

Selected Financial Information For the Fiscal Year Ended March 31, 2018

**JAPAN POST BANK Co., Ltd.
May 15, 2018**

Contents

Financial Highlights

1. Overview of FY2018/3 Results	Non-consolidated/ Consolidated	・・・P. 2	6. Unrealized Gains (Losses) on Financial Instruments	Non-consolidated	・・・P. 8
2. Trend of Net Interest Income and Interest Rate Spread	Non-consolidated	・・・P. 4	7. Trend of Deposit Balance	Non-consolidated	・・・P. 9
3. Net Fees and Commissions	Non-consolidated	・・・P. 5	8. Trend of Capital Adequacy Ratio	Non-consolidated/ Consolidated	・・・P.10
4. Trend of General and Administrative Expenses	Non-consolidated	・・・P. 6	9. Plans for the Fiscal Year Ending March 31, 2019	Consolidated	・・・P.11
5. Asset Management Status	Non-consolidated	・・・P. 7	(Reference) Portfolio Management Status	Non-consolidated	・・・P.13

Financial Data

1. Summarized Balance Sheets	Non-consolidated	・・・P.15	9. Loans	Non-consolidated	・・・P.24
2. Income Analysis	Non-consolidated	・・・P.16	10. Balances by Type of Deposit	Non-consolidated	・・・P.25
3. Selected Ratios	Non-consolidated	・・・P.17	11. Employees' Retirement Benefits	Non-consolidated	・・・P.27
4. Interest Rate Spread	Non-consolidated	・・・P.17	12. Deferred Tax Assets/Liabilities	Non-consolidated	・・・P.28
5. Average Balance, Interest, and Earnings Yield of Interest-Earning Assets and Interest-Bearing Liabilities	Non-consolidated	・・・P.18	13. Problem Assets Disclosed under the Financial Reconstruction Act	Non-consolidated	・・・P.29
6. Asset Management Status	Non-consolidated	・・・P.20	14. Reserve for Possible Loan Losses	Non-consolidated	・・・P.29
7. Unrealized Gains (Losses) on Financial Instruments	Non-consolidated	・・・P.21	15. Capital	Non-consolidated/ Consolidated	・・・P.30
8. General and Administrative Expenses	Non-consolidated	・・・P.23	16. Selected Business Results	Non-consolidated	・・・P.32

Notes: 1. All Japanese yen figures in the financial statements of JAPAN POST BANK Co., Ltd. (the "Bank") and its consolidated subsidiaries (the "Group") have been rounded down.

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

2. Since the Bank prepares its consolidated financial statements from the fiscal year ended March 31, 2018, consolidated amount for the fiscal year ended March 31, 2017 and the increase(decrease) were not disclosed.

Financial Highlights

1. Overview of FY2018/3 Results

- Gross operating profit for the fiscal year ended March 31, 2018 increased by ¥52.1 bn year on year to ¥1,462.3 bn.
Net interest income decreased by ¥47.8 bn year on year, mainly due to a decrease in interest on Japanese government bonds.
Net fees and commissions increased by ¥9.8 bn year on year. Net other operating income increased by ¥90.1 bn year on year, due to an increase in gains (losses) on foreign exchanges, etc.
- General and administrative expenses decreased by ¥11.1 bn year on year to ¥1,045.0 bn.
- Despite the adverse business environment with yen interest rates remained at a low level, net operating profit increased by ¥63.2 bn year on year to ¥417.3 bn.
- Non-recurring gains (losses) decreased by ¥5.6 bn year on year, due to a decrease in gains (losses) on money held in trust, etc. Net ordinary income increased by ¥57.5 bn year on year to ¥499.6 bn.
- Net income increased by ¥40.4 bn year on year to ¥352.7 bn, which equated to 100.7% of the earnings forecasts of ¥350.0 bn in net income for the fiscal year ended March 31, 2018.
- Net income attributable to owners of parent was ¥352.7 bn.

Note: ■ indicate non-consolidated amount, and □ indicates consolidated amount.

Consolidated subsidiaries, etc.

Consolidated subsidiaries	2 companies (Principal company: Japan Post Investment Corporation)
Affiliates accounted for by the equity method	SDP CENTER Co., Ltd. ATM Japan Business Service, Ltd. JP Asset Management Co., Ltd.

Results of Operations

(¥bn, %)

For the fiscal year ended March 31, 2018(actual)

Non-consolidated

Ordinary income	2,044.8
Increase (decrease) from the fiscal year ended March 31, 2017	147.5 7.7%
Net ordinary income	499.6
Increase (decrease) from the fiscal year ended March 31, 2017	57.5 13.0%
Net income	352.7
Increase (decrease) from the fiscal year ended March 31, 2017	40.4 12.9%

Consolidated

Net ordinary income	499.6
Net income attributable to owners of parent	352.7

Earnings Forecasts

(¥bn)

For the fiscal year ending March 31, 2019(forecast)

Consolidated

Net ordinary income	370.0
Net income attributable to owners of parent	260.0

1. Overview of FY2018/3 Results

Non-consolidated

Results of Operations

	For the fiscal year ended		Increase (Decrease) (A) – (B)
	March 31, 2018 (A)	March 31, 2017 (B)	
	(¥bn)		
Gross operating profit	1,462.3	1,410.2	52.1
Net interest income	1,175.6	1,223.5	(47.8)
Net fees and commissions	96.4	86.6	9.8
Net other operating income (loss)	190.2	100.0	90.1
Gains (losses) on foreign exchanges	194.9	99.3	95.5
Gains (losses) on bonds	(6.4)	(2.4)	(4.0)
General and administrative expenses (*)	1,045.0	1,056.1	(11.1)
Provision for general reserve for possible loan losses	0.0	(0.0)	0.0
Net operating profit	417.3	354.0	63.2
Non-recurring gains (losses)	82.3	87.9	(5.6)
Gains (losses) related to stocks	(21.2)	0.0	(21.3)
Gains (losses) on money held in trust	50.9	82.9	(31.9)
Gains (losses) related to deposits	60.2	7.6	52.5
Net ordinary income	499.6	442.0	57.5
Net income	352.7	312.2	40.4

* General and administrative expenses exclude non-recurring losses.

** ROE = net income / [(sum of total net assets at the beginning and the end of the fiscal year) / 2] x 100

*** OHR = (general and administrative expenses / gross operating profit) x 100

Financial Condition

	As of		Increase (Decrease) (A) – (B)
	March 31, 2018 (A)	March 31, 2017 (B)	
	(¥bn, %)		
Assets	210,630.6	209,568.8	1,061.7
Cash and due from banks	49,288.3	51,281.9	(1,993.6)
Call loans	480.0	470.0	10.0
Receivables under securities borrowing transactions	8,224.1	8,718.9	(494.7)
Money held in trust	4,241.5	3,817.9	423.6
Securities	139,201.2	138,792.4	408.8
Loans	6,145.5	4,064.1	2,081.4
Liabilities	199,117.4	197,788.7	1,328.6
Deposits	179,882.7	179,434.6	448.0
Payables under securities lending transactions	13,812.1	13,694.2	117.8
Net assets	11,513.1	11,780.0	(266.8)
Total shareholders' equity	8,894.5	8,729.6	164.9
Total valuation and translation adjustments	2,618.5	3,050.4	(431.8)

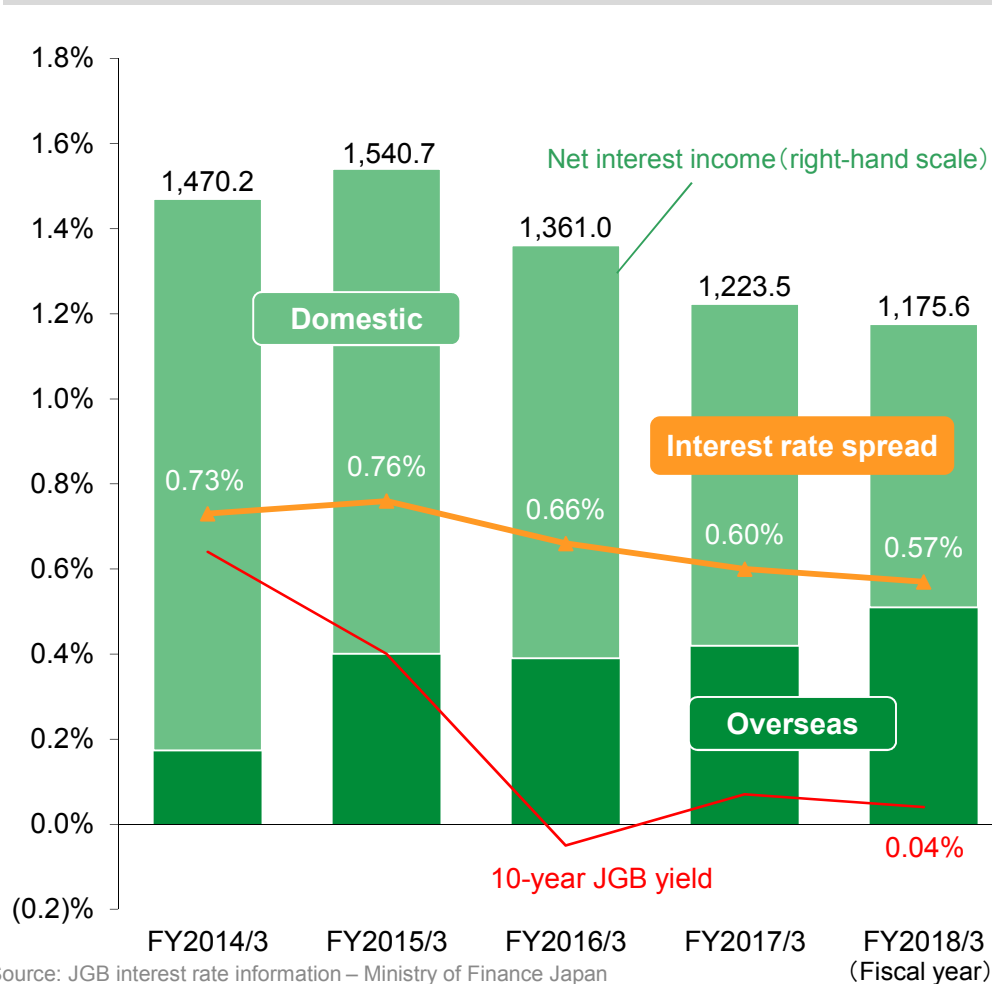
Selected Ratios

ROE (**)	3.02%	2.68%	0.34%
OHR (***)	71.46%	74.89%	(3.42)%

2. Trend of Net Interest Income and Interest Rate Spread

Non-consolidated

■ Net interest income was ¥1,175.6 bn and interest rate spread was 0.57% for the fiscal year ended March 31, 2018.



