



Summary of Financial Results for the Fiscal Year Ended March 31, 2016

<Under Japanese GAAP> (Non-Consolidated)

May 13, 2016

Company name: JAPAN POST BANK Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
 Code number: 7182 Website: <http://www.jp-bank.japanpost.jp/>
 Representative: Norito Ikeda, President and Representative Executive Officer
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Date of Ordinary General Meeting of Shareholders: June 21, 2016 (Scheduled)

Dividend payment date: June 22, 2016 (Scheduled)

Securities Report issuing date: June 24, 2016 (Scheduled)

Trading accounts: Unestablished

Selected Financial Information for annual financial statements: Available

Investor meeting presentation: Scheduled (for investors and analysts)

(Figures are rounded down)

1. Financial results for the fiscal year ended March 31, 2016

(1) Operating results

(Millions of yen, except for per share data and percentages)

	Ordinary income		Net ordinary income		Net income	
FY2016	¥1,968,987	(5.2)%	¥481,998	(15.3)%	¥325,069	(12.0)%
FY2015	2,078,179	0.0	569,489	0.7	369,434	4.1

	Net income per share	Diluted net income per share	Net income to net assets	Ordinary expenses to ordinary income	Deposit balance
FY2016	¥86.69	¥—	2.8%	75.5%	¥177,871,986
FY2015	89.58	—	3.2	72.5	177,710,776

Reference: Gains (losses) from investments in affiliates, which were accounted for using the equity method, were ¥(9) million for the fiscal year ended March 31, 2016 and ¥119 million for the fiscal year ended March 31, 2015.

Notes: 1. JAPAN POST BANK Co., Ltd. (the "Bank") conducted a stock split effective on August 1, 2015, under which each share of common stock was split into 30 shares. However, the Bank's calculation of the "Net income per share" is based on the assumption that the stock split was effective at the beginning of the previous fiscal year.

2. Diluted net income per share is not presented since there has been no potential dilution for the fiscal year ended March 31, 2016 and 2015.

3. Percentages shown in ordinary income, net ordinary income and net income are the increase (decrease) from the previous fiscal year.

(2) Financial conditions

(Millions of yen, except for per share data and percentages)

	Total assets (A)	Total net assets (B)	(B) / (A)	Total net assets per share
FY2016	¥207,056,039	¥11,508,150	5.5%	¥3,069.26
FY2015	208,179,309	11,630,212	5.5	3,101.82

Reference: Net assets attributable to shareholders were ¥11,508,150 million as of March 31, 2016 and ¥11,630,212 million as of March 31, 2015.

Note: The Bank conducted a stock split effective on August 1, 2015, under which each share of common stock was split into 30 shares. However, the Bank's calculation of the "Total net assets per share" is based on the assumption that the stock split was effective at the beginning of the previous fiscal year.

(3) Cash flows

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the fiscal year
FY2016	¥3,446,036	¥ 9,952,376	¥ (184,717)	¥45,810,068
FY2015	2,849,061	12,291,787	(1,393,986)	32,596,050

2. Dividends

(Millions of yen, except for per share data and percentages)

	Annual dividends per share					Total dividend payment	Dividend payout ratio	Dividends to net assets
	As of June 30	As of September 30	As of December 31	As of March 31	Total			
FY2015	¥—	¥0.00	¥—	¥1,477.95	¥1,477.95	¥184,717	54.9%	1.7%
FY2016	—	0.00	—	25.00	25.00	93,736	28.8	0.8
FY2017 (forecast)	—	25.00	—	25.00	50.00		62.4	

Note: The Bank conducted a stock split effective on August 1, 2015, under which each share of common stock was split into 30 shares. "Annual dividends per share" for the fiscal year ended March 31, 2015 shows the amount of the actual dividends distributed before the stock split.

3. Earnings forecasts for the fiscal year ending March 31, 2017

(Millions of yen, except for per share data and percentages)

	Net ordinary income		Net income		Net income per share
FY2017	¥420,000	(12.8)%	¥300,000	(7.7)%	¥80.01

Note: Percentages shown in net ordinary income and net income are the increase (decrease) from the previous fiscal year.

* Notes

(1) Changes in accounting policies, changes in accounting estimates and restatements

- i) Changes in accounting policies due to revision of accounting standards: No
- ii) Changes in accounting policies due to reasons other than i): No
- iii) Changes in accounting estimates: No
- iv) Restatements: No

(2) Shares outstanding (common stock)

i) Year-end issued shares (including treasury stock):	As of March 31, 2016	4,500,000,000 shares	As of March 31, 2015	4,500,000,000 shares
ii) Year-end treasury stock:	As of March 31, 2016	750,525,000 shares	As of March 31, 2015	750,525,000 shares
iii) Average number of outstanding shares:	FY2016	3,749,475,000 shares	FY2015	4,123,709,383 shares

(Note) The Bank conducted a stock split effective on August 1, 2015, under which each share of common stock was split into 30 shares. However, the Bank's calculation of the number of shares outstanding (common stock) is based on the assumption that the stock split was effective at the beginning of the previous fiscal year.

(Note on audit procedures)

The "Summary of Financial Results" is not subject to the audit prescribed by the "Financial Instruments and Exchange Act." The audit of the non-consolidated financial statements has not been completed as of the disclosure of this "Summary of Financial Results."

(Forward-looking statements and other matters)

This "Summary of Financial Results" contains forward-looking statements regarding estimations, forecasts, targets and plans in relation to the operating results, financial condition and overall management and business of 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.

[Attachment]

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(Supplemental Information)

Selected Financial Information for the Fiscal Year Ended March 31, 2016

1. Analysis Concerning Non-Consolidated Results of Operations and Financial Conditions for the Fiscal Year Ended March 31, 2016

(1) Analysis concerning non-consolidated results of operations

(Results of operations for the fiscal year ended March 31, 2016)

Ordinary income decreased by ¥109.1 billion from the fiscal year ended March 31, 2015, to ¥1,968.9 billion for the fiscal year ended March 31, 2016. Net interest income decreased by ¥162.0 billion from the fiscal year ended March 31, 2015, to ¥1,731.2 billion for the fiscal year ended March 31, 2016, as a result of the steady increase in interest on foreign securities which offset the impact of the decrease in interest on Japanese government bonds due to prolonged period of historically low interest rates. Net fees and commissions increased by ¥3.5 billion from the fiscal year ended March 31, 2015, to ¥123.0 billion for the fiscal year ended March 31, 2016, due to an increase in fees relating to the sale of investment trusts, ATMs, etc.

