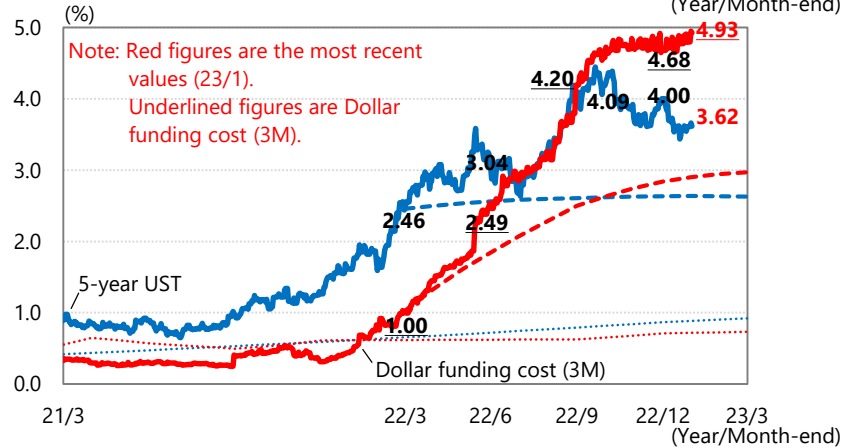
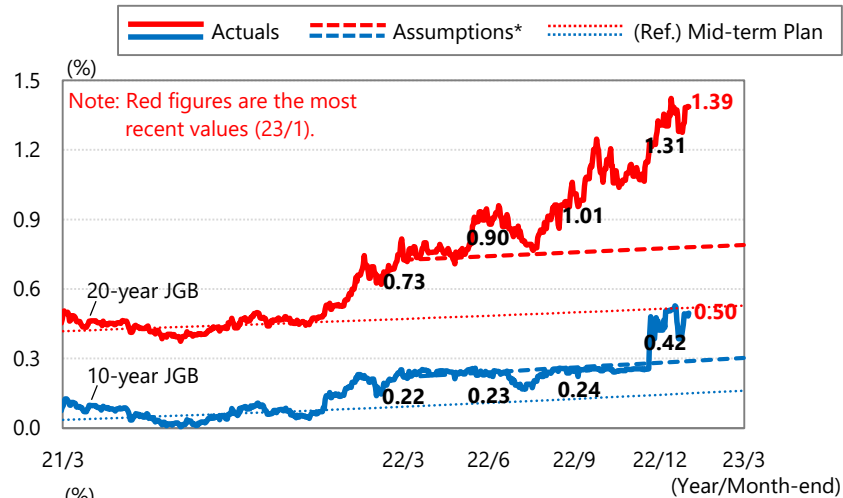


