

Selected Financial Information For the Fiscal Year Ended March 31, 2021

**JAPAN POST BANK Co., Ltd.
May 14, 2021**

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【Consolidated subsidiaries, etc.】

Consolidated subsidiaries	4 companies	Principal companies: JAPAN POST BANK LOAN CENTER Co., Ltd. Japan Post Investment Corporation	Affiliates accounted for by the equity method	ATM Japan Business Service, Ltd. JP Asset Management Co., Ltd.
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Note: 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.

Financial Highlights

1. Overview of FY2021/3 Results

- Although net income decreased significantly in the first quarter affected by the turmoil in financial markets associated with the spread of COVID-19, we secured an increase in net income in the full-year as a result of a rapid recovery in financial markets due to monetary policies, etc.
- Net income attributable to owners of parent increased by ¥6.6 bn year on year to ¥280.1 bn, which equated to 103.7% of the earnings forecasts revised upwards in November 2020.

Consolidated

Net ordinary income

¥394.2 bn

+¥15.0 bn, +3.9%
YoY

Earnings forecast
(FY2021/3)

¥375.0 bn

Achievement rate

105.1%

Net income attributable to owners of parent

¥280.1 bn

+¥6.6 bn, +2.4%
YoY

Earnings forecast
(FY2021/3)

¥270.0 bn

Achievement rate

103.7%

Dividend per share

¥50

Unchanged YoY

Forecast of
dividends

¥50

Non-consolidated

Gross operating profit

¥1,319.0 bn

+¥4.8 bn, +0.3% YoY

Net operating profit

¥308.8 bn

+¥14.9 bn, +5.0% YoY

Net ordinary income

¥394.3 bn

+¥15.2 bn, +4.0% YoY

Net income

¥279.8 bn

+¥6.7 bn, +2.4% YoY

Total assets

¥223.8 tn

+¥12.9 tn vs FY2020/3 end

Securities

¥138.1 tn

+¥2.9 tn vs FY2020/3 end

Japanese government bonds

¥50.4 tn

¥(3.1) tn vs FY2020/3 end

Foreign securities, etc. ¥71.1 tn

+¥5.5 tn vs FY2020/3 end

Capital adequacy ratio

15.51%

(0.04)% vs FY2020/3 end

2. Results of Operations

Non-consolidated

(¥bn, %)

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2020 (A)	March 31, 2021 (B)	
Gross operating profit	1,314.2	1,319.0	4.8
Net interest income	976.8	961.8	(14.9)
Net fees and commissions	128.8	127.9	(0.9)
Net other operating income (loss)	208.4	229.2	20.7
Gains (losses) on foreign exchanges	202.1	254.6	52.5
Gains (losses) on bonds	8.0	(25.9)	(34.0)
General and administrative expenses (*)	1,020.2	1,010.1	(10.0)
Provision for general reserve for possible loan losses	0.0	—	(0.0)
Net operating profit	293.9	308.8	14.9
Non-recurring gains (losses)	85.1	85.4	0.3
Net ordinary income	379.0	394.3	15.2
Net income	273.0	279.8	6.7
ROE (**)	2.68%	2.75%	0.06 %
OHR (***)	77.63%	76.58%	(1.04)%

* 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

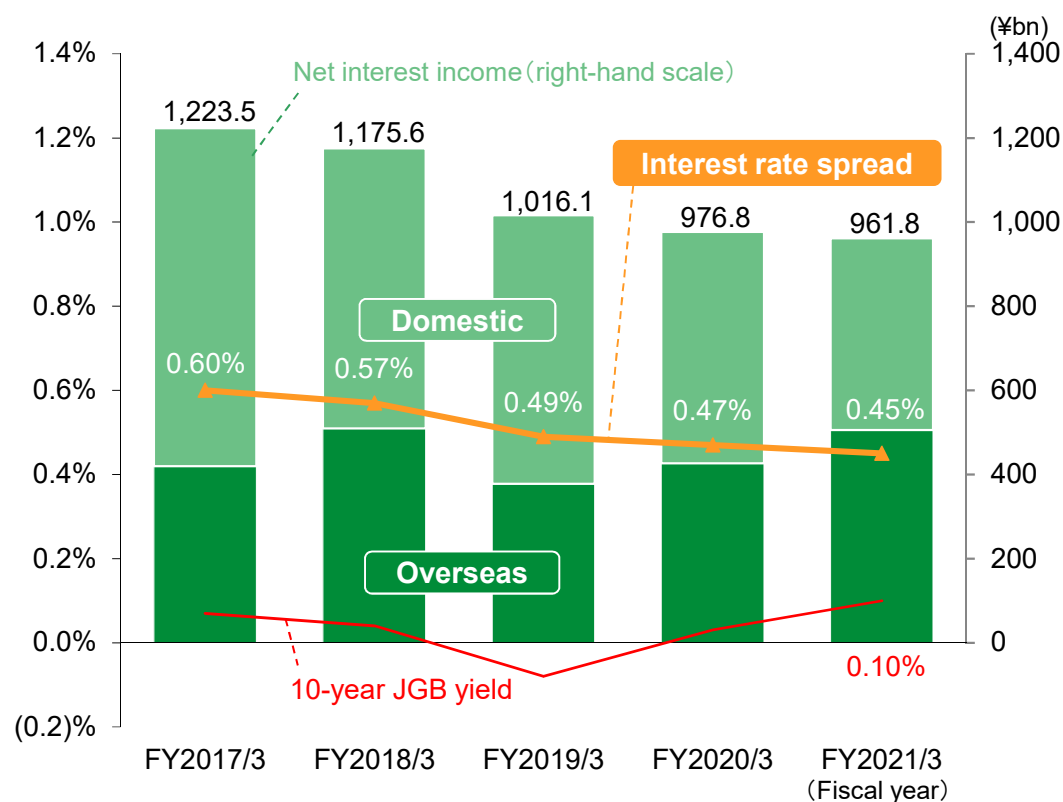
*** OHR = (general and administrative expenses / gross operating profit) x 100

- Gross operating profit for the fiscal year ended March 31, 2021 increased by ¥4.8 bn year on year to ¥1,319.0 bn.
Net interest income decreased by ¥14.9 bn year on year, due to a decrease in interest on securities in the challenging business environment with yen interest rates remained at a low level.
Net fees and commissions decreased by ¥0.9 bn year on year.
Net other operating income increased by ¥20.7 bn year on year by factors including a decrease in foreign currency funding costs.
- General and administrative expenses decreased by ¥10.0 bn year on year to ¥1,010.1 bn.
- Net operating profit increased by ¥14.9 bn year on year to ¥308.8 bn.
- Net ordinary income increased by ¥15.2 bn year on year to ¥394.3 bn.
- Net income increased by ¥6.7 bn year on year to ¥279.8 bn.

3. Trend of Net Interest Income and Interest Rate Spread

Non-consolidated

- Net interest income was ¥961.8 bn and interest rate spread was 0.45% for the fiscal year ended March 31, 2021.
- While interest expenses decreased due to a decrease in foreign currency funding costs, interest income which mainly consists of interest on Japanese government bonds and foreign securities decreased. As a result, net interest income decreased by ¥14.9 bn year on year.



Domestic		For the fiscal year ended		Increase
		March 31, 2020 (A)	March 31, 2021 (B)	(Decrease) (B) – (A)
Net interest income		549.7	455.6	(94.0)
Interest income		629.0	518.3	(110.7)
Interest on Japanese government bonds		428.1	364.6	(63.4)
Interest expenses		79.3	62.6	(16.7)

Overseas		For the fiscal year ended		Increase
		March 31, 2020 (A)	March 31, 2021 (B)	(Decrease) (B) – (A)
Net interest income		427.0	506.1	79.1
Interest income		789.4	751.4	(37.9)
Interest on foreign securities		787.4	750.9	(36.5)
Interest expenses		362.3	245.2	(117.0)

Total		For the fiscal year ended		Increase
		March 31, 2020 (A)	March 31, 2021 (B)	(Decrease) (B) – (A)
Net interest income		976.8	961.8	(14.9)
Interest income		1,318.0	1,198.2	(119.7)
Interest expenses		341.1	236.3	(104.7)

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.