Meanwhile, ordinary expenses decreased by ¥21.7 billion from the fiscal year ended March 31, 2015, to ¥1,486.9 billion for the fiscal year ended March 31, 2016. Interest expenses increased by ¥18.1 billion from the fiscal year ended March 31, 2015, to ¥374.9 billion for the fiscal year ended March 31, 2016. General and administrative expenses decreased by ¥49.6 billion from the fiscal year ended March 31, 2015, to ¥1,064.0 billion for the fiscal year ended March 31, 2016, mainly due to a reduction in the deposit insurance premium rate.

Taking into account of the above, net ordinary income decreased by ¥87.4 billion from the fiscal year ended March 31, 2015, to ¥481.9 billion for the fiscal year ended March 31, 2016. Net income decreased by ¥44.3 billion from the fiscal year ended March 31, 2015, to ¥325.0 billion for the fiscal year ended March 31, 2016, which equated to 101.5% of the earnings forecasts of ¥320.0 billion in net income for the fiscal year ended March 31, 2016.

(Earnings forecasts for the fiscal year ending March 31, 2017)

As for earnings forecasts for the fiscal year ending March 31, 2017, net ordinary income and net income are expected to amount to ¥420.0 billion and ¥300.0 billion, respectively.

In the adverse economic environment with extremely low interest rates, the Bank expects to ensure stable income by generating higher income from the satellite portfolio, while income from the base portfolio is expected to decrease.

*As part of the ALM framework, the Bank has established a base portfolio and a satellite portfolio, which operate on a management accounting basis pursuant to the Bank's internal rules. The base portfolio is the Bank's fundamental portfolio, which the Bank manages with the aim to ensure stable income by investing mostly in Japanese government bonds while managing interest rate and liquidity risks. The Bank manages the satellite portfolio with the aim of accumulating profit, including in the form of capital gains from sales of bonds and other assets, primarily by taking credit and market risks through diversified investment in foreign and other assets.

(2) Analysis concerning non-consolidated financial conditions

Total assets as of March 31, 2016 were ¥207,056.0 billion. Securities were ¥144,076.8 billion, and loans were ¥2,542.0 billion. Deposits as of March 31, 2016 were ¥177,871.9 billion (¥179,307.7 billion including accrued interest). The portion of deposits received from the Management Organization for Postal Savings and Postal Life Insurance (corresponding to postal savings for TEIGAKU savings and others that were passed on to the organization by Japan Post Corporation as of September 30, 2007) included in special deposits totaled ¥18,967.5 billion.

Shareholder's equity as of March 31, 2016 increased by ¥140.3 billion from March 31, 2015. In addition, the valuation and translation adjustments decreased by ¥262.4 billion from March 31, 2015. As a result, net assets totaled ¥11,508.1 billion. Retained earnings, included in shareholders' equity, were ¥2,108.9 billion.

As for cash flows, Cash flows from operating activities increased by ¥596.9 billion from the fiscal year ended March 31, 2015, to ¥3,446.0 billion for the fiscal year ended March 31, 2016. Cash flows from investing activities decreased by ¥2,339.4 billion from the fiscal year ended March 31, 2015, to ¥9,952.3 billion for the fiscal year ended March 31, 2016. Cash flows from financing activities increased by ¥1,209.2 billion from the fiscal year ended March 31, 2015, to ¥(184.7) billion for the fiscal year ended March 31, 2016. As a result, cash and cash equivalents increased by ¥13,214.0 billion from March 31, 2015, to ¥45,810.0 billion as of March 31, 2016.

(3) Basic policy concerning profit distribution and dividends for the fiscal year ended March 31, 2016 and the fiscal year ending March 31, 2017

Providing returns to our shareholders is one of our most important management goals. Our basic dividend policy is to provide stable dividends to shareholders while maintaining sufficient retained earnings for sound operations in light of the public nature of the banking business. Specifically, through the fiscal year ending March 31, 2018, we aim to pay a stable per-share dividend by maintaining a dividend payout ratio of approximately 50% or more of our net income for the relevant fiscal year. We shall also consider additional shareholder return, while taking into account developments on regulations, earnings growth and accumulation of retained earnings, etc.

We plan to use retained earnings to continue improving shareholder value and further strengthen our financial condition.

Our general policy is to declare both annual dividends and interim dividends from our retained earnings. However, for the fiscal year ended March 31, 2016, we intended to pay only annual dividends. With respect to annual dividends for the fiscal year ended March 31, 2016, as the period between the date of the listing of our shares and the record date for such annual dividends was less than six months, we intended to pay annual dividends amounted to approximately 25% or more of our net income for the same fiscal year.

As a result of the policy above, for the fiscal year ended March 31, 2016, we declared total dividends per share of common stock of ¥25.

For the fiscal year ending March 31, 2017, we intend to pay total dividends per share of common stock of ¥50 (including interim dividends of ¥25).

2. Management Policy

(1) Basic management policy

As our management philosophy described below, we aim to become “the most accessible and trustworthy bank in Japan,” with operations that are guided by the needs and wishes of our customers.

“Dependability”: We will comply with laws, regulations, and other standards of behavior in order to earn the trust of markets, shareholders, and employees and consistently serve as a responsible corporate citizen.

“Innovation”: We will constantly use innovative ideas to improve our management and business activities in response to input from customers and changes in market conditions.

“Efficiency”: We will pursue improvements in speed and efficiency in order to be a source of products and services that match our customers’ requirements.

“Expertise”: We will work continually on upgrading expertise in specialized fields with the aim of meeting the high expectations of our customers.

