

Selected Financial Information

For the Three Months Ended June 30, 2023

August 10, 2023



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【Consolidated subsidiaries, etc.】

Consolidated subsidiaries	9 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

1. Results of Operations

Consolidated

- Net income attributable to owners of parent decreased by ¥1.9 bn year on year to ¥86.8 bn. It equated to 25.9% of the full-year earnings forecast and remained strong.

	For the three months ended		(¥bn, %)
	June 30, 2022 (A)	June 30, 2023 (B)	Increase (Decrease) (B) – (A)
Consolidated gross operating profit	328.6	189.3	(139.3)
Net interest income	233.7	169.1	(64.5)
Net fees and commissions	37.7	38.6	0.9
Net other operating income (loss)	57.1	(18.4)	(75.6)
Gains (losses) on foreign exchanges	24.3	(12.8)	(37.1)
Gains (losses) on bonds	32.7	(5.6)	(38.4)
General and administrative expenses (*)	236.6	237.3	0.6
Provision for general reserve for possible loan losses	—	0.0	0.0
Consolidated net operating profit	91.9	(47.9)	(139.9)
Non-recurring gains (losses)	28.4	166.4	137.9
Net ordinary income	120.4	118.4	(1.9)
Net income attributable to owners of parent	88.8	86.8	(1.9)
【Reference**】			
ROE (based on shareholders' equity)	3.80%	3.71%	(0.09)%
OHR (basis including gains (losses) on money held in trust)	66.45%	66.99%	0.53 %

- Net interest income for the three months ended June 30, 2023 decreased by ¥64.5 bn year on year, mainly due to an increase in foreign currency funding costs.
Net fees and commissions increased by ¥0.9 bn year on year.
Net other operating income decreased by ¥75.6 bn year on year, due to a decrease in gains (losses) on foreign exchanges and gains (losses) on bonds.
- General and administrative expenses increased by ¥0.6 bn year on year, due to an increase in non-personnel expenses.
- Non-recurring gains increased by ¥137.9 bn year on year, due to an increase in gains on sales of stocks associated with operations for risk controls and a contribution of gains related to private equity funds and real estate funds.
- Net ordinary income decreased by ¥1.9 bn year on year, and equated to 25.2% of the full-year earnings forecast of ¥470.0 bn.
- Net income attributable to owners of parent equated to 25.9% of the full-year earnings forecast of ¥335.0 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.)

Non-consolidated

- Net interest income (right hand-scale) (¥bn)**

	For the three months ended	
	June 30, 2022 (A)	June 30, 2023 (B)
Net interest income	233.6	168.8
Interest income	306.3	337.9
Interest on Japanese government bonds	67.2	47.7
Interest on foreign securities	221.1	268.6
Strategic investment areas(*)	45.8	32.6
Interest expenses	72.7	169.1

Interest rate spread

Fiscal year	Interest rate spread	Net interest income (¥bn)
FY2020/3	0.47%	976.8
FY2021/3	0.45%	961.8
FY2022/3	0.52%	1,147.5
FY2023/3	0.34%	785.1
FY2024/3	0.29%	168.8

July - March

April - June

Net interest income (right hand-scale) (¥bn)

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FY2020/3	976.8
FY2021/3	961.8
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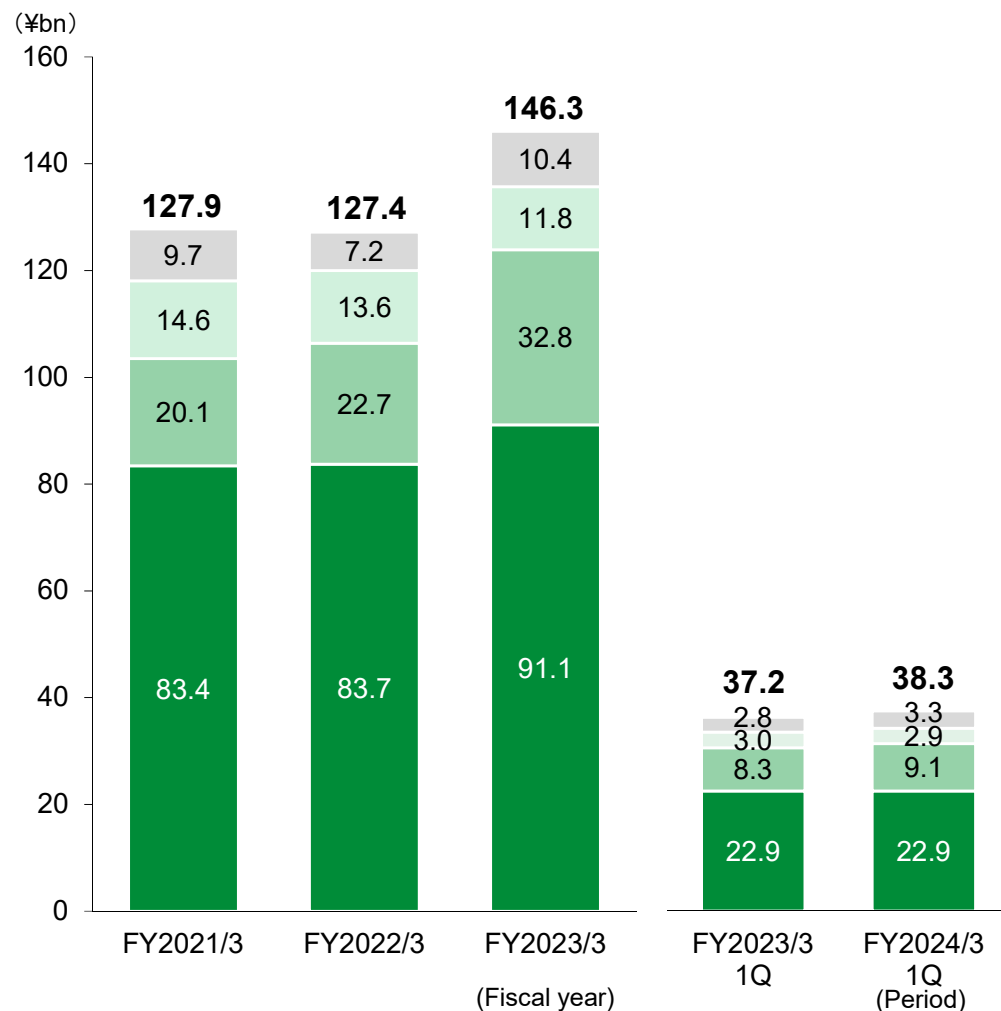
3. Net Fees and Commissions