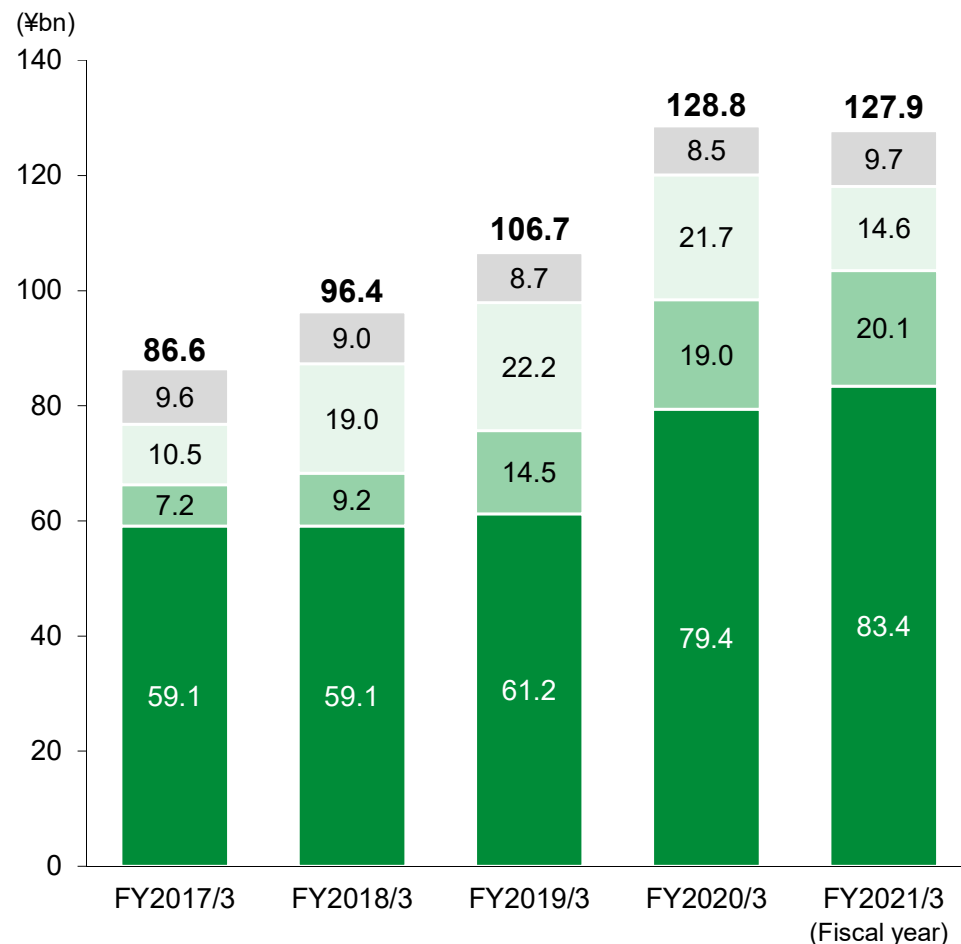
4. Net Fees and Commissions

Non-consolidated

■ Net fees and commissions for the fiscal year ended March 31, 2021 decreased by ¥0.9 bn year on year to ¥127.9 bn, mainly due to a decrease in fees relating to investment trusts.

Trend of Net Fees and Commissions

■ Exchange and settlement transactions ■ ATMs ■ Investment trusts ■ Others



Breakdown of Net Fees and Commissions

(¥bn)

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2020 (A)	March 31, 2021 (B)	
Net fees and commissions relating to	128.8	127.9	(0.9)
Exchange and settlement transactions	79.4	83.4	3.9
ATMs	19.0	20.1	1.0
Investment trusts	21.7	14.6	(7.1)
Others	8.5	9.7	1.1

Results of Investment Trusts Sales (Contract Basis)

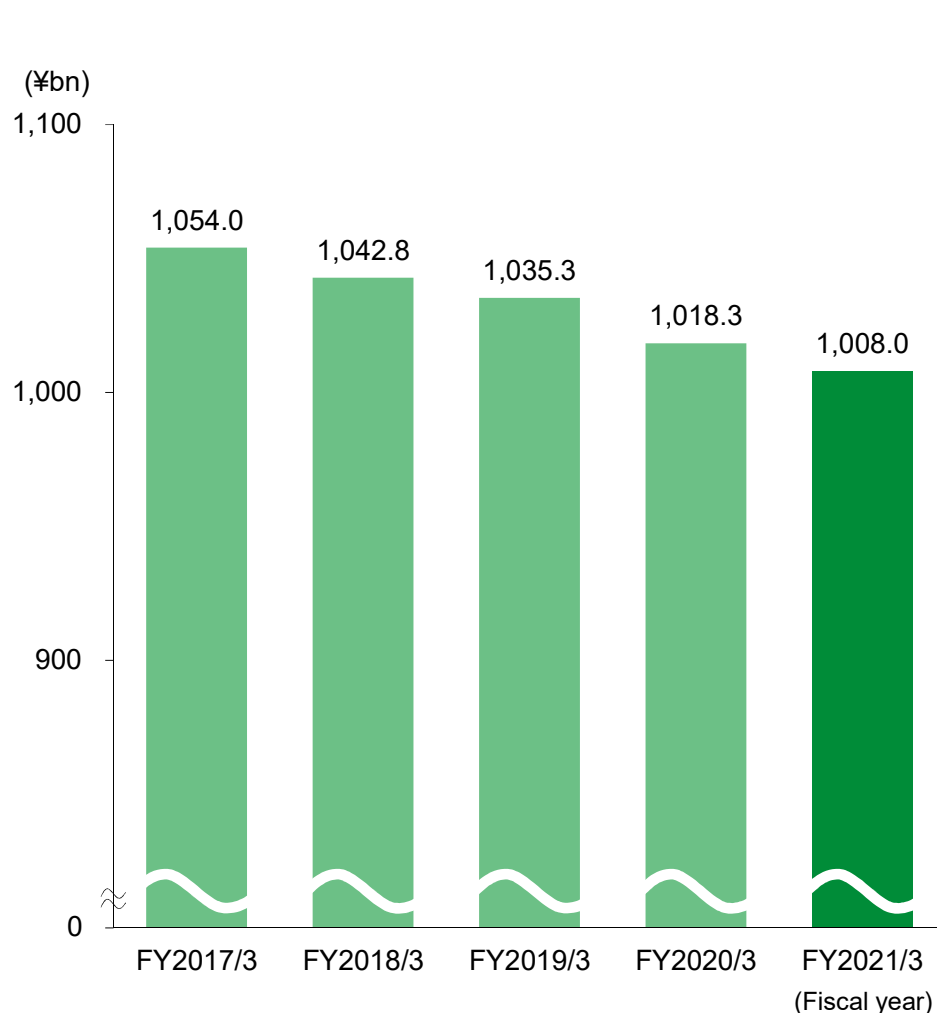
	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2020 (A)	March 31, 2021 (B)	
Number of contracts (thousands)	3,170	3,661	491
Sales amount (billions of yen)	691.4	262.9	(428.5)

	As of March 31, 2020 (A)	As of March 31, 2021 (B)	Increase (Decrease) (B) – (A)
	Number of investment trust accounts (thousands)	1,185	
Net assets (billions of yen)	2,301.7	2,565.8	264.0

5. Trend of General and Administrative Expenses

Non-consolidated

- General and administrative expenses for the fiscal year ended March 31, 2021 decreased by ¥10.2 bn year on year to ¥1,008.0 bn.



	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2020 (A)	March 31, 2021 (B)	
Personnel expenses (*)	120.6	117.2	(3.3)
Salaries and allowances	98.6	96.0	(2.6)
Non-personnel expenses	844.3	834.2	(10.0)
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	369.7	366.3	(3.3)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network	237.8	237.4	(0.3)
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	59.4	57.4	(2.0)
Taxes and dues	53.3	56.5	3.2
Total	1,018.3	1,008.0	(10.2)

* Personnel expenses include non-recurring losses.

