



Summary of Financial Results for the Fiscal Year Ended March 31, 2017

<Under Japanese GAAP> (Non-Consolidated)

May 15, 2017

Company name: JAPAN POST BANK Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
 Code number: 7182 Website: <http://www.jp-bank.japanpost.jp/>
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Date of Ordinary General Meeting of Shareholders: June 20, 2017 (Scheduled)

Dividend payment date: June 21, 2017 (Scheduled)

Securities Report issuing date: June 23, 2017 (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, 2017

(1) Operating results

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

	Ordinary income		Net ordinary income		Net income	
FY2017	¥1,897,281	(3.6)%	¥442,085	(8.2)%	¥312,264	(3.9)%
FY2016	1,968,987	(5.2)	481,998	(15.3)	325,069	(12.0)

	Net income per share	Diluted net income per share	Net income to net assets	Ordinary expenses to ordinary income	Deposit balance
FY2017	¥83.28	¥-	2.6%	76.6%	¥179,434,686
FY2016	86.69	-	2.8	75.5	177,871,986

Reference: Gains (losses) from investments in affiliates, which were accounted for using the equity method, were ¥13 million for the fiscal year ended March 31, 2017 and ¥(9) million for the fiscal year ended March 31, 2016.

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, 2017 and 2016.

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
FY2017	¥209,568,820	¥11,780,037	5.6%	¥3,142.05
FY2016	207,056,039	11,508,150	5.5	3,069.26

Reference: Net assets attributable to shareholders were ¥11,780,037 million as of March 31, 2017 and ¥11,508,150 million as of March 31, 2016.

(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
FY2017	¥ 717,488	¥4,876,733	¥(187,716)	¥51,216,921
FY2016	3,446,036	9,952,376	(184,717)	45,810,068

2. Dividends

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

	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			
FY2016	¥—	¥ 0.00	¥—	¥25.00	¥25.00	¥ 93,736	28.8%	0.8%
FY2017	—	25.00	—	25.00	50.00	187,473	60.0	1.6
FY2018 (forecast)	—	25.00	—	25.00	50.00		53.5	

3. Earnings forecasts for the fiscal year ending March 31, 2018

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

	Net ordinary income		Net income		Net income per share
FY2018	¥490,000	10.8%	¥350,000	12.0%	¥93.35

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, 2017	4,500,000,000 shares	As of March 31, 2016	4,500,000,000 shares
ii) Year-end treasury stock:	As of March 31, 2017	750,848,850 shares	As of March 31, 2016	750,525,000 shares
iii) Average number of outstanding shares:	FY2017	3,749,190,644 shares	FY2016	3,749,475,000 shares

Notes: 1. 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.

- 2. The year-end treasury stock as of March 31, 2017 included the Bank's shares held by board benefit trust (323,900 shares). The treasury stock deducted to calculate the average number of outstanding shares for FY2017 included the Bank's shares held by board benefit trust (284,387 shares).

(Note on audit procedures)

This "Summary of Financial Results" is not subject to the audit procedure.

(Forward-looking statements and other matters)

This "Summary of Financial Results" contains forward-looking statements including forecasts, targets and plans. These statements are based on estimates at the time in light of the information currently available to the Bank. The statements and assumptions may prove to be incorrect and may not be realized in the future.

Any uncertainties, risks and other factors that may cause such a situation to arise include, but are not limited to, risks related to the effectiveness of risk management policies and procedures; risks related to business strategy and management planning such as market risk, market liquidity risk, credit risk and operational risk; risks related to the expansion of the scope of operations; risks related to the business environment; and other various risks. Please also see the Securities Report and the latest quarterly financial report for material facts that the Bank recognizes as potentially affecting its actual results, performance or financial position. The Bank's actual results, performance or financial position may be materially different from those expressed or implied by such forward-looking statements.

The statements in this document are current as of the date of the document or the date otherwise specified, and the Bank has no obligation or intent to keep this information up to date.

The information concerning companies or parties other than the Bank and the Japan Post Group is based on publicly available and other information as cited, and the Bank has neither independently verified the accuracy and appropriateness of, nor makes any warranties with respect to, such information. The information of the document may be revised without prior notice.

