

# **Selected Financial Information**

## **For the Three Months Ended June 30, 2022**

**August 10, 2022**



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## 【Consolidated subsidiaries, etc.】

Consolidated subsidiaries	7 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.

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

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# 1. Results of Operations

Consolidated

■ Net income attributable to owners of parent decreased by ¥32.0 bn year on year to ¥88.8 bn.

	For the three months ended		(¥bn, %)
	June 30, 2021 (A)	June 30, 2022 (B)	Increase (Decrease) (B) – (A)
Consolidated gross operating profit	399.1	328.6	(70.4)
Net interest income	323.0	233.7	(89.2)
Net fees and commissions	32.3	37.7	5.3
Net other operating income (loss)	43.8	57.1	13.3
Gains (losses) on foreign exchanges	69.6	24.3	(45.3)
Gains (losses) on bonds	(25.9)	32.7	58.7
General and administrative expenses (*)	253.0	236.6	(16.3)
Provision for general reserve for possible loan losses	0.0	—	(0.0)
Consolidated net operating profit	146.1	91.9	(54.1)
Non-recurring gains (losses)	16.5	28.4	11.8
Net ordinary income	162.6	120.4	(42.2)
Net income attributable to owners of parent	120.8	88.8	(32.0)
【Reference**】			
ROE (based on shareholders' equity)	5.26%	3.80%	(1.45)%
OHR (basis including gains (losses) on money held in trust)	61.10%	66.45%	5.35 %

- Net interest income for the three months ended June 30, 2022 decreased by ¥89.2 bn year on year, mainly due to a decrease in income related to foreign bonds investment trusts.  
Net fees and commissions increased by ¥5.3 bn year on year.  
Net other operating income increased by ¥13.3 bn year on year, mainly due to an increase in gains on bonds.
- General and administrative expenses decreased by ¥16.3 bn year on year, mainly due to a decrease in commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd and deposit insurance expenses paid to Deposit Insurance Corporation of Japan.
- Non-recurring gains increased by ¥11.8 bn year on year, mainly due to the expansion of private equity funds and real estate funds.
- Net ordinary income decreased by ¥42.2 bn year on year, which equated to 27.0% of the full-year earnings forecast of ¥445.0 bn.
- Net income attributable to owners of parent equated to 27.7% of the full-year earnings forecast of ¥320.0 bn.

\* General and administrative expenses exclude non-recurring losses.

\*\* Calculation for financial targets in the Mid-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

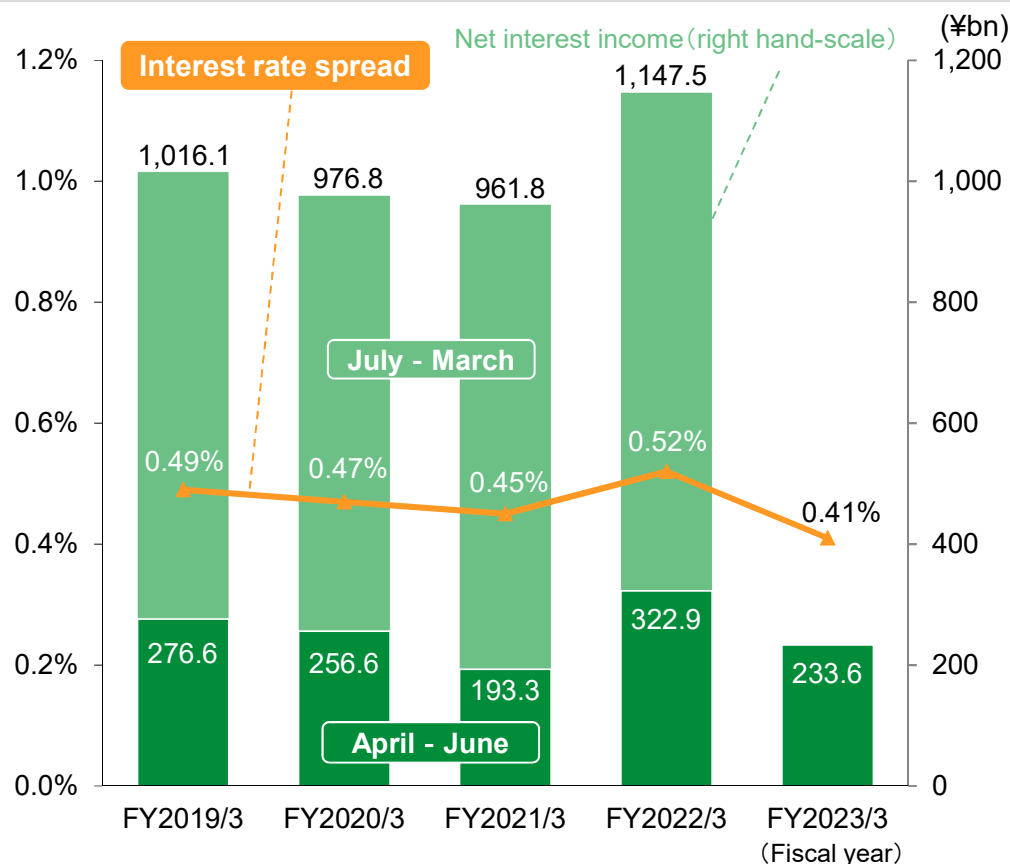
OHR = general and administrative expenses / (net interest income, etc. + net fees and commissions) x 100

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 decreased by ¥89.2 bn year on year to ¥233.6 bn and interest rate spread was 0.41% for the three months ended June 30, 2022.
- Interest on foreign securities decreased because of a decrease in income related to foreign bonds investment trusts, mainly due to an increase in foreign currency funding costs associated with a rise in overseas interest rates.



