

Financial Statements

for the Fiscal Year Ended March 31, 2025

***JAPAN POST BANK Co., Ltd. and
Consolidated Subsidiaries***

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets:		
Cash and due from banks	57,724,492	64,639,102
Call loans	2,010,000	2,135,000
Receivables under resale agreements	9,742,621	8,463,537
Monetary claims bought	515,606	593,739
Trading account securities	54	224
Money held in trust	6,163,585	5,721,973
Securities	*1, 2, 3, 4 146,490,662	*1, 2, 3, 4 143,588,016
Loans	*3, 4, 5 6,848,393	*3, 4, 5 3,130,595
Foreign exchanges	*3 181,332	*3 134,261
Other assets	*3, 4 3,889,102	*3, 4 4,459,237
Tangible fixed assets	*6 198,302	*6 191,935
Buildings	70,560	66,422
Land	63,720	63,720
Construction in progress	17	64
Other	64,004	61,728
Intangible fixed assets	87,624	101,559
Software	69,773	67,610
Other	17,851	33,948
Asset for retirement benefits	—	1,432
Deferred tax assets	58,062	442,748
Reserve for possible loan losses	(1,075)	(1,057)
Reserve for possible investment losses	(775)	(775)
Total assets	233,907,990	233,601,531

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities:		
Deposits	*4 192,800,717	*4 190,461,748
Payables under repurchase agreements	*4 24,042,626	*4 26,985,038
Payables under securities lending transactions	*4 2,373,799	*4 2,004,678
Borrowed money	*4 1,984,900	*4 2,510,100
Foreign exchanges	1,273	924
Other liabilities	2,935,310	2,496,676
Reserve for bonuses	7,496	7,555
Reserve for bonuses for management board	—	235
Liability for retirement benefits	2,056	4
Reserve for employee stock ownership plan trust	510	414
Reserve for management board benefit trust	427	630
Reserve for reimbursement of deposits	50,950	42,534
Total liabilities	224,200,067	224,510,541
Net assets:		
Capital stock	3,500,000	3,500,000
Capital surplus	3,500,000	3,500,000
Retained earnings	2,574,567	2,784,473
Treasury stock	(1,523)	(6,384)
Total shareholders' equity	9,573,043	9,778,088
Net unrealized gains (losses) on available-for-sale securities	1,358,768	390,850
Net deferred gains (losses) on hedges	(1,266,085)	(1,126,952)
Accumulated adjustments for retirement benefits	1,101	(1,833)
Total accumulated other comprehensive income	93,784	(737,936)
Non-controlling interests	41,094	50,836
Total net assets	9,707,923	9,090,989
Total liabilities and net assets	233,907,990	233,601,531

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Ordinary income	2,651,706	2,522,052
Interest income	1,397,149	1,750,168
Interest on loans	9,676	12,140
Interest and dividends on securities	1,344,078	1,555,103
Interest on call loans	575	5,756
Interest on receivables under resale agreements	(4,177)	8,609
Interest on receivables under securities borrowing transactions	43	568
Interest on deposits with banks	32,077	149,801
Other interest income	14,875	18,190
Fees and commissions	181,628	184,839
Other operating income	4,833	3,157
Other ordinary income	1,068,095	583,886
Reversal of reserve for possible loan losses	—	10
Recoveries of written-off claims	22	15
Other	*1 1,068,072	*1 583,860
Ordinary expenses	2,155,647	1,937,518
Interest expenses	698,339	813,244
Interest on deposits	10,487	104,253
Interest on payables under repurchase agreements	323,741	332,517
Interest on payables under securities lending transactions	125,204	117,323
Interest on commercial paper	0	—
Interest on borrowings	1,760	2,713
Other interest expenses	237,144	256,436
Fees and commissions	28,612	28,483
Other operating expenses	139,949	70,590
General and administrative expenses	*2 927,804	*2 914,753
Other ordinary expenses	360,942	110,446
Provision for reserve for possible loan losses	42	—
Other	*3 360,900	*3 110,446
Net ordinary income	496,059	584,533
Extraordinary loss	1,998	355
Losses on sales and disposals of fixed assets	1,787	352
Losses on impairment of fixed assets	210	3
Income before income taxes	494,060	584,178
Income taxes—current	145,243	168,051
Income taxes—deferred	(6,310)	(5,149)
Total income taxes	138,932	162,901
Net income	355,128	421,277
Net income (loss) attributable to non-controlling interests	(1,005)	6,952
Net income attributable to owners of parent	356,133	414,324

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net income	355,128	421,277
Other comprehensive income (loss)	*1 (62,360)	*1 (830,441)
Net unrealized gains (losses) on available-for-sale securities	579,122	(966,686)
Net deferred gains (losses) on hedges	(640,044)	139,180
Adjustments for retirement benefits	(1,439)	(2,934)
Comprehensive income (loss)	292,767	(409,164)
Total comprehensive income (loss) attributable to:		
Owners of parent	292,222	(417,348)
Non-controlling interests	544	8,184

(3) Consolidated Statements of Changes in Net Assets
For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	3,500,000	3,500,000	2,481,908	(24,510)	9,457,398
Cumulative effects of changes in accounting policies					—
Restated balance	3,500,000	3,500,000	2,481,908	(24,510)	9,457,398
Changes during the fiscal year					
Cash dividends			(183,483)		(183,483)
Net income attributable to owners of parent			356,133		356,133
Repurchase of treasury stock				(57,289)	(57,289)
Disposal of treasury stock				271	271
Cancellation of treasury stock		(80,005)		80,005	—
Changes in equity of parent due to transactions with non-controlling shareholders		13			13
Transfer from retained earnings to capital surplus		79,991	(79,991)		—
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	—	—	92,658	22,986	115,645
Balance at the end of the fiscal year	3,500,000	3,500,000	2,574,567	(1,523)	9,573,043

	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	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	781,196	(626,041)	2,540	157,695	36,780	9,651,874
Cumulative effects of changes in accounting policies				—		—
Restated balance	781,196	(626,041)	2,540	157,695	36,780	9,651,874
Changes during the fiscal year						
Cash dividends						(183,483)
Net income attributable to owners of parent						356,133
Repurchase of treasury stock						(57,289)
Disposal of treasury stock						271
Cancellation of treasury stock						—
Changes in equity of parent due to transactions with non-controlling shareholders						13
Transfer from retained earnings to capital surplus						—
Net changes in items other than shareholders' equity	577,572	(640,044)	(1,439)	(63,910)	4,314	(59,596)
Total changes during the fiscal year	577,572	(640,044)	(1,439)	(63,910)	4,314	56,048
Balance at the end of the fiscal year	1,358,768	(1,266,085)	1,101	93,784	41,094	9,707,923

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	3,500,000	3,500,000	2,574,567	(1,523)	9,573,043
Cumulative effects of changes in accounting policies			47		47
Restated balance	3,500,000	3,500,000	2,574,615	(1,523)	9,573,091
Changes during the fiscal year					
Cash dividends			(184,494)		(184,494)
Net income attributable to owners of parent			414,324		414,324
Repurchase of treasury stock				(25,206)	(25,206)
Disposal of treasury stock		0		373	373
Cancellation of treasury stock		(19,971)		19,971	—
Changes in equity of parent due to transactions with non-controlling shareholders					—
Transfer from retained earnings to capital surplus		19,971	(19,971)		—
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	—	—	209,858	(4,861)	204,997
Balance at the end of the fiscal year	3,500,000	3,500,000	2,784,473	(6,384)	9,778,088

	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	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	1,358,768	(1,266,085)	1,101	93,784	41,094	9,707,923
Cumulative effects of changes in accounting policies		(47)		(47)		—
Restated balance	1,358,768	(1,266,133)	1,101	93,736	41,094	9,707,923
Changes during the fiscal year						
Cash dividends						(184,494)
Net income attributable to owners of parent						414,324
Repurchase of treasury stock						(25,206)
Disposal of treasury stock						373
Cancellation of treasury stock						—
Changes in equity of parent due to transactions with non-controlling shareholders						—
Transfer from retained earnings to capital surplus						—
Net changes in items other than shareholders' equity	(967,918)	139,180	(2,934)	(831,673)	9,742	(821,931)
Total changes during the fiscal year	(967,918)	139,180	(2,934)	(831,673)	9,742	(616,933)
Balance at the end of the fiscal year	390,850	(1,126,952)	(1,833)	(737,936)	50,836	9,090,989

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities:		
Income before income taxes	494,060	584,178
Depreciation and amortization	42,684	45,744
Losses on impairment of fixed assets	210	3
Equity in losses (gains) of affiliates	(311)	(322)
Net change in reserve for possible loan losses	38	(18)
Net change in reserve for possible investment losses	775	—
Net change in reserve for bonuses	161	59
Net change in reserve for bonuses for management board	—	235
Net change in asset for retirement benefits	—	(4,478)
Net change in liability for retirement benefits	(133,346)	(2,052)
Net change in reserve for employee stock ownership plan trust	(0)	(95)
Net change in reserve for management board benefit trust	2	203
Net change in reserve for reimbursement of deposits	(3,704)	(8,416)
Interest income	(1,397,149)	(1,750,168)
Interest expenses	698,339	813,244
Losses (gains) related to securities—net	307,938	12,843
Losses (gains) on money held in trust—net	(996,850)	(451,533)
Foreign exchange losses (gains)—net	(1,938,492)	(423,621)
Losses (gains) on sales and disposals of fixed assets—net	1,787	352
Net change in loans	(1,245,258)	3,716,839
Net change in deposits	(2,147,894)	(2,338,968)
Net change in borrowed money	352,300	525,200
Net change in negotiable certificates of deposit	65,000	—
Net change in call loans, etc.	455,898	1,069,817
Net change in receivables under securities borrowing transactions	250,241	—
Net change in call money, etc.	5,726,004	2,942,412
Net change in payables under securities lending transactions	431,926	(369,120)
Net change in foreign exchange assets	(56,389)	47,070
Net change in foreign exchange liabilities	(138)	(348)
Interest received	1,366,232	1,723,342
Interest paid	(670,306)	(791,366)
Other—net	(1,320,427)	(569,260)
Subtotal	283,331	4,771,774
Income taxes refund (paid)	(202,289)	(174,481)
Net cash provided by (used in) operating activities	81,041	4,597,293

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from investing activities:		
Purchases of securities	(42,964,838)	(28,234,677)
Proceeds from sales of securities	5,077,377	2,957,649
Proceeds from maturity of securities	26,738,793	27,472,192
Investment in money held in trust	(823,636)	(649,649)
Proceeds from disposition of money held in trust	1,756,870	1,033,508
Purchases of tangible fixed assets	(27,375)	(23,949)
Proceeds from sales of tangible fixed assets	48	—
Purchases of intangible fixed assets	(35,581)	(29,645)
Other—net	114	(24)
Net cash provided by (used in) investing activities	(10,278,226)	2,525,403
Cash flows from financing activities:		
Repurchase of treasury stock	(57,289)	(25,206)
Proceeds from disposal of treasury stock	44	53
Proceeds from investments by non-controlling shareholders	6,217	13,308
Cash dividends paid	(183,180)	(184,490)
Cash dividends paid to non-controlling shareholders	(2,434)	(11,750)
Net cash provided by (used in) financing activities	(236,642)	(208,086)
Effect of exchange rate changes on cash and cash equivalents	—	—
Net change in cash and cash equivalents	(10,433,827)	6,914,609
Cash and cash equivalents at the beginning of the fiscal year	68,158,319	57,724,492
Cash and cash equivalents at the end of the fiscal year	*1 57,724,492	*1 64,639,102

Notes to Consolidated Financial Statements

Basis of Presenting Consolidated Financial Statements

JAPAN POST BANK Co., Ltd. (the “Bank,” together with its consolidated subsidiaries, the “Group”) became a private bank under the Banking Act of Japan (the “Banking Act”), as a wholly owned subsidiary of JAPAN POST HOLDINGS Co., Ltd., following its privatization on October 1, 2007 in accordance with the Postal Service Privatization Act. In November 2015, the Bank filed for an initial public offering. As a result, the Bank is no longer a wholly owned subsidiary of JAPAN POST HOLDINGS Co., Ltd., while its majority of shares are still held by JAPAN POST HOLDINGS Co., Ltd.

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in a) the Japanese Financial Instruments and Exchange Act and its related accounting regulations and b) the “Ordinance for the Enforcement of the Banking Act” (Ordinance of Ministry of Finance No. 10 of 1982), and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which differ in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

In conformity with the Japanese Financial Instruments and Exchange Act and its related accounting regulations, all Japanese yen figures in the consolidated financial statements have been rounded down to the nearest million yen amount, except for per share data. Accordingly, the total of each account may not be equal to the combined total of individual items.

(Significant accounting policies for preparing consolidated financial statements)

1. Scope of consolidation

(1) Consolidated subsidiaries: 16 companies

Name of principal companies

JAPAN POST BANK LOAN CENTER Co., Ltd.

Japan Post Investment Corporation

JAPAN POST BANK CAPITAL PARTNERS Co., Ltd.

(Change in the scope of consolidation)

JAPAN POST BANK CAPITAL PARTNERS Co., Ltd. and two other newly established companies were included in the scope of consolidation from the fiscal year ended March 31, 2025.

(2) Non-consolidated subsidiaries

Name of principal company

Advanced Fintech I Limited Partnership

The non-consolidated subsidiaries were excluded from the scope of consolidation since their assets, ordinary income, and our share of their net income, retained earnings and accumulated other comprehensive income did not have a material impact on, and their exclusion from the scope of consolidation would not prevent a reasonable judgment of, the Group’s financial position and business results.

2. Application of the equity method

(1) Affiliates accounted for by the equity method: 2 companies

Name of principal companies

ATM Japan Business Service, Ltd.

JP Asset Management Co., Ltd.

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

Name of principal company

Advanced Fintech I Limited Partnership

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

Name of principal company

JKK Co., Ltd.

The non-consolidated subsidiaries and affiliates that are not accounted for by the equity method were excluded from the scope of the equity method since our share of their net income, retained earnings and accumulated other comprehensive income did not have a material impact, and their exclusion from the equity method would not have a significant impact, on the consolidated financial statements.

3. Fiscal years of consolidated subsidiaries

(1) Balance sheet dates of the consolidated subsidiaries are as follows:

December 31: 12 companies

March 31: 4 companies

(2) Certain consolidated subsidiaries whose balance sheet date is December 31 are consolidated using the preliminary financial statements as of March 31, while other consolidated subsidiaries are consolidated using the financial statements as of their respective balance sheet dates.

Appropriate adjustments were made to material transactions during the periods between their respective balance sheet dates and the consolidated balance sheet date.

4. Accounting policies

(1) Trading account securities

Trading account securities are stated at fair value.

(2) Securities

(i) Held-to-maturity securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are stated at amortized cost (straight-line method) determined by the moving-average method. Available-for-sale securities are stated at fair value (cost of securities sold is primarily calculated using the moving-average method). However, shares, etc. that do not have a market price are stated at cost determined by the moving-average method.

Net unrealized gains or losses including foreign exchange fluctuations, but excluding cases where the fair value hedge accounting method is applied to hedge exposure to the risks of foreign exchange fluctuations, net of applicable income taxes, are stated as a separate component of net assets.

(ii) For the securities that form part of trust assets in money held in trust, stocks are stated using the same method as (2) (i) above.

Net unrealized gains or losses on money held in trust classified as available-for-sale are stated as a separate component of net assets.

(3) Derivatives

Derivatives are stated at fair value.

(4) Fixed assets

(i) Tangible fixed assets

Depreciation of tangible fixed assets is computed using the straight-line method. The range of useful lives is principally from 3 to 50 years for buildings and from 2 to 75 years for others.

