

Financial Highlights

For the Nine Months Ended December 31, 2015

JAPAN POST BANK Co., Ltd.
February 12, 2016

Financial Highlights

Results of Operations

(¥bn, %)

	As of and for the nine months ended		Increase (Decrease) (A) – (B)
	December 31, 2015 (A)	December 31, 2014 (B)	
Gross operating profit	1,137.9	1,252.3	(114.4)
Net interest income	1,060.7	1,177.1	(116.4)
Net fees and commissions	70.7	67.7	2.9
Net other operating income (loss)	6.5	7.5	(0.9)
General and administrative expenses (*)	801.1	854.2	(53.1)
Provision for general reserve for possible loan losses	(0.0)	—	(0.0)
Net operating profit	336.9	398.1	(61.2)
Non-recurring gains (losses)	52.1	21.7	30.3
Net ordinary income	389.0	419.9	(30.8)
Net income	266.0	280.0	(13.9)
Ordinary income	1,506.1	1,568.4	(62.3)
Ordinary expenses	1,117.1	1,148.5	(31.4)
Capital adequacy ratio (non-consolidated, domestic standard)	27.93%	43.36%	(15.42)%

* General and administrative expenses exclude non-recurring losses.

Overview

- Gross operating profit decreased by ¥114.4 bn from the nine months ended December 31, 2014, to ¥1,137.9 bn for the nine months ended December 31, 2015. Net interest income for the nine months ended December 31, 2015 decreased by ¥116.4 bn from the nine months ended December 31, 2014, mainly due to a decrease in interest on Japanese government bonds, despite an increase in interest on foreign securities. Net fees and commissions for the nine months ended December 31, 2015 increased by ¥2.9 bn from the nine months ended December 31, 2014, due to an increase in fees relating to the sale of investment trusts, ATMs, etc.
- General and administrative expenses decreased by ¥53.1 bn from the nine months ended December 31, 2014, to ¥801.1 bn for the nine months ended December 31, 2015, mainly due to a reduction in the deposit insurance premium rate.
- In the adverse business environment with the prolonged period of historically low interest rates, net operating profit decreased by ¥61.2 bn to ¥336.9 bn, and net ordinary income decreased by ¥30.8 bn to ¥389.0 bn for the nine months ended December 31, 2015, as compared to the nine months ended December 31, 2014.
- Net income decreased by ¥13.9 bn from the nine months ended December 31, 2014, to ¥266.0 bn for the nine months ended December 31, 2015, which equated to 83.1% of the earnings forecasts of ¥320.0 bn in net income for the fiscal year ending March 31, 2016.

(¥bn, %)

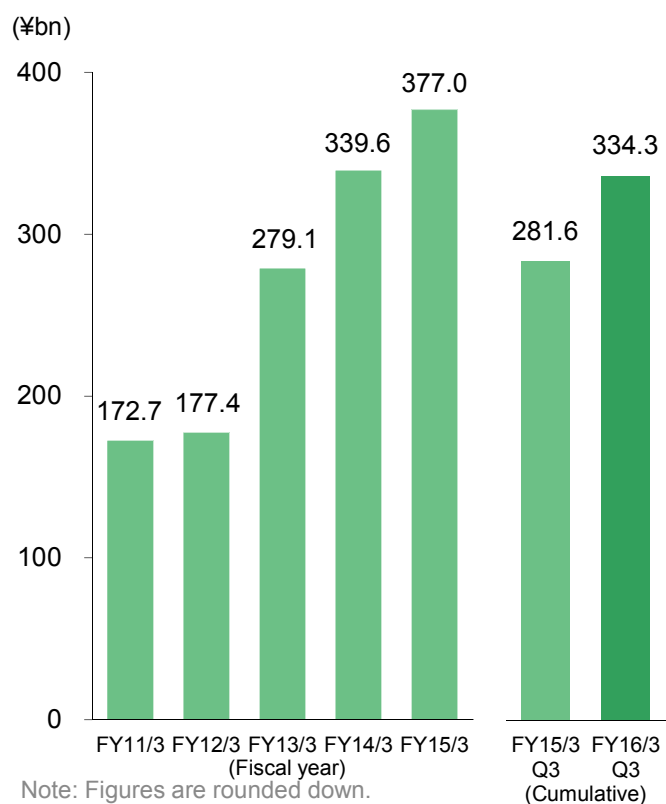
	For the nine months ended December 31, 2015 (A)	Earnings forecasts for the fiscal year ending March 31, 2016 (B)	(A) / (B)
Net ordinary income	389.0	460.0	84.5%
Net income	266.0	320.0	83.1%

Business Results

■ Sales of investment products (investment trusts and variable annuities policies) performed well, while deposit balance remained stable.