Domestic				(¥bn)
	For the three months ended			
	June 30, 2021 (A)	June 30, 2022 (B)	Increase (Decrease) (B) – (A)	
Net interest income	148.8	160.8	12.0	
Interest income	164.3	180.1	15.7	
Interest on Japanese government bonds	80.2	67.2	(13.0)	
Interest expenses	15.4	19.2	3.7	

Overseas				(¥bn)
	For the three months ended			
	June 30, 2021 (A)	June 30, 2022 (B)	Increase (Decrease) (B) – (A)	
Net interest income	174.0	72.7	(101.2)	
Interest income	273.5	221.7	(51.7)	
Interest on foreign securities	273.4	221.1	(52.2)	
Interest expenses	99.4	149.0	49.5	

Total				(¥bn)
	For the three months ended			
	June 30, 2021 (A)	June 30, 2022 (B)	Increase (Decrease) (B) – (A)	
Net interest income	322.9	233.6	(89.2)	
Interest income	372.5	306.3	(66.1)	
Interest expenses	49.5	72.7	23.1	

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 from "domestic" and expenses from "overseas", 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. Interest rate spreads of FY2019/3 – FY2022/3 are the figures for the relevant fiscal years, while interest rate spread of FY2023/3 is the figure for the three months ended June 30, 2022.

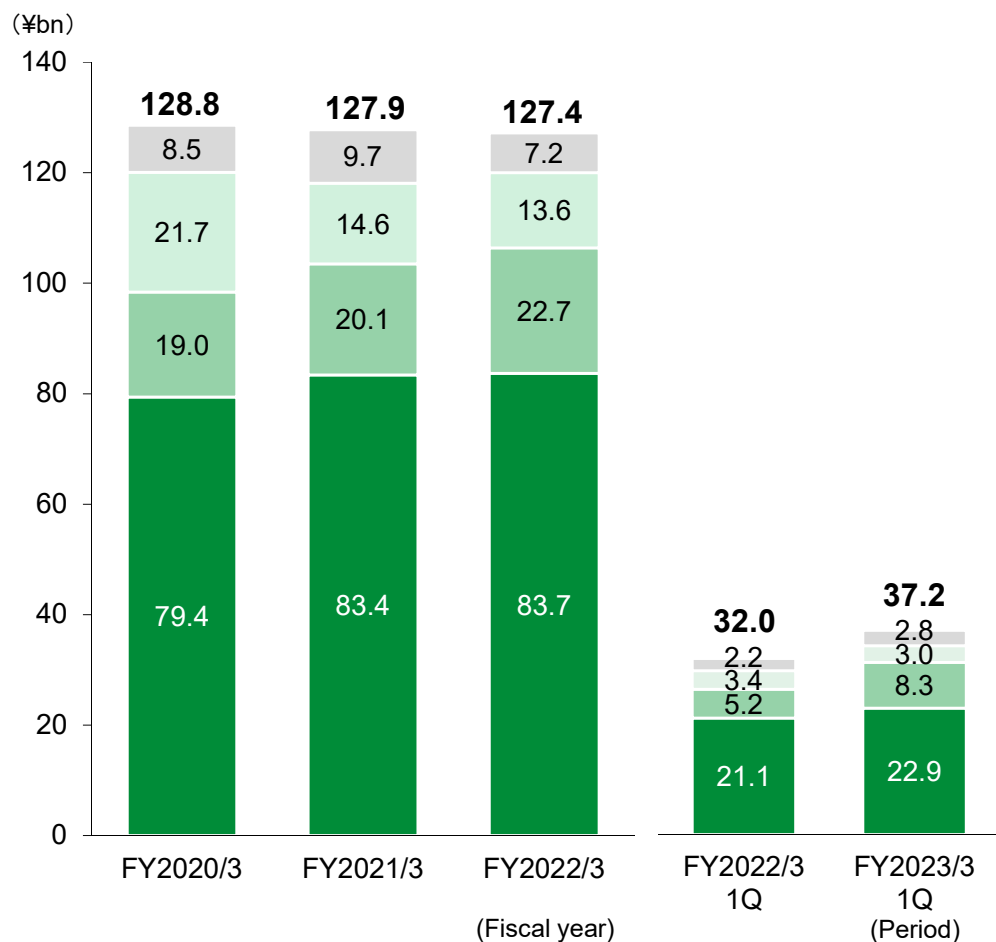
### 3. Net Fees and Commissions

Non-consolidated

■ Net fees and commissions for the three months ended June 30, 2022 increased by ¥5.2 bn year on year to ¥37.2 bn.

#### Trend of Net Fees and Commissions

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



#### Breakdown of Net Fees and Commissions

	For the three months ended		Increase (Decrease) (B) – (A)
	June 30, 2021 (A)	June 30, 2022 (B)	
Net fees and commissions relating to	32.0	37.2	5.2
Exchange and settlement transactions	21.1	22.9	1.8
ATMs	5.2	8.3	3.1
Investment trusts(*)	3.4	3.0	(0.4)
Others	2.2	2.8	0.6

#### Results of Investment Trusts Sales (Contract Basis)

	For the three months ended		Increase (Decrease) (B) – (A)
	June 30, 2021 (A)	June 30, 2022 (B)	
Number of contracts (thousands)	1,012	1,279	267
Sales amount (billions of yen)	45.3	64.1	18.8

	As of June 30, 2021 (A)	As of June 30, 2022 (B)	Increase (Decrease) (B) – (A)
Number of investment trust accounts (thousands)	1,217	1,242	24
Net assets (billions of yen)	2,598.6	2,506.3	(92.3)

#### [(Reference) KPIs in the Medium-term Management Plan

(FY2022/3 – FY2026/3)\*\*]

	As of March 31, 2022 (A)	As of June 30, 2022 (B)	Increase (Decrease) (B) – (A)
Number of accounts registered in the Bankbook app (ten thousands)	481	550	68
Number of Cumulate-type NISA Operation Accounts (ten thousands)	17	18	1

\* Investment trusts include Yucho Fund wraps (discretionary investment contract services).