Market Situation

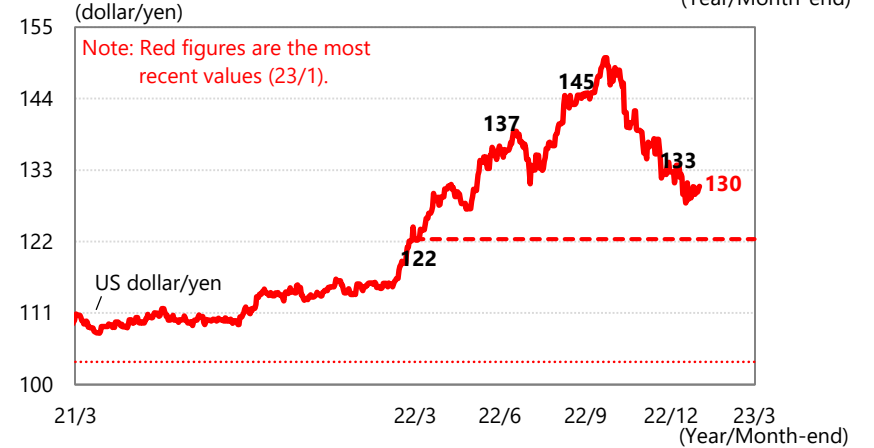
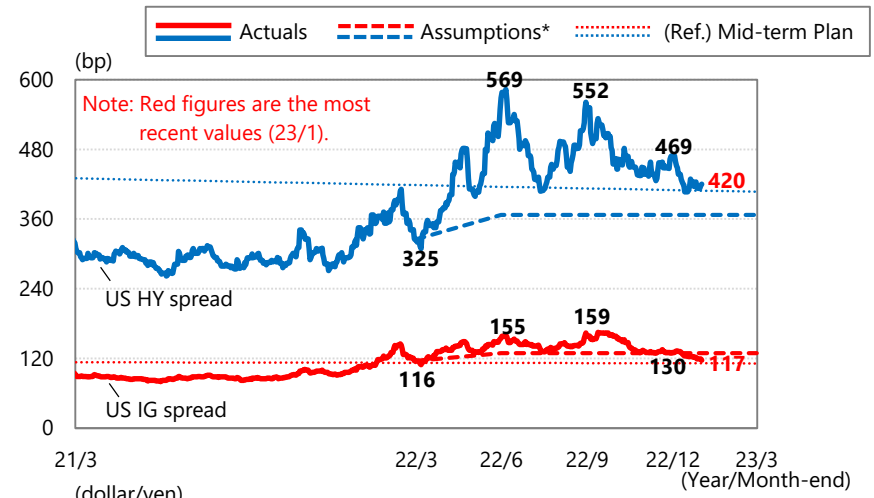
Main risk factors exceeded expectations* due to a number of issues, such as the Russia-Ukraine conflict and trends in US and Japanese monetary policy.

