

Selected Financial Information For the Fiscal Year Ended March 31, 2022

May 13, 2022



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[Consolidated subsidiaries, etc.]

Consolidated subsidiaries	6 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. Results of Operations

Consolidated

- Net income attributable to owners of parent increased by ¥74.9 bn year on year to ¥355.0 bn, which was record high profits in our history as a listed company.

(¥bn, %)

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2021 (A)	March 31, 2022 (B)	
Consolidated gross operating profit	1,319.1	1,292.0	(27.1)
Net interest income	961.9	1,147.4	185.4
Net fees and commissions	127.9	128.4	0.5
Net other operating income (loss)	229.1	16.0	(213.1)
Gains (losses) on foreign exchanges	254.6	79.0	(175.6)
Gains (losses) on bonds	(25.9)	(63.2)	(37.2)
General and administrative expenses (*)	1,011.4	983.2	(28.2)
Provision for general reserve for possible loan losses	—	0.0	0.0
Consolidated net operating profit	307.6	308.7	1.0
Non-recurring gains (losses)	86.5	182.1	95.5
Net ordinary income	394.2	490.8	96.6
Net income attributable to owners of parent	280.1	355.0	74.9
【Reference**】			
ROE (based on shareholders' equity)	3.06%	3.80%	0.74 %
OHR (basis including gains (losses) on money held in trust)	72.34%	67.52%	(4.81)%

- Net interest income for the fiscal year ended March 31, 2022 increased by ¥185.4 bn year on year, mainly due to an increase in income related to foreign bonds investment trusts and Private equity funds. Net fees and commissions increased by ¥0.5 bn year on year. Net other operating income decreased by ¥213.1 bn year on year, mainly due to reductions in redemption gains on foreign bonds.
- General and administrative expenses decreased by ¥28.2 bn year on year, mainly due to a decrease in commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.
- Non-recurring gains increased by ¥95.5 bn year on year, mainly due to the expansion of Private equity funds and Real estate funds.
- Net ordinary income increased by ¥96.6 bn year on year, which equated to 101.2% of the full-year earnings forecast of ¥485.0 bn.
- Net income attributable to owners of parent equated to 101.4% of the full-year earnings forecast of ¥350.0 bn.

* General and administrative expenses exclude non-recurring losses.

** Calculation for financial targets in the Medium-term Management Plan (FY2022/3 – FY2026/3)
ROE = net income attributable to owners of parent / [(sum of total net assets at the beginning and the end of the period) / 2] x 100

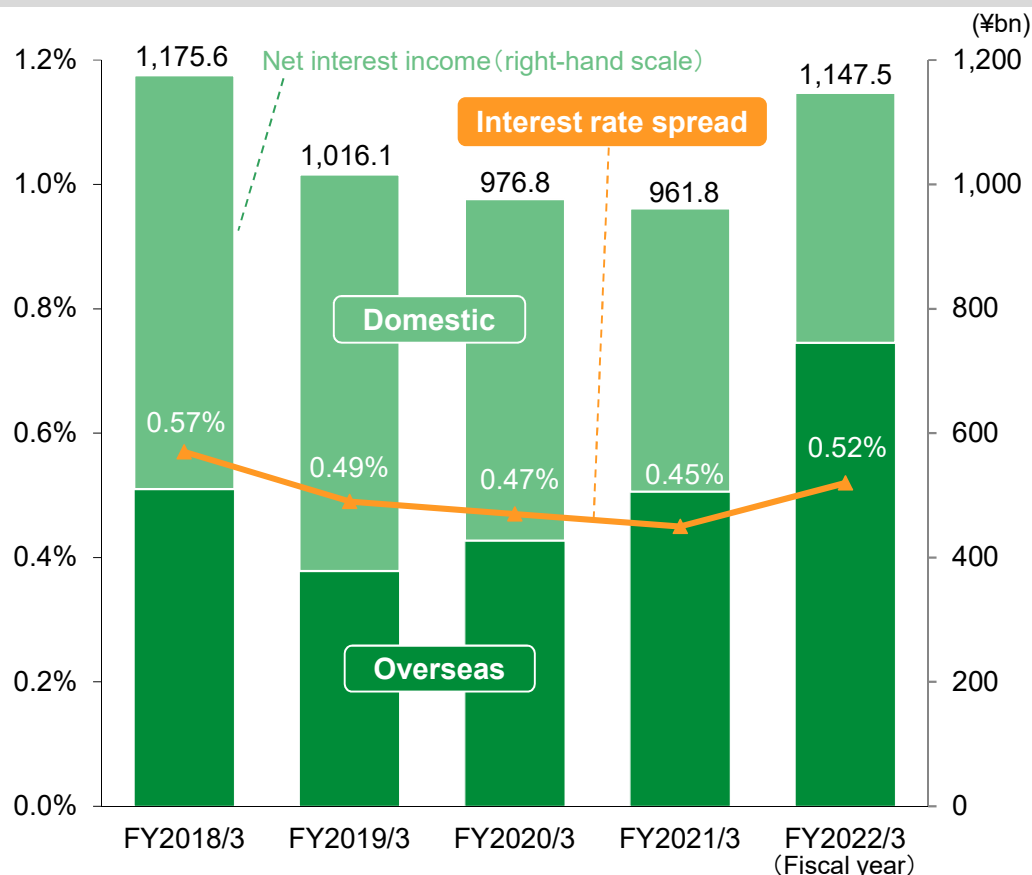
OHR = general and administrative expenses / (net interest income, etc. + net fees and commissions) x 100

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

2. Trend of Net Interest Income and Interest Rate Spread

Non-consolidated

- Net interest income increased by ¥185.6 bn year on year to ¥1,147.5 bn and interest rate spread improved to 0.52% for the fiscal year ended March 31, 2022.
- Interest on foreign securities increased mainly due to an increase in income related to foreign bonds investment trusts and private equity funds.



Domestic		For the fiscal year ended		Increase
		March 31, 2021 (A)	March 31, 2022 (B)	(Decrease) (B) – (A)
Net interest income		455.6	402.2	(53.4)
Interest income		518.3	446.7	(71.5)
Interest on Japanese government bonds		364.6	304.1	(60.4)
Interest expenses		62.6	44.4	(18.1)
Overseas		For the fiscal year ended		Increase
		March 31, 2021 (A)	March 31, 2022 (B)	(Decrease) (B) – (A)
Net interest income		506.1	745.2	239.0
Interest income		751.4	991.6	240.1
Interest on foreign securities		750.9	991.2	240.2
Interest expenses		245.2	246.3	1.1
Total		For the fiscal year ended		Increase
		March 31, 2021 (A)	March 31, 2022 (B)	(Decrease) (B) – (A)
Net interest income		961.8	1,147.5	185.6
Interest income		1,198.2	1,369.7	171.4
Interest expenses		236.3	222.2	(14.1)

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.

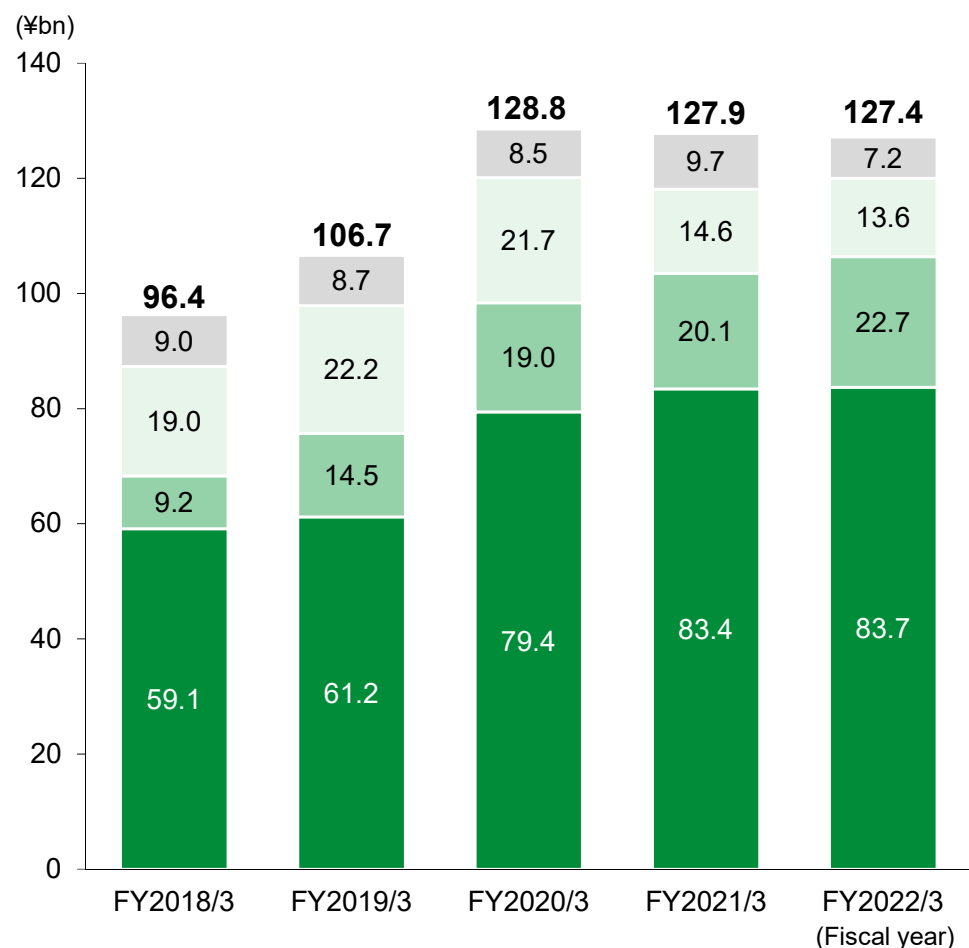
3. Net Fees and Commissions

Non-consolidated

■ Net fees and commissions for the fiscal year ended March 31, 2022 decreased by ¥0.5 bn year on year to ¥127.4 bn.

