



JAPAN POST BANK

Results for the Fiscal Year Ended March 2019

May 21, 2019

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Note: All figures are rounded down, unless otherwise noted.

Accordingly, the total of each account may not be equal to the combined total of individual items.

1. Strategic Highlights

Note: See p.12 for notes mentioned on p.3-11.

Achievement of FY2019/3 Forecasts and Full-year Forecasts for FY2020/3

Consolidated

Although net interest income is decreasing due to factors such as a decline in revenue from JGBs, etc. as a result of the redemption of high-yield JGBs in which the Bank invested in the past, and an increase in foreign currency funding costs due to interest rate hikes in the US, the Bank aims to secure net income of ¥270.0bn or more in FY2020/3 and ¥280.0bn in FY2021/3 through (1) Diversification and sophistication of investment management, (2) Expansion of non-interest revenue and (3) Efficient allocation of management resources, etc.

FY2019/3 net income attributable to owners of parent: ¥266.1bn (achievement to earnings forecasts: 102.3%)

				(¥bn)	(¥bn)	(Reference) (¥bn)
	FY2018/3 (actual)	FY2019/3 (forecast) (A)	FY2019/3 (actual) (B)	Forecast vs actual gap (B)-(A)	FY2020/3 (forecast)	FY2021/3 (forecast)
Net interest income, etc. ¹	1,384.8	1,320.0	1,292.8	(27.1)	1,290.0	1,300.0
Net fees and commissions	96.4	100.0	106.7	+6.7	120.0	130.0
General and administrative expenses	1,042.9	1,060.0	1,036.4	(23.5)	1,040.0	1,040.0
Net ordinary income	499.6	370.0	373.9	+3.9	375.0	390.0
Net income attributable to owners of parent	352.7	260.0	266.1	+6.1	270.0	280.0

[Achievement to earnings forecasts (FY2019/3)]

[102.3%]

Progress to Income, Sales, Investments Targets

FY2019/3 net income attributable to owners of parent: ¥266.1bn (achievement to earnings forecasts: 102.3%)

FY2019/3 sales figures steady progress to achieve medium-term management plan

We will invest selectively in strategic investment areas while paying attention to the market environment and maintaining our policy to increase investment balance. Going forward, we will make efforts to sophisticate and diversify investment under appropriate risk management to secure stable earnings

Income Targets

(consolidated)			(¥bn)	(¥bn)	(Reference)(¥bn)
	FY2018/3	FY2019/3	Increase (Decrease)	FY2020/3 (forecast)	Mid-term plan (FY2021/3)
Net ordinary income	499.6	373.9	(125.6)	375.0	390.0
Net income attributable to owners of parent	352.7	266.1	(86.5)	270.0	280.0
[Achievement to earnings forecasts (FY2019/3)]		[102.3%]			

Sales Targets

			(¥bn)		(¥bn)
	FY2018/3	FY2019/3	Increase (Decrease)	FY2020/3 (forecast)	Mid-term plan (FY2021/3)
Net increase of investment trusts balance ²	+437.1	+606.2	+169.0	+690.0	Around +¥1.7tn
Net fees and commissions	96.4	106.7	+10.3	120.0	+30% (compared to FY2018/3) (at least ¥125.4bn)

Investments Targets

		(¥tn, figures are rounded)	
	As of March 31, 2018	As of March 31, 2019	Increase (Decrease)
Risk assets ³	79.0	81.9	+2.9
Strategic investment area ⁴	1.6	2.9	+1.3

See p.8 for FY2021/3-end outlooks

* In addition, in the medium-term management plan, the capital adequacy ratio to be maintained is set at around 10% (after consideration of the strengthening of financial regulations) (As of March 31, 2019: 15.80% (consolidated)).

Overview of Business Results

[Consolidated]

Net income attributable to owners of parent*	¥266.1bn	
		* Achievement rate to forecast 102.3%
Net ordinary income*	¥373.9bn	
		* Achievement rate to forecast 101.0%

[Non-consolidated]

Net income	¥266.1bn	[YoY (24.5%)]
Net ordinary income	¥374.2bn	[YoY (25.0%)]
Net interest income	¥1,016.1bn	[YoY (¥159.5bn)]
Net fees and commissions	¥106.7bn	[YoY +¥10.3bn]
Net other operating income (loss)	¥204.1bn	[YoY +¥13.9bn]
General and administrative expenses ⁵	¥1,037.5bn	[YoY (¥7.5bn)]

Dividend per share (Annual) ¥50
[Payout ratio (consolidated) 70.4%]

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Net unrealized gains (losses) on financial instruments (available-for-sale)
adjusted by gains (losses) on hedge transactions
¥3,427.4bn [vs FY18/3 end (¥347.0bn)]

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Capital adequacy ratio (consolidated)
(Domestic Standard) 15.80% [vs FY18/3 end (1.63%pt)]

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	Average Balance	Net gains (losses)
Total portfolio (A)	¥198.4tn	¥363.5bn
Yen rates portfolio ⁶	¥117.9tn	(¥420.3bn)
Customer-based funding and marketing	—	(¥721.5bn)
Investment side, etc.	—	¥301.1bn
Risk assets ⁶	¥80.4tn	¥783.9bn
Net other ordinary income ⁷ (B)	—	¥10.7bn
Total (A)+(B)	—	¥374.2bn

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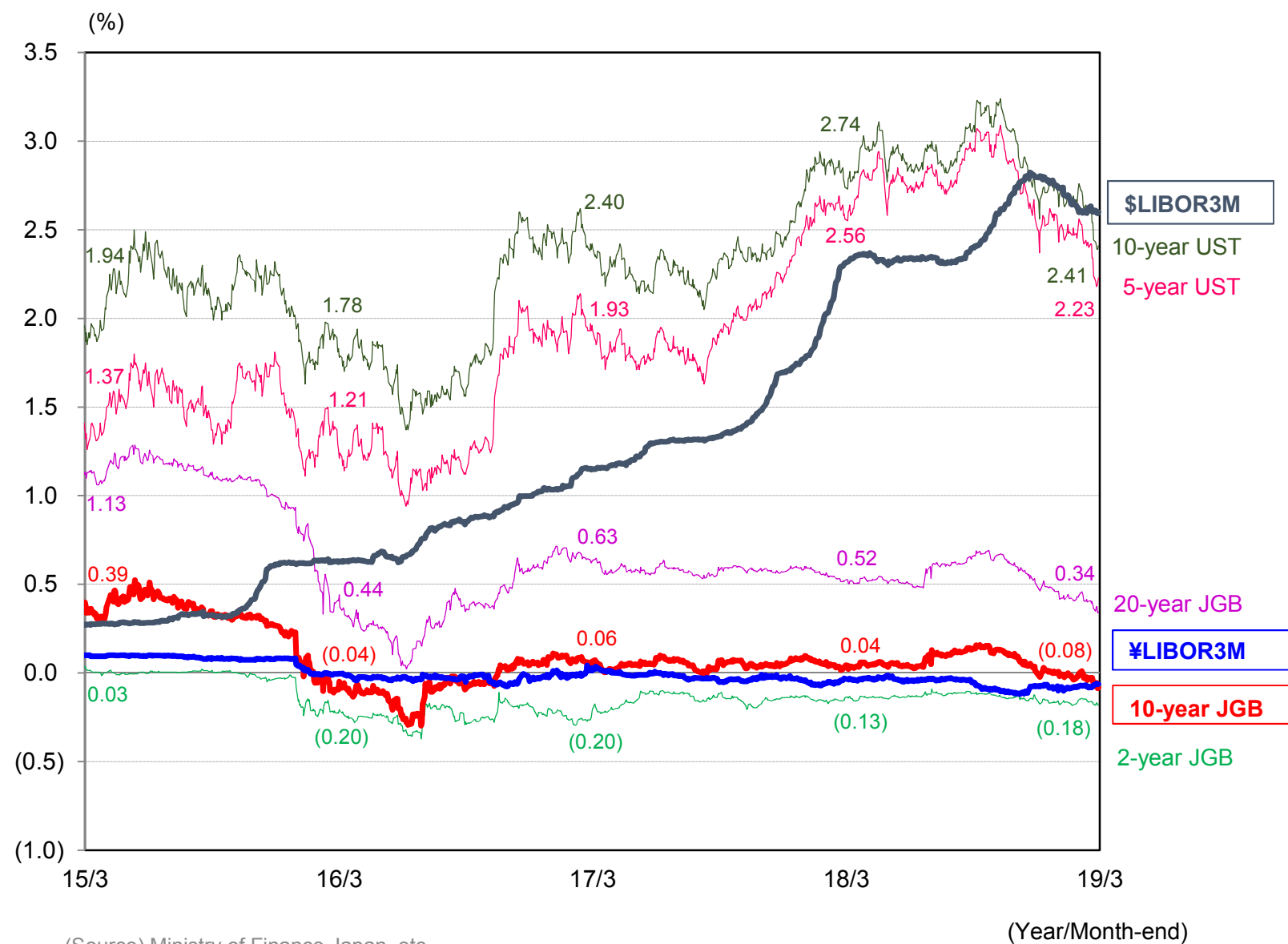
Strategic investment area	¥2,928.5bn	[vs FY18/3 end +¥1,290.9bn]
Private equity funds ⁸	¥1,229.4bn	[vs FY18/3 end +¥760.4bn]
Hedge funds	¥994.6bn	[vs FY18/3 end +¥103.5bn]
Real estate funds	¥653.6bn	[vs FY18/3 end +¥376.0bn]
Others	¥50.7bn	[vs FY18/3 end +¥50.7bn]

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Exchange and settlement transactions, ATM related commissions	¥75.8bn	[YoY +¥7.4bn]
Sales of asset management products, etc. ⁹	¥30.9bn	[YoY +¥2.8bn]

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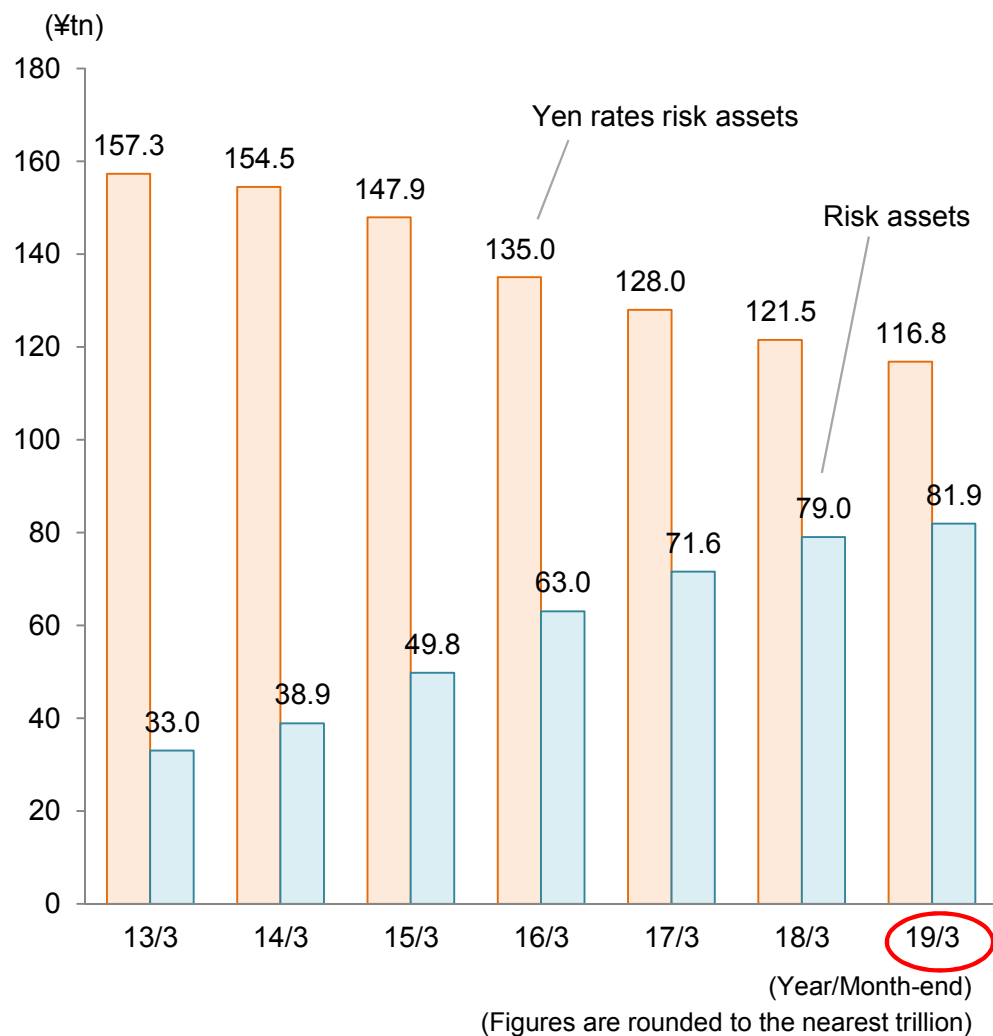
Interest Rates in Japan and US



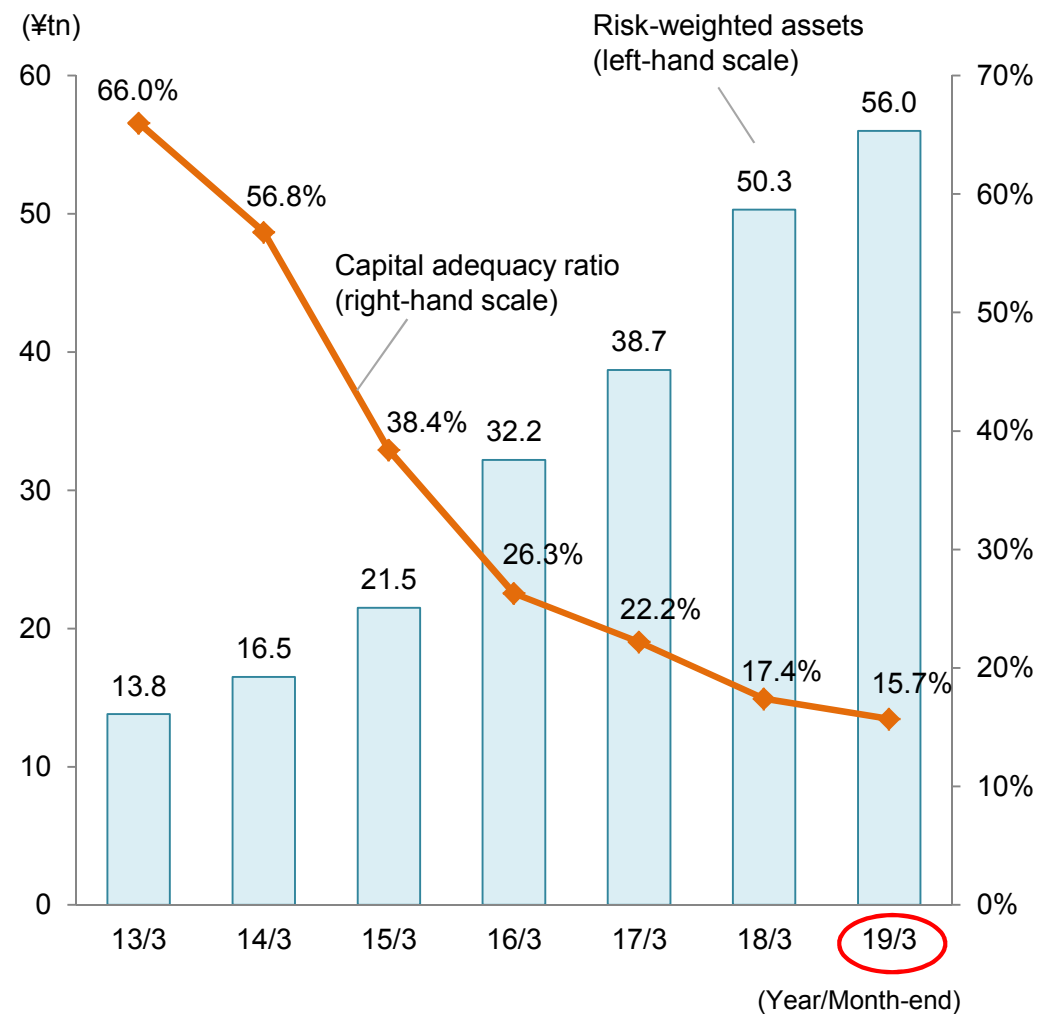
Capital Adequacy Ratio & Risk-Weighted Assets

Non-consolidated

Assets Under Management



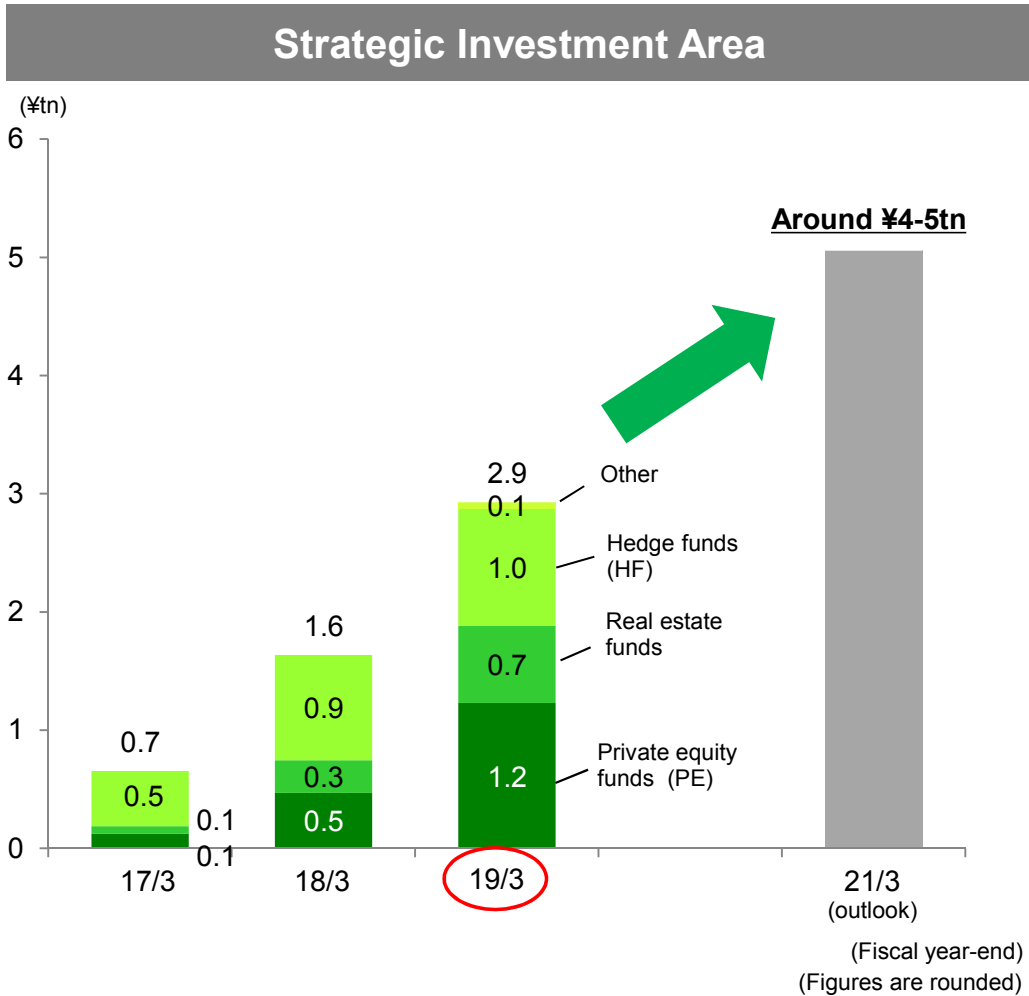
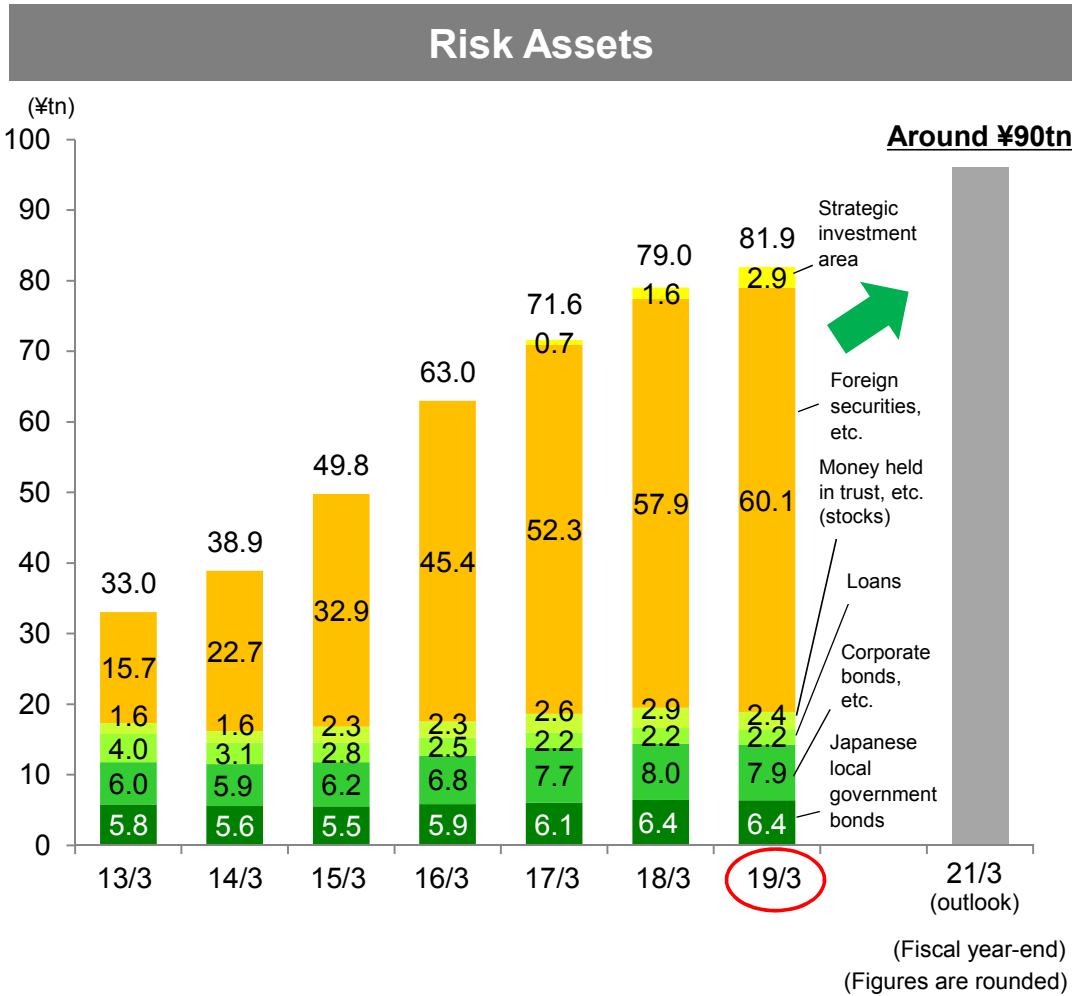
Capital Adequacy Ratio & Risk-Weighted Assets



Diversification and Sophistication of Investment Management

Promotion of diversification and sophistication of investment management to respond to the reduction of interest income from JGBs, etc.

