

There was no significant amount in revenue recognized in the fiscal year ended March 31, 2026 from performance obligations satisfied (or partially satisfied) in previous periods.

(2) Transaction prices allocated to the remaining performance obligations

The Group has omitted notes by applying practical expedient because there are no material transactions for which the initially expected contract period exceeds one year in the fiscal years ended March 31, 2026.

Notes to Per Share Data

Net assets per share	¥3,461.65
Net income per share	¥129.14

- Notes: 1. The number of shares of treasury stock excluded from the number of common stock outstanding at the fiscal year-end used for the calculation of net assets per share includes the number of shares of the Company held by the management board benefit trust. The number of shares of the Company held by the management board benefit trust excluded from the calculation of net assets per share was 1,777,300 shares as of March 31, 2026.
2. The number of shares of treasury stock excluded from the average number of common stock outstanding during the fiscal year used for the calculation of net income per share includes the number of shares of the Company held by the management board benefit trust. The average number of shares of the Company held by the management board benefit trust excluded from the calculation of net income per share was 1,653,609 shares for the fiscal year ended March 31, 2026.

Subsequent Events

None

Non-consolidated Statement of Changes in Net Assets

(For the fiscal year ended March 31, 2026)

(Millions of Yen)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
				Retained earnings brought forward		
Balance at the beginning of the fiscal year	3,500,000	875,000	478,689	1,353,689	492,093	492,093
Changes in the fiscal year						
Capital reduction	(1,750,000)	875,000	875,000	1,750,000		
Cash dividends					(146,085)	(146,085)
Net income					177,362	177,362
Purchases of treasury stock						
Disposals of treasury stock			(0)	(0)		
Cancellation of treasury stock			(349,967)	(349,967)		
Net changes in items other than shareholders' equity in the fiscal year						
Net changes in the fiscal year	(1,750,000)	875,000	525,032	1,400,032	31,277	31,277
Balance at the end of the fiscal year	1,750,000	1,750,000	1,003,721	2,753,721	523,370	523,370

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	(351,225)	4,994,556	(30,054)	(30,054)	4,964,502
Changes in the fiscal year					
Capital reduction		-			-
Cash dividends		(146,085)			(146,085)
Net income		177,362			177,362
Purchases of treasury stock	(251,115)	(251,115)			(251,115)
Disposals of treasury stock	77	77			77
Cancellation of treasury stock	349,967	-			-
Net changes in items other than shareholders' equity in the fiscal year			(7,211)	(7,211)	(7,211)
Net changes in the fiscal year	98,929	(219,760)	(7,211)	(7,211)	(226,971)
Balance at the end of the fiscal year	(252,296)	4,774,795	(37,265)	(37,265)	4,737,530

Notes to Non-consolidated Financial Statements

Amounts of less than one million yen are rounded down.

Significant Accounting Policies

1. Valuation criteria and methods for securities

- (1) Investments in subsidiaries and affiliates are carried at cost using the moving-average method, and available-for-sale securities are carried at fair value based on the market price, etc. on the fiscal closing day. However, stocks and other securities without market prices 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) For investments in investment limited partnerships and similar partnerships (deemed as securities under Article 2, Paragraph 2 of the Financial Instruments and Exchange Act), a method of incorporating the equity equivalent amount on a net basis based on the latest financial statements available as of the fiscal report date specified in the partnership agreement is adopted.

2. Valuation criteria and methods for inventories

Inventories are carried at cost using the moving-average method (writing down the book value of inventories based on decreased profitability).

3. Depreciation methods of non-current assets

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

Depreciation of tangible fixed assets is computed using the straight-line method.

Useful lives of principal assets are as follows:

Buildings: 2-50 years

Others: 2-60 years

- (2) Intangible assets (excluding leased assets)

Amortization of intangible assets is computed using the straight-line method.

The useful lives are determined in accordance with the Corporation Tax Act.

The capitalized development costs of software intended for internal use are amortized over the expected useful lives (mainly 5 years).

4. Criteria for allowances and reserves

- (1) Reserve for possible loan losses

For reserve for possible loan losses, an allowance is provided for loans other than specific loans using a rate determined based on past bad debt experience. In addition, an allowance is provided for specific loans such as loans to bankrupt or effectively/substantially bankrupt borrowers at the estimated amount considered uncollectible based on the review of the respective nature of loans.

- (2) Reserve for bonuses

A reserve for employee bonus payments is provided based on the amount expected to be incurred at the end of the fiscal year based on the projected obligations as of the end of the fiscal year.

(3) Reserve for management bonuses

A reserve for bonus payments to Executive Officers is provided based on the amount expected to be incurred at the end of the fiscal year.