Trend of Net Fees and Commissions

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



Breakdown of Net Fees and Commissions

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2021 (A)	March 31, 2022 (B)	
Net fees and commissions relating to	127.9	127.4	(0.5)
Exchange and settlement transactions	83.4	83.7	0.2
ATMs	20.1	22.7	2.6
Investment trusts	14.6	13.6	(0.9)
Others	9.7	7.2	(2.4)

Results of Investment Trusts Sales (Contract Basis)

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2021 (A)	March 31, 2022 (B)	
Number of contracts (thousands)	3,661	4,485	823
Sales amount (billions of yen)	262.9	200.4	(62.4)

	As of		Increase (Decrease) (B) – (A)
	March 31, 2021 (A)	March 31, 2022 (B)	
Number of investment trust accounts (thousands)	1,215	1,228	12
Net assets (billions of yen)	2,565.8	2,595.5	29.7

【Reference*】

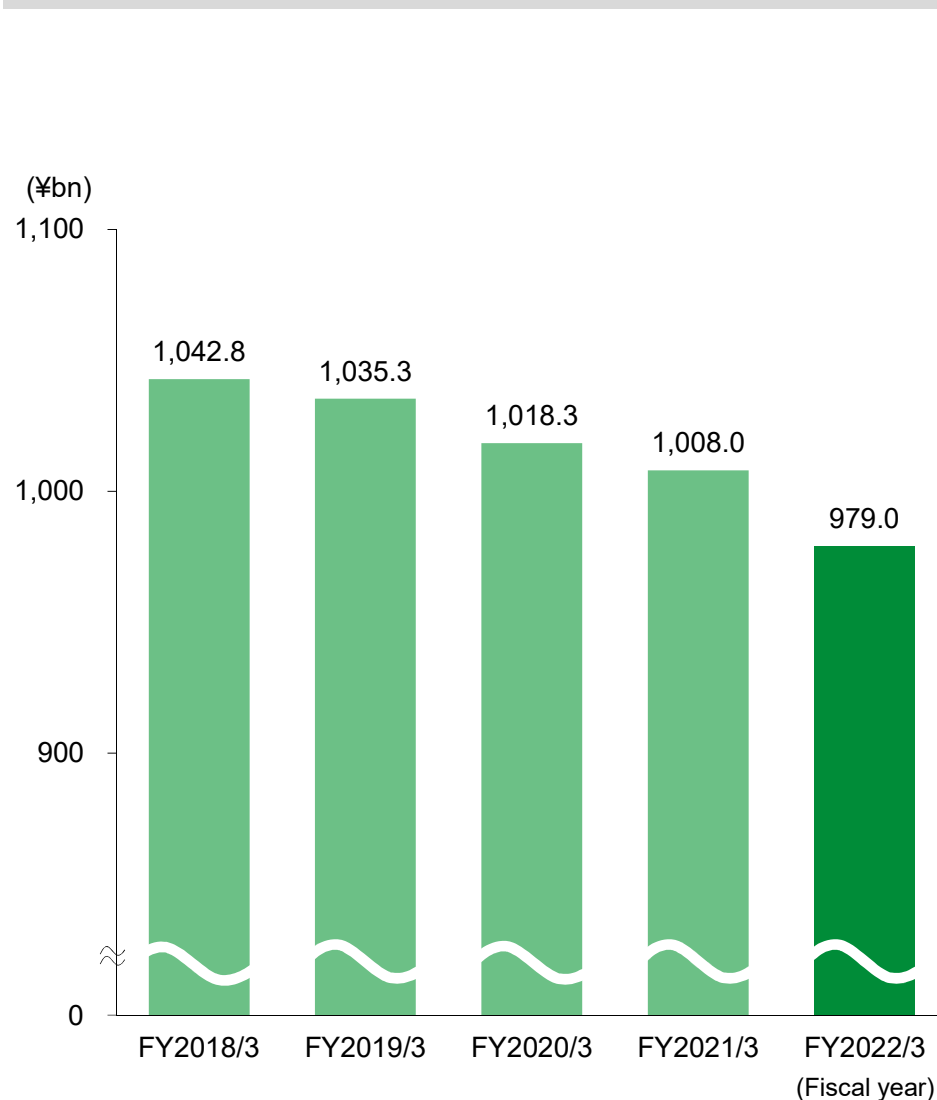
	As of		Increase (Decrease) (B) – (A)
	March 31, 2021 (A)	March 31, 2022 (B)	
Number of accounts registered in the Bankbook app (ten thousands)	283	481	198
Number of Cumulate-type NISA Operation Accounts (ten thousands)	13	17	3

* KPIs for Medium-term Management Plan (FY2022/3 – FY2026/3)
 Number of accounts registered in the Bankbook app : 10 million accounts (FY2026/3)
 Number of Cumulate-type NISA Operation Accounts : 400 thousand accounts (FY2026/3)

4. Trend of General and Administrative Expenses

Non-consolidated

- General and administrative expenses for the fiscal year ended March 31, 2022 decreased by ¥29.0 bn year on year to ¥979.0 bn.



	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2021 (A)	March 31, 2022 (B)	
Personnel expenses (*)	117.2	115.1	(2.1)
Salaries and allowances	96.0	94.0	(2.0)
Non-personnel expenses	834.2	819.0	(15.2)
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	366.3	353.2	(13.1)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network	237.4	237.0	(0.3)
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	57.4	55.3	(2.0)
Taxes and dues	56.5	44.9	(11.6)
Total	1,008.0	979.0	(29.0)

* Personnel expenses include non-recurring losses.

【(Reference) Financial target in the Medium-term Management Plan (FY2022/3 – FY2026/3)】 (¥bn)

	For the fiscal year ended March 31, 2022 (Result)	For the fiscal year ending March 31, 2026 (Target)
General and administrative expenses (compared to FY2021/3, consolidated)	(27.9)	(55.0)

5. Financial Conditions

Non-consolidated

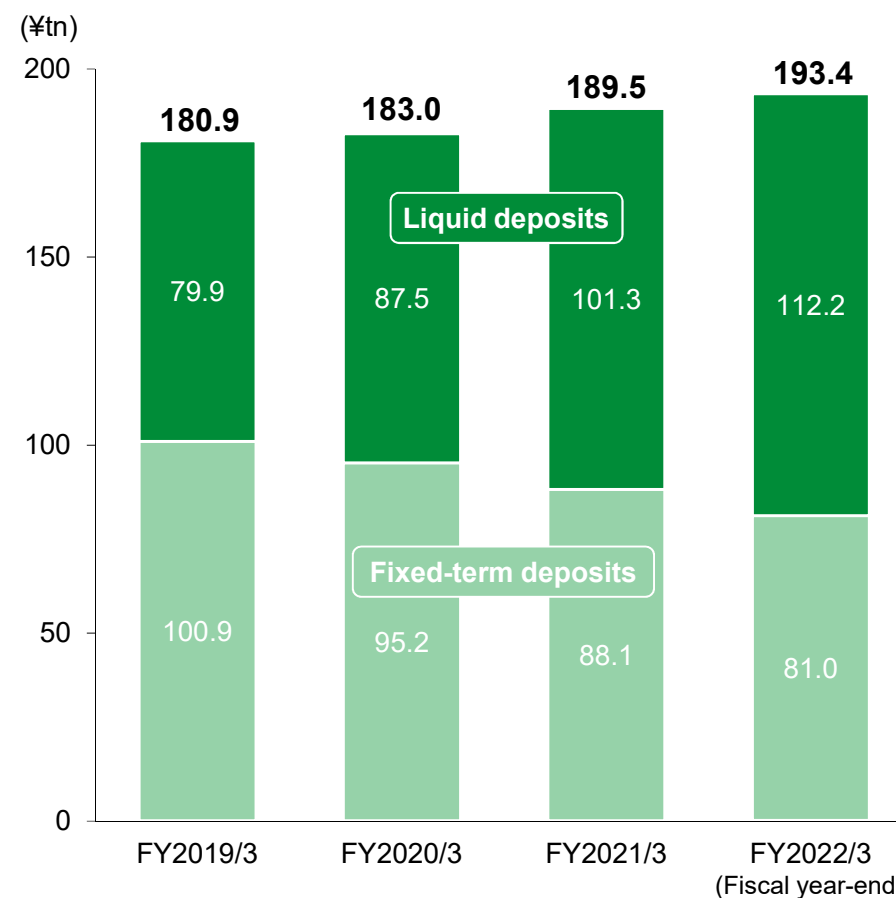
- Total assets increased by ¥9.0 tn from March 31, 2021, to ¥232.9 tn as of March 31, 2022.
- Securities increased by ¥1.3 tn from March 31, 2021, to ¥139.5 tn as of March 31, 2022.
- Deposits increased by ¥3.8 tn from March 31, 2021, to ¥193.4 tn as of March 31, 2022.