* Assumptions at the time of formulating the FY2023/3 earnings forecast

Domestic and Foreign Interest Rates / Dollar Funding Cost



US IG and HY Spread / US Dollar/Yen

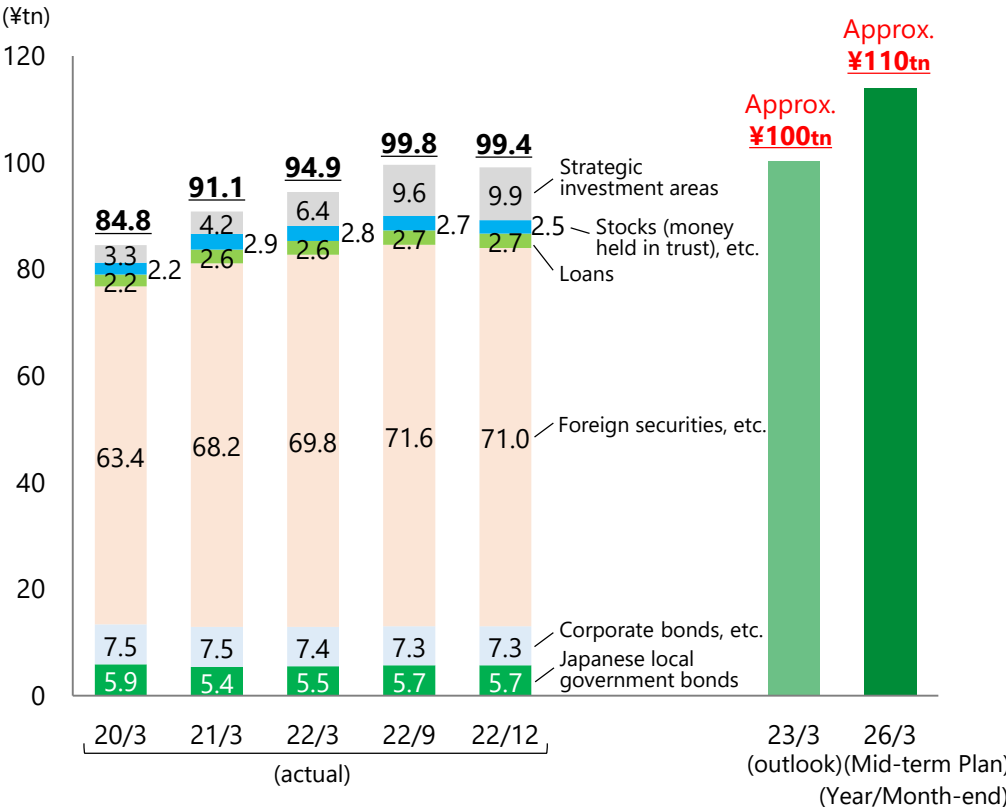


Asset Management - (2) Risk Assets and Strategic Investment Areas -

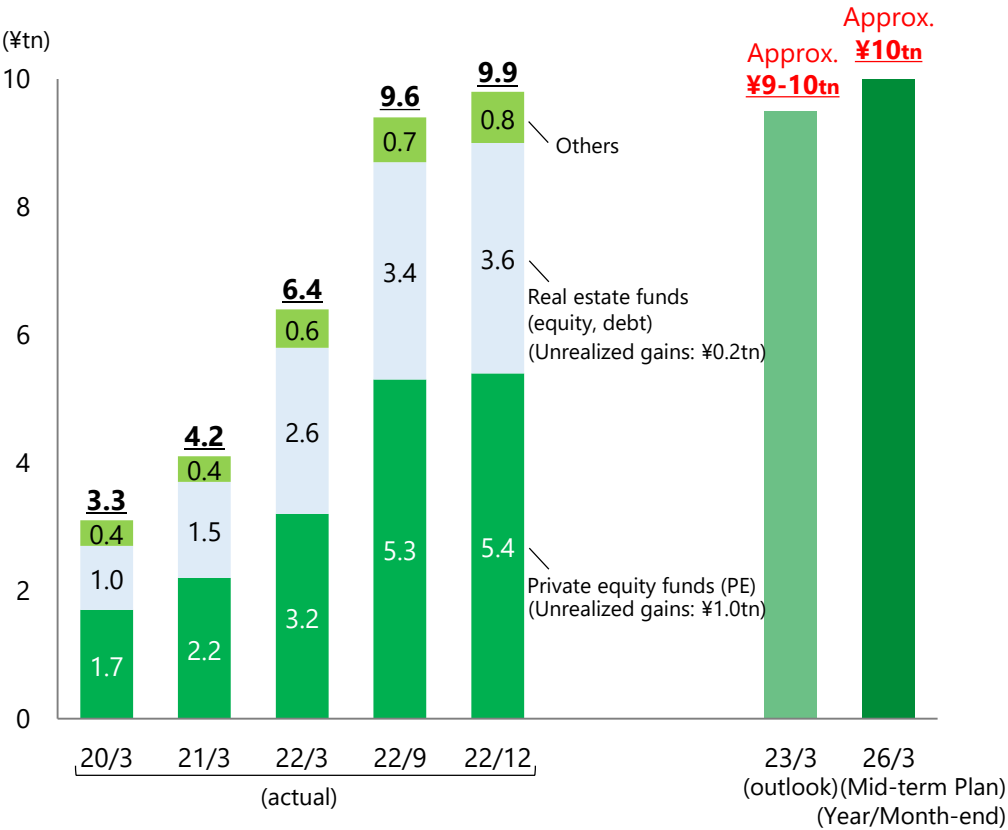
The balance of risk assets*1 as of December 31, 2022 was ¥99.4tn, increasing by ¥4.4tn from March 31, 2022. This increase is primarily due to the fact that the balance of strategic investment areas*2 was ¥9.9tn, increasing by ¥3.4tn, as a result of the application of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (revised 2021) to the assessment of fair value of private equity funds, etc.

*1 Assets other than yen interest rates (JGBs, etc.) *2 Private equity funds, Real estate funds (equity, debt), Direct lending funds and Infrastructure debt funds, etc.