The balance of risk assets as of March 31, 2019 increased to ¥81.9tn with the balance of strategic investment area coming in at ¥2.9tn



Fees and Commissions

Non-consolidated

To promote better relationships with customers based on household accounts, and seek to create more opportunities in fee business fields, specifically in settlement services, ATM business and asset management product sales, by taking advantage of our broad network

Results for Net Fees and Commissions

			(¥bn)
	FY2018/3	FY2019/3	Increase (Decrease)
Net fees and commissions	96.4	106.7	+10.3
Exchange and settlement transactions	59.1	61.2	+2.0
Zengin net fee	9.7	10.7	+1.0
ATM related commissions	9.2	14.5	+5.3
Investment trust related commissions	19.0	22.2	+3.1
Variable annuities	0.9	0.8	(0.1)
JGBs related commissions	1.6	1.5	(0.0)
Credit cards	4.4	4.6	+0.1
Consumer loans	1.2	1.2	+0.0
Other	0.7	0.3	(0.3)

(Remittance and settlement services)

- Revision to remittance and settlement services
 - (1) Launch of “Yucho Biz Direct” online banking service and payroll/bulk payments for corporate customers in order to enhance and improve corporate services (from April 2019)
 - (2) Revision of fees for existing services (from April 2019 (partially raised from October 2018))

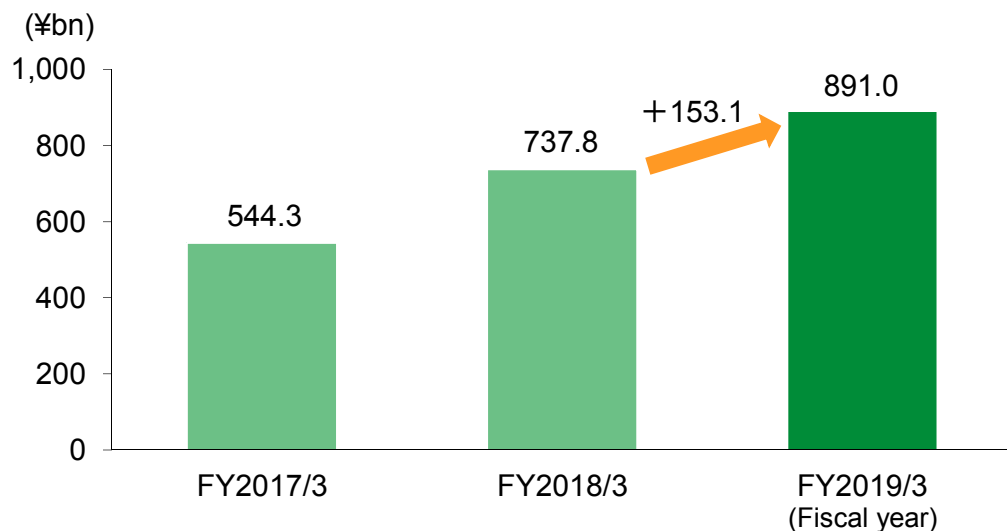
(ATM business)

- Expanding the installation of compact ATMs at FamilyMart convenience stores on a nationwide basis from January 2017
- Installment of compact JP Bank ATMs at all 19 Aozora Bank branches (all 19 machines installed by November 2018)

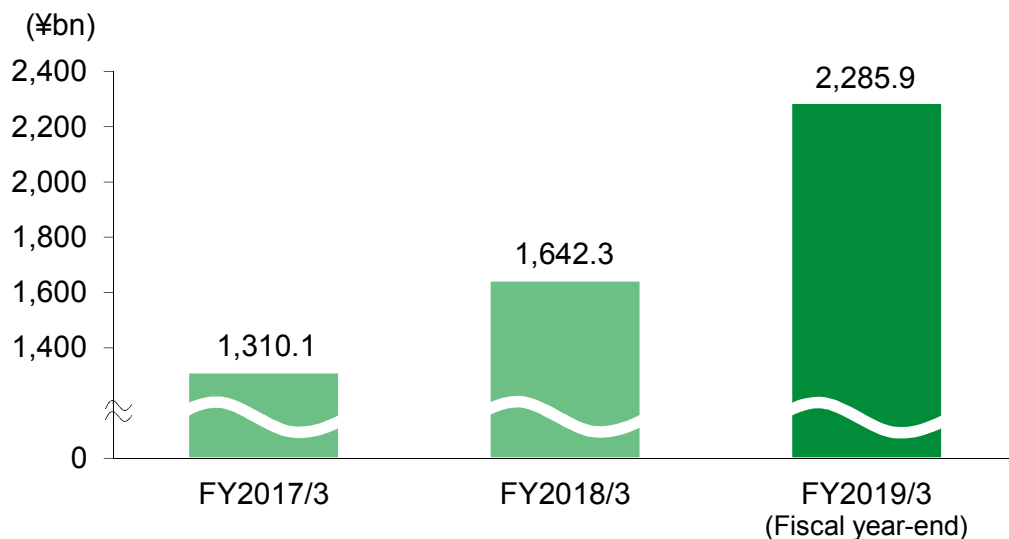
(Sales promotion of investment trust products)

- (Post offices)
Expanding investment trust sales locations and referral locations
Investment trust sales locations:1,540
(As of March 31, 2019)
Referral locations:18,211
(As of March 31, 2019)
- Campaign aimed at expanding customer base for investment trusts and iDeCo (April 2019 through March 2020)

Investment Trusts Sales



Net Assets of Investment Trusts



Enhancement of Consulting Marketing

(1) Develop and increase personnel engaged in consulting marketing

Direct branches : As of April 1, 2017 1,300 staffs

As of April 1, 2018 1,600 staffs

As of April 1, 2019 1,700 staffs

Post offices : Training program provided by Japan Post Bank marketing instructors aiming to improve marketing skills of investment trusts, etc.

(2) Expansion of investment trust sales locations at post offices

	March 31, 2018	March 31, 2019
Investment trust sales locations	1,416	1,540 (+124)

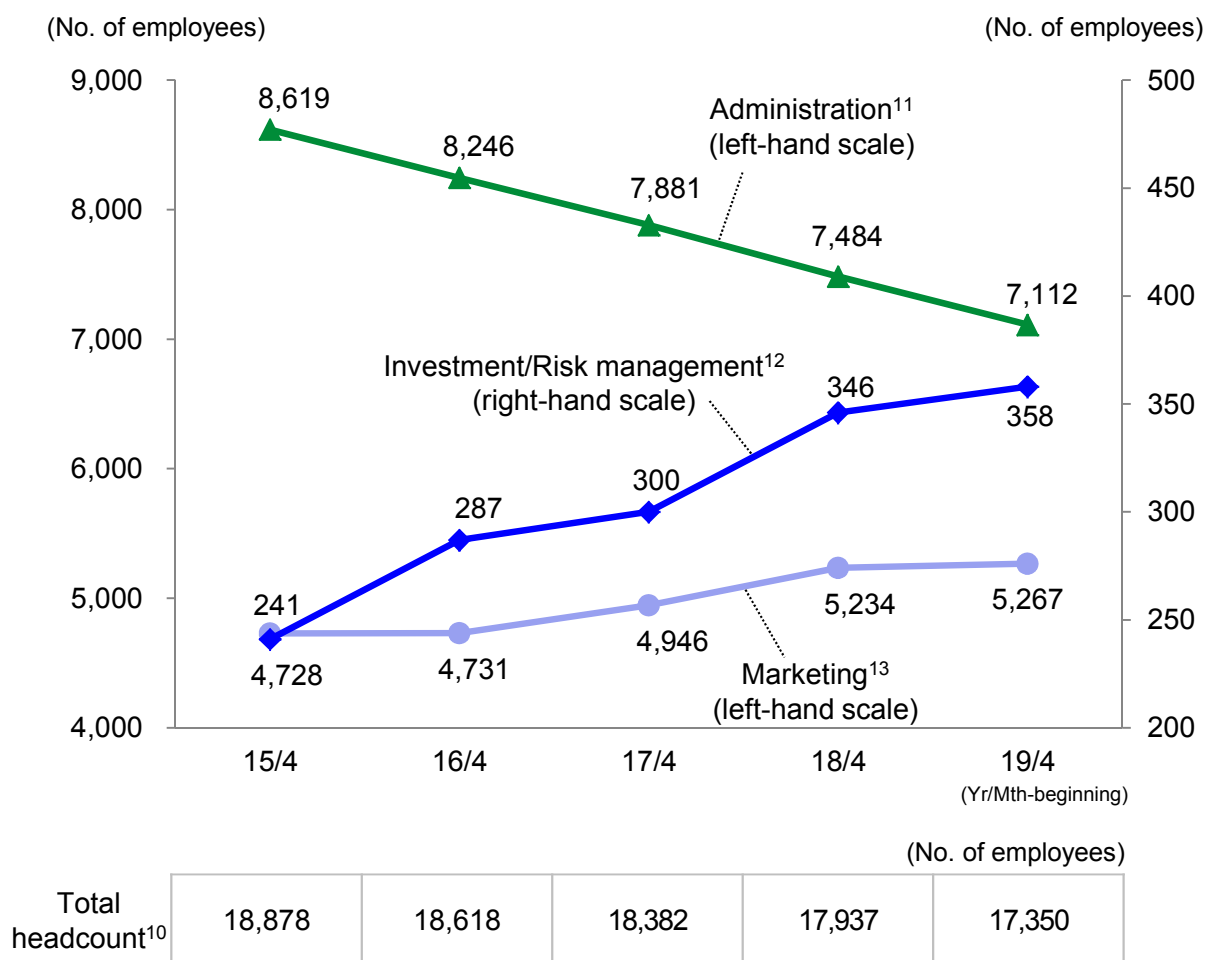
*1 The amount in parentheses is the change from March 31, 2018

*2 Sales of investment trusts are also provided at our 233 direct branches

(3) Mail application of investment trust accounts available at about 18,000 referral locations from October 2018

(4) Campaign aimed at expanding customer base for investment trusts and iDeCo

To keep reducing total headcount by streamlining administrative work and optimizing administrative staffing and reallocating human resources to growth and reinforced areas which are the Marketing and Investment divisions



(No. of employees)	
	Change (4/1/2017 → 4/1/2019)
Total headcount	(1,050)
Reduction of administrative staffing through efficiency and productivity improvement	(1,700)
Personnel reallocation to growth areas	+650

(Notes)

Notes:

1. Net interest income, etc. = Interest income - Interest expenses (including gains (losses) on sales, etc.)
2. FY2018/3, FY2019/3 and FY2020/3 (forecast) net increase of investment trusts are the changes from March end. Figures for Medium-term management plan are cumulative total of “sales - cancellations” over three years (different from market value basis).
3. Assets other than yen interest rates (JGBs, etc.) (credit bonds, foreign government bonds, equities, alternatives)
4. “Strategic investment areas” is Alternative assets (Private Equity Funds and Real Estate Funds (Equity), etc.), Real Estate Funds (Debt) and Direct Lending Funds.
5. Exclude non-recurring items.
6. Yen rates portfolio and risk assets include net fees and commissions (yen rates: ¥102.7bn, risk assets: ¥4.0bn), general and administrative expenses (yen rates: (¥1,026.3bn), risk assets: (¥8.9bn)).
7. Increase/decrease in net other ordinary income, which are unrecognized under management accounting basis, are recoveries of written-off loans, rent for land, buildings and others, etc.
8. Include regional vitalization funds.
9. JGBs related commissions, investment trust related commissions, credit cards related commissions, variable annuities related commissions, consumer loans related commissions, other.
10. Includes non-regular employees. 2019 headcount for non-regular employees as of March 31.
11. Administration: HQ System Division + HQ Operation Division + Operation Support Centers, etc. Operation Support Centers mainly perform back office functions.
12. Investment/Risk management: HQ Investment Division + HQ ALM Planning Department + HQ Risk Management Division
13. Marketing: HQ Marketing Division + Branches (financial consulting department, corporate marketing department, loan marketing department) + Administration Service Centers. Administration Service Centers are organizations that support sales and administration activities for post offices.

2. FY2019/3 Financial Results

- In the adverse business environment with persistently low yen interest rates, net income decreased by ¥86.5bn year on year to ¥266.1bn
- Net income attributable to owners of parent is ¥266.1bn with achievement rate to full-year forecast of 102.3%

Overview of FY2019/3 Results

Non-consolidated

Results of Operations

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2018 (A)	March 31, 2019 (B)	
Gross operating profit	1,462.3	1,327.0	(135.3)
Net interest income	1,175.6	1,016.1	(159.5)
Net fees and commissions	96.4	106.7	10.3
Net other operating income (loss)	190.2	204.1	13.9
Gains (losses) on foreign exchanges	194.9	219.4	24.5
Gains (losses) on bonds	(6.4)	(12.2)	(5.7)
General and administrative expenses (*)	1,045.0	1,037.5	(7.5)
Provision for general reserve for possible loan losses	0.0	—	(0.0)
Net operating profit	417.3	289.4	(127.8)
Non-recurring gains (losses)	82.3	84.8	2.4
Gains (losses) on money held in trust	50.9	77.7	26.7
Net ordinary income	499.6	374.2	(125.3)
Net income	352.7	266.1	(86.5)

* General and administrative expenses exclude non-recurring losses.

Financial Condition

	As of		Increase (Decrease) (B) – (A)
	March 31, 2018 (A)	March 31, 2019 (B)	
Assets	210,630.6	208,970.4	(1,660.1)
Cash and due from banks	49,288.3	50,698.5	1,410.2
Call loans	480.0	400.0	(80.0)
Receivables under resale agreements	—	8,368.1	8,368.1
Receivables under securities borrowing transactions	8,224.1	—	(8,224.1)
Money held in trust	4,241.5	3,990.7	(250.7)
Securities	139,201.2	137,135.2	(2,065.9)
Loans	6,145.5	5,297.4	(848.1)
Liabilities	199,117.4	197,619.6	(1,497.7)
Deposits	179,882.7	180,999.1	1,116.3
Payables under repurchase agreements	1,985.2	11,569.3	9,584.0
Payables under securities lending transactions	13,812.1	2,473.4	(11,338.6)
Net assets	11,513.1	11,350.8	(162.3)
Total shareholders' equity	8,894.5	8,973.0	78.4
Total valuation and translation adjustments	2,618.5	2,377.7	(240.8)

Management Indicators

(¥bn)

Non-consolidated

	Mar 31, 2018	Mar 31, 2019	Increase (Decrease) (%pt)
Capital adequacy ratio (Domestic standards)	17.42%	15.78%	(1.64)
Total capital	8,772.0	8,844.2	
Total amount of risk-weighted assets	50,343.5	56,033.5	
ROE (net assets basis)	3.02%	2.32%	(0.70)
Net income	352.7	266.1	
Average of the beginning and ending balances of net assets	11,646.5	11,431.9	
ROE (shareholders' equity basis)	4.00%	2.97%	(1.02)
Net income	352.7	266.1	
Average of the beginning and ending balances of shareholders' equity	8,812.1	8,933.8	
OHR	71.46%	78.18%	+6.72
General and administrative expenses	1,045.0	1,037.5	
Gross operating profit	1,462.3	1,327.0	
Yield on interest-earning assets	0.74%	0.67%	(0.06)
Net interest margin	0.57%	0.49%	(0.07)
Yield on interest-earning assets	0.74%	0.67%	
Interest rate on interest-bearing liabilities	0.17%	0.17%	

Consolidated

Capital adequacy ratio (Domestic standards)	17.43%	15.80%	(1.63)
Total capital	8,778.8	8,853.3	
Total amount of risk-weighted assets	50,342.2	56,004.5	

Summarized Balance Sheets

Non-consolidated

	As of March 31, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Total assets	210,630,601	208,970,478	(1,660,123)
Cash and due from banks	49,288,314	50,698,549	1,410,235
Call loans	480,000	400,000	(80,000)
Receivables under resale agreements	—	8,368,139	8,368,139
Receivables under securities borrowing transactions	8,224,153	—	(8,224,153)
Monetary claims bought	278,566	295,679	17,113
Trading account securities	32	2	(29)
Money held in trust	4,241,524	3,990,780	(250,744)
Securities	139,201,254	137,135,264	(2,065,989)
Loans	6,145,537	5,297,424	(848,112)
Foreign exchanges	87,487	80,396	(7,090)
Other assets	2,442,328	2,452,409	10,080
Tangible fixed assets	190,098	201,786	11,688
Intangible fixed assets	52,372	51,003	(1,368)
Reserve for possible loan losses	(1,066)	(958)	107

	As of March 31, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Total liabilities and net assets	210,630,601	208,970,478	(1,660,123)
Total liabilities	199,117,450	197,619,672	(1,497,778)
Deposits	179,882,759	180,999,134	1,116,374
Payables under repurchase agreements	1,985,285	11,569,371	9,584,086
Payables under securities lending transactions	13,812,123	2,473,457	(11,338,666)
Commercial paper	191,481	28,029	(163,451)
Borrowed money	2,400	3,900	1,500
Foreign exchanges	309	628	318
Other liabilities	1,950,331	1,354,810	(595,520)
Reserve for bonuses	7,879	7,739	(140)
Reserve for employees' retirement benefits	147,095	144,190	(2,904)
Reserve for employee stock ownership plan trust	809	839	30
Reserve for management board benefit trust	144	238	94
Reserve for reimbursement of deposits	86,114	88,332	2,218
Deferred tax liabilities	1,050,715	948,998	(101,717)
Total net assets	11,513,151	11,350,806	(162,345)
Capital stock	3,500,000	3,500,000	—
Capital surplus	4,296,285	4,296,285	—
Retained earnings	2,399,031	2,477,736	78,704
Treasury stock	(1,300,717)	(1,300,926)	(209)
Total shareholders' equity	8,894,599	8,973,095	78,495
Net unrealized gains (losses) on available-for-sale securities	2,615,432	2,440,064	(175,367)
Net deferred gains (losses) on hedges	3,119	(62,353)	(65,472)
Total valuation and translation adjustments	2,618,551	2,377,710	(240,840)

Income Analysis

Non-consolidated

(Millions of yen)

	For the fiscal year ended		(B) – (A)
	March 31, 2018 (A)	March 31, 2019 (B)	
Gross operating profit	1,462,367	1,327,033	(135,333)
Net interest income	1,175,691	1,016,126	(159,565)
Net fees and commissions	96,448	106,761	10,313
Net other operating income (loss)	190,227	204,145	13,918
Gains (losses) on foreign exchanges	194,930	219,448	24,517
Gains (losses) on bonds	(6,473)	(12,241)	(5,768)
General and administrative expenses	(1,045,046)	(1,037,537)	7,509
Personnel expenses	(128,658)	(126,360)	2,297
Non-personnel expenses	(838,925)	(841,648)	(2,723)
Taxes and dues	(77,462)	(69,527)	7,934
Operating profit (before provision for general reserve for possible loan losses)	417,320	289,496	(127,824)
Provision for general reserve for possible loan losses	(11)	—	11
Net operating profit	417,309	289,496	(127,813)
Non-recurring gains (losses)	82,359	84,803	2,443
Gains (losses) related to stocks	(21,265)	(10,983)	10,282
Gains (losses) on money held in trust	50,933	77,717	26,784
Net ordinary income	499,669	374,299	(125,369)

Notes: 1. General and administrative expenses exclude non-recurring losses related to retirement benefit costs (¥2,158 million and ¥2,186 million recorded as profits for the fiscal years ended March 31, 2019 and 2018, respectively).

2. Credit-related expenses are those expenses related to problem assets disclosed under the Financial Reconstruction Act.

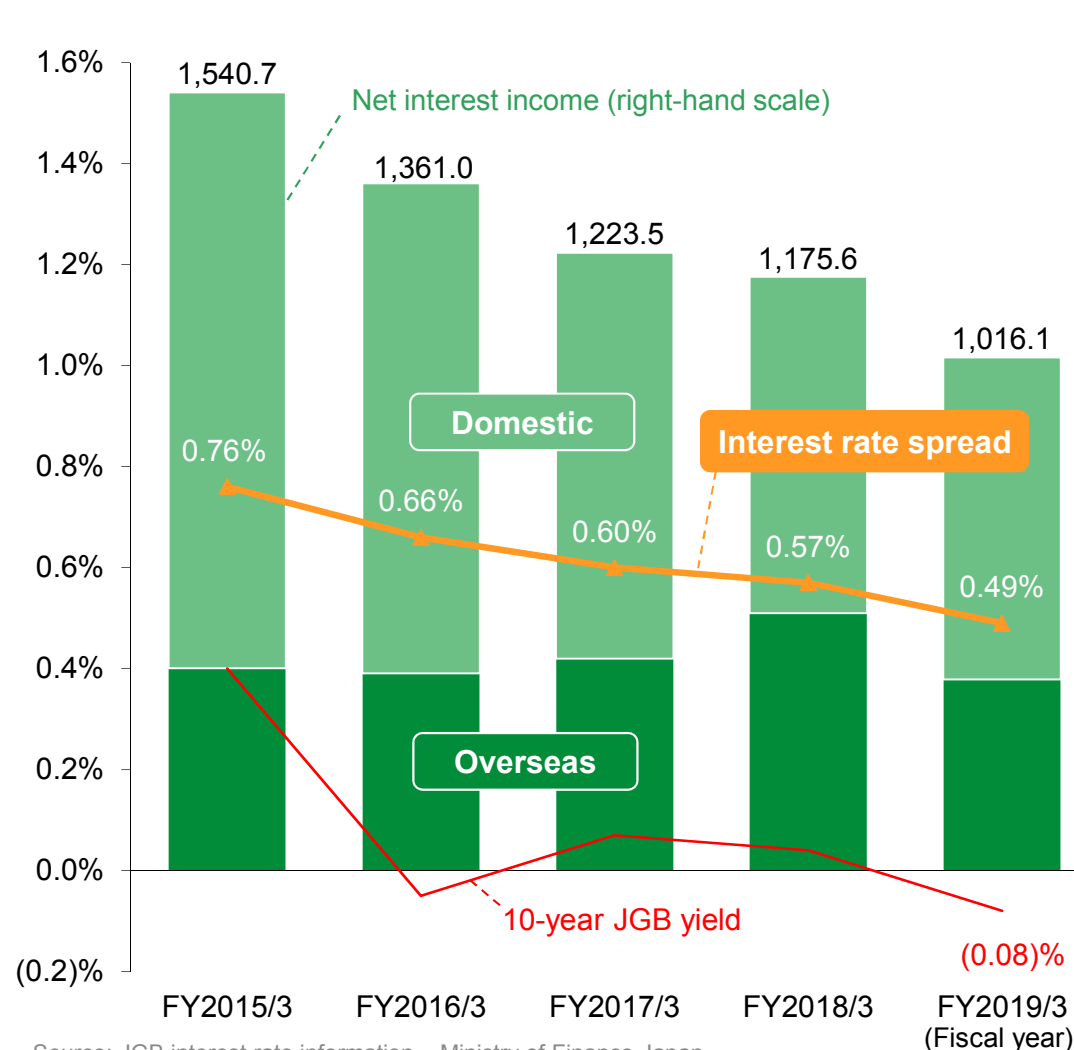
3. Numbers in parenthesis indicate the amount of loss, expense or decrease.