Overview of Balance Sheet

Total assets ¥232.9 tn (As of March 31, 2022)

Securities	Deposits
¥139.5 tn	¥193.4 tn
<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">JGBs ¥49.2 tn</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Foreign securities, etc. ¥74.1 tn</div>	
Others	Others
¥93.3 tn	¥29.2 tn
<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Money held in trust ¥5.8 tn</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Loans ¥4.4 tn</div>	
	Net assets
	¥10.2 tn

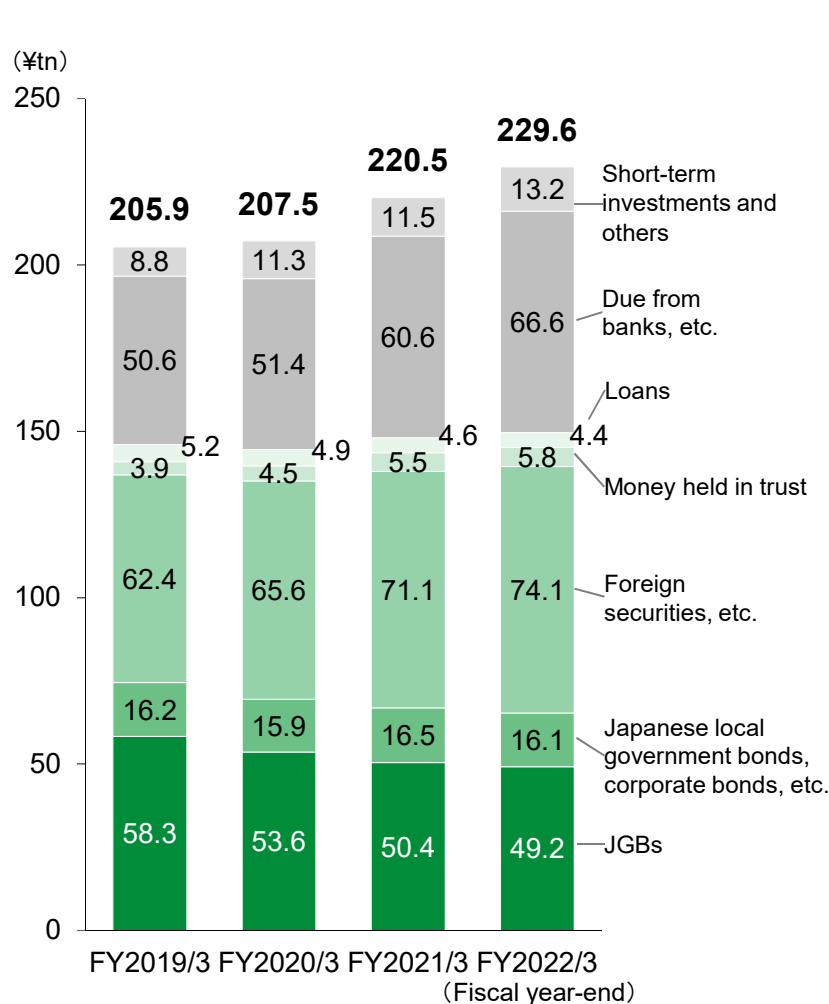
Trend of Deposit Balance



6. Asset Management Status

Non-consolidated

■ Included in investment assets as of March 31, 2022, JGBs were ¥49.2 tn and foreign securities, etc. were ¥74.1 tn.



Categories	As of March 31, 2021 (A)	%	As of March 31, 2022 (B)	%	Increase (Decrease) (B) – (A)
Securities	138,183.2	62.6	139,549.1	60.7	1,365.8
Japanese government bonds	50,493.4	22.8	49,259.7	21.4	(1,233.7)
Japanese local government bonds, corporate bonds, etc. (*)	16,522.5	7.4	16,154.3	7.0	(368.1)
Foreign securities, etc.	71,167.2	32.2	74,135.0	32.2	2,967.7
Foreign bonds	23,505.1	10.6	24,509.6	10.6	1,004.5
Investment trusts (**)	47,591.1	21.5	49,534.4	21.5	1,943.2
Money held in trust	5,547.5	2.5	5,828.2	2.5	280.7
Domestic stocks	2,261.7	1.0	2,024.6	0.8	(237.1)
Loans	4,691.7	2.1	4,441.9	1.9	(249.7)
Due from banks, etc. (***)	60,667.0	27.5	66,622.8	29.0	5,955.7
Short-term investments and others (****)	11,505.7	5.2	13,252.3	5.7	1,746.6
Total	220,595.4	100.0	229,694.6	100.0	9,099.1

* "Japanese local government bonds, corporate bonds, etc." consists of Japanese local government bonds, short-term corporate bonds, Japanese corporate bonds and Japanese stocks.
 ** Investment trusts are mainly invested in foreign bonds. Investment trusts include private equity funds, etc.
 *** "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.

7. 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 ¥1,223.0 bn as of March 31, 2022 (before application of tax effect accounting), decreased by ¥1,825.7 bn from March 31, 2021.
(Reference) Net unrealized gains on investment trusts when it applied Accounting Standard for Fair Value Measurement (revised 2021) were ¥1,348.8 bn. (estimate)

	As of March 31, 2021 (A)		As of March 31, 2022 (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	118,940.5	3,586.8	122,720.4	2,002.1	(1,584.7)
Securities (a)	113,392.9	2,407.2	116,892.1	1,673.0	(734.1)
Japanese government bonds	29,917.0	542.7	34,285.5	85.7	(457.0)
Foreign bonds	23,505.1	1,031.3	22,701.1	1,484.2	452.8
Investment trusts (*)	47,591.1	776.2	49,534.4	82.3	(693.8)
Others	12,379.5	56.8	10,370.9	20.7	(36.1)
Effect of fair value hedge accounting (b)		(173.5)		(852.9)	(679.4)
Money held in trust (c)	5,547.5	1,353.1	5,828.2	1,181.9	(171.1)
Domestic stocks	2,261.7	1,363.4	2,024.6	1,202.2	(161.2)
Others	3,285.8	(10.2)	3,803.6	(20.2)	(9.9)
Derivatives for which deferred hedge accounting is applied (d)	16,210.0	(538.0)	16,081.6	(779.0)	(241.0)
Total (a) + (b) + (c) + (d)		3,048.8		1,223.0	(1,825.7)

* Investment trusts are mainly invested in foreign bonds.

【Reference】

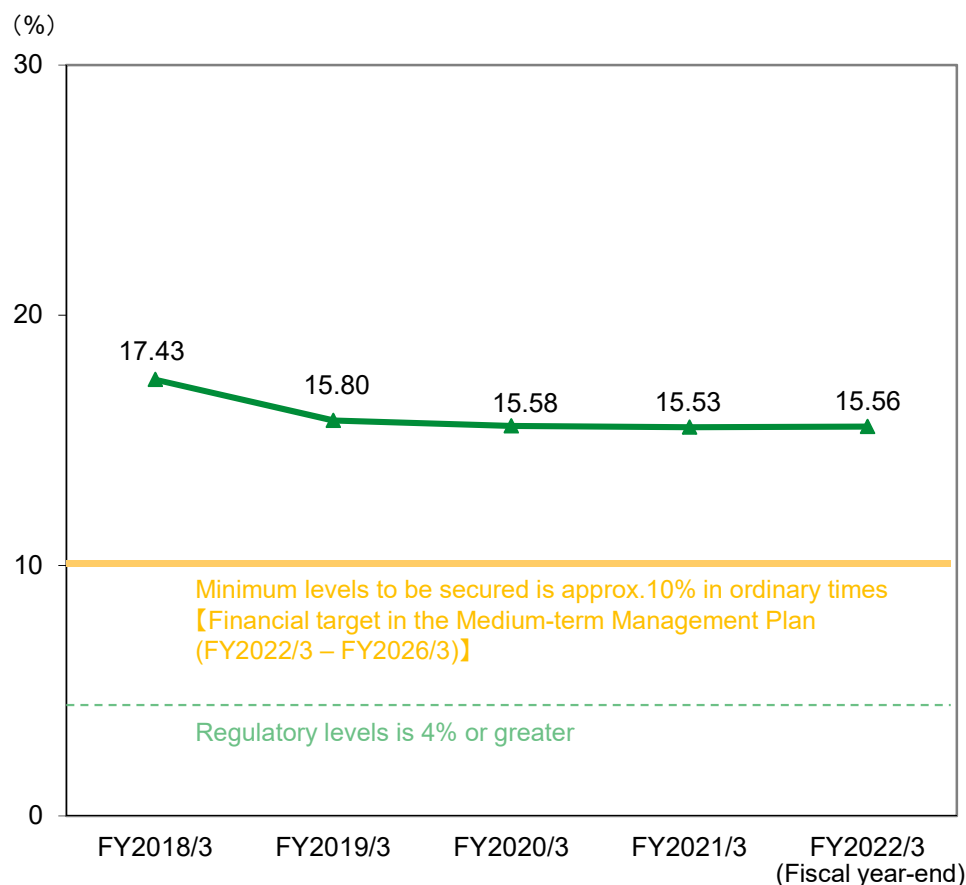
	As of March 31, 2021 (A)		As of March 31, 2022 (B)		Increase (Decrease) (B) – (A)
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Net unrealized gains (losses)
Held-to-maturity securities	25,178.0	238.1	23,069.2	(55.7)	(293.9)

8. Trend of Capital Adequacy Ratio

Consolidated

- Capital adequacy ratio (domestic standard) was 15.56% as of March 31, 2022.
(Reference) Common Equity Tier1 capital ratio (international standard, estimate) was 15.68%.