(4) Reserve for retirement benefits

- 1) To provide for retirement benefits to employees, reserve for retirement benefits is recorded based on the projected retirement benefit obligation at the end of the fiscal year.

Actuarial difference is amortized based on a proportional amount using the straight-line method over a fixed period (7 years) within the estimated average remaining service period for employees as incurred 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 fixed period (7 years) within the estimated average remaining service period for employees in the fiscal year of incurrence.

- 2) Charges for the pension program of national public service personnel associated with pension benefits for the service period until December 1958 for those personnel who had worked in postal services for the former Ministry of Communications and the former Ministry of Posts and Telecommunications and retired after January 1959 (hereinafter referred to as “share of public service pension”) are recognized as part of “Prepaid pension costs.”

The Company has established retirement benefit trusts for the above mutual aid pension program.

The actuarial difference is amortized based on a proportional amount using the straight-line method over a fixed period (6 years) within the estimated average remaining payment periods for eligible personnel as incurred from the fiscal year following the respective fiscal year in which the difference is incurred.

- 3) Charges for the pension program of national public service personnel associated with pension benefits for those personnel who had worked in postal services for the former Ministry of Communications and the former Ministry of Posts and Telecommunications and retired by December 1958 (hereinafter referred to as “share of another public service pension”) are recognized as part of “Reserve for retirement benefits.”

The actuarial difference is amortized based on a proportional amount using the straight-line method over a fixed period (5 years) within the estimated average remaining payment periods for eligible personnel as incurred from the fiscal year following the respective fiscal year in which the difference is incurred.

(5) Reserve for management board benefit trust

To provide for the payment of the Company’s shares, etc. to Executive Officers that are determined based on the Stock Benefit Regulations, a reserve is provided based on the estimated amount of stock benefit obligations at the end of the fiscal year.

(6) Reserve for compensation for accidents in the course of duty

To provide for the need to pay compensation to employees (or the families of the deceased) for accidents they were involved in during their duty or during commuting, reserve for compensation for accidents in the course of duty is posted as liabilities at the end of the fiscal year.

The actuarial difference is amortized based on a proportional amount using the straight-line method over a fixed period (15 years) within the estimated average remaining payment periods for eligible personnel as incurred from the fiscal year following the respective fiscal year in which the difference is incurred.

5. Material revenue and expenses

The Company primarily receives from subsidiaries brand royalty income as compensation for benefits of being able to use the Group's brand strength for its own business activities and offers services commissioned as indirect operations to improve the efficiency of Group sales. For this, performance obligations are judged to be satisfied over a set period, and the revenue is recognized in proportion to the percentage of performance obligations satisfied.

6. Other significant matters which provide basis of presentation of non-consolidated financial statements

(1) Application of the group tax sharing system

The Company has applied the group tax sharing system.

(2) Accounting treatment for retirement benefits

Accounting treatment for unsettled amounts of unrecognized actuarial differences and unrecognized prior service cost related to retirement benefits is different from the accounting treatment of such amounts on the consolidated financial statements.

Changes in Accounting Estimates

The Company has changed the amortization period of actuarial differences concerning the Company's share of public service pension from 7 years to 6 years from the fiscal year ended March 31, 2026, due to a decrease in the estimated average remaining payment period for eligible personnel. As a result of this change, operating expenses decreased by ¥1,725 million while net operating income, net ordinary income and income before income taxes increased by the same amount respectively for the fiscal year ended March 31, 2026.

Additional Information

Transactions granting the Company's shares, etc. through a trust to Executive Officers

Note for a performance-linked and non-performance-linked stock compensation system utilizing a trust for the Company's Executive Officers is omitted because the same contents are described in "Notes to Consolidated Financial Statements."

Notes to Non-consolidated Balance Sheet

1. Assets pledged as collateral and liabilities related to collateral

The total assets of the Company have been pledged as general collateral for corporate bonds issued valued at ¥85,300 million.

2. Contracts of overdraft facilities

Maximum amount of overdraft	¥60,000 million
Outstanding balance of overdraft	¥10,800 million
Unused balances	¥49,200 million

3. Accumulated depreciation of tangible fixed assets ¥49,386 million

4. Deferred gains on tangible fixed assets not recognized for tax purposes ¥10,839 million

5. Monetary assets and liabilities to subsidiaries and affiliates

Short-term monetary assets to subsidiaries and affiliates	¥1,112,997 million
Long-term monetary assets to subsidiaries and affiliates	¥353,351 million
Short-term monetary liabilities to subsidiaries and affiliates	¥857,795 million
Long-term monetary liabilities to subsidiaries and affiliates	¥71,493 million

6. Inventories

Breakdown of inventories is as follows:

Supplies ¥131 million

Notes to Non-consolidated Statement of Income

1. Transactions with subsidiaries and affiliates

Operating transactions

Operating income	¥188,271 million
Operating expenses	¥19,604 million
Other transactions	¥41,509 million

2. Brand royalty income

The Company receives brand royalty income from its subsidiaries for the use of the Group brands and trademarks and other benefits derived from their membership in the Group.