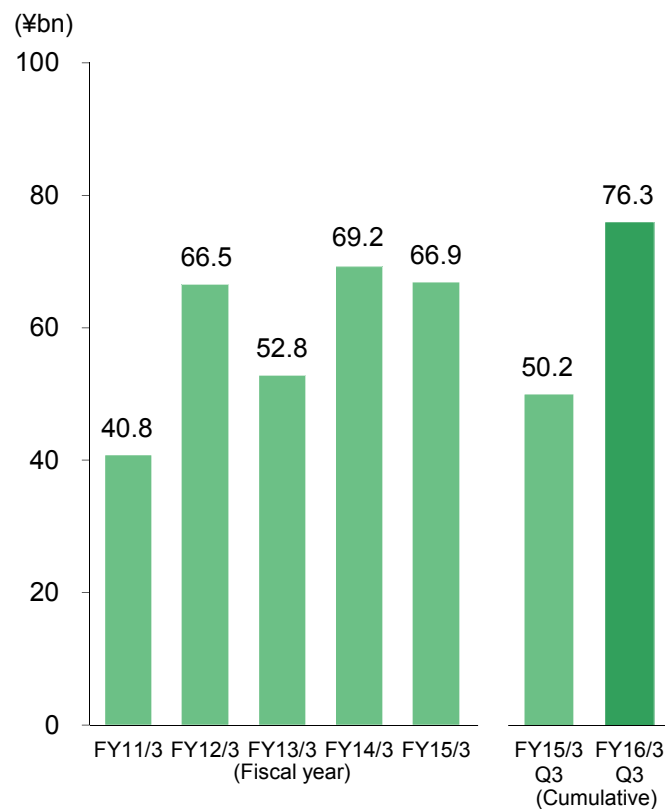
Investment Trusts Sales

Nine months ended 2015.12 (A)	Nine months ended 2014.12 (B)	Increase (Decrease) (A) – (B)
¥334.3 bn	¥281.6 bn	¥52.7 bn



Variable Annuities Policies Sales

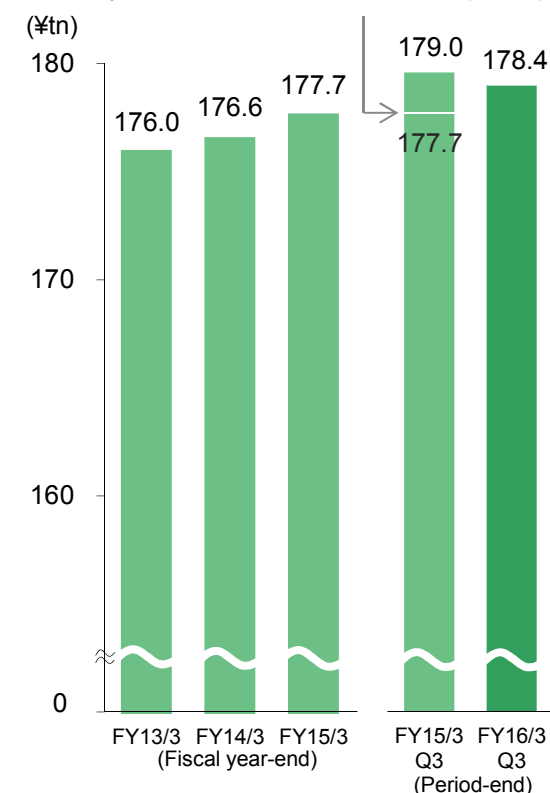
Nine months ended 2015.12 (A)	Nine months ended 2014.12 (B)	Increase (Decrease) (A) – (B)
¥76.3 bn	¥50.2 bn	¥26.0 bn



Deposit Balance (Period-end)