[Attachment]

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(Supplemental Information)

Selected Financial Information for the Fiscal Year Ended March 31, 2017

1. Overview of Financial Results

(1) Overview of non-consolidated results of operations and financial conditions for the fiscal year ended March 31, 2017

(Operating results)

Ordinary income decreased by ¥71.7 billion from the previous fiscal year, to ¥1,897.2 billion for the fiscal year ended March 31, 2017. Interest income decreased by ¥163.7 billion from the previous fiscal year, to ¥1,567.5 billion for the fiscal year ended March 31, 2017, mainly due to a decrease in interest on Japanese government bonds. Fees and commissions decreased by ¥3.5 billion from the previous fiscal year, to ¥119.4 billion for the fiscal year ended March 31, 2017. Other operating income increased by ¥101.4 billion from the previous fiscal year, to ¥114.3 billion for the fiscal year ended March 31, 2017, due to an increase in gains on foreign exchanges, etc.

Meanwhile, ordinary expenses decreased by ¥31.7 billion from the previous fiscal year, to ¥1,455.1 billion for the fiscal year ended March 31, 2017. Interest expenses decreased by ¥26.1 billion from the previous fiscal year, to ¥348.7 billion for the fiscal year ended March 31, 2017. General and administrative expenses decreased by ¥9.9 billion from the previous fiscal year, to ¥1,054.0 billion for the fiscal year ended March 31, 2017.

Taking into account of the above, in the adverse business environment with yen interest rates remained at a low level, net ordinary income decreased by ¥39.9 billion from the previous fiscal year, to ¥442.0 billion for the fiscal year ended March 31, 2017. Net income decreased by ¥12.8 billion from the previous fiscal year, to ¥312.2 billion for the fiscal year ended March 31, 2017, which equated to 104.0% of the earnings forecasts of ¥300.0 billion in net income for the fiscal year ended March 31, 2017.

(Financial conditions)

Total assets as of March 31, 2017 were ¥209,568.8 billion. Securities were ¥138,792.4 billion, and loans were ¥4,064.1 billion. Deposits as of March 31, 2017 were ¥179,434.6 billion (¥180,781.7 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 ¥11,133.3 billion.

Shareholder's equity as of March 31, 2017 increased by ¥124.3 billion from March 31, 2016. In addition, the valuation and translation adjustments increased by ¥147.5 billion from March 31, 2016. As a result, net assets totaled ¥11,780.0 billion. Retained earnings, included in shareholders' equity, were ¥2,233.7 billion.

As for cash flows, cash flows from operating activities decreased by ¥2,728.5 billion from the previous fiscal year, to ¥717.4 billion for the fiscal year ended March 31, 2017. Cash flows from investing activities decreased by ¥5,075.6 billion from the previous fiscal year, to ¥4,876.7 billion for the fiscal year ended March 31, 2017. Cash flows from financing activities decreased by ¥2.9 billion from the previous fiscal year, to ¥(187.7) billion for the fiscal year ended March 31, 2017. As a result, cash and cash equivalents increased by ¥5,406.8 billion from March 31, 2016, to ¥51,216.9 billion as of March 31, 2017.

(2) Earnings forecasts for the fiscal year ending March 31, 2018

As for earnings forecasts for the fiscal year ending March 31, 2018, net ordinary income and net income are expected to amount to ¥490.0 billion and ¥350.0 billion, respectively.

In the adverse business environment with persistent extremely low yen interest rates, etc., the Bank expects to ensure stable profits by working to strengthen fee businesses, etc., and further promoting sophisticated and diversified investments, etc.

(3) Basic policy concerning profit distribution and dividends for the fiscal year ended March 31, 2017 and the fiscal year ending March 31, 2018

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. As a result of the policy above, for the fiscal year ended March 31, 2017, we declared total dividends per share of common stock of ¥50 (including interim dividends of ¥25).

For the fiscal year ending March 31, 2018, 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 based on the network of approximately 24,000 post offices across Japan as our main channel to provide our customers with the highest level of service. In addition, we aim to be one of the largest institutional investors in Japan, promoting sophistication and diversification of investments 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 with stable funding supported by our retail marketing capabilities with the post office network as our main channel, our solid capital base, and our ALM and investment strategy that leverage those special features. Amid an adverse business environment, the entire company will continue to 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 continuing low level of yen interest rates, we will focus on strengthening our fee businesses, increasing earnings from the satellite portfolio, and expense efficiency, in order to ensure stable profits.

*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 investments in foreign and other assets.