Non-consolidated

■ Net fees and commissions for the three months ended June 30, 2023 increased by ¥1.0 bn year on year to ¥38.3 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, 2022 (A)	June 30, 2023 (B)	
Net fees and commissions relating to	37.2	38.3	1.0
Exchange and settlement transactions	22.9	22.9	(0.0)
ATMs	8.3	9.1	0.7
Investment trusts(*)	3.0	2.9	(0.1)
Others	2.8	3.3	0.5

Results of Investment Trusts Sales (Contract Basis)

	For the three months ended		Increase (Decrease) (B) – (A)
	June 30, 2022 (A)	June 30, 2023 (B)	
Number of contracts (thousands)	1,279	1,668	388
Sales amount (billions of yen)	64.1	62.9	(1.2)

	As of June 30, 2022 (A)	As of June 30, 2023 (B)	Increase (Decrease) (B) – (A)
Number of investment trust accounts (thousands)	1,242	1,325	83
Net assets (billions of yen)	2,506.3	2,521.0	14.7

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

(FY2022/3 – FY2026/3)**]

	As of March 31, 2023 (A)	As of June 30, 2023 (B)	Increase (Decrease) (B) – (A)
Number of accounts registered in the Bankbook app (ten thousands)	745	823	78
Number of Tsumitate NISA Operation Accounts (ten thousands)	23	26	2

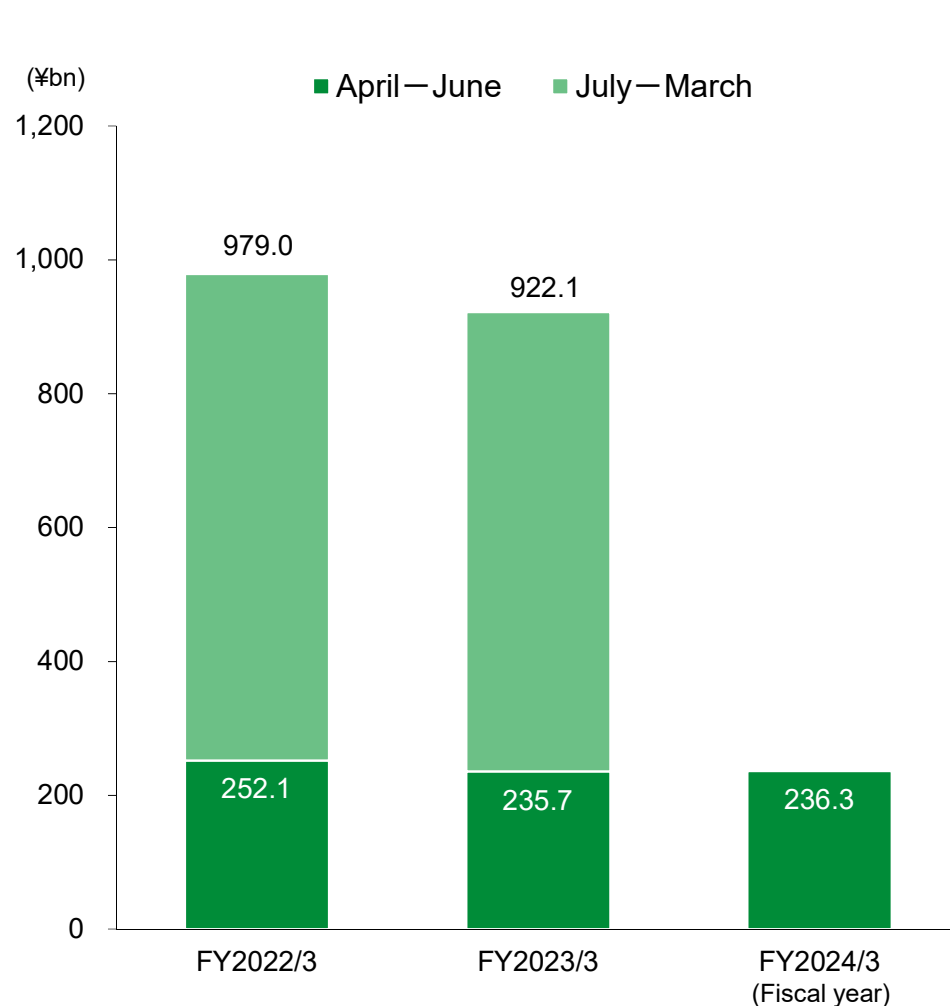
* Investment trusts include Yucho Fund wraps(discretionary investment contract services).

** Number of accounts registered in the Bankbook app : 10 million accounts (FY2026/3)
Number of Tsumitate 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, 2023 increased by ¥0.5 bn year on year to ¥236.3 bn.



	For the three months ended		Increase (Decrease) (B) – (A)
	June 30, 2022 (A)	June 30, 2023 (B)	
Personnel expenses (*)	28.2	27.6	(0.5)
Salaries and allowances	23.2	22.7	(0.4)
Non-personnel expenses	197.7	199.9	2.1
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	89.7	84.6	(5.1)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network	57.6	60.9	3.2
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	6.8	6.9	0.1
Taxes and dues	9.8	8.7	(1.0)
Total	235.7	236.3	0.5

* Personnel expenses include non-recurring losses.