(ii) Intangible fixed assets

The amortization of intangible fixed assets is computed using the straight-line method. Capitalized cost of computer software developed and obtained for internal use is amortized over the estimated useful life (mainly 5 years).

(5) Reserve for possible loan losses

The reserve for possible loan losses is provided for in accordance with the prescribed standards for write-offs and reserves as described below:

Loans to normal borrowers and borrowers requiring caution, as provided by “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” (Japanese Institute of Certified Public Accountants (JICPA), Special Committee for Audits of Banks, etc., Report No. 4, April 14, 2022), are classified into certain groups, and a reserve is provided for each group based on the estimated rate of loan losses. For loans to doubtful borrowers, a reserve is provided in the amount of loans, net of amounts expected to be collected through disposition 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, a reserve is provided based on the amount of loans, net of amounts expected to be collected through disposition 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.

(6) Reserve for possible investment losses

Reserve for possible investment losses, which is provided for the losses on investment, is recorded in the amount recognized to be necessary in consideration of the financial condition, etc. at the issuer of securities.

(7) Reserve for bonuses

The reserve for bonuses is provided for the estimated amount of employees’ bonuses attributable to the fiscal year.

(8) Reserve for bonuses for management board

The reserve for bonuses for management board is provided for the estimated amount of bonuses for management board attributable to the fiscal year.

(9) Reserve for employee stock ownership plan trust

The reserve for employee stock ownership plan trust, which is provided for the payment of the Bank’s shares to employees, is recorded in the amount expected to be incurred at the end of the fiscal year based on the estimated amount of stock benefit obligations at the end of the fiscal year.

(10) Reserve for management board benefit trust

The reserve for management board benefit trust, which is provided for the payment of the Bank’s shares, etc. to Executive Officers, is recorded in the amount expected to be incurred at the end of the fiscal year based on the estimated amount of stock benefit obligations at the end of the fiscal year.

(11) Reserve for reimbursement of deposits

The reserve for reimbursement of deposits, which is provided for depositors’ requests for refunds in relation to deposits that are no longer recorded as liabilities, is recorded in the amount of expected losses to be incurred, which is estimated based on future requests for refunds.

(12) Employees’ retirement benefits

The method of attributing projected benefit obligation to the periods ended on or before March 31, 2025 is the benefit formula basis.

Prior service cost is amortized using the straight-line method for a fixed period (10 years), within the employees’ average remaining service period.

Actuarial gains and losses are amortized using the straight-line method for a fixed period (10 years), within the employees’ average remaining service period, from the following fiscal year after they are incurred.

(13) Significant revenues and expenses

The Group has applied “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020). The Group recognizes revenue at the amount expected to be received in exchange for the promised goods or services when the control of its goods or services is transferred to customers.

(14) Foreign currency transactions

Foreign currency denominated assets and liabilities are translated into Japanese yen principally at the exchange rates in effect at the consolidated balance sheet date.

(15) Hedge accounting

(i) Hedging against interest rate risks

The Group uses interest rate swaps to reduce its exposure to interest rate risk on its monetary assets and liabilities. The Group applies the deferred hedge accounting method for hedges of interest rate risk on its monetary assets and liabilities.

As for portfolio hedges on groups of large-volume, small-value monetary debts, the Group applies the deferred hedge accounting method as stipulated in “Treatment of Accounting and Auditing of Application of Accounting Standard for Financial Instruments in Banking Industry” (JICPA Industry Audit Committee Report No. 24, March 17, 2022).

To evaluate the effectiveness of portfolio hedges on groups of large-volume, small-value monetary debts, the Group 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 into their maturities.

The Group considers the individual hedges to be highly effective because the Group designates the hedges in such a way that the major conditions of the hedged items are almost the same as the hedging instruments, which allows the interest rate swaps to meet conditions stipulated for special accounting treatment for interest rate swaps.

(ii) Hedging against foreign exchange fluctuation risks

The Group applies the deferred hedge accounting method, the fair value hedge accounting method or the allocation method to reduce its exposure to exchange rate fluctuations on the portion of the net unrealized gains or losses on available-for-sale securities exposed to the risks of foreign exchange fluctuations.

In order to hedge risk arising from volatility of exchange rates for securities denominated in foreign currencies, the Group applies portfolio hedges, on the conditions that the hedged foreign securities are designated in advance and that sufficient on-balance (actual) or off-balance (forward) liability exposure exists to cover the cost of the hedged foreign securities denominated in the same foreign currencies.

In case of the individual hedges, the Group considers its hedges to be highly effective because the Group designates the hedges in such a way that the major conditions of the hedged items and the hedging instruments are almost the same.

(16) Accounts to record gains or losses on cancellation and redemption of investment trusts

Gains or losses on cancellation and redemption of investment trusts are recorded as “interest and dividends on securities” if the underlying investment assets are bonds and bond equivalent, and as gains or losses on sales of stocks and other securities in “other ordinary income” or “other ordinary expenses” if the underlying investment assets are other than bonds and bond equivalent. However, if the total of “interest and dividends on securities” of investment trusts is a loss, such loss is recorded as losses on redemption of bonds in “other operating expenses.”

(17) Scope of cash and cash equivalents on the consolidated statements of cash flows

For the purpose of the consolidated statements of cash flows, cash and cash equivalents represent cash and due from banks on the consolidated balance sheets.

(Significant accounting estimates)

Items using accounting estimates reported in the consolidated financial statements for the current fiscal year that may have a significant impact on the items on the consolidated financial statements for the following fiscal year are as follows:

Fair value measurement of securities

The Group’s balance of securities measured at fair value is material, and it has a significant impact on the consolidated financial statements. Accordingly, the fair value of securities is considered as a significant factor in accounting estimates.

(1) Carrying amount in the consolidated financial statements

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Securities	146,490,662	143,588,016

(2) Information that facilitates readers' understanding of the details of the significant accounting estimates used for the identified items

(i) Calculation methodology and key assumptions

For bonds, the Group uses the Reference Statistical Prices 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 trust 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.

(ii) Impact on the consolidated financial statements for the following fiscal year

Fair value of securities may fluctuate due to changes in inputs that are key assumptions, due to factors such as changes in market environment.

(Changes in accounting policies)

(Application of the Accounting Standard for Current Income Taxes)

The Group has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter "Income Taxes Accounting Standard"), etc. from the beginning of the fiscal year ended March 31, 2025.

With regard to the amendment to categories in which current income taxes should be recorded (tax on other comprehensive income), the Group applies the transitional treatment provided for in the proviso to Paragraph 20-3 of the Income Taxes Accounting Standard. The cumulative amount affected by the retrospective application of the new accounting policy prior to the beginning of the fiscal year ended March 31, 2025 has been added to or deducted from retained earnings as of the beginning of the fiscal year ended March 31, 2025, the corresponding amount has been added to or deducted from the appropriate category in total accumulated other comprehensive income, and the Group has applied the new accounting policy from the balance at the beginning of the period.

The impact of the application of the accounting standard, etc. on the consolidated financial statements is minimal.

(Accounting pronouncements issued but not yet adopted)

* "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024)

* "Implementation Guidance on Accounting Standards for Leases" (ASBJ Guidance No. 33, September 13, 2024)

Others include the relevant amendment to accounting standards, implementation guidance on accounting standards, practical solutions, and transferred guidelines.

(1) Overview

As with international accounting standards, the Group determined to record all leases of lessees as assets and liabilities.

(2) Scheduled date of application

The implementation of the guidance is scheduled to be applied from the beginning of the fiscal year ending March 31, 2028.

(3) Impact from the application of these accounting standards

Evaluation of the impact was ongoing at the time when these consolidated financial statements were prepared.

(Additional information)

(Transactions for Delivery of the Bank's Shares, etc. to its Executive Officers through Trusts)

The Bank introduced a performance-linked stock compensation system and a non-performance-linked stock compensation system using a trust for the Bank's Executive Officers.

Regarding the accounting treatment of relevant trust agreements, the Bank adopted the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (Practical Issues Task Force (PITF) No. 30, March 26, 2015).

(1) Overview of transactions

The Bank grants points to its Executive Officers in accordance with the Stock Benefit Regulations, and delivers the Bank's shares to Executive Officers who have satisfied the beneficiary requirements as set forth in the Stock Benefit Regulations (hereinafter the "beneficiaries") in accordance with the number of points granted to the beneficiaries. A certain portion of the Bank's shares scheduled to be delivered will be converted into cash and the money will be paid by the trust (the management board benefit trust).

As for shares which the Bank intends to deliver to its Executive Officers, a trust bank acquires the Bank's shares from the stock market, including those intended for future deliveries, using money entrusted by the Bank in advance to establish the trust, and such acquired shares are separately managed as trust assets.

(2) Residual shares remaining in the trust

The Bank recorded the shares remaining in the trust as treasury stock under net assets, at the book value in the trust (excluding incidental expenses). The book value and the number of said shares of treasury stock, as of March 31, 2024 and 2025, were ¥910 million and 870 thousand shares, and ¥749 million and 716 thousand shares, respectively.

(Transactions for Delivery of the Bank's Shares to its Management Employees in the Investment Division through Trusts)

The Bank introduced an employee stock ownership plan using a trust for the Bank's management employees in the Investment Division.

Regarding the accounting treatment of relevant trust agreements, the Bank adopted the "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (Practical Issues Task Force (PITF) No. 30, March 26, 2015).

(1) Overview of transactions

The Bank grants points to its management employees in the Investment Division in accordance with the Stock Benefit Regulations, and delivers the Bank's shares to those who have satisfied the beneficiary requirements as set forth in the Stock Benefit Regulations (hereinafter the "beneficiaries") in accordance with the number of points granted to the beneficiaries through the trust (the stock benefit trust).

As for shares which the Bank intends to deliver to its management employees in the Investment Division, a trust bank acquires the Bank's shares from the stock market, including those intended for future deliveries, using money entrusted by the Bank in advance to establish the trust, and such acquired shares are separately managed as trust assets.

(2) Residual shares remaining in the trust

The Bank recorded the shares remaining in the trust as treasury stock under net assets, at the book value in the trust (excluding incidental expenses). The book value and the number of said shares of treasury stock, as of March 31, 2024 and 2025, were ¥536 million and 509 thousand shares, and ¥375 million and 347 thousand shares, respectively.

(Notes related to consolidated balance sheets)

*1. Stocks and investments in capital of non-consolidated subsidiaries and affiliates

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Stocks	996	2,189
Investments in capital	1,610	7,038

- *2. Japanese government bonds in “Securities” include unsecured and secured loaned securities for which borrowers have the right to sell or pledge (securities collateralized bond lending/borrowing transactions). The amounts were as follows:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
	2,793,046	3,222,274

The securities that the Group had the right to sell or (re-)pledge without restrictions among those purchased under resale agreements, etc. were as follows:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Securities neither sold nor pledged as of the end of the fiscal year	4,938,437	2,083,354

- *3. Loans under the Banking Act and the Act on Emergency Measures for the Revitalization of the Financial Functions are as follows. Loans include Japanese corporate bonds (limited to those for which redemption of the principal and payment of interest is guaranteed in whole or in part and for which the corporate bonds were issued through private placement of securities (Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)) in “securities,” “loans,” “foreign exchanges,” accrued interest and suspense payments in “other assets,” and items recorded in customers’ liabilities for acceptances and guarantees in the consolidated balance sheets.

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Loans to borrowers classified as bankrupt or quasi-bankrupt	—	0
Loans to borrowers classified as doubtful	0	0
Past-due loans for three months or more	—	—
Restructured loans	—	—
Total	0	0

Loans to borrowers classified as bankrupt or quasi-bankrupt refer to loans to borrowers who have fallen into bankruptcy due to the commencement of bankruptcy proceedings, reorganization proceedings, rehabilitation proceedings, etc., or similar loans.

Loans to borrowers classified as doubtful refer to loans for which the borrowers have not yet entered into bankruptcy, but their financial condition and business performance have deteriorated and it is highly probable that the principal cannot be collected and the interest cannot be received in accordance with the contract, and exclude loans to borrowers classified as bankrupt or quasi-bankrupt.

Past-due loans for three months or more refer to loans with principal or interest unpaid for three months or more after the day following the due date, excluding loans to borrowers classified as bankrupt or quasi-bankrupt and loans to borrowers classified as doubtful.

Restructured loans refer to loans of which terms and conditions have been amended in favor of the borrowers, such as by a reduction of the original interest rate, deferral of interest payments, extension of principal repayments or debt forgiveness, with the objective of restructuring businesses of the borrowers or supporting them, excluding the loans to borrowers classified bankrupt or quasi-bankrupt, loans to borrowers classified as doubtful and past-due loans for three months or more.

Amounts of loans shown above are the amounts before the reserve for possible loan losses is deducted.

*4. Assets pledged as collateral and their relevant liabilities were as follows:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Assets pledged as collateral:		
Securities	29,022,891	33,391,196
Liabilities corresponding to assets pledged as collateral:		
Deposits	399,997	336,328
Payables under repurchase agreements	24,042,626	26,985,038
Payables under securities lending transactions	2,373,799	2,004,678
Borrowed money	1,984,900	2,510,100

In addition, the settlement accounts of Bank of Japan overdrafts, exchange settlement transactions, or derivative transactions were collateralized, and margins for future transactions, etc. were substituted by the following:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Securities	4,604,185	3,817,805
Loans	—	202,164

“Other assets” included initial margins for future transactions, guarantee deposits, cash collateral paid for financial instruments, margins with central counterparty and other margins, etc. The amounts were as follows:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Initial margins for future transactions	153,827	47,000
Guarantee deposits	2,014	2,292
Cash collateral paid for financial instruments	1,780,423	2,205,844
Margins with central counterparty	272,787	318,833
Other margins, etc.	30,326	3,882

*5. Contracts of overdraft facilities and loan commitments are contracts with customers to lend funds up to a certain limit agreed in advance. The Group 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 commitment balance relating to these loan agreements were as follows:

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Unused commitment balance	43,522	41,931
Loans in which the term of the agreement was less than one year (or those in which the unconditional cancellation of the agreement was allowed at any time)	1,639	3,968

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 future cash flows of the Group. Conditions are included in certain loan agreements that allow the Group 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 Group's

credit. At the inception of contracts, the Group has the obligor pledge collateral to the Group in the form of real estate, securities, etc., if considered to be necessary. Subsequently, the Group reviews the obligor's financial condition in accordance with the Group's established internal procedures and takes necessary measures to protect the Group's credit.

*6. Accumulated depreciation of tangible fixed assets

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Accumulated depreciation	179,306	191,549

(Notes related to consolidated statements of income)

*1. "Other ordinary income" included the following:

	(Millions of yen)	
	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Gains on sales of stocks and other securities	45,761	83,207
Gains on money held in trust	1,007,703	460,912

*2. "General and administrative expenses" included the following:

	(Millions of yen)	
	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	316,043	302,872
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network	243,628	246,735

*3. "Other ordinary expenses" included the following:

	(Millions of yen)	
	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Losses on sales of stocks and other securities	333,756	96,703

(Notes related to consolidated statements of comprehensive income)

*1. Reclassification adjustments and income taxes and tax effect of other comprehensive income (loss)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net unrealized gains (losses) on available-for-sale securities:		
Amount arising during the fiscal year	1,952,077	(516,904)
Reclassification adjustments	(1,117,992)	(873,745)
Before income taxes and tax effect adjustments	834,084	(1,390,650)
Income taxes and tax effect	(254,961)	423,963
Net unrealized gains (losses) on available-for-sale securities	579,122	(966,686)
Net deferred gains (losses) on hedges:		
Amount arising during the fiscal year	(1,541,775)	(511,108)
Reclassification adjustments	620,726	695,456
Adjustments of assets' acquisition costs	(698)	(624)
Before income taxes and tax effect adjustments	(921,747)	183,723
Income taxes and tax effect	281,703	(44,543)
Net deferred gains (losses) on hedges	(640,044)	139,180
Adjustments for retirement benefits:		
Amount arising during the fiscal year	(687)	(3,046)
Reclassification adjustments	(1,387)	(1,216)
Before income taxes and tax effect adjustments	(2,074)	(4,263)
Income taxes and tax effect	635	1,328
Adjustments for retirement benefits	(1,439)	(2,934)
Total other comprehensive income (loss)	(62,360)	(830,441)

(Notes related to consolidated statements of changes in net assets)

For the fiscal year ended March 31, 2024

1. Type and number of shares issued and treasury stock

(Thousand shares)

	Number of shares at the beginning of the fiscal year	Increase	Decrease	Number of shares at the end of the fiscal year	Notes
Shares issued					
Common stock	3,690,021	—	72,418	3,617,602	(*)
Treasury stock					
Common stock	21,784	52,342	72,677	1,449	(**) (***) (****)

* The decrease of 72,418 thousand shares of common stock issued represents a decrease of 72,418 thousand shares due to the cancellation of treasury stock.