	For the fiscal year ended		(B) – (A)
	March 31, 2018 (A)	March 31, 2019 (B)	
Extraordinary income (loss)	(731)	(4,107)	(3,376)
Gains (losses) on sales and disposals of fixed assets	(713)	(3,556)	(2,843)
Losses on impairment of fixed assets	(17)	(550)	(533)
Income before income taxes	498,937	370,192	(128,745)
Income taxes – current	(174,218)	(99,417)	74,801
Income taxes – deferred	28,025	(4,596)	(32,622)
Total income taxes	(146,192)	(104,013)	42,179
Net income	352,745	266,178	(86,566)
Gains (losses) on money held in trust	50,933	77,717	26,784
Dividends and interest income	59,225	71,741	12,516
Gains (losses) on sales of stocks	647	20,709	20,061
Unrealized gains (losses)	(370)	367	737
Impairment losses	(1,088)	(3,573)	(2,485)
Withholding income tax, etc.	(7,480)	(11,526)	(4,046)
Credit-related expenses	(11)	14	26
Provision for general reserve for possible loan losses	(11)	14	26
Write-off of loans	—	—	—
Provision for specific reserve for possible loan losses	—	—	—
Recoveries of written-off loans	—	—	—

Net Interest Income and Interest Rate Spread

Non-consolidated

Net interest income was ¥1,016.1bn and interest rate spread was 0.49% for the fiscal year ended March 31, 2019



Source: JGB interest rate information – Ministry of Finance Japan

Notes: 1. "Domestic" represents yen-denominated transactions while "overseas" represents foreign currency-denominated transactions (except that yen-denominated transactions with non-residents of Japan are included in "overseas").
2. For a part of interest income and expenses, transactions between "domestic" and "overseas" are offset to calculate totals. As a result, the total of each account may not be equal to the combined total of "domestic" and "overseas" of each item.

Domestic		For the fiscal year ended		Increase (Decrease)
		March 31, 2018 (A)	March 31, 2019 (B)	(B) – (A)
Net interest income		665.7	637.9	(27.8)
Interest income		852.0	752.8	(99.2)
Interest income on Japanese government bonds		611.8	523.3	(88.5)
Interest expenses		186.2	114.9	(71.3)

Overseas		For the fiscal year ended		Increase (Decrease)
		March 31, 2018 (A)	March 31, 2019 (B)	(B) – (A)
Net interest income		509.9	378.2	(131.7)
Interest income		732.1	700.2	(31.9)
Interest income on foreign securities		730.3	698.7	(31.5)
Interest expenses		222.2	322.0	99.7

Total		For the fiscal year ended		Increase (Decrease)
		March 31, 2018 (A)	March 31, 2019 (B)	(B) – (A)
Net interest income		1,175.6	1,016.1	(159.5)
Interest income		1,502.7	1,357.9	(144.7)
Interest expenses		327.0	341.8	14.8

Average Balance, Interest, and Earnings Yield of Interest-Earning Assets and Interest-Bearing Liabilities

Non-consolidated

(1) Domestic (Millions of yen, %)

	For the fiscal year ended						Increase (Decrease) (B) – (A)
	March 31, 2018 (A)			March 31, 2019 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	195,014,321	852,033	0.43%	194,710,207	752,825	0.38%	(0.05)%
Loans	4,765,201	14,008	0.29	6,090,997	12,072	0.19	(0.09)
Securities	82,402,056	730,011	0.88	77,703,674	615,038	0.79	(0.09)
Receivables under securities borrowing transactions	8,414,660	1,417	0.01	5,293,086	910	0.01	0.00
Due from banks, etc.	51,583,059	25,115	0.04	49,543,054	30,905	0.06	0.01
Interest-bearing liabilities	186,524,351	186,280	0.09	187,129,472	114,900	0.06	(0.03)
Deposits	180,316,482	145,129	0.08	181,227,650	80,834	0.04	(0.03)
Payables under securities lending transactions	8,903,813	1,285	0.01	6,057,199	1,013	0.01	0.00

(2) Overseas (Millions of yen, %)

	For the fiscal year ended						Increase (Decrease) (B) – (A)
	March 31, 2018 (A)			March 31, 2019 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	54,248,055	732,171	1.34%	59,119,568	700,201	1.18%	(0.16)%
Loans	2,534	10	0.40	5,000	20	0.41	0.01
Securities	54,067,069	730,365	1.35	59,005,163	698,775	1.18	(0.16)
Due from banks, etc.	68,461	1,019	1.48	8,801	164	1.86	0.37
Interest-bearing liabilities	53,171,677	222,232	0.41	58,418,073	322,000	0.55	0.13
Payables under securities lending transactions	3,995,938	53,987	1.35	2,619,354	59,283	2.26	0.91

Average Balance, Interest, and Earnings Yield of Interest-Earning Assets and Interest-Bearing Liabilities

Non-consolidated

(3) Total

(Millions of yen, %)

	For the fiscal year ended						Increase (Decrease) (B) – (A)
	March 31, 2018 (A)			March 31, 2019 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	201,467,351	1,502,747	0.74%	200,414,539	1,357,985	0.67%	(0.06)%
Loans	4,767,735	14,019	0.29	6,095,997	12,093	0.19	(0.09)
Securities	136,469,126	1,460,377	1.07	136,708,838	1,313,813	0.96	(0.10)
Receivables under securities borrowing transactions	8,414,660	1,417	0.01	5,293,205	910	0.01	0.00
Due from banks, etc.	51,651,521	26,135	0.05	49,551,855	31,069	0.06	0.01
Interest-bearing liabilities	191,901,004	327,056	0.17	192,132,309	341,859	0.17	0.00
Deposits	180,316,482	145,129	0.08	181,227,650	80,834	0.04	(0.03)
Payables under securities lending transactions	12,899,752	55,272	0.42	8,676,554	60,297	0.69	0.26

Notes: 1. “Domestic” represents yen-denominated transactions while “overseas” represents foreign currency-denominated transactions (except that yen-denominated transactions with non-residents of Japan are included in “overseas”).

2. Income and expenses for money held in trust are included in “other ordinary income” and “other ordinary expenses,” respectively. Accordingly, the average balance of money held in trust (fiscal year ended March 31, 2019, ¥2,977,608 million; fiscal year ended March 31, 2018, ¥2,772,856 million) is excluded from interest-earning assets, and the average balance corresponding to money held in trust (fiscal year ended March 31, 2019, ¥2,977,608 million; fiscal year ended March 31, 2018, ¥2,772,856 million) and the corresponding interest (fiscal year ended March 31, 2019, ¥5,298 million; fiscal year ended March 31, 2018, ¥4,725 million) are excluded from interest-bearing liabilities.

3. For investment trusts, the distribution of profits, which was deducted from the book value as the repayment of principal, was ¥80,783 million for the fiscal year ended March 31, 2019 (¥14,461 million for the fiscal year ended March 31, 2018).

4. Average balance and interest on transactions between “domestic” and “overseas” are offset to calculate totals.

5. “Due from banks, etc.” consists of negotiable certificates of deposit, Bank of Japan deposits, call loans and monetary claims bought.

Non-consolidated

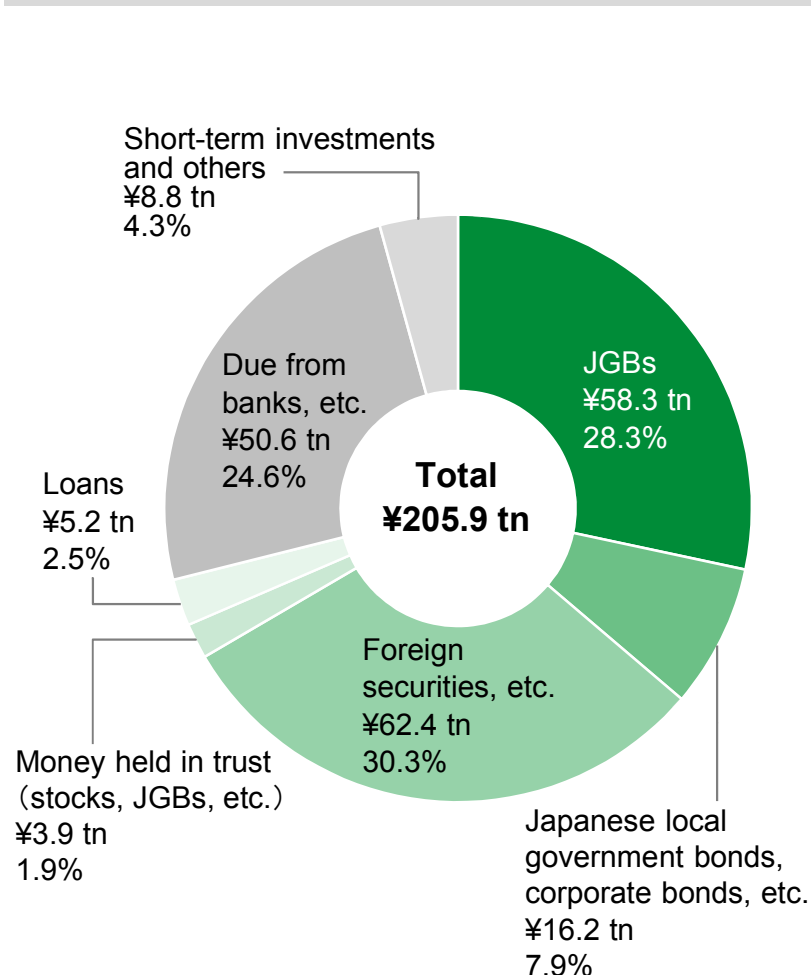
Interest Rate Spread

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2018 (A)	March 31, 2019 (B)	
Yield on interest-earning assets (a)	0.74%	0.67%	(0.06)%
Total cost of funding (including general and administrative expenses) (b)	0.71	0.71	0.00
Interest rate on interest-bearing liabilities (c)	0.17	0.17	0.00
Overall interest rate spread (a) - (b)	0.03	(0.04)	(0.07)
Interest rate spread (a) - (c)	0.57	0.49	(0.07)

Asset Management Status

Non-consolidated

Included in investment assets as of March 31, 2019, JGBs were ¥58.3tn and foreign securities, etc. were ¥62.4tn



(¥bn)					
Categories	As of March 31, 2018 (A)	%	As of March 31, 2019 (B)	%	Increase (Decrease) (B) – (A)
Securities	139,201.2	67.0	137,135.2	66.5	(2,065.9)
Japanese government bonds	62,749.7	30.2	58,356.5	28.3	(4,393.1)
Japanese local government bonds, corporate bonds, etc. (*)	17,152.6	8.2	16,279.1	7.9	(873.5)
Foreign securities, etc.	59,298.8	28.5	62,499.5	30.3	3,200.7
Foreign bonds	20,244.3	9.7	22,035.5	10.6	1,791.1
Investment trusts (**)	39,042.6	18.7	40,433.9	19.6	1,391.2
Money held in trust (stocks, JGBs, etc.)	4,241.5	2.0	3,990.7	1.9	(250.7)
Domestic stocks	2,286.1	1.1	2,141.7	1.0	(144.3)
Loans	6,145.5	2.9	5,297.4	2.5	(848.1)
Due from banks, etc. (***)	49,314.6	23.7	50,674.2	24.6	1,359.6
Short-term investments and others (****)	8,830.6	4.2	8,877.5	4.3	46.8
Total	207,733.5	100.0	205,975.2	100.0	(1,758.3)

* “Japanese local government bonds, corporate bonds, etc.” consists of Japanese local government bonds, commercial paper, Japanese corporate bonds and Japanese stocks.

** Investment trusts are mainly invested in foreign bonds.

*** “Due from banks, etc.” consists of negotiable certificates of deposit, Bank of Japan deposits and monetary claims bought.

**** “Short-term investments and others” consists of call loans, receivables under resale agreements and receivables under securities borrowing transactions, etc.

Unrealized Gains (Losses) on Financial Instruments

Non-consolidated

Net unrealized gains on financial instruments (available-for-sale) after taking into consideration of gains (losses) from hedge accounting were ¥3,427.4bn as of March 31, 2019 (before application of tax effect accounting)

(¥bn)

	As of March 31, 2018		As of March 31, 2019	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Held-to-maturity securities	31,458.9	1,003.5	27,242.5	793.1

(¥bn)

	As of March 31, 2018		As of March 31, 2019	
	Amount on the balance sheet / Notional amount	Net unrealized gains (losses) / Net deferred gains (losses)	Amount on the balance sheet / Notional amount	Net unrealized gains (losses) / Net deferred gains (losses)
Available-for-sale	112,245.7	3,769.9	114,193.4	3,517.2
Securities (A)	108,083.5	1,912.0	110,241.9	2,128.5
Japanese government bonds	33,645.7	1,129.9	33,340.6	1,167.6
Foreign bonds	20,211.9	375.3	22,003.0	637.7
Investment trusts	39,042.6	265.8	40,433.9	184.9
Others	15,183.1	140.8	14,464.2	138.2
Effect of fair value hedge accounting (B)		568.7		266.4
Money held in trust (C)	4,162.2	1,289.2	3,951.4	1,122.2
Domestic stocks	2,286.1	1,262.0	2,141.7	1,106.4
Others	1,876.1	27.1	1,809.7	15.8
Derivatives for which deferred hedge accounting is applied (D)	11,326.5	4.4	14,366.1	(89.8)
Total (A) + (B) + (C) + (D)		3,774.4		3,427.4

Unrealized Gains (Losses) on Financial Instruments

Non-consolidated

(1) Held-to-maturity Securities

(Millions of yen)

	As of March 31, 2018 (A)		As of March 31, 2019 (B)		Increase (Decrease) (B) – (A)	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Japanese government bonds	29,103,961	958,146	25,015,921	755,550	(4,088,039)	(202,596)
Japanese local government bonds	—	—	533,474	4,001	533,474	4,001
Japanese corporate bonds	2,322,529	37,283	1,660,749	28,626	(661,780)	(8,656)
Others	32,433	8,144	32,433	5,014	—	(3,130)
Foreign bonds	32,433	8,144	32,433	5,014	—	(3,130)
Total	31,458,923	1,003,574	27,242,577	793,192	(4,216,345)	(210,381)

Note: Net unrealized gains (losses) shown above are calculated by deducting the amount on the balance sheet from the fair value.

(2) Available-for-sale Securities

(Millions of yen)

	As of March 31, 2018 (A)		As of March 31, 2019 (B)		Increase (Decrease) (B) – (A)	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Japanese stocks	28,790	396	96,909	5,124	68,118	4,728
Bonds	48,444,750	1,273,206	47,326,243	1,298,872	(1,118,506)	25,665
Japanese government bonds	33,645,763	1,129,996	33,340,646	1,167,684	(305,117)	37,688
Japanese local government bonds	6,405,190	62,426	5,850,490	50,706	(554,700)	(11,720)
Commercial paper	229,998	—	220,998	—	(8,999)	—
Japanese corporate bonds	8,163,797	80,783	7,914,108	80,481	(249,689)	(302)
Others	59,609,979	638,419	62,818,814	824,586	3,208,834	186,166
Foreign bonds	20,211,925	375,390	22,003,095	637,751	1,791,169	262,360
Investment trusts	39,042,659	265,830	40,433,941	184,918	1,391,282	(80,912)
Total	108,083,520	1,912,022	110,241,967	2,128,583	2,158,447	216,561

Notes: 1. Securities shown above include “securities,” negotiable certificates of deposit, which is recorded under “cash and due from banks,” and “monetary claims bought.”

2. Net unrealized gains (losses) shown above are calculated by deducting the acquisition cost from the amount on the balance sheet.

3. Of net unrealized gains (losses) shown above, ¥266,443 million and ¥568,753 million losses were included in the statements of income for the fiscal years ended March 31, 2019 and 2018, respectively, because of the application of fair value hedge accounting.

4. Investment trusts are mainly invested in foreign bonds.

5. Impairment loss for the fiscal year ended March 31, 2019 amounted to ¥8,063 million. No impairment loss was recognized for the fiscal year ended March 31, 2018.

Unrealized Gains (Losses) on Financial Instruments

Non-consolidated

(3) Money Held in Trust Classified as Available-for-sale

(Millions of yen)

	As of March 31, 2018 (A)		As of March 31, 2019 (B)		Increase (Decrease) (B) – (A)	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Money held in trust classified as available-for-sale	4,162,251	1,289,201	3,951,489	1,122,266	(210,761)	(166,935)
Domestic stocks	2,286,148	1,262,041	2,141,784	1,106,458	(144,363)	(155,583)
Domestic bonds	1,256,039	27,061	1,195,685	17,468	(60,354)	(9,593)

Notes: 1. Net unrealized gains (losses) shown above are calculated by deducting the acquisition cost from the amount on the balance sheet.

2. Impairment losses on money held in trust which is classified as available-for-sale for the fiscal years ended March 31, 2019 and 2018 amounted to ¥3,573 million and ¥1,088 million, respectively.

(4) Derivatives under Hedge Accounting (Deferred Hedge Accounting)

(Millions of yen)

	As of March 31, 2018 (A)		As of March 31, 2019 (B)		Increase (Decrease) (B) – (A)	
	Notional amount	Net deferred gains (losses)	Notional amount	Net deferred gains (losses)	Notional amount	Net deferred gains (losses)
Interest rate swaps	6,341,492	(110,021)	7,839,145	(122,376)	1,497,652	(12,355)
Currency swaps	4,925,816	117,531	6,527,044	32,497	1,601,228	(85,033)
Foreign exchange forward contracts	59,257	(3,014)	—	—	(59,257)	3,014
Total	11,326,565	4,495	14,366,189	(89,879)	3,039,623	(94,375)

Notes: 1. Net deferred gains (losses) are those before application of tax effect accounting.

2. Hedged instruments are mainly available-for-sale securities.

Total (2) + (3) + (4)

(Millions of yen)

	As of March 31, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Total net unrealized gains (losses)	3,774,473	3,427,414	(347,058)

Note: Total net unrealized gains (losses) exclude gains (losses) which are included in the statements of income because of the application of fair value hedge accounting.

Exposure Profile of Investment Assets

Non-consolidated

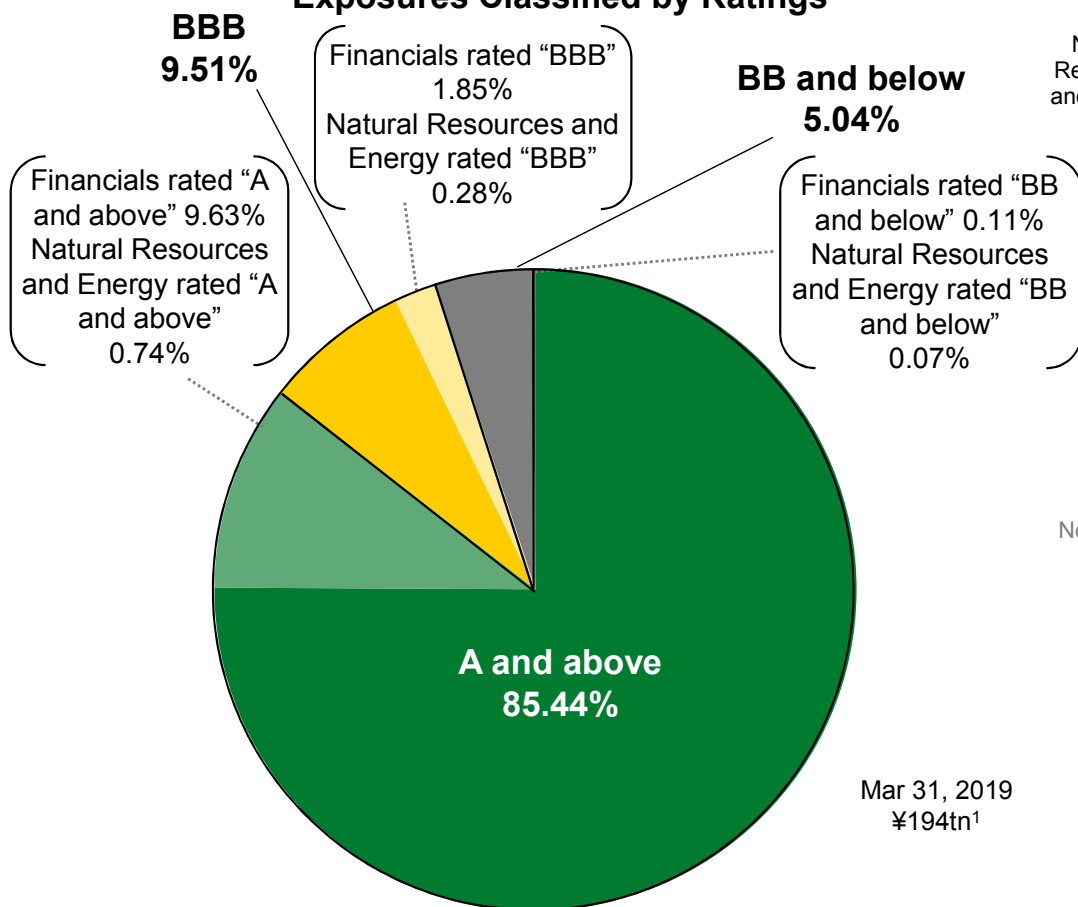
Breakdown of the Bank's investment assets,

By credit rating: around 85% are rated A or above, and around 95% are rated IG (BBB or above)

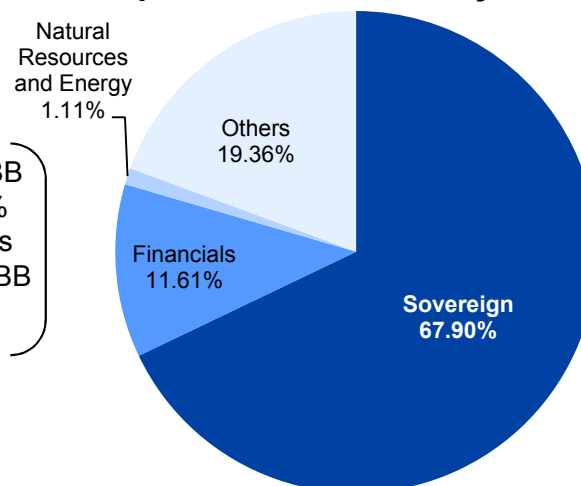
By sector: around 68% are Sovereign, and around 12% are Financials

By region: around 70% are Japan, and around 17% are North America

Exposures Classified by Ratings

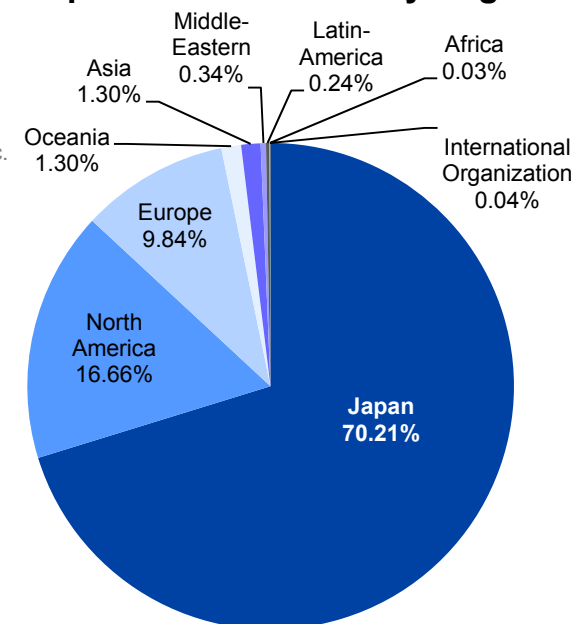


Exposures Classified by Sector



Note: "Sovereign" includes exposures to national and/or local governments and central banks, etc.

Exposures Classified by Region



- Notes: 1. The range of assets covered in this page includes bonds and/or loans to sovereign entities, financial institutions and industrial corporations, etc.
2. Exposures are calculated on the management accounting and book value basis.
3. Rating categories are based on the Bank's internal ratings.