		For the fiscal year ended		Increase (Decrease) (A) – (B)
		March 31, 2018 (A)	March 31, 2017 (B)	
Domestic (¥bn)				
Net interest income		665.7	804.0	(138.2)
Interest income		852.0	1,046.5	(194.5)
Interest income on Japanese government bonds		611.8	793.3	(181.4)
Interest expenses		186.2	242.5	(56.2)
Overseas (¥bn)				
Net interest income		509.9	419.5	90.4
Interest income		732.1	596.6	135.4
Interest income on foreign securities		730.3	595.3	134.9
Interest expenses		222.2	177.1	45.0
Total (¥bn)				
Net interest income		1,175.6	1,223.5	(47.8)
Interest income		1,502.7	1,567.5	(64.7)
Interest expenses		327.0	343.9	(16.9)

Source: JGB interest rate information – Ministry of Finance Japan

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

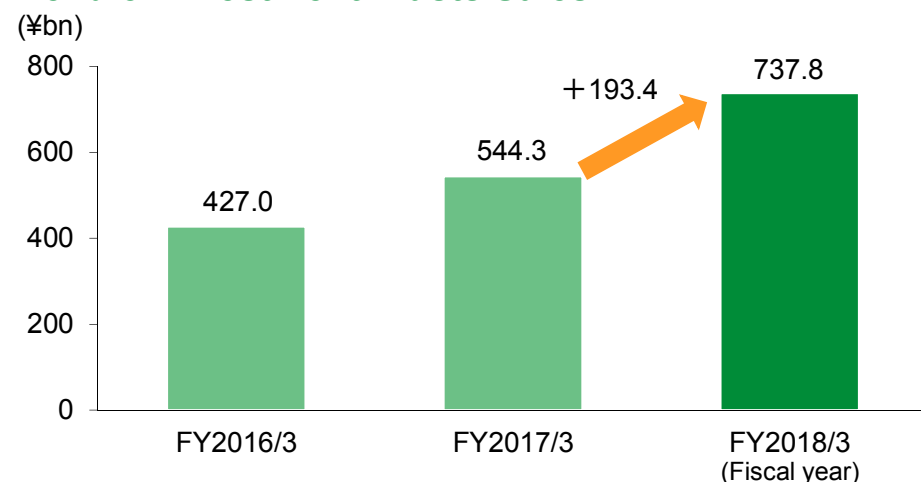
2. For a part of interest income and expenses, transactions between "domestic" and "overseas" are offset to calculate totals. As a result, the total of each account may not be equal to the combined total of "domestic" and "overseas" of each item.

3. Net Fees and Commissions

Non-consolidated

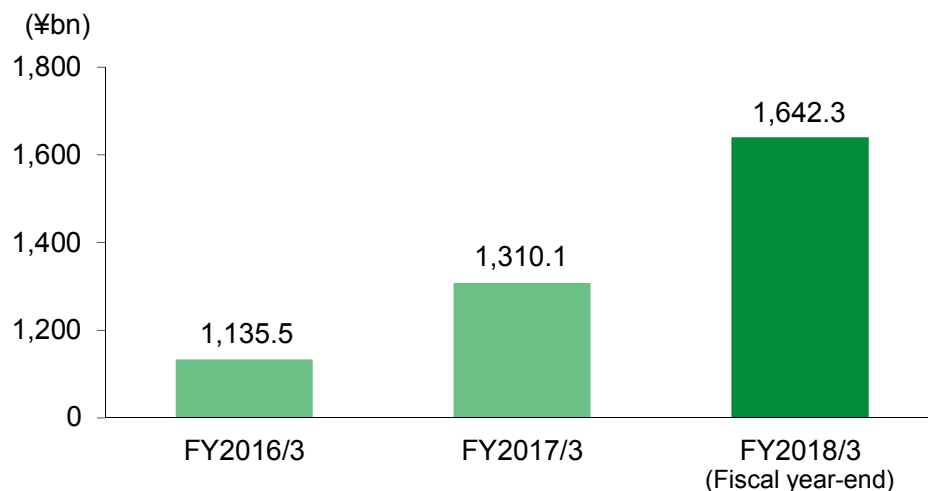
■ Net fees and commissions for the fiscal year ended March 31, 2018 increased by ¥9.8 bn year on year to ¥96.4 bn.

Trend of Investment Trusts Sales

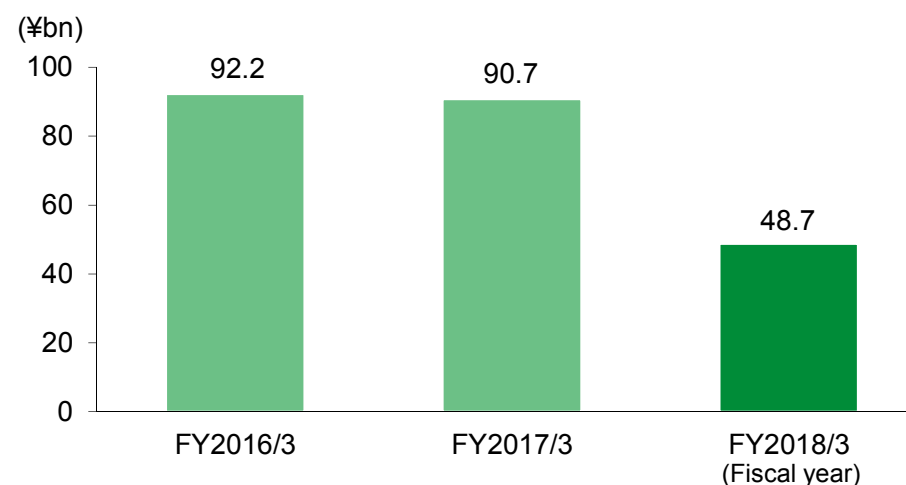


	For the fiscal year ended		Increase (Decrease) (A) – (B)
	March 31, 2018(A)	March 31, 2017 (B)	
Net fees and commissions relating to	96.4	86.6	9.8
Exchange and settlement transactions	59.1	59.1	0.0
ATMs	9.2	7.2	1.9
Investment trusts	19.0	10.5	8.4
Others	9.0	9.6	(0.6)

Trend of Net Assets of Investment Trusts



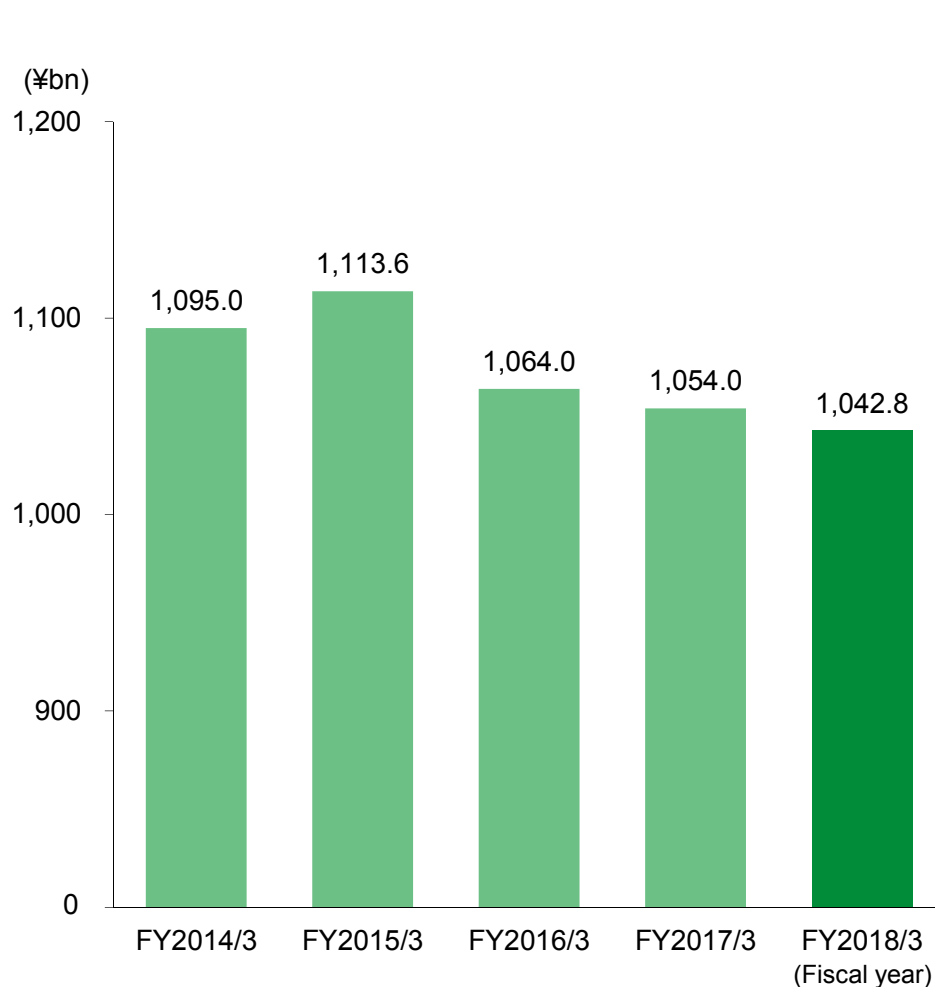
Trend of Variable Annuities Policies Sales



4. Trend of General and Administrative Expenses

Non-consolidated

- General and administrative expenses for the fiscal year ended March 31, 2018 decreased by ¥11.1 bn year on year to ¥1,042.8 bn.