** The number of shares of treasury stock at the beginning of the fiscal year and that at the end of the fiscal year included 1,436 thousand shares and 1,379 thousand shares of treasury stock held by the stock benefit trust.

*** The increase of 52,342 thousand shares of treasury stock represents an increase of 52,141 thousand shares due to the repurchase of treasury stock, an increase of 200 thousand shares due to the purchase by the stock benefit trust, and an increase of 0 thousand shares due to the purchase of shares less than one unit.

**** The decrease of 72,677 thousand shares of treasury stock represents a decrease of 72,418 thousand shares of treasury stock due to the cancellation of treasury stock and a decrease of 258 thousand shares of treasury stock due to the grant and the sale of treasury stock by the stock benefit trust.

2. Dividends

(1) Dividends distributed during the fiscal year

Resolution	Type	Cash dividends (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
May 15, 2023 at the meeting of the Board of Directors	Common stock	183,483	50.00	March 31, 2023	June 21, 2023

Note: The total amount of dividends resolved by the Board of Directors' meeting held on May 15, 2023 included dividends of ¥71 million for the Bank's shares held by the stock benefit trust.

(2) Dividends with the record date within the fiscal year and with the effective date coming after the end of the fiscal year

Resolution	Type	Cash dividends (Millions of yen)	Resource of dividends	Cash dividends per share (Yen)	Record date	Effective date
May 15, 2024 at the meeting of the Board of Directors	Common stock	184,494	Retained earnings	51.00	March 31, 2024	June 19, 2024

Note: The total amount of dividends resolved by the Board of Directors' meeting held on May 15, 2024 included dividends of ¥70 million for the Bank's shares held by the stock benefit trust.

For the fiscal year ended March 31, 2025

1. Type and number of shares issued and treasury stock

(Thousand shares)

	Number of shares at the beginning of the fiscal year	Increase	Decrease	Number of shares at the end of the fiscal year	Notes
Shares issued					
Common stock	3,617,602	—	13,266	3,604,335	(*)
Treasury stock					
Common stock	1,449	16,546	13,617	4,378	(**) (***) (****) (*****)

* The decrease of 13,266 thousand shares of common stock issued represents a decrease of 13,266 thousand shares due to the cancellation of treasury stock.

** The number of shares of treasury stock at the beginning of the fiscal year and that at the end of the fiscal year included 1,379 thousand shares and 1,064 thousand shares of treasury stock held by the stock benefit trust.

*** The increase of 16,546 thousand shares of treasury stock represents an increase of 16,511 thousand shares due to the repurchase of treasury stock, an increase of 35 thousand shares due to the purchase by the stock benefit trust, and an increase of 0 thousand shares due to the purchase of shares less than one unit.

**** The decrease of 13,617 thousand shares of treasury stock represents a decrease of 13,266 thousand shares of treasury stock due to the cancellation of treasury stock, a decrease of 350 thousand shares of treasury stock due to the grant and the sale of treasury stock by the stock benefit trust, and a decrease of 0 thousand shares of treasury stock due to the sale of treasury stock in response to requests to purchase additional shares less than one unit.

***** At the Board of Directors meeting held on February 27, 2025, the Bank passed a resolution on matters related to the repurchase of treasury stock pursuant to Article 39, Paragraph 1 of the Bank's Articles of Incorporation complying with Article 459, Paragraph 1, Item 1 of the Companies Act. In addition, the Bank passed a resolution on matters related to the cancellation of treasury stock pursuant to the provisions of Article 178 of the Companies Act. Of the shares of treasury stock repurchased but not completely cancelled as of the end of the fiscal year are as follows.

Book value: ¥5,154 million

Class of shares: Common stock

Number of shares: 3,244 thousand shares

The above shares and the shares of treasury stock repurchased from April 1, 2025 to May 14, 2025 were completely cancelled as of May 30, 2025.

Total number of shares cancelled: 28,456 thousand shares

2. Dividends

(1) Dividends distributed during the fiscal year

Resolution	Type	Cash dividends (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
May 15, 2024 at the meeting of the Board of Directors	Common stock	184,494	51.00	March 31, 2024	June 19, 2024

Note: The total amount of dividends resolved by the Board of Directors' meeting held on May 15, 2024 included dividends of ¥70 million for the Bank's shares held by the stock benefit trust.

(2) Dividends with the record date within the fiscal year and with the effective date coming after the end of the fiscal year

Resolution	Type	Cash dividends (Millions of yen)	Resource of dividends	Cash dividends per share (Yen)	Record date	Effective date
May 15, 2025 at the meeting of the Board of Directors	Common stock	208,859	Retained earnings	58.00	March 31, 2025	June 25, 2025

Note: The total amount of dividends resolved by the Board of Directors' meeting held on May 15, 2025 included dividends of ¥61 million for the Bank's shares held by the stock benefit trust.

(Notes related to consolidated statements of cash flows)

- *1. The reconciliation between cash and cash equivalents in the consolidated statements of cash flows and cash and due from banks in the consolidated balance sheets as of March 31, 2024 and 2025

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash and due from banks	57,724,492	64,639,102
Cash and cash equivalents	57,724,492	64,639,102

2. Details of significant non-cash transactions

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cancellation of treasury stock	80,005	19,971

(Leases)

Operating lease transactions:

Future lease payments on non-cancelable operating leases

(Lessees)

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Due within one year	848	922
Due over one year	2,514	2,685
Total	3,363	3,608

(Lessors)

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Due within one year	101	92
Due over one year	101	—
Total	202	92

(Financial instruments)

1. Notes related to the conditions of financial instruments

(1) Policy for handling financial instruments

The Group's operations comprise deposit-taking up to designated limits, syndicated loans and other lending, securities investment, domestic and foreign exchange, retail sales of Japanese government bonds, investment trusts, and insurance products, intermediary services including mortgages, and credit card operations.

The Group raises funds primarily through deposits from individuals, and subsequently manages those funds by investing in securities including Japanese bonds and foreign bonds as well as by making loans. Most of these financial assets and liabilities are subject to price fluctuations associated with market movements and other risks, making it necessary to manage them so that future interest rate and foreign exchange rate movements do not have a negative impact on the Group including affecting the stability of its earnings. The Group therefore strives to appropriately manage its earnings and risks using integrated asset-liability management (ALM), and as part of this, engages in derivative transactions including interest rate swaps, currency swaps and others.

Since its incorporation in October 2007, the Group has diversified its earnings sources through investment diversification and consequently the outstanding amount of financial assets with credit risk has steadily grown. However, these investments are made with careful regard to the securities in which the Group invests and the amount invested so that the occurrence of a credit risk event or other factors will not result in excessive losses.

(2) Details of financial instruments and associated risks

The financial assets held by the Group are securities including Japanese bonds and foreign bonds. These financial assets contain credit risk with regard to the issuer and risks associated with interest rate fluctuations, market price movements, and other factors. Financial assets also include loans and stock investments via money held in trust, but the amounts of these investments are less than those of bonds and other securities.

From the viewpoints of the Group's ALM, the Group utilizes interest rate swaps and others as hedging instruments for interest rate-related transactions to avoid the risks of changes in future economic values and interest rates (cash flows) of securities, loans, and time deposits on fluctuations of the yen interest rate. For currency-related transactions, the Group utilizes currency swaps and others as hedging instruments to avoid the risk of foreign exchange fluctuations in connection with the translation of foreign currency-denominated securities held by the Group and related yen translation amounts of redemption of principal and interest.

Derivative transactions which meet certain requirements are accounted for by the hedge accounting method to control the effect on financial accounting within a fixed range when utilizing derivatives for hedging purposes. The hedging instruments, the hedged items, the hedging policy, and the way to evaluate the effectiveness of hedges are included in the section "Significant accounting policies for preparing of consolidated financial statements 4. Accounting policies (15) Hedge accounting."

(3) Risk management structure for financial instruments

(i) Basic policy

The Executive Committee has established special advisory committees, the Risk Management Committee and the ALM Committee, to handle risk management responsibilities. These advisory committees submit risk management reports based on the nature of each risk and discuss risk management policies and measures.

(ii) Credit risk

The Group manages credit risk using Value at Risk (VaR: a statistical method that identifies the maximum loss possible based on designated probabilities in the financial assets and liabilities held) based on internal guidelines to quantitatively measure the amount of credit risk. The Group sets appropriate risk limits to reflect risk capital allocations and then ensures the amounts of credit risk do not exceed its limits based on

its financial strength, which is driven by a number of factors including capital.

In order to control credit concentration, the Group has set upper limits of exposure for individual companies, corporate groups, countries and regions to monitor and manage such risk.

The Risk Management Department oversees credit risk management activities including credit risk measurement, management of credit concentration risk and the Group's internal credit rating system. The Credit Department assigns internal credit ratings, monitors borrower status, watches large borrowers, and judges individual loans.

The Risk Management Committee, the ALM Committee, and the Executive Committee regularly hold meetings to discuss matters related to the maintenance and management of the credit risk management structure, and matters related to the implementation of credit risk management.

(iii) Market risk

As per the Group's ALM policy, the Group makes investments in instruments including Japanese and foreign bonds and equities as part of its banking operations, and these investments may therefore be affected by interest rate, exchange rate, stock price and other fluctuations. However, based on internal guidelines regarding market risk management, the Group measures the amount of market risk using the VaR statistical method. The Group sets appropriate risk limits to reflect risk capital allocations and then ensures the amounts of market risk do not exceed its limits based on its financial strength, which is driven by a number of factors including capital.

The main financial instruments held by the Group or transactions undertaken by the Group that are affected by changes in variable components of major market risk (interest rates, currency exchange rates, stock prices) are call loans, monetary claims bought, money held in trust, securities, loans, deposits and derivative transactions.

The Group measures and manages market risk using the VaR method. For its market risk measurement model, the Group uses a historical simulation method (holding period of 240 business days (one year); confidence interval of 99%; and observation period of 1,200 business days (five years)). For liability measurement, the Group uses its own internal model.

As of March 31, 2024, the Group calculated the amounts of its market risk exposure (estimated potential losses from such risk) at ¥4,553,233 million. As of March 31, 2025, the Group calculated the amounts of its market risk exposure (estimated potential losses from such risk) at ¥3,557,257 million. VaR provides the major market risk exposure which is statistically calculated under certain probability based on historical market fluctuations. Thus, it may not capture fully the risk stemming from extraordinary changes in the market environment that are normally considered improbable. To complement such risks, the Group conducts stress testing using a variety of scenarios.

The Risk Management Committee, the ALM Committee, and the Executive Committee regularly hold meetings to discuss matters related to the maintenance and management of the market risk management structure, and matters related to the implementation of market risk management.

In addition, the Group has a distinctive asset and liability structure, with marketable securities accounting for the majority of its assets and deposits for the majority of its liabilities. Recognizing the importance of the impact of interest rate risk on the Group's profit structure, the Group closely monitors and carefully controls interest rate risk by performing earnings simulations based on various market scenarios as part of its ALM.

Policy with regard to its ALM is discussed and determined at meetings of the Executive Committee, and the status of its implementation is reported to the ALM Committee and the Executive Committee.

The Group manages market risk that arises from derivative transactions by separating the responsibilities of executing transactions, evaluating the effectiveness of hedges and operational management, and by establishing an internal control structure, based on internal guidelines related to derivatives.

(iv) Funding liquidity risk

The Group's funding liquidity risk management consists primarily of closely monitoring funding conditions and taking timely and appropriate actions. It then maintains appropriate liquidity reserves for unexpected fund outflows.

Through these steps, the Group sets, monitors, and analyzes its funding liquidity indicators to ensure stable liquidity management.

The Risk Management Committee, the ALM Committee, and the Executive Committee regularly hold meetings to discuss matters related to the maintenance and management of the funding liquidity risk management structure and matters related to the implementation of funding liquidity risk management.

(4) Supplementary explanation of items related to the fair value of financial instruments

The Group determines the fair value of financial instruments based on various assumptions, and the value may be changed if different assumptions and other factors are applied.

2. Notes related to the fair value of financial instruments

The amounts in the consolidated balance sheets, the fair values, and the differences between the two were as follows.

Notes on cash and due from banks, call loans, receivables under resale agreements, payables under repurchase agreements, and payables under securities lending transactions are omitted as their fair values are approximately the same as their book values due to the short settlement period.

As of March 31, 2024

	(Millions of yen)		
	Amount on the consolidated balance sheet	Fair value	Difference
(1) Monetary claims bought	515,606	515,606	—
(2) Trading account securities: Securities classified as trading purposes	54	54	—
(3) Money held in trust (*)	2,716,064	2,716,064	—
(4) Securities:			
Held-to-maturity securities	37,540,157	36,633,000	(907,156)
Available-for-sale securities (*)	108,795,509	108,795,509	—
(5) Loans:	6,848,393		
Reserve for possible loan losses (**)	(149)		
	6,848,244	6,801,638	(46,606)
Total assets	156,415,636	155,461,874	(953,762)
(1) Deposits	192,800,717	192,814,714	13,997
(2) Borrowed money	1,984,900	1,974,958	(9,941)
Total liabilities	194,785,617	194,789,673	4,056
Derivative transactions (***):			
For which hedge accounting is not applied	(240,269)	(240,269)	—
For which hedge accounting is applied (****)	(1,965,890)	(1,965,890)	—
Total derivative transactions	(2,206,159)	(2,206,159)	—

* Investment trusts for which the funds' unit prices are deemed as the fair value in accordance with Paragraphs 24-3 and 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) are included.

** Reserve for possible loan losses is the general reserve for possible loan losses and the specific reserve for possible loan losses corresponding to loans.

*** Figures are total derivative instruments recorded in other assets or other liabilities. The net amount is shown for net claims and obligations arising from derivative transactions, with totals that are net obligations shown in parentheses.

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

**** These derivative transactions are interest rate swaps, etc. designated as hedging instruments to offset changes in the fair value of securities and other hedged items and the Group mainly applies the deferred hedge accounting method. The Group applies the "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (Practical Issues Task Force (PITF) No. 40, March 17, 2022) for these hedging relationships.