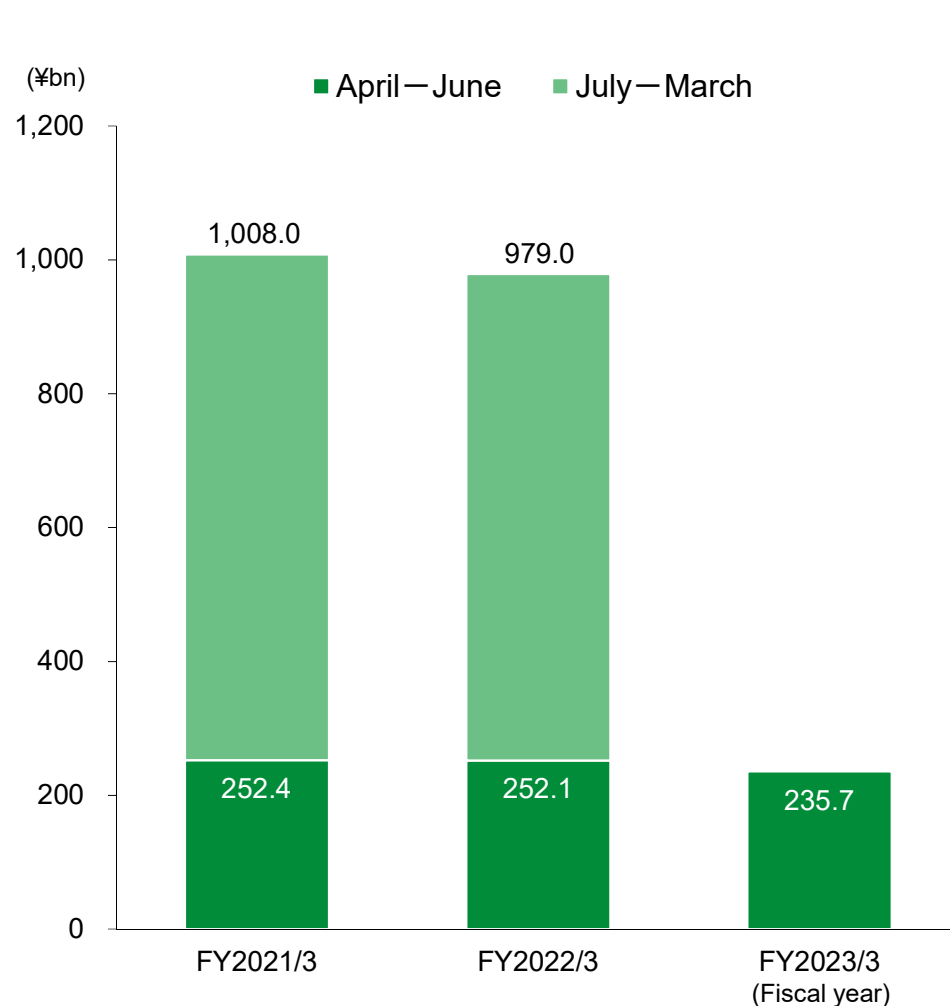
\*\* Number of accounts registered in the Bankbook app : 10 million accounts (FY2026/3)

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 three months ended June 30, 2022 decreased by ¥16.3 bn year on year to ¥235.7 bn.



	For the three months ended		Increase (Decrease) (B) – (A)
	June 30, 2021 (A)	June 30, 2022 (B)	
Personnel expenses (*)	28.7	28.2	(0.4)
Salaries and allowances	23.6	23.2	(0.4)
Non-personnel expenses	208.8	197.7	(11.1)
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	93.5	89.7	(3.7)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network	59.2	57.6	(1.5)
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	13.8	6.8	(6.9)
Taxes and dues	14.5	9.8	(4.7)
Total	252.1	235.7	(16.3)

\* Personnel expenses include non-recurring losses.

## 5. Financial Conditions

Non-consolidated

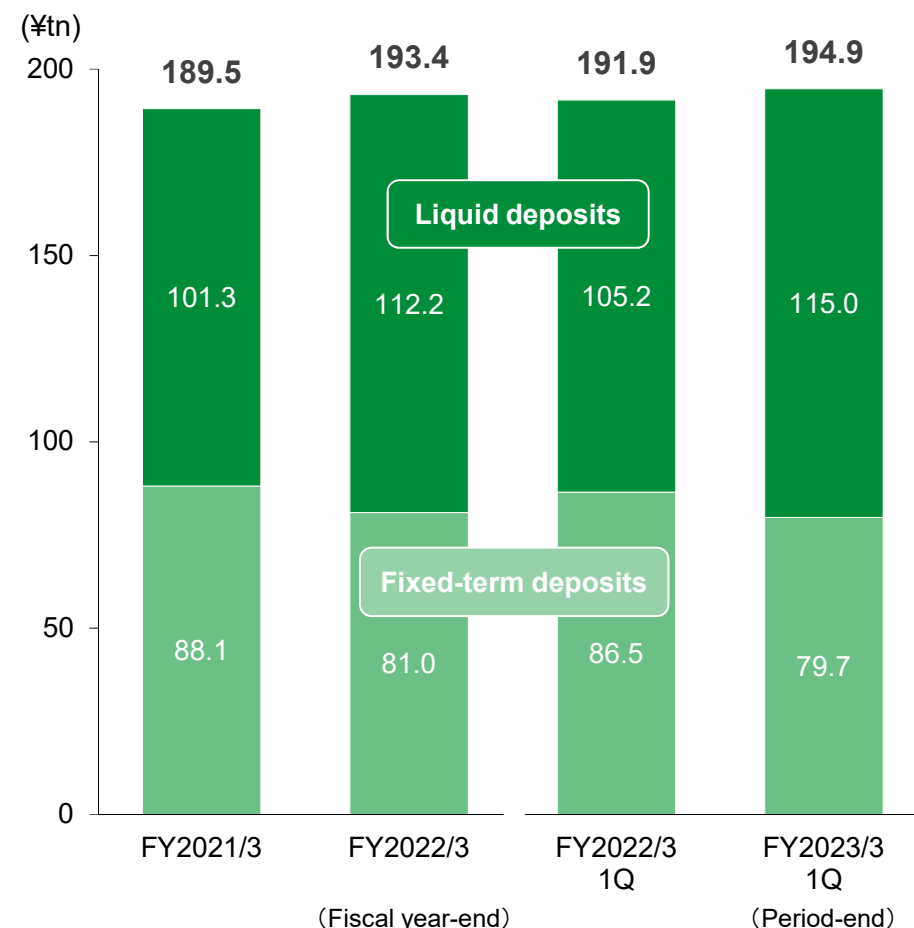
- Total assets increased by ¥2.0 tn from March 31, 2022, to ¥234.9 tn as of June 30, 2022.
- Securities increased by ¥1.5 tn from March 31, 2022, to ¥141.0 tn as of June 30, 2022.
- Deposits increased by ¥1.5 tn from March 31, 2022, to ¥194.9 tn as of June 30, 2022.