(2) Medium- and long-term management strategy

We are working to carry out our medium-term management plan, which covers the three-year period from April 1, 2015 to March 31, 2018. We aim to be the most accessible and trustworthy bank in Japan by using the post office network as our main channel to provide our customers across Japan with the highest level of service. In addition, we aim to be one of the largest institutional investors in Japan, making efforts to diversify assets through appropriate risk management for maintaining stable profits.

(Major initiatives)

i) Marketing strategy

- Increase assets under management by securing a stable client base
- Expand in expected growth areas such as investment products, ATM alliances, credit cards, etc.
- Leverage customer data through CRM (Customer Relationship Management)
- Build a structure and system that is capable of providing customer-oriented services

ii) Investment strategy

- Enhance and promote global asset allocation under prudent risk management
- Expand our investment area, such as alternative investments
- Further strengthening of investment organization

iii) Development of a management system

- Enhanced corporate governance, as appropriate for a listed company
- Improvement of the risk management system
- Promotion of human resource development, strategic human resource allocations, and support for women to work more actively
- Business process reengineering
- Enhance cost reduction efforts such as IT cost, etc.

(3) Issues to be addressed

The Bank has generated stable profits based on stable fund procurement supported by post office network as our main channel, the network's retail marketing capabilities, our solid capital foundation, ALM and asset management strategies that leverage on those special features. However, in the expected adverse business environment, the entire company will work as one to address the issues included in the Medium-Term Management Plan.

In particular, given the expected decline in earnings from the base portfolio due to the further lowering of interest rates after the decision by Bank of Japan to introduce Quantitative and Qualitative Monetary Easing with a Negative Interest Rate, we will work on the following important issues, i.e. strengthening our fee business, increasing earnings from satellite portfolio, and reducing costs, in order to ensure stable profits.

(Securing customer base and strengthening our fee business)

We will bolster our retail marketing capabilities in cooperation with JAPAN POST Co., Ltd., and enhance support for post offices provided by Administration Service Centers. Accordingly, we will further enhance our stable and sustainable relationship with our customers based on trust through our products such as deposit accounts for payroll or pension payment transfers, TEIGAKU deposits and time deposits, etc. We aim to meet various needs of our customers according to the life cycles or various events such as inheritance, etc. For the fiscal year ending March 31, 2017 particularly, as we expect substantial increase in number of customers depositing TEIGAKU deposits which will mature during the period, we will promote continuous usage of our products and services by catering to the various needs of our customers.

In addition, we will utilize our retail marketing capabilities to strengthen our fee business which is less susceptible to the impact of interest rate fluctuations. In particular, we will step up our efforts to focus on the expected growth areas such as sales of asset management products, ATM alliance services, etc.

With regard to sales of asset management products, we will focus efforts on providing products such as the investment trust products of JP Asset Management Co., Ltd., which are simple and easy to understand even for customers who are considering investing for the first time. We will also enhance consulting services by measures including training and hiring of additional personnel as asset management consultants.

As for ATM services, we will continue to install ATMs in highly convenient locations, including compact ATMs that allow a wider selection of installation sites, and the introduction of ATMs at FamilyMart convenience stores located nationwide, while collaborating with regional financial institutions to use of our ATM network.

Pursuant to the Postal Service Privatization Act, the amount of deposits that the Bank can accept from a single depositor is limited in principle, with the exception of transfer deposits equivalent to deposits for settlement purposes. The deposit limit for total amount of ordinary deposits, TEIGAKU deposits, time deposits, etc. was raised from ¥10 million to ¥13 million in April 2016. (The deposit limit for total amount of Postal Savings Deposits which were deposited before the privatization of the Bank remains unchanged at ¥10 million.)

(Promoting sophisticated investing strategies by enhancing assets in the satellite portfolio)

With regard to the base portfolio, although the investment environment is extremely challenging, especially considering the continued occurrence of negative yields on long-term government bonds, we will manage our assets flexibly according to the interest rate trends and aim to generate stable earnings in the medium to long term.

In the satellite portfolio, we will strive to improve earnings by exploring into new investment frontiers such as private equity, real estate, etc. in addition to pursuing internationally diversified investments. In order to do so, we will further enhance our asset management system through measures such as securing expert human resources, enhancing system of foreign currency funding, and introducing an employee stock ownership plan for management employees in the Investment Division.

Moreover, in tandem with these endeavors to promote the increasingly sophisticated investment strategies, we will strengthen our risk analysis and monitoring structure to enhance of our risk management framework.

(Enhancing internal control system and strengthening the business foundation)

We will work to enhance the internal control system which is an important management task by fostering greater awareness of compliance through various forms of training, enhancing the customer protection structure in product sales of asset management, and other measures. At the same time, we will strengthen our management foundation by improving IR activities and system, dealing with FinTech (intersection of the financial services and technology sectors) business, promoting human resources development, and encouraging diversity (utilization of diversified human resources) with emphasis on initiatives to promote active participation by women.

We strive for expense efficiency and will continue our efforts to further increase efficiency by carrying on BPR (Business Process Re-engineering) to improve productivity while enhancing customer services and expanding investments for growth.

In the field of CSR (Corporate Social Responsibility), we will continue to focus on offering accessible services to everyone, contributing to society and local communities, and protecting the environment.

We will work to enhance corporate value through these initiatives.

3. Basic Approach to the Selection of Accounting Standards

The Bank prepares its non-consolidated financial statements based on Japanese GAAP. The Bank discloses its non-consolidated financial statements in accordance with the “Ordinance for the Enforcement of the Banking Act” (Ordinance of Ministry of Finance No.10 of 1982).