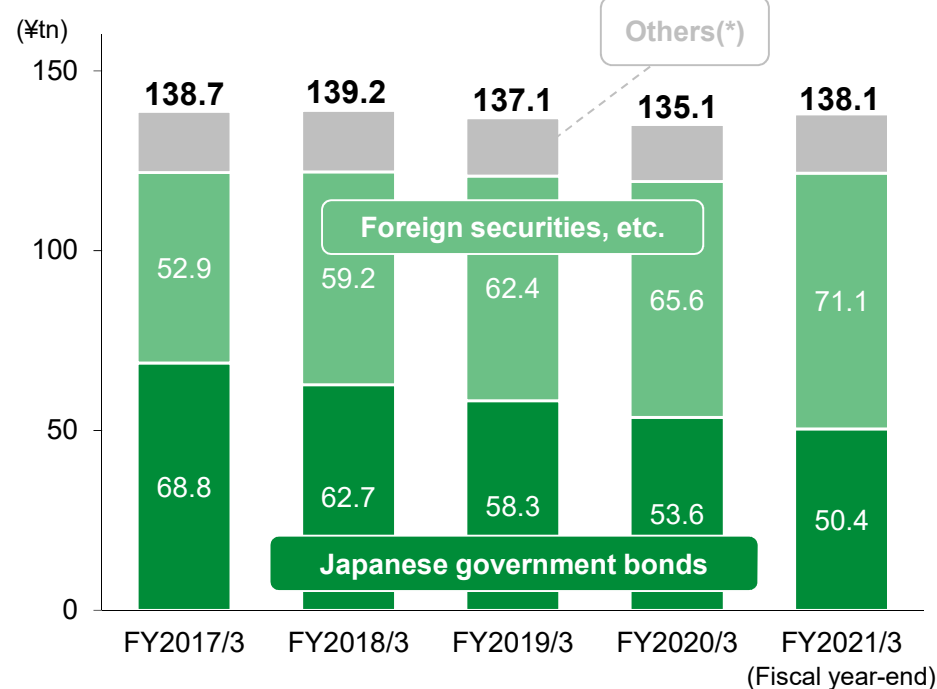
6. Financial Conditions

Non-consolidated

	(¥bn)		
	As of March 31, 2020 (A)	As of March 31, 2021 (B)	Increase (Decrease) (B) – (A)
Assets	210,905.1	223,847.5	12,942.3
Cash and due from banks	51,663.9	60,768.0	9,104.1
Call loans	1,040.0	1,390.0	350.0
Receivables under resale agreements	9,731.8	9,721.3	(10.5)
Money held in trust	4,549.7	5,547.5	997.8
Securities	135,198.4	138,183.2	2,984.8
Loans	4,961.7	4,691.7	(270.0)
Liabilities	201,917.5	212,485.4	10,567.9
Deposits	183,004.7	189,593.4	6,588.7
Payables under repurchase agreements	14,855.6	14,886.4	30.8
Payables under securities lending transactions	2,219.3	1,504.5	(714.8)
Net assets	8,987.6	11,362.1	2,374.4
Total shareholders' equity	9,058.7	9,244.8	186.1
Total valuation and translation adjustments	(71.0)	2,117.2	2,188.3

- Total assets increased by ¥12.9 tn from March 31, 2020, to ¥223.8 tn as of March 31, 2021.
- Securities increased by ¥2.9 tn from March 31, 2020, to ¥138.1 tn as of March 31, 2021.
- Loans decreased by ¥0.2 tn from March 31, 2020, to ¥4.6 tn as of March 31, 2021.
- Deposits increased by ¥6.5 tn from March 31, 2020, to ¥189.5 tn as of March 31, 2021.
- Total valuation and translation adjustments increased by ¥2.1 tn from March 31, 2020, to ¥2.1 tn as of March 31, 2021.

Trend of Securities Balance

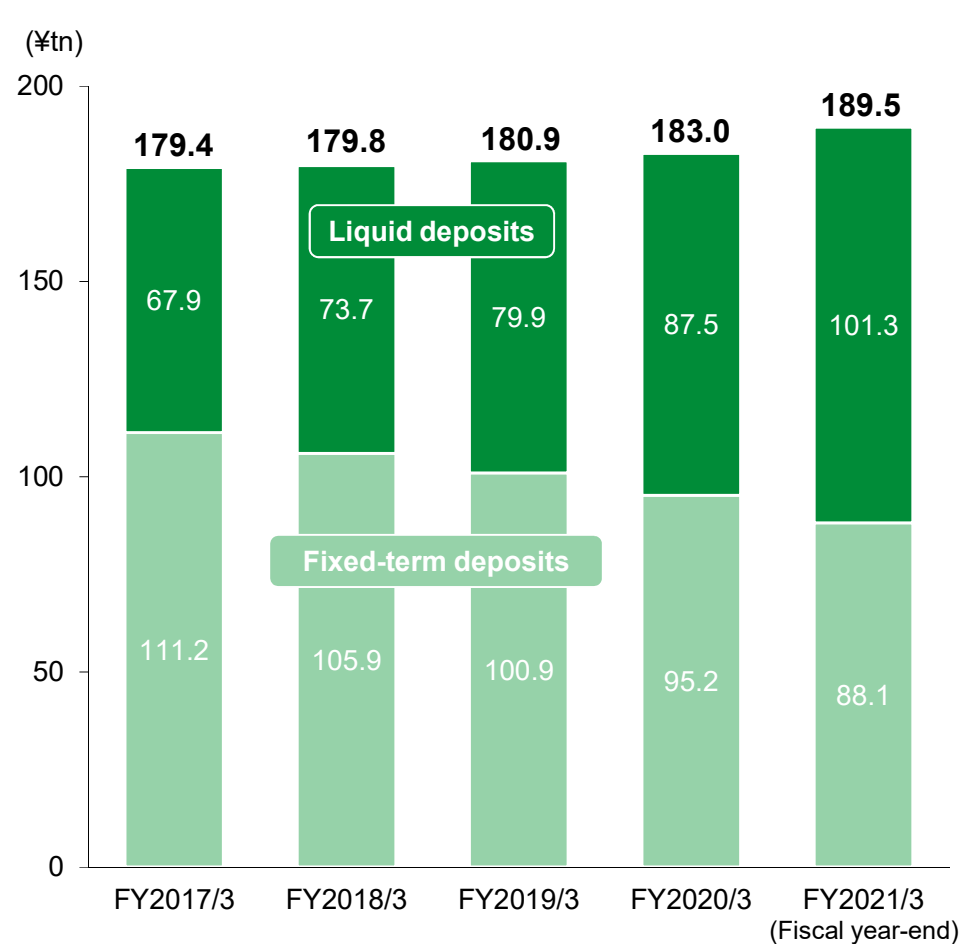


* "Others" consists of Japanese local government bonds, commercial paper, Japanese corporate bonds and Japanese stocks.

7. Trend of Deposit Balance

Non-consolidated

■ Deposit balance as of March 31, 2021 was ¥189.5 tn.



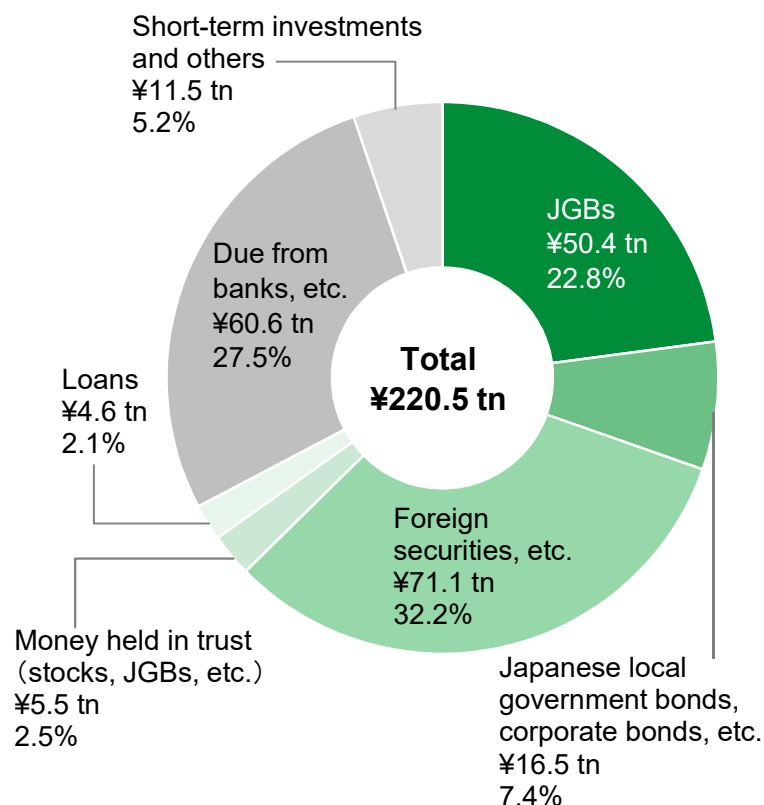
	As of March 31, 2020 (A)	As of March 31, 2021 (B)	Increase (Decrease) (B) – (A)
Liquid deposits	87.5	101.3	13.7
Transfer deposits	7.7	9.1	1.4
Ordinary deposits, etc. (*)	79.3	91.5	12.2
Savings deposits	0.5	0.6	0.1
Fixed-term deposits	95.2	88.1	(7.1)
Time deposits	5.2	4.7	(0.5)
TEIGAKU deposits	90.0	83.4	(6.6)
Other deposits	0.1	0.1	0.0
Total	183.0	189.5	6.5

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

8. Asset Management Status

Non-consolidated

■ Included in investment assets as of March 31, 2021, JGBs were ¥50.4 tn and foreign securities, etc. were ¥71.1 tn.