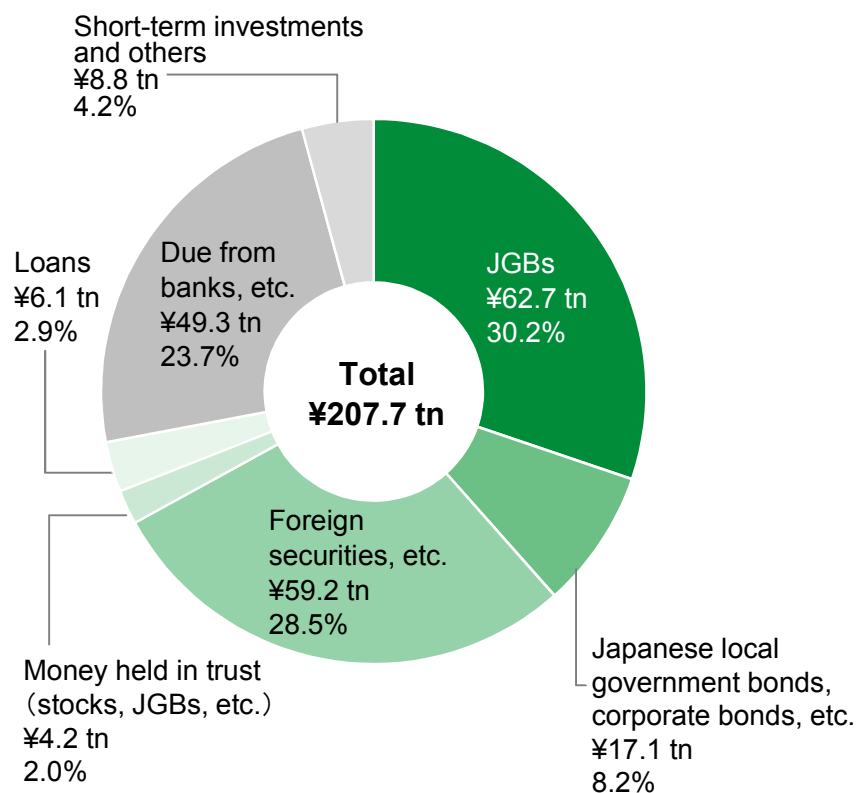
	For the fiscal year ended		Increase (Decrease) (A) – (B)
	March 31, 2018 (A)	March 31, 2017 (B)	
Personnel expenses (*)	126.4	123.2	3.2
Salaries and allowances	103.3	101.1	2.2
Non-personnel expenses	838.9	854.3	(15.4)
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	598.1	612.4	(14.3)
Deposit insurance premiums paid to JAPAN POST HOLDINGS Co., Ltd.	5.6	8.3	(2.6)
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	60.5	66.1	(5.6)
Taxes and dues	77.4	76.4	0.9
Total	1,042.8	1,054.0	(11.1)

* Personnel expenses include non-recurring losses.

5. Asset Management Status

Non-consolidated

■ Included in investment assets as of March 31, 2018, JGBs were ¥62.7 tn and foreign securities, etc. were ¥59.2 tn.



Categories	As of March 31, 2018 (A)	%	As of March 31, 2017 (B)	%	Increase (Decrease) (A) – (B)
Securities	139,201.2	67.0	138,792.4	66.9	408.8
Japanese government bonds	62,749.7	30.2	68,804.9	33.2	(6,055.2)
Japanese local government bonds, corporate bonds, etc. (*)	17,152.6	8.2	17,070.4	8.2	82.2
Foreign securities, etc.	59,298.8	28.5	52,917.0	25.5	6,381.8
Foreign bonds	20,244.3	9.7	20,143.4	9.7	100.8
Investment trusts	39,042.6	18.7	32,726.7	15.7	6,315.9
Money held in trust (stocks, JGBs, etc.)	4,241.5	2.0	3,817.9	1.8	423.6
Domestic stocks	2,286.1	1.1	2,079.2	1.0	206.8
Loans	6,145.5	2.9	4,064.1	1.9	2,081.4
Due from banks, etc. (**)	49,314.6	23.7	51,213.3	24.7	(1,898.7)
Short-term investments and others (***)	8,830.6	4.2	9,305.6	4.4	(474.9)
Total	207,733.5	100.0	207,193.4	100.0	540.0

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

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

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

6. Unrealized Gains (Losses) on Financial Instruments

Non-consolidated

- Net unrealized gains on financial instruments (available-for-sale) after taking into consideration of gains (losses) from hedge accounting were ¥3,774.4 bn as of March 31, 2018 (before application of tax effect accounting).

(¥bn)

	As of March 31, 2018		As of March 31, 2017	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Held-to-maturity securities	31,458.9	1,003.5	38,316.9	1,456.5

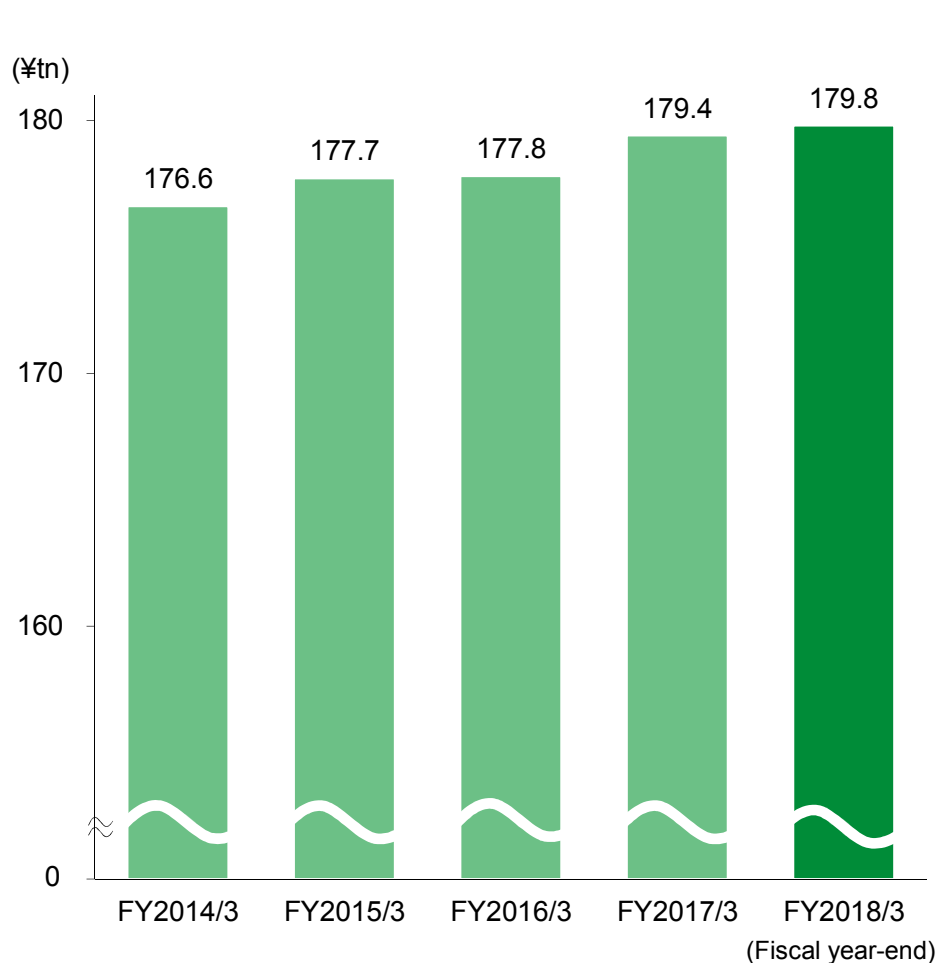
(¥bn)

	As of March 31, 2018		As of March 31, 2017	
	Amount on the balance sheet / Notional amount	Net unrealized gains (losses) / Net deferred gains (losses)	Amount on the balance sheet / Notional amount	Net unrealized gains (losses) / Net deferred gains (losses)
Available-for-sale	112,245.7	3,769.9	104,609.2	4,566.1
Securities (A)	108,083.5	1,912.0	100,791.3	3,282.1
Japanese government bonds	33,645.7	1,129.9	33,487.5	1,320.7
Foreign bonds	20,211.9	375.3	20,078.5	1,335.1
Investment trusts	39,042.6	265.8	32,726.7	435.0
Others	15,183.1	140.8	14,498.5	191.1
Effect of fair value hedge accounting (B)		568.7		185.3
Money held in trust (C)	4,162.2	1,289.2	3,817.9	1,098.6
Domestic stocks	2,286.1	1,262.0	2,079.2	1,058.6
Others	1,876.1	27.1	1,738.6	40.0
Derivatives for which deferred hedge accounting is applied (D)	11,326.5	4.4	7,553.3	(168.0)
Total (A) + (B) + (C) + (D)		3,774.4		4,398.1

7. Trend of Deposit Balance

Non-consolidated

■ Deposit balance as of March 31, 2018 was ¥179.8 tn, which remained stable.