### Overview of Balance Sheet

**Total assets ¥234.9 tn** (As of June 30, 2022)

Securities	Deposits
¥141.0 tn	¥194.9 tn
JGBs ¥47.2 tn	
Foreign securities, etc. ¥76.3 tn	
Others	Others
¥93.9 tn	¥30.0 tn
Money held in trust ¥6.1 tn	
Loans ¥5.0 tn	
Net assets	
¥9.9 tn	

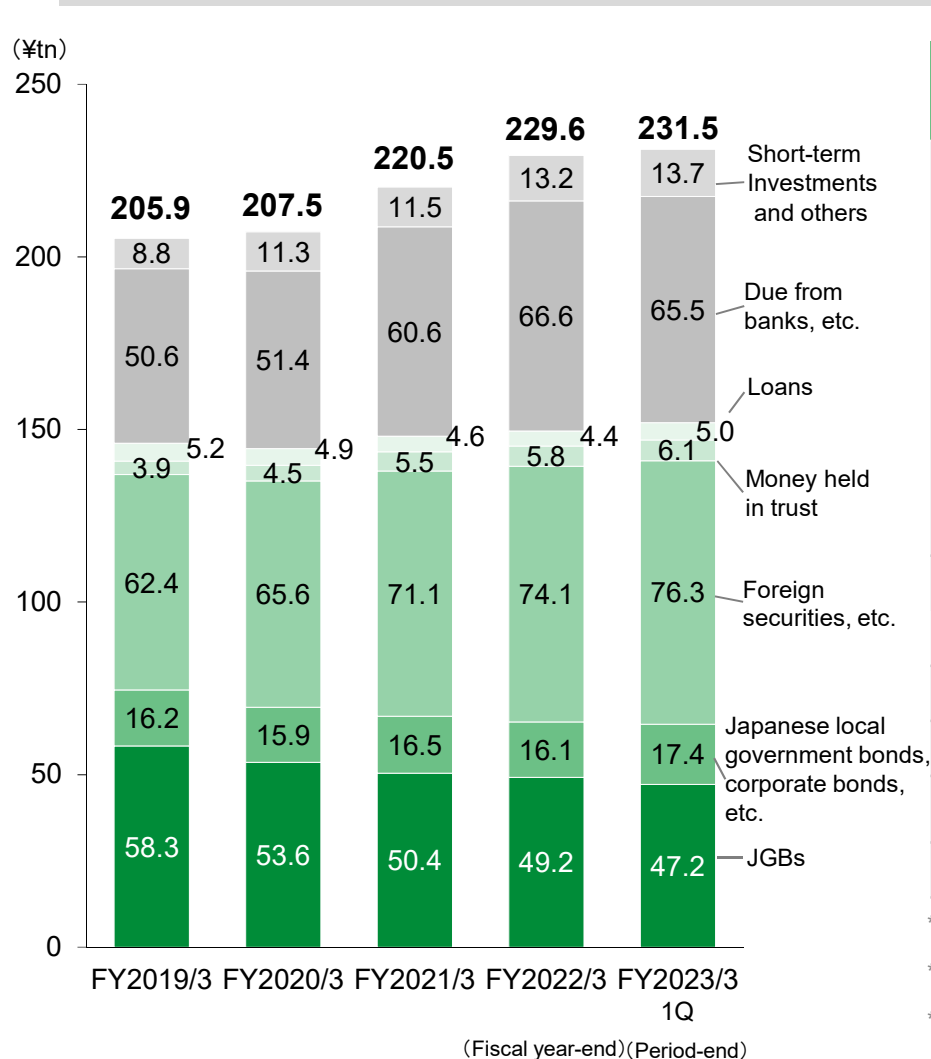
### Trend of Deposit Balance



## 6. Asset Management Status

Non-consolidated

■ Included in investment assets as of June 30, 2022, JGBs were ¥47.2 tn and foreign securities, etc. were ¥76.3 tn.



Categories	As of March 31, 2022 (A)	%	As of June 30, 2022 (B)	%	Increase (Decrease) (B) – (A)
Securities	139,549.1	60.7	141,060.3	60.9	1,511.2
Japanese government bonds	49,259.7	21.4	47,242.0	20.3	(2,017.6)
Japanese local government bonds, corporate bonds, etc. (*)	16,154.3	7.0	17,448.3	7.5	1,294.0
Foreign securities, etc.	74,135.0	32.2	76,369.8	32.9	2,234.8
Foreign bonds	24,509.6	10.6	25,573.6	11.0	1,063.9
Investment trusts (**)	49,534.4	21.5	50,697.3	21.8	1,162.9
Money held in trust	5,828.2	2.5	6,137.0	2.6	308.7
Domestic stocks	2,024.6	0.8	1,940.4	0.8	(84.1)
Loans	4,441.9	1.9	5,051.2	2.1	609.3
Due from banks, etc. (***)	66,622.8	29.0	65,559.6	28.3	(1,063.1)
Short-term investments and others (****)	13,252.3	5.7	13,779.7	5.9	527.3
Total	229,694.6	100.0	231,588.0	100.0	1,893.4

\* “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 ¥915.1 bn as of June 30, 2022 (before application of tax effect accounting), decreasing by ¥307.9 bn from March 31, 2022.

(¥bn)

	As of March 31, 2022 (A)		As of June 30, 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	122,720.4	2,002.1	123,851.5	2,056.8	54.7
Securities (a)	116,892.1	1,673.0	117,714.4	2,609.6	936.5
Japanese government bonds	34,285.5	85.7	32,823.0	(251.6)	(337.3)
Foreign bonds	22,701.1	1,484.2	23,244.5	2,452.4	968.2
Investment trusts (*)	49,534.4	82.3	50,697.3	402.4	320.1
Others	10,370.9	20.7	10,949.5	6.3	(14.4)
Effect of fair value hedge accounting (b)		(852.9)		(1,766.5)	(913.6)
Money held in trust (c)	5,828.2	1,181.9	6,137.0	1,213.7	31.7
Domestic stocks	2,024.6	1,202.2	1,940.4	1,118.9	(83.2)
Others	3,803.6	(20.2)	4,196.5	94.7	115.0
Derivatives for which deferred hedge accounting is applied (d)	16,081.6	(779.0)	16,724.2	(1,141.7)	(362.6)
Total (a) + (b) + (c) + (d)		1,223.0		915.1	(307.9)

\* Investment trusts are mainly invested in foreign bonds. The Bank has applied "Implementation Guidance on Accounting Standard for Fair Value Measurement" (revised 2021) from the beginning of the three months ended June 30, 2022. Due to the application, net unrealized gains on investment trusts include those of private equity funds as of June 30, 2022.