(Securing the customer base and strengthening our fee businesses)

In order to support customers in building diversified assets, we will further strengthen our retail marketing capabilities by fostering and increasing the number of financial consultants. In addition, we will strive to establish and reinforce business operations that focus on customers (fiduciary duty), and introduce asset management products such as investment trusts and variable annuity insurance according to the asset management needs and investment experience of our customers. For customers with little investment experience, we will commit to broaden our customer base by introducing products that are simple and easy to understand and balanced products that invest in a range of asset classes, and by taking advantage of systems such as Nippon Individual Savings Account (NISA), the tax exemption program to promote smaller investments, and the tax exemption program to promote smaller investments for minors (Junior NISA). On the other hand, for customers with substantial investment experience, we will encourage further use by introducing products with varying risk profiles.

In order to gain a broad understanding of the asset management needs of customers, we will strengthen our sales system by making further use of the post office network and supporting human resources development.

In addition, we will continue to promote strategic placement of ATMs and installation of compact ATMs at FamilyMart convenience stores, which are located nationwide, while improving convenience by enhancing remittance and settlement services.

As in the fiscal year ended March 31, 2017, we will work to offer products and services that serve the needs of the many customers who have TEIGAKU deposits approaching maturity so that they will continue to use the Bank.

(Contribution to regional economic revitalization)

Going forward, we will increase our investment in regional economic revitalization funds in cooperation with regional financial institutions. By making a financial return from the Bank to the regions through such funds, we will contribute to the revitalization of regional economies. Moreover, we will continue to reinforce our system by accumulating knowledge and fostering skilled personnel in connection with fund investment. Furthermore, with respect to cooperation in other aspects, we will continue to work on cultivating and collaborating on businesses as a strategy for the future.

(Promoting sophisticated and diversified investments by enhancing assets in the satellite portfolio)

With regard to the base portfolio, under an extremely challenging investment environment due to prolonged low yen interest rates, we will invest flexibly according to interest rate movements and aim to generate stable earnings in the medium to long term.

In the satellite portfolio, we will strive to improve earnings by promoting alternative investments such as private equity, real estate funds, and hedge funds, all of which are new investment frontiers, in addition to pursuing diversification into foreign assets. As for existing investment areas, we will strive to make flexible investments according to market conditions, including use of derivative transactions and others. At the same time, we will continue to diversify our foreign currency funding methods, while strengthening our investment system by hiring and fostering skilled personnel.

Meanwhile, in risk management, we will develop forward-looking risk management by enhancing measures such as stress tests. We will also reinforce our risk management system in line with promotion of alternative investments, and work on other measures such as enhancement of foreign currency liquidity risk management.

(Expense efficiency)

We will invest proactively in areas that will enhance customer services and contribute to our growth, while making efforts to further increase expense efficiency through measures such as reduction of default expenses and promotion of BPR (Business Process Re-engineering).

(Enhancing internal control system and developing the business infrastructure)

We will work to further strengthen the internal control system with the aim of enhancing corporate value by promoting greater awareness of compliance issues through various forms of training, and practicing business operations that focus on our customer-centric (fiduciary duty) policy.

We will also develop our business infrastructure by improving our IR activities and IR system and promoting diversity (utilization of diverse human resources), in addition to dealing with FinTech (intersection of the financial services and technology sectors), developing human resources mainly in growth areas, and pursuing work-style reforms to raise administrative efficiency and employee productivity.

In the field of CSR (Corporate Social Responsibility), we will leverage the unique features of the Bank's operations to contribute to building the foundation of society, under the key themes of "reliable service," "environment," "diversity," and "education."