5. Financial Conditions

Non-consolidated

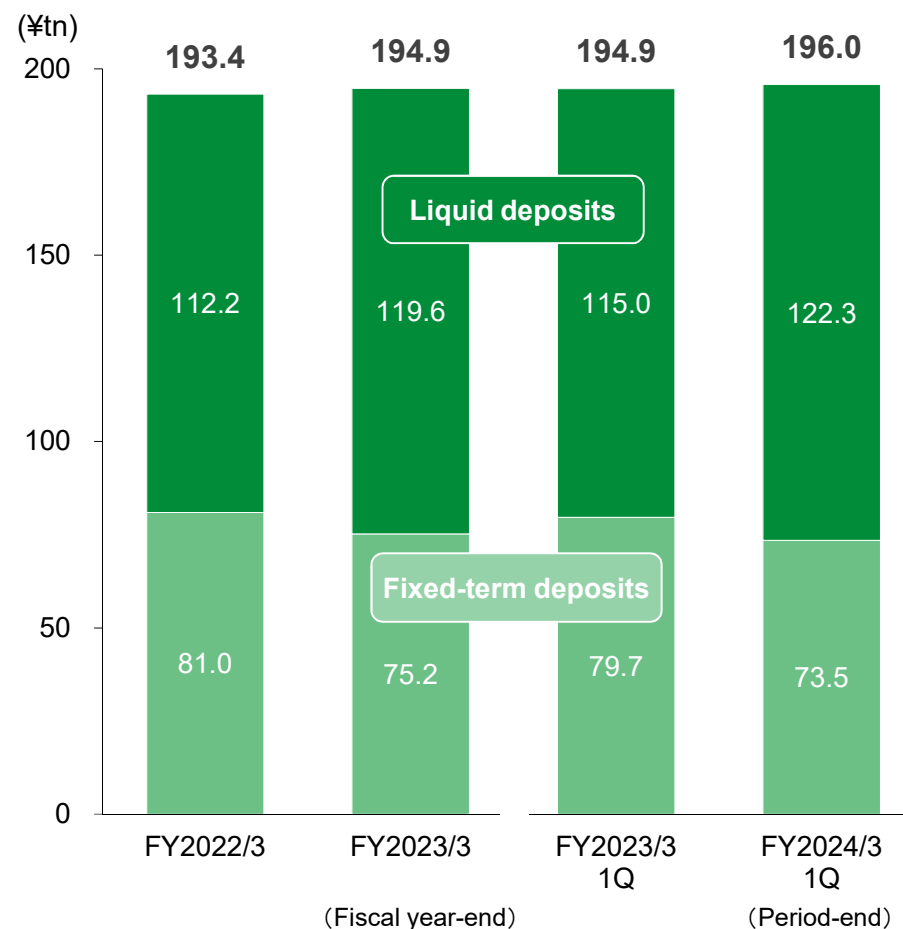
- Total assets increased by ¥0.1 tn from March 31, 2023, to ¥229.7 tn as of June 30, 2023.
- Securities increased by ¥2.4 tn from March 31, 2023, to ¥135.2 tn as of June 30, 2023.
- Deposits increased by ¥1.0 tn from March 31, 2023, to ¥196.0 tn as of June 30, 2023.

Overview of Balance Sheet

Total assets ¥229.7 tn (As of June 30, 2023)	
Securities ¥135.2 tn JGBs ¥37.6 tn Foreign securities, etc. ¥80.6 tn	Deposits ¥196.0 tn
Others(*) ¥94.4 tn Money held in trust ¥6.3 tn Loans ¥5.6 tn	Others(*) ¥24.0 tn Net assets ¥9.6 tn

* Please refer to page 12 "Summarized Balance Sheets".