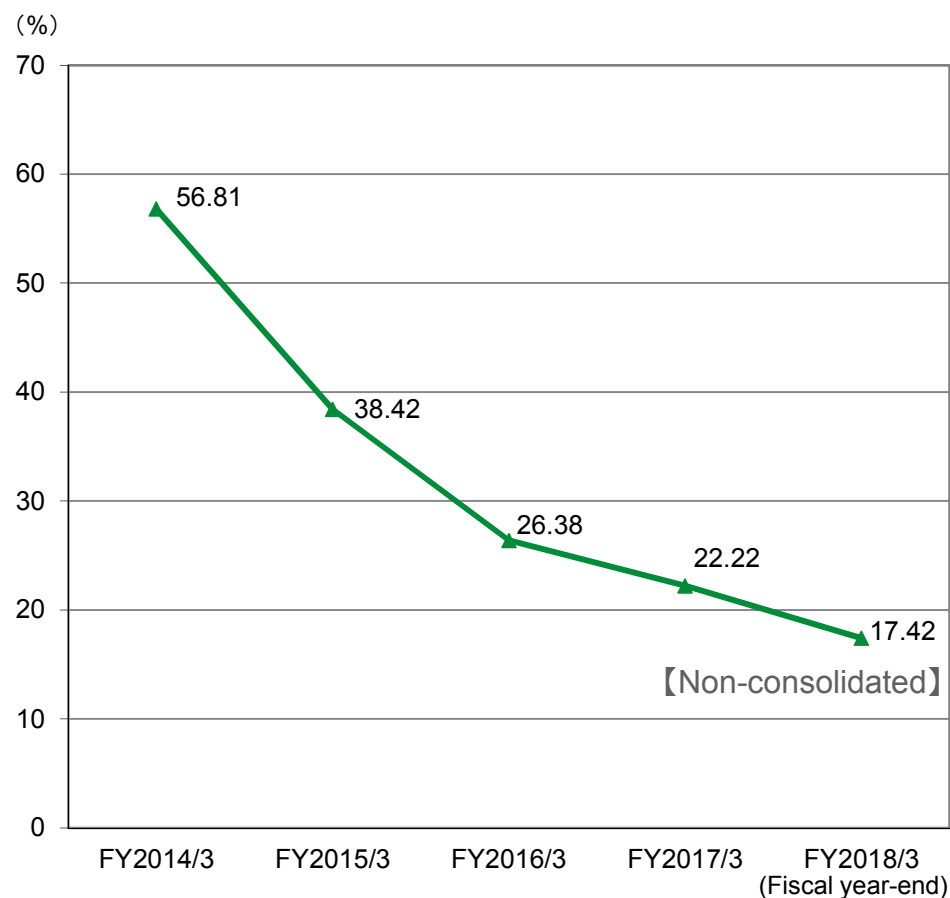


	As of March 31, 2018 (A)	As of March 31, 2017 (B)	Increase (Decrease) (A) – (B)
Liquid deposits	73.7	67.9	5.7
Transfer deposits	14.4	13.0	1.3
Ordinary deposits, etc.	58.9	54.5	4.3
Savings deposits	0.3	0.3	0.0
Fixed-term deposits	105.9	111.2	(5.2)
Time deposits	8.6	10.0	(1.3)
TEIGAKU deposits, etc.	97.2	101.2	(3.9)
Other deposits	0.1	0.1	(0.0)
Total	179.8	179.4	0.4

(¥tn)

8. Trend of Capital Adequacy Ratio

■ Capital adequacy ratio (non-consolidated, domestic standard) was 17.42% as of March 31, 2018.



【Non-consolidated】	(¥bn, %)		
	As of March 31, 2018 (A)	As of March 31, 2017 (B)	Increase (Decrease) (A) – (B)
Total capital (a)	8,772.0	8,616.9	155.1
Total amount of risk-weighted assets (b)	50,343.5	38,779.8	11,563.7
Credit risk-weighted assets	47,574.7	35,906.5	11,668.1
Capital adequacy ratio (a) / (b)	17.42%	22.22%	(4.79)%

【Consolidated】	(¥bn, %)
	As of March 31, 2018
Total capital (a)	8,778.8
Total amount of risk-weighted assets (b)	50,342.2
Credit risk-weighted assets	47,573.4
Capital adequacy ratio (consolidated)(a) / (b)	17.43%

9. Plans for the Fiscal Year Ending March 31, 2019

(1) Earnings Forecasts

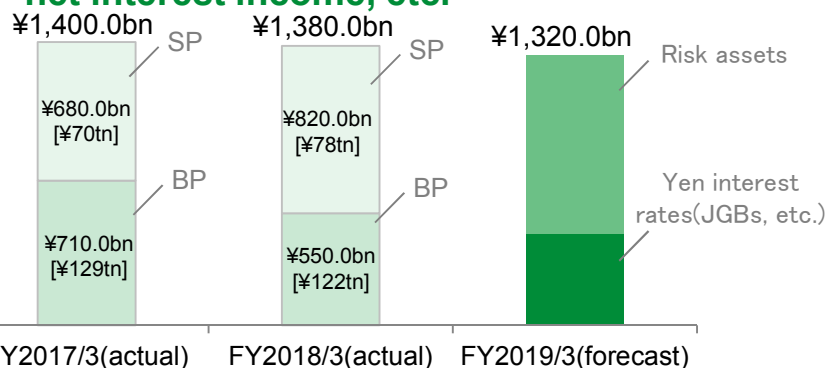
Consolidated

- For earnings forecasts for the fiscal year ending March 31, 2019, net ordinary income and net income attributable to owners of parent are expected to amount to ¥370.0 bn and ¥260.0 bn, respectively.
- In the adverse business environment with persistent extremely low yen interest rates, etc., the Bank expects to ensure stable profits by provision of high-quality customer-oriented financial services, and further diversification and sophistication of Investment Management, etc. for the fiscal year ending March 31, 2019.

Earnings forecasts for the fiscal year ending March 31, 2019 (Consolidated) (¥bn)

	For the fiscal year	
	ending March 31, 2019 (forecast)	ended March 31, 2018 (actual)
Net ordinary income	370.0	499.6
Net income attributable to owners of parent	260.0	352.7

Actual results and forecasts of net interest income, etc.



* Net interest income, etc. = Interest income - Interest expenses (including gains (losses) on sales, etc.)
 ** The Bank reviews categories of portfolio from the beginning of the fiscal year ending March 31, 2019.
 *** Risk assets = Others of yen interest rates (Japanese government bonds, etc.) (SP and Loans of BP)
 **** Figures in parenthesis indicate the balance at the end of the fiscal year.
 ***** Figures less than 10 billion yen are not presented for the net income, and figures less than 1 trillion yen are not presented for the balances.

Key initiatives for the fiscal year ending March 31, 2019

- ◆ Provision of High-quality Customer-Oriented Financial Services
 - Expanding sales of investment trusts to pursue consulting services to deal with lifestyles of customers
 - Providing new remittance and settlement services
- ◆ Further Diversification and Sophistication of Investment Management
 - Pursuing alternative investments and improvement of profitability by making use of derivative transactions and others
- ◆ Funds Flow to Regional Communities
 - Creation of new funds flow through participations in regional vitalization funds.
- ◆ Strengthening the Business Management System
 - Promoting greater operational efficiency through the use of FinTech and digital technology
 - Promoting higher productivity and reallocate management resources to growth and strengthening areas

Assumptions for earnings forecasts

- ◆ Assumptions of domestic and foreign market interest rates are based on the implied forward rates as of December 31, 2017.
- ◆ Assumption of foreign exchange rate is approximately \$1=¥113 for USD/JPY.