Development of Yen Rates Risk Assets and Risk Assets

Non-consolidated

(management accounting basis)

Yen Rates Risk Assets

¥117tn [vs FY2018/3 end (¥5tn)]
(JGB balance decreased, reflecting prolonged historically low interest rate environment)

(¥tn, figures are rounded)

	Mar 31, 2018	Mar 31, 2019	Increase (Decrease)
Short-term assets ¹	55	55	+1
Bonds held to maturity — JGBs, Government guaranteed bonds	31	27	(5)
Available-for-sale securities — JGBs, Government guaranteed bonds ²	35	35	(0)

Notes: 1. Short-term assets include cash and due from banks, call loans/receivables under securities borrowing transactions/T-bills (excl. those in trust), short-term corporate bonds, etc.
2. JGBs contained in money held in trust are included in the Yen rates risk assets.
3. Exclude foreign securities included in strategic investment area.

Risk Assets

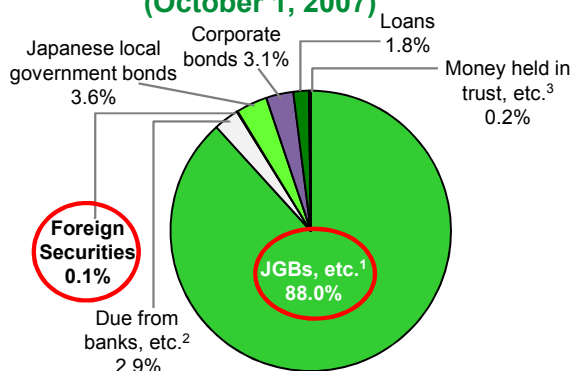
¥82tn [vs FY2018/3 end +¥3tn]
(Further expansion of risk assets)

(¥tn, figures are rounded)

	Mar 31, 2018	Mar 31, 2019	Increase (Decrease)
Available-for-sale securities — Japanese local government bonds — Corporate bonds, etc. — Foreign securities, etc. ³ [Investment trusts]	6 8 58 [38]	6 8 60 [38]	(1) (0) +2 [+0]
Bonds held to maturity — Japanese local government bonds — Corporate bonds, etc. — Foreign securities, etc.	- - 0	1 0 0	+1 +0 -
Loans	2	2	+0
Money held in trust, etc. (Stocks) ^{2,3}	3	2	(0)
Strategic investment area	2	3	+1

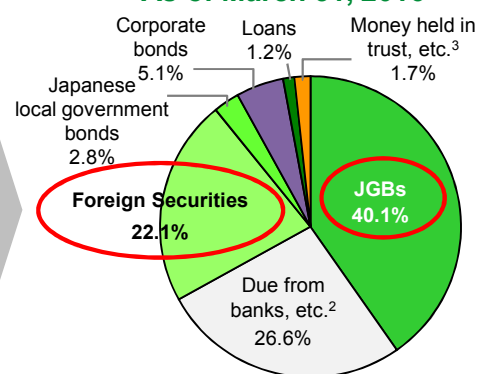
Change in Investment Portfolio

Upon Corporatization (October 1, 2007)



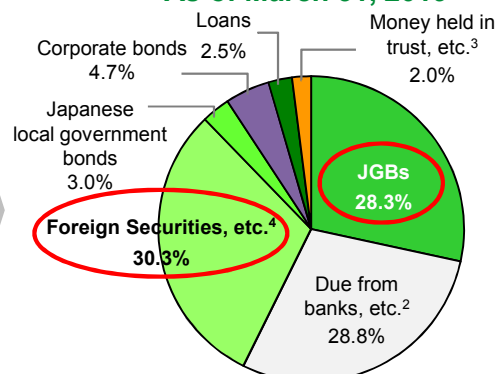
Unrealized gains (losses)	Bonds held to maturity	—
	Available-for-sale securities	—

As of March 31, 2016



¥2,208.3bn
¥4,186.4bn

As of March 31, 2019



¥793.1bn
¥3,427.4bn

Notes:

- JGBs, etc. includes deposits to the Fiscal Loan Fund which were postal savings funds deposited with the Ministry of Finance Japan. All deposits to the Fiscal Loan Fund were redeemed through November 2010.
- Due from banks, etc. includes negotiable certificates of deposits, BOJ deposits, monetary claims bought, call loans, receivables under securities borrowing transactions and receivables under resale agreements.
- Money held in trust, etc. includes equity securities of affiliated companies, etc.
- Foreign securities, etc. includes collective investment scheme, etc.

Net Gains and Losses by Portfolio

Non-consolidated

Net Gains and Losses (Including Fees and Expenses, Management Accounting Basis)

(Average balance: ¥tn, Net gains (losses): ¥bn)

	FY2015/3		FY2016/3		FY2017/3		FY2018/3	
	Average balance	Net gains (losses)	Average balance	Net gains (losses)	Average balance	Net gains (losses)	Average balance	Net gains (losses)
Total portfolio (BP + SP)	194.2	559.9	196.5	480.4	197.5	433.0	198.9	438.4
Base portfolio (BP)	151.7	94.7	141.7	(35.6)	131.5	(243.3)	124.6	(380.0)
BP customer-based funding and marketing	-	(222.4)	-	(250.4)	-	(399.6)	-	(571.8)
BP investment side, etc.	-	317.2	-	214.7	-	156.3	-	191.8
Satellite portfolio (SP)	42.4	465.1	54.8	516.0	66.0	676.4	74.2	818.5

	FY2019/3	
	Average balance	Net gains (losses)
Total portfolio	198.4	363.5
Yen rates portfolio	117.9	(420.3)
Customer-based funding and marketing	-	(721.5)
Investment side, etc.	-	301.1
Risk assets	80.4	783.9

Notes: Average balance of the respective portfolios are calculated as the average of the beginning and ending balances for each period.

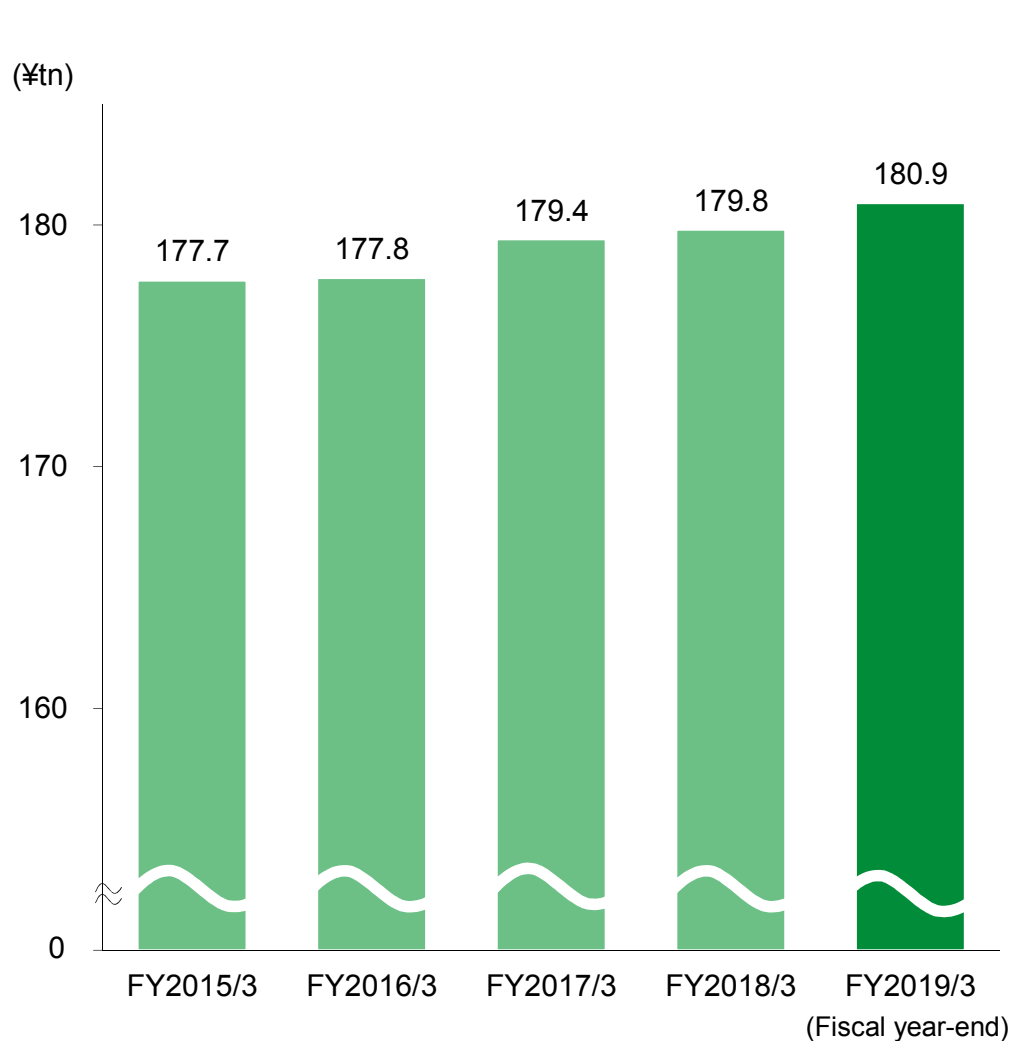
Net gains and losses are calculated by the below formula. Total of net gains and losses for each portfolio are largely equal to the Bank's net ordinary income.

Net gains/losses = Net interest income, etc. (Interest income - Interest expenses (including net gains and losses on sales, etc.)) + Net fees and commission income (Fees and commission income - Fees and commission expenses) - Expenses (equivalent to general and administrative expenses in our statement of income)

Deposit Balance

Non-consolidated

Deposit balance as of March 31, 2019 was ¥180.9tn, which remained stable



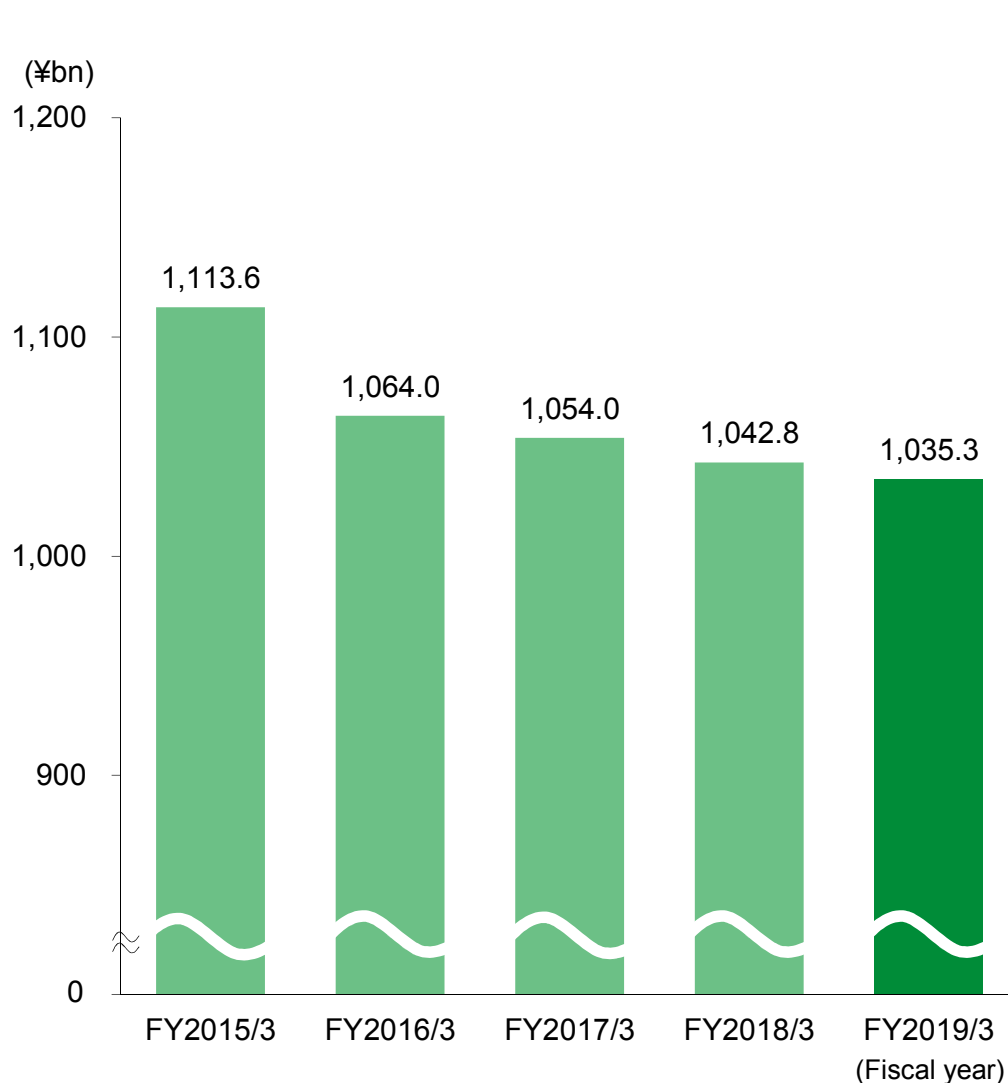
	As of March 31, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Liquid deposits	73.7	79.9	6.1
Transfer deposits	14.4	16.1	1.7
Ordinary deposits, etc. (*)	58.9	63.4	4.4
Savings deposits	0.3	0.4	0.0
Fixed-term deposits	105.9	100.9	(5.0)
Time deposits	8.6	7.0	(1.5)
TEIGAKU deposits	97.2	93.8	(3.4)
Other deposits	0.1	0.1	(0.0)
Total	179.8	180.9	1.1

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

General and Administrative Expenses

Non-consolidated

General and administrative expenses for the fiscal year ended March 31, 2019 decreased by ¥7.4bn year on year to ¥1,035.3bn



	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2018 (A)	March 31, 2019 (B)	
Personnel expenses (*)	126.4	124.2	(2.2)
Salaries and allowances	103.3	101.6	(1.7)
Non-personnel expenses	838.9	841.6	2.7
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	598.1	600.6	2.5
Deposit insurance premiums paid to JAPAN POST HOLDINGS Co., Ltd.	5.6	1.6	(4.0)
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	60.5	59.6	(0.8)
Taxes and dues	77.4	69.5	(7.9)
Total	1,042.8	1,035.3	(7.4)

* Personnel expenses include non-recurring losses.

General and Administrative Expenses

Non-consolidated

	For the fiscal year ended				(Millions of yen, %)
	March 31, 2018 (A)		March 31, 2019 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Personnel expenses	126,471	12.12	124,201	11.99	(2,270)
Salaries and allowances	103,370	9.91	101,619	9.81	(1,750)
Others	23,101	2.21	22,582	2.18	(519)
Non-personnel expenses	838,925	80.44	841,648	81.28	2,723
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	598,116	57.35	600,661	58.01	2,544
Deposit insurance premiums paid to JAPAN POST HOLDINGS Co., Ltd. (*)	5,679	0.54	1,619	0.15	(4,060)
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	60,538	5.80	59,654	5.76	(884)
Rent for land, buildings and others	12,670	1.21	13,332	1.28	661
Expenses on consigned businesses	55,621	5.33	65,031	6.28	9,410
Depreciation and amortization	37,446	3.59	33,688	3.25	(3,757)
Communication and transportation expenses	19,088	1.83	18,635	1.79	(453)
Maintenance expenses	11,015	1.05	11,866	1.14	850
IT expenses	17,673	1.69	16,774	1.62	(898)
Others	21,074	2.02	20,385	1.96	(689)
Taxes and dues	77,462	7.42	69,527	6.71	(7,934)
Total	1,042,860	100.00	1,035,378	100.00	(7,481)

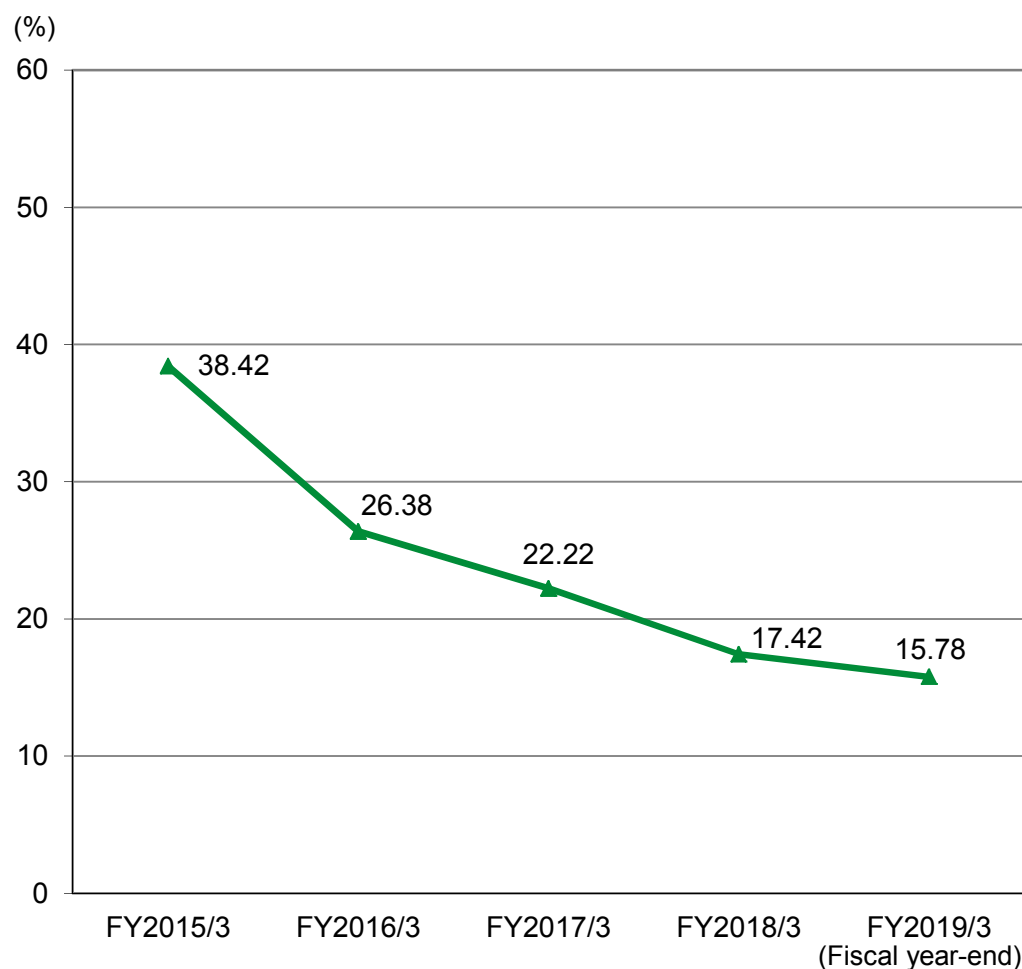
* The Bank makes subsidy payments to JAPAN POST HOLDINGS Co., Ltd. in accordance with Article 122 of the Postal Service Privatization Act.

Capital Adequacy Ratio

Non-consolidated
Consolidated

Capital adequacy ratio (non-consolidated, domestic standard) was 15.78% as of March 31, 2019

【Non-consolidated】



【Non-consolidated】

	As of March 31, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Total capital (a)	8,772.0	8,844.2	72.1
Total amount of risk-weighted assets (b)	50,343.5	56,033.5	5,690.0
Credit risk-weighted assets	47,574.7	53,334.0	5,759.3
Capital adequacy ratio (a) / (b)	17.42%	15.78%	(1.64)%

【Consolidated】

	As of March 31, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Total capital (a)	8,778.8	8,853.3	74.4
Total amount of risk-weighted assets (b)	50,342.2	56,004.5	5,662.2
Credit risk-weighted assets	47,573.4	53,305.1	5,731.6
Capital adequacy ratio (consolidated) (a) / (b)	17.43%	15.80%	(1.63)%

Detailed Information on Capital Adequacy

Non-consolidated
Consolidated

(1) Capital Adequacy Ratio (Non-consolidated, Domestic Standard)

(Millions of yen, %)

	As of March 31, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Core Capital: instruments and reserves (a)	8,801,141	8,879,601	78,460
Core Capital: regulatory adjustments (b)	29,070	35,388	6,318
Total capital (a) - (b) = (c)	8,772,071	8,844,213	72,141
Total amount of risk-weighted assets (d)	50,343,515	56,033,562	5,690,047
Credit risk-weighted assets	47,574,709	53,334,010	5,759,301
Market risk equivalent / 8%	—	—	—
Operational risk equivalent / 8%	2,768,805	2,699,551	(69,254)
Capital adequacy ratio (c) / (d)	17.42%	15.78%	(1.64)%

(2) Capital Adequacy Ratio (Consolidated, Domestic Standard)

(Millions of yen, %)

	As of March 31, 2018 (A)	As of March 31, 2019 (B)	Increase (Decrease) (B) – (A)
Core Capital: instruments and reserves (a)	8,807,898	8,888,716	80,818
Core Capital: regulatory adjustments (b)	29,075	35,398	6,322
Total capital (a) - (b) = (c)	8,778,822	8,853,318	74,496
Total amount of risk-weighted assets (d)	50,342,277	56,004,545	5,662,267
Credit risk-weighted assets	47,573,471	53,305,125	5,731,653
Market risk equivalent / 8%	—	—	—
Operational risk equivalent / 8%	2,768,805	2,699,419	(69,385)
Capital adequacy ratio (consolidated) (c) / (d)	17.43%	15.80%	(1.63)%

FY2020/3 Dividend Forecast

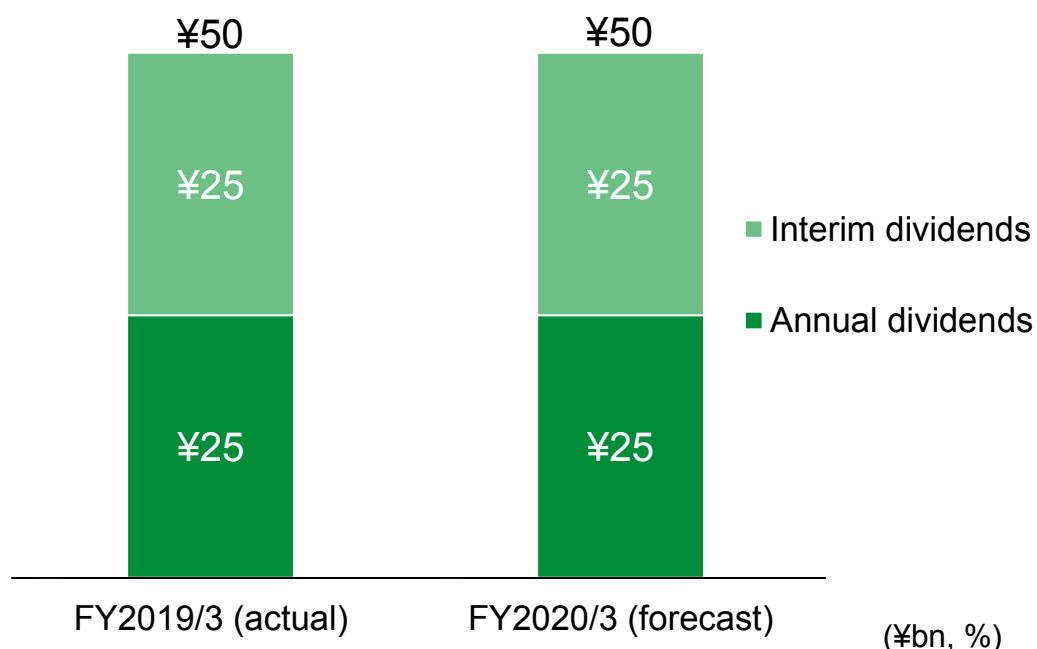
Consolidated

Dividend per share for the fiscal year ended March 31, 2019 is ¥50 (including interim dividends of ¥25)

Dividend per share for the fiscal year ending March 31, 2020 is expected to be ¥50 (including interim dividends of ¥25)

Actual result and forecast of dividends

<Dividend per share>

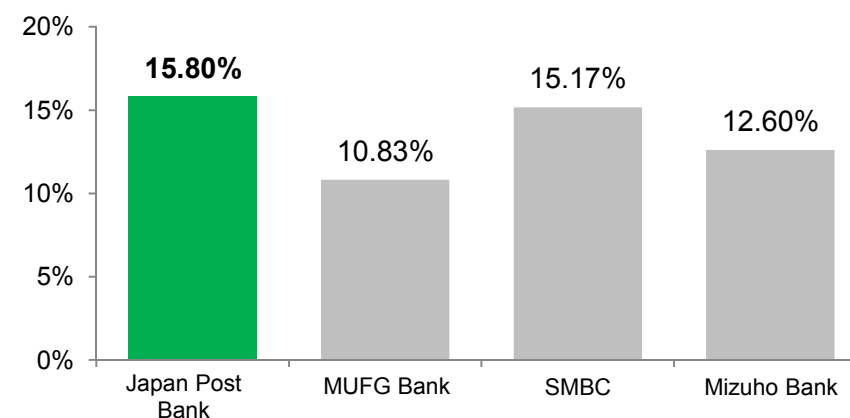


	For the fiscal year	
	ended March 31, 2019 (actual)	ending March 31, 2020 (forecast)
Total dividend payment	187.4	187.4
Dividend payout ratio	70.4%	69.4%

Dividend policy (until March 31, 2021)

1. The Bank aims to secure dividends of ¥50 per share
2. The Bank aims to maintain stable dividends per share
3. The Bank shall also consider the implementation of additional shareholder returns according to conditions such as future regulatory trends, income growth and adequacy of internal reserves

(Reference) Capital Adequacy Ratio (consolidated (banking unit), Mar 31, 2019)



Source: Corporate disclosure materials

Note: The Bank calculates capital adequacy ratio based on domestic standard (consolidated (banking unit)). MUFG Bank, SMBC, Mizuho Bank calculate common equity Tier 1 ratios based on uniform international standard (consolidated (banking unit)).