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, 2016	(Millions of yen) As of March 31, 2017
Assets		
Cash and due from banks	45,895,068	51,281,921
Cash	150,763	161,372
Due from banks	45,744,305	51,120,549
Call loans	978,837	470,000
Receivables under securities borrowing transactions	7,923,229	8,718,905
Monetary claims bought	178,509	252,214
Trading account securities	187	9
Trading Japanese government bonds	187	9
Money held in trust	3,561,110	3,817,908
Securities	144,076,834	138,792,448
Japanese government bonds	82,255,654	68,804,989
Japanese local government bonds	5,856,509	6,082,225
Commercial paper	204,995	233,998
Japanese corporate bonds	10,362,715	10,752,831
Japanese stocks	1,390	1,390
Other securities	45,395,569	52,917,013
Loans	2,542,049	4,064,120
Loans on deeds	2,322,098	3,866,110
Overdrafts	219,951	198,009
Foreign exchanges	25,328	78,646
Due from foreign banks	25,309	78,646
Foreign bills bought and foreign exchanges purchased	19	—
Other assets	1,573,316	1,871,733
Domestic exchange settlement accounts-debit	15,387	15,379
Prepaid expenses	4,183	2,890
Accrued income	274,678	240,448
Margins for future transactions	—	124,102
Variation margins for future transactions	—	56
Derivatives other than trading	160,483	324,889
Cash collateral paid for financial instruments	—	38,062
Other	1,118,583	1,125,903
Tangible fixed assets	182,733	175,825
Buildings	73,261	70,556
Land	59,034	59,034
Construction in progress	7,638	7,717
Other	42,797	38,516
Intangible fixed assets	44,865	46,183
Software	30,910	27,472
Other	13,955	18,711
Customers' liabilities for acceptances and guarantees	75,000	—
Reserve for possible loan losses	(1,030)	(1,096)
Total assets	207,056,039	209,568,820

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Deposits	177,871,986	179,434,686
Transfer deposits	13,874,601	13,052,115
Ordinary deposits	47,465,923	52,100,533
Savings deposits	388,475	391,963
Time deposits	11,441,153	10,065,156
Special deposits	18,967,503	11,133,397
TEIGAKU deposits	85,550,160	92,532,491
Other deposits	184,168	159,029
Call money	22,536	45,436
Payables under repurchase agreements	554,522	960,937
Payables under securities lending transactions	13,123,558	13,694,294
Commercial paper	—	40,324
Foreign exchanges	338	407
Foreign bills payable	338	407
Other liabilities	2,532,920	2,185,197
Domestic exchange settlement accounts-credit	21,341	22,820
Income taxes payable	45,370	30,817
Accrued expenses	1,526,248	1,425,895
Unearned income	72	57
Variation margins for future transactions	—	44
Derivatives other than trading	778,128	540,016
Cash collateral received for financial instruments	—	30,415
Asset retirement obligations	396	415
Other	161,362	134,714
Reserve for bonuses	6,020	6,007
Reserve for employees' retirement benefits	149,720	148,800
Reserve for management board benefit trust	—	43
Reserve for reimbursement of deposits	—	2,096
Deferred tax liabilities	1,211,286	1,270,550
Acceptances and guarantees	75,000	—
Total liabilities	195,547,888	197,788,782
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	2,108,969	2,233,759
Other retained earnings	2,108,969	2,233,759
Retained earnings brought forward	2,108,969	2,233,759
Treasury stock	(1,299,999)	(1,300,411)
Total shareholders' equity	8,605,256	8,729,634
Net unrealized gains (losses) on available-for-sale securities	3,322,827	3,166,980
Net deferred gains (losses) on hedges	(419,932)	(116,577)
Total valuation and translation adjustments	2,902,894	3,050,403
Total net assets	11,508,150	11,780,037
Total liabilities and net assets	207,056,039	209,568,820

(2) Non-consolidated statements of income

(Millions of yen)

	FY2016	FY2017
Ordinary income	1,968,987	1,897,281
Interest income	1,731,217	1,567,512
Interest on loans	25,103	17,748
Interest and dividends on securities	1,657,623	1,522,075
Interest on call loans	5,307	636
Interest on receivables under securities borrowing transactions	7,958	1,471
Interest on deposits with banks	33,977	23,974
Other interest income	1,247	1,607
Fees and commissions	123,019	119,465
Fees and commissions on domestic and foreign exchanges	60,921	60,991
Other fees and commissions	62,097	58,474
Other operating income	12,953	114,371
Gains on foreign exchanges	—	99,395
Gains on sales of bonds	12,953	11,826
Income from derivatives other than for trading or hedging	—	3,149
Other ordinary income	101,797	95,931
Reversal of reserve for possible loan losses	0	—
Recoveries of written-off claims	39	34
Gains on sales of stocks and other securities	3,232	88
Gains on money held in trust	93,868	83,049
Other	4,656	12,758
Ordinary expenses	1,486,989	1,455,195
Interest expenses	374,928	348,746
Interest on deposits	232,795	200,373
Interest on call money	630	566
Interest on payables under repurchase agreements	1,795	6,620
Interest on payables under securities lending transactions	33,233	41,542
Interest on commercial paper	—	54
Interest on borrowings	—	0
Interest on interest rate swaps	105,571	97,547
Other interest expenses	902	2,042
Fees and commissions	31,879	32,845
Fees and commissions on domestic and foreign exchanges	3,653	3,814
Other fees and commissions	28,225	29,031
Other operating expenses	13,076	14,280
Losses on foreign exchanges	1,471	—
Losses on sales of bonds	11,107	14,280
Expenses on derivatives other than for trading or hedging	497	—
General and administrative expenses	1,064,004	1,054,053
Other ordinary expenses	3,099	5,269
Provision for reserve for possible loan losses	—	91
Losses on money held in trust	0	118
Other	3,099	5,059
Net ordinary income	481,998	442,085