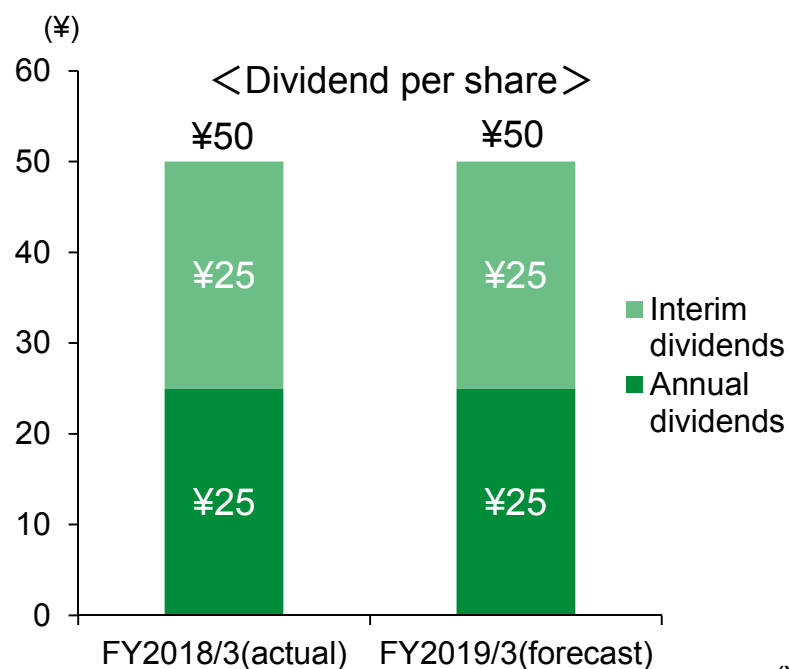
9. Plans for the Fiscal Year Ending March 31, 2019

(2) Dividends

Consolidated

- Dividend per share for the fiscal year ended March 31, 2018 is ¥50 (including interim dividends of ¥25).
- Dividend per share for the fiscal year ending March 31, 2019 is expected to be ¥50 (including interim dividends of ¥25).

Actual result and forecast of dividends



Dividend policy (until March 31, 2021)

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

	For the fiscal year	
	ended March 31, 2018 (actual)	ending March 31, 2019 (forecast)
Total dividend payment	187.4	187.4
Dividend payout ratio	53.1%	72.0%

(¥bn, %)

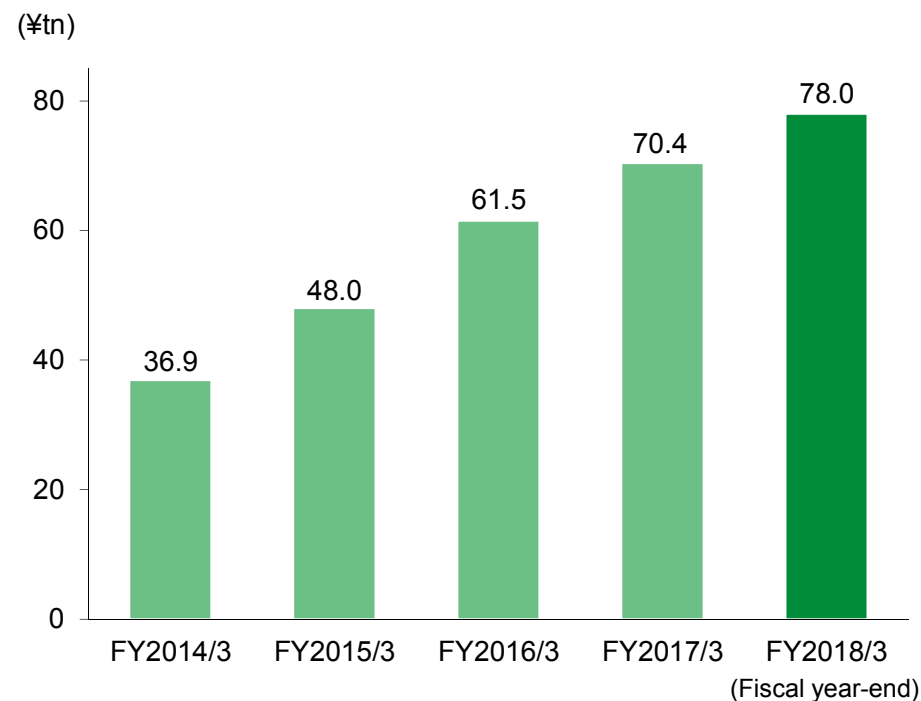
(Reference) Portfolio Management Status

Non-consolidated

Asset Balance by Portfolio

	(¥bn)		
	As of March 31, 2018 (A)	As of March 31, 2017 (B)	Increase (Decrease) (A) – (B)
Base Portfolio (*)	122,548.5	129,098.1	(6,549.5)
Short-term assets	54,848.9	54,646.0	202.9
Japanese government bonds and government guaranteed bonds	66,700.6	73,314.5	(6,613.9)
Loans (**)	998.9	1,137.5	(138.6)
Satellite Portfolio (*)	78,035.6	70,452.6	7,583.0
Japanese local government bonds	6,405.1	6,082.2	322.9
Japanese corporate bonds, etc.	7,994.4	7,719.1	275.3
Foreign securities, etc. (****)	58,104.6	52,374.8	5,729.8
Loans (***)	1,212.9	1,069.5	143.4
Money held in trust (stocks), etc.	2,854.1	2,599.6	254.5
Alternative assets (*****)	1,464.2	607.3	856.8

Trend of Satellite Portfolio Balance



* Base Portfolio(BP) 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. Satellite Portfolio(SP) is designed to achieve higher returns by primarily bearing credit and market risks. Satellite Portfolio is invested in corporate bonds, foreign securities, stocks, which are included in money held in trust, and other instruments.

** Loans in the Base Portfolio are mainly loans to the Management Organization for Postal Savings and Postal Life Insurance (including loans to the Japanese local governments which were loaned before the privatization of the Bank on October 1, 2007).

*** Loans in the Satellite Portfolio are mainly syndicated loans and loans to the Japanese local governments which were loaned after the privatization of the Bank on October 1, 2007.

**** Foreign securities include foreign currency-denominated monetary claims bought.

***** Alternative assets are Private Equity Funds, Real Estate Funds and Hedge Funds.

Financial Data

1. Summarized Balance Sheets

Non-consolidated

	As of March 31, 2018 (A)	As of March 31, 2017 (B)	Increase (Decrease) (A) – (B)
Total assets	210,630,601	209,568,820	1,061,781
Cash and due from banks	49,288,314	51,281,921	(1,993,607)
Call loans	480,000	470,000	10,000
Receivables under securities borrowing transactions	8,224,153	8,718,905	(494,752)
Monetary claims bought	278,566	252,214	26,351
Trading account securities	32	9	22
Money held in trust	4,241,524	3,817,908	423,616
Securities	139,201,254	138,792,448	408,806
Loans	6,145,537	4,064,120	2,081,417
Foreign exchanges	87,487	78,646	8,840
Other assets	2,442,328	1,871,733	570,595
Tangible fixed assets	190,098	175,825	14,272
Intangible fixed assets	52,372	46,183	6,188
Reserve for possible loan losses	(1,066)	(1,096)	30

(Millions of yen)

	As of March 31, 2018 (A)	As of March 31, 2017 (B)	Increase (Decrease) (A) – (B)
Total liabilities and net assets	210,630,601	209,568,820	1,061,781
Total liabilities	199,117,450	197,788,782	1,328,667
Deposits	179,882,759	179,434,686	448,073
Call money	—	45,436	(45,436)
Payables under repurchase agreements	1,985,285	960,937	1,024,348
Payables under securities lending transactions	13,812,123	13,694,294	117,829
Commercial paper	191,481	40,324	151,156
Borrowed money	2,400	—	2,400
Foreign exchanges	309	407	(97)
Other liabilities	1,950,331	2,185,197	(234,866)
Reserve for bonuses	7,879	6,007	1,872
Reserve for employees' retirement benefits	147,095	148,800	(1,705)
Reserve for employee stock ownership plan trust	809	—	809
Reserve for management board benefit trust	144	43	100
Reserve for reimbursement of deposits	86,114	2,096	84,018
Deferred tax liabilities	1,050,715	1,270,550	(219,834)
Total net assets	11,513,151	11,780,037	(266,886)
Capital stock	3,500,000	3,500,000	—
Capital surplus	4,296,285	4,296,285	—
Retained earnings	2,399,031	2,233,759	165,271
Treasury stock	(1,300,717)	(1,300,411)	(306)
Total shareholders' equity	8,894,599	8,729,634	164,965
Net unrealized gains (losses) on available-for-sale securities	2,615,432	3,166,980	(551,548)
Net deferred gains (losses) on hedges	3,119	(116,577)	119,696
Total valuation and translation adjustments	2,618,551	3,050,403	(431,851)

2. Income Analysis

Non-consolidated

(Millions of yen)

	For the fiscal year ended		(A) – (B)
	March 31, 2018 (A)	March 31, 2017 (B)	
Gross operating profit	1,462,367	1,410,256	52,110
Net interest income	1,175,691	1,223,546	(47,854)
Net fees and commissions	96,448	86,619	9,828
Net other operating income (loss)	190,227	100,091	90,136
Gains (losses) on foreign exchanges	194,930	99,395	95,534
Gains (losses) on bonds	(6,473)	(2,454)	(4,019)
General and administrative expenses	(1,045,046)	(1,056,168)	11,122
Personnel expenses	(128,658)	(125,328)	(3,330)
Non-personnel expenses	(838,925)	(854,369)	15,444
Taxes and dues	(77,462)	(76,470)	(991)
Operating profit (before provision for general reserve for possible loan losses)	417,320	354,087	63,233
Provision for general reserve for possible loan losses	(11)	10	(21)
Net operating profit	417,309	354,098	63,211
Non-recurring gains (losses)	82,359	87,987	(5,627)
Gains (losses) related to stocks	(21,265)	88	(21,354)
Gains (losses) on money held in trust	50,933	82,930	(31,997)
Gains (losses) related to deposits	60,205	7,654	52,550
Net ordinary income	499,669	442,085	57,583

Notes: 1. General and administrative expenses exclude non-recurring losses related to retirement benefit costs (¥2,186 million and ¥2,115 million recorded as profits for the fiscal years ended March 31, 2018 and 2017, respectively).