As of March 31, 2025

(Millions of yen)

	Amount on the consolidated balance sheet	Fair value	Difference
(1) Monetary claims bought	593,739	593,739	—
(2) Trading account securities: Securities classified as trading purposes	224	224	—
(3) Money held in trust (*)	2,101,358	2,101,358	—
(4) Securities: Held-to-maturity securities	45,169,875	42,333,134	(2,836,741)
Available-for-sale securities (*)	98,230,288	98,230,288	—
(5) Loans: Reserve for possible loan losses (**)	3,130,595 (152)		
	3,130,443	3,015,926	(114,516)
Total assets	149,225,928	146,274,671	(2,951,257)
(1) Deposits	190,461,748	189,985,446	(476,301)
(2) Borrowed money	2,510,100	2,502,732	(7,367)
Total liabilities	192,971,848	192,488,179	(483,669)
Derivative transactions (***): For which hedge accounting is not applied	(62,683)	(62,683)	—
For which hedge accounting is applied	(1,744,563)	(1,744,563)	—
Total derivative transactions	(1,807,247)	(1,807,247)	—

* Investment trusts for which the funds' unit prices are deemed as the fair value in accordance with Paragraphs 24-3 and 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) are included.

** Reserve for possible loan losses is the general reserve for possible loan losses and the specific reserve for possible loan losses corresponding to loans.

*** Figures are total derivative instruments recorded in other assets or other liabilities. The net amount is shown for net claims and obligations arising from derivative transactions, with totals that are net obligations shown in parentheses.

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

(Note 1) The amounts in the consolidated balance sheets of shares, etc. that do not have a market price and investments in partnerships were as follows. The fair value information of these financial instruments is not included in “Assets (3) Money held in trust” and “Assets (4) Securities.”

As of March 31, 2024

(Millions of yen)

Type	Amount on the consolidated balance sheet
Money held in trust (*)(**)	3,447,520
Securities	
Unlisted stocks, etc. (*)	30,551
Investments in partnerships (**)	124,444
Total (***)	3,602,516

* Unlisted stocks, etc. are not included in the scope of fair value disclosures in accordance with Paragraph 5 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 31, 2020).

** Investments in partnerships are not included in the scope of fair value disclosures in accordance with Paragraph 24-16 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021).

*** An impairment loss of ¥4,267 million was recognized in the fiscal year ended March 31, 2024.

As of March 31, 2025

(Millions of yen)

Type	Amount on the consolidated balance sheet
Money held in trust (*)(**)	3,620,615
Securities	
Unlisted stocks, etc. (*)	39,827
Investments in partnerships (**)	148,025
Total (***)	3,808,468

* Unlisted stocks, etc. are not included in the scope of fair value disclosures in accordance with Paragraph 5 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 31, 2020).

** Investments in partnerships are not included in the scope of fair value disclosures in accordance with Paragraph 24-16 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021).

*** An impairment loss of ¥550 million was recognized in the fiscal year ended March 31, 2025.

(Note 2) Scheduled redemption amounts of monetary claims and securities with a maturity date subsequent to the fiscal year

As of March 31, 2024

(Millions of yen)

	One Year or Less	> One and ≤ Three Years	> Three and ≤ Five Years	> Five and ≤ Seven Years	> Seven and ≤ Ten Years	Over Ten Years
Monetary claims bought	103	65,818	31,871	66,026	110,755	246,281
Securities:	17,204,462	18,137,548	13,804,979	7,414,556	11,953,176	30,047,847
Held-to-maturity securities	4,821,870	5,422,468	4,901,562	1,852,846	6,028,140	14,718,508
Japanese government bonds	3,618,500	600,000	335,600	—	4,632,900	11,578,100
Japanese local government bonds	323,035	1,270,763	1,224,078	789,873	686,748	—
Japanese corporate bonds	598,772	1,595,767	1,898,759	628,307	296,266	749,874
Other securities	281,562	1,955,938	1,443,124	434,665	412,224	2,390,534
Available-for-sale securities (with maturity date)	12,382,592	12,715,079	8,903,417	5,561,709	5,925,036	15,329,338
Japanese government bonds	6,869,880	5,148,257	692,664	1,341,136	559,040	9,355,900
Japanese local government bonds	444,307	521,433	332,946	34,937	—	—
Short-term corporate bonds	892,000	—	—	—	—	—
Japanese corporate bonds	741,352	1,148,366	531,121	435,900	239,561	606,742
Other securities	3,435,052	5,897,022	7,346,685	3,749,735	5,126,433	5,366,696
Loans (*)	4,533,342	701,451	599,938	355,140	346,840	307,716
Total	21,737,909	18,904,817	14,436,789	7,835,722	12,410,772	30,601,844

* Loans do not include ¥0 million in loans, etc. to bankrupt, substantially bankrupt and doubtful borrowers, for which redemption cannot be expected.

As of March 31, 2025

(Millions of yen)

	One Year or Less	> One and ≤ Three Years	> Three and ≤ Five Years	> Five and ≤ Seven Years	> Seven and ≤ Ten Years	Over Ten Years
Monetary claims bought	1,022	26,155	52,385	59,669	208,925	256,964
Securities:	10,550,557	15,835,802	13,600,967	7,106,640	18,420,367	29,300,171
Held-to-maturity securities	2,492,975	6,234,120	5,372,730	2,491,678	13,666,352	15,312,233
Japanese government bonds	600,000	60,900	846,900	—	11,231,600	12,682,600
Japanese local government bonds	550,838	1,396,076	1,165,212	1,010,252	647,715	—
Japanese corporate bonds	667,038	2,012,804	1,668,560	635,784	633,460	1,038,167
Other securities	675,099	2,764,339	1,692,057	845,641	1,153,576	1,591,466
Available-for-sale securities (with maturity date)	8,057,581	9,601,682	8,228,236	4,614,961	4,754,014	13,987,937
Japanese government bonds	4,422,937	694,857	899,909	1,216,894	931,884	8,639,400
Japanese local government bonds	256,891	507,318	80,396	—	—	—
Short-term corporate bonds	679,000	—	—	—	—	—
Japanese corporate bonds	669,716	823,850	337,521	445,500	104,659	543,282
Other securities	2,029,037	7,575,656	6,910,410	2,952,567	3,717,470	4,805,254
Loans (*)	893,678	652,460	655,198	413,523	248,383	264,341
Total	11,445,258	16,514,419	14,308,551	7,579,832	18,877,676	29,821,477

* Loans do not include ¥0 million in loans, etc. to bankrupt, substantially bankrupt and doubtful borrowers, for which redemption cannot be expected.

(Note 3) Scheduled repayment amounts of interest-bearing liabilities subsequent to the fiscal year
As of March 31, 2024

(Millions of yen)

	One Year or Less	> One and ≤ Three Years	> Three and ≤ Five Years	> Five and ≤ Seven Years	> Seven and ≤ Ten Years	Over Ten Years
Deposits (*)	134,274,034	12,100,083	21,602,676	11,953,081	12,870,840	—
Borrowed money	686,100	5,200	1,293,600	—	—	—
Total	134,960,134	12,105,283	22,896,276	11,953,081	12,870,840	—

* Demand deposits are included in “One Year or Less.”

As of March 31, 2025

(Millions of yen)

	One Year or Less	> One and ≤ Three Years	> Three and ≤ Five Years	> Five and ≤ Seven Years	> Seven and ≤ Ten Years	Over Ten Years
Deposits (*)	136,247,090	14,308,382	15,671,940	9,137,404	15,096,931	—
Borrowed money	1,216,500	1,272,500	21,100	—	—	—
Total	137,463,590	15,580,882	15,693,040	9,137,404	15,096,931	—

* Demand deposits are included in “One Year or Less.”

3. Fair value information by level within the fair value hierarchy

The financial instruments are classified into the following three levels of fair value hierarchy according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs, i.e. quoted prices in active markets for assets or liabilities that are the subject of the measurement.

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

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the financial instruments are categorized in their entirety in the level of the lowest level input that is significant to the entire measurement.

(1) Financial instruments booked at fair value on the consolidated balance sheets

As of March 31, 2024

(Millions of yen)

	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	—	—	515,606	515,606
Money held in trust (*)	2,374,354	—	—	2,374,354
Trading account securities and securities:				
Securities classified as trading purposes				
Japanese government bonds	54	—	—	54
Available-for-sale securities				
Japanese stocks	1,637	—	—	1,637
Japanese government bonds	23,211,415	101,541	—	23,312,956
Japanese local government bonds	—	1,334,299	—	1,334,299
Short-term corporate bonds	—	891,924	—	891,924
Japanese corporate bonds	—	3,671,172	—	3,671,172
Others	10,556,762	61,996,626	106,945	72,660,334
Foreign bonds	10,556,762	11,744,829	106,945	22,408,537
Investment trusts (*)	—	50,251,797	—	50,251,797
Total assets	36,144,223	67,995,564	622,551	104,762,340
Derivative transactions (**):				
Interest rate-related derivatives	—	46,445	—	46,445
Currency-related derivatives	—	(2,252,626)	—	(2,252,626)
Credit derivatives	—	21	—	21
Total derivative transactions	—	(2,206,159)	—	(2,206,159)

* Investment trusts for which the funds' unit prices are deemed as the fair value in accordance with Paragraphs 24-3 and 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) are not included. Investment trusts to which the treatment in Paragraph 24-3 is applied amounted to ¥6,923,184 million in the consolidated balance sheets. Investment trusts to which the treatment in Paragraph 24-9 is applied amounted to ¥165,320 million in the consolidated balance sheets.

** Figures are total derivative instruments recorded in other assets or other liabilities. The net amount is shown for net claims and obligations arising from derivative transactions, with totals that are net obligations shown in parentheses.

As of March 31, 2025

(Millions of yen)

	Fair value			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	—	—	593,739	593,739
Money held in trust (*)	1,808,231	—	—	1,808,231
Trading account securities and securities:				
Securities classified as trading purposes				
Japanese government bonds	224	—	—	224
Available-for-sale securities				
Japanese stocks	8,616	—	—	8,616
Japanese government bonds	15,182,054	123,211	—	15,305,265
Japanese local government bonds	—	835,418	—	835,418
Short-term corporate bonds	—	678,731	—	678,731
Japanese corporate bonds	—	2,836,196	—	2,836,196
Others	12,230,567	58,487,137	95,822	70,813,527
Foreign bonds	12,230,567	6,777,962	95,315	19,103,844
Investment trusts (*)	—	51,709,175	—	51,709,175
Total assets	29,229,693	62,960,695	689,561	92,879,950
Derivative transactions (**):				
Interest rate-related derivatives	—	50,135	—	50,135
Currency-related derivatives	—	(1,857,382)	—	(1,857,382)
Credit derivatives	—	—	—	—
Total derivative transactions	—	(1,807,247)	—	(1,807,247)

* Investment trusts for which the funds' unit prices are deemed as the fair value in accordance with Paragraphs 24-3 and 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) are not included. Investment trusts to which the treatment in Paragraph 24-3 is applied amounted to ¥7,752,533 million in the consolidated balance sheets. Investment trusts to which the treatment in Paragraph 24-9 is applied amounted to ¥182,583 million in the consolidated balance sheets.

** Figures are total derivative instruments recorded in other assets or other liabilities. The net amount is shown for net claims and obligations arising from derivative transactions, with totals that are net obligations shown in parentheses.

(2) Financial instruments other than those booked at fair value on the consolidated balance sheets

As of March 31, 2024

(Millions of yen)

	Fair value			
	Level 1	Level 2	Level 3	Total
Money held in trust	—	176,389	—	176,389
Securities:				
Held-to-maturity securities				
Japanese government bonds	19,795,920	—	—	19,795,920
Japanese local government bonds	—	4,259,596	—	4,259,596
Japanese corporate bonds	—	5,701,248	—	5,701,248
Others	1,833,833	5,042,401	—	6,876,235
Loans	—	—	6,801,638	6,801,638
Total assets	21,629,753	15,179,636	6,801,638	43,611,028
Deposits	—	192,814,714	—	192,814,714
Borrowed money	—	1,974,958	—	1,974,958
Total liabilities	—	194,789,673	—	194,789,673

As of March 31, 2025

(Millions of yen)

	Fair value			
	Level 1	Level 2	Level 3	Total
Money held in trust	—	110,543	—	110,543
Securities:				
Held-to-maturity securities				
Japanese government bonds	22,766,025	—	—	22,766,025
Japanese local government bonds	—	4,620,049	—	4,620,049
Japanese corporate bonds	—	6,408,433	—	6,408,433
Others	3,590,691	4,947,934	—	8,538,625
Loans	—	—	3,015,926	3,015,926
Total assets	26,356,716	16,086,961	3,015,926	45,459,605
Deposits	—	189,985,446	—	189,985,446
Borrowed money	—	2,502,732	—	2,502,732
Total liabilities	—	192,488,179	—	192,488,179

(Note 1) Explanation of the valuation techniques and inputs used in the fair value measurements

Assets

Monetary claims bought

The Group uses the price provided by third parties such as brokers, etc. as the fair value, and classifies the monetary claims bought as Level 3 fair value.

Money held in trust

For the securities representing trust assets in money held in trust, the Group uses the price at the exchange market for stocks and investment trusts that have a quoted market price and uses the Reference Statistical Prices for OTC Bond Transactions published by the Japan Securities Dealers Association for bonds as the fair value. As a result, the trust assets in money held in trust are principally classified as Level 1 fair value. For investment trusts that do not have quoted market prices, in case there are significant restrictions that market participants would require compensation for risk with respect to cancellation or repurchase request, the Group adopts the accounting treatment that funds' unit prices are deemed as the fair value in accordance with Paragraph 24-9 of the "Implementation

Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021) but does not classify the fair value into any level of fair value hierarchy.

Notes pertaining to money held in trust by holding purpose are included in the section “Money held in trust.”

Trading account securities

The Group uses the purchase price provided by the Bank of Japan as the fair value and classifies the trading account securities as Level 1 fair value as unadjusted quoted prices in active markets are available.

Securities

For stocks, since price on the stock exchange is quoted as fair value of stocks where unadjusted market price in active market is available, fair value of stocks is classified as Level 1 fair value.

For bonds, the Group uses the Reference Statistical Prices 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.

Of bonds that use the Reference Statistical Prices for OTC Bond Transactions published by the Japan Securities Dealers Association and the comparable price method as the fair value, Japanese government bonds and treasury discount bills are principally classified as Level 1 fair value, while bonds other than those are classified as Level 2 fair value. Bonds that use the price provided by third parties such as outside vendors and brokers, etc. as the fair value are classified as either of Level 1, 2 or 3, based on observability of the prices obtained and inputs, etc. in the market.

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

For investment trusts that do not have quoted market prices, in case there are no significant restrictions that market participants would require compensation for risk with respect to cancellation or repurchase request, the Group uses the funds’ unit prices as the fair value and classifies it as Level 2 fair value. In case there are significant restrictions, the Group adopts the accounting treatment that funds’ unit prices are deemed as the fair value in accordance with Paragraph 24-3 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021) but does not classify the fair value into any level of fair value hierarchy.

Notes pertaining to securities by holding purpose are included in the section “Securities.”

Loans

Loans with floating interest rates reflect market interest rates within the short term. When a borrower’s credit standing does not change significantly after the loan was originated, the fair value is approximately the same as the book value, and therefore the Group uses the book value as the fair value. The fair value of fixed-rate loans is stated at the present value of each loan, which is calculated by discounting the total principal and interest amounts at the interest rate that reflects the remaining tenor and credit risk of the borrower. As a result, fixed-rate loans are classified as Level 3 fair value.

For loans that are limited to within a designated percentage of the amount of pledged assets, such as loans secured by deposit, the fair value is approximately the same as the book value based on the repayment period, interest rate conditions, etc., and therefore the Group uses the book value as the fair value. As a result, such loans are classified as Level 3 fair value.

Liabilities

Deposits

For demand deposits including transfer deposits and ordinary deposits, the Group uses the amount that might be paid on demand on the consolidated balance sheet date (the book value) as the fair value and classifies demand deposits as Level 2 fair value.

For fixed-term deposits, the Group categorizes the deposits by specified tenors and calculates the present value by discounting the projected future cash flow, which is used as their fair value. As a result, fixed-term deposits are classified as Level 2 fair value.