【Domestic standard】



【Domestic standard】

	As of March 31, 2021 (A)	As of March 31, 2022 (B)	Increase (Decrease) (B) – (A)
Total capital (a)	9,038.3	9,199.3	160.9
Total amount of risk-weighted assets (b)	58,166.8	59,106.0	939.2
Credit risk-weighted assets	55,614.8	56,545.5	930.7
Capital adequacy ratio (a) / (b)	15.53%	15.56%	0.02%

【(Reference) International standard, estimate*】

	As of March 31, 2021 (A)	As of March 31, 2022 (B)	Increase (Decrease) (B) – (A)
Common Equity Tier1 capital ratio (CET1 ratio)	17.73%	15.68%	(2.04)%
Excluding unrealized gains on available-for-sale securities (**)	14.09%	14.23%	0.14 %

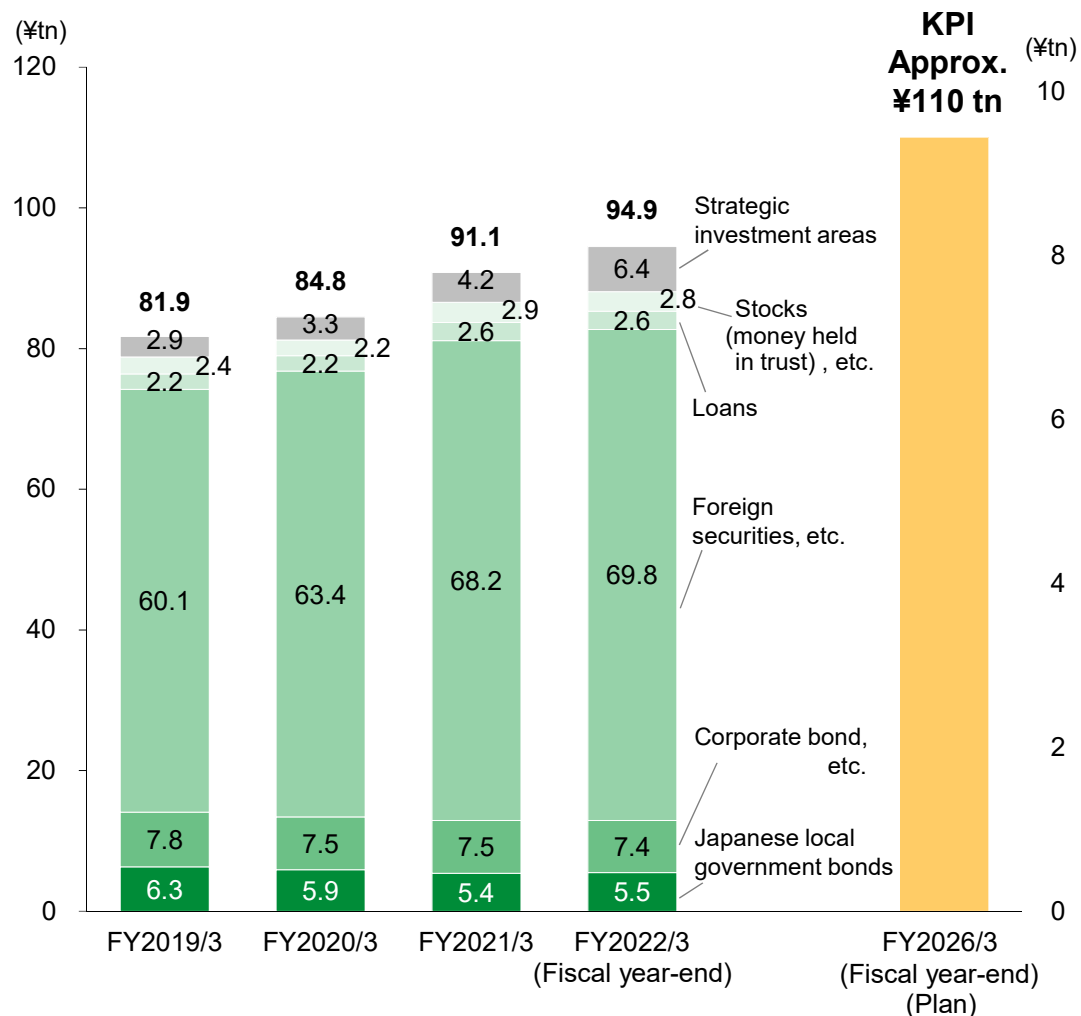
* Calculation for some items are simplified.

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

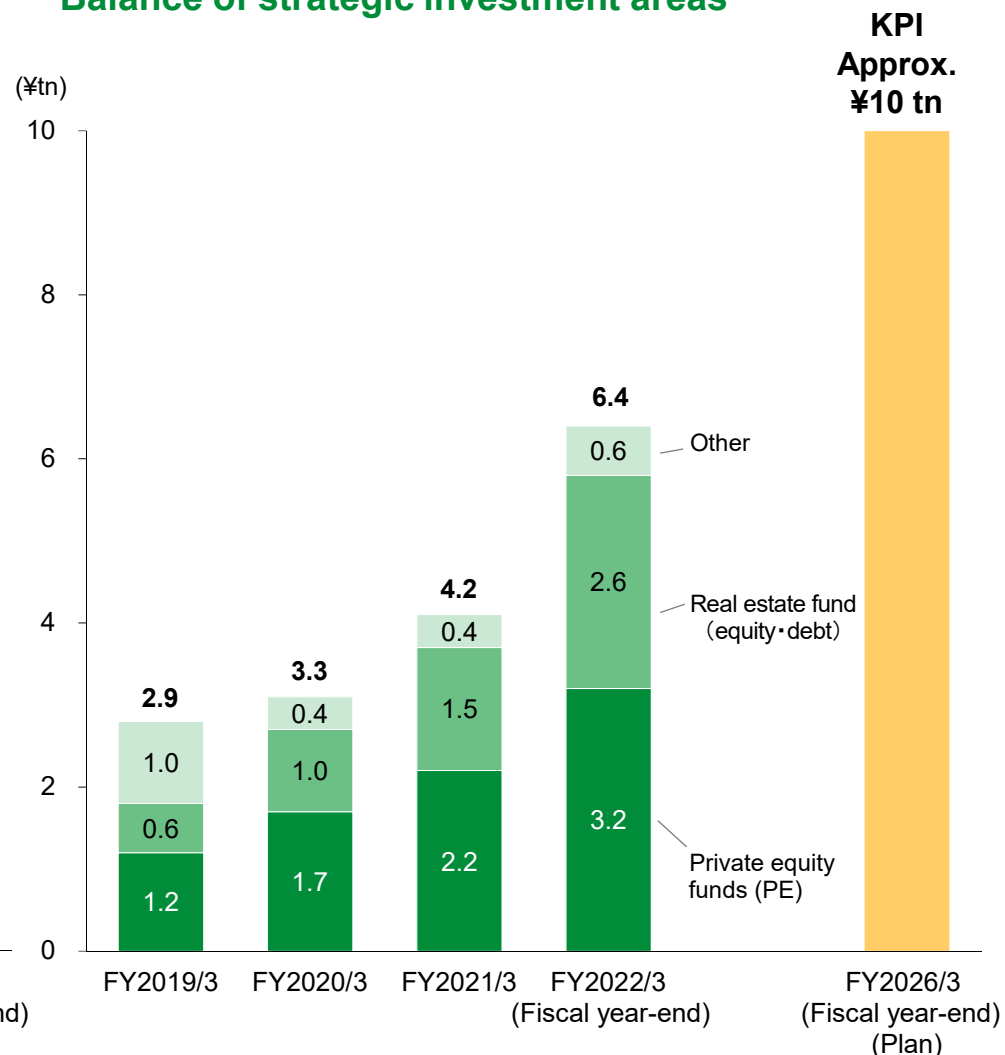
(Reference) Trend of Balance of Risk Assets

Non-consolidated

Balance of risk assets



Balance of strategic investment areas



- 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 7.
 2. "Risk assets" is assets other than Yen interest rates (JGBs, etc.)
 3. "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, 2023

1. Earnings Forecasts

Consolidated

- For earnings forecasts for the fiscal year ending March 31, 2023, net ordinary income and net income attributable to owners of parent are expected to amount to ¥445.0 bn and ¥320.0 bn, respectively.
- In the fiscal year ending March 31, 2023, although we expect an increase in income from private equity funds and reductions in general and administrative expenses, among other efforts, the forecasts see a decrease in income compared to the fiscal year ended March 31, 2022, mainly due to an increase in foreign currency funding costs and reductions in interest income from Japanese government bonds.