Net unrealized gains as of March 31, 2022 were ¥1,348.8 bn (estimate), when the guidance was applied.

### 【Reference】

(¥bn)

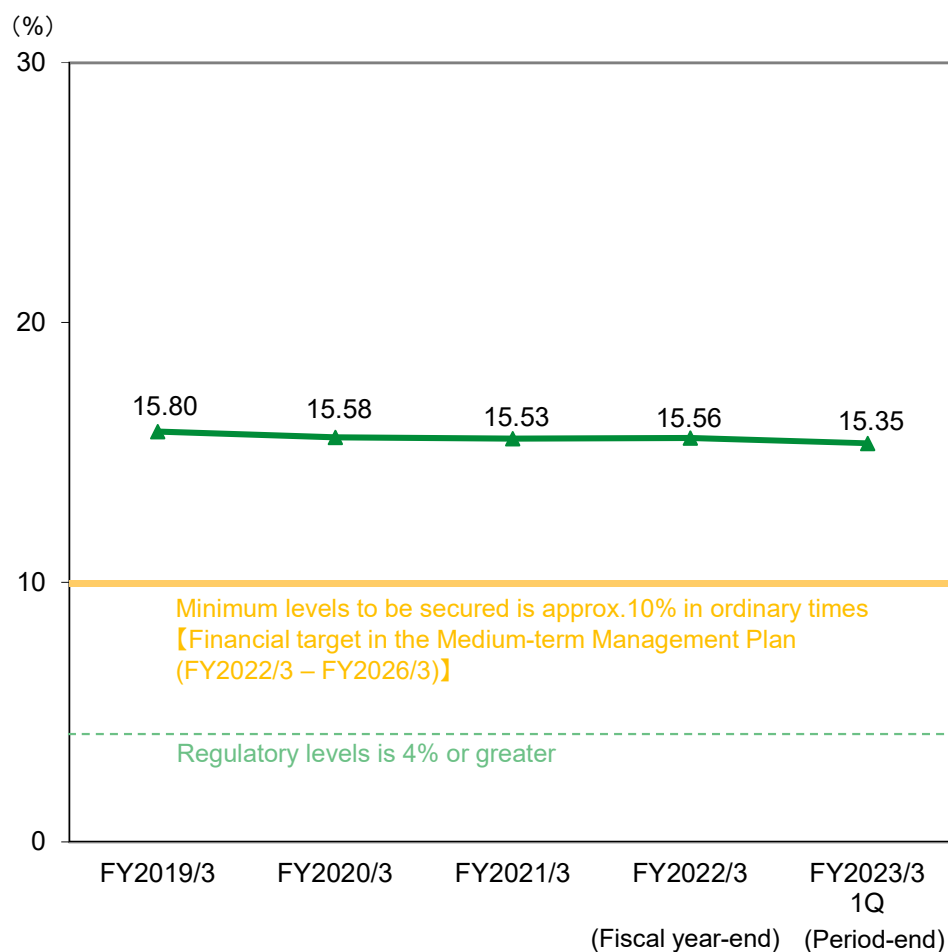
	As of March 31, 2022 (A)		As of June 30, 2022 (B)		Increase (Decrease) (B) – (A)
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Net unrealized gains (losses)
Held-to-maturity securities	23,069.2	(55.7)	23,720.5	(211.2)	(155.4)

## 8. Trend of Capital Adequacy Ratio

Consolidated

- Capital adequacy ratio (domestic standard) was 15.35% as of June 30, 2022.  
(Reference) Common Equity Tier1 capital ratio (international standard, estimate) was 14.30%.

【Domestic standard】



【Domestic standard】

	As of March 31, 2022 (A)	As of June 30, 2022 (B)	Increase (Decrease) (B) – (A)
Total capital (a)	9,199.3	9,284.8	85.5
Total amount of risk-weighted assets (b)	59,106.0	60,451.2	1,345.1
Credit risk-weighted assets	56,545.5	57,890.7	1,345.1
Capital adequacy ratio (a) / (b)	15.56%	15.35%	(0.20)%

【(Reference) International standard, estimate\*】

	As of March 31, 2022 (A)	As of June 30, 2022 (B)	Increase (Decrease) (B) – (A)
Common Equity Tier1 capital ratio (CET1 ratio)	15.68%	14.30%	(1.37)%
Excluding unrealized gains on available-for-sale securities (**)	14.23%	13.29%	(0.94)%