4. Non-Consolidated Financial Statements

(1) Non-consolidated balance sheets

	As of March 31, 2015	(Millions of yen) As of March 31, 2016
Assets		
Cash and due from banks	33,301,050	45,895,068
Cash	136,469	150,763
Due from banks	33,164,580	45,744,305
Call loans	1,961,526	978,837
Receivables under securities borrowing transactions	8,374,084	7,923,229
Monetary claims bought	122,032	178,509
Trading account securities	104	187
Trading Japanese government bonds	104	187
Money held in trust	3,491,637	3,561,110
Securities	156,169,792	144,076,834
Japanese government bonds	106,767,047	82,255,654
Japanese local government bonds	5,525,117	5,856,509
Commercial paper	226,986	204,995
Japanese corporate bonds	10,756,050	10,362,715
Japanese stocks	935	1,390
Other securities	32,893,656	45,395,569
Loans	2,783,985	2,542,049
Loans on deeds	2,549,816	2,322,098
Overdrafts	234,169	219,951
Foreign exchanges	49,332	25,328
Due from foreign banks	49,307	25,309
Foreign bills bought and foreign exchanges purchased	25	19
Other assets	1,603,912	1,573,316
Domestic exchange settlement accounts-debit	17,970	15,387
Prepaid expenses	5,632	4,183
Accrued income	308,773	274,678
Derivatives other than trading	69,911	160,483
Other	1,201,624	1,118,583
Tangible fixed assets	179,933	182,733
Buildings	72,089	73,261
Land	59,034	59,034
Construction in progress	3,911	7,638
Other	44,897	42,797
Intangible fixed assets	47,971	44,865
Software	39,526	30,910
Other	8,444	13,955
Customers' liabilities for acceptances and guarantees	95,000	75,000
Reserve for possible loan losses	(1,055)	(1,030)
Total assets	208,179,309	207,056,039

(Millions of yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Deposits	177,710,776	177,871,986
Transfer deposits	11,747,374	13,874,601
Ordinary deposits	46,140,042	47,465,923
Savings deposits	393,443	388,475
Time deposits	13,569,920	11,441,153
Special deposits	22,072,518	18,967,503
TEIGAKU deposits	83,583,379	85,550,160
Other deposits	204,097	184,168
Call money	—	22,536
Payables under repurchase agreements	—	554,522
Payables under securities lending transactions	13,570,198	13,123,558
Foreign exchanges	266	338
Foreign bills payable	266	338
Other liabilities	3,576,119	2,532,920
Domestic exchange settlement accounts-credit	22,498	21,341
Income taxes payable	35,121	45,370
Accrued expenses	1,393,247	1,526,248
Unearned income	89	72
Derivatives other than trading	1,036,631	778,128
Asset retirement obligations	368	396
Other	1,088,161	161,362
Reserve for bonuses	5,581	6,020
Reserve for employees' retirement benefits	150,466	149,720
Deferred tax liabilities	1,440,688	1,211,286
Acceptances and guarantees	95,000	75,000
Total liabilities	196,549,097	195,547,888
Net Assets		
Capital stock	3,500,000	3,500,000
Capital surplus	4,296,285	4,296,285
Legal capital surplus	4,296,285	4,296,285
Retained earnings	1,968,617	2,108,969
Other retained earnings	1,968,617	2,108,969
Retained earnings brought forward	1,968,617	2,108,969
Treasury stock	(1,299,999)	(1,299,999)
Total shareholders' equity	8,464,904	8,605,256
Net unrealized gains (losses) on available-for-sale securities	3,824,643	3,322,827
Net deferred gains (losses) on hedges	(659,335)	(419,932)
Total valuation and translation adjustments	3,165,307	2,902,894
Total net assets	11,630,212	11,508,150
Total liabilities and net assets	208,179,309	207,056,039

(2) Non-consolidated statements of income

(Millions of yen)

	FY2015	FY2016
Ordinary income	2,078,179	1,968,987
Interest income	1,893,273	1,731,217
Interest on loans	31,127	25,103
Interest and dividends on securities	1,826,086	1,657,623
Interest on call loans	4,754	5,307
Interest on receivables under securities borrowing transactions	7,877	7,958
Interest on deposits with banks	22,680	33,977
Other interest income	747	1,247
Fees and commissions	119,429	123,019
Fees and commissions on domestic and foreign exchanges	60,834	60,921
Other fees and commissions	58,595	62,097
Other operating income	10,809	12,953
Gains on foreign exchanges	9,300	—
Gains on sales of bonds	1,494	12,953
Income from derivatives other than for trading or hedging	15	—
Other ordinary income	54,667	101,797
Reversal of reserve for possible loan losses	39	0
Recoveries of written-off claims	43	39
Gains on sales of stocks and other securities	—	3,232
Gains on money held in trust	43,151	93,868
Other	11,431	4,656
Ordinary expenses	1,508,689	1,486,989
Interest expenses	356,780	374,928
Interest on deposits	241,707	232,795
Interest on call money	9	630
Interest on payables under repurchase agreements	—	1,795
Interest on payables under securities lending transactions	14,889	33,233
Interest on interest rate swaps	99,372	105,571
Other interest expenses	801	902
Fees and commissions	30,177	31,879
Fees and commissions on domestic and foreign exchanges	3,308	3,653
Other fees and commissions	26,868	28,225
Other operating expenses	6,086	13,076
Losses on foreign exchanges	—	1,471
Losses on sales of bonds	5,480	11,107
Losses on redemption of bonds	606	—
Expenses on derivatives other than for trading or hedging	—	497
General and administrative expenses	1,113,654	1,064,004
Other ordinary expenses	1,989	3,099
Losses on money held in trust	—	0
Other	1,989	3,099
Net ordinary income	569,489	481,998

	(Millions of yen)	
	FY2015	FY2016
Extraordinary income	3,008	—
Gains on sales and disposals of fixed assets	3,008	—
Extraordinary loss	1,464	1,109
Losses on sales and disposals of fixed assets	1,446	1,103
Losses on impairment of fixed assets	17	5
Income before income taxes	571,034	480,888
Income taxes		
Current	182,658	152,528
Deferred	18,941	3,291
Total income taxes	201,599	155,819
Net income	369,434	325,069

(3) Non-consolidated statements of changes in net assets

For the fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
		Legal capital surplus	Other retained earnings Retained earnings brought forward		
Balance at the beginning of the fiscal year	3,500,000	4,296,285	1,702,007	—	9,498,293
Cumulative effect of a change in accounting policies			(8,837)		(8,837)
Balance including a change in accounting policies at the beginning of the fiscal year	3,500,000	4,296,285	1,693,170	—	9,489,456
Changes during the fiscal year					
Cash dividends			(93,987)		(93,987)
Net income			369,434		369,434
Repurchase of treasury stock				(1,299,999)	(1,299,999)
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	—	—	275,447	(1,299,999)	(1,024,551)
Balance at the end of the fiscal year	3,500,000	4,296,285	1,968,617	(1,299,999)	8,464,904