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

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

	For the fiscal year ended		(A) – (B)
	March 31, 2018 (A)	March 31, 2017 (B)	
Extraordinary income (loss)	(731)	(1,488)	757
Gains (losses) on sales and disposals of fixed assets	(713)	(529)	(183)
Losses on impairment of fixed assets	(17)	(958)	941
Income before income taxes	498,937	440,596	58,341
Income taxes – current	(174,218)	(133,287)	(40,931)
Income taxes – deferred	28,025	4,954	23,070
Total income taxes	(146,192)	(128,332)	(17,860)
Net income	352,745	312,264	40,480
Gains (losses) on money held in trust	50,933	82,930	(31,997)
Dividends and interest income	59,225	51,556	7,668
Gains (losses) on sales of stocks	647	41,608	(40,960)
Unrealized gains (losses)	(370)	–	(370)
Impairment losses	(1,088)	(3,734)	2,646
Withholding income tax, etc.	(7,480)	(6,499)	(981)
Credit-related expenses	(11)	0	(11)
Provision for general reserve for possible loan losses	(11)	0	(11)
Write-off of loans	–	–	–
Provision for specific reserve for possible loan losses	–	–	–
Recoveries of written-off loans	–	–	–

3. Selected Ratios

Non-consolidated

	For the fiscal year ended		Increase (Decrease) (A) – (B)
	March 31, 2018 (A)	March 31, 2017 (B)	
Net income to assets (ROA)	0.16%	0.14%	0.01%
Net income to equity (ROE)	3.02	2.68	0.34
Overhead ratio (OHR)	71.46	74.89	(3.42)
Expense-to-deposit ratio	0.57	0.58	(0.00)

Notes: 1. ROA = net income / [(sum of total assets at the beginning and the end of the fiscal year) / 2] x 100
 2. ROE = net income / [(sum of total net assets at the beginning and the end of the fiscal year) / 2] x 100
 3. OHR = (general and administrative expenses / gross operating profit) x 100
 4. Expense-to-deposit ratio = (general and administrative expenses / average deposit balances) x 100

4. Interest Rate Spread

Non-consolidated

	For the fiscal year ended		Increase (Decrease) (A) – (B)
	March 31, 2018 (A)	March 31, 2017 (B)	
Yield on interest-earning assets (a)	0.74%	0.78%	(0.03)%
Total cost of funding (including general and administrative expenses) (b)	0.71	0.73	(0.02)
Interest rate on interest-bearing liabilities (c)	0.17	0.18	(0.01)
Overall interest rate spread (a) - (b)	0.03	0.04	(0.01)
Interest rate spread (a) - (c)	0.57	0.60	(0.02)

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

Non-consolidated

(1) Domestic

(Millions of yen, %)

	For the fiscal year ended						Increase (Decrease) (A) – (B)
	March 31, 2018 (A)			March 31, 2017 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	195,014,321	852,033	0.43%	193,991,919	1,046,541	0.53%	(0.10)%
Loans	4,765,201	14,008	0.29	3,081,133	17,741	0.57	(0.28)
Securities	82,402,056	730,011	0.88	92,901,349	926,690	0.99	(0.11)
Receivables under securities borrowing transactions	8,414,660	1,417	0.01	8,318,619	1,471	0.01	(0.00)
Due from banks, etc.	51,583,059	25,115	0.04	47,723,014	24,916	0.05	(0.00)
Interest-bearing liabilities	186,524,351	186,280	0.09	184,991,156	242,503	0.13	(0.03)
Deposits	180,316,482	145,129	0.08	179,251,855	200,373	0.11	(0.03)
Payables under securities lending transactions	8,903,813	1,285	0.01	8,385,284	844	0.01	0.00

(2) Overseas

(Millions of yen, %)

	For the fiscal year ended						Increase (Decrease) (A) – (B)
	March 31, 2018 (A)			March 31, 2017 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	54,248,055	732,171	1.34%	48,252,687	596,691	1.23%	0.11%
Loans	2,534	10	0.40	2,151	7	0.35	0.05
Securities	54,067,069	730,365	1.35	48,099,311	595,384	1.23	0.11
Receivables under securities borrowing transactions	–	–	–	–	–	–	–
Due from banks, etc.	68,461	1,019	1.48	81,553	968	1.18	0.30
Interest-bearing liabilities	53,171,677	222,232	0.41	47,375,519	177,183	0.37	0.04
Deposits	–	–	–	–	–	–	–
Payables under securities lending transactions	3,995,938	53,987	1.35	4,674,255	40,697	0.87	0.48

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

Non-consolidated

(3) Total

(Millions of yen, %)

	For the fiscal year ended						Increase (Decrease) (A) – (B)
	March 31, 2018 (A)			March 31, 2017 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	201,467,351	1,502,747	0.74%	200,321,045	1,567,512	0.78%	(0.03)%
Loans	4,767,735	14,019	0.29	3,083,285	17,748	0.57	(0.28)
Securities	136,469,126	1,460,377	1.07	141,000,661	1,522,075	1.07	(0.00)
Receivables under securities borrowing transactions	8,414,660	1,417	0.01	8,318,619	1,471	0.01	(0.00)
Due from banks, etc.	51,651,521	26,135	0.05	47,804,568	25,885	0.05	(0.00)
Interest-bearing liabilities	191,901,004	327,056	0.17	190,443,114	343,966	0.18	(0.01)
Deposits	180,316,482	145,129	0.08	179,251,855	200,373	0.11	(0.03)
Payables under securities lending transactions	12,899,752	55,272	0.42	13,059,539	41,542	0.31	0.11

- Notes: 1. “Domestic” represents yen-denominated transactions while “overseas” represents foreign currency-denominated transactions (except that yen-denominated transactions with non-residents of Japan are included in “overseas”).
2. Income and expenses for money held in trust are included in “other ordinary income” and “other ordinary expenses,” respectively. Accordingly, the average balance of money held in trust (fiscal year ended March 31, 2018, ¥2,772,856 million; fiscal year ended March 31, 2017, ¥2,646,250 million) is excluded from interest-earning assets, and the average balance corresponding to money held in trust (fiscal year ended March 31, 2018, ¥2,772,856 million; fiscal year ended March 31, 2017, ¥2,646,250 million) and the corresponding interest (fiscal year ended March 31, 2018, ¥4,725 million; fiscal year ended March 31, 2017, ¥4,779 million) are excluded from interest-bearing liabilities.
3. For investment trusts, the distribution of profits, which was deducted from the book value as the repayment of principal, was ¥14,461 million for the fiscal year ended March 31, 2018 (¥900 million for the fiscal year ended March 31, 2017).
4. Average balance and interest on transactions between “domestic” and “overseas” are offset to calculate totals.
5. “Due from banks, etc.” consists of negotiable certificates of deposit, Bank of Japan deposits, call loans and monetary claims bought.

6. Asset Management Status

Non-consolidated

(Millions of yen, %)

	As of March 31, 2018 (A)		As of March 31, 2017 (B)		Increase (Decrease) (A) – (B) Amount
	Amount	%	Amount	%	
Due from banks, etc.	49,314,634	23.73	51,213,391	24.71	(1,898,757)
Call loans	480,000	0.23	470,000	0.22	10,000
Receivables under securities borrowing transactions	8,224,153	3.95	8,718,905	4.20	(494,752)
Money held in trust	4,241,524	2.04	3,817,908	1.84	423,616
Domestic stocks	2,286,148	1.10	2,079,290	1.00	206,858
Domestic bonds	1,256,039	0.60	1,274,178	0.61	(18,139)
Securities	139,201,254	67.00	138,792,448	66.98	408,806
Japanese government bonds	62,749,725	30.20	68,804,989	33.20	(6,055,264)
Japanese local government bonds	6,405,190	3.08	6,082,225	2.93	322,964
Commercial paper	229,998	0.11	233,998	0.11	(4,000)
Japanese corporate bonds	10,486,327	5.04	10,752,831	5.18	(266,504)
Japanese stocks	31,167	0.01	1,390	0.00	29,777
Other securities	59,298,846	28.54	52,917,013	25.53	6,381,833
Foreign bonds	20,244,358	9.74	20,143,467	9.72	100,890
Investment trusts	39,042,659	18.79	32,726,722	15.79	6,315,936
Loans	6,145,537	2.95	4,064,120	1.96	2,081,417
Others	126,472	0.06	116,718	0.05	9,753
Total	207,733,576	100.00	207,193,492	100.00	540,084

Notes: 1. "Due from banks, etc." consists of negotiable certificates of deposit, Bank of Japan deposits and monetary claims bought.