Risk Assets*1 (Non-consolidated)



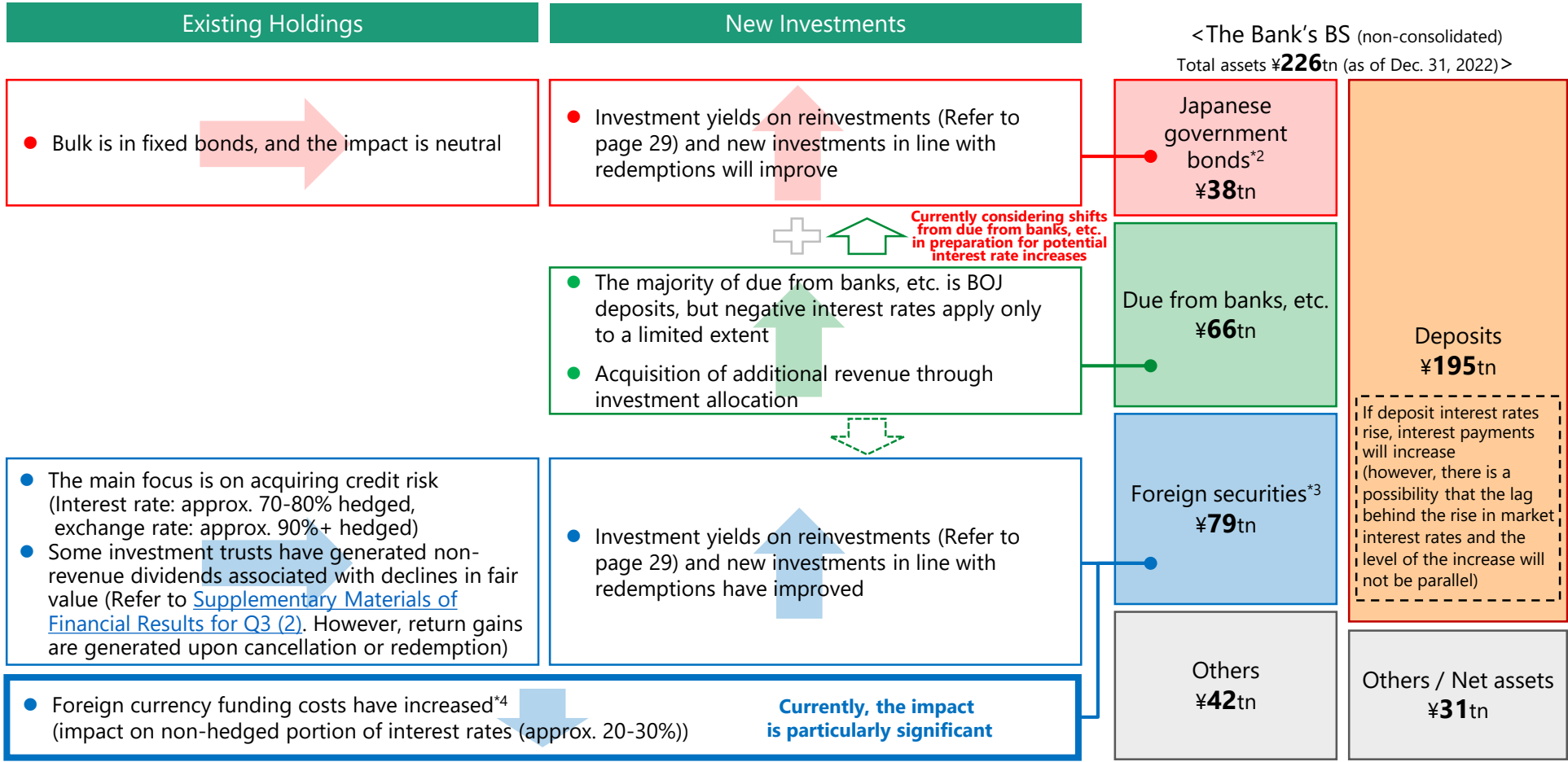
Strategic Investment Areas*2 (Non-consolidated)



Note: Following the application of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (revised 2021), private equity funds and real estate funds, excluding some assets, are calculated on a fair value basis from FY2023/3 onward.