	Valuation and translation adjustments			Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	2,563,134	(596,903)	1,966,231	11,464,524
Cumulative effect of a change in accounting policies				(8,837)
Balance including a change in accounting policies at the beginning of the fiscal year	2,563,134	(596,903)	1,966,231	11,455,687
Changes during the fiscal year				
Cash dividends				(93,987)
Net income				369,434
Repurchase of treasury stock				(1,299,999)
Net changes in items other than shareholders' equity	1,261,508	(62,432)	1,199,076	1,199,076
Total changes during the fiscal year	1,261,508	(62,432)	1,199,076	174,524
Balance at the end of the fiscal year	3,824,643	(659,335)	3,165,307	11,630,212

For the fiscal year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
		Legal capital surplus	Other retained earnings Retained earnings brought forward		
Balance at the beginning of the fiscal year	3,500,000	4,296,285	1,968,617	(1,299,999)	8,464,904
Cumulative effect of a change in accounting policies					—
Balance including a change in accounting policies at the beginning of the fiscal year	3,500,000	4,296,285	1,968,617	(1,299,999)	8,464,904
Changes during the fiscal year					
Cash dividends			(184,717)		(184,717)
Net income			325,069		325,069
Repurchase of treasury stock					—
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	—	—	140,351	—	140,351
Balance at the end of the fiscal year	3,500,000	4,296,285	2,108,969	(1,299,999)	8,605,256

	Valuation and translation adjustments			Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	3,824,643	(659,335)	3,165,307	11,630,212
Cumulative effect of a change in accounting policies				—
Balance including a change in accounting policies at the beginning of the fiscal year	3,824,643	(659,335)	3,165,307	11,630,212
Changes during the fiscal year				
Cash dividends				(184,717)
Net income				325,069
Repurchase of treasury stock				—
Net changes in items other than shareholders' equity	(501,816)	239,403	(262,413)	(262,413)
Total changes during the fiscal year	(501,816)	239,403	(262,413)	(122,061)
Balance at the end of the fiscal year	3,322,827	(419,932)	2,902,894	11,508,150

(4) Non-consolidated statements of cash flows

	(Millions of yen)	
	FY2015	FY2016
Cash flows from operating activities		
Income before income taxes	571,034	480,888
Depreciation and amortization	34,601	36,666
Losses on impairment of fixed assets	17	5
Net change in reserve for possible loan losses	(72)	(24)
Net change in reserve for bonuses	15	438
Net change in reserve for employees' retirement benefits	(112)	(746)
Interest income	(1,893,273)	(1,731,217)
Interest expenses	356,780	374,928
Losses (gains) related to securities – net	4,592	(5,078)
Losses (gains) on money held in trust – net	(43,151)	(93,867)
Foreign exchange losses (gains) – net	(520,093)	274,924
Losses (gains) on sales and disposals of fixed assets – net	(1,561)	1,103
Net change in loans	291,104	240,481
Net change in deposits	1,097,995	161,209
Net change in negotiable certificates of deposit	(90,000)	620,000
Net change in call loans, etc.	(177,681)	923,288
Net change in receivables under securities borrowing transactions	(1,161,315)	450,855
Net change in call money, etc.	–	577,058
Net change in payables under securities lending transactions	2,902,607	(446,640)
Net change in foreign exchange assets	(18,672)	24,003
Net change in foreign exchange liabilities	16	72
Interest received	2,060,574	1,875,027
Interest paid	(212,213)	(235,284)
Other – net	(152,940)	99,727
Subtotal	3,048,254	3,627,821
Income taxes paid	(199,193)	(181,785)
Net cash provided by operating activities	2,849,061	3,446,036
Cash flows from investing activities		
Purchases of securities	(25,606,164)	(25,203,413)
Proceeds from sales of securities	2,193,557	9,810,599
Proceeds from maturity of securities	35,751,029	25,650,370
Investment in money held in trust	(160,000)	(850,000)
Proceeds from disposition of money held in trust	145,159	586,748
Purchases of tangible fixed assets	(29,990)	(32,274)
Proceeds from sales of tangible fixed assets	4,734	11
Purchases of intangible fixed assets	(6,115)	(9,610)
Other – net	(422)	(54)
Net cash provided by investing activities	12,291,787	9,952,376
Cash flows from financing activities		
Cash dividends paid	(93,987)	(184,717)
Repurchase of treasury stock	(1,299,999)	–
Net cash used in financing activities	(1,393,986)	(184,717)
Effect of exchange rate changes on cash and cash equivalents	565	323
Net change in cash and cash equivalents	13,747,427	13,214,018
Cash and cash equivalents at the beginning of the fiscal year	18,848,622	32,596,050
Cash and cash equivalents at the end of the fiscal year	32,596,050	45,810,068

(5) Notes to financial statements**Notes on going-concern assumption**

None

Significant accounting policies

1. Trading account securities

Trading account securities are stated at fair value.

2. Securities

(1) Held-to-maturity securities, which are expected to be held to maturity with the positive intent and ability to hold to maturity, are stated at amortized cost (straight-line method) determined by the moving-average method.

Investments in affiliates are stated at cost determined by the moving-average method.

Available-for-sale securities that are not classified as either of the aforementioned securities are primarily carried at the fiscal year-end market prices (cost of securities sold is calculated using primarily the moving-average method). However, available-for-sale securities that are deemed to be extremely difficult to determine a fair value are stated at cost determined by the moving-average method. Net unrealized gains and losses including foreign exchange fluctuations, but excluding cases where the fair value hedge accounting method is applied to hedge exposure to the risks of foreign exchange fluctuations, net of applicable income taxes, are stated in a separate component of net assets.

(2) Securities invested in money held in trust are stated at fair value. The balance sheet amount is stated at the average market price of the final month of the fiscal year for equity securities and at the market price at the balance sheet date for other securities (the costs of other securities sold are determined primarily based on the moving-average method). Unrealized gains and losses on these securities, net of applicable income taxes, are stated in a separate component of net assets.