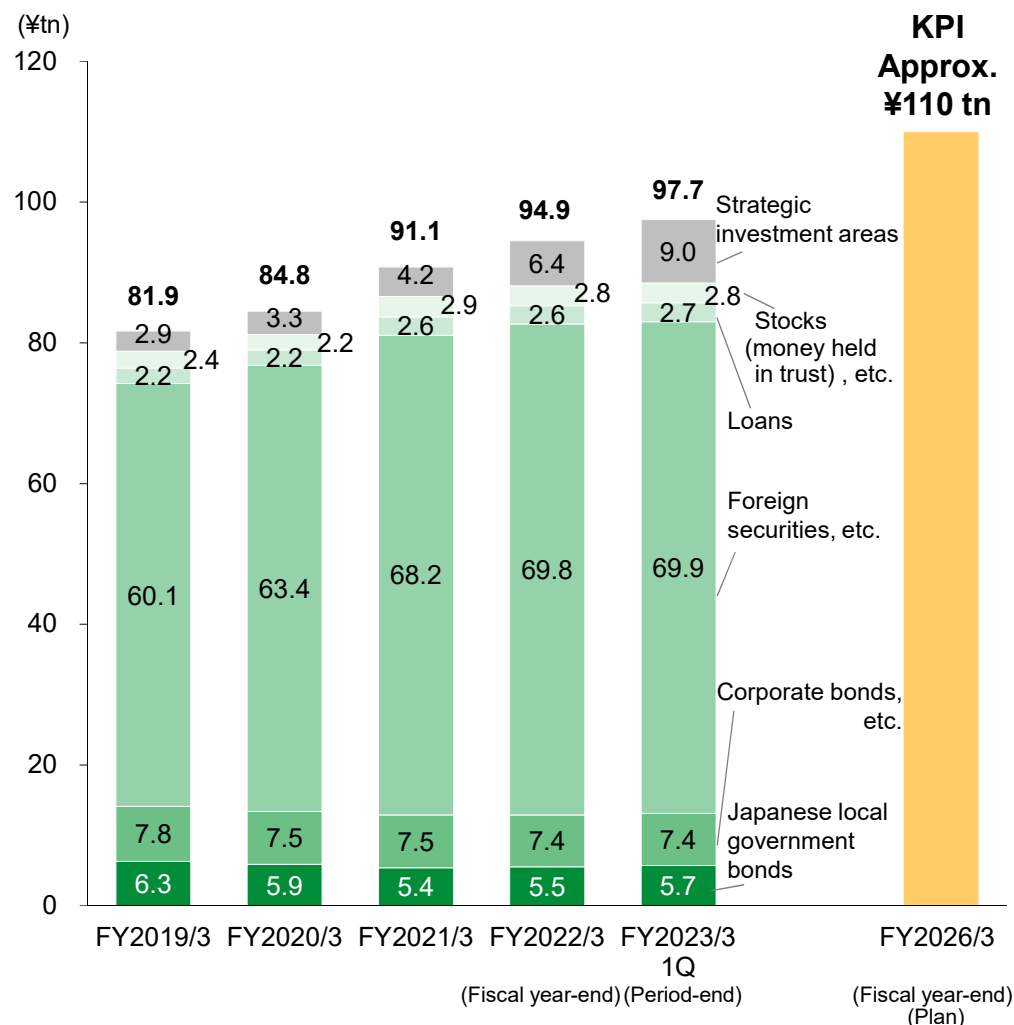
\* Calculation for some items are simplified.

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

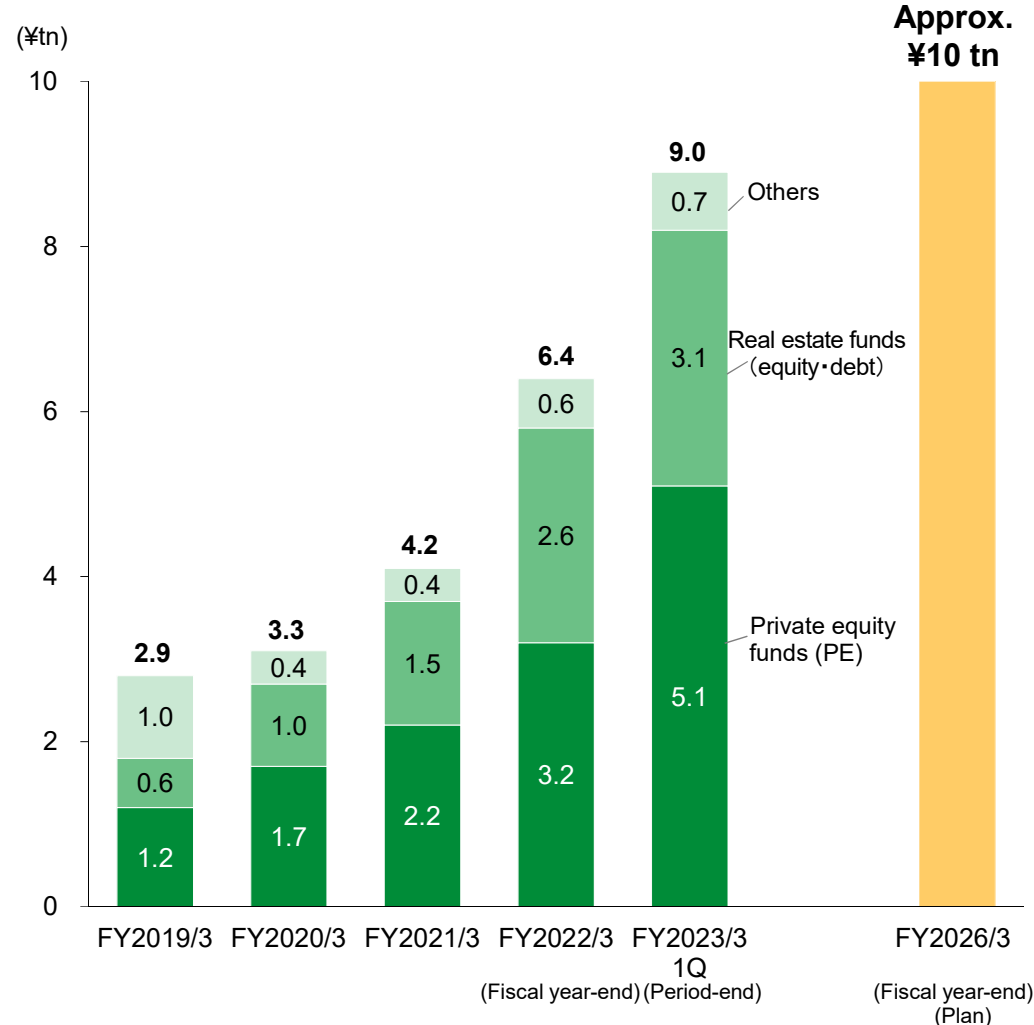
# (Reference) Trend of Balance of Risk Assets

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. "Others" in "Balance of strategic investment areas" is direct lending funds and infrastructure debt funds, etc.

4. Beginning with values as of June 30, 2022, private equity and certain other funds are recorded at estimated fair value, based on "Implementation Guidance on Accounting Standard for Fair Value Measurement" (revised 2021), which the Bank has applied from the beginning of the three months ended June 30, 2022.

(Private equity and certain other funds are calculated on book value as of dates on or before March 31, 2022.)