2. Investment trusts are mainly invested in foreign bonds.

7. Unrealized Gains (Losses) on Financial Instruments

Non-consolidated

(1) Held-to-maturity Securities

(Millions of yen)

	As of March 31, 2018 (A)		As of March 31, 2017 (B)		Increase (Decrease) (A) – (B)	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Japanese government bonds	29,103,961	958,146	35,317,430	1,373,826	(6,213,469)	(415,679)
Japanese local government bonds	—	—	44,618	115	(44,618)	(115)
Japanese corporate bonds	2,322,529	37,283	2,889,963	70,626	(567,433)	(33,342)
Others	32,433	8,144	64,911	11,981	(32,478)	(3,836)
Foreign bonds	32,433	8,144	64,911	11,981	(32,478)	(3,836)
Total	31,458,923	1,003,574	38,316,923	1,456,549	(6,857,999)	(452,974)

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

(2) Available-for-sale Securities

(Millions of yen)

	As of March 31, 2018 (A)		As of March 31, 2017 (B)		Increase (Decrease) (A) – (B)	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Stocks	28,790	396	5	—	28,785	396
Bonds	48,444,750	1,273,206	47,622,031	1,518,522	822,718	(245,315)
Japanese government bonds	33,645,763	1,129,996	33,487,558	1,320,778	158,205	(190,782)
Japanese local government bonds	6,405,190	62,426	6,037,606	90,906	367,583	(28,479)
Commercial paper	229,998	—	233,998	—	(4,000)	—
Japanese corporate bonds	8,163,797	80,783	7,862,867	106,837	300,929	(26,053)
Others	59,609,979	638,419	53,169,316	1,763,647	6,440,663	(1,125,228)
Foreign bonds	20,211,925	375,390	20,078,556	1,335,157	133,368	(959,766)
Investment trusts	39,042,659	265,830	32,726,722	435,050	6,315,936	(169,220)
Total	108,083,520	1,912,022	100,791,353	3,282,169	7,292,166	(1,370,147)

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

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

3. Of net unrealized gains (losses) shown above, ¥568,753 million and ¥185,342 million losses were included in the statements of income for the fiscal years ended March 31, 2018 and 2017, respectively, because of the application of fair value hedge accounting.

4. Investment trusts are mainly invested in foreign bonds.

5. No impairment losses were recognized on available-for-sale securities for the fiscal years ended March 31, 2018 and 2017.

7. Unrealized Gains (Losses) on Financial Instruments

Non-consolidated

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

(Millions of yen)

	As of March 31, 2018 (A)		As of March 31, 2017 (B)		Increase (Decrease) (A) – (B)	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Money held in trust classified as available-for-sale	4,162,251	1,289,201	3,817,908	1,098,661	344,342	190,540
Domestic stocks	2,286,148	1,262,041	2,079,290	1,058,661	206,858	203,380
Domestic bonds	1,256,039	27,061	1,274,178	40,000	(18,139)	(12,938)

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

2. Impairment losses on money held in trust which is classified as available-for-sale for the fiscal years ended March 31, 2018 and 2017 amounted to ¥1,088 million and ¥3,734 million, respectively.

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

(Millions of yen)

	As of March 31, 2018 (A)		As of March 31, 2017 (B)		Increase (Decrease) (A) – (B)	
	Notional amount	Net deferred gains (losses)	Notional amount	Net deferred gains (losses)	Notional amount	Net deferred gains (losses)
Interest rate swaps	6,341,492	(110,021)	4,498,510	(195,410)	1,842,981	85,389
Currency swaps	4,925,816	117,531	2,971,988	37,723	1,953,827	79,808
Foreign exchange forward contracts	59,257	(3,014)	82,803	(10,351)	(23,546)	7,337
Total	11,326,565	4,495	7,553,302	(168,039)	3,773,263	172,535

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

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

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

(Millions of yen)

	As of March 31, 2018 (A)	As of March 31, 2017 (B)	Increase (Decrease) (A) – (B)
Total net unrealized gains (losses)	3,774,473	4,398,134	(623,661)

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

8. General and Administrative Expenses

Non-consolidated

(Millions of yen, %)

	For the fiscal year ended				Increase (Decrease) (A) – (B)
	March 31, 2018 (A)		March 31, 2017 (B)		
	Amount	%	Amount	%	Amount
Personnel expenses	126,471	12.12	123,212	11.68	3,259
Salaries and allowances	103,370	9.91	101,128	9.59	2,242
Others	23,101	2.21	22,084	2.09	1,016
Non-personnel expenses	838,925	80.44	854,369	81.05	(15,444)
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	598,116	57.35	612,465	58.10	(14,349)
Deposit insurance premiums paid to JAPAN POST HOLDINGS Co., Ltd. (*)	5,679	0.54	8,371	0.79	(2,691)
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	60,538	5.80	66,166	6.27	(5,627)
Rent for land, buildings and others	12,670	1.21	12,388	1.17	282
Expenses on consigned businesses	55,621	5.33	50,702	4.81	4,918
Depreciation and amortization	37,446	3.59	35,306	3.34	2,139
Communication and transportation expenses	19,088	1.83	19,124	1.81	(36)
Maintenance expenses	11,015	1.05	12,631	1.19	(1,616)
IT expenses	17,673	1.69	16,362	1.55	1,310
Others	21,074	2.02	20,848	1.97	225
Taxes and dues	77,462	7.42	76,470	7.25	991
Total	1,042,860	100.00	1,054,053	100.00	(11,193)

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

9. Loans

Non-consolidated

(1) Loans by Industry

(Millions of yen, %)

	As of March 31, 2018 (A)		As of March 31, 2017 (B)		Increase (Decrease) (A) – (B)
	Amount	%	Amount	%	Amount
Domestic (excluding Japan Offshore Market accounts)	6,140,537	100.00	4,064,120	100.00	2,076,417
Agriculture, forestry, fisheries, and mining	—	—	—	—	—
Manufacturing	15,524	0.25	—	—	15,524
Utilities, information/communications, and transportation	92,162	1.50	75,811	1.86	16,351
Wholesale and retail	25,094	0.40	10,518	0.25	14,576
Finance and insurance	1,121,062	18.25	1,311,274	32.26	(190,212)
Construction and real estate	24,013	0.39	14,062	0.34	9,950
Services and goods rental/leasing	22,837	0.37	23,044	0.56	(206)
Central and local governments	4,667,184	76.00	2,440,005	60.03	2,227,179
Others	172,658	2.81	189,404	4.66	(16,746)
Overseas and Japan Offshore Market accounts	5,000	100.00	—	—	5,000
Governments	—	—	—	—	—
Financial institutions	—	—	—	—	—
Others	5,000	100.00	—	—	5,000
Total	6,145,537		4,064,120		2,081,417

Notes: 1. “Domestic” represents loans to residents of Japan, while “overseas” represents loans to non-residents of Japan.

2. Of “Finance and insurance,” loans to the Management Organization for Postal Savings and Postal Life Insurance, an independent administrative agency, were ¥829,243 million and ¥951,200 million as of March 31, 2018 and March 31, 2017, respectively.

(2) Loans to Individuals

(Millions of yen, %)

	As of March 31, 2018 (A)	As of March 31, 2017 (B)	Increase (Decrease) (A) – (B)
Total loans (a)	6,145,537	4,064,120	2,081,417
Loans to individuals (b)	172,658	189,404	(16,746)
(b) / (a)	2.80%	4.66%	(1.85)%

10. Balances by Type of Deposit

Non-consolidated

(1) Ending Balances

(Millions of yen, %)

	As of March 31, 2018 (A)		As of March 31, 2017 (B)		Increase (Decrease) (A) – (B)
	Amount	%	Amount	%	Amount
Liquid deposits	73,765,405	41.00	67,994,923	37.89	5,770,482
Transfer deposits	14,437,576	8.02	13,052,115	7.27	1,385,461
Ordinary deposits, etc.	58,931,564	32.76	54,550,845	30.40	4,380,719
Savings deposits	396,265	0.22	391,963	0.21	4,301
Fixed-term deposits	105,989,336	58.92	111,280,733	62.01	(5,291,396)
Time deposits	8,696,122	4.83	10,065,156	5.60	(1,369,033)
TEIGAKU deposits, etc.	97,293,213	54.08	101,215,576	56.40	(3,922,363)
Other deposits	128,017	0.07	159,029	0.08	(31,012)
Subtotal	179,882,759	100.00	179,434,686	100.00	448,073
Negotiable certificates of deposit	—	—	—	—	—
Total	179,882,759	100.00	179,434,686	100.00	448,073
Deposits including accrued interest	180,746,866		180,781,785		(34,919)

Notes: 1. Liquid deposits = Transfer deposits + Ordinary deposits, etc. + Savings deposits

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

2. Fixed-term deposits = Time deposits + TEIGAKU deposits, etc.

TEIGAKU deposits, etc. = TEIGAKU deposits + Special deposits (TEIGAKU savings equivalent)

3. Special deposits, which represent deposits received from the Management Organization for Postal Savings and Postal Life Insurance, correspond to postal savings that were passed on to the organization by Japan Post Corporation.

4. Special deposits (equivalent to ordinary savings) are the portion of deposits received from the Management Organization for Postal Savings and Postal Life Insurance corresponding to savings for time savings, TEIGAKU savings, installment savings, savings for housing installments, and education installment savings that had reached full term and were passed on to the organization by Japan Post Corporation.

5. 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.

10. Balances by Type of Deposit

Non-consolidated

(2) Average Balances

(Millions of yen, %)

	For the fiscal year ended				Increase (Decrease) (A) – (B)
	March 31, 2018 (A)		March 31, 2017 (B)		
	Amount	%	Amount	%	Amount
Liquid deposits	71,585,050	39.69	65,952,601	36.79	5,632,448
Transfer deposits	13,748,320	7.62	13,133,438	7.32	614,881
Ordinary deposits, etc.	57,442,722	31.85	52,429,547	29.24	5,013,175
Savings deposits	394,007	0.21	389,616	0.21	4,391
Fixed-term deposits	108,562,006	60.20	113,138,020	63.11	(4,576,014)
Time deposits	9,455,067	5.24	10,752,770	5.99	(1,297,703)
TEIGAKU deposits, etc.	99,106,938	54.96	102,384,806	57.11	(3,277,868)
Other deposits	169,425	0.09	161,233	0.08	8,192
Subtotal	180,316,482	100.00	179,251,855	100.00	1,064,627
Negotiable certificates of deposit	—	—	—	—	—
Total	180,316,482	100.00	179,251,855	100.00	1,064,627
Deposits including accrued interest	181,413,752		180,668,339		745,413

Notes: 1. Liquid deposits = Transfer deposits + Ordinary deposits, etc. + Savings deposits

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

2. Fixed-term deposits = Time deposits + TEIGAKU deposits, etc. + Special deposits (Education installment savings equivalent)

TEIGAKU deposits, etc. = TEIGAKU deposits + Special deposits (TEIGAKU savings equivalent)

3. Special deposits, which represent deposits received from the Management Organization for Postal Savings and Postal Life Insurance, correspond to postal savings that were passed on to the organization by Japan Post Corporation.