3. Derivatives

Derivatives are stated at fair value.

4. Fixed assets

(1) Tangible fixed assets

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

(2) Intangible fixed assets

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

5. Reserves

(1) Reserve for possible loan losses

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

Loans to normal borrowers and borrowers requiring caution, as provided by "Practical Guidance for Checking Internal Controls for Self-Assessments of Assets by Banks and Other Financial Institutions and for Audits of Loans Written Off and Loan Loss Allowance Provisions" (Japanese Institute of Certified Public Accountants <JICPA>, Special Committee for Audits of Banks, etc., Report No. 4, released on July 4, 2012), are classified into certain groups, and a reserve is provided for each

group based on the estimated rate of loan losses.

For loans to doubtful borrowers, a reserve is provided in the amount of loans, net of amounts expected to be collected through disposition of collateral or through execution of guarantees, and considered to be necessary based on a solvency assessment. For loans to bankrupt or substantially bankrupt borrowers, a reserve is provided based on the amount of loans, net of amounts expected to be collected through disposition of collateral or to be recoverable under guarantees.

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

(2) Reserve for bonuses

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

(3) Reserve for employees' retirement benefits

The reserve for employees' retirement benefits, which is provided for future payments to employees, is recorded in the amount deemed accrued based on the projected benefit obligation at the end of the fiscal year ended March 31, 2016. The method of attributing projected benefit obligation to the periods ending on or before March 31, 2016 is by the benefit formula basis.

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

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

6. Foreign currency transactions

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

7. Hedge accounting

(1) Hedging against interest rate risks

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

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

(2) Hedging against foreign exchange fluctuation risks

The Bank applies the deferred hedge accounting method, the fair value hedge accounting method, and the accounting method translating foreign currency receivables at forward rates to reduce its exposure to exchange rate fluctuations on the portion of the net unrealized gains/losses on available-for-sale securities exposed to the risks of foreign exchange fluctuation risk.

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

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

8. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash and due from banks on the balance sheet, excluding negotiable certificates of deposit in other banks.

9. Consumption taxes

The Bank is subject to Japan's national and local consumption taxes. Japan's national and local consumption taxes are excluded from transaction amounts.

10. Income taxes

Prior to November 4, 2015, the Bank had adopted the consolidated taxation system designating JAPAN POST HOLDINGS Co., Ltd. as the parent company. However, the Bank ceased to be a wholly-owned subsidiary of JAPAN POST HOLDINGS Co., Ltd. due to the listing of the Bank's shares on November 4, 2015 and therefore is no longer included in the consolidated taxation group designating JAPAN POST HOLDINGS Co., Ltd. as the consolidated parent company.

Accounting pronouncements issued but not yet adopted

The Bank plans to adopt the "Guidance on Recoverability of Deferred Tax Assets" (Accounting Standards Board of Japan Guidance No. 26, released on March 28, 2016), as follows:

1. Overview

The Guidance is basically a continuation of accounting treatments for recoverability of deferred tax assets prescribed within the JICPA Audit Committee Report No. 66, the "Audit Treatment of Judgments with Regard to Recoverability of Deferred Tax Assets," but certain changes were made.

2. Planned effective dates

The Bank will adopt the Guidance at the beginning of the fiscal year starting on April 1, 2016.

3. Effect of adopting this accounting standard and guidance

The Bank is currently evaluating the effect of adopting the Guidance.

Notes related to non-consolidated balance sheets

- The securities of affiliates totaled ¥1,385 million.
- Japanese government bonds include ¥100,126 million of secured loaned securities for which borrowers have the right to sell or pledge (securities collateralized bond lending/borrowing transactions).

Among the securities borrowed under the contract of loan for consumption (securities borrowing transactions) and those borrowed with cash collateral under securities lending agreements, that the Bank had the right to sell or pledge without restrictions, the Bank held ¥7,936,347 million of securities neither sold nor pledged as of March 31, 2016.

- There were no loans to bankrupt borrowers, non-accrual delinquent loans, past-due loans for three months or more, or restructured loans.

Loans to bankrupt borrowers refer to loans for which accrued interest is not recognized upon determination that collection or repayment of principal or interest is unlikely due to a delay in payment of principal or interest over a considerable period or for some other reasons (excluding the portion written down, hereinafter “non-accrual loans”) which satisfy the conditions stipulated in Article 96, Paragraph 1, Item 3, (a) through (e) of the Order for Enforcement of the Corporation Tax Act (Cabinet Order No.97 of 1965) or Item 4 of the same Paragraph.

Non-accrual delinquent loans refer to non-accrual loans other than the loans to bankrupt borrowers and the loans for which interest payments are deferred with the objective of restructuring businesses of the borrowers or supporting them.

Past-due loans for three months or more refer to loans with principal or interest unpaid for three months or more after the day following the due date, excluding loans to bankrupt borrowers and non-accrual delinquent loans.

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

- Assets pledged as collateral and their relevant liabilities were as follows:

Assets pledged as collateral:

Securities	¥31,168,369 million
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Liabilities corresponding to assets pledged as collateral:

Deposits	¥18,983,827 million
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Payables under repurchase agreements	¥554,522 million
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Payables under securities lending transactions	¥13,123,558 million
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Acceptances and guarantees	¥75,000 million
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In addition, the settlement accounts of Bank of Japan overdrafts, exchange settlement transactions, or derivative transactions were collateralized, and margins for future transactions were substituted by securities of ¥4,264,448 million.

“Other assets” included guarantee deposits of ¥1,932 million and pledged margins of ¥7,716 million, respectively.

- Contracts of overdraft facilities and loan commitments are contracts with customers to lend funds up to a certain limit agreed in advance. The Bank will make the loans upon the request of an obligor to draw down funds under such loan agreements based on various terms and conditions stipulated in the relevant loan agreement. There was no unused commitment balance relating to these loan agreements.
- Accumulated depreciation of tangible fixed assets was ¥154,736 million.

