



Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021

<Under Japanese GAAP>

February 14, 2022

Company name: JAPAN POST BANK Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
 Code number: 7182 Website: <https://www.jp-bank.japanpost.jp/>
 Representative: IKEDA Norito, Director, President and Representative Executive Officer
 For inquiry: IMAI Kenichi, General Manager of Financial Accounting Department
 Quarterly Securities Report issuing date: February 14, 2022 (Scheduled)
 Dividend payment date: —
 Trading accounts: Unestablished
 Selected Financial Information for quarterly financial statements: Available
 Quarterly investor meeting presentation: Scheduled (for investors and analysts)

(Figures are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2021

(1) Consolidated operating results

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

	Ordinary income		Net ordinary income		Net income attributable to owners of parent	
Q3 FY2022/3	¥1,555,660	18.4%	¥394,519	25.6%	¥287,633	27.0%
Q3 FY2021/3	1,313,711	(3.2)	313,909	8.5	226,344	7.7

Note: "Comprehensive income (loss)" was ¥127,045 million for the nine months ended December 31, 2021 and ¥2,609,118 million for the nine months ended December 31, 2020.

	Net income per share	Diluted net income per share
Q3 FY2022/3	¥76.72	¥—
Q3 FY2021/3	60.37	—

Notes: 1. "Diluted net income per share" is not presented since there has been no potential dilution for the nine months ended December 31, 2021 and 2020.

2. Percentages shown in "Ordinary income", "Net ordinary income" and "Net income attributable to owners of parent" are the increase (decrease) from the same period in the previous fiscal year.

(2) Consolidated financial conditions

(Millions of yen, except for percentages)

	Total assets	Total net assets	Net assets attributable to shareholders to total assets
Q3 FY2022/3	¥230,158,971	¥11,339,264	4.9%
FY2021/3	223,870,673	11,394,827	5.0

Reference: "Net assets attributable to shareholders" was ¥11,309,411 million as of December 31, 2021 and ¥11,370,088 million as of March 31, 2021.

Note: "Net assets attributable to shareholders to total assets" is calculated as follows:

[("Total net assets" – "Non-controlling interests") / "Total assets"] x 100

"Net assets attributable to shareholders to total assets" above is not based on Capital adequacy notification.

2. Dividends

(Yen)

	Dividends per share				
	As of June 30	As of September 30	As of December 31	As of March 31	Total
FY2021/3	¥—	¥0.00	¥—	¥50.00	¥50.00
FY2022/3	—	0.00	—		
FY2022/3 (forecast)				47.00	47.00

Note: Revision of the latest announced dividend forecasts for FY2022/3: No

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2022

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

	Net ordinary income		Net income attributable to owners of parent		Net income per share
FY2022/3	¥485,000	23.0%	¥350,000	24.9%	¥93.36

Notes: 1. Revision of the latest announced earnings forecasts for FY2022/3: No

2. Percentages shown in “Net ordinary income” and “Net income attributable to owners of parent” are the increase (decrease) from the previous fiscal year.

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change in scope of consolidation): No

(2) Adoption of specified accounting methods for the preparation of the quarterly consolidated financial statements: No

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

i) Changes in accounting policies due to revision of accounting standards: Yes

ii) Changes in accounting policies due to reasons other than i): No

iii) Changes in accounting estimates: No

iv) Restatements: No

Note: For more information, please refer to “Changes in accounting policies” on page 6 of the attachment.

(4) Shares outstanding (common stock)

i) Period-end issued shares (including treasury stock):	As of December 31, 2021	3,749,545,020 shares	As of March 31, 2021	4,500,000,000 shares
ii) Period-end treasury stock:	As of December 31, 2021	755,900 shares	As of March 31, 2021	751,246,180 shares
iii) Average number of outstanding shares:	Q3 FY2022/3	3,748,748,660 shares	Q3 FY2021/3	3,748,722,514 shares

Note: The period-end treasury stock includes the Bank's shares held by stock benefit trust (685,900 shares as of December 31, 2021 and 721,200 shares as of March 31, 2021). The treasury stock deducted to calculate the average number of outstanding shares includes the Bank's shares held by stock benefit trust (726,360 shares for Q3 FY2022/3 and 752,529 shares for Q3 FY2021/3).

(Note on quarterly review procedures)

This “Summary of Consolidated Financial Results” is not subject to the quarterly review procedures by a certified public accountant or an audit corporation.

(Forward-looking statements and other matters)

This “Summary of Consolidated Financial Results” contains forward-looking statements including forecasts, targets and plans of the Bank and its consolidated subsidiaries (the “Japan Post Bank 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 Japan Post Bank Group’s actual results, performance or financial position. The Japan Post Bank 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 Japan Post Bank 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.

[Attachment]

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1. Consolidated Financial Statements

(1) Consolidated balance sheets

	As of March 31, 2021	(Millions of yen) As of December 31, 2021
Assets		
Cash and due from banks	60,769,486	59,405,979
Call loans	1,390,000	2,555,000
Receivables under resale agreements	9,721,360	11,579,916
Receivables under securities borrowing transactions	—	1,768,099
Monetary claims bought	362,212	358,260
Trading account securities	13	7
Money held in trust	5,547,574	5,734,369
Securities	138,204,256	140,855,202
Loans	4,691,723	4,656,467
Foreign exchanges	80,847	88,520
Other assets	2,857,615	2,912,735
Tangible fixed assets	198,137	193,197
Intangible fixed assets	48,286	52,259
Deferred tax assets	93	29
Reserve for possible loan losses	(935)	(1,073)
Total assets	223,870,673	230,158,971