Categories	As of March 31, 2020 (A)	%	As of March 31, 2021 (B)	%	Increase (Decrease) (B) – (A)
Securities	135,198.4	65.1	138,183.2	62.6	2,984.8
Japanese government bonds	53,636.1	25.8	50,493.4	22.8	(3,142.6)
Japanese local government bonds, corporate bonds, etc. (*)	15,904.8	7.6	16,522.5	7.4	617.6
Foreign securities, etc.	65,657.5	31.6	71,167.2	32.2	5,509.7
Foreign bonds	23,706.8	11.4	23,505.1	10.6	(201.7)
Investment trusts (**)	41,901.0	20.1	47,591.1	21.5	5,690.1
Money held in trust (stocks, JGBs, etc.)	4,549.7	2.1	5,547.5	2.5	997.8
Domestic stocks	1,859.6	0.8	2,261.7	1.0	402.0
Loans	4,961.7	2.3	4,691.7	2.1	(270.0)
Due from banks, etc. (***)	51,485.4	24.8	60,667.0	27.5	9,181.6
Short-term investments and others (****)	11,324.2	5.4	11,505.7	5.2	181.5
Total	207,519.6	100.0	220,595.4	100.0	13,075.8

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

** Investment trusts are mainly invested in foreign bonds.

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

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

9. 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 ¥3,048.8 bn as of March 31, 2021 (before application of tax effect accounting), increased by ¥3,150.8 bn from March 31, 2020.

	As of March 31, 2020 (A)		As of March 31, 2021 (B)		Increase (Decrease) (B) – (A)
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Net unrealized gains (losses)
Held-to-maturity securities	24,170.7	490.8	25,178.0	238.1	(252.6)

	As of March 31, 2020 (A)		As of March 31, 2021 (B)		Increase (Decrease) (B) – (A)
	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)	Net unrealized gains (losses) / Net deferred gains (losses)
Available-for-sale	115,936.1	370.6	118,940.5	3,586.8	3,216.2
Securities (a)	111,386.4	(751.5)	113,392.9	2,407.2	3,158.8
Japanese government bonds	32,597.9	794.2	29,917.0	542.7	(251.4)
Foreign bonds	23,706.8	429.4	23,505.1	1,031.3	601.9
Investment trusts (*)	41,901.0	(2,040.4)	47,591.1	776.2	2,816.6
Others	13,180.6	65.1	12,379.5	56.8	(8.3)
Effect of fair value hedge accounting (b)		308.3		(173.5)	(481.8)
Money held in trust (c)	4,549.7	813.8	5,547.5	1,353.1	539.2
Domestic stocks	1,859.6	816.5	2,261.7	1,363.4	546.8
Others	2,690.0	(2.7)	3,285.8	(10.2)	(7.5)
Derivatives for which deferred hedge accounting is applied (d)	16,340.3	(472.7)	16,210.0	(538.0)	(65.3)
Total (a) + (b) + (c) + (d)		(102.0)		3,048.8	3,150.8

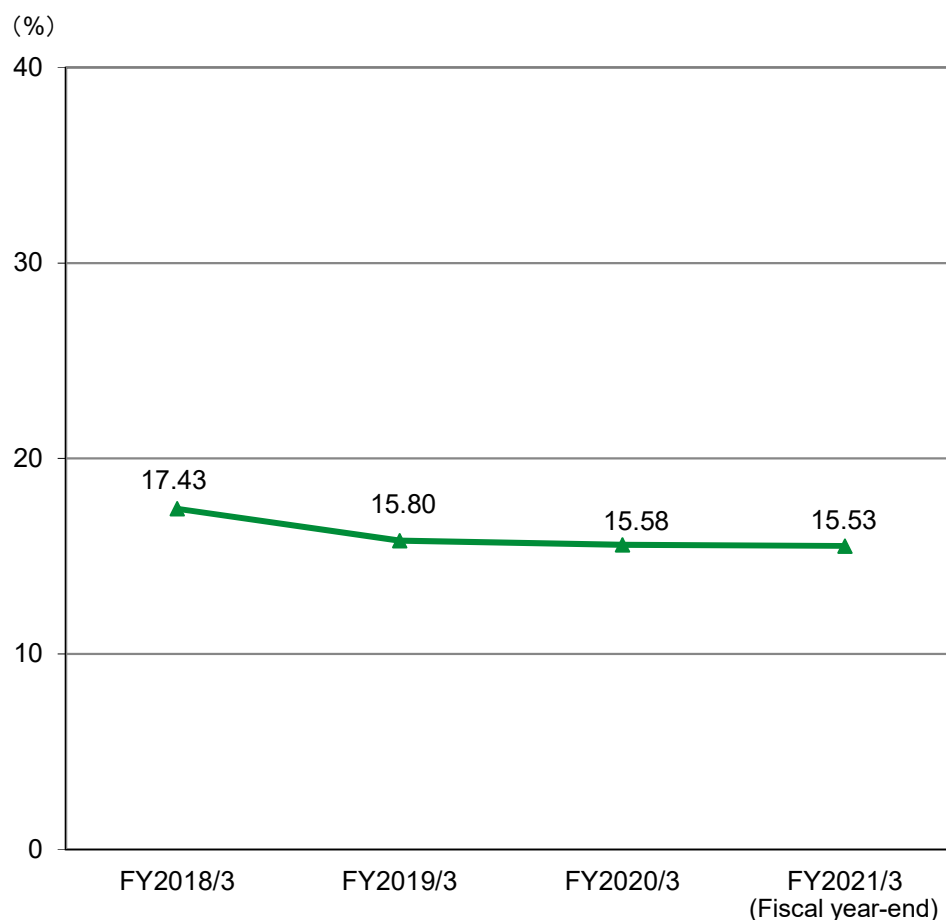
* Investment trusts are mainly invested in foreign bonds.

10. Trend of Capital Adequacy Ratio

Consolidated

- Capital adequacy ratio (domestic standard) was 15.53% as of March 31, 2021.
- (Reference) Common Equity Tier1 capital ratio (international standard, estimate) was 17.73%.

【Domestic standard】



【Domestic standard】

	(¥bn, %)		
	As of March 31, 2020 (A)	As of March 31, 2021 (B)	Increase (Decrease) (B) – (A)
Total capital (a)	8,942.0	9,038.3	96.2
Total amount of risk-weighted assets (b)	57,390.8	58,166.8	775.9
Credit risk-weighted assets	54,758.8	55,614.8	855.9
Capital adequacy ratio (a) / (b)	15.58%	15.53%	(0.04)%

【(Reference) International standard, estimate*】

	As of March 31, 2021 (B)
Common Equity Tier1 capital ratio (CET1 ratio)	17.73%
Excluding unrealized gains on available-for-sale securities**	14.09%

* Calculation for some items are simplified.

** After taking into consideration of gains (losses) from hedge accounting.

(Reference) Portfolio Management Status

Non-consolidated

(¥bn)

	As of March 31, 2020 (A)	As of March 31, 2021 (B)	Increase (Decrease) (B) – (A)
Yen interest rates assets	113,956.9	120,954.3	6,997.3
Short-term assets	57,186.6	66,942.3	9,755.6
Japanese government bonds and government guaranteed bonds	56,770.3	54,012.0	(2,758.2)
Risk assets	84,870.5	91,120.7	6,250.1
Japanese local government bonds	5,986.3	5,493.8	(492.5)
Japanese corporate bonds, etc.	7,594.4	7,534.2	(60.1)
Foreign securities, etc.	63,402.3	68,213.1	4,810.7
Loans	2,291.7	2,637.3	345.6
Money held in trust (stocks), etc.	2,286.0	2,976.8	690.8
Strategic investment areas	3,309.6	4,265.2	955.6

- Notes: 1. Since these figures are calculated on management accounting basis, they are not equal to the figures for balance of each categories on page 9, and also the sum of “Yen interest rates assets” and “Risk assets” is not equal to the “Total” on page 9.
2. “Strategic investment areas” is Alternative assets (Private Equity Funds and Real Estate Funds (Equity), etc.), Real Estate Funds (Debt), Direct Lending Funds and Infrastructure Debt Funds, etc.

Earnings Forecasts and Dividends Forecast for the Fiscal Year Ending March 31, 2022

1. Earnings Forecasts

Consolidated

- For earnings forecasts for the fiscal year ended March 31, 2022, net ordinary income and net income attributable to owners of parent are expected to amount to ¥355.0 bn and ¥260.0 bn, respectively.
- The decrease in income from the previous period is mainly attributable to, among net interest income, etc., a decrease in gains on redemption of foreign bonds bought while the yen was appreciating, as well as a decrease in gains from Japanese government bonds.