Impact of Rising Domestic and Overseas Interest Rates and Widening Credit Spreads (1)

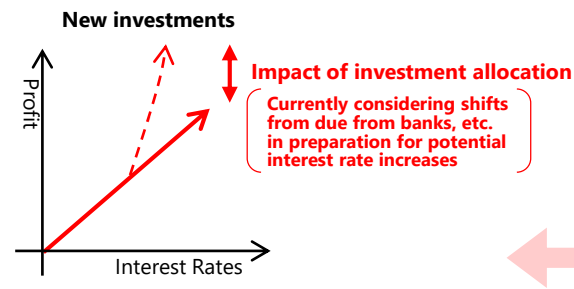
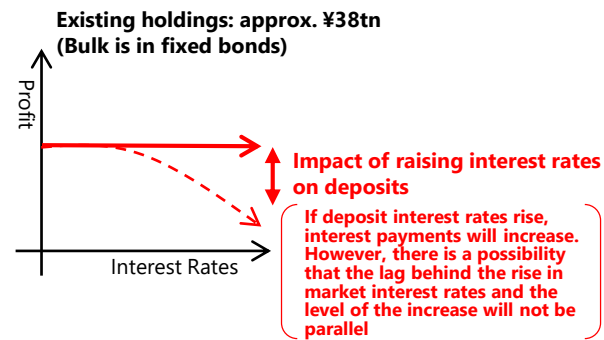
Projected Impact on P/L Due to Rising Domestic and Overseas Interest Rates, and Widening Credit Spreads*1



*1 Theoretical impact on the Bank's P/L from potential movements of market environment. Actual impact may differ due to changes in market conditions and the Bank's investment policy.
 *2 Include Japanese government bonds in money held in trust.
 *3 Include real estate funds (debt) and direct lending funds in money held in trust.
 *4 Investment trusts raise capital within the fund, and foreign currency funding costs depend on differences in domestic and foreign interest rates.

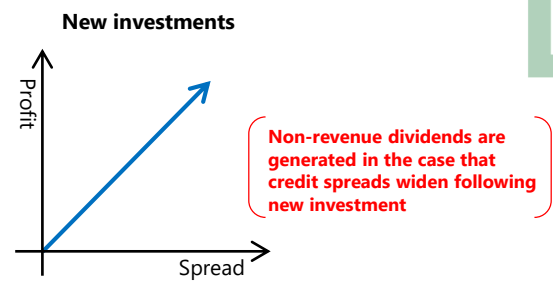
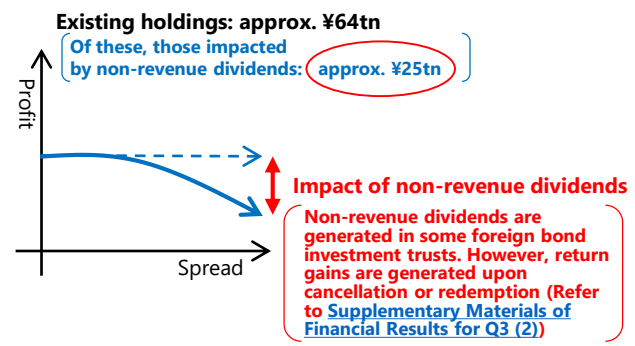
Impact of Rising Domestic and Overseas Interest Rates and Widening Credit Spreads (2)

Yen interest rates risk



[Repeated from previous page]
The Bank's BS (non-consolidated)
Total assets ¥226tn (as of Dec. 31, 2022)

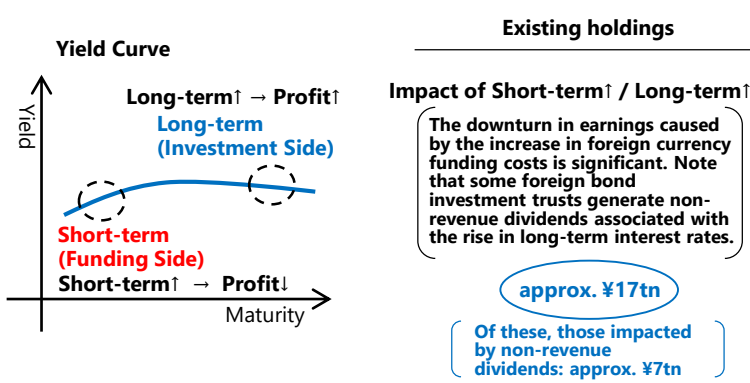
Credit risk



--> Cash flow -> Profit

Japanese government bonds ¥38tn	Deposits ¥195tn
Due from banks, etc. ¥66tn	
Foreign securities ¥79tn	
Others ¥42tn	
	Others / Net assets ¥31tn