4. Special deposits (equivalent to ordinary savings) are the portion of deposits received from the Management Organization for Postal Savings and Postal Life Insurance corresponding to savings for time savings, TEIGAKU savings, installment savings, savings for housing installments, and education installment savings that had reached full term and were passed on to the organization by Japan Post Corporation.

5. 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.

11. Employees' Retirement Benefits

Non-consolidated

(1) Employees' retirement benefit plans adopted by the Bank

The lump-sum retirement payment plan

(2) Projected benefit obligation

(Millions of yen)

	As of March 31, 2018 (A)	As of March 31, 2017 (B)	Increase (Decrease) (A) – (B)
Unfunded projected benefit obligation	135,655	135,480	175
Unrecognized net actuarial losses	3,407	4,127	(720)
Unrecognized prior service cost	8,031	9,192	(1,161)
Net amount recorded on the balance sheet	147,095	148,800	(1,705)

(3) Total retirement benefit costs and components

(Millions of yen)

	For the fiscal year ended		Increase (Decrease) (A) – (B)
	March 31, 2018 (A)	March 31, 2017 (B)	
Total retirement benefit costs related to the defined-benefit plan	6,127	6,283	(155)
Service cost	7,262	7,322	(60)
Interest cost on projected benefit obligation	948	945	3
Amortization of net actuarial losses	(1,031)	(962)	(69)
Amortization of prior service cost	(1,161)	(1,161)	—
Others	110	139	(28)

(4) The major assumptions used in the calculation of projected benefit obligation

	As of March 31, 2018	As of March 31, 2017
Discount rate	0.7%	0.7%

12. Deferred Tax Assets/Liabilities

Non-consolidated

(Millions of yen)

	As of March 31, 2018 (A)	As of March 31, 2017 (B)	Increase (Decrease) (A) – (B)
Deferred tax assets	112,074	134,770	(22,695)
Reserve for possible loan losses	14	87	(72)
Reserve for employees' retirement benefits	45,047	45,586	(539)
Software in progress	4,932	5,313	(380)
Reserve for reimbursement of deposits	26,372	642	25,730
Depreciation	7,758	8,463	(704)
Accrued interest on deposits	212	427	(215)
Unrealized losses of money held in trust	2,918	2,642	276
Net deferred losses on hedges	–	51,461	(51,461)
Accrued enterprise taxes	5,783	3,101	2,682
Other	19,033	17,043	1,990
Deferred tax liabilities	(1,162,790)	(1,405,320)	242,530
Net unrealized gains on available-for-sale securities	(1,154,545)	(1,399,193)	244,647
Net deferred gains on hedges	(1,376)	–	(1,376)
Other	(6,868)	(6,127)	(740)
Net deferred tax assets (liabilities)	(1,050,715)	(1,270,550)	219,834

13. Problem Assets Disclosed under the Financial Reconstruction Act

Non-consolidated

(Millions of yen, %)

	As of March 31, 2018 (A)	As of March 31, 2017 (B)	Increase (Decrease) (A) – (B)
Loans to borrowers classified as bankrupt or quasi-bankrupt	–	–	–
Loans to borrowers classified as doubtful	0	–	0
Loans requiring close monitoring	–	–	–
Subtotal (a)	0	–	0
Loans to borrowers classified as normal	6,237,528	4,145,468	2,092,059
Total (b)	6,237,528	4,145,468	2,092,060
Non-performing loan ratio (a) / (b)	0.00%	–%	0.00%

14. Reserve for Possible Loan Losses

Non-consolidated

(Millions of yen)

	As of March 31, 2018 (A)	As of March 31, 2017 (B)	Increase (Decrease) (A) – (B)
Total	1,066	1,096	(30)
General reserve for possible loan losses	278	267	11
Specific reserve for possible loan losses	787	829	(41)

15. Capital

Non-consolidated

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

	As of March 31, 2018 (A)	As of March 31, 2017 (B)	(Millions of yen, %) Increase (Decrease) (A) – (B)
Core Capital: instruments and reserves (a)	8,801,141	8,636,164	164,976
Core Capital: regulatory adjustments (b)	29,070	19,224	9,845
Total capital (a) - (b) = (c)	8,772,071	8,616,940	155,130
Total amount of risk-weighted assets (d)	50,343,515	38,779,806	11,563,708
Credit risk-weighted assets	47,574,709	35,906,558	11,668,151
Market risk equivalent / 8%	—	—	—
Operational risk equivalent / 8%	2,768,805	2,873,248	(104,442)
Capital adequacy ratio (c) / (d)	17.42%	22.22%	(4.79)%

(2) Status of Loss-to-Capital Ratio under the Outlier Framework

	As of March 31, 2018 (A)	As of March 31, 2017 (B)	(Billions of yen, %) Increase (Decrease) (A) – (B)
Amount of loss (a)	998.0	961.8	36.1
Japanese yen	162.3	238.0	(75.7)
U.S. dollars	721.9	654.4	67.5
Capital (b)	8,772.0	8,616.9	155.1
Loss-to-capital ratio (a) / (b)	11.37%	11.16%	0.21%

Note: The Bank adopts an interest rate shock scenario based on historical interest rate fluctuation data for a five-year observation period with a one-year holding period. Confidence levels of 1% and 99% for interest rate fluctuations are applied in this scenario.

15. Capital

Consolidated

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

(Millions of yen, %)

	As of March 31, 2018
Core Capital: instruments and reserves (a)	8,807,898
Core Capital: regulatory adjustments (b)	29,075
Total capital (a) - (b) = (c)	8,778,822
Total amount of risk-weighted assets (d)	50,342,277
Credit risk-weighted assets	47,573,471
Market risk equivalent / 8%	—
Operational risk equivalent / 8%	2,768,805
Capital adequacy ratio (consolidated) (c) / (d)	17.43%

(4) Status of Loss-to-Capital Ratio under the Outlier Framework

(Billions of yen, %)

	As of March 31, 2018
Amount of loss (a)	998.0
Japanese yen	162.3
U.S. dollars	721.9
Capital (b)	8,772.0
Loss-to-capital ratio (a) / (b)	11.37%

Notes: 1. The Bank adopts an interest rate shock scenario based on historical interest rate fluctuation data for a five-year observation period with a one-year holding period. Confidence levels of 1% and 99% for interest rate fluctuations are applied in this scenario.

2. Figures shown above are non-consolidated amount because the amount of assets held by consolidated subsidiaries used for the calculation of loss-to-capital ratio under the outlier framework is small.

16. Selected Business Results

Non-consolidated

(1) Investment Trusts Sales (Contract Basis)

	For the fiscal year ended		Increase (Decrease) (A) – (B)
	March 31, 2018 (A)	March 31, 2017 (B)	
Number of contracts (thousands)	1,544	1,251	293
Sales amount (millions of yen)	737,878	544,399	193,478

	As of March 31, 2018 (A)	As of March 31, 2017 (B)	Increase (Decrease) (A) – (B)
Number of investment trust accounts (thousands)	874	749	124
Net assets (millions of yen)	1,642,301	1,310,151	332,149

(2) Variable Annuities Policies

	For the fiscal year ended		Increase (Decrease) (A) – (B)
	March 31, 2018 (A)	March 31, 2017 (B)	
Number of policies	10,053	17,731	(7,678)
Sales amount (millions of yen)	48,790	90,712	(41,922)

	As of March 31, 2018 (A)	As of March 31, 2017 (B)	Increase (Decrease) (A) – (B)
Number of policies (cumulative)	110,560	100,507	10,053
Sales amount (cumulative) (millions of yen)	577,225	528,434	48,790

16. Selected Business Results

Non-consolidated

(3) Credit Cards

(Thousands)

	For the fiscal year ended		Increase (Decrease) (A) – (B)
	March 31, 2018 (A)	March 31, 2017 (B)	
Number of cards issued	60	61	(1)

	As of March 31, 2018 (A)	As of March 31, 2017 (B)	Increase (Decrease) (A) – (B)
Number of cards issued (cumulative) (outstanding)	1,082	1,093	(10)

(4) Mortgage Loans (as Intermediary)

(Millions of yen)

	For the fiscal year ended		Increase (Decrease) (A) – (B)
	March 31, 2018 (A)	March 31, 2017 (B)	
Amount of new credit extended	35,673	39,908	(4,234)

	As of March 31, 2018 (A)	As of March 31, 2017 (B)	Increase (Decrease) (A) – (B)
Amount of new credit extended (cumulative)	418,932	383,259	35,673

Note: The Bank acts as the intermediary for Suruga Bank Ltd.'s mortgage loan business.

This presentation contains forward-looking statements including forecasts, targets and plans of the Group. 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 the Group's actual results, performance or financial position. The Group'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 Group 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.