	(Millions of yen)	
	As of March 31, 2021	As of December 31, 2021
Liabilities		
Deposits	189,588,549	193,916,463
Payables under repurchase agreements	14,886,481	16,155,173
Payables under securities lending transactions	1,504,543	1,514,242
Borrowed money	3,917,500	4,738,900
Foreign exchanges	514	495
Other liabilities	1,536,281	1,508,192
Reserve for bonuses	7,582	1,718
Liability for retirement benefits	133,542	137,219
Reserve for employee stock ownership plan trust	535	255
Reserve for management board benefit trust	303	280
Reserve for reimbursement of deposits	73,830	70,609
Deferred tax liabilities	826,179	776,156
Total liabilities	212,475,846	218,819,707
Net Assets		
Capital stock	3,500,000	3,500,000
Capital surplus	4,296,514	3,500,000
Retained earnings	2,750,234	2,346,911
Treasury stock	(1,300,844)	(902)
Total shareholders' equity	9,245,904	9,346,009
Net unrealized gains (losses) on available-for-sale securities	2,488,982	2,467,077
Net deferred gains (losses) on hedges	(370,486)	(508,403)
Accumulated adjustments for retirement benefits	5,687	4,728
Total accumulated other comprehensive income	2,124,183	1,963,402
Non-controlling interests	24,739	29,852
Total net assets	11,394,827	11,339,264
Total liabilities and net assets	223,870,673	230,158,971

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Millions of yen)

	For the nine months ended December 31, 2020	For the nine months ended December 31, 2021
Ordinary income	1,313,711	1,555,660
Interest income	880,866	1,073,344
Interest on loans	7,631	7,752
Interest and dividends on securities	852,599	1,045,481
Fees and commissions	119,936	118,381
Other operating income	250,317	94,935
Other ordinary income	62,590	268,999
Ordinary expenses	999,801	1,161,141
Interest expenses	182,009	165,211
Interest on deposits	30,760	17,056
Fees and commissions	22,177	22,335
Other operating expenses	9,911	50,828
General and administrative expenses	757,631	747,127
Other ordinary expenses	28,071	175,638
Net ordinary income	313,909	394,519
Extraordinary income	—	6,379
Gains on sales and disposals of fixed assets	—	6,379
Extraordinary loss	393	521
Losses on sales and disposals of fixed assets	393	509
Losses on impairment of fixed assets	—	12
Income before income taxes	313,516	400,377
Income taxes		
Current	98,099	93,804
Deferred	(10,538)	19,545
Total income taxes	87,560	113,350
Net income	225,955	287,027
Net loss attributable to non-controlling interests	(389)	(606)
Net income attributable to owners of parent	226,344	287,633

Consolidated statements of comprehensive income

(Millions of yen)

	For the nine months ended December 31, 2020	For the nine months ended December 31, 2021
Net income	225,955	287,027
Other comprehensive income (loss)	2,383,163	(159,982)
Net unrealized gains (losses) on available-for-sale securities	2,306,480	(21,106)
Net deferred gains (losses) on hedges	75,992	(137,916)
Adjustments for retirement benefits	689	(959)
Share of other comprehensive income (loss) of affiliates accounted for by the equity method	(0)	—
Comprehensive income (loss)	2,609,118	127,045
Total comprehensive income (loss) attributable to:		
Owners of parent	2,609,817	126,852
Non-controlling interests	(699)	193

(3) Notes to consolidated financial statements

Notes on going-concern assumption

None

Note for material changes in the amount of shareholders' equity

The Bank cancelled 750,454 thousand shares of treasury stock on September 15, 2021, based on the resolution at the Board of Directors meeting held on August 30, 2021. As a result, capital surplus and treasury stock decreased by ¥1,299,878 million, respectively.

Since the balance of other capital surplus included in capital surplus amounted to ¥(503,363) million due to the cancellation of treasury stock, other capital surplus was reduced to nil whereby the aforementioned negative value was deducted from other retained earnings.

As a result, capital surplus at the end of the nine months ended December 31, 2021 decreased by ¥796,514 million from the end of the previous fiscal year, to ¥3,500,000 million, retained earnings decreased by ¥403,322 million to ¥2,346,911 million, treasury stock decreased by ¥1,299,942 million to ¥902 million.

Changes in accounting policies

(Application of Accounting Standard for Revenue Recognition, etc.)

The Bank has applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the three months ended June 30, 2021, and recognized revenue at the amount expected to be received in exchange for the promised goods or services when the dominance of its goods or services is transferred to customers.

The application of "Accounting Standard for Revenue Recognition", etc. is subject to the transitional treatment stipulated in the proviso of Paragraph 84 of "Accounting Standard for Revenue Recognition". The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the three months ended June 30, 2021, was added to or subtracted from the beginning balance of retained earnings of the three months ended June 30, 2021, and thus the new accounting policy was applied from such beginning balance.

As a result, for the nine months ended December 31, 2021, ordinary income decreased by ¥468 million and ordinary expenses decreased by ¥519 million, net ordinary income and income before income taxes increased by ¥50 million, respectively, the beginning balance of retained earnings decreased by ¥119 million.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Bank has applied "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019), etc. from the beginning of the three months ended June 30, 2021.

And in accordance with the transitional treatment stipulated in Paragraph 19 of "Accounting Standard for Fair Value Measurement" and Paragraph 44-2 of "Accounting Standard for Financial Instrument" (ASBJ Statement No. 10, July 4, 2019), the Bank has applied new accounting policies from the beginning of the three months ended June 30, 2021.

Due to the application, the measurement of the fair value of stocks with market price is changed from the fair value method based on their average prices during the final month of fiscal year to the fair value method based on their fiscal year-end market prices.