For TEIGAKU deposits, the Group categorizes the deposits by specified tenors and calculates the present value by discounting the projected future cash flow, reflecting an early cancellation rate calculated using historical results, which is used as their fair value. When unobservable inputs are not significant to the fair value measurement, these TEIGAKU deposits are classified as Level 2 fair value. When significant unobservable inputs are used for measurement, the TEIGAKU deposits are classified as Level 3 fair value.

The Group uses the interest rates on newly accepted deposits as the discount rates applied to fixed-term deposits and TEIGAKU deposits.

Borrowed money

The fair value of borrowed money is stated at its present value, which is calculated by discounting the projected future cash flow, using the refinancing rate applicable to a similar loan. The fair value of borrowed money of which

the remaining tenor is short (due within one year) is approximately the same as the book value, and therefore the Group uses the book value as the fair value and classifies borrowed money as Level 2 fair value.

Derivative transactions

The derivative instruments are classified as Level 1 fair value when unadjusted quoted prices in active markets are available for the measurement.

However, since most of the derivative instruments are traded over the counter and there are no quoted market prices, the Group measures their fair value using valuation techniques including the discounted cash flow method according to their transaction type and maturity period. Major inputs used for these measurement methods are interest rates and exchange rates. Measurement reflects price adjustments, as necessary, based on counterparty credit risk and the Bank's own credit risk. When unobservable inputs are not used or their impact is insignificant, such derivative instruments, e.g. plain vanilla interest rate swap transactions, foreign exchange forward contracts, etc., are classified as Level 2 fair value. When significant unobservable inputs are used for measurement, these derivative instruments are classified as Level 3 fair value.

(Note 2) Information about Level 3 fair value of financial instruments that are recorded on the consolidated balance sheets at their fair value

(1) Quantitative information on significant unobservable inputs

As of March 31, 2024

As the Bank does not conduct estimation of inputs it cannot observe itself, the quantitative information is not provided.

As of March 31, 2025

As the Bank does not conduct estimation of inputs it cannot observe itself, the quantitative information is not provided.

(2) Reconciliation from the beginning balance to the ending balance and unrealized gains or losses recognized in profit or loss for the fiscal year

As of March 31, 2024

(Millions of yen)

	Beginning Balance	Profit or loss or other comprehensive income for the fiscal year ended March 31, 2024		Net amount of purchase, sale, issuance and settlement	Transfer into Level 3 fair value	Transfer out of Level 3 fair value	Ending balance	Unrealized gains or losses of financial assets and financial liabilities held at the end of the period included in profit or loss for the fiscal year ended March 31, 2024 (*)
		Recognized in profit or loss (*)	Recognized in other comprehensive income (**)					
Monetary claims bought	478,286	(6)	(2,605)	39,932	—	—	515,606	—
Securities								
Available-for-sale securities								
Japanese corporate bonds	539	—	(0)	(538)	—	—	—	—
Others	98,660	2,783	(35)	5,536	—	—	106,945	1,544

* Principally included in "other operating income" in the consolidated statements of income.

** Included in “net unrealized gains (losses) on available-for-sale securities” under “other comprehensive income (loss)” in the consolidated statements of comprehensive income.

As of March 31, 2025

(Millions of yen)

	Beginning Balance	Profit or loss or other comprehensive income for the fiscal year ended March 31, 2025		Net amount of purchase, sale, issuance and settlement	Transfer into Level 3 fair value	Transfer out of Level 3 fair value	Ending balance	Unrealized gains or losses of financial assets and financial liabilities held at the end of the period included in profit or loss for the fiscal year ended March 31, 2025 (*)
		Recognized in profit or loss (*)	Recognized in other comprehensive income (**)					
Monetary claims bought	515,606	(6)	(6,127)	84,266	—	—	593,739	—
Securities								
Available-for-sale securities								
Japanese corporate bonds	—	—	—	—	—	—	—	—
Others	106,945	(662)	(1,856)	(8,604)	—	—	95,822	(1,664)

* Principally included in “other operating income” in the consolidated statements of income.

** Included in “net unrealized gains (losses) on available-for-sale securities” under “other comprehensive income (loss)” in the consolidated statements of comprehensive income.

(3) Explanation of valuation processes used for fair value measurements

The fair value verification department has established policies and procedures for measuring fair value, and each fair value measurement department measures fair value accordingly. The fair value verification department that is independent from the fair value measurement departments verifies whether the fair value obtained is measured using valid valuation techniques and inputs, and based on the verification results, financial instruments are classified into an appropriate level 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 Group 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 Group 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.

(4) Explanation of an impact on fair value in the case of changing significant unobservable inputs

As the Bank does not conduct estimation of inputs it cannot observe itself, the explanation is not provided.

(Note 3) Information about investment trusts for which the funds' unit prices are deemed as the fair value in accordance with Paragraphs 24-3 and 24-9 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021)

(1) Reconciliation from the beginning balance to the ending balance for the fiscal year of the investment trusts to which the treatment in Paragraph 24-3 is applied

As of March 31, 2024

(Millions of yen)

Beginning Balance	Profit or loss or other comprehensive income for the fiscal year ended March 31, 2024		Net amount of purchase, sale, and redemption	Amount by which the funds' unit price has become regarded as the fair value of investment trusts	Amount for which the treatment provided for in Paragraph 24-3 has ceased to be applied	Ending balance	Unrealized gains or losses of investment trusts held at the end of the period included in profit or loss for the fiscal year ended March 31, 2024
	Recognized in profit or loss (*)	Recognized in other comprehensive income (**)					
5,714,472	45,401	124,289	1,039,021	—	—	6,923,184	—

* Principally included in "other ordinary income" in the consolidated statements of income.

** Included in "net unrealized gains (losses) on available-for-sale securities" under "other comprehensive income (loss)" in the consolidated statements of comprehensive income.

As of March 31, 2025

(Millions of yen)

Beginning Balance	Profit or loss or other comprehensive income for the fiscal year ended March 31, 2025		Net amount of purchase, sale, and redemption	Amount by which the funds' unit price has become regarded as the fair value of investment trusts	Amount for which the treatment provided for in Paragraph 24-3 has ceased to be applied	Ending balance	Unrealized gains or losses of investment trusts held at the end of the period included in profit or loss for the fiscal year ended March 31, 2025
	Recognized in profit or loss (*)	Recognized in other comprehensive income (**)					
6,923,184	82,647	(64,449)	811,150	—	—	7,752,533	—

* Principally included in "other ordinary income" in the consolidated statements of income.

** Included in "net unrealized gains (losses) on available-for-sale securities" under "other comprehensive income (loss)" in the consolidated statements of comprehensive income.

(2) Reconciliation from the beginning balance to the ending balance for the fiscal year of the investment trusts to which the treatment in Paragraph 24-9 is applied

As of March 31, 2024

(Millions of yen)

Beginning Balance	Profit or loss or other comprehensive income for the fiscal year ended March 31, 2024		Net amount of purchase, sale, and redemption	Amount by which the funds' unit price has become regarded as the fair value of investment trusts	Amount for which the treatment provided for in Paragraph 24-9 has ceased to be applied	Ending balance	Unrealized gains or losses of investment trusts held at the end of the period included in profit or loss for the fiscal year ended March 31, 2024
	Recognized in profit or loss (*)	Recognized in other comprehensive income (**)					
132,167	506	2,428	30,217	—	—	165,320	—

* Principally included in “other ordinary income” in the consolidated statements of income.

** Included in “net unrealized gains (losses) on available-for-sale securities” under “other comprehensive income (loss)” in the consolidated statements of comprehensive income.

As of March 31, 2025

(Millions of yen)

Beginning Balance	Profit or loss or other comprehensive income for the fiscal year ended March 31, 2025		Net amount of purchase, sale, and redemption	Amount by which the funds' unit price has become regarded as the fair value of investment trusts	Amount for which the treatment provided for in Paragraph 24-9 has ceased to be applied	Ending balance	Unrealized gains or losses of investment trusts held at the end of the period included in profit or loss for the fiscal year ended March 31, 2025
	Recognized in profit or loss (*)	Recognized in other comprehensive income (**)					
165,320	1,492	2,254	13,515	—	—	182,583	—

* Principally included in “other ordinary income” in the consolidated statements of income.

** Included in “net unrealized gains (losses) on available-for-sale securities” under “other comprehensive income (loss)” in the consolidated statements of comprehensive income.

(3) Breakdown by contents of restrictions on cancellation or repurchase request as of the consolidated balance sheet date

(Millions of yen)

Main contents of restrictions on cancellation or repurchase request	As of March 31, 2024	As of March 31, 2025
e.g., low liquidity of investment trusts comprising trust assets and longer interval between cancelable dates of investment trust	6,923,184	7,752,533

(Securities)

The fair value information of securities was as follows.

Securities discussed here include trading account securities, monetary claims bought, as well as securities listed on the consolidated balance sheets.

1. Trading account securities

As of March 31, 2024

There were no unrealized gains or losses from trading account securities included in the profit and loss recorded in the consolidated statements of income.

As of March 31, 2025

There were no unrealized gains or losses from trading account securities included in the profit and loss recorded in the consolidated statements of income.

2. Held-to-maturity securities

As of March 31, 2024

(Millions of yen)

	Type	Amount on the consolidated balance sheet	Fair value	Difference
Those for which the fair value exceeds the amount on the consolidated balance sheet	Japanese government bonds	2,390,130	2,409,081	18,951
	Japanese local government bonds	286,131	287,130	999
	Japanese corporate bonds	436,506	438,550	2,044
	Others:	5,652,744	6,020,248	367,503
	Foreign bonds	5,652,744	6,020,248	367,503
	Total	8,765,513	9,155,011	389,498
Those for which the fair value does not exceed the amount on the consolidated balance sheet	Japanese government bonds	18,158,996	17,386,838	(772,157)
	Japanese local government bonds	4,014,397	3,972,465	(41,932)
	Japanese corporate bonds	5,335,744	5,262,697	(73,046)
	Others:	1,265,506	1,253,252	(12,253)
	Foreign bonds	1,265,506	1,253,252	(12,253)
	Total	28,774,644	27,875,254	(899,389)
Total		37,540,157	37,030,266	(509,890)

As of March 31, 2025

(Millions of yen)

	Type	Amount on the consolidated balance sheet	Fair value	Difference
Those for which the fair value exceeds the amount on the consolidated balance sheet	Japanese government bonds	—	—	—
	Japanese local government bonds	16,026	16,044	18
	Japanese corporate bonds	14,371	14,384	12
	Others:	5,512,265	5,854,535	342,270
	Foreign bonds	5,512,265	5,854,535	342,270
	Total	5,542,662	5,884,963	342,300
Those for which the fair value does not exceed the amount on the consolidated balance sheet	Japanese government bonds	25,037,387	22,766,025	(2,271,361)
	Japanese local government bonds	4,749,430	4,604,005	(145,425)
	Japanese corporate bonds	6,632,775	6,394,048	(238,726)
	Others:	3,207,618	3,134,088	(73,530)
	Foreign bonds	3,207,618	3,134,088	(73,530)
	Total	39,627,212	36,898,167	(2,729,044)
Total		45,169,875	42,783,131	(2,386,743)

3. Available-for-sale securities for which fair value is available

As of March 31, 2024

(Millions of yen)

	Type	Amount on the consolidated balance sheet	Acquisition cost	Difference (*)
Those for which the amount on the consolidated balance sheet exceeds the acquisition cost	Japanese stocks	1,637	1,506	131
	Bonds:	3,411,765	3,293,657	118,108
	Japanese government bonds	2,386,447	2,275,154	111,292
	Japanese local government bonds	300,444	299,509	935
	Short-term corporate bonds	—	—	—
	Japanese corporate bonds	724,872	718,992	5,879
	Others:	58,947,358	53,978,838	4,968,519
	Foreign bonds	20,493,060	17,078,275	3,414,785
	Investment trusts (**)	38,395,407	36,841,857	1,553,550
	Total	62,360,760	57,274,001	5,086,758
Those for which the amount on the consolidated balance sheet does not exceed the acquisition cost	Japanese stocks	—	—	—
	Bonds:	25,798,587	26,837,790	(1,039,203)
	Japanese government bonds	20,926,508	21,919,303	(992,794)
	Japanese local government bonds	1,033,854	1,037,746	(3,891)
	Short-term corporate bonds	891,924	891,924	—
	Japanese corporate bonds	2,946,299	2,988,816	(42,517)
	Others:	21,151,767	21,736,288	(584,521)
	Foreign bonds	1,915,476	1,937,212	(21,735)
	Investment trusts (**)	18,779,573	19,336,880	(557,306)
	Total	46,950,354	48,574,079	(1,623,724)
Total		109,311,115	105,848,081	3,463,034

* Of the difference shown above, ¥2,256,228 million gains were included in the consolidated statements of income due to the application of fair value hedge accounting.

** Investment trusts are mainly invested in foreign bonds.

Note: Shares, etc. that do not have a market price and investments in partnerships which are not included above were as follows:

(Millions of yen)

	Amount on the consolidated balance sheet
Unlisted stocks, etc.	29,554
Investments in partnerships	122,834
Total	152,388

As of March 31, 2025

(Millions of yen)

	Type	Amount on the consolidated balance sheet	Acquisition cost	Difference (*)
Those for which the amount on the consolidated balance sheet exceeds the acquisition cost	Japanese stocks	3,275	2,628	647
	Bonds:	1,714,256	1,665,383	48,873
	Japanese government bonds	1,608,696	1,560,435	48,260
	Japanese local government bonds	12,237	11,908	329
	Short-term corporate bonds	—	—	—
	Japanese corporate bonds	93,323	93,040	283
	Others:	60,875,532	56,820,797	4,054,735
	Foreign bonds	15,967,762	13,418,220	2,549,542
	Investment trusts (**)	44,878,484	43,373,320	1,505,164
	Total	62,593,065	58,488,808	4,104,256
Those for which the amount on the consolidated balance sheet does not exceed the acquisition cost	Japanese stocks	5,340	6,087	(746)
	Bonds:	17,941,354	19,798,143	(1,856,789)
	Japanese government bonds	13,696,569	15,449,953	(1,753,383)
	Japanese local government bonds	823,180	834,502	(11,321)
	Short-term corporate bonds	678,731	678,731	—
	Japanese corporate bonds	2,742,872	2,834,956	(92,083)
	Others:	18,284,266	18,662,783	(378,516)
	Foreign bonds	3,136,081	3,202,104	(66,022)
	Investment trusts (**)	14,583,224	14,884,266	(301,042)
	Total	36,230,962	38,467,014	(2,236,052)
Total		98,824,027	96,955,822	1,868,204

* Of the difference shown above, ¥1,548,817 million gains were included in the consolidated statements of income due to the application of fair value hedge accounting.

** Investment trusts are mainly invested in foreign bonds.

Note: Shares, etc. that do not have a market price and investments in partnerships which are not included above were as follows:

(Millions of yen)

	Amount on the consolidated balance sheet
Unlisted stocks, etc.	37,623
Investments in partnerships	141,001
Total	178,624

4. Held-to-maturity securities sold during the fiscal year

There were no held-to-maturity securities sold during the fiscal years ended March 31, 2024 and 2025.