Achievement of the fiscal year ended March 31, 2021 Forecasts and Full-year Earnings Forecasts for the fiscal year ending March 31, 2022 (Consolidated) (¥bn)

	For the fiscal year ended March 31, 2021 (Forecast)	For the fiscal year ended March 31, 2021 (Actual)	For the fiscal year ending March 31, 2022 (Forecast)
Net interest income, etc. (*)	1,265.0	1,270.1	1,240.0
Net fees and commissions	130.0	127.9	129.0
General and administrative expenses	1,030.0	1,009.3	1,015.0
Net ordinary income	375.0	394.2	355.0
Net income attributable to owners of parent	270.0	280.1	260.0

Assumptions for the Earnings Forecasts

- ◆ Assumptions of domestic and foreign market interest rates are based on the implied forward rates as of December 31, 2020.
- ◆ We anticipate that foreign credit spreads will remain stable at roughly the same levels as of December 31, 2020.
- ◆ We anticipate that foreign exchange will continue at the same levels as of December 31, 2020.

* Net interest income, etc. = Interest income - Interest expenses (including gains (losses) on sales, etc.)

2. Dividends Forecast

Consolidated

- Dividend per share for the fiscal year ended March 31, 2021 is ¥50.
- Based on the shareholder return policy during the Medium-term Management Plan (FY2022/3 through FY2026/3), the dividend per share is planned to be ¥40 (dividend payout ratio of 57.6%) for the fiscal year ending March 31, 2022.

Actual Result and Forecast of Dividends

(¥bn, %)

	For the fiscal year	
	ended March 31, 2021 (Actual)	ending March 31, 2022 (Forecast)
Dividend per share	¥50	¥40
Total dividend payment	187.4	149.9
Dividend payout ratio	66.9%	57.6%

(Reference) Basic 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.

Shareholder return policy, etc. (FY2022/3 through FY2026/3)

[Shareholder return policy]

- ◆ Taking into consideration the balance between shareholder returns, financial soundness and growth investments, throughout the term of the Medium-term Management Plan (FY2022/3 through FY2026/3), the basic policy is to maintain a dividend payout ratio of approximately 50%.
- ◆ However, the target dividend payout ratio will be set between 50% and 60% while keeping in mind the stability and sustainability of dividends and we will target increases to dividends per share (DPS) compared to projected dividend levels for FY2022/3.

[Other policies pertaining to shareholder returns, etc.]

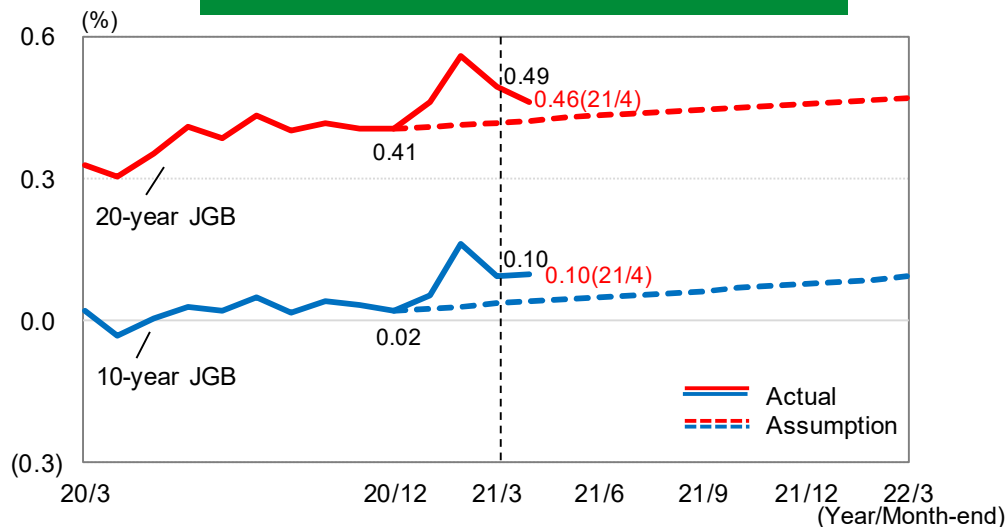
- ◆ We will also consider implementing additional shareholder return policies depending on future expansions in income, the repleteness of internal reserves and the status of regulatory trends, etc.
- ◆ In order to express our gratitude to our shareholders for their daily support, enhance the appeal of investing in Japan Post Bank's shares and thereby increase the number of our shareholders, among other reasons, throughout the duration of the Medium-term Management Plan period (FY2022/3 through FY2026/3), we will also consider providing shareholder benefits (details will be disclosed following a decision on the matter).

(Reference) Assumptions for Earnings Forecasts

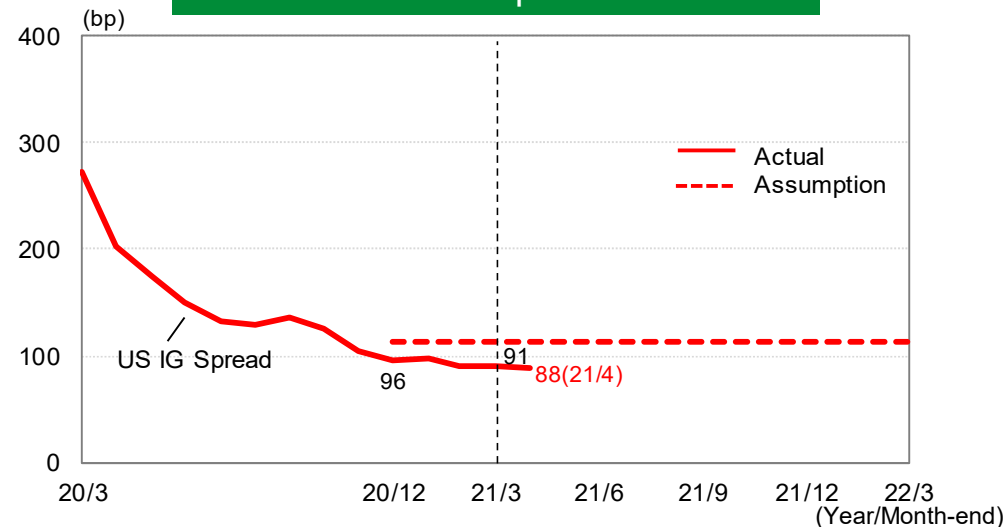
Consolidated

Assumptions

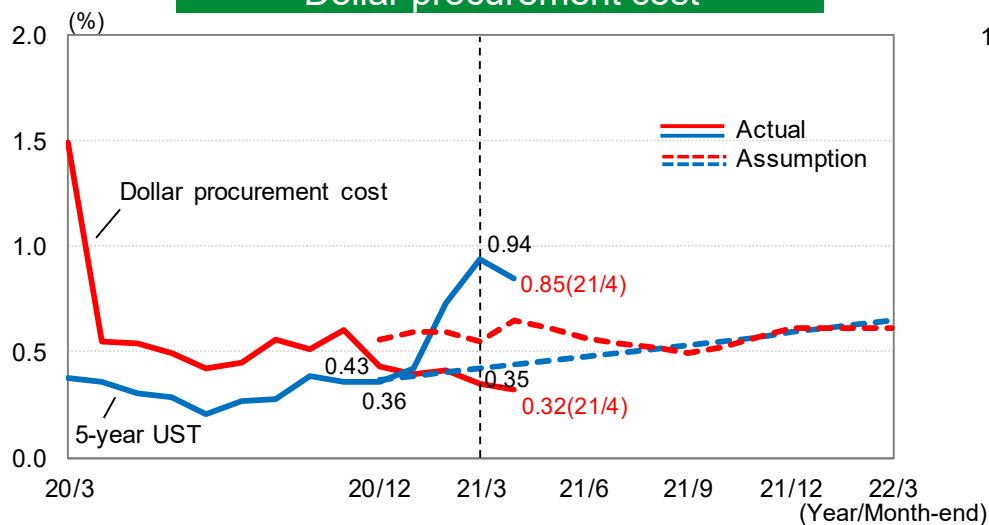
Yen interest rates



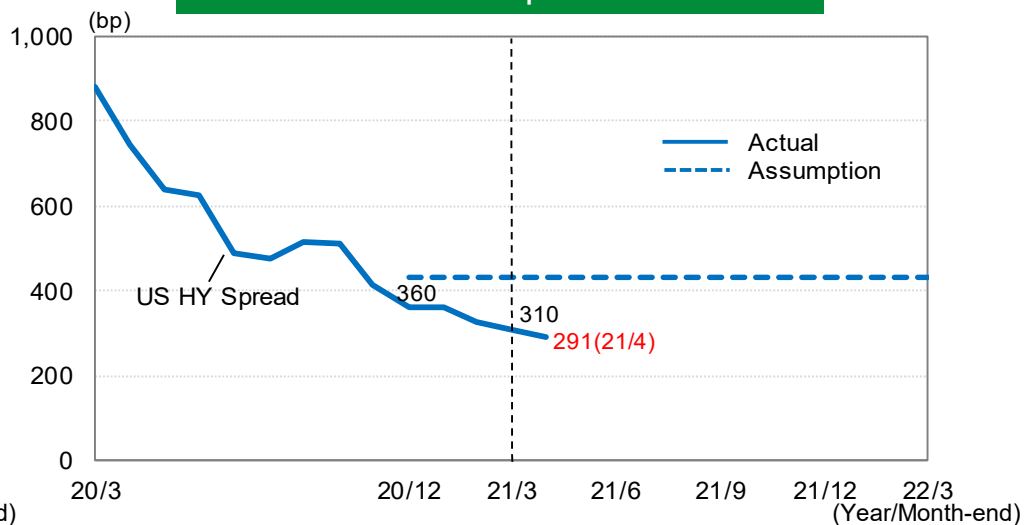
US IG spread



US interest rate
Dollar procurement cost



US HY spread



Financial Data

1. Summarized Balance Sheets

Non-consolidated

(Millions of yen)