Notes to Non-consolidated Statement of Changes in Net Assets

1. Information on dividends

Dividends from retained earnings require approval from the Minister for Internal Affairs and Communications pursuant to the provisions of Article 11 of the Act on Japan Post Holdings Co., Ltd.

(1) Dividends paid for the fiscal year ended March 31, 2026

Resolution	Class of shares	Total amount (Millions of Yen)	Per share amount (Yen)	Record date	Effective date
Board of Directors' meeting held on May 15, 2025	Common stock	74,320	25.00	March 31, 2025	June 26, 2025
Board of Directors' meeting held on November 14, 2025	Common stock	71,764	25.00	September 30, 2025	December 5, 2025

Notes: 1. The total amount of dividends resolved by the Board of Directors' meeting held on May 15, 2025, includes dividends of ¥25 million for the Company's shares held by the management board benefit trust.

2. The total amount of dividends resolved by the Board of Directors' meeting held on November 14, 2025, includes dividends of ¥44 million for the Company's shares held by the management board benefit trust.

(2) Dividends whose effective date falls after the end of the fiscal year ended March 31, 2026 (scheduled)

Resolution	Class of shares	Total amount (Millions of Yen)	Source of dividends	Per share amount (Yen)	Record date	Effective date
Board of Directors' meeting held on May 15, 2026	Common stock	70,202	Retained earnings	25.00	March 31, 2026	June 25, 2026

Notes: 1. Dividends are subject to approval from the Minister for Internal Affairs and Communications by the above effective date.

2. The total amount of dividends includes dividends of ¥44 million for the Company's shares held by the management board benefit trust.

2. Class and number of shares of treasury stock as of March 31, 2026

Common stock 166,617,972 shares

Deferred Tax Assets and Liabilities

1. Breakdown of significant components of deferred tax assets and deferred tax liabilities is as follows:

	(Millions of Yen)
Deferred tax assets	
Tax losses carried forward	905,267
Reserve for retirement benefits	50,167
Reserve for bonuses	369
Other	25,702
Subtotal deferred tax assets	981,506
Valuation allowance for tax losses carried forward	(905,267)
Valuation allowance for deductible temporary differences	(76,238)
Total valuation allowance	(981,506)
Total deferred tax assets	-
Deferred tax liabilities	
Net unrealized gains (losses) on available-for-sale securities	(8,485)
Net deferred tax assets (liabilities)	(8,485)

2. Accounting for corporate tax, local corporate tax, and tax-effect accounting

The Company has applied the group tax sharing system. Moreover, the Company processes accounting for and presentation of corporate tax, local corporate tax, and tax effect accounting in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ PITF No. 42, August 12, 2021).

Business Combinations

(Transaction under common control)

Sale of a portion of stock in a subsidiary

The Company sold a portion of its share in the stock in Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. (hereinafter collectively referred to as “the Two Finance Companies”), both of which are consolidated subsidiaries, as described below. Gains on sale of stocks of subsidiaries and affiliates of ¥33,757 million arose from this sale.

1. Transaction with Japan Post Bank Co., Ltd.

(1) Overview of the transaction

1) Overview and purpose of the transaction

Under the Postal Service Privatization Act, the Company shall aim to dispose of the entire equity interest in the Two Finance Companies, and shall dispose of these shareholdings within the earliest possible time-frame, in light of the business condition of the Two Finance Companies and any impact on the ability to fulfill the universal services obligation. In accordance with this aim, the Company, under its Medium-Term Management Plan, has set forth the policy of selling down these shareholdings as early as possible, until it holds 50% or less of the voting rights in each of the Two Finance Companies by 2025.

In accordance with the policy described above, the Company sold a portion of its share in the stock in Japan Post Bank Co., Ltd. through a stock disposal trust, considering the influence over the share price of Japan Post Bank Co., Ltd., the Company’s capital needs and consolidated financial results, etc. As a result, the Company’s voting rights ratio in Japan Post Bank Co., Ltd. fell below 50%.

The Company sold a portion of its share in the stock in Japan Post Bank Co., Ltd. in response to a share repurchase undertaken by Japan Post Bank Co., Ltd.

2) Name and description of business of party to which the business combination was applied

Name: Japan Post Bank Co., Ltd.