Achievement of the fiscal year ended March 31, 2022 Forecasts and Full-year Earnings Forecasts for the fiscal year ending March 31, 2023 (Consolidated) (¥bn)

	For the fiscal year ended March 31, 2022 (Forecast)	For the fiscal year ended March 31, 2022 (Actual)	For the fiscal year ending March 31, 2023 (Forecast)
Net interest income, etc. (*)	1,355.0	1,327.5	1,235.0
Net fees and commissions	129.0	128.4	143.0
General and administrative expenses	1,005.0	981.4	935.0
Net ordinary income	485.0	490.8	445.0
Net income attributable to owners of parent	350.0	355.0	320.0

Assumptions for the Earnings Forecasts

- ◆ Assumptions of domestic and foreign market interest rates are based on the implied forward rates as of March 31, 2022.
- ◆ We anticipate that foreign credit spreads will continue at the average levels for March, 2022.
- ◆ We anticipate that foreign exchange will continue at the levels as of March 31, 2022.

Note: The above earnings forecasts are calculated based on information available at this point. Actual earnings may differ depending on various factors that may arise in the future.

* 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, 2022 is ¥50, revised up by ¥3 from the latest dividends forecast (announced on November 12, 2021) of ¥47 per share.
- Dividend per share for the fiscal year ending March 31, 2023, based on the shareholder return policy during the Medium-term Management Plan (FY2022/3 through FY2026/3), is planned to be ¥50 (dividend payout ratio of 58.5%).

Actual Result and Forecast of Dividends

(¥bn, %)

	For the fiscal year	
	ended March 31, 2022 (Actual)	ending March 31, 2023 (Forecast)
Dividend per share	¥50	¥50
Total dividend payment	187.4	187.4
Dividend payout ratio	52.7%	58.5%

Note: The above dividends forecast is calculated based on information available at this point. Actual dividends may differ depending on various factors that may arise in the future.

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.
- ◆ We conduct a shareholder benefit program to express our gratitude to our shareholders for their daily support, to enhance the appeal of investing in the Bank's shares and thereby to increase the number of our shareholders.

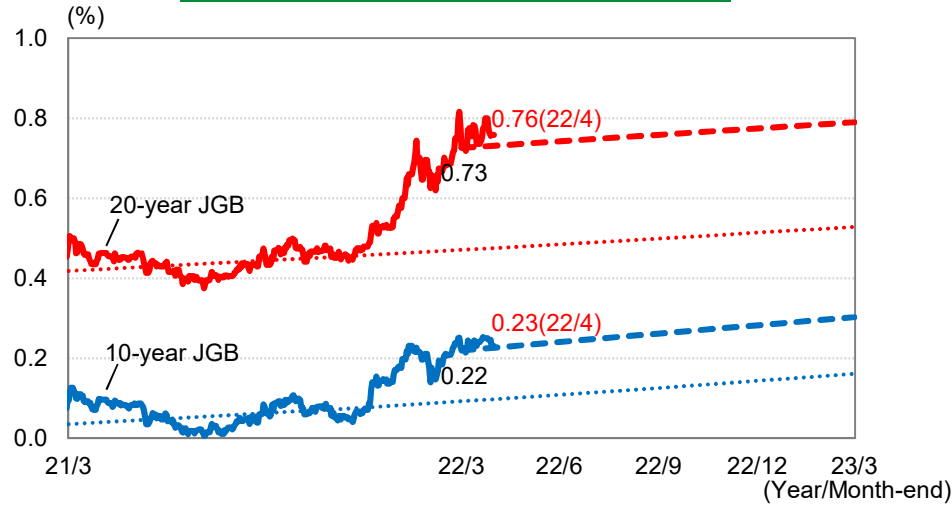
(Reference) Assumptions for Earnings Forecasts