(Reference) Securitized Products Exposure

Non-consolidated

As of March 31, 2018 and March 31, 2019, the Bank held the following securitized products and other products.

The Bank's holdings of securitized products and others were limited to securitization exposure as final investor. The Bank has never originated any securitized products and thus has no exposure as an originator and no exposure to special purpose entities (SPEs) that should be consolidated.

(1) Securitized products(*)(**)(***)

(Billions of yen)

Region		As of March 31, 2018			As of March 31, 2019		
		Acquisition cost	Net unrealized gains (losses)	Credit ratings	Acquisition cost	Net unrealized gains (losses)	Credit ratings
Domestic	Residential mortgage-backed securities (RMBS)	1,277.4	36.1	AAA	1,305.7	40.1	AAA
	Subprime loan related	—	—	—	—	—	—
	Collateralized loan obligations (CLO)	49.2	0.1	A	—	—	—
	Other securitized products(****)	131.8	(0.1)	AAA	165.5	0.0	AAA
	Commercial mortgage-backed securities (CMBS)	—	—	—	—	—	—
	Collateralized debt obligations (CDO)	1.5	0.0	AAA	1.2	0.0	AAA
	Subtotal	1,459.9	36.2		1,472.5	40.2	
Overseas (*****)	Residential mortgage-backed securities (RMBS)	171.1	(8.1)	AAA	99.7	(11.6)	AAA
	Subprime loan related	—	—	—	—	—	—
	Collateralized loan obligations (CLO) (*****)	495.8	(16.8)	AAA	1,178.7	(6.0)	AAA
	Subtotal	666.9	(24.9)		1,278.5	(17.7)	
Total		2,126.9	11.2		2,751.1	22.5	

* The underlying assets provided are only those from multiple debtors comprising securitized products.

** No hedging activities against credit risks were made.

*** The above table does not include securitized products that might be included in investment trusts. The same shall apply hereinafter.

**** Other securitized products are securitized products of which underlying assets are mainly auto loan claims.

***** "Overseas" does not include U.S. government sponsored enterprises, etc. (GSEs) related products.

***** Collateralized loan obligations (CLO) in overseas are U.S. CLO.

(2) Structured investment vehicles (SIVs)

There were no investments in SIVs.

(3) Leveraged loans

There were no outstanding leveraged loans.

(4) Monoline insurer related products

There were no monoline insurer related exposures. In addition, the Bank has not extended credit to or executed credit derivative transactions with any monoline insurers.

Appendix

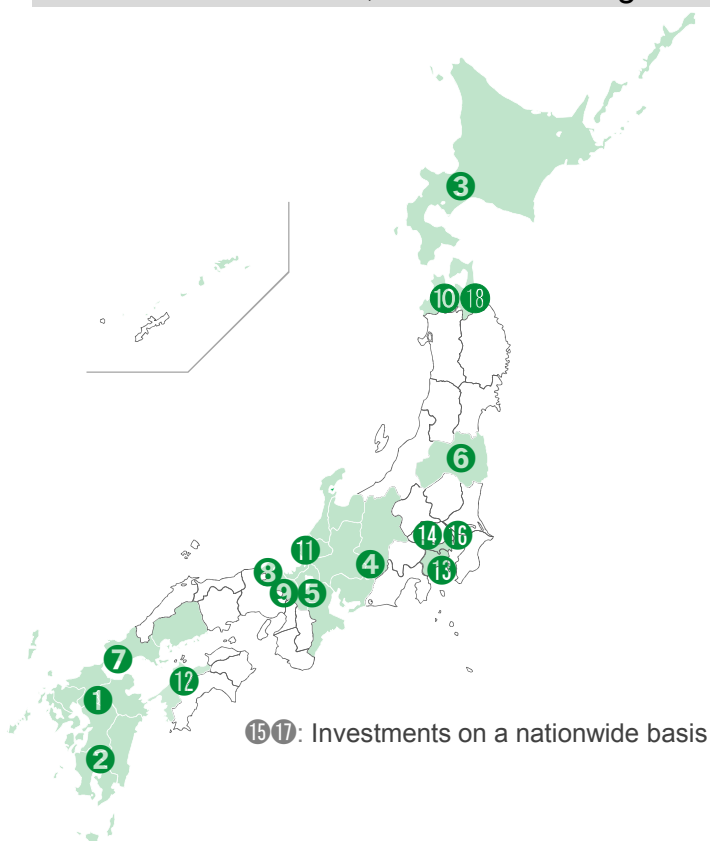
Funds Flow to Regional Communities

As an initiative to contribute to the vitalization of regional economies through collaboration with regional financial institutions, we have participated in regional funds as a fund investor (LP) since July 2016

As of March 31, 2019, we are participating in 18 funds

“MBC Shisaku 1 LP” received the Minister of State for Regional Revitalization’s Award for a “Characteristic Example of Initiatives by Financial Institutions, etc. Contributing to Regional Revitalization”(*)

(As of March 31, 2019)



* “MBC Shisaku 1 LP” (⑨) was chosen as a “Characteristic Example of Initiatives by Financial Institutions, etc. Contributing to Regional Revitalization” recognized by the Secretariat of the Headquarters for Overcoming Population Decline and Vitalizing Local Economy in Japan of the Cabinet Secretariat, and jointly received an award from the Minister of State for Regional Revitalization with other financial institutions including the Bank of Kyoto, Ltd. (March 26, 2019)

Notes: 1. As of establishment

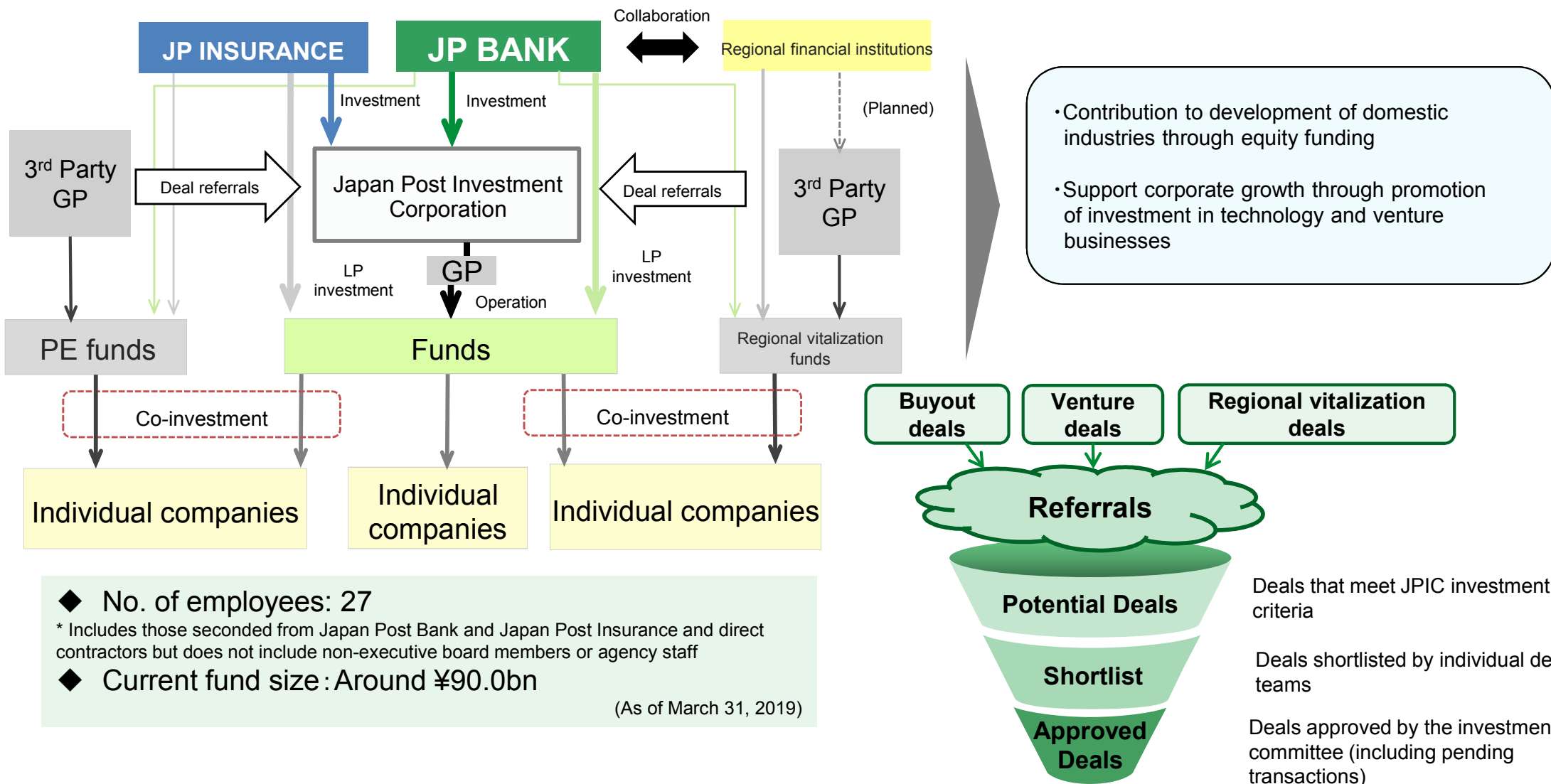
2. Targeted investment amount

	Name of Fund	Year/month of participation	Total fund amount
①	Kyushu Wide Area Reconstruction Assistance Investment LP	2016/ 7	Around ¥11.7bn
②	KFG Regional Enterprise Support Investment LP	2016/11	¥2.5bn
③	Hokkaido Growth Companies Support Investment LP	2016/11	¥0.2bn ¹
④	Chubu / Hokuriku Region Vitalization Investment LP	2017/ 4	¥5.0bn min. ²
⑤	Shiga Bank Core Business Support Investment LP	2017/ 6	¥0.6bn
⑥	Toho Business Succession Investment LP	2017/ 8	¥0.5bn
⑦	Kyushu Setouchi Potential Value Investment LP	2017/10	¥2.3bn ¹
⑧	MIYAKO Kyoto University Innovation LP	2017/11	Around ¥2.0bn ¹
⑨	MBC Shisaku 1 LP	2017/12	Around ¥2.0bn ²
⑩	Michinoku Regional Vitalization Investment LP	2018/ 3	¥0.5bn
⑪	Fukui Future Business Support Investment LP	2018/ 3	Around ¥0.5bn ¹
⑫	Ehime Regional Vitalization Investment LP	2018/ 3	¥0.3bn
⑬	Healthcare New Frontier Investment LP	2018/ 8	¥1.25bn
⑭	Tokyo SME Support 2 LP	2018/ 8	¥2.0bn
⑮	Succession Investment LP, I	2018/10	¥3.0bn
⑯	TOKYO Relationship No.1 Investment, L.P.	2018/12	¥3.4bn ¹
⑰	Kyoto-University-Venture NVCC No.2 Investment LP	2019/ 3	¥5.4bn
⑱	Aomori Bank Regional Vitalization LP	2019/ 3	Around ¥0.3bn

PE Investments through Japan Post Investment Corporation

Aim to expand revenues by capturing private equity investment opportunities via Japan Post Investment Corporation funds

Support investee companies by providing equity capital



Customer-Oriented Financial Services

“New Convenience” smartphone payment service



“Yucho Pay”

- Smartphone payment app using QR code (available from May 8, 2019)
- Efforts to increase number of partner companies and expand services

Features of Yucho Pay

Anyone can use it

- ✓ No screening required
- ✓ No age limit
- ✓ Easy-to-understand screen design

Direct Account Connection

- ✓ Real-time transfers from account
- ✓ No pre-charge required

Overwhelming number of physical network channels

- ✓ Face-to-face customer support
- ✓ Approaches to customer segment unfamiliar with smartphone payment



GMO Payment Gateway “Ginko Pay” Multibank¹ Payment Function

(as of May 8, 2019)



※Multi-bank payment function (serves across banks)



“Pay Rangers”
Yucho Pay PR characters

Note 1: A function enabling services to be used across banks and regions at all member stores of banks that have implemented “Ginko Pay” only described in the above chart (including those that plan to implement it).

Main ATM-Related Initiatives

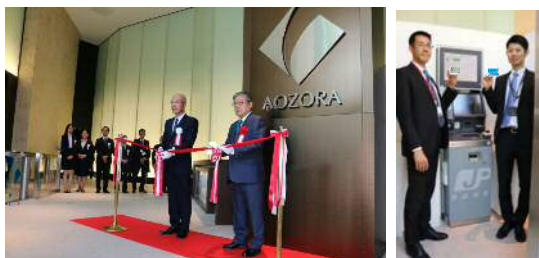
Provide an ATM network covering all of Japan with the largest number of ATMs
Expand win-win partnerships with regional financial institutions using the JP Bank ATM Network

【Win-win partnerships with regional financial institutions, etc.】

■ Installation of compact ATMs at other financial institutions

Compact JP Bank ATMs were installed at the central branch of The Shonai Bank, Ltd. (July 2017) and all branches of Aozora Bank, Ltd. (completed in November 2018)

Installation ceremony at Aozora Bank, Ltd.



ATM at The Shonai Bank, Ltd.



■ JP Bank's ATM Network Platform* with Regional Financial Institutions

Apr 2018 **The Juroku Bank, Ltd.:** Free ATM charge nationwide up to 4 times a month for customers who make a certain number of transactions

Oct 2018 **The Bank of Kyoto, Ltd.:** Free ATM charge during the day on weekdays (only in Osaka, Shiga, Nara, Hyogo, Aichi and Tokyo)

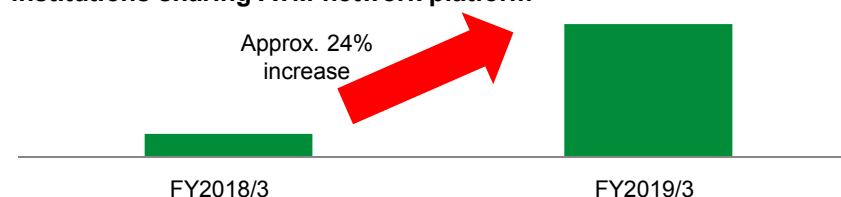
Mar 2019 **The Kagoshima Bank, Ltd.:** Free ATM charge during the day on weekdays in Okinawa

Apr 2019 **The Ehime Bank, Ltd.:** Free ATM charge nationwide up to 4 times a month during the day on weekdays

The Bank of Nagoya, Ltd.: Free ATM charge nationwide up to 4 times a month during the day on weekdays for customers who make a certain number of transactions

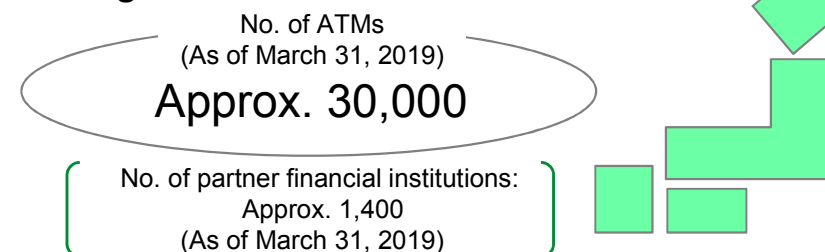
* A partnership arrangement for waiving fees when an ATM card of a regional financial institution is used at a JP Bank ATM. Terms and conditions for waiving fees are set by each financial institution.

No. of transactions at JP Bank ATMs used by customers of regional financial institutions sharing ATM network platform



【Nationwide ATM network with the largest number of ATMs in Japan】

■ Japan's largest ATM network



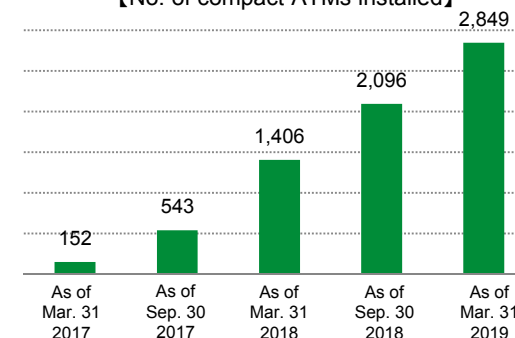
■ Increasing compact ATMs at FamilyMart, etc.

We are currently expanding the installation of compact ATMs compatible with 16 languages at FamilyMart and other locations

【JP Bank compact ATM】



【No. of compact ATMs installed】



Agency Commissions Paid to Japan Post Co., Ltd.

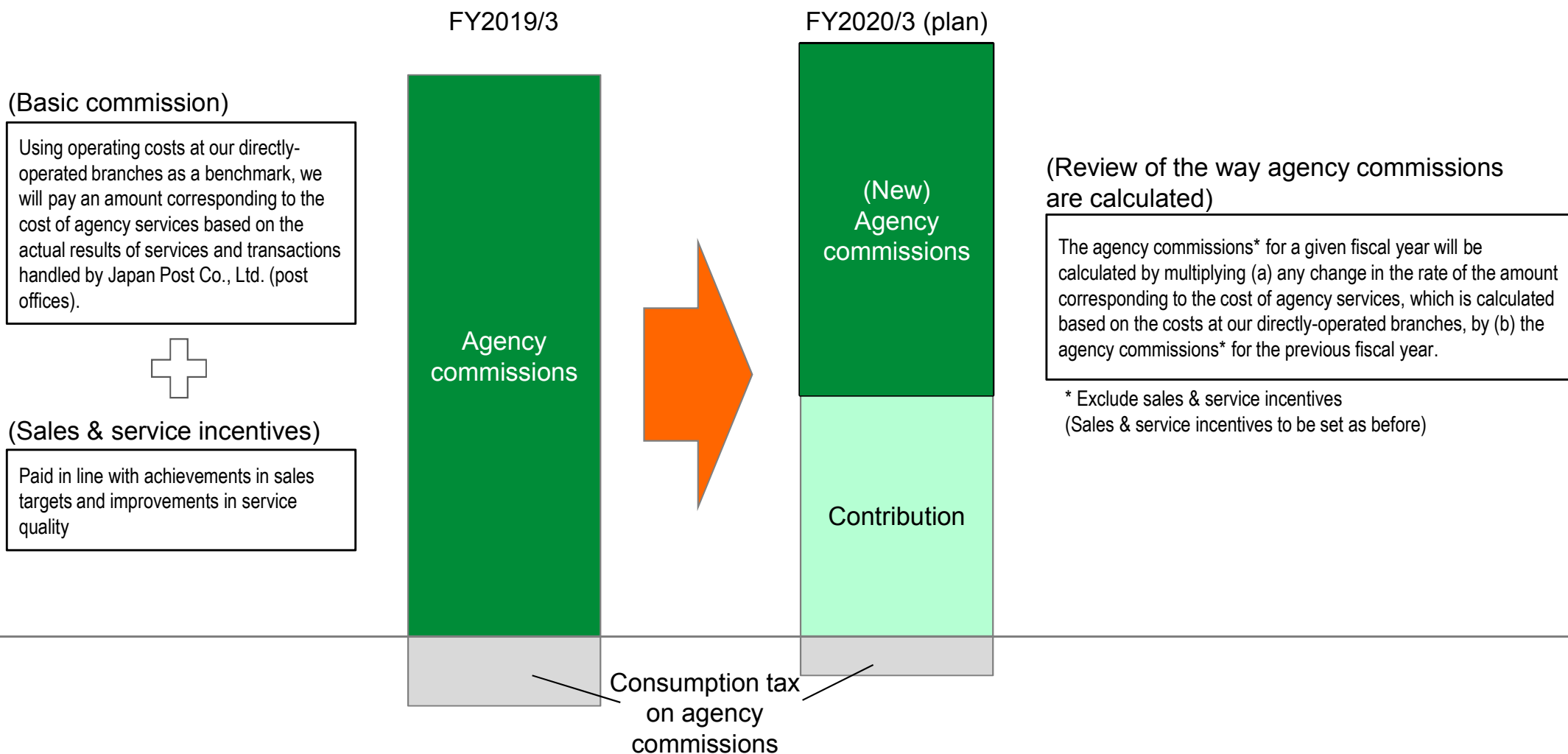
With the introduction of contribution for the support of postal service network (hereinafter called “contribution”), we are reviewing how to cover the cost of agency services provided by Japan Post Co., Ltd. using contribution and (new) agency commissions

The (new) agency commissions maintain a structure that reflects the improvement of operating efficiency of our directly-operated branches

Note that there has been a reduction in the consumption tax payable on agency commissions

The (new) agency commissions for FY2020/3 will be set by deducting the component covered by contribution from the amount corresponding to the cost of agency services