	(Millions of yen)	
	FY2016	FY2017
Extraordinary loss	1,109	1,488
Losses on sales and disposals of fixed assets	1,103	529
Losses on impairment of fixed assets	5	958
Income before income taxes	480,888	440,596
Income taxes		
Current	152,528	133,287
Deferred	3,291	(4,954)
Total income taxes	155,819	128,332
Net income	325,069	312,264

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

For the fiscal year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward
Balance at the beginning of the fiscal year	3,500,000	4,296,285	—	4,296,285	1,968,617
Changes during the fiscal year					
Cash dividends					(184,717)
Net income					325,069
Repurchase of treasury stock					
Disposal of treasury stock					
Transfer of loss on disposal of treasury stock					
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	—	—	—	—	140,351
Balance at the end of the fiscal year	3,500,000	4,296,285	—	4,296,285	2,108,969

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	(1,299,999)	8,464,904	3,824,643	(659,335)	3,165,307	11,630,212
Changes during the fiscal year						
Cash dividends		(184,717)				(184,717)
Net income		325,069				325,069
Repurchase of treasury stock		—				—
Disposal of treasury stock		—				—
Transfer of loss on disposal 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	—	140,351	(501,816)	239,403	(262,413)	(122,061)
Balance at the end of the fiscal year	(1,299,999)	8,605,256	3,322,827	(419,932)	2,902,894	11,508,150

For the fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward
Balance at the beginning of the fiscal year	3,500,000	4,296,285	—	4,296,285	2,108,969
Changes during the fiscal year					
Cash dividends					(187,473)
Net income					312,264
Repurchase of treasury stock					
Disposal of treasury stock			(0)	(0)	
Transfer of loss on disposal of treasury stock			0	0	(0)
Net changes in items other than shareholders' equity					
Total changes during the fiscal year	—	—	—	—	124,790
Balance at the end of the fiscal year	3,500,000	4,296,285	—	4,296,285	2,233,759

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	(1,299,999)	8,605,256	3,322,827	(419,932)	2,902,894	11,508,150
Changes during the fiscal year						
Cash dividends		(187,473)				(187,473)
Net income		312,264				312,264
Repurchase of treasury stock	(418)	(418)				(418)
Disposal of treasury stock	6	6				6
Transfer of loss on disposal of treasury stock		—				—
Net changes in items other than shareholders' equity			(155,846)	303,355	147,508	147,508
Total changes during the fiscal year	(411)	124,378	(155,846)	303,355	147,508	271,887
Balance at the end of the fiscal year	(1,300,411)	8,729,634	3,166,980	(116,577)	3,050,403	11,780,037