Description of business: Banking business

3) Date of the business combination

(a) Sale through a stock disposal trust

From September 18, 2025 to October 22, 2025

(b) Sale of shares in response to the implementation of a share repurchase undertaken by Japan Post Bank

December 26, 2025

4) Legal form of the business combination

Sale of a portion of stock for cash consideration

5) Name of company after the business combination

Unchanged

(2) Overview of accounting treatment applied

This transaction is treated as a transaction with non-controlling shareholders, which falls under the category of a transaction under common control, etc., based on “Accounting Standard for Business

Combinations” (ASBJ Statement No. 21, January 16, 2019) and “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019).

2. Transaction with Japan Post Insurance Co., Ltd.

(1) Overview of the transaction

1) Overview and purpose of the transaction

Under the Postal Service Privatization Act, the Company shall aim to dispose of the entire equity interest in the Two Finance Companies, and shall dispose of these shareholdings within the earliest possible time-frame, in light of the business condition of the Two Finance Companies and any impact on the ability to fulfill the universal services obligation. In accordance with this aim, the Company, under its Medium-Term Management Plan, has set forth the policy of selling down these shareholdings as early as possible, until it holds 50% or less of the voting rights in each of the Two Finance Companies by 2025.

In accordance with the policy described above, the Company sold a portion of its share in the stock in Japan Post Insurance Co., Ltd. in response to a share repurchase undertaken by Japan Post Insurance Co., Ltd.

2) Name and description of business of party to which the business combination was applied

Name: Japan Post Insurance Co., Ltd.

Description of business: Life insurance business

3) Date of the business combination

Sale of shares in response to the implementation of a share repurchase undertaken by Japan Post Insurance

April 2, 2025 and November 19, 2025

4) Legal form of the business combination

Sale of a portion of stock for cash consideration

5) Name of the company after the business combination

Unchanged

(2) Overview of accounting treatment applied

This transaction is treated as a transaction with non-controlling shareholders, which falls under the category of a transaction under common control, etc., based on “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019).

Related Party Transactions

Type	Company name	Ownership of voting rights held	Relationship with related party	Summary of transactions	Amount of transactions (Millions of Yen)	Account name	Balance at the end of the fiscal year (Millions of Yen)
Subsidiary	Japan Post Real Estate Co., Ltd.	100% directly held	The main subsidiary involved in real estate business	Loan of funds (Note 1)	108,266	Short-term loan	50,919
				Repayment of funds	124,959	Long-term loan	147,074
				Interest received (Note 1)	1,837	Other current assets	706
				Loan of funds by CMS (Note 1)	59,982	Short-term loan	59,981
				Repayment of funds	1		
				Interest received (Note 1)	1		
Subsidiary	Japan Post Co., Ltd.	100% directly held	The main subsidiary involved in postal and domestic logistics business, post office business, international logistics business and real estate business	Repayment of funds	7,193	Short-term loan	7,193
				Interest received (Note 1)	2,487	Long-term loan	200,836
						Other current assets	169
				Deposit of funds by CMS (Note 2)	-	Deposits received	823,363
				Interest paid (Note 2)	4,342		
Subsidiary	Japan Post Bank Co., Ltd.	49.9 % directly held	The main subsidiary involved in banking business	Repayment of funds	2,553	Short-term borrowings	2,553
						Long-term borrowings	71,493
				Interest paid (Note 1)	969	Accrued expenses	83
			Subscription for capital increase (Note 3)	600,000	-	-	

Terms and conditions of transactions and the policy for determining terms and conditions of transactions, etc.

Notes: 1. For loans receivable and borrowings, the interest rate is rationally set taking into consideration market interest rates.

2. Concerning deposits of funds, the interest rate is rationally set taking into consideration market interest rates. Specific amounts are omitted because they are recurring transactions.

3. The Company underwrote a capital increase through shareholder allocation by Japan Post Co. at ¥100,000 per share.

Notes to Per Share Data

Net assets per share	¥1,688.17
Net income per share	¥61.15

- Notes: 1. The number of shares of treasury stock excluded from the number of common stock outstanding at the fiscal year-end used for the calculation of net assets per share includes the number of shares of the Company held by the management board benefit trust. The number of shares of the Company held by the management board benefit trust excluded from the calculation of net assets per share was 1,777,300 shares as of March 31, 2026.
2. The number of shares of treasury stock excluded from the average number of common stock outstanding during the fiscal year used for the calculation of net income per share includes the number of shares of the Company held by the management board benefit trust. The average number of shares of the Company held by the management board benefit trust excluded from the calculation of net income per share was 1,653,609 shares for the fiscal year ended March 31, 2026.

Subsequent Events

None