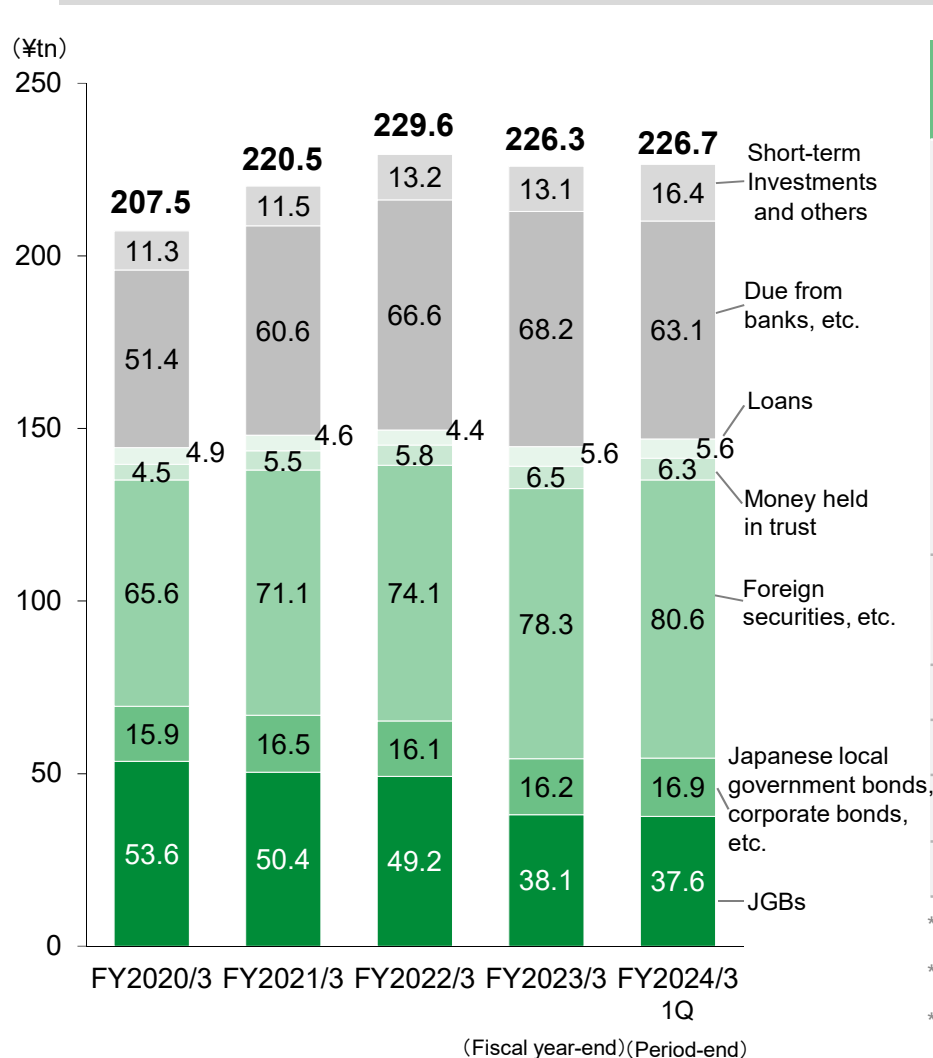
Trend of Deposit Balance



6. Asset Management Status

Non-consolidated

■ Included in investment assets as of June 30, 2023, JGBs were ¥37.6 tn and foreign securities, etc. were ¥80.6 tn.



Categories	As of March 31, 2023 (A)	%	As of June 30, 2023 (B)	%	Increase (Decrease) (B) – (A)
Securities	132,769.4	58.6	135,236.2	59.6	2,466.8
Japanese government bonds	38,114.7	16.8	37,655.5	16.6	(459.1)
Japanese local government bonds, corporate bonds, etc. (*)	16,297.4	7.1	16,979.7	7.4	682.2
Foreign securities, etc.	78,357.2	34.6	80,600.9	35.5	2,243.6
Foreign bonds	26,139.0	11.5	27,643.9	12.1	1,504.9
Investment trusts (**)	52,110.2	23.0	52,842.0	23.3	731.8
Money held in trust	6,564.7	2.8	6,355.1	2.8	(209.5)
Domestic stocks	1,857.6	0.8	1,783.7	0.7	(73.9)
Loans	5,604.3	2.4	5,607.0	2.4	2.6
Due from banks, etc. (***)	68,283.5	30.1	63,160.9	27.8	(5,122.6)
Short-term investments and others (****)	13,158.3	5.8	16,427.9	7.2	3,269.5
Total	226,380.4	100.0	226,787.3	100.0	406.8

* “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 (losses) on financial instruments (available-for-sale) after taking into consideration gains (losses) from hedge accounting were ¥472.0 bn as of June 30, 2023 (before application of tax effect accounting), increased by ¥258.0 bn from March 31, 2023.

(¥bn)

	As of March 31, 2023 (A)		As of June 30, 2023 (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	112,766.0	1,117.3	114,070.3	1,937.7	820.4
Securities (a)	106,201.2	1,216.1	107,715.1	2,714.2	1,498.0
Japanese government bonds	23,072.1	(423.8)	23,121.2	(370.6)	53.2
Foreign bonds	22,365.2	1,476.1	23,034.6	2,769.4	1,293.3
Investment trusts (*)	52,110.2	184.0	52,842.0	322.8	138.7
Others	8,653.6	(20.1)	8,717.2	(7.3)	12.7
Effect of fair value hedge accounting (b)		(1,306.0)		(2,027.7)	(721.6)
Money held in trust (c)	6,564.7	1,207.2	6,355.1	1,251.2	44.0
Domestic stocks	1,857.6	1,104.9	1,783.7	1,154.8	49.9
Others	4,707.0	102.2	4,571.4	96.3	(5.9)
Derivatives for which deferred hedge accounting is applied (d)	18,078.0	(903.3)	17,937.8	(1,465.7)	(562.4)
Total (a) + (b) + (c) + (d)		214.0		472.0	258.0

* Investment trusts are mainly invested in foreign bonds. Net unrealized gains on investment trusts include those of private equity funds (¥1,184.9 bn and ¥1,050.0 bn as of June 30, 2023 and March 31, 2023, respectively).

【Reference】

(¥bn)