(4) Non-consolidated statements of cash flows

	(Millions of yen)	
	FY2016	FY2017
Cash flows from operating activities		
Income before income taxes	480,888	440,596
Depreciation and amortization	36,666	35,306
Losses on impairment of fixed assets	5	958
Net change in reserve for possible loan losses	(24)	65
Net change in reserve for bonuses	438	(12)
Net change in reserve for employees' retirement benefits	(746)	(919)
Net change in reserve for management board benefit trust	—	43
Net change in reserve for reimbursement of deposits	—	2,096
Interest income	(1,731,217)	(1,567,512)
Interest expenses	374,928	348,746
Losses (gains) related to securities – net	(5,078)	2,365
Losses (gains) on money held in trust – net	(93,867)	(82,930)
Foreign exchange losses (gains) – net	274,924	(80,125)
Losses (gains) on sales and disposals of fixed assets – net	1,103	529
Net change in loans	240,481	(1,523,548)
Net change in deposits	161,209	1,562,699
Net change in negotiable certificates of deposit	620,000	20,000
Net change in call loans, etc.	923,288	433,886
Net change in receivables under securities borrowing transactions	450,855	(795,676)
Net change in call money, etc.	577,058	429,316
Net change in commercial paper	—	40,324
Net change in payables under securities lending transactions	(446,640)	570,736
Net change in foreign exchange assets	24,003	(53,318)
Net change in foreign exchange liabilities	72	68
Interest received	1,875,027	1,616,246
Interest paid	(235,284)	(449,819)
Other – net	99,727	(80,150)
Subtotal	3,627,821	869,973
Income taxes paid	(181,785)	(152,485)
Net cash provided by operating activities	3,446,036	717,488
Cash flows from investing activities		
Purchases of securities	(25,203,413)	(21,160,856)
Proceeds from sales of securities	9,810,599	1,410,489
Proceeds from maturity of securities	25,650,370	24,619,351
Investment in money held in trust	(850,000)	(14,645)
Proceeds from disposition of money held in trust	586,748	54,947
Purchases of tangible fixed assets	(32,274)	(19,227)
Proceeds from sales of tangible fixed assets	11	0
Purchases of intangible fixed assets	(9,610)	(14,608)
Other – net	(54)	1,282
Net cash provided by investing activities	9,952,376	4,876,733
Cash flows from financing activities		
Repurchase of treasury stock	—	(418)
Proceeds from disposal of treasury stock	—	0
Cash dividends paid	(184,717)	(187,297)
Net cash used in financing activities	(184,717)	(187,716)
Effect of exchange rate changes on cash and cash equivalents	323	347
Net change in cash and cash equivalents	13,214,018	5,406,853
Cash and cash equivalents at the beginning of the fiscal year	32,596,050	45,810,068
Cash and cash equivalents at the end of the fiscal year	45,810,068	51,216,921

(5) Notes to non-consolidated 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). However, the securities that are deemed to be extremely difficult to determine a fair value are stated at cost determined by the moving-average method. Unrealized gains and losses on available-for-sale 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 as of March 31, 2017. The method of attributing projected benefit obligation to the periods ending on or before March 31, 2017 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.

(4) Reserve for management board benefit trust

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

(5) Reserve for reimbursement of deposits

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

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 fluctuations.

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 the 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.

Additional information

The Bank has adopted the "Guidance on Recoverability of Deferred Tax Assets" (Accounting Standards Board of Japan Guidance No. 26, released on March 28, 2016) from the fiscal year ended March 31, 2017.

Notes related to non-consolidated balance sheets

1. The securities of affiliates totaled ¥1,385 million.
2. 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 ¥8,882,990 million of securities neither sold nor pledged as of March 31, 2017.
3. 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.

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

Assets pledged as collateral:

Securities	¥25,943,822 million
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Liabilities corresponding to assets pledged as collateral:

Deposits	¥11,150,781 million
----------	---------------------

Payables under repurchase agreements	¥960,937 million
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Payables under securities lending transactions	¥13,694,294 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 ¥682,251 million.

“Other assets” included guarantee deposits of ¥1,993 million, margins with central counterparty of ¥125,475 million and other margins, etc. of ¥2,005 million, respectively.

5. 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, unless any terms or conditions stipulated in the relevant loan agreement are violated. The unused commitment balance relating to these loan agreements amounted to ¥19,548 million as of March 31, 2017. Of this amount, there were no loans in which the term of the agreement was less than one year, or the unconditional cancellation of the agreement was allowed at any time as of March 31, 2017.

In many cases, the term of the agreement runs its course without the loan ever being drawn down. Therefore, the unused amount will not necessarily affect future cash flows. Conditions are included in certain loan agreements that allow the Bank to decline the request for a loan draw-down when there is due cause to do so, such as when there is a change in financial condition or when it is necessary to protect the Bank’s credit. At the inception of contracts, the Bank has the obligor pledge collateral to

the Bank in the form of real estate, securities, etc., if considered to be necessary. Subsequently, the Bank reviews the obligor's financial condition in accordance with the Bank's established internal procedures and takes necessary measures to protect its credit.

6. Accumulated depreciation of tangible fixed assets was ¥167,835 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 | ¥589 million |
| Over one year | ¥624 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. | ¥612,465 million |
| Deposit insurance expenses paid to Deposit Insurance Corporation of Japan | ¥66,166 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, 2017 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	4,500,000	—	—	4,500,000	
Treasury stock					
Common stock	750,525	328	4	750,848	(*)(**)(***)

* An increase of 328 thousand shares of treasury stock is due to the purchases of treasury stock by the management board benefit trust.