Foreign currency interest rates risk (Difference in long- and short-term interest rates)



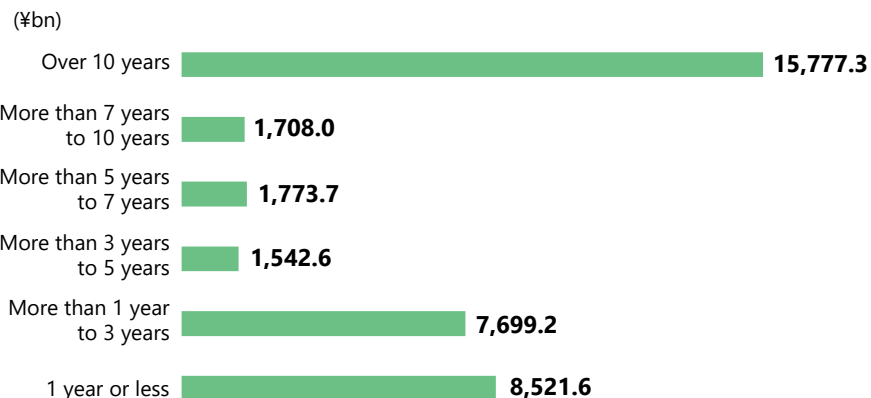
Impact of Short-term ↑ / Long-term ↑

The impact on profits depends on the difference in long- and short-term interest rates

(Ref.) Balances of Securities Based on the Remaining Time to Maturity, etc.

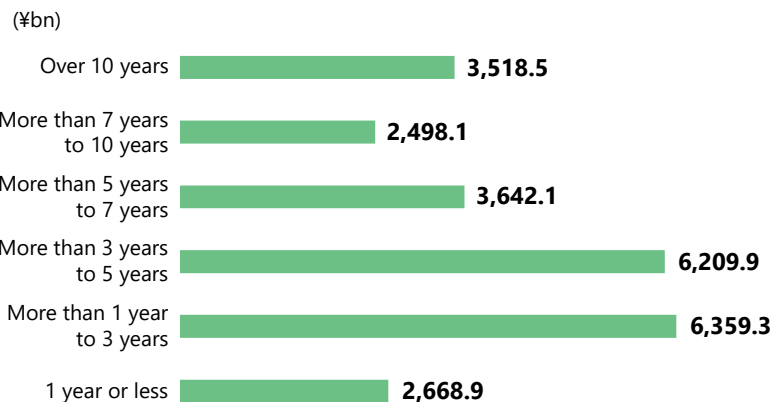
Balances Based on the Remaining Time to Maturity (Ending balance basis, as of Dec. 31, 2022)

Balance of Japanese government bonds: ¥37,022.6bn
(Held-to-maturity: ¥11,899.7bn, Available-for-sale: ¥25,122.9bn)



Balance of Foreign bonds: ¥24,897.1bn

(Held-to-maturity: ¥3,131.2bn, Available-for-sale: ¥21,765.8bn)



Balances (Based on average balances, FY2023/3 Q3)

Balance of Japanese government bonds and Foreign securities, etc.

(¥bn)

	FY2023/3 Q3	
	Average Balance	(Ref.) Ending Balance
Japanese government bonds	45,589.8	37,022.6
Foreign securities, etc.	78,303.1	77,914.0
Foreign bonds	26,990.1	24,897.1
Investment trusts	51,222.7	52,904.8

Balance of Deposits

(¥tn)

	FY2023/3 Q3	
	Average Balance	(Ref.) Ending Balance
Liquid deposits	115.2	118.4
Transfer deposits	11.1	11.4
Ordinary deposits, etc.*	103.4	106.2
Savings deposits	0.7	0.7
Fixed-term deposits	78.9	76.7
Time deposits	4.0	3.5
TEIGAKU deposits	74.9	73.1
Other deposits	0.2	0.0
Total	194.4	195.2

* Ordinary deposits, etc. = Ordinary deposits + Special deposits (equivalent to ordinary savings)