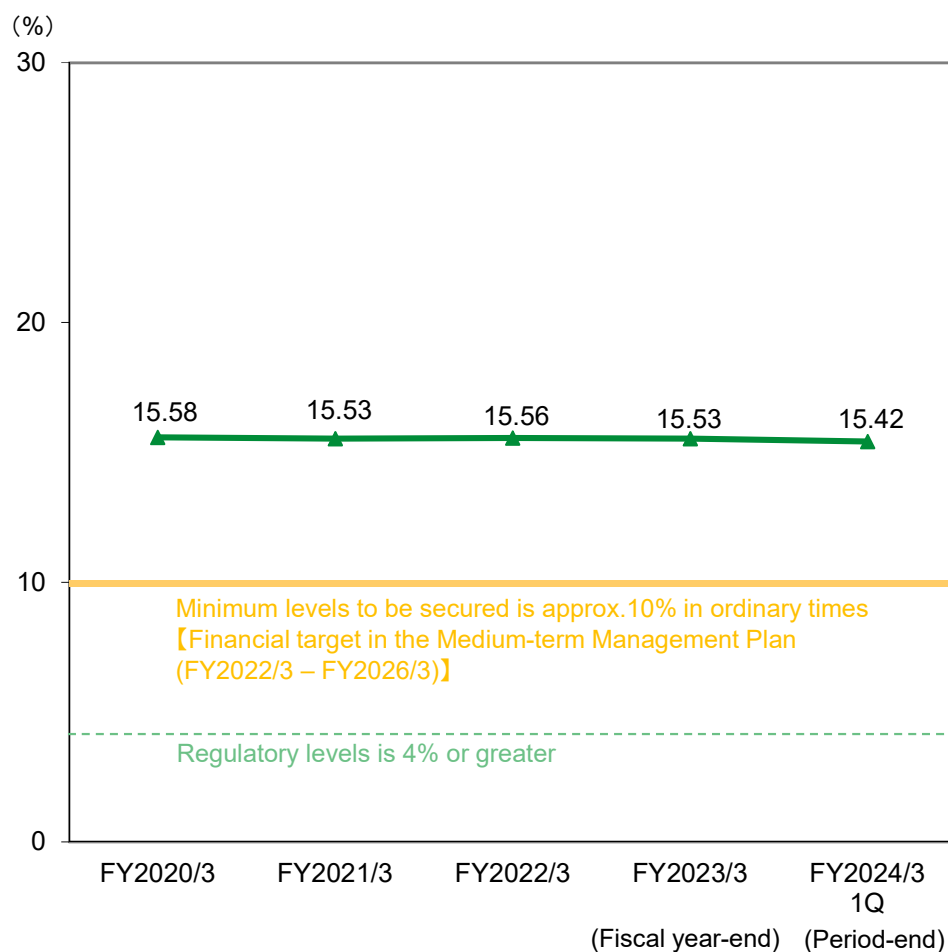
	As of March 31, 2023 (A)		As of June 30, 2023 (B)		Increase (Decrease) (B) – (A)
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Net unrealized gains (losses)
Held-to-maturity securities	27,053.6	(305.3)	27,997.4	(60.9)	244.3

8. Trend of Capital Adequacy Ratio

Consolidated

- Capital adequacy ratio (domestic standard) was 15.42% as of June 30, 2023.
(Reference) Common Equity Tier1 capital ratio (international standard, estimate) was 13.60%.

【Domestic standard】



【Domestic standard】

	As of March 31, 2023 (A)	As of June 30, 2023 (B)	Increase (Decrease) (B) – (A)
Total capital (a)	9,224.4	9,250.7	26.3
Total amount of risk-weighted assets (b)	59,395.1	59,984.8	589.6
Credit risk-weighted assets	56,938.2	57,527.8	589.6
Capital adequacy ratio (a) / (b)	15.53%	15.42%	(0.10)%

【(Reference) International standard, estimate*】

	As of March 31, 2023 (A)	As of June 30, 2023 (B)	Increase (Decrease) (B) – (A)
Common Equity Tier1 capital ratio (CET1 ratio)	14.28%	13.60%	(0.67)%
Excluding unrealized gains on available-for-sale securities (**)	14.01%	13.07%	(0.93)%

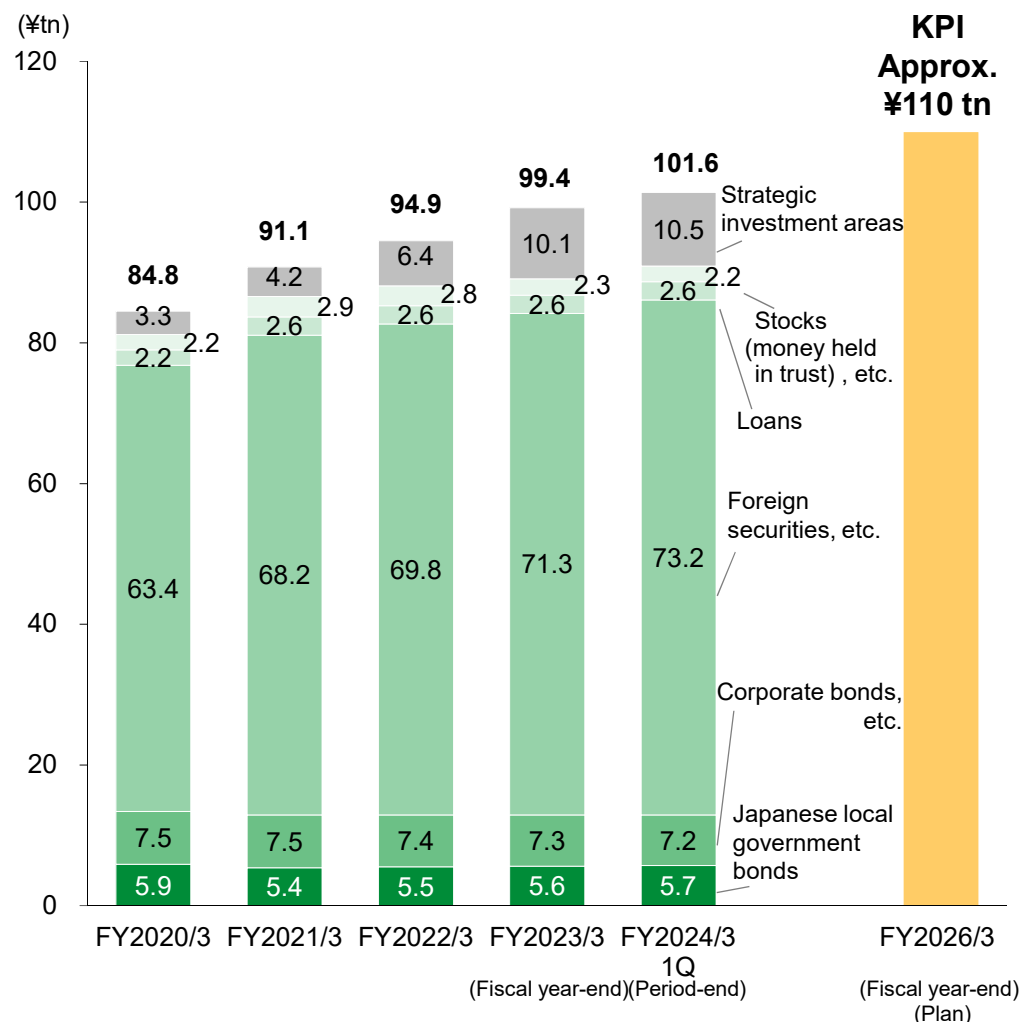
* Calculation for some items are simplified.