	As of March 31, 2020 (A)	As of March 31, 2021 (B)	Increase (Decrease) (B) – (A)
Total assets	210,905,152	223,847,547	12,942,394
Cash and due from banks	51,663,901	60,768,034	9,104,132
Call loans	1,040,000	1,390,000	350,000
Receivables under resale agreements	9,731,897	9,721,360	(10,536)
Receivables under securities borrowing transactions	112,491	—	(112,491)
Monetary claims bought	315,812	362,212	46,400
Trading account securities	31	13	(17)
Money held in trust	4,549,736	5,547,574	997,837
Securities	135,198,460	138,183,264	2,984,804
Loans	4,961,733	4,691,723	(270,009)
Foreign exchanges	147,469	80,847	(66,622)
Other assets	2,816,117	2,857,518	41,401
Tangible fixed assets	193,752	197,940	4,187
Intangible fixed assets	47,114	47,992	877
Deferred tax assets	127,662	—	(127,662)
Reserve for possible loan losses	(1,031)	(935)	95

	As of March 31, 2020 (A)	As of March 31, 2021 (B)	Increase (Decrease) (B) – (A)
Total liabilities and net assets	210,905,152	223,847,547	12,942,394
Total liabilities	201,917,500	212,485,414	10,567,913
Deposits	183,004,733	189,593,469	6,588,736
Payables under repurchase agreements	14,855,624	14,886,481	30,856
Payables under securities lending transactions	2,219,384	1,504,543	(714,840)
Borrowed money	10,100	3,917,500	3,907,400
Foreign exchanges	511	514	3
Other liabilities	1,596,945	1,535,953	(60,991)
Reserve for bonuses	7,331	7,408	76
Reserve for employees' retirement benefits	141,628	141,740	111
Reserve for employee stock ownership plan trust	605	535	(70)
Reserve for management board benefit trust	311	303	(7)
Reserve for reimbursement of deposits	80,324	73,830	(6,494)
Deferred tax liabilities	—	823,134	823,134
Total net assets	8,987,651	11,362,133	2,374,481
Capital stock	3,500,000	3,500,000	—
Capital surplus	4,296,285	4,296,285	—
Retained earnings	2,563,307	2,749,408	186,100
Treasury stock	(1,300,881)	(1,300,844)	36
Total shareholders' equity	9,058,711	9,244,849	186,137
Net unrealized gains (losses) on available-for-sale securities	256,880	2,487,770	2,230,890
Net deferred gains (losses) on hedges	(327,940)	(370,486)	(42,546)
Total valuation and translation adjustments	(71,060)	2,117,283	2,188,344

2. Income Analysis

Non-consolidated

(Millions of yen)

	For the fiscal year ended		(B) – (A)
	March 31, 2020 (A)	March 31, 2021 (B)	
Gross operating profit	1,314,210	1,319,027	4,817
Net interest income	976,821	961,884	(14,937)
Net fees and commissions	128,891	127,943	(948)
Net other operating income (loss)	208,497	229,200	20,702
Gains (losses) on foreign exchanges	202,139	254,666	52,527
Gains (losses) on bonds	8,097	(25,980)	(34,077)
General and administrative expenses	(1,020,253)	(1,010,175)	10,078
Personnel expenses	(122,586)	(119,374)	3,211
Non-personnel expenses	(844,334)	(834,256)	10,078
Taxes and dues	(53,332)	(56,544)	(3,212)
Operating profit (before provision for general reserve for possible loan losses)	293,956	308,852	14,895
Core net operating profit	285,859	334,832	48,972
Excluding gains (losses) on cancellation of investment trusts	245,830	285,993	40,163
Provision for general reserve for possible loan losses	(15)	—	15
Net operating profit	293,941	308,852	14,910
Non-recurring gains (losses)	85,135	85,473	337
Gains (losses) related to stocks	11,545	(188,480)	(200,025)
Gains (losses) on money held in trust	72,838	272,749	199,910
Net ordinary income	379,077	394,325	15,247

	For the fiscal year ended		(B) – (A)
	March 31, 2020 (A)	March 31, 2021 (B)	
Extraordinary income (loss)	(450)	(1,564)	(1,113)
Gains (losses) on sales and disposals of fixed assets	(450)	(557)	(107)
Losses on impairment of fixed assets	(0)	(1,006)	(1,006)
Income before income taxes	378,626	392,760	14,134
Income taxes – current	(101,266)	(124,123)	(22,857)
Income taxes – deferred	(4,315)	11,200	15,516
Total income taxes	(105,581)	(112,923)	(7,341)
Net income	273,044	279,837	6,792

Gains (losses) on money held in trust	72,838	272,749	199,910
Dividends and interest income	77,881	80,119	2,237
Gains (losses) on sales of stocks	19,389	216,110	196,721
Unrealized gains (losses)	3	—	(3)
Impairment losses	(9,212)	(5,528)	3,684
Withholding income tax, etc.	(15,223)	(17,952)	(2,728)

Credit-related expenses	(13)	(23)	(9)
Provision for general reserve for possible loan losses	(13)	(23)	(9)

- Notes: 1. General and administrative expenses exclude non-recurring losses related to retirement benefit costs (¥2,086 million and ¥1,993 million recorded as profits for the fiscal years ended March 31, 2021 and 2020, respectively).
2. Core net operating profit = Operating profit (before provision for general reserve for possible loan losses) - Gains (losses) on bonds
3. Credit-related expenses are those expenses related to problem assets disclosed under the Financial Reconstruction Act.
4. Numbers in parenthesis indicate the amount of loss, expense or decrease.

3. Selected Ratios

Non-consolidated

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2020 (A)	March 31, 2021 (B)	
Net income to assets (ROA)	0.13%	0.12%	(0.00)%
Net income to equity (ROE)	2.68	2.75	0.06
Overhead ratio (OHR)	77.63	76.58	(1.04)

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. Interest Rate Spread

Non-consolidated

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2020 (A)	March 31, 2021 (B)	
Yield on interest-earning assets (a)	0.64%	0.56%	(0.07)%
Total cost of funding (including general and administrative expenses) (b)	0.69	0.61	(0.08)
Interest rate on interest-bearing liabilities (c)	0.17	0.11	(0.05)
Overall interest rate spread (a) - (b)	(0.04)	(0.04)	0.00
Interest rate spread (a) - (c)	0.47	0.45	(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) (B) – (A)
	March 31, 2020 (A)			March 31, 2021 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	198,026,308	629,096	0.31%	204,928,217	518,305	0.25%	(0.06)%
Loans	4,947,212	11,056	0.22	5,888,523	10,060	0.17	(0.05)
Securities	71,842,673	492,509	0.68	70,330,066	410,942	0.58	(0.10)
Due from banks, etc.	52,928,370	28,874	0.05	56,799,558	29,230	0.05	(0.00)
Interest-bearing liabilities	190,695,746	79,358	0.04	197,783,193	62,606	0.03	(0.00)
Deposits	183,018,232	55,096	0.03	188,043,501	38,323	0.02	(0.00)
Payables under securities lending transactions	229,198	229	0.10	155,875	155	0.09	(0.00)

(2) Overseas

(Millions of yen, %)

	For the fiscal year ended						Increase (Decrease) (B) – (A)
	March 31, 2020 (A)			March 31, 2021 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	63,366,957	789,429	1.24%	67,100,563	751,460	1.11%	(0.12)%
Loans	10,868	57	0.52	23,763	125	0.52	0.00
Securities	63,239,883	787,476	1.24	66,938,098	750,955	1.12	(0.12)
Due from banks, etc.	1,263	29	2.35	–	–	–	(2.35)
Interest-bearing liabilities	63,324,744	362,345	0.57	67,508,045	245,274	0.36	(0.20)
Payables under securities lending transactions	2,240,788	49,376	2.20	1,482,339	6,752	0.45	(1.74)