## Financial Data

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# 1. Summarized Balance Sheets

Non-consolidated

	As of March 31, 2022 (A)	As of June 30, 2022 (B)	Increase (Decrease) (B) – (A)
<b>Total assets</b>	<b>232,922,083</b>	<b>234,973,251</b>	<b>2,051,167</b>
Cash and due from banks	66,664,253	65,605,723	(1,058,530)
Call loans	2,470,000	2,415,000	(55,000)
Receivables under resale agreements	9,861,753	9,583,463	(278,290)
Receivables under securities borrowing transactions	—	592,634	592,634
Monetary claims bought	397,301	365,409	(31,891)
Trading account securities	11	20	9
Money held in trust	5,828,283	6,137,027	308,744
Securities	139,549,103	141,060,341	1,511,238
Loans	4,441,967	5,051,277	609,310
Foreign exchanges	213,924	142,327	(71,596)
Other assets	3,250,352	3,764,075	513,722
Tangible fixed assets	192,819	198,195	5,375
Intangible fixed assets	53,367	58,807	5,439
Reserve for possible loan losses	(1,054)	(1,052)	2

(Millions of yen)

	As of March 31, 2022 (A)	As of June 30, 2022 (B)	Increase (Decrease) (B) – (A)
<b>Total liabilities and net assets</b>	<b>232,922,083</b>	<b>234,973,251</b>	<b>2,051,167</b>
<b>Total liabilities</b>	<b>222,658,520</b>	<b>225,022,061</b>	<b>2,363,541</b>
Deposits	193,441,929	194,967,156	1,525,227
Payables under repurchase agreements	19,461,646	20,313,930	852,284
Payables under securities lending transactions	1,514,438	1,657,119	142,681
Borrowed money	5,603,600	4,744,100	(859,500)
Foreign exchanges	697	972	275
Other liabilities	2,124,933	2,946,993	822,059
Reserve for bonuses	7,238	1,735	(5,503)
Reserve for employees' retirement benefits	140,355	141,506	1,151
Reserve for employee stock ownership plan trust	515	251	(263)
Reserve for management board benefit trust	365	345	(20)
Reserve for reimbursement of deposits	58,813	57,894	(919)
Deferred tax liabilities	303,985	190,054	(113,931)
<b>Total net assets</b>	<b>10,263,563</b>	<b>9,951,190</b>	<b>(312,373)</b>
Capital stock	3,500,000	3,500,000	—
Capital surplus	3,500,000	3,500,000	—
Retained earnings	2,413,168	2,313,779	(99,388)
Treasury stock	(902)	(1,642)	(739)
<b>Total shareholders' equity</b>	<b>9,412,266</b>	<b>9,312,137</b>	<b>(100,128)</b>
Net unrealized gains (losses) on available-for-sale securities	1,390,288	1,429,857	39,568
Net deferred gains (losses) on hedges	(538,991)	(790,804)	(251,813)
<b>Total valuation and translation adjustments</b>	<b>851,297</b>	<b>639,052</b>	<b>(212,244)</b>

## 2. Income Analysis

Non-consolidated

(Millions of yen)

	For the three months ended		(B) – (A)
	June 30, 2021 (A)	June 30, 2022 (B)	
Gross operating profit	398,843	327,490	(71,353)
Net interest income	322,939	233,647	(89,291)
Net fees and commissions	32,062	37,287	5,225
Net other operating income (loss)	43,841	56,554	12,712
Gains (losses) on foreign exchanges	69,674	23,687	(45,987)
Gains (losses) on bonds	(25,999)	32,761	58,761
General and administrative expenses	(252,598)	(236,193)	16,404
Personnel expenses	(29,168)	(28,674)	494
Non-personnel expenses	(208,884)	(197,706)	11,178
Taxes and dues	(14,545)	(9,813)	4,731
Operating profit (before provision for general reserve for possible loan losses)	146,244	91,296	(54,948)
Core net operating profit	172,244	58,534	(113,709)
Excluding gains (losses) on cancellation of investment trusts	134,402	29,750	(104,651)
Provision for general reserve for possible loan losses	(1)	—	1
<b>Net operating profit</b>	<b>146,243</b>	<b>91,296</b>	<b>(54,947)</b>
Non-recurring gains (losses)	16,291	27,662	11,371
Gains (losses) related to stocks	4,669	11,055	6,385
Gains (losses) on money held in trust	11,448	17,165	5,716
<b>Net ordinary income</b>	<b>162,534</b>	<b>118,958</b>	<b>(43,575)</b>

	For the three months ended		(B) – (A)
	June 30, 2021 (A)	June 30, 2022 (B)	
Extraordinary income (loss)	5,278	(82)	(5,360)
Gains (losses) on sales and disposals of fixed assets	5,278	(82)	(5,360)
<b>Income before income taxes</b>	<b>167,812</b>	<b>118,875</b>	<b>(48,936)</b>
Income taxes – current	(35,817)	(51,357)	(15,539)
Income taxes – deferred	(11,363)	20,566	31,929
<b>Total income taxes</b>	<b>(47,181)</b>	<b>(30,791)</b>	<b>16,390</b>
<b>Net income</b>	<b>120,631</b>	<b>88,084</b>	<b>(32,546)</b>
Gains (losses) on money held in trust	11,448	17,165	5,716
Dividends and interest income	17,529	24,559	7,029
Gains (losses) on sales of stocks	0	18	17
Impairment losses	(745)	(872)	(126)
Withholding income tax, etc.	(5,335)	(6,540)	(1,205)
Credit-related expenses	(2)	12	14
Provision for general reserve for possible loan losses	(2)	12	14

- Notes: 1. General and administrative expenses exclude non-recurring losses related to retirement benefit costs (¥407 million and ¥461 million recorded as profits for the three months ended June 30, 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 three months ended		Increase (Decrease) (B) – (A)
	June 30, 2021 (A)	June 30, 2022 (B)	
Yield on interest-earning assets (a)	0.69%	0.55%	(0.14)%
Total cost of funding (including general and administrative expenses) (b)	0.58	0.57	(0.00)
Interest rate on interest-bearing liabilities (c)	0.09	0.13	0.04
Overall interest rate spread (a) - (b)	0.11	(0.02)	(0.13)
Interest rate spread (a) - (c)	0.59	0.41	(0.18)

Note: All numbers are annualized.