** A decrease of 4 thousand shares of treasury stock is due to the 4 thousand shares of benefits paid by the management board benefit trust and the sale of treasury stock in response to the request to purchase shares of less than one unit.

*** The number of shares of treasury stock at the end of the fiscal year included 323 thousand shares of treasury stock held by the management board benefit trust.

2. Dividends

(1) Dividends distributed during the fiscal year ended March 31, 2017

Resolution	Type	Cash dividends (Millions of yen)	Cash dividends per share (Yen)	Record date	Effective date
May 13, 2016 at the meeting of the Board of Directors	Common stock	93,736	25.00	March 31, 2016	June 22, 2016
November 14, 2016 at the meeting of the Board of Directors	Common stock	93,736	25.00	September 30, 2016	December 6, 2016

Note: The total amount of dividends resolved by the Board of Directors' meeting held on November 14, 2016

included dividends of ¥8 million for the Bank's shares held by the management board benefit trust.

(2) Dividends with the record date within the fiscal year ended March 31, 2017 and with the effective date coming after the end of the fiscal year

Resolution	Type	Cash dividends (Millions of yen)	Resource of dividends	Cash dividends per share (Yen)	Record date	Effective date
May 15, 2017 at the meeting of the Board of Directors	Common stock	93,736	Retained earnings	25.00	March 31, 2017	June 21, 2017

Note: The total amount of dividends resolved by the Board of Directors' meeting held on May 15, 2017 included dividends of ¥8 million for the Bank's shares held by the management board benefit trust.

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, 2017 was as follows:

Cash and due from banks	¥51,281,921 million
Due from banks, — negotiable certificates of deposit in other banks	¥(65,000) million
Cash and cash equivalents	¥51,216,921 million

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, 2017, were as follows:

(Millions of yen)

	Amount on the balance sheet	Fair value	Difference
(1) Cash and due from banks	51,281,921	51,281,921	—
(2) Call loans	470,000	470,000	—
(3) Receivables under securities borrowing transactions	8,718,905	8,718,905	—
(4) Monetary claims bought	252,214	252,214	—
(5) Trading account securities:			
Securities classified as trading purposes	9	9	—
(6) Money held in trust	3,803,267	3,803,267	—
(7) Securities:			
Held-to-maturity securities	38,316,923	39,761,722	1,444,799
Available-for-sale securities	100,349,714	100,349,714	—
(8) Loans:			
Reserve for possible loan losses (*)	(114)		
	4,064,005	4,109,451	45,445
Total assets	207,256,962	208,747,207	1,490,245
(1) Deposits	179,434,686	179,731,889	297,203
(2) Call money	45,436	45,436	—
(3) Payables under repurchase agreements	960,937	960,937	—
(4) Payables under securities lending transactions	13,694,294	13,694,294	—
(5) Commercial paper	40,324	40,324	—
Total liabilities	194,175,679	194,472,882	297,203
Derivative transactions (**):			
For which hedge accounting is not applied	3,730	3,730	—
For which hedge accounting is applied	(218,856)	(218,856)	—
Total derivative transactions	(215,126)	(215,126)	—

* 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 “(6) Money held in trust” and “(7) Securities” in total assets.

(Millions of yen)

Type	Amount on the balance sheet
Money held in trust (*)	14,641
Securities	
Unlisted stocks (**)	1,390
Investment trusts (***)	122,477
Investments in partnerships (****)	1,942
Total	140,451

* Money held in trust, within which the trust asset components were deemed to be extremely difficult to determine a fair value such as private REIT, is not included in the scope of fair value disclosures.

** Unlisted stocks are not included in the scope of fair value disclosures because they did not have a market price and it was deemed to be extremely difficult to determine a fair value.

*** Investment trusts, within which the trust asset components were deemed to be extremely difficult to determine a fair value such as unlisted stocks, are not included in the scope of fair value disclosures.

**** Investments in partnerships are not included in the scope of fair value disclosures because they consisted of partnership asset components such as unlisted stocks which were deemed to be extremely difficult to determine a fair value.