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) (B) – (A)
	March 31, 2020 (A)			March 31, 2021 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	203,590,095	1,318,014	0.64%	210,430,410	1,198,278	0.56%	(0.07)%
Loans	4,958,081	11,113	0.22	5,912,287	10,186	0.17	(0.05)
Securities	135,082,556	1,279,986	0.94	137,268,164	1,161,897	0.84	(0.10)
Due from banks, etc.	52,929,633	28,904	0.05	56,799,558	29,230	0.05	(0.00)
Interest-bearing liabilities	196,217,319	341,193	0.17	203,692,867	236,393	0.11	(0.05)
Deposits	183,018,232	55,096	0.03	188,043,501	38,323	0.02	(0.00)
Payables under securities lending transactions	2,469,986	49,605	2.00	1,638,214	6,908	0.42	(1.58)

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, 2021, ¥4,102,197 million; fiscal year ended March 31, 2020, ¥3,129,526 million) is excluded from interest-earning assets, and the average balance corresponding to money held in trust (fiscal year ended March 31, 2021, ¥4,102,197 million; fiscal year ended March 31, 2020, ¥3,129,526 million) and the corresponding interest (fiscal year ended March 31, 2021, ¥4,760 million; fiscal year ended March 31, 2020, ¥5,441 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 ¥67,206 million for the fiscal year ended March 31, 2021 (¥60,511 million for the fiscal year ended March 31, 2020).

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, 2020 (A)		As of March 31, 2021 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Due from banks, etc.	51,485,414	24.80	60,667,097	27.50	9,181,682
Call loans	1,040,000	0.50	1,390,000	0.63	350,000
Receivables under resale agreements	9,731,897	4.68	9,721,360	4.40	(10,536)
Receivables under securities borrowing transactions	112,491	0.05	—	—	(112,491)
Money held in trust	4,549,736	2.19	5,547,574	2.51	997,837
Domestic stocks	1,859,682	0.89	2,261,772	1.02	402,089
Domestic bonds	1,419,008	0.68	1,545,190	0.70	126,181
Securities	135,198,460	65.14	138,183,264	62.64	2,984,804
Japanese government bonds	53,636,113	25.84	50,493,477	22.88	(3,142,635)
Japanese local government bonds	5,986,349	2.88	5,493,814	2.49	(492,534)
Commercial paper	806,975	0.38	1,869,535	0.84	1,062,560
Japanese corporate bonds	9,108,252	4.38	9,145,414	4.14	37,162
Japanese stocks	3,255	0.00	13,755	0.00	10,500
Other securities	65,657,514	31.63	71,167,266	32.26	5,509,752
Foreign bonds	23,706,870	11.42	23,505,116	10.65	(201,754)
Investment trusts	41,901,017	20.19	47,591,186	21.57	5,690,169
Loans	4,961,733	2.39	4,691,723	2.12	(270,009)
Others	439,879	0.21	394,410	0.17	(45,468)
Total	207,519,613	100.00	220,595,431	100.00	13,075,817

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, 2020 (A)		As of March 31, 2021 (B)		Increase (Decrease) (B) – (A)	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Japanese government bonds	21,038,148	475,518	20,576,382	230,680	(461,765)	(244,838)
Japanese local government bonds	1,146,788	1,665	1,891,261	1,605	744,473	(59)
Japanese corporate bonds	1,985,771	13,654	2,710,435	5,892	724,664	(7,762)
Others	–	–	–	–	–	–
Foreign bonds	–	–	–	–	–	–
Total	24,170,708	490,838	25,178,079	238,178	1,007,371	(252,660)

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, 2020 (A)		As of March 31, 2021 (B)		Increase (Decrease) (B) – (A)	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Japanese stocks	5	–	10,505	–	10,500	–
Bonds	45,366,981	857,136	41,824,162	597,822	(3,542,819)	(259,314)
Japanese government bonds	32,597,964	794,222	29,917,094	542,798	(2,680,869)	(251,424)
Japanese local government bonds	4,839,561	25,675	3,602,553	17,172	(1,237,008)	(8,502)
Commercial paper	806,975	–	1,869,535	–	1,062,560	–
Japanese corporate bonds	7,122,480	37,238	6,434,978	37,850	(687,502)	612
Others	66,019,472	(1,608,708)	71,558,269	1,809,429	5,538,796	3,418,137
Foreign bonds	23,706,870	429,425	23,505,116	1,031,399	(201,754)	601,973
Investment trusts	41,901,017	(2,040,416)	47,591,186	776,215	5,690,169	2,816,632
Total	111,386,459	(751,571)	113,392,936	2,407,252	2,006,477	3,158,823

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, ¥173,512 million was included in the statement of income as profit for the fiscal year ended March 31, 2021 and ¥308,341 million was included in the statement of income as loss for the fiscal year ended March 31, 2020 because of the application of fair value hedge accounting.

4. Investment trusts are mainly invested in foreign bonds.

5. No impairment loss was recognized for the fiscal year ended March 31, 2021. Impairment loss for the fiscal year ended March 31, 2020 amounted to ¥20 million.

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, 2020 (A)		As of March 31, 2021 (B)		Increase (Decrease) (B) – (A)	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Money held in trust classified as available-for-sale	4,549,736	813,852	5,547,574	1,353,124	997,837	539,271
Domestic stocks	1,859,682	816,565	2,261,772	1,363,424	402,089	546,858
Domestic bonds	1,419,008	(893)	1,545,190	(11,689)	126,181	(10,796)

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 for the fiscal years ended March 31, 2021 and 2020 amounted to ¥5,528 million and ¥9,212 million, respectively.

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

(Millions of yen)

	As of March 31, 2020 (A)		As of March 31, 2021 (B)		Increase (Decrease) (B) – (A)	
	Notional amount	Net deferred gains (losses)	Notional amount	Net deferred gains (losses)	Notional amount	Net deferred gains (losses)
Interest rate swaps	8,913,409	(458,664)	8,136,647	(175,043)	(776,762)	283,620
Currency swaps	7,426,920	(14,041)	8,073,418	(363,009)	646,498	(348,967)
Foreign exchange forward contracts	—	—	—	—	—	—
Total	16,340,330	(472,705)	16,210,065	(538,052)	(130,264)	(65,346)

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, 2020 (A)	As of March 31, 2021 (B)	Increase (Decrease) (B) – (A)
Total net unrealized gains (losses)	(102,083)	3,048,811	3,150,894

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) (B) – (A)
	March 31, 2020 (A)		March 31, 2021 (B)		
	Amount	%	Amount	%	Amount
Personnel expenses	120,653	11.84	117,288	11.63	(3,364)
Salaries and allowances	98,694	9.69	96,068	9.52	(2,625)
Others	21,959	2.15	21,219	2.10	(739)
Non-personnel expenses	844,334	82.91	834,256	82.75	(10,078)
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	369,716	36.30	366,358	36.34	(3,358)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network (*)	237,820	23.35	237,439	23.55	(381)
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	59,486	5.84	57,436	5.69	(2,050)
Rent for land, buildings and others	11,956	1.17	11,531	1.14	(424)
Expenses on consigned businesses	64,085	6.29	67,002	6.64	2,917
Depreciation and amortization	36,146	3.54	34,943	3.46	(1,203)
Communication and transportation expenses	16,886	1.65	15,279	1.51	(1,607)
Maintenance expenses	12,457	1.22	13,378	1.32	921
IT expenses	16,791	1.64	12,914	1.28	(3,876)
Others	18,986	1.86	17,971	1.78	(1,015)
Taxes and dues	53,332	5.23	56,544	5.60	3,212
Total	1,018,320	100.00	1,008,089	100.00	(10,231)

* The Bank makes payments of contributions to the Organization for Postal Savings, Postal Life Insurance and Post Office Network in accordance with Article 18-3 of the Act on Organization for Postal Savings, Postal Life Insurance and Post Office Network.