7. The Bank has contractual obligations to make future payments on consignment contracts for system-related services (such as usage of hardware, software, telecommunication services, and maintenance). The details were as follows:

One year or less	¥2,173 million
Over one year	¥139 million

8. "Transfer deposits" correspond to "Current deposits" and "TEIGAKU deposits" to "Other deposits" in liabilities in accordance with the "Ordinance for the Enforcement of the Banking Act." "Special deposits" represent deposits received from the Management Organization for Postal Savings and Postal Life Insurance, an independent administrative agency. "TEIGAKU deposits" are a kind of 10-year-maturity time deposits unique to the Bank. The key feature is that depositors have the option to withdraw money anytime six months after the initial deposit. The interest rates on such deposits rise every six months in a staircase pattern, with duration of up to three years. After three years, the interest is compounded using fixed interest rates until the maturity of 10 years.

Notes related to non-consolidated statements of income

1. General and administrative expenses included the following expenses:

Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	¥609,431 million
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	¥64,465 million

Notes related to non-consolidated statements of changes in net assets

1. Type and number of shares issued and treasury stock for the fiscal year ended March 31, 2016 were as follows:

(Thousand shares)					
	Number of shares at the beginning of the fiscal year	Increase	Decrease	Number of shares at the end of the fiscal year	Notes
Shares issued					
Common stock	150,000	4,350,000	—	4,500,000	(*) (**)
Treasury stock					
Common stock	25,017	725,507	—	750,525	(*) (***)

* The Bank conducted a stock split effective on August 1, 2015, under which each share of common stock was split into 30 shares.

** An increase of 4,350,000 thousand issued shares of common stock is due to a stock split.

*** An increase of 725,507 thousand shares of treasury stock of common stock is due to a stock split.

2. Dividends

(1) Dividends distributed during the fiscal year ended March 31, 2016

Resolution	Type	Cash dividends (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
May 11, 2015 at the meeting of the Board of Directors	Common stock	¥184,717	¥1,477.95	March 31, 2015	May 12, 2015

(2) Dividends with the record date within the fiscal year ended March 31, 2016 and with the effective date coming after the end of the fiscal year

Resolution	Type	Cash dividends (Millions of yen)	Resource of dividends	Cash dividends per share (Yen)	Record date	Effective date
May 13, 2016 at the meeting of the Board of Directors	Common stock	¥93,736	Retained earnings	¥25.00	March 31, 2016	June 22, 2016

Notes related to non-consolidated statements of cash flows

1. The reconciliation between cash and cash equivalents in the statement of cash flows and cash and due from banks in the balance sheet as of March 31, 2016 was as follows:

	(Millions of yen)
Cash and due from banks	45,895,068
Due from banks, — negotiable certificates of deposit in other banks	(85,000)
Cash and cash equivalents	45,810,068

Financial instruments

Notes related to the fair value of financial instruments

1. The amounts on the balance sheet, the fair values, and the differences between the two as of March 31, 2016, were as follows:

(Millions of yen)

	Amount on the balance sheet	Fair value	Difference
(1) Cash and due from banks	45,895,068	45,895,068	—
(2) Call loans	978,837	978,837	—
(3) Receivables under securities borrowing transactions	7,923,229	7,923,229	—
(4) Monetary claims bought	178,509	178,509	—
(5) Trading account securities:			
Securities classified as trading purposes	187	187	—
(6) Money held in trust	3,561,110	3,561,110	—
(7) Securities:			
Held-to-maturity securities	52,052,553	54,232,814	2,180,260
Available-for-sale securities	92,022,889	92,022,889	—
(8) Loans:			
Reserve for possible loan losses (*)	(112)		
	2,541,936	2,618,044	76,107
Total assets	205,154,323	207,410,691	2,256,368
(1) Deposits	177,871,986	178,326,145	454,159
(2) Call money	22,536	22,536	—
(3) Payables under repurchase agreements	554,522	554,522	—
(4) Payables under securities lending transactions	13,123,558	13,123,558	—
Total liabilities	191,572,602	192,026,762	454,159
Derivative transactions (**):			
For which hedge accounting is not applied	(42)	(42)	—
For which hedge accounting is applied	(617,602)	(617,602)	—
Total derivative transactions	(617,644)	(617,644)	—

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

** Figures are total derivative transactions recorded as other assets or other liabilities.

The net amount is shown for net claims and obligations arising from derivative transactions, with totals that are net obligations shown in parentheses.

Hedges covered by designation of foreign exchange forward contracts, etc., are treated as being an inseparable part of the foreign securities being hedged, and their fair value is therefore included in that of corresponding foreign securities.

2. The amount on the balance sheet of financial instruments for which the Bank deems it extremely difficult to determine a fair value was as follows. The fair value information for these financial instruments is not included in "Assets (7) Securities."

(Millions of yen)

Type	Amount on the balance sheet
Unlisted stocks	1,390

Securities

The fair value information of securities was as follows.

Securities discussed here include trading account securities, negotiable certificates of deposit recorded under cash and due from banks, monetary claims bought, as well as Japanese government bonds, Japanese local government bonds, commercial paper, Japanese corporate bonds, Japanese stocks, and other securities listed on the balance sheet.

1. Trading account securities as of March 31, 2016

There were no unrealized gains or losses from trading account securities included in the profit and loss recorded in the statement of income for the fiscal year.

2. Held-to-maturity securities as of March 31, 2016

(Millions of yen)

	Type	Amount on the balance sheet	Fair value	Difference
Those for which the fair value exceeds the amount on the balance sheet	Japanese government bonds	47,897,398	49,960,430	2,063,032
	Japanese local government bonds	341,147	345,102	3,954
	Japanese corporate bonds	3,714,191	3,824,895	110,703
	Others:	96,744	127,414	30,670
	Foreign bonds	96,744	127,414	30,670
	Total		52,049,482	54,257,843
Those for which the fair value does not exceed the amount on the balance sheet	Japanese government bonds	—	—	—
	Japanese local government bonds	—	—	—
	Japanese corporate bonds	3,071	3,070	(1)
	Others:	—	—	—
	Foreign bonds	—	—	—
Total		3,071	3,070	(1)
Total		52,052,553	54,260,913	2,208,359

3. Investments in subsidiaries and affiliates as of March 31, 2016

There were no investments in subsidiaries.