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, 2017

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, 2017

(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	35,317,430	36,691,257	1,373,826
	Japanese local government bonds	44,618	44,733	115
	Japanese corporate bonds	2,889,963	2,960,589	70,626
	Others:	64,911	76,892	11,981
	Foreign bonds	64,911	76,892	11,981
	Total	38,316,923	39,773,472	1,456,549
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	—	—	—
	Others:	—	—	—
	Foreign bonds	—	—	—
	Total	—	—	—
Total		38,316,923	39,773,472	1,456,549

3. Investments in subsidiaries and affiliates as of March 31, 2017

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, 2017

(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:	43,897,296	42,351,852	1,545,444
	Japanese government bonds	32,379,992	31,044,284	1,335,708
	Japanese local government bonds	5,342,533	5,247,901	94,632
	Commercial paper	—	—	—
	Japanese corporate bonds	6,174,770	6,059,666	115,103
	Others:	43,917,055	41,830,116	2,086,938
	Foreign bonds	13,266,884	11,621,764	1,645,119
	Investment trusts (**)	30,589,848	30,148,925	440,922
	Total	87,814,351	84,181,969	3,632,382
Those for which the amount on the balance sheet does not exceed the acquisition cost	Bonds:	3,724,735	3,751,657	(26,921)
	Japanese government bonds	1,107,565	1,122,495	(14,929)
	Japanese local government bonds	695,073	698,799	(3,726)
	Commercial paper	233,998	233,998	—
	Japanese corporate bonds	1,688,097	1,696,364	(8,266)
	Others:	9,127,842	9,451,132	(323,290)
	Foreign bonds	6,811,672	7,121,635	(309,962)
	Investment trusts (**)	2,014,396	2,020,269	(5,872)
	Total	12,852,577	13,202,790	(350,212)
Total	100,666,928	97,384,759	3,282,169	

* Of the difference shown above, ¥185,342 million losses were included in the statement of income 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
Investment trusts	122,477
Investments in partnerships	1,942
Total	124,425

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, 2017

There were no held-to-maturity securities sold during the fiscal year ended March 31, 2017.

6. Available-for-sale securities sold during the fiscal year ended March 31, 2017

(Millions of yen)

Type	Sales proceeds	Total realized gains	Total realized losses
Bonds:	232,597	1,134	(1,764)
Japanese government bonds	216,688	1,134	—
Japanese corporate bonds	15,908	—	(1,764)
Others:	1,177,891	10,780	(12,516)
Foreign bonds	1,176,118	10,692	(12,516)
Total	1,410,489	11,914	(14,280)

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, 2017.

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, 2017

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, 2017

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, 2017

(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	3,803,267	2,704,605	1,098,661	1,102,370	(3,708)

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 at 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.

3. Money held in trust classified as available-for-sale that is deemed to be extremely difficult to determine a fair value was as follows.

(Millions of yen)	
	Amount on the balance sheet
Money held in trust classified as: Available-for-sale	14,641

Since these money held in trust did not have a market price and it was extremely difficult to determine a fair value, they are not included in "Money held in trust (excluding trading and held-to-maturity purposes)" shown above.

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, 2017 amounted to ¥3,734 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, 2017 were as follows:

Investments in affiliates	¥1,385 million
Investments, if equity method was adopted	¥1,485 million
Investment gains, if equity method was adopted	¥13 million

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, 2017 and net income per share for the fiscal year then ended were as follows:

	(Yen)
Net assets per share	3,142.05
Net income per share	83.28

Notes: 1. Diluted net income per share is not presented since there has been no potential dilution for the fiscal year ended March 31, 2017.

2. Net assets per share as of March 31, 2017 were calculated based on the following:

(Millions of yen)	
Net assets	11,780,037
Net assets attributable to common stock at the end of the fiscal year	11,780,037
Number of common stock at the end of the fiscal year used for the calculation of net assets per share (thousand shares)	3,749,151

3. Net income per share data for the fiscal year ended March 31, 2017 was calculated based on the following:

	(Millions of yen)
Net income	312,264
Net income attributable to common stock	312,264
Average number of common stock outstanding during the fiscal year (thousand shares)	3,749,190

4. To calculate net assets per share, the treasury stock deducted from the number of common stock outstanding as of March 31, 2017 included 323 thousand shares of treasury stock held by the management board benefit trust.

To calculate net income per share, the treasury stock deducted to calculate the average number of outstanding shares for the fiscal year ended March 31, 2017 included 284 thousand shares of treasury stock held by the management board benefit trust.

Significant subsequent event

None