Consolidated

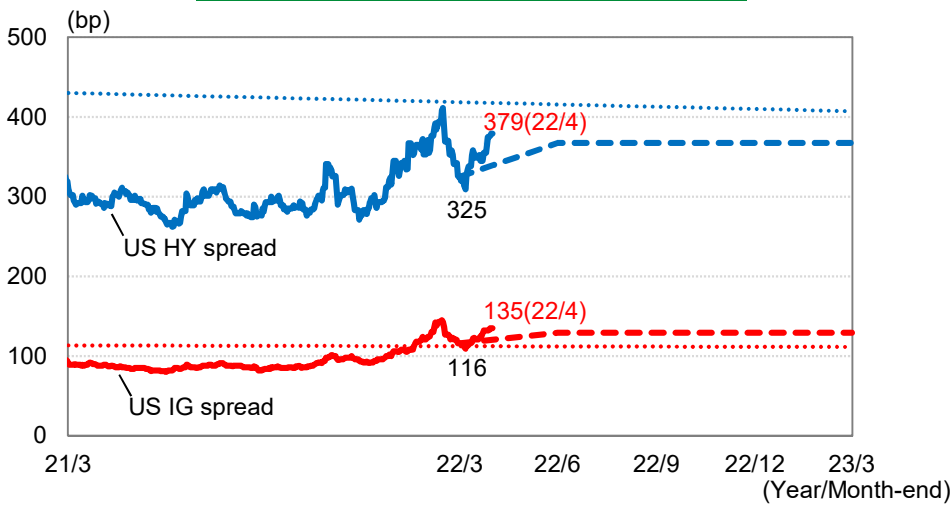
Assumptions

Actuals Assumptions (Ref.) Mid-term plan

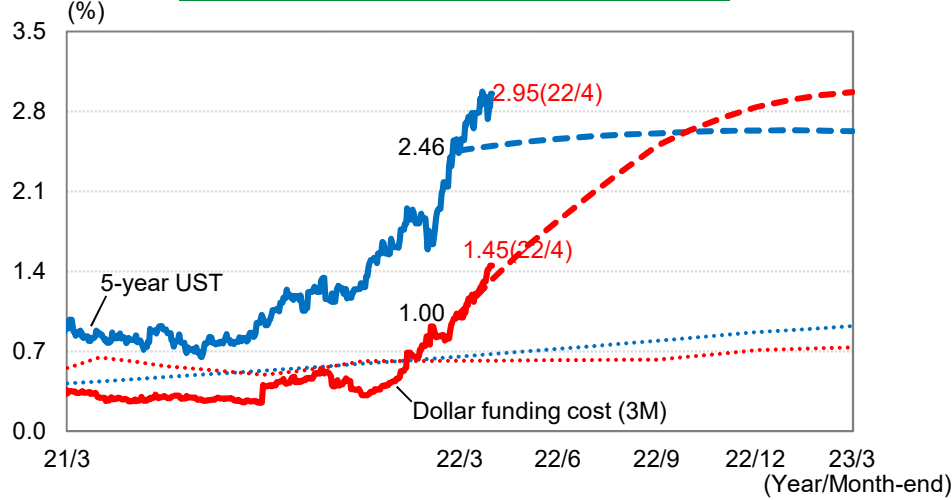
Yen interest rates



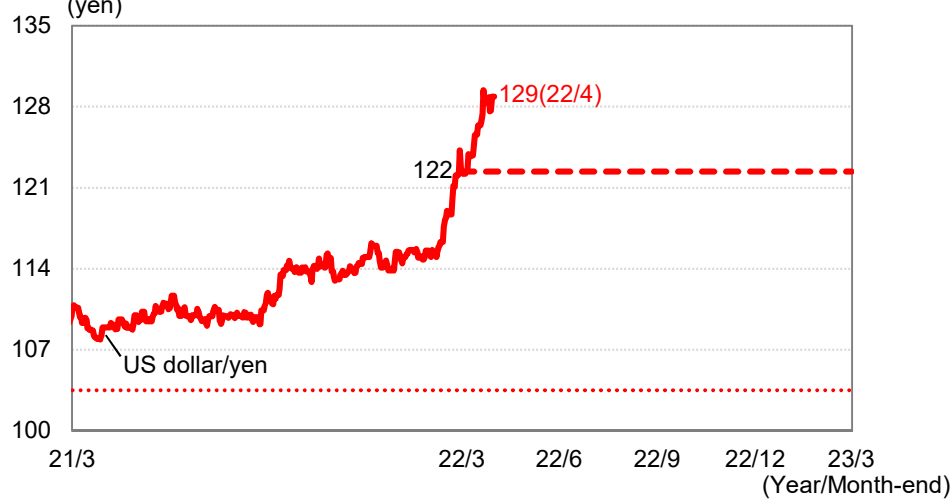
US IG and HY spreads



US interest rate
Dollar funding cost



US dollar/yen



(Reference) Progress of Medium-Term Management Plan

Non-consolidated
Consolidated

	Profitability			Efficiency			Soundness		
<Consolidated>	result for the fiscal year ended March 31, 2022		<FY2026/3 Target>	result for the fiscal year ended March 31, 2022		<FY2026/3 Target>	result as of March 31, 2022		<FY2026/3 Target>
Financial Target Items	Consolidated Net income	¥355.0 bn	¥350.0 bn or greater	OHR [basis including gains (losses) on money held in trust]	67.52%	66% or less	Capital adequacy ratio [domestic standard]	15.56%	approx.10% [levels to be secured]
	ROE [based on shareholders' equity]	3.80%	3.6% or greater	General and administrative expenses [compared to FY2021/3]	¥(27.9) bn	¥(55.0) bn	CET1 Ratio [international standard excluding unrealized gains on available-for-sale securities]	14.23%	approx.10%* [levels to be secured]
	* based on full implementation of Basel III								
Target KPIs	Investment			Retail			ESG		
	result as of March 31, 2022		<FY2026/3 Target>	result as of March 31, 2022		<FY2026/3 Target>	result for the fiscal year ended March 31, 2022		<FY2026/3 Target>
	Balance of risk assets	¥94.9 tn [FY2021/3 ¥91.1 tn]	approx. ¥110 tn	Number of accounts registered in the Bankbook app	4.81 million accounts [FY2021/3 2.83 million accounts]	10 million accounts	CO2 emissions reduction rate [compared to FY2020/3]	plan to disclose on our website, around August, 2022 [FY2021/3 (8.5)%*]	(46)% [FY2031/3 Target]
	Balance of strategic investment areas	¥6.4 tn [FY2021/3 ¥4.2 tn]	approx. ¥10 tn	Number of Cumulate-type NISA Operation Accounts	170 thousand accounts [FY2021/3 130 thousand accounts]	400 thousand accounts	Ratio of women in managerial positions	16.6%*, ** [As of April, 2021 15.7%**]	20% [Target by April, 2026]
	Balance of ESG-themed investments	¥2.1 tn [FY2021/3 ¥1.2 tn]	¥4 tn raised the Target	Regional Relationship			Rate of employees taking childcare leave [Regardless of gender]	100% [FY2021/3 99.5%*]	100%
	result as of March 31, 2022		<FY2026/3 Target>	result as of March 31, 2022		<FY2026/3 Target>	* Percentages are rounded.		
Regional vitalization fund participation cases	39 cases [FY2021/3 cumulatively 32 cases]	cumulatively 50 cases	Rates of employee with disabilities			2.71%*, ** [As of June, 2020 2.74%**]	2.7% or more		
Number of financial institutions that have aggregated operational processes	5 financial institutions [FY2021/3 3 financial institutions]	roughly 20 financial institutions	* As of June, 2021 ** Percentages are rounded.						

Financial Data

1. Summarized Balance Sheets

Non-consolidated

	As of March 31, 2021 (A)	As of March 31, 2022 (B)	Increase (Decrease) (B) – (A)
Total assets	223,847,547	232,922,083	9,074,536
Cash and due from banks	60,768,034	66,664,253	5,896,219
Call loans	1,390,000	2,470,000	1,080,000
Receivables under resale agreements	9,721,360	9,861,753	140,392
Monetary claims bought	362,212	397,301	35,088
Trading account securities	13	11	(2)
Money held in trust	5,547,574	5,828,283	280,709
Securities	138,183,264	139,549,103	1,365,838
Loans	4,691,723	4,441,967	(249,756)
Foreign exchanges	80,847	213,924	133,076
Other assets	2,857,518	3,250,352	392,834
Tangible fixed assets	197,940	192,819	(5,120)
Intangible fixed assets	47,992	53,367	5,375
Reserve for possible loan losses	(935)	(1,054)	(119)

(Millions of yen)

	As of March 31, 2021 (A)	As of March 31, 2022 (B)	Increase (Decrease) (B) – (A)
Total liabilities and net assets	223,847,547	232,922,083	9,074,536
Total liabilities	212,485,414	222,658,520	10,173,105
Deposits	189,593,469	193,441,929	3,848,459
Payables under repurchase agreements	14,886,481	19,461,646	4,575,165
Payables under securities lending transactions	1,504,543	1,514,438	9,894
Borrowed money	3,917,500	5,603,600	1,686,100
Foreign exchanges	514	697	182
Other liabilities	1,535,953	2,124,933	588,980
Reserve for bonuses	7,408	7,238	(169)
Reserve for employees' retirement benefits	141,740	140,355	(1,384)
Reserve for employee stock ownership plan trust	535	515	(20)
Reserve for management board benefit trust	303	365	62
Reserve for reimbursement of deposits	73,830	58,813	(15,016)
Deferred tax liabilities	823,134	303,985	(519,148)
Total net assets	11,362,133	10,263,563	(1,098,569)
Capital stock	3,500,000	3,500,000	–
Capital surplus	4,296,285	3,500,000	(796,285)
Retained earnings	2,749,408	2,413,168	(336,239)
Treasury stock	(1,300,844)	(902)	1,299,942
Total shareholders' equity	9,244,849	9,412,266	167,416
Net unrealized gains (losses) on available-for-sale securities	2,487,770	1,390,288	(1,097,481)
Net deferred gains (losses) on hedges	(370,486)	(538,991)	(168,504)
Total valuation and translation adjustments	2,117,283	851,297	(1,265,985)

2. Income Analysis

Non-consolidated

(Millions of yen)

	For the fiscal year ended		(B) – (A)
	March 31, 2021 (A)	March 31, 2022 (B)	
Gross operating profit	1,319,027	1,290,865	(28,162)
Net interest income	961,884	1,147,500	185,616
Net fees and commissions	127,943	127,400	(543)
Net other operating income (loss)	229,200	15,964	(213,235)
Gains (losses) on foreign exchanges	254,666	78,954	(175,712)
Gains (losses) on bonds	(25,980)	(63,245)	(37,265)
General and administrative expenses	(1,010,175)	(980,906)	29,269
Personnel expenses	(119,374)	(116,943)	2,431
Non-personnel expenses	(834,256)	(819,027)	15,228
Taxes and dues	(56,544)	(44,935)	11,609
Operating profit (before provision for general reserve for possible loan losses)	308,852	309,959	1,107
Core net operating profit	334,832	373,204	38,372
Excluding gains (losses) on cancellation of investment trusts	285,993	259,888	(26,105)
Provision for general reserve for possible loan losses	–	(9)	(9)
Net operating profit	308,852	309,949	1,097
Non-recurring gains (losses)	85,473	181,509	96,036
Gains (losses) related to stocks	(188,480)	(125,583)	62,896
Gains (losses) on money held in trust	272,749	286,671	13,922
Net ordinary income	394,325	491,459	97,134

	For the fiscal year ended		(B) – (A)
	March 31, 2021 (A)	March 31, 2022 (B)	
Extraordinary income (loss)	(1,564)	5,682	7,246
Gains (losses) on sales and disposals of fixed assets	(557)	5,698	6,256
Losses on impairment of fixed assets	(1,006)	(15)	990
Income before income taxes	392,760	497,141	104,380
Income taxes – current	(124,123)	(104,295)	19,828
Income taxes – deferred	11,200	(37,901)	(49,101)
Total income taxes	(112,923)	(142,196)	(29,273)
Net income	279,837	354,945	75,107
Gains (losses) on money held in trust	272,749	286,671	13,922
Dividends and interest income	80,119	107,848	27,729
Gains (losses) on sales of stocks	216,110	194,410	(21,699)
Impairment losses	(5,528)	(1,955)	3,572
Withholding income tax, etc.	(17,952)	(13,632)	4,319
Credit-related expenses	(23)	(9)	14
Provision for general reserve for possible loan losses	(23)	(9)	14

- Notes: 1. General and administrative expenses exclude non-recurring losses related to retirement benefit costs (¥1,838 million and ¥2,086 million recorded as profits for the fiscal year ended March 31, 2022 and 2021, 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. Interest Rate Spread

Non-consolidated

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2021 (A)	March 31, 2022 (B)	
Yield on interest-earning assets (a)	0.56%	0.63%	0.06%
Total cost of funding (including general and administrative expenses) (b)	0.61	0.57	(0.03)
Interest rate on interest-bearing liabilities (c)	0.11	0.10	(0.01)
Overall interest rate spread (a) - (b)	(0.04)	0.05	0.09
Interest rate spread (a) - (c)	0.45	0.52	0.07