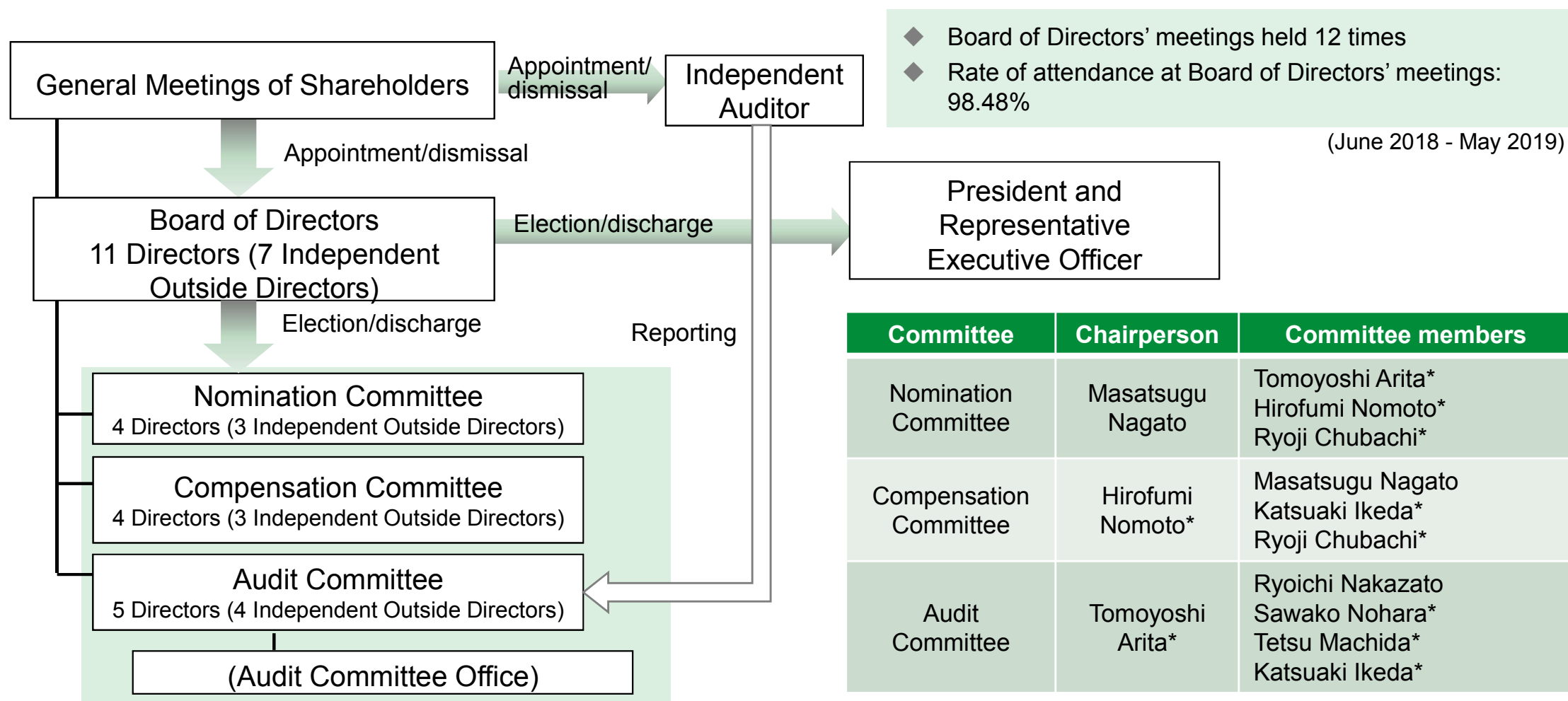
Furthermore, the calculation of the amount corresponding to the cost of agency services will reflect new factors in operating costs, in terms of further promoting a shift from savings to investment



Framework for Corporate Governance

- (1) Ensure management transparency with the adoption of a committees based system
- (2) Effective supervision by Outside Directors
(7 out of 11 Directors are Independent Outside Directors)*

* As of April 1, 2019



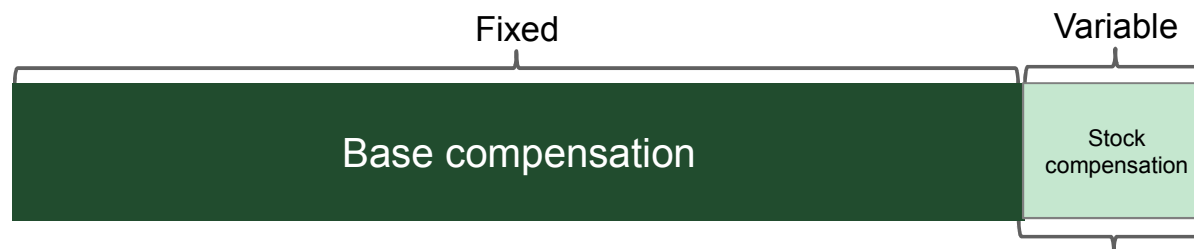
* Independent Outside Directors

Performance-Linked Stock Compensation System for Executive Officers

Introduction of performance-linked stock compensation system for Executive Officers in May 2016

Overview of performance-linked stock compensation system for Executive Officers

- The compensation of the Executive Officers of the Bank shall consist of a “base compensation” component as fixed compensation, and a “performance-linked stock compensation” component as variable compensation
- The objectives of the system are to further enhance the awareness of Executive Officers regarding the importance of contributing to sustainable growth and enhancing the Bank’s corporate value over the medium and long terms
- Points that are calculated by multiplying the sum of basic points corresponding to separately prescribed duties and evaluation points based on individual evaluation by a coefficient that varies according to the state of achievement of management targets shall be granted every year, and shares corresponding to the points accumulated at the time of retirement from office shall be provided. However, a certain percentage of this shall be paid in the form of money obtained by converting the shares into cash
- The system enables shares provided at the time of retirement to be reduced or not provided if the recipient has breached duties as an Executive Officer, etc.



Points are granted every year and shares are provided according to accumulated points at retirement

Employee stock ownership plan for management employees of the Bank's Investment Division

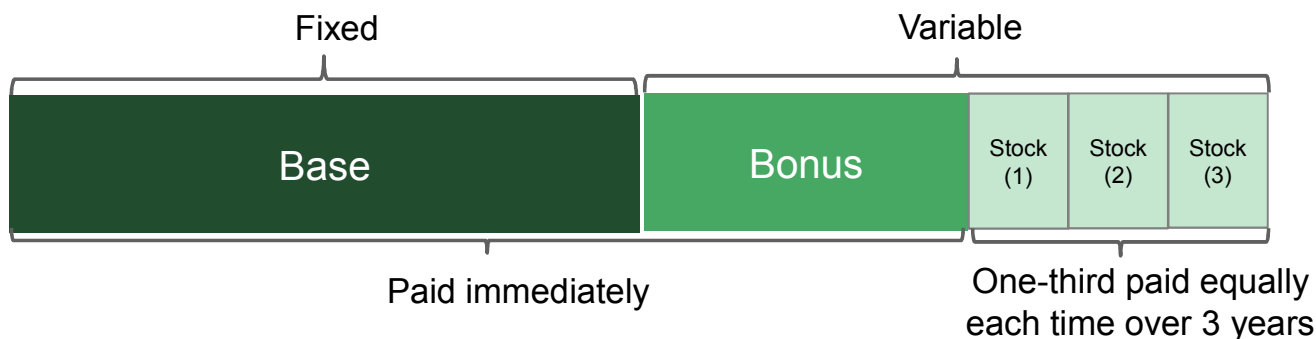
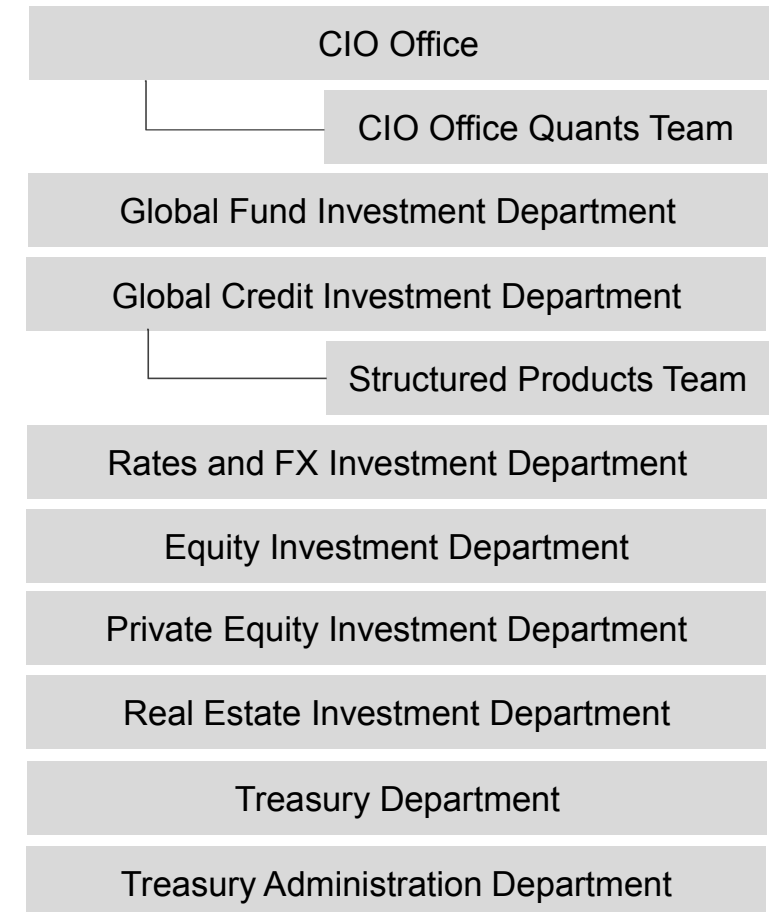
As part of our effort to promote diversification and sophistication of investment management, the Bank introduced employee stock ownership plan for management employees of the Bank's Investment Division in April 2016

Overview of employee stock ownership plan for management employees of the Bank's Investment Division

- The compensation of management employees of the Bank's Investment Division consists of fixed compensation and variable compensation (performance-linked portion)
- The variable compensation contains stock-based rewards, in addition to cash, as a compensation payment method that emphasizes the creation of longer-term corporate value
- In light of Japanese and overseas regulations and guidelines, the plan is implemented with a three-year deferral for granting the Bank's shares
- The Bank will be entitled to reduce or confiscate the deferred grant, depending on factors such as the earnings performance of the Bank or the employee

(as of May 7, 2019)

Investment Division



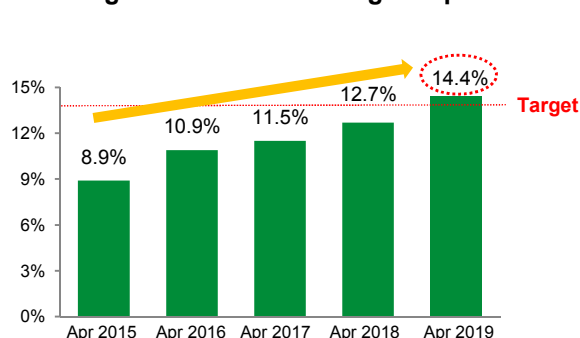
Diversity Management and Work-life Balance, etc.

We aim to increase diversity in our corporate culture and improve the working environment, enabling every employee to deliver their best performance

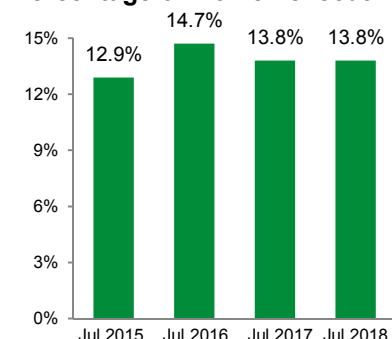
Empowerment of women

- Aiming to increase the percentage of women in managerial positions to 14% or more by April 1, 2021
- Aiming to increase the percentage of women to around 50% attendants of leadership training by introducing selective training

Percentage of women in managerial positions



Percentage of women executives*



* Executives defined by the Companies Act of Japan (directors and executive officers)

Supporting career development

Provision of opportunities for learning and encouraging career development

- Implementation of job level-based training
- Provision of self-development support
- Global human resource development (overseas dispatch and programs of studying at domestic and overseas universities, etc.)

External evaluation

Japan Post Bank was selected as a constituent of the following SRI Indexes. (as of December 2018)

< MSCI Japan Empowering Women Index (WIN) >



< Euronext Vigeo Eiris World Index 120 >



Japanese companies account for 19 of the 120 constituent companies of the Euronext Vigeo Eiris World Index 120. JP Bank was the only one of these selected from the finance industry. (As of December 1, 2018)

Work-life balance management

Creation of system combining “work” and “life” in an actively and autonomously manner

- Implementation of various kinds of training and seminars related to work-life balance
- Support system exceeding the standards prescribed in the Child Care and Family Care Leave Act
- Promotion of men's participation in child care (promote taking of men's child care leave, etc.)

Aiming for a rate of at least 13% of male employees taking child care leave

Employees Taking Child Care Leave¹ (%)

FY2017/3		FY2018/3		FY2019/3 ²	
Men	Women	Men	Women	Men	Women
9.9	100.0	10.4	101.9	13.5	99.3

Child Care Leave Return Rate (%)

FY2017/3		FY2018/3		FY2019/3	
Men	Women	Men	Women	Men	Women
100.0	100.0	100.0	97.5	100.0	95.5

Retention Rate After Child Care Leave Return (%)

○ 1 year or more

FY2016/3		FY2017/3		FY2018/3	
Men	Women	Men	Women	Men	Women
100.0	100.0	90.0	97.5	100.0	96.2

○ 3 years or more

FY2016/3	
Men	Women
100.0	95.2

Notes: 1. Employees Taking Child Care Leave (%) = The number of employees who commenced child care leave in a given fiscal year / the number of employees whose children were born in the fiscal year
2. The figures for FY2019/3 are for April 2018 to January 2019.

Supporting TCFD Recommendations

In response to climate change, Japan Post Bank supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and will promote initiatives based on the aims of the recommendations.

Review

(¥bn)



	FY2014/3	FY2015/3	FY2016/3	FY2017/3	FY2018/3	FY2019/3
Gross operating profit	1,568.7	1,634.7	1,452.0	1,410.2	1,462.3	1,327.0
Net interest income ¹	1,470.2	1,540.7	1,361.0	1,223.5	1,175.6	1,016.1
Net fees and commissions	92.6	89.2	91.1	86.6	96.4	106.7
General and administrative expenses ²	(1,096.0)	(1,114.7)	(1,066.1)	(1,056.1)	(1,045.0)	(1,037.5)
Provision for general reserve for possible loan losses	—	—	—	0.0	(0.0)	—
Net operating profit	472.6	519.9	385.8	354.0	417.3	289.4
Non-recurring gains (losses)	92.4	49.4	96.1	87.9	82.3	84.8
Net ordinary income	565.0	569.4	481.9	442.0	499.6	374.2
Extraordinary income (losses)	(0.6)	1.5	(1.1)	(1.4)	(0.7)	(4.1)
Net income	354.6	369.4	325.0	312.2	352.7	266.1
Total net assets	11,464.5	11,630.2	11,508.1	11,780.0	11,513.1	11,350.8
Total assets	202,512.8	208,179.3	207,056.0	209,568.8	210,630.6	208,970.4
Capital adequacy ratio (Domestic standard)	56.81%	38.42%	26.38%	22.22%	17.42%	15.78%
Number of employees ³	12,963	12,889	12,905	12,965	13,009	12,800
Average number of temporary employees ³	5,699	5,523	5,223	4,902	4,612	4,184
New employees ⁴	419	383	367	465	542	404
Net ordinary income	—	—	—	—	499.6	373.9
Net income attributable to owners of parent	—	—	—	—	352.7	266.1
Capital adequacy ratio (Domestic standard)	—	—	—	—	17.43%	15.80%

1. Net interest income is calculated by deducting interest expenses (excluding the expenses related to money held in trust) from interest income.

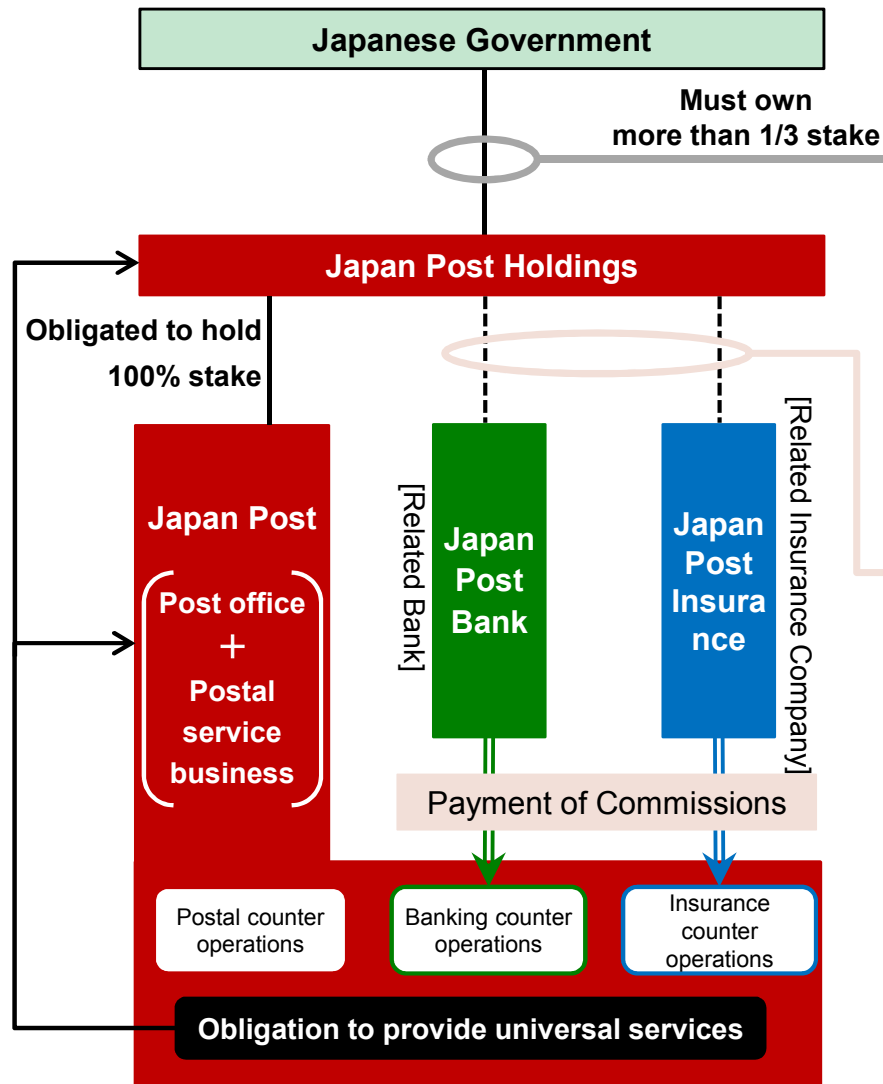
2. General and administrative expenses exclude non-recurring losses. 3. As of the end of each fiscal year. 4. As of the beginning of each fiscal year. The number of new employees in FY2020/3 is 234.

Appendix 2

Privatization and Listing Scheme of Japan Post Group

The Postal Service Privatization Act: the shares of Japan Post Holdings and the Two Financial Subsidiaries must be disposed within the earliest possible timeframe

Announcement by Japan Post Holdings: aim to list Japan Post Holdings, Japan Post Bank, and Japan Post Insurance concurrently
Japan Post Holdings initially plans to incrementally dispose of its holdings in the
Two Financial Subsidiaries until its ownership of each is reduced to around 50%



Shareholding requirements/sale policy pursuant to the Postal Service Privatization Act

- The Japanese government must reduce its equity interest in Japan Post Holdings within the earliest possible timeframe. However, it shall maintain an equity interest that exceeds one-third
- Japan Post must be wholly-owned by Japan Post Holdings
- Japan Post Holdings is required to dispose of its entire interest in the Two Financial Subsidiaries (Japan Post Bank and Japan Post Insurance) within the earliest possible timeframe in light of the condition of their businesses, and having regard to the impact on the ability of Japan Post Holdings and Japan Post Co. to fulfill their obligations to provide access to universal services

Japan Post Holdings: Announcement on Dec. 26, 2014

(Concurrent initial public offerings)

- Japan Post Holdings aims to conduct initial public offerings of the Two Financial Subsidiaries concurrently with the initial public offering of Japan Post Holdings

(Reduction of Japan Post Holdings' equity interests in the Two Financial Subsidiaries)

- In light of increasing management flexibility of the Two Financial Subsidiaries, Japan Post Holdings initially plans to incrementally dispose of its holdings in the Two Financial Subsidiaries until its ownership of each is reduced to around 50%, while maintaining the group's unity and comprehensive strength

“Retail Financial Institution that Caters to All Segments of Society” and “One of the Largest Institutional Investors in Japan”

“One of the largest retail financial institutions in Japan” providing essential financial services mainly through the post office network
 “One of the largest institutional investors in Japan” with its securities-centered portfolio aiming to diversify through global asset allocation

Customer Base

One of the largest retail customer bases in Japan with “accessible and trusted brand”

- Around 120mn ordinary deposit accounts
- Deposit balance ¥180.9tn (as of March 31, 2019)

Channels

Significant network channels covering a broad range of customers

- Nationwide network of post offices as the main channel
- Largest number of ATMs nationwide, internet banking

Products and Services

Essential financial services for individual customers

- Focus on basic financial services essential to individual customers such as savings, remittances, investment trusts, loans and other services

Asset Management

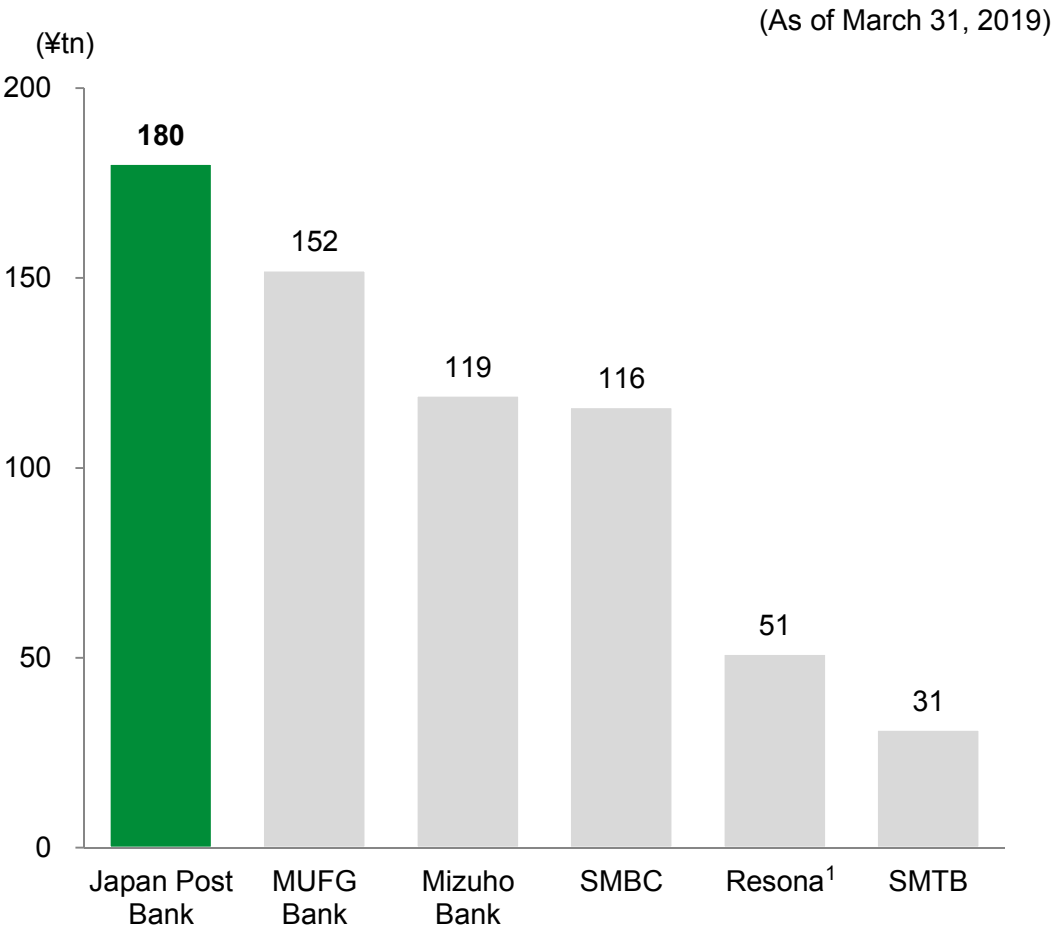
Diversification of investment portfolio while maintaining securities-centered portfolio