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

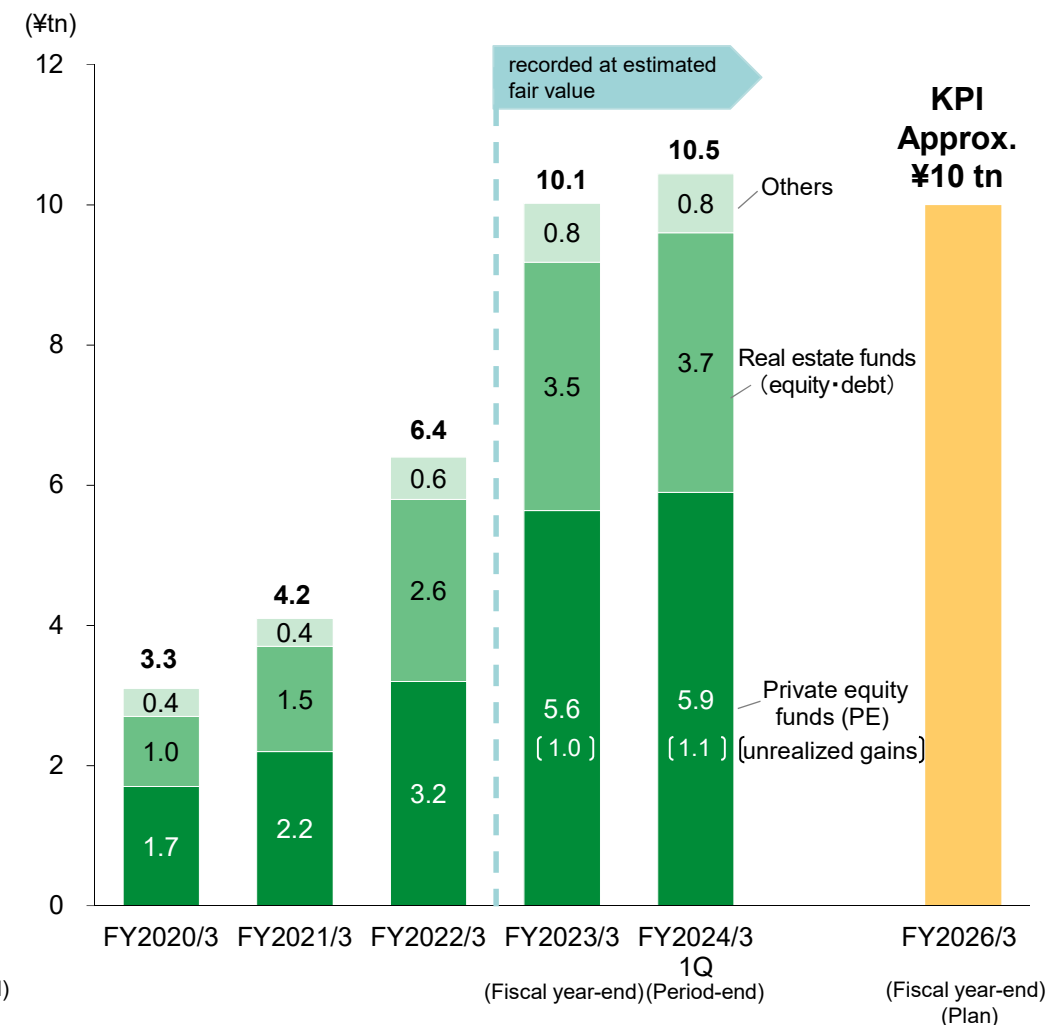
(Reference) Trend of Balance of Risk Assets

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 balances for each category 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 March 31, 2023, 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 fiscal year ended March 31, 2023.

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

Financial Data

1. Summarized Balance Sheets

Non-consolidated

	As of March 31, 2023 (A)	As of June 30, 2023 (B)	Increase (Decrease) (B) – (A)
Total assets	229,545,202	229,728,770	183,567
Cash and due from banks	68,217,495	63,046,775	(5,170,719)
Call loans	2,460,000	2,315,000	(145,000)
Receivables under resale agreements	9,788,452	11,028,057	1,239,604
Receivables under securities borrowing transactions	250,241	1,479,616	1,229,375
Monetary claims bought	478,286	475,462	(2,824)
Trading account securities	19	13	(6)
Money held in trust	6,564,738	6,355,195	(209,543)
Securities	132,769,420	135,236,226	2,466,806
Loans	5,604,366	5,607,061	2,694
Foreign exchanges	124,943	189,755	64,812
Other assets	2,994,691	3,730,021	735,330
Tangible fixed assets	190,216	187,652	(2,563)
Intangible fixed assets	77,118	78,964	1,845
Deferred tax assets	26,245	—	(26,245)
Reserve for possible loan losses	(1,033)	(1,033)	(0)

(Millions of yen)