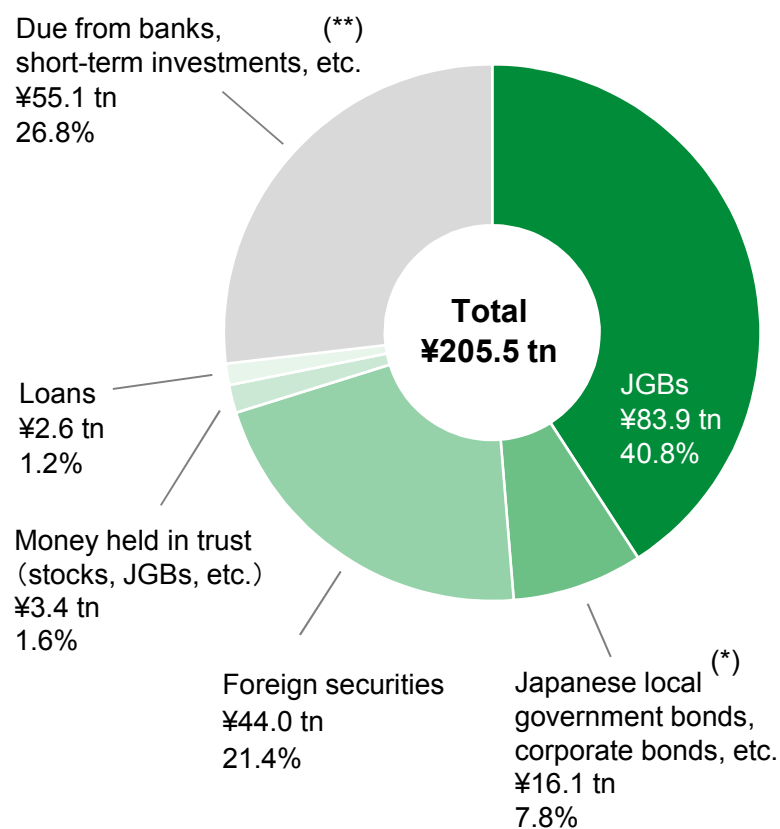
As of 2015.12 (A)	As of 2014.12 (B)	Increase (Decrease) (A) – (B)
¥178.4 tn	¥177.7 tn	¥0.6 tn

Note: Deposit balance excluded deposits relating to funds paid by us to acquire shares of our common stock held by JAPAN POST HOLDINGS Co., Ltd (¥1.3 tn).



Asset Management Status

■ Securities, which consisted of JGBs, etc., were ¥144.2 tn, while loans were ¥2.6 tn as of December 31, 2015.



Categories	As of December 31, 2015 (A)		As of March 31, 2015 (B)		Increase (Decrease) (A) – (B)
	Amount (¥bn)	%	Amount (¥bn)	%	
Loans	2,627.0	1.2	2,783.9	1.3	(156.9)
Securities	144,237.0	70.1	156,169.7	75.8	(11,932.7)
Japanese government bonds	83,972.3	40.8	106,767.0	51.8	(22,794.6)
Japanese local government bonds	5,622.2	2.7	5,525.1	2.6	97.1
Commercial paper	218.9	0.1	226.9	0.1	(8.0)
Japanese corporate bonds	10,337.4	5.0	10,756.0	5.2	(418.6)
Foreign securities	44,084.5	21.4	32,893.6	15.9	11,190.8
Money held in trust (stocks, JGBs, etc.)	3,479.2	1.6	3,491.6	1.6	(12.3)
Due from banks, short-term investments, etc.	55,186.2	26.8	43,419.9	21.0	11,766.2
Total	205,529.5	100.0	205,865.4	100.0	(335.8)

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

** “Due from banks, short-term investments, etc.” consists of negotiable certificates of deposit, Bank of Japan deposits, call loans, receivables under securities borrowing transactions, monetary claims bought, etc.

These Financial Highlights contain forward-looking statements regarding estimations, forecasts, targets and plans in relation to the operating results, financial condition and overall management and business of JAPAN POST BANK Co., Ltd. (the “Bank”) as a whole (“forward-looking statements”). Any forward-looking statements contained herein are made based upon, among other things, the Bank’s current estimations, perceptions, evaluations and assumptions regarding its business and industry, general economic conditions, and various other future events and circumstances. Forward-looking statements are accordingly subject to various risks and uncertainties including changes in interest rates, foreign currency fluctuations, etc. and are not guarantees of future performance. The Bank’s actual results may differ materially from those expressed or implied in any forward-looking statements.