- Planning to diversify revenue source by expanding credit exposure and increasing global asset allocation

Retail financial institution with customers from all segments of society

One of the largest institutional investors in Japan

Deposit Ranking of Japanese Banks



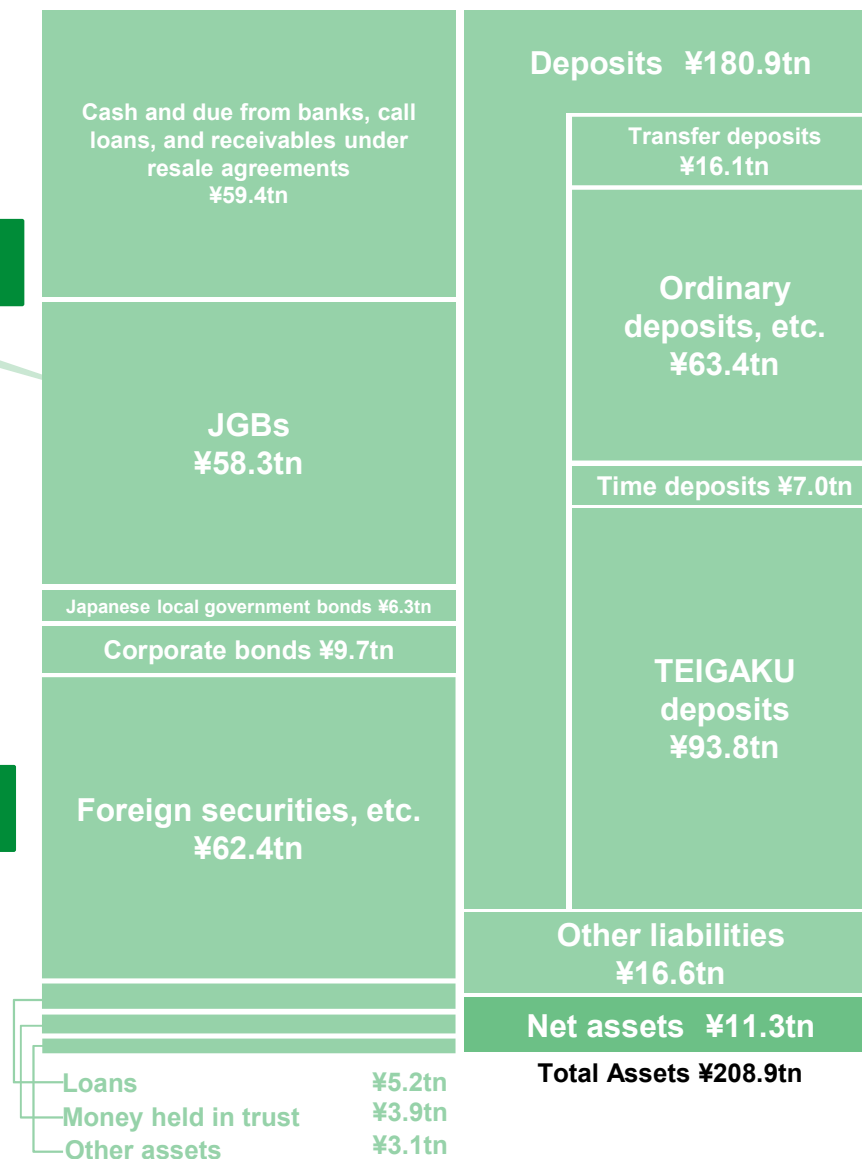
Source: Company disclosures, subsidiary bank non-consolidated basis
 Note: Excluding negotiable certificate of deposits.
 1. Aggregate deposit balance of Resona Bank, Saitama Resona Bank, Kansai Urban Banking Corporation, Kinki Osaka Bank and Minato Bank.

Note: Ordinary deposit accounts are as of March 31, 2019.

Strategic & Financial Highlights

1. Maintained Stable Profit under Economic Volatility

Condensed Balance Sheet (As of March 31, 2019)



4. Investment Strategy having Secured Stable Profits

2. Retail Marketing Capability through the Largest Network among Japanese Banks

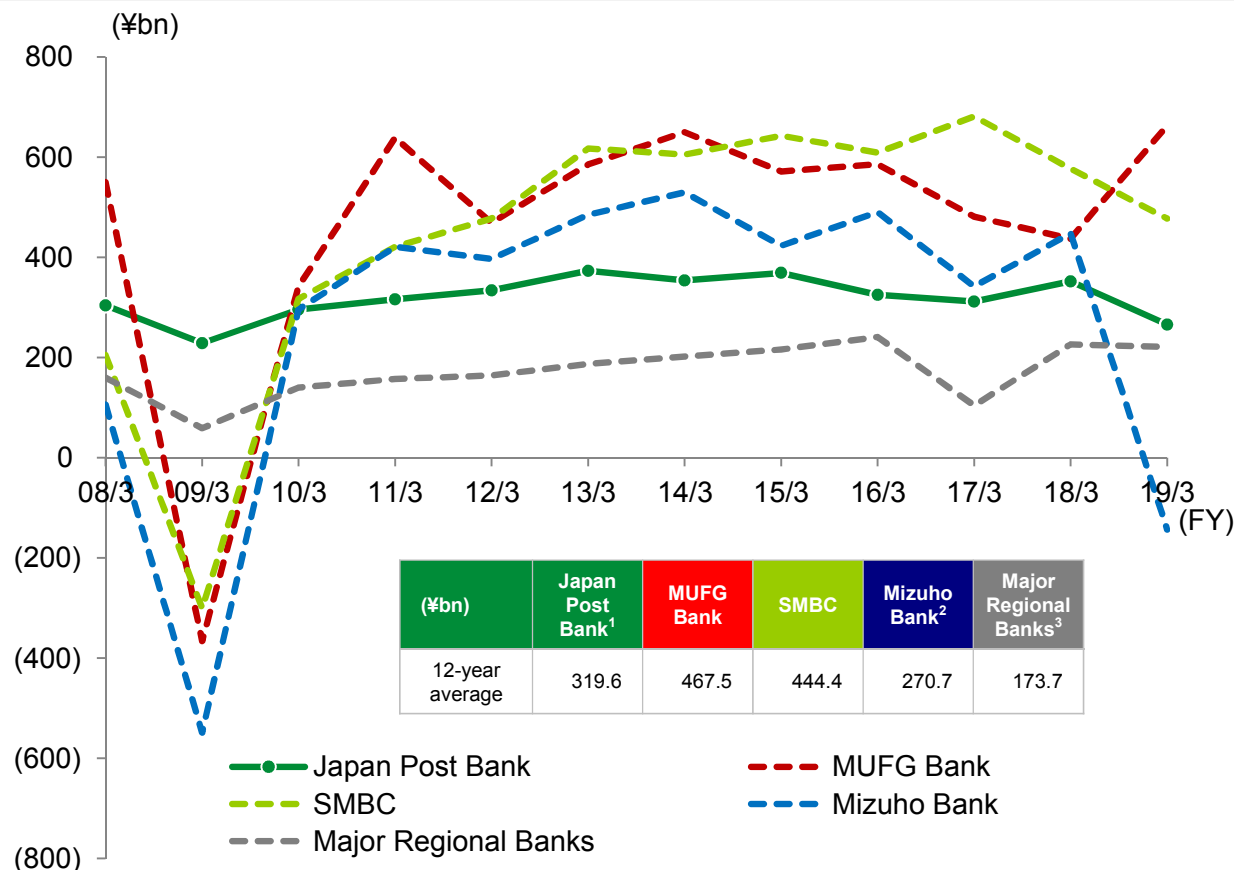
5. Growth Strategy and Compelling/Stable Shareholder Return

3. Solid Capital Base

Stable Profits through Retail Funding and Market Investment

Maintained stable profits up to FY2019/3 with its funding structure and investment portfolio resilient to economic fluctuation
Our differentiated business model (retail funding/market investment) supported by ALM strategy and cost control is key to stable profits

History of Net Income
(Comparison with megabanks and major regional banks since corporatization of Japan Post Bank)



Source: Company disclosures Note: Subsidiary bank data are on a non-consolidated basis (excl. Fukuoka FG)

1. Net income of Japan Post Bank for FY2008/3 is shown as double the net income from Oct. 1, 2007 to Mar. 31, 2008.

2. FY2014/3 for Mizuho Bank is calculated by simply adding 1Q net income of “former” Mizuho Bank to the full year net income of “new” Mizuho Bank (ex. Mizuho Corporate Bank).

3. Major Regional Banks include The Bank of Yokohama, Shizuoka Bank, Chiba Bank, Joyo Bank (non-consolidated basis, a subsidiary of Mebuki FG) and Fukuoka FG (consolidated). Figures shown are the aggregate net income of these banks.

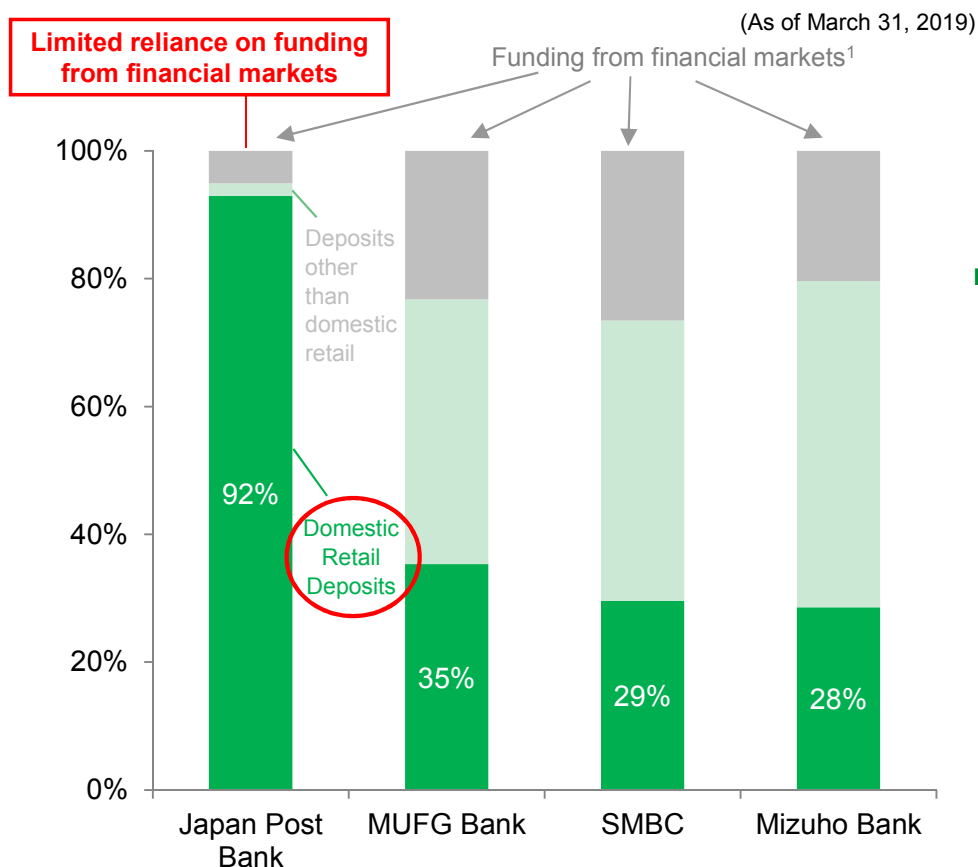
Stable/Low-cost Funding through Significant Network and Customer Base

Over 90% of our funding is retail deposits – relatively stable and low-cost funding structure compared to market-based funding

Post offices, Japan's largest physical network that covers every municipality in Japan, are our main channel

We hold a retail deposit market share of around 20%

Breakdown of Funding Sources



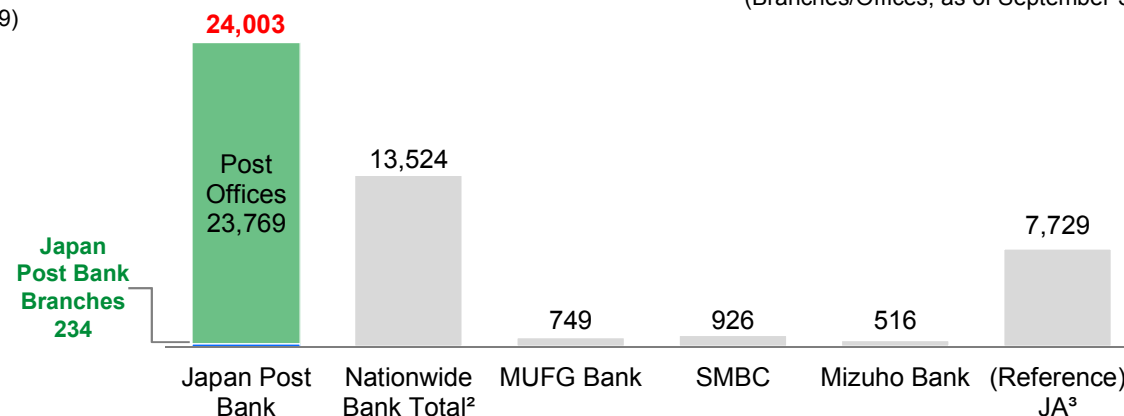
Source: Company disclosures

Note: Subsidiary bank non-consolidated basis.

1. Funding from financial markets includes negotiable certificates of deposit, call money, payables under repurchase agreements, payables under securities lending transactions, commercial paper, borrowings, bonds, etc.

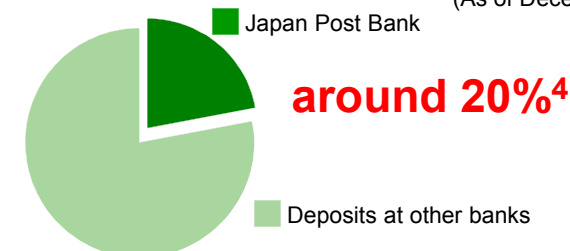
Domestic Branch Network

(Branches/Offices, as of September 30, 2018)



Estimated Share of Japan Post Bank Japanese Household Deposits

(As of December 31, 2018)



Source: Company disclosures, Japanese Bankers Association, JA Bank website

2. Nationwide bank total: domestic head office/branches and sub branches of 115 banks (excluding Japan Post Bank). Independent ATMs located outside of branches are not included in sub-branches, as of September 30, 2018.

3. Total of Japan Agricultural Cooperative and the Prefectural Credit Federations of Agricultural Cooperatives locations with exchange operations, as of March 31, 2018.

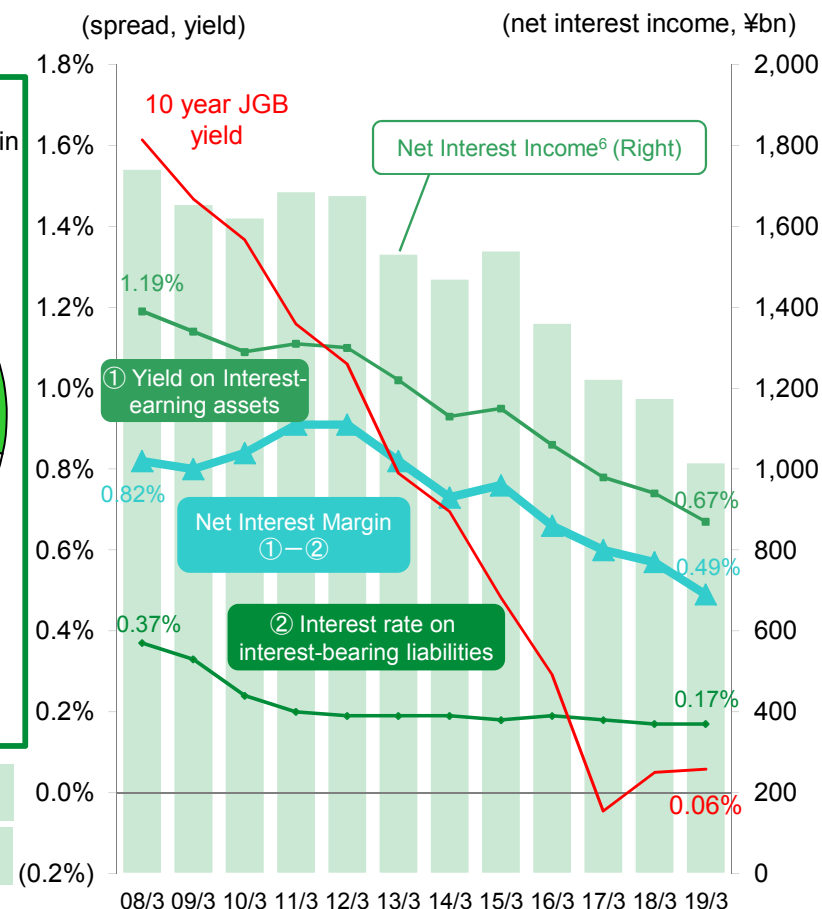
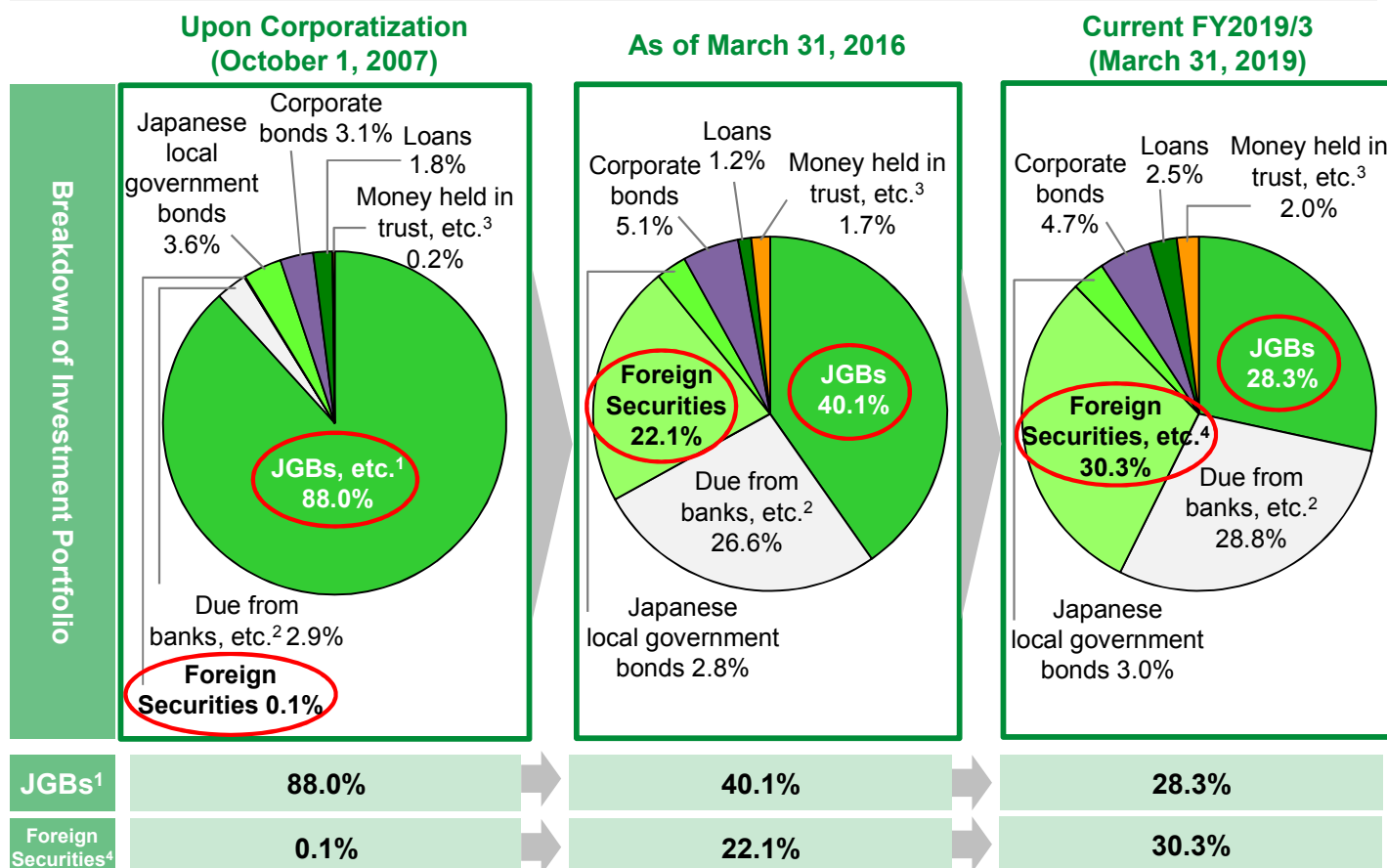
4. Retail deposits of Japan Post Bank as of December 31, 2018 / household deposits (from "Flow of Funds Accounts" released by Bank of Japan) as of December 2018.

Secured Stable Yield Under Historically Low Interest Rate Environment

Diversified revenue source and risks by taking credit exposure through foreign securities, etc. and global asset allocation
Realized relatively stable net interest margin despite historically low-level interest rate environment after corporatization

Change in Investment Portfolio

Historical Spread etc.⁵



1. JGBs, etc. includes deposits to the Fiscal Loan Fund which were postal savings funds deposited with the Ministry of Finance Japan. All deposits to the Fiscal Loan Fund were redeemed through November 2010.
2. Due from banks, etc. includes negotiable certificates of deposits, BOJ deposits, monetary claims bought, call loans, receivables under securities borrowing transactions and receivables under resale agreements.
3. Money held in trust, etc. includes equity securities of affiliated companies, etc.
4. Foreign securities, etc. includes collective investment scheme, etc.