	As of March 31, 2023 (A)	As of June 30, 2023 (B)	Increase (Decrease) (B) – (A)
Total liabilities and net assets	229,545,202	229,728,770	183,567
Total liabilities	219,936,223	220,092,128	155,905
Deposits	194,951,503	196,027,796	1,076,292
Payables under repurchase agreements	18,316,621	16,832,957	(1,483,664)
Payables under securities lending transactions	1,941,872	2,070,547	128,675
Borrowed money	1,632,600	1,632,200	(400)
Foreign exchanges	1,411	1,144	(267)
Other liabilities	2,891,096	3,277,095	385,999
Reserve for bonuses	7,150	1,713	(5,436)
Reserve for employees' retirement benefits	138,375	139,643	1,267
Reserve for employee stock ownership plan trust	511	269	(241)
Reserve for management board benefit trust	424	448	24
Reserve for reimbursement of deposits	54,655	53,491	(1,163)
Deferred tax liabilities	—	54,820	54,820
Total net assets	9,608,979	9,636,641	27,662
Capital stock	3,500,000	3,500,000	—
Capital surplus	3,500,000	3,500,000	—
Retained earnings	2,480,262	2,304,309	(175,952)
Treasury stock	(24,510)	(1,565)	22,944
Total shareholders' equity	9,455,752	9,302,744	(153,008)
Net unrealized gains (losses) on available-for-sale securities	779,268	1,350,421	571,152
Net deferred gains (losses) on hedges	(626,041)	(1,016,523)	(390,482)
Total valuation and translation adjustments	153,227	333,897	180,670

2. Income Analysis

Non-consolidated

(Millions of yen)

	For the three months ended		(B) – (A)
	June 30, 2022 (A)	June 30, 2023 (B)	
Gross operating profit	327,490	188,005	(139,484)
Net interest income	233,647	168,806	(64,841)
Net fees and commissions	37,287	38,344	1,057
Net other operating income (loss)	56,554	(19,145)	(75,700)
Gains (losses) on foreign exchanges	23,687	(13,469)	(37,157)
Gains (losses) on bonds	32,761	(5,679)	(38,441)
General and administrative expenses	(236,193)	(236,660)	(466)
Personnel expenses	(28,674)	(28,028)	645
Non-personnel expenses	(197,706)	(199,905)	(2,199)
Taxes and dues	(9,813)	(8,726)	1,087
Operating profit (before provision for general reserve for possible loan losses)	91,296	(48,654)	(139,950)
Core net operating profit	58,534	(42,974)	(101,508)
Excluding gains (losses) on cancellation of investment trusts	29,750	(43,872)	(73,622)
Provision for general reserve for possible loan losses	—	(1)	(1)
Net operating profit	91,296	(48,656)	(139,952)
Non-recurring gains (losses)	27,662	168,475	140,812
Gains (losses) related to stocks	11,055	(63,580)	(74,635)
Gains (losses) on money held in trust	17,165	241,691	224,526
Net ordinary income	118,958	119,818	860

	For the three months ended		(B) – (A)
	June 30, 2022 (A)	June 30, 2023 (B)	
Extraordinary income (loss)	(82)	(119)	(36)
Gains (losses) on sales and disposals of fixed assets	(82)	(119)	(36)
Income before income taxes	118,875	119,699	823
Income taxes – current	(51,357)	(31,301)	20,055
Income taxes – deferred	20,566	(862)	(21,428)
Total income taxes	(30,791)	(32,163)	(1,372)
Net income	88,084	87,535	(549)
Gains (losses) on money held in trust	17,165	241,691	224,526
Dividends and interest income	24,559	24,569	10
Gains (losses) on sales of stocks	18	234,470	234,452
Impairment losses	(872)	(525)	346
Withholding income tax, etc.	(6,540)	(16,823)	(10,283)
Credit-related expenses	12	(1)	(14)
Provision for general reserve for possible loan losses	12	(1)	(14)

- Notes: 1. General and administrative expenses exclude non-recurring losses related to retirement benefit costs (¥346 million and ¥407 million recorded as profits for the three months ended June 30, 2023 and 2022, 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. Net Interest Income

Non-consolidated

(1) Domestic

(Millions of yen)

	For the three months ended		Increase (Decrease) (B) – (A)
	June 30, 2022 (A)	June 30, 2023 (B)	
Net interest income	160,881	60,029	(100,852)
Interest income	180,126	67,183	(112,942)
Interest on Japanese government bonds	67,216	47,793	(19,423)
Interest expenses	19,245	7,154	(12,090)

(2) Overseas

(Millions of yen)

	For the three months ended		Increase (Decrease) (B) – (A)
	June 30, 2022 (A)	June 30, 2023 (B)	
Net interest income	72,765	108,776	36,010
Interest income	221,779	270,783	49,003
Interest on foreign securities	221,131	268,698	47,567
Interest expenses	149,013	162,006	12,992

(3) Total

(Millions of yen)

	For the three months ended		Increase (Decrease) (B) – (A)
	June 30, 2022 (A)	June 30, 2023 (B)	
Net interest income	233,647	168,806	(64,841)
Interest income	306,353	337,939	31,585
Interest expenses	72,706	169,132	96,426

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. Interest income from "domestic" and expenses from "overseas" include interest on transactions between "domestic" and "overseas", respectively (three months ended June 30, 2023, ¥28 million; three months ended June 30, 2022, ¥95,552 million).
 The interest are offset to calculate totals. And, the Bank revised calculation method of the interest from the fiscal year ended March 31, 2023.

4. Interest Rate Spread

Non-consolidated

	For the three months ended		Increase (Decrease) (B) – (A)
	June 30, 2022 (A)	June 30, 2023 (B)	
Yield on interest-earning assets (a)	0.55%	0.61%	0.06%
Total cost of funding (including general and administrative expenses) (b)	0.57	0.77	0.19
Interest rate on interest-bearing liabilities (c)	0.13	0.32	0.18
Overall interest rate spread (a) - (b)	(0.02)	(0.15)	(0.13)
Interest rate spread (a) - (c)	0.41	0.29	(0.12)

Note: All numbers are annualized.