5. Available-for-sale securities sold during the fiscal year

For the fiscal year ended March 31, 2024

(Millions of yen)

Type	Sales proceeds	Total realized gains	Total realized losses
Japanese stocks	438	283	—
Bonds:	1,492,313	4,820	(1,185)
Japanese government bonds	1,460,982	4,785	(895)
Japanese corporate bonds	31,331	34	(290)
Others:	3,556,282	45,491	(353,080)
Foreign bonds	1,469,640	13	(19,324)
Investment trusts	2,086,641	45,478	(333,756)
Total	5,049,034	50,595	(354,266)

For the fiscal year ended March 31, 2025

(Millions of yen)

Type	Sales proceeds	Total realized gains	Total realized losses
Japanese stocks	778	377	—
Bonds:	1,067,375	381	(768)
Japanese government bonds	1,050,938	380	(666)
Japanese corporate bonds	16,436	0	(102)
Others:	1,889,495	85,441	(97,724)
Foreign bonds	608,833	2,612	(1,020)
Investment trusts	1,280,662	82,829	(96,703)
Total	2,957,649	86,200	(98,493)

6. Securities for which accounting for impairment was applied

For securities (excluding shares, etc. that do not have a market price and investments in partnerships) other than trading securities, whose fair value shows a substantial decline from their acquisition cost and is not judged to recover to their acquisition cost, the Group reduces its book value of securities to fair value on the consolidated balance sheet and charges valuation differences to income (hereafter “impairment losses”) in the fiscal year in which they are recognized.

No impairment losses were recognized for the fiscal years ended March 31, 2024 and 2025.

The criteria for determining if a security’s fair value shows a “substantial decline,” as a general principle, are as follows:

- a) Bonds and bonds equivalent
 - Securities whose fair value is 70% or less than the acquisition cost
- b) Securities other than a)
 - Securities whose fair value is 50% or less than the acquisition cost, or
 - Securities whose fair value is 70% or less but over 50% of the acquisition cost and the market price continues to be less than a certain level

However, domestic listed stocks, etc. are determined using the value calculated based on the average market price during the period of one month before the fiscal year-end, instead of the fair value in b) above.

(Money held in trust)

The fair value information of money held in trust was as follows.

1. Money held in trust for the purpose of trading

As of March 31, 2024

The Group did not hold money held in trust for the purpose of trading.

As of March 31, 2025

The Group did not hold money held in trust for the purpose of trading.

2. Money held in trust for the purpose of being held-to-maturity

As of March 31, 2024

The Group did not hold money held in trust for the purpose of being held-to-maturity.

As of March 31, 2025

The Group did not hold money held in trust for the purpose of being held-to-maturity.

3. Money held in trust (excluding trading and held-to-maturity purposes)

As of March 31, 2024

(Millions of yen)

	Amount on the consolidated balance sheet	Acquisition cost	Difference	Those for which the amount on the consolidated balance sheet exceeds the acquisition cost	Those for which the amount on the consolidated balance sheet does not exceed the acquisition cost
Money held in trust classified as: Available-for-sale	2,716,064	2,052,980	663,084	752,142	(89,057)

Notes: 1. “Those for which the amount on the consolidated balance sheet exceeds the acquisition cost” and “Those for which the amount on the consolidated balance sheet does not exceed the acquisition cost” represent the breakdown of the “Difference” for the respective items.

2. Money held in trust classified as available-for-sale consisting of shares, etc. that do not have a market price and investments in partnerships which is not included above was as follows:

(Millions of yen)

	Amount on the consolidated balance sheet
Money held in trust classified as: Available-for-sale	3,447,520

As of March 31, 2025

(Millions of yen)

	Amount on the consolidated balance sheet	Acquisition cost	Difference	Those for which the amount on the consolidated balance sheet exceeds the acquisition cost	Those for which the amount on the consolidated balance sheet does not exceed the acquisition cost
Money held in trust classified as: Available-for-sale	2,101,358	1,937,818	163,539	330,946	(167,406)

Notes: 1. “Those for which the amount on the consolidated balance sheet exceeds the acquisition cost” and “Those for which the amount on the consolidated balance sheet does not exceed the acquisition cost” represent the breakdown of the “Difference” for the respective items.

2. Money held in trust classified as available-for-sale consisting of shares, etc. that do not have a market price and investments in partnerships which is not included above was as follows:

(Millions of yen)

	Amount on the consolidated balance sheet
Money held in trust classified as: Available-for-sale	3,620,615

4. Money held in trust for which accounting for impairment was applied

For the securities (excluding shares, etc. that do not have a market price and investments in partnerships) that form part of the trust assets in money held in trust other than that for the purpose of trading, whose fair value shows a substantial decline from their acquisition cost and is not judged to recover to their acquisition cost, the Group reduces its book value of securities to fair value on the consolidated balance sheets and charges valuation differences to income (hereafter “impairment losses”) in the fiscal year in which they are recognized.

Impairment losses for the fiscal years ended March 31, 2024 and 2025 amounted to ¥378 million and ¥1,879 million, respectively.

The criteria for determining if a security’s fair value shows a “substantial decline,” as a general principle, are as follows:

a) Bonds and bonds equivalent

- Securities whose fair value is 70% or less than the acquisition cost

b) Securities other than a)

- Securities whose fair value is 50% or less than the acquisition cost, or
- Securities whose fair value is 70% or less but over 50% of the acquisition cost and the market price continues to be less than a certain level

However, domestic listed stocks, etc. are determined using the value calculated based on the average market price during the period of one month before the fiscal year-end, instead of the fair value in b) above.

(Net unrealized gains (losses) on available-for-sale securities)

Net unrealized gains (losses) on available-for-sale securities consisted of the following:

As of March 31, 2024

(Millions of yen)

	Amount
Valuation differences:	1,965,727
Available-for-sale securities	1,220,932
Money held in trust classified as: Available-for-sale	744,794
Deferred tax assets (liabilities)	(599,811)
Net unrealized gains (losses) on available-for-sale securities (before adjustment)	1,365,916
Amount corresponding to non-controlling interests	(7,147)
Amount corresponding to net unrealized gains (losses) on available-for-sale securities owned by affiliates, which is attributable to the Bank	—
Net unrealized gains (losses) on available-for-sale securities	1,358,768

Notes: 1. In addition to the difference shown above, ¥2,256,228 million gains were included in the consolidated statements of income due to the application of fair value hedge accounting.

2. “Valuation differences” included the following:

- Foreign currency translation adjustment, etc. related to shares, etc. that do not have a market price and investments in partnerships that are denominated in foreign currencies: ¥14,126 million gains
- Foreign currency translation adjustment, etc. related to shares, etc. that do not have a market price and investments in partnerships that are denominated in foreign currencies and included in the underlying investment assets of money held in trust: ¥81,710 million gains

As of March 31, 2025

(Millions of yen)

	Amount
Valuation differences:	575,077
Available-for-sale securities	337,166
Money held in trust classified as: Available-for-sale	237,910
Deferred tax assets (liabilities)	(175,847)
Net unrealized gains (losses) on available-for-sale securities (before adjustment)	399,229
Amount corresponding to non-controlling interests	(8,379)
Amount corresponding to net unrealized gains (losses) on available-for-sale securities owned by affiliates, which is attributable to the Bank	—
Net unrealized gains (losses) on available-for-sale securities	390,850

Notes: 1. In addition to the difference shown above, ¥1,548,817 million gains were included in the consolidated statements of income due to the application of fair value hedge accounting.

2. “Valuation differences” included the following:

- Foreign currency translation adjustment, etc. related to shares, etc. that do not have a market price and investments in partnerships that are denominated in foreign currencies: ¥17,779 million gains
- Foreign currency translation adjustment, etc. related to shares, etc. that do not have a market price and investments in partnerships that are denominated in foreign currencies and included in the underlying investment assets of money held in trust: ¥74,370 million gains

(Derivatives)

1. Derivatives for which hedge accounting is not applied

For derivative transactions for which hedge accounting is not applied, the contract amounts at the balance sheet date for each type of underlying instrument, the principal equivalent amount stipulated in the contract, the fair value, and unrealized gains or losses are as follows. The amount shown as the contract amount, etc., does not show market risk related to the derivative transactions.

(1) Interest rate-related derivatives

As of March 31, 2024

There were no interest rate-related derivatives.

As of March 31, 2025

There were no interest rate-related derivatives.

(2) Currency-related derivatives

As of March 31, 2024

(Millions of yen)

Category	Type	Contract amount, etc.	Portion of contract amount, etc., exceeding one year	Fair value	Unrealized gains/losses
OTC	Currency swaps	2,176,918	1,352,468	(238,255)	(238,255)
	Foreign exchange forward contracts:				
	Sold	45,460	—	(2,065)	(2,065)
	Bought	163,443	—	30	30
Total		—	—	(240,290)	(240,290)

Note: The above transactions are stated at fair value and unrealized gains (losses) are charged to income or expenses in the consolidated statements of income.

As of March 31, 2025

(Millions of yen)

Category	Type	Contract amount, etc.	Portion of contract amount, etc., exceeding one year	Fair value	Unrealized gains/losses
OTC	Currency swaps	2,012,843	1,294,354	(61,602)	(61,602)
	Foreign exchange forward contracts:				
	Sold	85,647	—	(1,037)	(1,037)
	Bought	325,714	—	(43)	(43)
Total		—	—	(62,683)	(62,683)

Note: The above transactions are stated at fair value and unrealized gains (losses) are charged to income or expenses in the consolidated statements of income.

(3) Equity-related derivatives

As of March 31, 2024

There were no equity-related derivatives.

As of March 31, 2025

There were no equity-related derivatives.

(4) Bond-related derivatives

As of March 31, 2024

There were no bond-related derivatives.

As of March 31, 2025

There were no bond-related derivatives.

(5) Commodity-related derivatives

As of March 31, 2024

There were no commodity-related derivatives.

As of March 31, 2025

There were no commodity-related derivatives.

(6) Credit derivatives

As of March 31, 2024

(Millions of yen)

Category	Type	Contract amount, etc.	Portion of contract amount, etc., exceeding one year	Fair value	Unrealized gains/losses
OTC	Credit default swaps: Sold	5,000	—	21	21
Total		—	—	21	21

Notes: 1. The above transactions are stated at fair value and unrealized gains (losses) are charged to income or expenses in the consolidated statements of income.
2. “Sold” represents transactions in which the credit risk is accepted.

As of March 31, 2025

There were no credit derivatives.

2. Derivatives for which hedge accounting is applied

For derivative transactions for which hedge accounting is applied, the contract amount at the balance sheet date for each type of underlying instruments for each hedge accounting method, the principal equivalent amount stipulated in the contract, and the fair value are as follows. The amount shown as the contract amount, etc., does not show market risk related to the derivative transactions.

(1) Interest rate-related derivatives

As of March 31, 2024

(Millions of yen)

Hedge accounting method	Type	Primary hedged instrument	Contract amount, etc.	Portion of contract amount, etc., exceeding one year	Fair value
Standard treatment	Interest rate swap transactions:	Available-for-sale securities (Japanese government bonds and foreign securities), Deposits			
	Pay floating swaps, receive fixed swaps		4,875,000	3,945,000	(12,930)
	Pay fixed swaps, receive floating swaps		3,674,838	3,280,856	59,375
Total		—	—	—	46,445

Note: The deferred hedge accounting method is applied as the hedge accounting method for interest rate risks arising from financial assets and liabilities.

As of March 31, 2025

(Millions of yen)

Hedge accounting method	Type	Primary hedged instrument	Contract amount, etc.	Portion of contract amount, etc., exceeding one year	Fair value
Standard treatment	Interest rate swap transactions:	Available-for-sale securities (Japanese government bonds and foreign securities), Deposits			
	Pay floating swaps, receive fixed swaps		3,945,000	3,185,000	(50,914)
	Pay fixed swaps, receive floating swaps		3,449,035	3,309,715	101,049
Total		—	—	—	50,135

Note: The deferred hedge accounting method is applied as the hedge accounting method for interest rate risks arising from financial assets and liabilities.

(2) Currency-related derivatives

As of March 31, 2024

(Millions of yen)

Hedge accounting method	Type	Primary hedged instrument	Contract amount, etc.	Portion of contract amount, etc., exceeding one year	Fair value
Standard treatment	Currency swaps	Available-for-sale securities (Foreign securities)	8,803,258	7,545,441	(1,964,608)
Accounting method for recognizing gains and losses on hedged items	Currency swaps	Available-for-sale securities (Foreign securities)	106,286	106,286	(17,647)
	Foreign exchange forward contracts: Sold		1,225,272	—	(30,079)
Allocation method, such as foreign exchange forward contracts	Currency swaps	Held-to-maturity bonds (Foreign securities)	3,660,007	3,467,045	(Note 2)
Total		—	—	—	(2,012,335)

Notes: 1. The deferred hedge accounting method is primarily used to hedge the risk from market exchange rate fluctuations for foreign currency-denominated securities.

2. Derivatives under the allocation method, such as foreign exchange forward contracts, are treated as being an inseparable part of the securities being hedged, and their fair value is therefore included in that of the corresponding securities under Note “Financial instruments.”

As of March 31, 2025

(Millions of yen)

Hedge accounting method	Type	Primary hedged instrument	Contract amount, etc.	Portion of contract amount, etc., exceeding one year	Fair value
Standard treatment	Currency swaps	Available-for-sale securities (Foreign securities)	8,550,039	7,192,713	(1,783,833)
Accounting method for recognizing gains and losses on hedged items	Currency swaps	Available-for-sale securities (Foreign securities)	74,846	74,846	(11,018)
	Foreign exchange forward contracts: Sold		24,462	—	153
Allocation method, such as foreign exchange forward contracts	Currency swaps	Held-to-maturity bonds (Foreign securities)	5,396,503	4,886,504	(Note 2)
Total		—	—	—	(1,794,699)

Notes: 1. The deferred hedge accounting method is primarily used to hedge the risk from market exchange rate fluctuations for foreign currency-denominated securities.

2. Derivatives under the allocation method, such as foreign exchange forward contracts, are treated as being an inseparable part of the securities being hedged, and their fair value is therefore included in that of the corresponding securities under Note “Financial instruments.”

(3) Equity-related derivatives

As of March 31, 2024

There were no equity-related derivatives.

As of March 31, 2025

There were no equity-related derivatives.

(4) Bond-related derivatives

As of March 31, 2024

There were no bond-related derivatives.

As of March 31, 2025

There were no bond-related derivatives.

(Retirement benefits)

1. Outline of employees' retirement benefit plans adopted by the Group

The Group has a lump-sum retirement payment plan for employees based on its retirement benefit rule, and the Bank established a retirement benefit trust on March 29, 2024.

In addition, started from October 1, 2015, the new retirement pension plan has been applied to the Bank. The plan is based on the "Act for Partial Amendment of the Act on National Public Officers' Retirement Allowance, etc., for the Purpose of Review over the Levels of the Retirement Benefits for National Public Officers (Act No. 96 of 2012)," which was introduced as a new pension system to replace the discontinued occupational portion (third-tier portion) of the mutual pension.