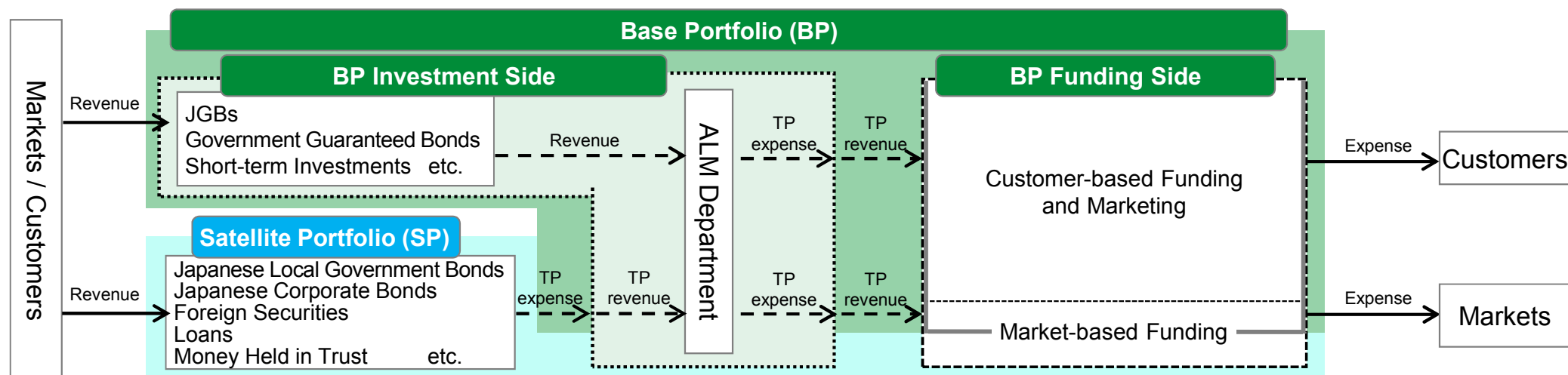
Source: JGB interest rate information - Ministry of Finance Japan

5. Historical spread is calculated by excluding the average balance and corresponding interest of money held in trust.

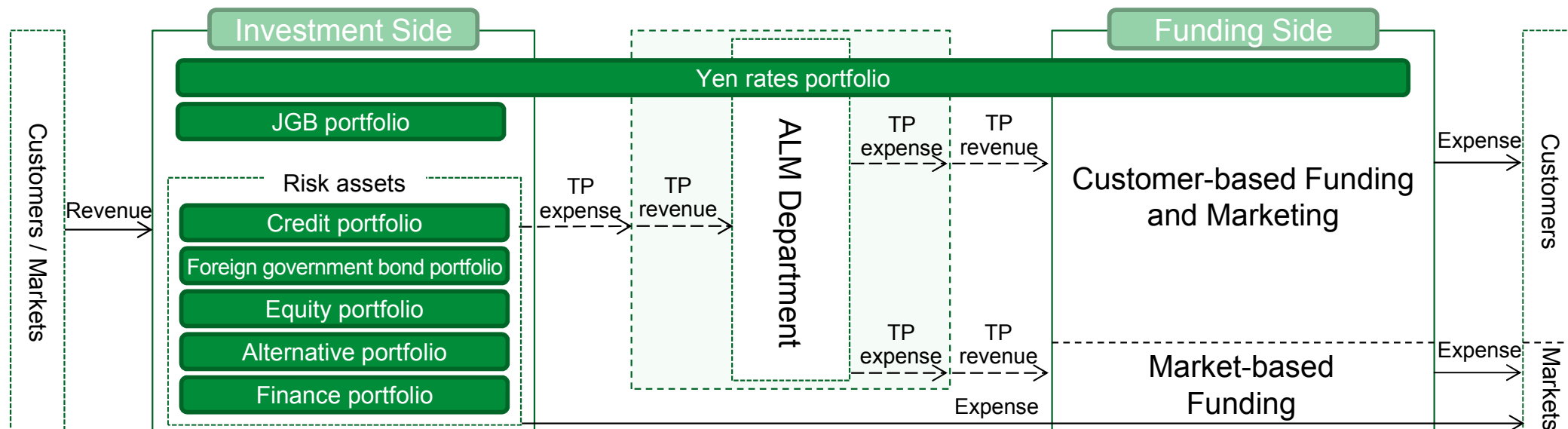
6. Net interest income for FY2008/3 is shown as double the net interest income from October 1, 2007 to March 31, 2008.

ALM/Investment Strategy to Generate Stable Income and Excess Return

<Up to March 2018>



<From April 2018>

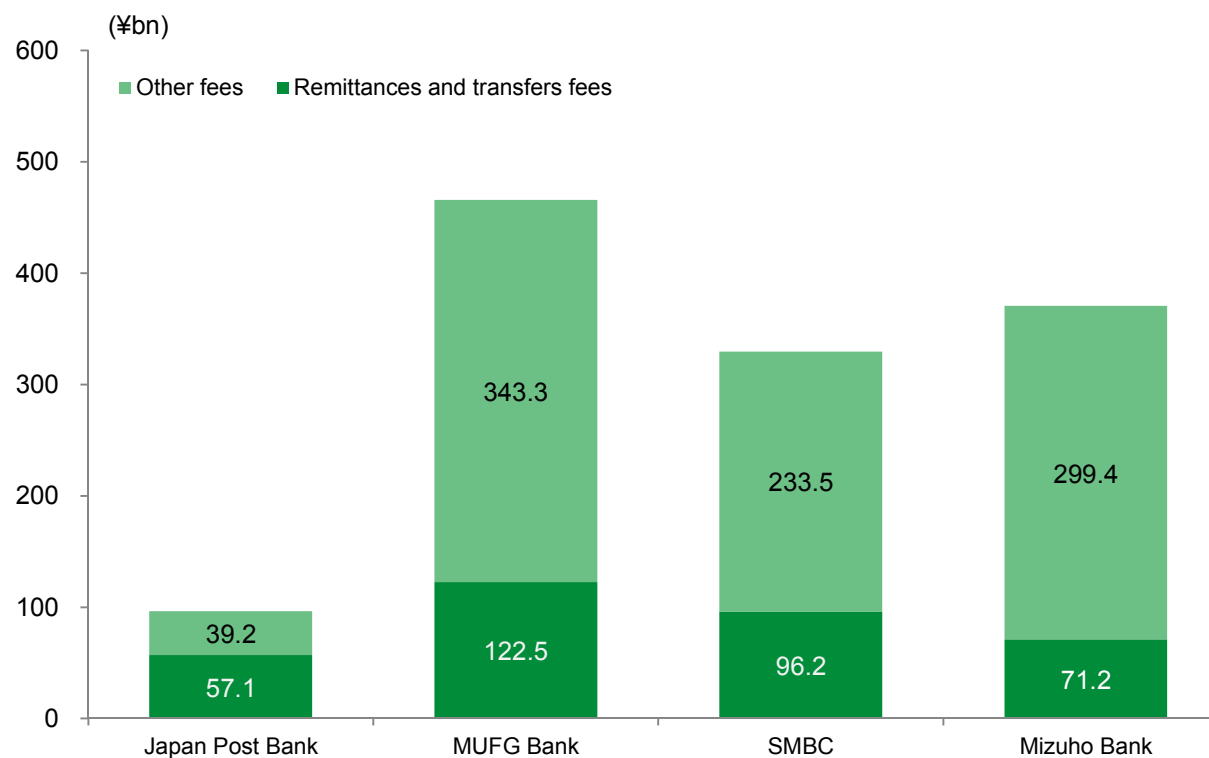


1. Transfer Price (TP): Transfer pricing was established for internal transactions using internal rates based on market interest rates.

Strengthening Fee Businesses

Aim to enhance new fee businesses, such as investment trust sales and ATM alliances, etc.

Net Fees and Commissions^{1,2} Compared to Japan's Major Banks (FY2018/3)



Source: Company disclosures

1. Fees and commission income — Fees and commission expenses.

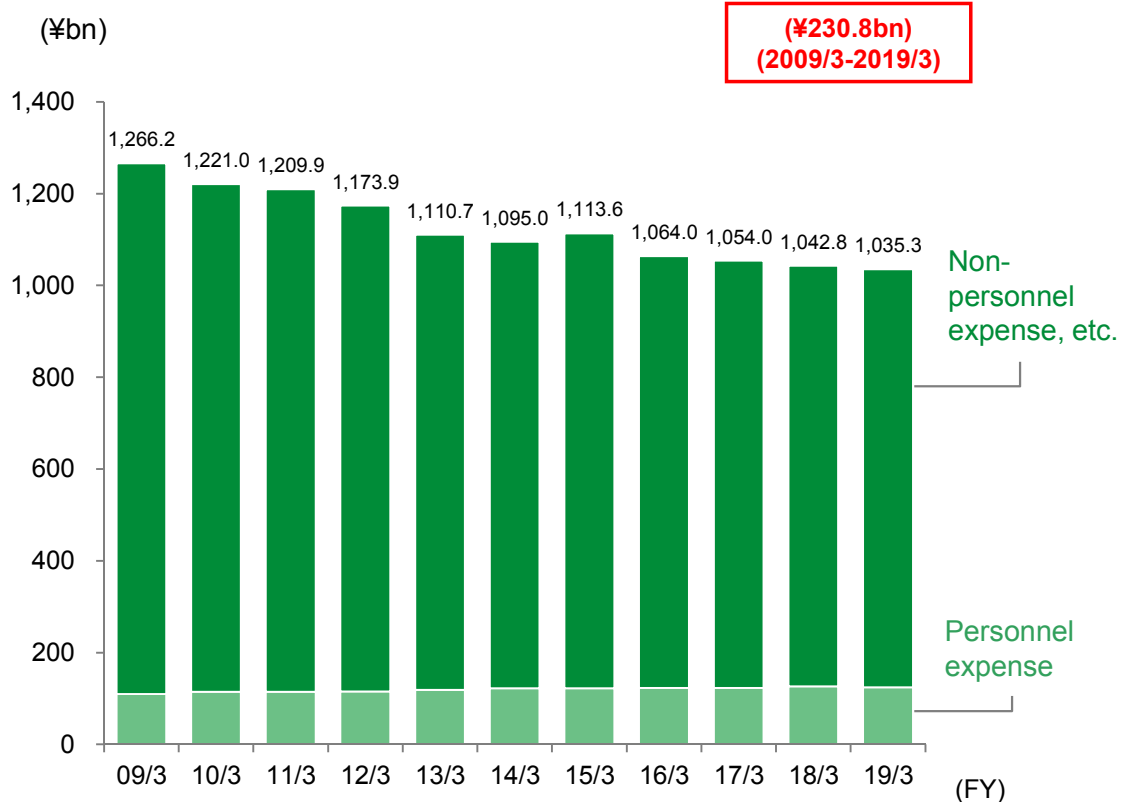
2. Subsidiary bank non-consolidated basis.

Expense Control through IT Expense Reduction

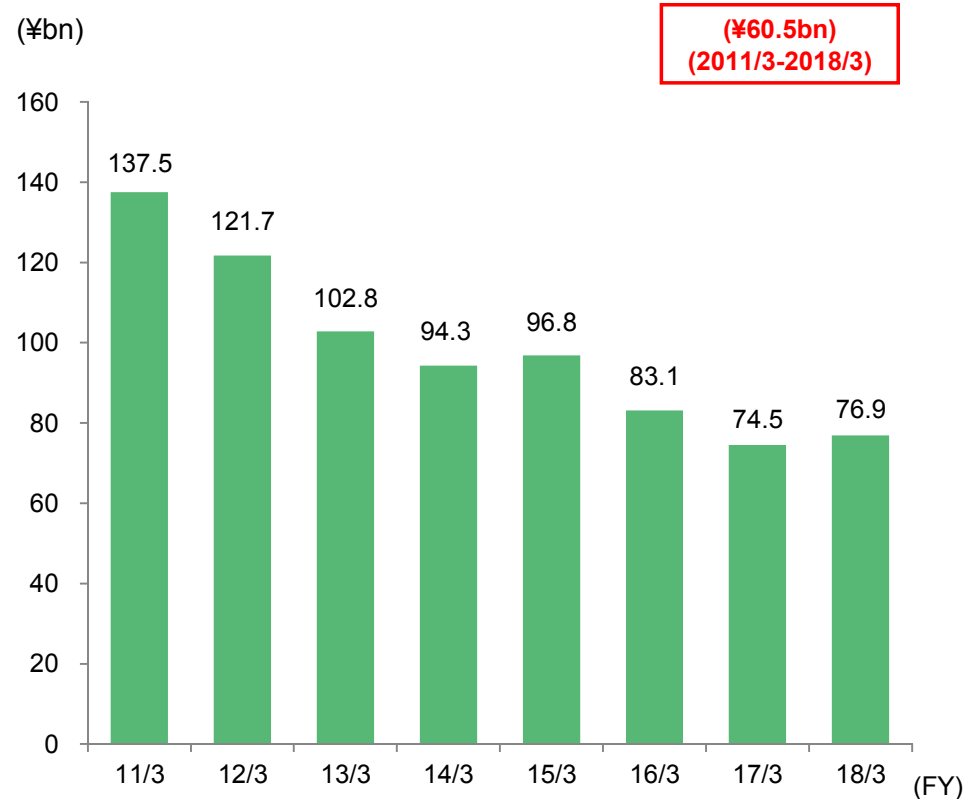
Seek to manage expenses by reducing costs through such initiatives as business process re-engineering, while maintaining the nationwide network of 24,000 post offices as our main channel

Have significantly reduced IT costs through integration, restructuring, and internalization of system development and operations

G&A Expense



IT Expense¹

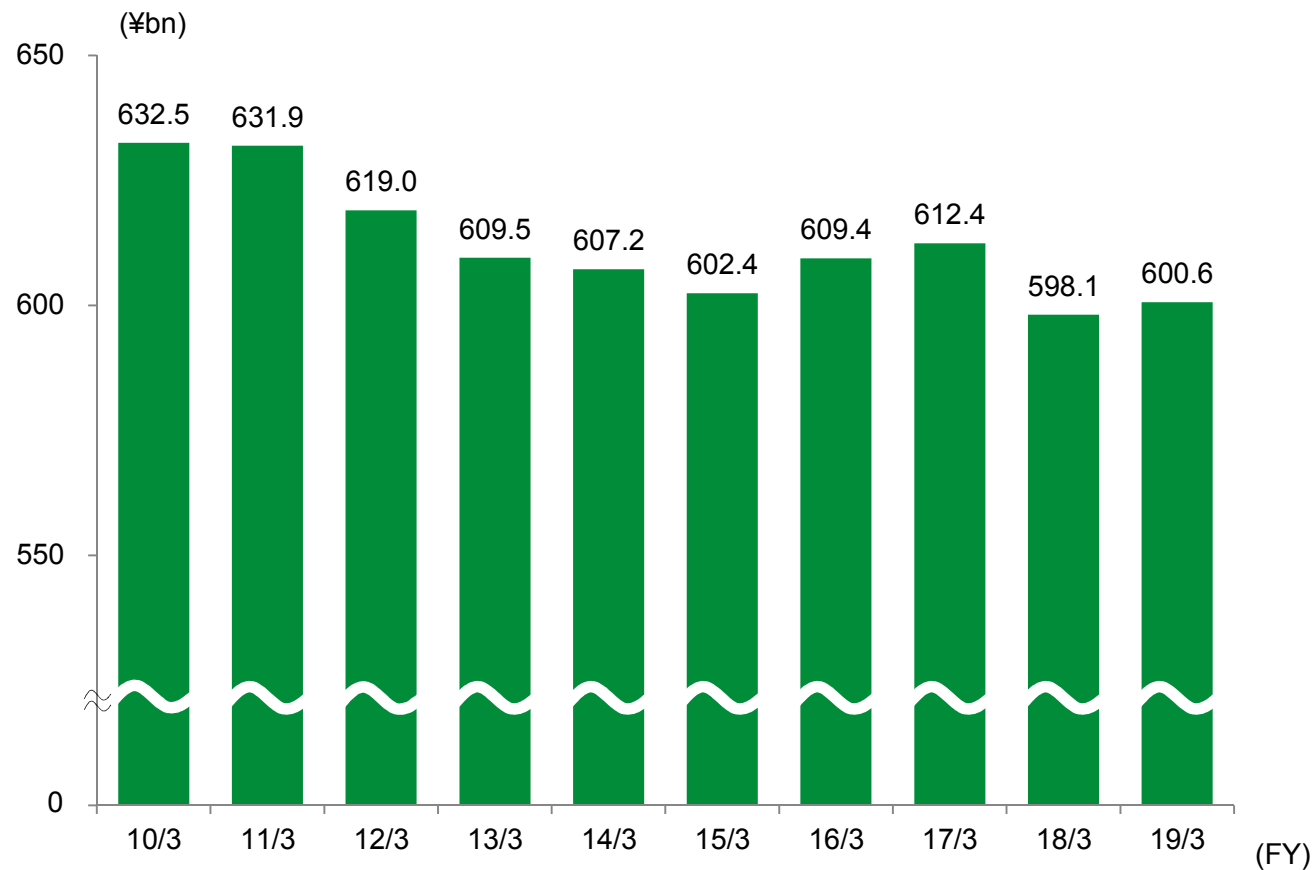


1. Management accounting basis.

Agency Commissions to Japan Post Co., Ltd.

Fee structure incentivizes both Japan Post Bank and Japan Post to increase efficiency

Agency Commissions Paid to Japan Post



Management System

Adopted Committee system as corporate governance

Outside directors comprise a majority of the Board membership who effectively oversee the Bank's operations

The Executive Officers, who are selected by the Board of Directors, conduct business operations efficiently in a timely manner

Management Transparency, Effective oversight by Outside Directors

- Advanced corporate governance based on Nomination Committee, etc.
- 7 out of 11 Directors are external
- Diverse array of experience and expertise
→ Ability to convey voices of a variety of stakeholders

Authority to conduct business operations delegated from Board of Directors Speedy and efficient decision making Business operations focused on customers and the market

- Internal control through Executive Committee and Special Committees, etc.
- Audit by an independent Audit Division

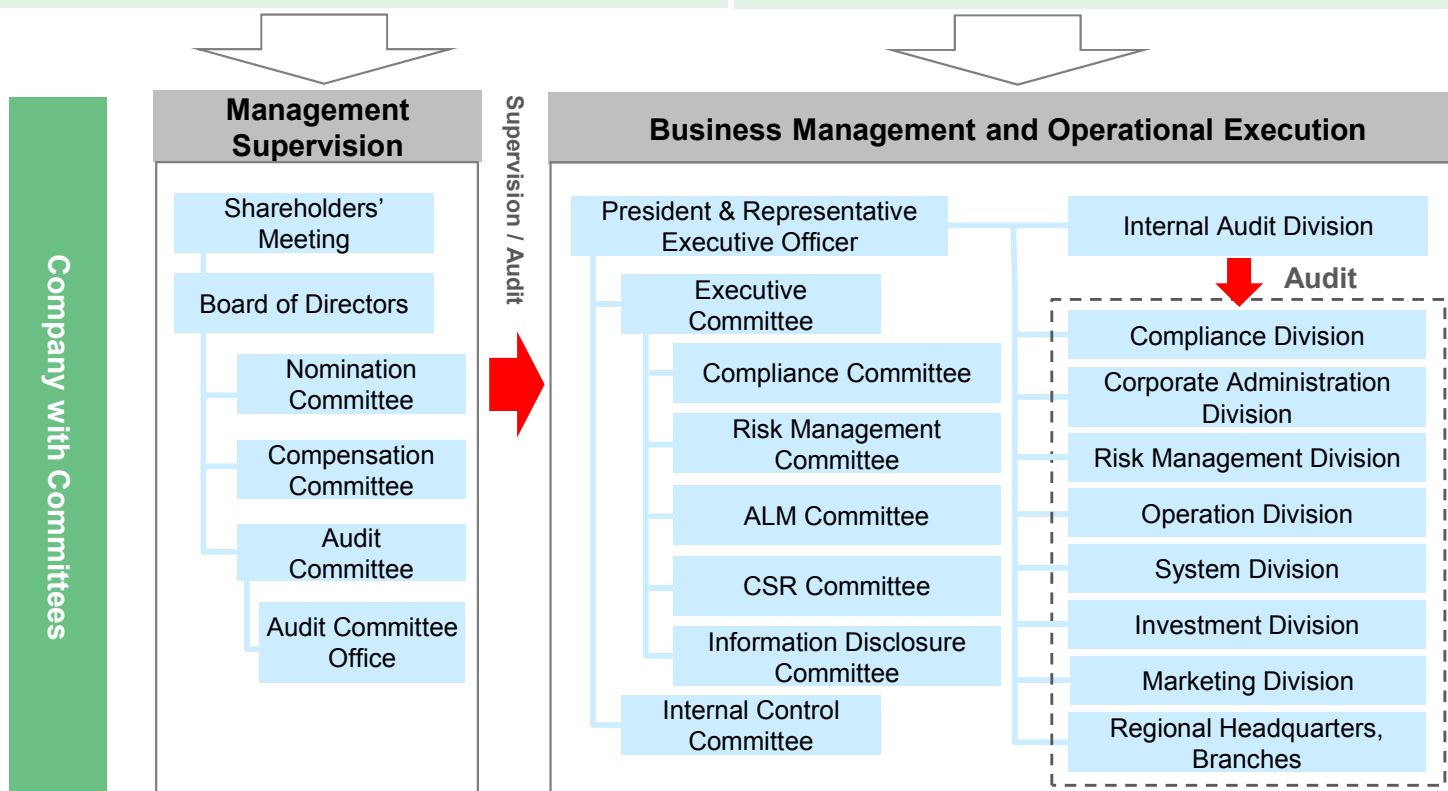
Independence from Parent Company

- Solely responsible for decision making; independent operations
 - Important matters:
Prior approval ⇒ Prior consultation
- Oversight by directors
- Regulatory supervision pursuant to the Banking Act
- Ensure appropriateness of intra-group transactions

Synergies from Group Collaboration

- Shared services (salary administration, system networks, etc.)
- “Organic Integration” of Japan Post Bank (Expertise) and Japan Post (client base) (unified marketing, back office consolidation)

Pursue economy of scale,
leverage on brand strength



Overview of Regulations Surrounding Japan Post Bank

In addition to banking regulations, we are subject to additional regulations pursuant to the Postal Service Privatization Act

		Summary of Regulations		
Universal Service Obligation (Imposed on Japan Post Holdings and Japan Post)		<ul style="list-style-type: none">■ Obligation to provide basic banking services (acceptances and withdrawals of ordinary, <i>TEIGAKU</i> and time deposits, and remittance, etc.) through the post office network■ Japan Post has Bank Counter Services Agreement, etc. with Japan Post Bank, etc.		
Share-holding	Japan Post Holdings ⇒ Japan Post Bank	<ul style="list-style-type: none">■ Japan Post Holdings must aim to dispose all of their shares within the earliest possible timeframe while considering the management situation of both financial services companies, and the impact on the fulfillment of obligations to provide universal services		
Regulations on Japan Post Bank	Regulations under the Banking Act	<ul style="list-style-type: none">■ Same regulation is imposed as a “Bank” under the Banking Act		
	【Additional Regulations】 Restrictions on Scope of Business	Current	Approval from the Ministers in charge (consultation with the Postal Privatization Committee)	No additional regulations imposed ¹ after “Specified Date” ²
		After Japan Post Holdings disposes of 50% or more	Notification to the Ministers in charge (Obligation to care for fair competition + notice to Postal Privatization Committee + Supervision)	
	【Additional】 Restrictions on the Maximum Amount of Deposit	<ul style="list-style-type: none">■ Maximum amount of deposits (ordinary deposits:¥13mn/fixed-term deposits:¥13mn) are stipulated by the enforcement order of the Privatization Act		
	<div>1. Our banking license is subject to the following conditions: (1) obtain approval from the Prime Minister in order to conduct new types of businesses, (2) continue outsourcing our business operations to an authorized banking agent, in order to maintain a sound, appropriate and stable foundation of our business. (Condition (2) is effective until the Specified Date)</div> <div>2. “Specified Date” means the earlier of the following:<div>(1) The date when Japan Post Holdings disposes of all its interest in Japan Post Bank</div><div>(2) The date when Japan Post Holdings disposes of 50% or more of its interest in Japan Post Bank and both the Prime Minister and the Minister of Internal Affairs and Communications decide to acknowledge lifting of additional regulations will not negatively affect fair competition with other financial institutions, etc. nor provision of appropriate services to customers</div></div>			
New Business requiring approvals (Example)		<ul style="list-style-type: none">■ Bi-lateral loans to corporations■ Loans to individuals		<ul style="list-style-type: none">■ Establishment/acquisition of subsidiaries with certain businesses■ Merger, transfer of business, etc.

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