5. 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, 2022 (A)			June 30, 2023 (B)			
		Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets		223,259,919	306,353	0.55%	220,390,944	337,939	0.61%	0.06%
	Loans	4,768,436	2,474	0.20	5,618,176	2,362	0.16	(0.03)
	Securities	142,714,361	297,244	0.83	137,496,149	325,893	0.95	0.11
	Due from banks, etc.	64,591,043	6,912	0.04	66,613,831	7,700	0.04	0.00
Interest-bearing liabilities		214,395,690	72,706	0.13	210,538,306	169,132	0.32	0.18
	Deposits	194,231,818	3,444	0.00	195,356,941	2,858	0.00	(0.00)
	Payables under securities lending transactions	1,561,482	3,290	0.84	2,046,826	27,233	5.33	4.49

- 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, 2023, ¥5,296,474 million; three months ended June 30, 2022, ¥4,820,804 million) is excluded from interest-earning assets, and the average balance corresponding to money held in trust (three months ended June 30, 2023, ¥5,296,474 million; three months ended June 30, 2022, ¥4,820,804 million) and the corresponding interest (three months ended June 30, 2023, ¥4,254 million; three months ended June 30, 2022, ¥7,033 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 ¥28,131 million for the three months ended June 30, 2023 (¥37,310 million for the three months ended June 30, 2022).
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.

6. General and Administrative Expenses

Non-consolidated

(Millions of yen, %)

	For the three months ended				Increase (Decrease) (B) – (A)
	June 30, 2022 (A)		June 30, 2023 (B)		
	Amount	%	Amount	%	Amount
Personnel expenses	28,266	11.98	27,681	11.71	(584)
Salaries and allowances	23,203	9.84	22,713	9.61	(490)
Others	5,063	2.14	4,968	2.10	(94)
Non-personnel expenses	197,706	83.84	199,905	84.59	2,199
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	89,797	38.08	84,604	35.80	(5,193)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network (*)	57,677	24.46	60,907	25.77	3,229
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	6,878	2.91	6,981	2.95	102
Rent for land, buildings and others	2,707	1.14	2,658	1.12	(49)
Expenses on consigned businesses	17,008	7.21	17,427	7.37	419
Depreciation and amortization	9,203	3.90	9,835	4.16	631
Communication and transportation expenses	3,462	1.46	3,404	1.44	(58)
Maintenance expenses	4,080	1.73	4,782	2.02	701
IT expenses	2,976	1.26	4,648	1.96	1,672
Others	3,913	1.65	4,657	1.97	743
Taxes and dues	9,813	4.16	8,726	3.69	(1,087)
Total	235,786	100.00	236,313	100.00	527

* 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.

7. Balances by Type of Deposit

Non-consolidated

(Millions of yen, %)

	As of March 31, 2023 (A)		As of June 30, 2023 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Liquid deposits	119,611,343	61.35	122,302,690	62.39	2,691,347
Transfer deposits	12,710,600	6.51	13,035,700	6.64	325,100
Ordinary deposits, etc.	106,132,120	54.44	108,484,189	55.34	2,352,068
Savings deposits	768,622	0.39	782,800	0.39	14,177
Fixed-term deposits	75,217,326	38.58	73,594,297	37.54	(1,623,029)
Time deposits	3,307,143	1.69	3,214,363	1.63	(92,779)
TEIGAKU deposits	71,910,183	36.88	70,379,934	35.90	(1,530,249)
Other deposits	122,833	0.06	130,808	0.06	7,974
Subtotal	194,951,503	100.00	196,027,796	100.00	1,076,292
Negotiable certificates of deposit	—	—	—	—	—
Total	194,951,503	100.00	196,027,796	100.00	1,076,292
Deposits including accrued interest	195,022,716		196,095,493		1,072,776

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, 2023 and June 30, 2023, 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, 2023			As of June 30, 2023		
		Acquisition cost	Net unrealized gains (losses)	Credit ratings	Acquisition cost	Net unrealized gains (losses)	Credit ratings
Domestic	Residential mortgage-backed securities (RMBS)	1,274,002	(11,695)	AAA	1,261,988	(9,526)	AAA
	Held-to-maturity	350,366	(10,365)	AAA	364,838	(9,028)	AAA
	Available-for-sale	923,635	(1,330)	AAA	897,150	(498)	AAA
	Collateralized loan obligations (CLO)	—	—	—	—	—	—
	Other securitized products	288,156	(111)	AAA	278,034	126	AAA
	Commercial mortgage-backed securities (CMBS)	—	—	—	—	—	—
	Collateralized debt obligations (CDO)	561	11	AAA	548	11	AAA
	Subtotal	1,562,720	(11,795)		1,540,571	(9,389)	
Overseas	Residential mortgage-backed securities (RMBS)	27,906	3,161	AAA	25,917	4,844	AAA
	Collateralized loan obligations (CLO)	2,326,005	293,625	AAA	2,428,965	535,267	AAA
	Held-to-maturity	1,408,606	106,062	AAA	1,514,902	247,274	AAA
	Available-for-sale	917,398	187,563	AAA	914,063	287,993	AAA
	Subtotal	2,353,911	296,787		2,454,882	540,112	
Total		3,916,631	284,991		3,995,454	530,723	

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 and Europe. 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):¥(21,102) million as of June 30, 2023, compared with ¥(23,642) million as of March 31, 2023. Available-for-sale securities(fair value hedge accounting was applicable):¥(12,050) million as of June 30, 2023, compared with ¥(17,158) million as of March 31, 2023.

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; market risks, market liquidity risks, credit risks and operational risks (such as risks related to the Bank's IT systems, the Bank's reputation, natural disasters, litigation and violations of applicable laws or regulations); risks related to Environmental, Social and Governance, or ESG, factors including climate change; risks related to business strategy and management planning; risks related to the expansion of the scope of operations; risks related to the business environment; risks related to the Bank's relationship with JAPAN POST HOLDINGS Co., Ltd. and JAPAN POST Co., Ltd.; risks related to domestic and overseas monetary policies; 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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