2. Defined-benefit plan

(1) Reconciliations of the projected benefit obligation at the beginning and the end of the fiscal years

(Millions of yen)

Category	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Projected benefit obligation at the beginning of the fiscal year	134,716	132,056
Service cost	6,569	6,397
Interest cost on projected benefit obligation	942	923
Net actuarial (gains) losses arising during the fiscal year	687	941
Retirement benefits paid	(10,733)	(9,550)
Other	(124)	(270)
Projected benefit obligation at the end of the fiscal year	132,056	130,498

(2) Reconciliations of the plan assets at the beginning and the end of the fiscal years

(Millions of yen)

Category	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Plan assets at the beginning of the fiscal year	—	130,000
Expected return on plan assets	—	4,030
Net actuarial (gains) losses arising during the fiscal year	0	(2,104)
Contributions to retirement benefit trust	130,000	—
Plan assets at the end of the fiscal year	130,000	131,925

(3) Reconciliations of the projected benefit obligation and plan assets at the end of the fiscal years, and the liability for retirement benefits and asset for retirement benefits recorded on the consolidated balance sheets
(Millions of yen)

Category	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Funded projected benefit obligation	132,053	130,493
Plan assets	(130,000)	(131,925)
Unfunded projected benefit obligation	2,053	(1,432)
	3	4
Net liabilities and assets recorded on the consolidated balance sheets	2,056	(1,427)
Liability for retirement benefits	2,056	4
Asset for retirement benefits	—	(1,432)
Net liabilities and assets recorded on the consolidated balance sheets	2,056	(1,427)

(4) Total retirement benefit costs and components

(Millions of yen)

Category	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Service cost	6,569	6,397
Interest cost on projected benefit obligation	942	923
Expected return on plan assets	—	(4,030)
Amortization of net actuarial (gains) losses	28	101
Amortization of prior service cost	(1,415)	(1,318)
Other	(92)	(49)
Total retirement benefit costs related to the defined-benefit plan	6,032	2,024

(5) Adjustments for retirement benefits

Adjustments for retirement benefits (before income taxes and tax effect) consisted of the following:

(Millions of yen)

Category	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Prior service cost	(1,415)	(1,318)
Net actuarial (gains) losses	(659)	(2,944)
Total	(2,074)	(4,263)

(6) Accumulated adjustments for retirement benefits

Accumulated adjustments for retirement benefits (before income taxes and tax effect) consisted of the following:

(Millions of yen)

Category	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Unrecognized prior service cost	2,674	1,355
Unrecognized net actuarial gains (losses)	(1,086)	(4,031)
Total	1,587	(2,675)

(7) Matters concerning the plan assets

(i) Composition of the total plan assets by category is as follows:

Category	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Investment trusts	—	99.9%
Other	100.0%	0.1%
Total	100.0%	100.0%

Note: Total plan assets include 100% of the retirement benefit trust established for the lump-sum retirement payment plan.

(ii) Method for determining the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined by considering the present and expected allocation of plan assets, as well as the present and future long-term rate of return expected from the diverse assets that compose the plan assets.

(8) Actuarial assumptions

The major actuarial assumptions used were as follows:

Category	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Discount rate	0.7%	0.7%
Long-term expected rate of return on plan assets	0.0%	3.1%

(Stock options, etc.)

For the fiscal year ended March 31, 2024

There were no stock options.

For the fiscal year ended March 31, 2025

There were no stock options.

(Deferred tax assets/liabilities)

1. The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Deferred tax assets:		
Reserve for possible loan losses	2	225
Liability for retirement benefits	40,442	40,520
Accrued enterprise taxes	4,202	5,359
Net deferred losses on hedges	558,966	513,210
Reserve for reimbursement of deposits	15,603	13,367
Depreciation	7,789	7,565
Unrealized losses of money held in trust	1,315	1,137
Other	33,516	40,872
Subtotal deferred tax assets	661,838	622,258
Valuation allowance	(71)	(107)
Total deferred tax assets	661,767	622,150
Deferred tax liabilities:		
Net unrealized gains on available-for-sale securities	(599,811)	(175,847)
Other	(3,893)	(3,554)
Total deferred tax liabilities	(603,704)	(179,402)
Net deferred tax assets (liabilities)	58,062	442,748

2. The reconciliation of the effective statutory tax rate of the Group to the effective income tax rate

	As of March 31, 2024	As of March 31, 2025
Effective statutory tax rate	30.62%	30.62%
Adjustments for:		
Permanent differences (e.g., Entertainment expenses)	0.05	0.04
Permanent differences (e.g., Cash dividends received)	(0.54)	(0.27)
Per capita inhabitants' taxes, etc.	0.04	0.04
Revision of increase in deferred tax assets at the end of the fiscal year due to tax rate change	—	(0.37)
Income tax credit	(1.97)	(1.18)
Other	(0.08)	(0.98)
Effective income tax rate	28.12%	27.88%

3. Revision of the amounts of deferred tax assets and deferred tax liabilities due to the change in income tax rates
- With the enactment of the “Act on Partial Revision of the Income Tax Act, etc. (Act No. 13, 2025)” on March 31, 2025, the “special defense corporation tax” will be imposed for the fiscal years starting on and after April 1, 2026. In line with this, the effective statutory tax rate used for the calculation of deferred tax assets and deferred tax

liabilities will be revised from the previous 30.62%, to 31.51% for the temporary differences that will be settled in or after the fiscal years starting on or after April 1, 2026. As a result of this tax rate change, for the fiscal year ended March 31, 2025, deferred tax assets increased by ¥11,629 million, net unrealized gains (losses) on available-for-sale securities decreased by ¥2,297 million, net deferred gains (losses) on hedges increased by ¥11,721 million, accumulated adjustments for retirement benefits increased by ¥22 million, and income taxes—deferred decreased by ¥2,183 million.

(Revenue recognition)

1. Disaggregation of revenue from contracts with customers

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Fees and commissions:	179,423	182,575
Exchange and settlement-related fees	92,448	93,581
Other ordinary income	366	454
Revenue from contracts with customers	179,790	183,029

2. Useful information in understanding revenue

Main performance obligations in revenue from contracts with customers are the provision of exchange and settlement services, and the Group has an obligation to provide services every time its customer makes a request. The performance obligation is in principle deemed satisfied when an exchange transaction or a settlement is completed, and the Group recognizes revenue.

No estimate of significant variable consideration and financing component is included in revenue from contracts with customers.

3. Useful information in understanding revenue for the fiscal year ended March 31, 2025 and for the following fiscal years

Notes are omitted due to immateriality.

(Segment information, etc.)

Segment information

Segment information is omitted since the Group comprises only one segment, which is defined as banking services.

Related information

For the fiscal year ended March 31, 2024

1. Information about services

Information about services is omitted since income from securities investment accounted for more than 90% of the total income in the consolidated statements of income.

2. Information about geographical areas

(1) Ordinary income

Information about ordinary income by geographical area is omitted as ordinary income from external customers in Japan accounted for more than 90% of the total ordinary income in the consolidated statements of income.

(2) Tangible fixed assets

Information about tangible fixed assets by geographical areas is omitted as related assets located in Japan accounted for more than 90% of the tangible fixed assets in the consolidated balance sheets.

3. Information about major customers

Information about major customers is omitted as there was no single external customer that accounted for 10% or more of the total ordinary income in the consolidated statements of income.

For the fiscal year ended March 31, 2025

1. Information about services

(Millions of yen)

	Lending	Securities investment	Fees and commissions	Other	Total
Ordinary income from external customers	12,140	2,215,355	184,839	109,717	2,522,052

Note: Ordinary income is presented instead of net sales, which is typical for companies in other industries.

2. Information about geographical areas

(1) Ordinary income

Information about ordinary income by geographical area is omitted as ordinary income from external customers in Japan accounted for more than 90% of the total ordinary income in the consolidated statements of income.

(2) Tangible fixed assets

Information about tangible fixed assets by geographical areas is omitted as related assets located in Japan accounted for more than 90% of the tangible fixed assets in the consolidated balance sheets.

3. Information about major customers

Information about major customers is omitted as there was no single external customer that accounted for 10% or more of the total ordinary income in the consolidated statements of income.

Information about losses on impairment of fixed assets by reported segments

The related information is omitted as the Group comprises only one segment, which is defined as banking service.

Information about amortization of goodwill and unamortized balance by reported segments

There was no amortization of goodwill or unamortized balance.

Information about recognized gain on negative goodwill by reported segments

There were no recognized gains on negative goodwill.

(Related party transactions)

1. Transactions with related parties

Transactions between the Group and related parties

(1) Transactions between the Group and the parent company, or major corporate shareholders

For the fiscal year ended March 31, 2024

(Millions of yen)

Type	Name of company, etc.	Location	Capital	Business description	Ownership of voting rights held	Nature of transactions	Details of transactions	Transaction amount	Account	Outstanding balance at the end of the fiscal year
Parent company	JAPAN POST HOLDINGS Co., Ltd.	Chiyoda-ku, Tokyo	3,500,000	A holding company	61.50% of the Bank's shares (direct)	Management of JAPAN POST GROUP	Payment of brand royalty fees (*)	4,475	Other liabilities	410
						Concurrent holding of positions by executive management directors Contract for using IT system service	Payment of IT system service charge (**)	17,259	Other liabilities	1,590

Transaction conditions and policies on determining transaction conditions, etc.

* The Bank belongs to JAPAN POST GROUP and receives benefits from the brand value of JAPAN POST GROUP that reflects the Bank's performance, and pays brand royalty fees calculated at a certain rate of the average deposit balance for the previous fiscal year, which is considered as the representative performance metric.

** Payment is made for IT system service within JAPAN POST GROUP at rates determined based on the arm's length principle.

For the fiscal year ended March 31, 2025

(Millions of yen)

Type	Name of company, etc.	Location	Capital	Business description	Ownership of voting rights held	Nature of transactions	Details of transactions	Transaction amount	Account	Outstanding balance at the end of the fiscal year
Parent company	JAPAN POST HOLDINGS Co., Ltd.	Chiyoda-ku, Tokyo	3,500,000	A holding company	50.05% of the Bank's shares (direct)	Management of JAPAN POST GROUP	Payment of brand royalty fees (*)	4,481	Other liabilities	410
						Concurrent holding of positions by executive management directors Contract for using IT system service	Payment of IT system service charge (**)	15,348	Other liabilities	1,216

Transaction conditions and policies on determining transaction conditions, etc.

* The Bank belongs to JAPAN POST GROUP and receives benefits from the brand value of JAPAN POST GROUP that reflects the Bank's performance, and pays brand royalty fees calculated at a certain rate of the average deposit balance for the previous fiscal year, which is considered as the representative performance metric.

** Payment is made for IT system service within JAPAN POST GROUP at rates determined based on the arm's length principle.

(2) Transactions between the Group and unconsolidated subsidiaries or affiliates

For the fiscal year ended March 31, 2024

There were no transactions between the Group and unconsolidated subsidiaries or affiliates.

For the fiscal year ended March 31, 2025

There were no transactions between the Group and unconsolidated subsidiaries or affiliates.

(3) Transactions between the Group and companies with the same parent or subsidiaries of the Group's affiliates

For the fiscal year ended March 31, 2024

(Millions of yen)

Type	Name of company, etc.	Location	Capital	Business description	Ownership of voting rights held	Nature of transactions	Details of transactions	Transaction amount	Account	Outstanding balance at the end of the fiscal year	
Subsidiary of parent company	JAPAN POST Co., Ltd.	Chiyoda-ku, Tokyo	400,000	Postal counter operations, etc.	Nil	Concurrent holding of positions by executive management directors	Payment of commissions on bank agency services, etc. (*)	316,043	Other liabilities	29,515	
				Postal business and domestic/ international logistics business				844,836	Other assets (**)	790,000	
						Commissions on bank agency services, etc.	Receipt and payment of funds related to bank agency services	— (***)	Other liabilities (***)	38,655	
						Bank counter services agreement			Other liabilities	239	
						Consignment contracts for logistics operations	Payment of consignment fees for logistics operations (****)	2,582	Accrued expenses	43	

Transaction conditions and policies on determining transaction conditions, etc.

* The figures are determined based on costs, etc., incurred in connection with commissions on bank agency services, etc.

** The figures represent advance payments of funds necessary for delivery of deposits in bank agency services. The transaction amounts are presented on an average balance basis for the fiscal year ended March 31, 2024.

*** The figures represent the unsettled amount between the Bank and JAPAN POST Co., Ltd. in connection with receipt/payment operations with customers in bank agency services. Transaction amounts are not presented because, being settlement transactions, these amounts are substantial.

**** Payment is made for consigned operations, such as loading and unloading, storage, and delivery of articles at rates determined based on the arm's length principle.

Note: In addition to the above transactions, pursuant to the Act on Organization for Postal Savings, Postal Life Insurance and Post Office Network, from the fiscal year ended March 31, 2020, of the costs necessary to maintain the post office network, the costs that are indispensable for securing the universal services (except for those incurred by JAPAN POST Co., Ltd.) are covered by the subsidy from the Organization for Postal Savings, Postal Life Insurance and Post Office Network granted to JAPAN POST Co., Ltd. The subsidy has been funded by contributions from the Bank and JAPAN POST INSURANCE Co., Ltd. The contribution made by the Bank for the fiscal year ended March 31, 2024 was ¥243,628 million.

For the fiscal year ended March 31, 2025

(Millions of yen)

Type	Name of company, etc.	Location	Capital	Business description	Ownership of voting rights held	Nature of transactions	Details of transactions	Transaction amount	Account	Outstanding balance at the end of the fiscal year
Subsidiary of parent company	JAPAN POST Co., Ltd.	Chiyoda-ku, Tokyo	400,000	Postal counter operations, etc. Postal business and domestic/international logistics business	Nil	Concurrent holding of positions by executive management directors	Payment of commissions on bank agency services, etc. (*)	302,872	Other liabilities	27,939
								861,857	Other assets (**)	740,000
						Commissions on bank agency services, etc.	Receipt and payment of funds related to bank agency services	— (***)	Other liabilities (***)	46,530
						Bank counter services agreement	Payment of consignment fees for logistics operations (****)		Other liabilities	291
						Consignment contracts for logistics operations		2,613	Accrued expenses	43

Transaction conditions and policies on determining transaction conditions, etc.

* The figures are determined based on costs, etc., incurred in connection with commissions on bank agency services, etc.

** The figures represent advance payments of funds necessary for delivery of deposits in bank agency services. The transaction amounts are presented on an average balance basis for the fiscal year ended March 31, 2025.

*** The figures represent the unsettled amount between the Bank and JAPAN POST Co., Ltd. in connection with receipt/payment operations with customers in bank agency services. Transaction amounts are not presented because, being settlement transactions, these amounts are substantial.

**** Payment is made for consigned operations, such as loading and unloading, storage, and delivery of articles at rates determined based on the arm's length principle.

Note: In addition to the above transactions, pursuant to the Act on Organization for Postal Savings, Postal Life Insurance and Post Office Network, from the fiscal year ended March 31, 2020, of the costs necessary to maintain the post office network, the costs that are indispensable for securing the universal services (except for those incurred by JAPAN POST Co., Ltd.) are covered by the subsidy from the Organization for Postal Savings, Postal Life Insurance and Post Office Network granted to JAPAN POST Co., Ltd. The subsidy has been funded by contributions from the Bank and JAPAN POST INSURANCE Co., Ltd. The contribution made by the Bank for the fiscal year ended March 31, 2025 was ¥246,735 million.

(4) Transactions between the Group and directors and/or executive officers, or major individual shareholders

For the fiscal year ended March 31, 2024

There were no transactions between the Group and directors and/or executive officers, or major individual shareholders.

For the fiscal year ended March 31, 2025

There were no transactions between the Group and directors and/or executive officers, or major individual shareholders.

2. Notes related to the parent company and/or significant affiliates

(1) Information on the parent company

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

(2) Information on significant affiliates

There were no significant affiliates.

(Per share data)

		For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	Yen	2,673.23	2,511.18
Net income per share	Yen	98.43	114.60

Notes: 1. Diluted net income per share is not presented since there has been no potential dilution.