The securities of affiliates (¥1,385 million) were all unlisted, and did not have a market price. Since it was extremely difficult to determine a fair value of the securities, the fair value and the difference were not disclosed.

4. Available-for-sale securities whose fair value is available as of March 31, 2016

(Millions of yen)

	Type	Amount on the balance sheet	Acquisition cost	Difference (*)
Those for which the amount on the balance sheet exceeds the acquisition cost	Bonds:	46,170,593	44,130,814	2,039,779
	Japanese government bonds	34,347,751	32,602,907	1,744,843
	Japanese local government bonds	5,310,013	5,183,963	126,049
	Commercial paper	—	—	—
	Japanese corporate bonds	6,512,828	6,343,942	168,886
	Others:	24,013,886	21,735,717	2,278,168
	Foreign bonds	15,212,996	13,060,269	2,152,726
	Investment trusts (**)	8,717,363	8,593,353	124,009
	Total	70,184,479	65,866,532	4,317,947
Those for which the amount on the balance sheet does not exceed the acquisition cost	Bonds:	553,471	555,415	(1,944)
	Japanese government bonds	10,504	10,594	(90)
	Japanese local government bonds	205,348	205,654	(305)
	Commercial paper	204,995	204,995	—
	Japanese corporate bonds	132,622	134,171	(1,548)
	Others:	21,548,447	21,991,967	(443,519)
	Foreign bonds	4,519,763	4,704,621	(184,858)
	Investment trusts (**)	16,803,603	17,055,683	(252,080)
	Total	22,101,919	22,547,383	(445,464)
Total	92,286,398	88,413,915	3,872,483	

* Of the difference shown above, ¥35,341 million is included in the statement of income as losses because of the application of fair value hedge accounting.

** Investment trusts are mainly invested in foreign bonds.

Note: Available-for-sale securities that are deemed to be extremely difficult to determine a fair value were as follows.

(Millions of yen)

	Amount on the balance sheet
Japanese stocks	5

Since these securities did not have a market price and it was extremely difficult to determine a fair value, they are not included in "Available-for-sale securities whose fair value is available" shown above.

5. Held-to-maturity securities sold during the fiscal year ended March 31, 2016

There were no held-to-maturity securities sold during the fiscal year ended March 31, 2016.

6. Available-for-sale securities sold during the fiscal year ended March 31, 2016

(Millions of yen)

Type	Sales proceeds	Total realized gains	Total realized losses
Bonds:	8,750,645	6,357	(681)
Japanese government bonds	8,749,632	6,357	(594)
Japanese corporate bonds	1,013	—	(86)
Others:	1,052,715	9,828	(10,426)
Foreign bonds	902,605	6,596	(10,426)
Investment trusts	150,109	3,232	—
Total	9,803,360	16,185	(11,107)

7. Securities for which accounting for impairment was applied

For securities (excluding trading securities) with market quotations, whose fair value shows a substantial decline from their acquisition cost and is not judged to recover to their acquisition cost, the Bank reduces its book value of securities to fair value on the balance sheet and charges valuation differences to income (hereafter "impairment losses") in the fiscal year in which they are recognized. No impairment losses were recognized for the fiscal year ended March 31, 2016.

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

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

Money held in trust

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

1. Money held in trust for the purpose of trading as of March 31, 2016

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

2. Money held in trust for the purpose of held-to-maturity as of March 31, 2016

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

3. Money held in trust (excluding trading and held-to-maturity purposes) as of March 31, 2016

(Millions of yen)

	Amount on the balance sheet	Acquisition cost	Difference	Those for which the amount on the balance sheet exceeds the acquisition cost	Those for which the amount on the balance sheet does not exceed the acquisition cost
Money held in trust classified as:					
Available-for-sale	3,561,110	2,677,221	883,889	897,609	(13,720)

Notes: 1. The amount on the balance sheet is stated at the average market price of the final month for the fiscal year for equity securities and at the market price on the balance sheet date for other securities.

2. "Those for which the amount on the balance sheet exceeds the acquisition cost" and "Those for which the amount on the balance sheet does not exceed the acquisition cost" represent the breakdown of the "Difference" for the respective items.

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

For the money held in trust (excluding money held in trust for the purpose of trading) that are under management as trust assets, whose fair value shows a substantial decline from their acquisition cost and is not judged to recover to their acquisition cost, the Bank reduces its book value of securities to fair value on the balance sheet and charges valuation differences to income (hereafter "impairment losses") in the fiscal year in which they are recognized. Impairment losses for the fiscal year ended March 31, 2016 amounted to ¥1,588 million.

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

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

Profit or loss from equity method, etc.

The details for the fiscal year ended March 31, 2016 were as follows:

	(Millions of yen)
Investments in affiliates	1,385
Investments, if equity method was adopted	1,472
Investment gains (losses), if equity method was adopted	(9)

Segment information

Segment information is omitted since the Bank comprises of only one segment, which is defined as banking service.

Per share data

Net assets per share as of March 31, 2016 and net income per share for the fiscal year then ended were as follows:

	(Yen)
Net assets per share	3,069.26
Net income per share	86.69

Notes: 1. Diluted net income per share is not presented since there has been no potential dilution for the fiscal year ended March 31, 2016.

2. The Bank conducted a stock split effective on August 1, 2015, under which each share of common stock was split into 30 shares. However, the Bank's calculation of the net assets per share and net income per share are based on the assumption that the stock split was effective at the beginning of the fiscal year ended March 31, 2016.

3. Net assets per share as of March 31, 2016 were calculated based on the following:

	(Millions of yen)
Net assets	11,508,150
Net assets attributable to common stock at the end of the fiscal year	11,508,150
Number of common stock at the end of the fiscal year used for the calculation of net assets per share (thousand shares)	3,749,475

4. Net income per share data for the fiscal year ended March 31, 2016 was calculated based on the following:

	(Millions of yen)
Net income	325,069
Net income attributable to common stock	325,069
Average number of common stock outstanding during the fiscal year (thousand shares)	3,749,475

Significant subsequent event

None