9. Loans

Non-consolidated

(Millions of yen, %)

	As of March 31, 2020 (A)		As of March 31, 2021 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Domestic (excluding Japan Offshore Market accounts)	4,942,412	100.00	4,666,152	100.00	(276,259)
Agriculture, forestry, fisheries, and mining	—	—	—	—	—
Manufacturing	43,524	0.88	81,669	1.75	38,145
Utilities, information/communications, and transportation	108,064	2.18	137,714	2.95	29,650
Wholesale and retail	31,155	0.63	34,255	0.73	3,099
Finance and insurance	773,676	15.65	739,510	15.84	(34,165)
Construction and real estate	12,983	0.26	63,184	1.35	50,200
Services and goods rental/leasing	48,437	0.98	84,214	1.80	35,776
Central and local governments	3,782,410	76.52	3,428,219	73.46	(354,190)
Others	142,159	2.87	97,383	2.08	(44,776)
Overseas and Japan Offshore Market accounts	19,321	100.00	25,571	100.00	6,250
Governments	—	—	—	—	—
Others	19,321	100.00	25,571	100.00	6,250
Total	4,961,733		4,691,723		(270,009)

- 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 Organization for Postal Savings, Postal Life Insurance and Post Office Network, were ¥340,563 million and ¥439,734 million as of March 31, 2021 and March 31, 2020, respectively.
 3. "Others" in "Domestic" represents loans to individuals.

10. Balances by Type of Deposit

Non-consolidated

(Millions of yen, %)

	As of March 31, 2020 (A)		As of March 31, 2021 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Liquid deposits	87,567,568	47.84	101,309,018	53.43	13,741,449
Transfer deposits	7,712,325	4.21	9,150,117	4.82	1,437,791
Ordinary deposits, etc.	79,346,271	43.35	91,546,309	48.28	12,200,038
Savings deposits	508,971	0.27	612,591	0.32	103,619
Fixed-term deposits	95,298,907	52.07	88,145,649	46.49	(7,153,258)
Time deposits	5,225,651	2.85	4,709,291	2.48	(516,359)
TEIGAKU deposits	90,073,256	49.21	83,436,358	44.00	(6,636,898)
Other deposits	138,256	0.07	138,801	0.07	544
Subtotal	183,004,733	100.00	189,593,469	100.00	6,588,736
Negotiable certificates of deposit	—	—	—	—	—
Total	183,004,733	100.00	189,593,469	100.00	6,588,736
Deposits including accrued interest	183,380,789		189,794,415		6,413,625

Notes: 1. Ordinary deposits, etc. = Ordinary deposits + Special deposits (equivalent to ordinary savings)

2. Special deposits (equivalent to ordinary savings) are the portion of deposits received from the Organization for Postal Savings, Postal Life Insurance and Post Office Network, 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.

3. 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, 2020 (A)	As of March 31, 2021 (B)	Increase (Decrease) (B) – (A)
Unfunded projected benefit obligation	134,232	133,541	(690)
Unrecognized net actuarial losses	1,686	1,277	(409)
Unrecognized prior service cost	5,709	6,920	1,211
Net amount recorded on the balance sheet	141,628	141,740	111

(3) Total retirement benefit costs and components (Millions of yen)

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2020 (A)	March 31, 2021 (B)	
Total retirement benefit costs related to the defined-benefit plan	6,190	5,727	(463)
Service cost	7,113	6,850	(262)
Interest cost on projected benefit obligation	943	935	(7)
Amortization of net actuarial losses	(782)	(761)	21
Amortization of prior service cost	(1,161)	(1,330)	(169)
Others	77	32	(44)

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

	As of March 31, 2020	As of March 31, 2021
Discount rate	0.7%	0.7%

12. Deferred Tax Assets/Liabilities

Non-consolidated

(Millions of yen)

	As of March 31, 2020 (A)	As of March 31, 2021 (B)	Increase (Decrease) (B) – (A)
Deferred tax assets	248,769	281,471	32,702
Reserve for possible loan losses	7	0	(6)
Reserve for employees' retirement benefits	43,373	43,407	34
Accrued enterprise taxes	3,222	5,024	1,801
Net deferred losses on hedges	144,765	167,565	22,800
Reserve for reimbursement of deposits	24,599	22,610	(1,988)
Depreciation	8,773	7,761	(1,011)
Unrealized losses of money held in trust	1,680	3,123	1,443
Other	22,348	31,978	9,629
Deferred tax liabilities	(121,106)	(1,104,605)	(983,499)
Net unrealized gains on available-for-sale securities	(113,396)	(1,098,194)	(984,798)
Other	(7,709)	(6,411)	1,298
Net deferred tax assets (liabilities)	127,662	(823,134)	(950,796)

13. Problem Assets Disclosed under the Financial Reconstruction Act

Non-consolidated

(Millions of yen, %)

	As of March 31, 2020 (A)	As of March 31, 2021 (B)	Increase (Decrease) (B) – (A)
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	5,111,652	4,774,980	(336,671)
Total (b)	5,111,652	4,774,980	(336,671)
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, 2020 (A)	As of March 31, 2021 (B)	Increase (Decrease) (B) – (A)
Total	1,031	935	(95)
General reserve for possible loan losses	258	280	22
Specific reserve for possible loan losses	772	655	(117)

15. Capital

Non-consolidated
Consolidated

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

(Millions of yen, %)

	As of March 31, 2020 (A)	As of March 31, 2021 (B)	Increase (Decrease) (B) – (A)
Core Capital: instruments and reserves (a)	8,965,233	9,057,656	92,422
Core Capital: regulatory adjustments (b)	32,685	33,294	608
Total capital (a) - (b) = (c)	8,932,547	9,024,361	91,813
Total amount of risk-weighted assets (d)	57,407,276	58,157,118	749,842
Credit risk-weighted assets	54,775,080	55,604,917	829,837
Market risk equivalent / 8%	—	—	—
Operational risk equivalent / 8%	2,632,196	2,552,200	(79,995)
Capital adequacy ratio (c) / (d)	15.55%	15.51%	(0.04)%

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

(Millions of yen, %)

	As of March 31, 2020 (A)	As of March 31, 2021 (B)	Increase (Decrease) (B) – (A)
Core Capital: instruments and reserves (a)	8,974,876	9,071,821	96,944
Core Capital: regulatory adjustments (b)	32,827	33,498	671
Total capital (a) - (b) = (c)	8,942,048	9,038,322	96,273
Total amount of risk-weighted assets (d)	57,390,850	58,166,845	775,994
Credit risk-weighted assets	54,758,899	55,614,821	855,921
Market risk equivalent / 8%	—	—	—
Operational risk equivalent / 8%	2,631,950	2,552,023	(79,927)
Capital adequacy ratio (consolidated) (c) / (d)	15.58%	15.53%	(0.04)%

(Reference) Securitized Products Exposure

Non-consolidated

As of March 31, 2020 and March 31, 2021, the Bank held the following securitized products and others.

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

(1) Securitized products

(Millions of yen)

Region		As of March 31, 2020			As of March 31, 2021		
		Acquisition cost	Net unrealized gains (losses)	Credit ratings	Acquisition cost	Net unrealized gains (losses)	Credit ratings
Domestic	Residential mortgage-backed securities (RMBS)	1,359,705	28,113	AAA	1,354,370	19,045	AAA
	Subprime loan related	—	—	—	—	—	—
	Collateralized loan obligations (CLO)	—	—	—	—	—	—
	Other securitized products	173,975	(205)	AAA	225,448	33	AAA
	Commercial mortgage-backed securities (CMBS)	—	—	—	—	—	—
	Collateralized debt obligations (CDO)	1,018	37	AAA	870	28	AAA
	Subtotal	1,534,699	27,945		1,580,689	19,106	
Overseas	Residential mortgage-backed securities (RMBS)	38,546	(9,390)	AAA	54,999	3,897	AAA
	Subprime loan related	—	—	—	—	—	—
	Collateralized loan obligations (CLO)	1,767,354	(121,935)	AAA	2,036,348	36,013	AAA
	Subtotal	1,805,900	(131,326)		2,091,347	39,911	
Total		3,340,600	(103,380)		3,672,037	59,017	

- Notes: 1. The underlying assets provided are only those from multiple debtors comprising securitized products.
2. The above table does not include securitized products that might be included in investment trusts. The same shall apply hereinafter.
3. Net unrealized gains (losses) do not reflect the effect of foreign exchange hedging. No hedging activities against credit risks were made.
4. Other securitized products are securitized products of which underlying assets are mainly auto loan claims.
5. "Overseas" does not include U.S. government sponsored enterprises, etc. (GSEs) related products.
6. The overseas collateralized loan obligations (CLO) are only those in the United States. Net unrealized gains (losses) on the overseas CLO including foreign exchange hedging were ¥1,916 million as of March 31, 2021, compared with ¥(104,557) million as of March 31, 2020 (reference value calculated on management accounting basis).

(2) Structured investment vehicles (SIVs)

There were no investments in SIVs.

(3) Leveraged loans

There were no outstanding leveraged loans.

(4) Monoline insurer related products

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

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; situation of the spread of COVID-19; 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.

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