2. Net assets per share were calculated based on the following:

		As of March 31, 2024	As of March 31, 2025
Net assets	Millions of yen	9,707,923	9,090,989
Amounts deducted from net assets	Millions of yen	41,094	50,836
Non-controlling interests	Millions of yen	41,094	50,836
Net assets attributable to common stock at the end of the fiscal year	Millions of yen	9,666,828	9,040,152
Number of common stock at the end of the fiscal year used for the calculation of net assets per share	Thousand shares	3,616,152	3,599,956

3. Net income per share was calculated based on the following:

		For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net income attributable to owners of parent	Millions of yen	356,133	414,324
Amount not attributable to common shareholders	Millions of yen	—	—
Net income attributable to owners of parent attributable to common stock	Millions of yen	356,133	414,324
Average number of common stock outstanding during the fiscal year	Thousand shares	3,618,098	3,615,355

4. To calculate net assets per share, the treasury stock held by the stock benefit trust was included in the treasury stock deducted from the number of common stock outstanding at the end of the fiscal year. To calculate net income per share, the treasury stock held by the stock benefit trust was included in the treasury stock deducted to calculate the average number of outstanding shares for the fiscal year. In the calculation of net assets per share, the number of treasury stock deducted as of March 31, 2024 and 2025 was 1,379 thousand shares and 1,064 thousand shares, respectively. In the calculation of net income per share, the number of treasury stock deducted to calculate the average number of outstanding shares for the fiscal years ended March 31, 2024 and 2025 was 1,410 thousand shares and 1,123 thousand shares, respectively.

(Significant subsequent events)

There were no significant subsequent events.

(5) Consolidated Supplementary Schedules

Borrowed money and lease obligations

Category	Amount at the beginning of the fiscal year (Millions of yen)	Amount at the end of the fiscal year (Millions of yen)	Average interest rate (*) (%)	Maturity for repayment
Borrowed money:	1,984,900	2,510,100	0.22	—
Borrowings (**)	1,984,900	2,510,100	0.22	July 2025— October 2028
Lease obligations (***)	1	0	—	April 2025— July 2025

* Average interest rate is calculated (weighted average) by the interest rate and the amount at the end of the fiscal years ended March 31.

** Of borrowings, ¥5,200 million is interest-free.

*** The average interest rate of lease obligations is not presented above because lease obligations are recorded in the consolidated balance sheets in the amount before deducting interest included in the total amount of lease payments.

Note: Scheduled repayment amounts of borrowings and lease obligations within five years subsequent to the fiscal year are as follows:

	(Millions of yen)				
	One Year or Less	> One and ≤ Two Years	> Two and ≤ Three Years	> Three and ≤ Four Years	> Four and ≤ Five Years
Borrowings	1,216,500	—	1,272,500	21,100	—
Lease obligations	0	—	—	—	—

As the banking service is engaged in the acceptance of deposits and funding from and investments on the call and bill markets as operating activities, the schedule of borrowed money and lease obligations states the breakdown of “Borrowed money” and lease obligations included in “Other liabilities,” both of which are under “Liabilities” in the consolidated balance sheets.

Reference: No promissory note-type commercial paper was issued in the funding conducted as part of sales activities.

Asset retirement obligations

The schedule of asset retirement obligations is omitted as the amounts of asset retirement obligations at the beginning and the end of the fiscal year ended March 31, 2025 accounted for 1% or less of the amounts of total liabilities and net assets at the beginning and the end of the fiscal year ended March 31, 2025.



Independent auditor's report

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

Opinion

We have audited the accompanying consolidated financial statements of JAPAN POST BANK Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2025, the consolidated statements of income, comprehensive income, changes in net assets and cash flows for the year then ended, notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Key Audit Matters

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

Reasonableness of the valuation of available-for-sale securities categorized within Level 2 and Level 3

The key audit matter	How the matter was addressed in our audit
<p>In the consolidated balance sheet of the Group as of March 31, 2025, securities of ¥143,588,016 million were recognized, accounting for approximately 61% of the consolidated total assets.</p> <p>The Group manages funds raised primarily through deposits by investing them in</p>	<p>The primary procedures we performed to assess whether the valuation of certain illiquid Bonds categorized within Level 2 and Level 3 was reasonable included the following:</p> <p>(1) Internal control testing</p> <p>We tested the design and operating effectiveness of</p>

securities, including Japanese government bonds, Japanese corporate bonds, foreign bonds and investment trusts. As described in the Note “Financial instruments, 3. Fair value information by level within the fair value hierarchy,” available-for-sale securities booked at fair value on the balance sheet include Japanese corporate bonds and foreign bonds included in Others (“Bonds”) of ¥9,614,158 million categorized within Level 2 and Bonds of ¥95,315 million categorized within Level 3. The Group calculated the fair value based on prices mainly obtained from third parties including information vendors and brokers. However, as described in the Note “Significant accounting estimates,” directly or indirectly observable market inputs such as spreads estimated based on prices of similar securities and unobservable market inputs including significant estimates, are used as key assumptions in the prices obtained from third parties.

These key assumptions may be affected by a sudden change in market environment or a distortion in the financial markets that results in, for example, a significant widening of bid-ask spreads or a significant increase in liquidity risk premiums, and in particular, for the fair-value valuation of certain illiquid Bonds categorized within Level 2 and Level 3 (such as private placement bonds and securitized products), their estimates may have high estimation uncertainty.

Accordingly, using the prices obtained from third parties as fair value involved significant management judgment, and the use of a price based on inappropriate assumptions may have a significant impact on the consolidated financial statements.

We, therefore, determined that our assessment of the reasonableness of the valuation of certain illiquid Bonds categorized within Level 2 and Level 3 was of most significance in our audit of the consolidated financial statements for the current fiscal year, and accordingly, determined a key audit matter.

certain of the Group’s internal controls relevant to the valuation of certain Bonds categorized within Level 2 and Level 3. In this assessment, we focused our testing on the following controls:

- controls to validate the reasonableness of the price to be used as fair value through the comparison with prices obtained from multiple third parties; and
- controls to validate the reasonableness of the price to be used as fair value through the examination of spreads estimated based on prices.

(2) Assessment of the reasonableness of fair value

For the individually selected Bonds categorized within Level 2 and Level 3 of which prices varied widely amongst various third parties as well as securitized products, we involved financial instrument valuation specialists from our member network firm and performed the following procedures:

- We assessed whether the price used by the Group as fair value was within a reasonable range by comparing it with the prices obtained directly from third parties; and
- We assessed whether the price used by the Group as fair value was within a reasonable range by comparing it with the price independently estimated.

Other Information

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

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

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries for the current year are 247 million yen and 67 million yen, respectively.

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

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

/S/ MAENO Atsuji

Designated Engagement Partner

Certified Public Accountant

/S/ KANNO Masako

Designated Engagement Partner

Certified Public Accountant

/S/ OKADA Hideki

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Tokyo Office, Japan

August 7, 2025

Notes to the Reader of Independent Auditor's Report:

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

2. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets (Unaudited)

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets:		
Cash and due from banks	57,701,930	64,607,384
Cash	285,554	280,120
Due from banks	57,416,375	64,327,264
Call loans	2,010,000	2,135,000
Receivables under resale agreements	9,742,621	8,463,537
Monetary claims bought	515,606	593,739
Trading account securities	54	224
Trading Japanese government bonds	54	224
Money held in trust	6,163,585	5,721,973
Securities	146,459,322	143,565,339
Japanese government bonds	43,862,083	40,342,652
Japanese local government bonds	5,634,828	5,600,875
Short-term corporate bonds	891,924	678,731
Japanese corporate bonds	9,443,422	9,483,343
Japanese stocks	22,177	33,383
Other securities	86,604,885	87,426,352
Loans	6,848,393	3,130,595
Loans on deeds	6,773,866	3,062,399
Overdrafts	74,527	68,195
Foreign exchanges	181,332	134,261
Due from foreign banks	181,332	134,261
Other assets	3,888,973	4,459,004
Domestic exchange settlement accounts - debit	29,177	31,209
Prepaid expenses	3,492	4,029
Accrued income	253,571	276,842
Initial margins for future transactions	153,827	47,000
Derivatives other than trading	156,230	177,353
Cash collateral paid for financial instruments	1,780,423	2,205,844
Other	1,512,251	1,716,724
Tangible fixed assets	198,034	191,678
Buildings	70,388	66,264
Land	63,720	63,720
Construction in progress	17	64
Other	63,908	61,629
Intangible fixed assets	87,008	101,053
Software	69,156	67,136
Other	17,851	33,916
Prepaid pension costs	—	4,107
Deferred tax assets	58,850	440,981
Reserve for possible loan losses	(1,066)	(1,043)
Total assets	233,854,645	233,547,839

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities:		
Deposits	192,802,939	190,465,032
Transfer deposits	12,694,358	12,166,082
Ordinary deposits	110,416,248	112,670,829
Savings deposits	818,257	840,749
Time deposits	3,581,797	8,601,820
Special deposits	385,603	321,067
TEIGAKU deposits	64,797,788	55,722,082
Other deposits	108,885	142,399
Payables under repurchase agreements	24,042,626	26,985,038
Payables under securities lending transactions	2,373,799	2,004,678
Borrowed money	1,984,900	2,510,100
Borrowings	1,984,900	2,510,100
Foreign exchanges	1,273	924
Foreign bills payable	1,273	924
Other liabilities	2,925,056	2,494,629
Domestic exchange settlement accounts - credit	42,282	53,430
Income taxes payable	53,725	47,191
Accrued expenses	197,119	218,120
Unearned income	15,754	28,540
Derivatives other than trading	2,362,389	1,984,601
Cash collateral received for financial instruments	—	81
Asset retirement obligations	77	40
Other	253,707	162,623
Reserve for bonuses	7,249	7,253
Reserve for bonuses for management board	—	183
Reserve for employees' retirement benefits	3,641	—
Reserve for employee stock ownership plan trust	510	414
Reserve for management board benefit trust	427	630
Reserve for reimbursement of deposits	50,950	42,534
Total liabilities	224,193,373	224,511,418
Net assets:		
Capital stock	3,500,000	3,500,000
Capital surplus	3,500,000	3,500,000
Legal capital surplus	3,500,000	3,500,000
Retained earnings	2,571,077	2,777,217
Other retained earnings	2,571,077	2,777,217
Retained earnings brought forward	2,571,077	2,777,217
Treasury stock	(1,523)	(6,384)
Total shareholders' equity	9,569,554	9,770,832
Net unrealized gains (losses) on available-for-sale securities	1,357,803	392,541
Net deferred gains (losses) on hedges	(1,266,085)	(1,126,952)
Total valuation and translation adjustments	91,718	(734,411)
Total net assets	9,661,272	9,036,421
Total liabilities and net assets	233,854,645	233,547,839

(2) Non-Consolidated Statements of Income (Unaudited)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Ordinary income	2,650,083	2,509,855
Interest income	1,396,938	1,750,285
Interest on loans	9,676	12,140
Interest and dividends on securities	1,343,868	1,555,220
Interest on call loans	575	5,756
Interest on receivables under resale agreements	(4,177)	8,609
Interest on receivables under securities borrowing transactions	43	568
Interest on deposits with banks	32,077	149,801
Other interest income	14,875	18,190
Fees and commissions	181,084	184,109
Fees and commissions on domestic and foreign exchanges	89,583	91,192
Other fees and commissions	91,500	92,917
Other operating income	4,833	3,157
Gains on sales of bonds	4,833	2,993
Income from derivatives other than for trading or hedging	—	164
Other ordinary income	1,067,226	572,302
Reversal of reserve for possible loan losses	—	16
Recoveries of written-off claims	22	15
Gains on sales of stocks and other securities	45,478	82,829
Gains on money held in trust	1,007,703	460,912
Other	14,021	28,529

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Ordinary expenses	2,155,263	1,936,343
Interest expenses	698,339	813,244
Interest on deposits	10,487	104,253
Interest on payables under repurchase agreements	323,741	332,517
Interest on payables under securities lending transactions	125,204	117,323
Interest on commercial paper	0	—
Interest on borrowings	1,760	2,713
Interest on interest rate swaps	234,260	254,005
Other interest expenses	2,883	2,431
Fees and commissions	29,554	29,237
Fees and commissions on domestic and foreign exchanges	3,231	3,715
Other fees and commissions	26,323	25,521
Other operating expenses	142,974	71,571
Losses on foreign exchanges	120,470	69,781
Losses on sales of bonds	20,510	1,789
Expenses on derivatives other than for trading or hedging	1,992	—
General and administrative expenses	924,842	911,511
Other ordinary expenses	359,553	110,779
Provision for reserve for possible loan losses	37	—
Losses on sales of stocks and other securities	333,756	96,703
Losses on devaluation of stocks and other securities	19	—
Losses on money held in trust	10,853	9,378
Other	14,887	4,697
Net ordinary income	494,819	573,511
Extraordinary loss	1,903	351
Losses on sales and disposals of fixed assets	1,692	348
Losses on impairment of fixed assets	210	3
Income before income taxes	492,916	573,159
Income taxes—current	144,901	167,730
Income taxes—deferred	(6,288)	(5,128)
Total income taxes	138,612	162,602
Net income	354,303	410,557

(3) Non-Consolidated Statements of Changes in Net Assets (Unaudited)

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings
					Retained earnings brought forward
Balance at the beginning of the fiscal year	3,500,000	3,500,000	—	3,500,000	2,480,262
Cumulative effects of changes in accounting policies					
Restated balance	3,500,000	3,500,000	—	3,500,000	2,480,262
Changes during the fiscal year					
Cash dividends					(183,483)
Net income					354,303
Repurchase of treasury stock					
Disposal of treasury stock					
Cancellation of treasury stock			(80,005)	(80,005)	
Transfer from retained earnings to capital surplus			80,005	80,005	(80,005)
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	—	—	—	—	90,814
Balance at the end of the fiscal year	3,500,000	3,500,000	—	3,500,000	2,571,077

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	(24,510)	9,455,752	779,268	(626,041)	153,227	9,608,979
Cumulative effects of changes in accounting policies		—			—	—
Restated balance	(24,510)	9,455,752	779,268	(626,041)	153,227	9,608,979
Changes during the fiscal year						
Cash dividends		(183,483)				(183,483)
Net income		354,303				354,303
Repurchase of treasury stock	(57,289)	(57,289)				(57,289)
Disposal of treasury stock	271	271				271
Cancellation of treasury stock	80,005	—				—
Transfer from retained earnings to capital surplus		—				—
Net changes in items other than shareholders' equity			578,535	(640,044)	(61,508)	(61,508)
Total changes during the fiscal year	22,986	113,801	578,535	(640,044)	(61,508)	52,293
Balance at the end of the fiscal year	(1,523)	9,569,554	1,357,803	(1,266,085)	91,718	9,661,272

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings
					Retained earnings brought forward
Balance at the beginning of the fiscal year	3,500,000	3,500,000	—	3,500,000	2,571,077
Cumulative effects of changes in accounting policies					47
Restated balance	3,500,000	3,500,000	—	3,500,000	2,571,125
Changes during the fiscal year					
Cash dividends					(184,494)
Net income					410,557
Repurchase of treasury stock					
Disposal of treasury stock			0	0	
Cancellation of treasury stock			(19,971)	(19,971)	
Transfer from retained earnings to capital surplus			19,971	19,971	(19,971)
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	—	—	—	—	206,091
Balance at the end of the fiscal year	3,500,000	3,500,000	—	3,500,000	2,777,217

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	(1,523)	9,569,554	1,357,803	(1,266,085)	91,718	9,661,272
Cumulative effects of changes in accounting policies		47		(47)	(47)	—
Restated balance	(1,523)	9,569,601	1,357,803	(1,266,133)	91,670	9,661,272
Changes during the fiscal year						
Cash dividends		(184,494)				(184,494)
Net income		410,557				410,557
Repurchase of treasury stock	(25,206)	(25,206)				(25,206)
Disposal of treasury stock	373	373				373
Cancellation of treasury stock	19,971	—				—
Transfer from retained earnings to capital surplus		—				—
Net changes in items other than shareholders' equity			(965,262)	139,180	(826,082)	(826,082)
Total changes during the fiscal year	(4,861)	201,230	(965,262)	139,180	(826,082)	(624,851)
Balance at the end of the fiscal year	(6,384)	9,770,832	392,541	(1,126,952)	(734,411)	9,036,421