4. 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, 2021 (A)			March 31, 2022 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	204,928,217	518,305	0.25%	211,342,025	446,743	0.21%	(0.04)%
Loans	5,888,523	10,060	0.17	4,620,369	10,120	0.21	0.04
Securities	70,330,066	410,942	0.58	69,451,545	341,824	0.49	(0.09)
Due from banks, etc.	56,799,558	29,230	0.05	60,361,005	29,872	0.04	(0.00)
Interest-bearing liabilities	197,783,193	62,606	0.03	204,529,496	44,486	0.02	(0.00)
Deposits	188,043,501	38,323	0.02	192,386,838	20,984	0.01	(0.00)
Payables under securities lending transactions	155,875	155	0.09	17,507	17	0.09	0.00

(2) Overseas

(Millions of yen, %)

	For the fiscal year ended						Increase (Decrease) (B) – (A)
	March 31, 2021 (A)			March 31, 2022 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	67,100,563	751,460	1.11%	70,834,616	991,619	1.39%	0.28%
Loans	23,763	125	0.52	26,122	137	0.52	(0.00)
Securities	66,938,098	750,955	1.12	70,670,623	991,228	1.40	0.28
Due from banks, etc.	—	—	—	—	—	—	—
Interest-bearing liabilities	67,508,045	245,274	0.36	70,222,165	246,376	0.35	(0.01)
Payables under securities lending transactions	1,482,339	6,752	0.45	1,458,983	2,579	0.17	(0.27)

4. 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, 2021 (A)			March 31, 2022 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	210,430,410	1,198,278	0.56%	217,361,148	1,369,747	0.63%	0.06%
Loans	5,912,287	10,186	0.17	4,646,492	10,257	0.22	0.04
Securities	137,268,164	1,161,897	0.84	140,122,168	1,333,053	0.95	0.10
Due from banks, etc.	56,799,558	29,230	0.05	60,361,005	29,872	0.04	(0.00)
Interest-bearing liabilities	203,692,867	236,393	0.11	209,936,168	222,246	0.10	(0.01)
Deposits	188,043,501	38,323	0.02	192,386,838	20,984	0.01	(0.00)
Payables under securities lending transactions	1,638,214	6,908	0.42	1,476,490	2,597	0.17	(0.24)

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, 2022, ¥4,160,954 million; fiscal year ended March 31, 2021, ¥4,102,197 million) is excluded from interest-earning assets, and the average balance corresponding to money held in trust (fiscal year ended March 31, 2022, ¥4,160,954 million; fiscal year ended March 31, 2021, ¥4,102,197 million) and the corresponding interest (fiscal year ended March 31, 2022, ¥4,404 million; fiscal year ended March 31, 2021, ¥4,760 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 ¥21,782 million for the fiscal year ended March 31, 2022 (¥67,206 million for the fiscal year ended March 31, 2021).

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.

5. Asset Management Status

Non-consolidated

(Millions of yen, %)

	As of March 31, 2021 (A)		As of March 31, 2022 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Due from banks, etc.	60,667,097	27.50	66,622,875	29.00	5,955,778
Call loans	1,390,000	0.63	2,470,000	1.07	1,080,000
Receivables under resale agreements	9,721,360	4.40	9,861,753	4.29	140,392
Money held in trust	5,547,574	2.51	5,828,283	2.53	280,709
Domestic stocks	2,261,772	1.02	2,024,619	0.88	(237,152)
Domestic bonds	1,545,190	0.70	1,406,103	0.61	(139,087)
Securities	138,183,264	62.64	139,549,103	60.75	1,365,838
Japanese government bonds	50,493,477	22.88	49,259,766	21.44	(1,233,711)
Japanese local government bonds	5,493,814	2.49	5,580,874	2.42	87,060
Short-term corporate bonds	1,869,535	0.84	1,434,510	0.62	(435,024)
Japanese corporate bonds	9,145,414	4.14	9,118,414	3.96	(26,999)
Japanese stocks	13,755	0.00	20,533	0.00	6,777
Other securities	71,167,266	32.26	74,135,001	32.27	2,967,735
Foreign bonds	23,505,116	10.65	24,509,689	10.67	1,004,573
Investment trusts	47,591,186	21.57	49,534,425	21.56	1,943,238
Loans	4,691,723	2.12	4,441,967	1.93	(249,756)
Others	394,410	0.17	920,646	0.40	526,235
Total	220,595,431	100.00	229,694,629	100.00	9,099,197

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. Investment trusts include private equity funds, etc.

6. Unrealized Gains (Losses) on Financial Instruments

Non-consolidated

(1) Held-to-maturity Securities

(Millions of yen)

	As of March 31, 2021 (A)		As of March 31, 2022 (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	20,576,382	230,680	14,974,212	(31,393)	(5,602,170)	(262,073)
Japanese local government bonds	1,891,261	1,605	2,746,510	(11,848)	855,249	(13,453)
Japanese corporate bonds	2,710,435	5,892	3,540,039	(12,623)	829,604	(18,515)
Others	–	–	1,808,495	80	1,808,495	80
Foreign bonds	–	–	1,808,495	80	1,808,495	80
Total	25,178,079	238,178	23,069,257	(55,784)	(2,108,821)	(293,962)

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, 2021 (A)		As of March 31, 2022 (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	10,505	–	17,283	–	6,777	–
Bonds	41,824,162	597,822	44,132,804	103,994	2,308,642	(493,827)
Japanese government bonds	29,917,094	542,798	34,285,554	85,743	4,368,459	(457,054)
Japanese local government bonds	3,602,553	17,172	2,834,364	7,367	(768,188)	(9,804)
Short-term corporate bonds	1,869,535	–	1,434,510	–	(435,024)	–
Japanese corporate bonds	6,434,978	37,850	5,578,374	10,883	(856,603)	(26,967)
Others	71,558,269	1,809,429	72,742,078	1,569,057	1,183,809	(240,372)
Foreign bonds	23,505,116	1,031,399	22,701,193	1,484,225	(803,922)	452,826
Investment trusts	47,591,186	776,215	49,534,425	82,347	1,943,238	(693,868)
Total	113,392,936	2,407,252	116,892,166	1,673,052	3,499,230	(734,199)

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, ¥852,922 million and ¥173,512 million profits were included in the statement of income for the fiscal year ended March 31, 2022 and 2021, respectively, because of the application of fair value hedge accounting.

4. Investment trusts are mainly invested in foreign bonds.

5. Impairment loss for the fiscal year ended March 31, 2022 amounted to ¥744 million. No impairment loss was recognized for the fiscal year ended March 31, 2021.

6. 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, 2021 (A)		As of March 31, 2022 (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	5,547,574	1,353,124	5,828,283	1,181,977	280,709	(171,147)
Domestic stocks	2,261,772	1,363,424	2,024,619	1,202,212	(237,152)	(161,212)
Domestic bonds	1,545,190	(11,689)	1,406,103	(28,340)	(139,087)	(16,651)

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, 2022 and 2021 amounted to ¥1,955 million and ¥5,528 million, respectively.

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

(Millions of yen)

	As of March 31, 2021 (A)		As of March 31, 2022 (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	8,136,647	(175,043)	7,427,585	(67,703)	(709,061)	107,340
Currency swaps	8,073,418	(363,009)	8,654,075	(711,381)	580,656	(348,372)
Foreign exchange forward contracts	—	—	—	—	—	—
Total	16,210,065	(538,052)	16,081,660	(779,085)	(128,404)	(241,032)

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, 2021 (A)	As of March 31, 2022 (B)	Increase (Decrease) (B) – (A)
Total net unrealized gains (losses)	3,048,811	1,223,021	(1,825,789)

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.

7. General and Administrative Expenses

Non-consolidated

(Millions of yen, %)

	For the fiscal year ended				Increase (Decrease) (B) – (A)
	March 31, 2021 (A)		March 31, 2022 (B)		
	Amount	%	Amount	%	Amount
Personnel expenses	117,288	11.63	115,104	11.75	(2,183)
Salaries and allowances	96,068	9.52	94,057	9.60	(2,011)
Others	21,219	2.10	21,047	2.14	(172)
Non-personnel expenses	834,256	82.75	819,027	83.65	(15,228)
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	366,358	36.34	353,214	36.07	(13,143)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network (*)	237,439	23.55	237,040	24.21	(398)
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	57,436	5.69	55,381	5.65	(2,054)
Rent for land, buildings and others	11,531	1.14	10,914	1.11	(617)
Expenses on consigned businesses	67,002	6.64	66,010	6.74	(991)
Depreciation and amortization	34,943	3.46	37,601	3.84	2,657
Communication and transportation expenses	15,279	1.51	14,248	1.45	(1,031)
Maintenance expenses	13,378	1.32	15,168	1.54	1,789
IT expenses	12,914	1.28	13,059	1.33	144
Others	17,971	1.78	16,387	1.67	(1,583)
Taxes and dues	56,544	5.60	44,935	4.58	(11,609)
Total	1,008,089	100.00	979,067	100.00	(29,021)

* 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.