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

Non-consolidated

(Millions of yen, %)

		For the three months ended						Increase (Decrease) (B) – (A)
		June 30, 2021 (A)			June 30, 2022 (B)			
		Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets		215,188,086	372,508	0.69%	223,259,919	306,353	0.55%	(0.14)%
	Loans	4,648,016	2,596	0.22	4,768,436	2,474	0.20	(0.01)
	Securities	138,660,682	363,465	1.05	142,714,361	297,244	0.83	(0.21)
	Due from banks, etc.	60,421,162	7,413	0.04	64,591,043	6,912	0.04	(0.00)
Interest-bearing liabilities		207,905,875	49,569	0.09	214,395,690	72,706	0.13	0.04
	Deposits	190,907,116	6,571	0.01	194,231,818	3,444	0.00	(0.00)
	Payables under securities lending transactions	1,636,054	718	0.17	1,561,482	3,290	0.84	0.66

- Notes: 1. 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 (three months ended June 30, 2022, ¥4,820,804 million; three months ended June 30, 2021, ¥4,100,718 million) is excluded from interest-earning assets, and the average balance corresponding to money held in trust (three months ended June 30, 2022, ¥4,820,804 million; three months ended June 30, 2021, ¥4,100,718 million) and the corresponding interest (three months ended June 30, 2022, ¥7,033 million; three months ended June 30, 2021, ¥4,169 million) are excluded from interest-bearing liabilities.
2. For investment trusts, the distribution of profits, which was deducted from the book value as the repayment of principal, was ¥37,310 million for the three months ended June 30, 2022 (¥149 million for the three months ended June 30, 2021).
3. “Due from banks, etc.” consists of negotiable certificates of deposit, Bank of Japan deposits, call loans and monetary claims bought.
4. Earnings yield is annualized.

## 5. General and Administrative Expenses

Non-consolidated

(Millions of yen, %)

	For the three months ended				Increase (Decrease) (B) – (A)
	June 30, 2021 (A)		June 30, 2022 (B)		
	Amount	%	Amount	%	Amount
Personnel expenses	28,707	11.38	28,266	11.98	(440)
Salaries and allowances	23,694	9.39	23,203	9.84	(491)
Others	5,012	1.98	5,063	2.14	50
Non-personnel expenses	208,884	82.84	197,706	83.84	(11,178)
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	93,546	37.10	89,797	38.08	(3,749)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network (*)	59,260	23.50	57,677	24.46	(1,582)
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	13,845	5.49	6,878	2.91	(6,966)
Rent for land, buildings and others	2,777	1.10	2,707	1.14	(69)
Expenses on consigned businesses	16,129	6.39	17,008	7.21	878
Depreciation and amortization	9,337	3.70	9,203	3.90	(134)
Communication and transportation expenses	3,569	1.41	3,462	1.46	(107)
Maintenance expenses	3,575	1.41	4,080	1.73	505
IT expenses	3,081	1.22	2,976	1.26	(105)
Others	3,760	1.49	3,913	1.65	152
Taxes and dues	14,545	5.76	9,813	4.16	(4,731)
Total	252,137	100.00	235,786	100.00	(16,351)

\* 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.

## 6. Balances by Type of Deposit

Non-consolidated

(Millions of yen, %)

	As of March 31, 2022 (A)		As of June 30, 2022 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Liquid deposits	112,254,409	58.03	115,094,165	59.03	2,839,756
Transfer deposits	10,749,849	5.55	11,074,890	5.68	325,041
Ordinary deposits, etc.	100,805,356	52.11	103,304,803	52.98	2,499,447
Savings deposits	699,203	0.36	714,472	0.36	15,268
Fixed-term deposits	81,022,589	41.88	79,747,187	40.90	(1,275,402)
Time deposits	4,352,435	2.24	4,148,432	2.12	(204,002)
TEIGAKU deposits	76,670,153	39.63	75,598,754	38.77	(1,071,399)
Other deposits	164,930	0.08	125,803	0.06	(39,126)
Subtotal	193,441,929	100.00	194,967,156	100.00	1,525,227
Negotiable certificates of deposit	—	—	—	—	—
Total	193,441,929	100.00	194,967,156	100.00	1,525,227
Deposits including accrued interest	193,522,262		195,045,775		1,523,513

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.

# (Reference) Securitized Products Exposure

Non-consolidated

As of March 31, 2022 and June 30, 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, 2022			As of June 30, 2022		
		Acquisition cost	Net unrealized gains (losses)	Credit ratings	Acquisition cost	Net unrealized gains (losses)	Credit ratings
Domestic	Residential mortgage-backed securities (RMBS)	1,317,081	4,358	AAA	1,272,289	(1,624)	AAA
	Held-to-maturity	331,835	(4,374)	AAA	332,219	(6,504)	AAA
	Available-for-sale	985,245	8,733	AAA	940,070	4,879	AAA
	Collateralized loan obligations (CLO)	—	—	—	—	—	—
	Other securitized products	236,597	(156)	AAA	210,205	(200)	AAA
	Commercial mortgage-backed securities (CMBS)	—	—	—	—	—	—
	Collateralized debt obligations (CDO)	735	19	AAA	675	16	AAA
	Subtotal	1,554,414	4,220		1,483,171	(1,808)	
Overseas	Residential mortgage-backed securities (RMBS)	38,004	5,782	AAA	34,848	5,878	AAA
	Collateralized loan obligations (CLO)	1,602,388	168,008	AAA	1,849,347	348,195	AAA
	Held-to-maturity	681,912	62,584	AAA	928,869	139,807	AAA
	Available-for-sale	920,476	105,423	AAA	920,477	208,388	AAA
	Subtotal	1,640,393	173,791		1,884,195	354,073	
Total		3,194,807	178,012		3,367,366	352,265	

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):¥(36,080) million as of June 30, 2022, compared with ¥(9,767) million as of March 31, 2022. Available-for-sale securities(fair value hedge accounting was applicable):¥(23,477) million as of June 30, 2022, compared with ¥(5,963) million as of March 31, 2022.

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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