8. Loans

Non-consolidated

(Millions of yen, %)

	As of March 31, 2021 (A)		As of March 31, 2022 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Domestic (excluding Japan Offshore Market accounts)	4,666,152	100.00	4,415,145	100.00	(251,006)
Agriculture, forestry, fisheries, and mining	—	—	—	—	—
Manufacturing	81,669	1.75	92,847	2.10	11,178
Utilities, information/communications, and transportation	137,714	2.95	130,030	2.94	(7,684)
Wholesale and retail	34,255	0.73	18,836	0.42	(15,418)
Finance and insurance	739,510	15.84	606,744	13.74	(132,765)
Construction and real estate	63,184	1.35	96,815	2.19	33,630
Services and goods rental/leasing	84,214	1.80	81,943	1.85	(2,270)
Central and local governments	3,428,219	73.46	3,304,344	74.84	(123,874)
Others	97,383	2.08	83,582	1.89	(13,801)
Overseas and Japan Offshore Market accounts	25,571	100.00	26,821	100.00	1,250
Governments	—	—	—	—	—
Others	25,571	100.00	26,821	100.00	1,250
Total	4,691,723		4,441,967		(249,756)

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 ¥246,483 million and ¥340,563 million as of March 31, 2022 and March 31, 2021, respectively.

3. "Others" in "Domestic" represents loans to individuals.

9. Balances by Type of Deposit

Non-consolidated

(Millions of yen, %)

	As of March 31, 2021 (A)		As of March 31, 2022 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Liquid deposits	101,309,018	53.43	112,254,409	58.03	10,945,390
Transfer deposits	9,150,117	4.82	10,749,849	5.55	1,599,731
Ordinary deposits, etc.	91,546,309	48.28	100,805,356	52.11	9,259,046
Savings deposits	612,591	0.32	699,203	0.36	86,612
Fixed-term deposits	88,145,649	46.49	81,022,589	41.88	(7,123,060)
Time deposits	4,709,291	2.48	4,352,435	2.24	(356,855)
TEIGAKU deposits	83,436,358	44.00	76,670,153	39.63	(6,766,204)
Other deposits	138,801	0.07	164,930	0.08	26,129
Subtotal	189,593,469	100.00	193,441,929	100.00	3,848,459
Negotiable certificates of deposit	—	—	—	—	—
Total	189,593,469	100.00	193,441,929	100.00	3,848,459
Deposits including accrued interest	189,794,415		193,522,262		3,727,846

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.

10. 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, 2021 (A)	As of March 31, 2022 (B)	Increase (Decrease) (B) – (A)
Unfunded projected benefit obligation	133,541	134,747	1,206
Unrecognized net actuarial losses	1,277	102	(1,175)
Unrecognized prior service cost	6,920	5,505	(1,415)
Net amount recorded on the balance sheet	141,740	140,355	(1,384)

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

	For the fiscal year ended		Increase (Decrease) (B) – (A)
	March 31, 2021 (A)	March 31, 2022 (B)	
Total retirement benefit costs related to the defined-benefit plan	5,727	5,845	118
Service cost	6,850	6,737	(113)
Interest cost on projected benefit obligation	935	934	(0)
Amortization of net actuarial losses	(761)	(428)	332
Amortization of prior service cost	(1,330)	(1,415)	(84)
Others	32	18	(14)

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

	As of March 31, 2021	As of March 31, 2022
Discount rate	0.7%	0.7%

11. Deferred Tax Assets/Liabilities

Non-consolidated

(Millions of yen)

	As of March 31, 2021 (A)	As of March 31, 2022 (B)	Increase (Decrease) (B) – (A)
Deferred tax assets	281,471	339,219	57,747
Reserve for possible loan losses	0	0	(0)
Reserve for employees' retirement benefits	43,407	42,983	(423)
Accrued enterprise taxes	5,024	2,759	(2,264)
Net deferred losses on hedges	167,565	240,093	72,527
Reserve for reimbursement of deposits	22,610	18,011	(4,598)
Depreciation	7,761	7,011	(750)
Unrealized losses of money held in trust	3,123	3,073	(49)
Others	31,978	25,285	(6,692)
Deferred tax liabilities	(1,104,605)	(643,204)	461,400
Net unrealized gains on available-for-sale securities	(1,098,194)	(613,725)	484,469
Others	(6,411)	(29,479)	(23,068)
Net deferred tax assets (liabilities)	(823,134)	(303,985)	519,148

12. Problem Assets Disclosed under the Financial Reconstruction Act

Non-consolidated

(Millions of yen, %)

	As of March 31, 2021 (A)	As of March 31, 2022 (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	4,774,980	4,658,094	(116,886)
Total (b)	4,774,980	4,658,094	(116,886)
Non-performing loan ratio (a) / (b)	–	0.00%	0.00%

13. Reserve for Possible Loan Losses

Non-consolidated

(Millions of yen)

	As of March 31, 2021 (A)	As of March 31, 2022 (B)	Increase (Decrease) (B) – (A)
Total	935	1,054	119
General reserve for possible loan losses	280	289	9
Specific reserve for possible loan losses	655	764	109

14. Capital

Non-consolidated Consolidated

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

(Millions of yen, %)

	As of March 31, 2021 (A)	As of March 31, 2022 (B)	Increase (Decrease) (B) – (A)
Core Capital: instruments and reserves (a)	9,057,656	9,225,082	167,425
Core Capital: regulatory adjustments (b)	33,294	37,024	3,729
Total capital (a) - (b) = (c)	9,024,361	9,188,057	163,696
Total amount of risk-weighted assets (d)	58,157,118	59,089,525	932,406
Credit risk-weighted assets	55,604,917	56,529,128	924,210
Market risk equivalent / 8%	—	—	—
Operational risk equivalent / 8%	2,552,200	2,560,397	8,196
Capital adequacy ratio (c) / (d)	15.51%	15.54%	0.03%

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

(Millions of yen, %)

	As of March 31, 2021 (A)	As of March 31, 2022 (B)	Increase (Decrease) (B) – (A)
Core Capital: instruments and reserves (a)	9,071,821	9,236,562	164,741
Core Capital: regulatory adjustments (b)	33,498	37,256	3,757
Total capital (a) - (b) = (c)	9,038,322	9,199,306	160,984
Total amount of risk-weighted assets (d)	58,166,845	59,106,048	939,203
Credit risk-weighted assets	55,614,821	56,545,574	930,752
Market risk equivalent / 8%	—	—	—
Operational risk equivalent / 8%	2,552,023	2,560,474	8,450
Capital adequacy ratio (consolidated) (c) / (d)	15.53%	15.56%	0.02%

(Reference) Securitized Products Exposure

Non-consolidated

As of March 31, 2021 and March 31, 2022, the Bank held the following securitized products.

The Bank's holdings of securitized products 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.

(Millions of yen)

Region		As of March 31, 2021			As of March 31, 2022		
		Acquisition cost	Net unrealized gains (losses)	Credit ratings	Acquisition cost	Net unrealized gains (losses)	Credit ratings
Domestic	Residential mortgage-backed securities (RMBS)	1,354,370	19,045	AAA	1,317,081	4,358	AAA
	Held-to-maturity	282,293	(1,561)	AAA	331,835	(4,374)	AAA
	Available-for-sale	1,072,076	20,606	AAA	985,245	8,733	AAA
	Collateralized loan obligations (CLO)	—	—	—	—	—	—
	Other securitized products	225,448	33	AAA	236,597	(156)	AAA
	Commercial mortgage-backed securities (CMBS)	—	—	—	—	—	—
	Collateralized debt obligations (CDO)	870	28	AAA	735	19	AAA
	Subtotal	1,580,689	19,106		1,554,414	4,220	
Overseas	Residential mortgage-backed securities (RMBS)	54,999	3,897	AAA	38,004	5,782	AAA
	Collateralized loan obligations (CLO)	2,036,348	36,013	AAA	1,602,388	168,008	AAA
	Held-to-maturity	—	—	—	681,912	62,584	AAA
	Available-for-sale	2,036,348	36,013	AAA	920,476	105,423	AAA
	Subtotal	2,091,347	39,911		1,640,393	173,791	
Total		3,672,037	59,017		3,194,807	178,012	

Notes: 1. The figures in the above table are reference value calculated not on financial accounting basis but on management accounting basis.

2. The underlying assets provided are only those from multiple debtors comprising securitized products.

3. The above table does not include securitized products that might be included in investment trusts.

4. Net unrealized gains (losses) do not reflect the effect of foreign exchange hedging. No hedging activities against credit risks were made.

5. Other securitized products are securitized products of which underlying assets are mainly auto loan claims.

6. "Overseas" does not include U.S. government sponsored enterprises, etc. (GSEs) related products.

7. 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 as follows. Held-to-maturity securities(fair value hedge accounting was not applicable):¥(9,767)million as of March 31, 2022. Available-for-sale securities(fair value hedge accounting was applicable):¥(5,963) million as of March 31, 2022, compared with ¥1,916 million as of March 31, 2021.

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; risks related to monetary policy in the United States; 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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