

Selected Financial Information

For the Nine Months Ended December 31, 2023

February 14, 2024



JAPAN POST BANK

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【Consolidated subsidiaries, etc.】

Consolidated subsidiaries	12 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 increased by ¥15.8 bn year on year to ¥263.3 bn. It equated to 78.6% of the full-year earnings forecast and remained strong.

			(¥bn, %)
	For the nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2022 (A)	December 31, 2023 (B)	
Consolidated gross operating profit	873.2	560.9	(312.3)
Net interest income	613.4	542.2	(71.1)
Net fees and commissions	114.2	118.0	3.8
Net other operating income (loss)	145.6	(99.3)	(245.0)
Gains (losses) on foreign exchanges	232.7	(81.0)	(313.7)
Gains (losses) on bonds	(87.2)	(13.7)	73.5
General and administrative expenses (*)	696.3	700.4	4.0
Provision for general reserve for possible loan losses	0.0	0.0	0.0
Consolidated net operating profit	176.8	(139.5)	(316.4)
Non-recurring gains (losses)	167.4	506.5	339.1
Net ordinary income	344.3	367.0	22.7
Net income attributable to owners of parent	247.4	263.3	15.8
【Reference**】			
ROE (based on shareholders' equity)	3.47%	3.69%	0.21 %
OHR (basis including gains (losses) on money held in trust)	67.08%	65.86%	(1.22)%

- Net interest income for the nine months ended December 31, 2023 decreased by ¥71.1 bn year on year, mainly due to an increase in foreign currency funding costs.
Net fees and commissions increased by ¥3.8 bn year on year.
Net other operating income decreased by ¥245.0 bn year on year, due to a decrease in gains (losses) on foreign exchanges.
- General and administrative expenses increased by ¥4.0 bn year on year, due to an increase in non-personnel expenses.
- Non-recurring gains increased by ¥339.1 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 increased by ¥22.7 bn year on year, and equated to 78.0% of the full-year earnings forecast of ¥470.0 bn.
- Net income attributable to owners of parent equated to 78.6% 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

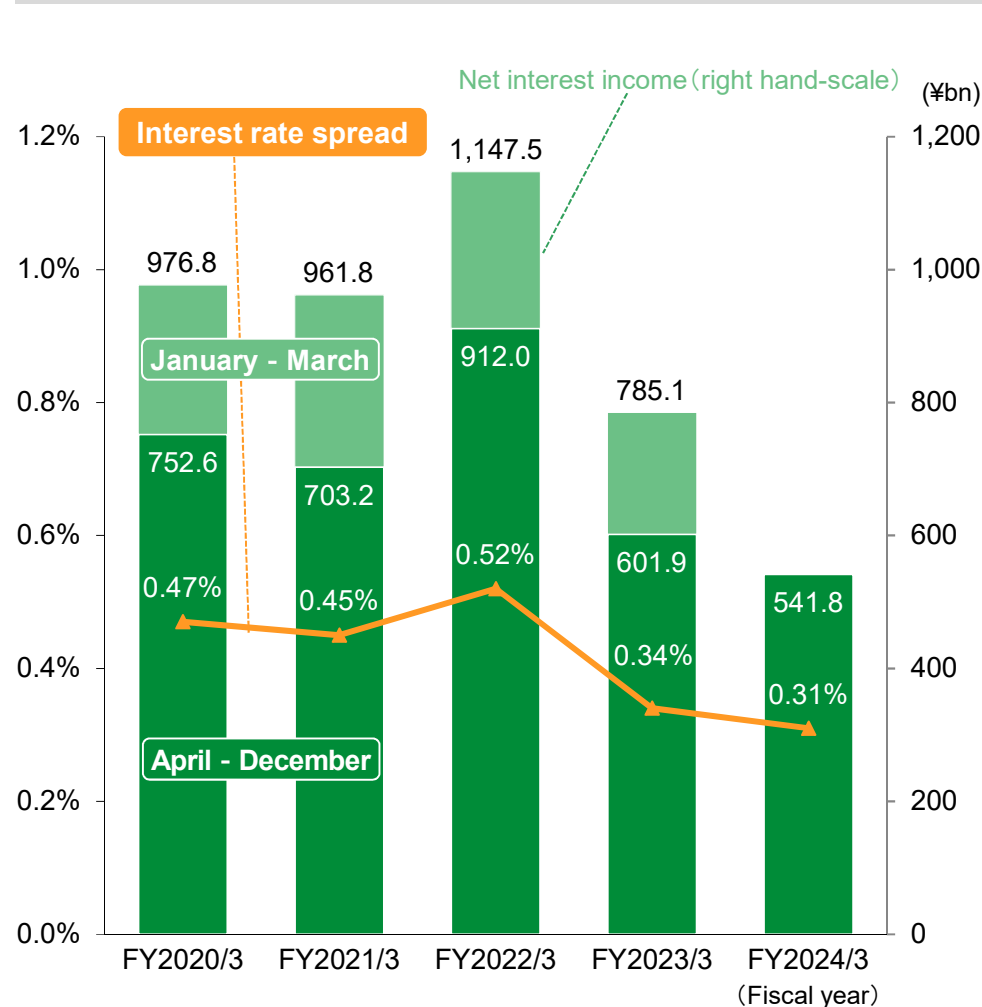
OHR = general and administrative expenses / (net interest income, etc. + net fees and commissions) x 100

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

2. Trend of Net Interest Income and Interest Rate Spread

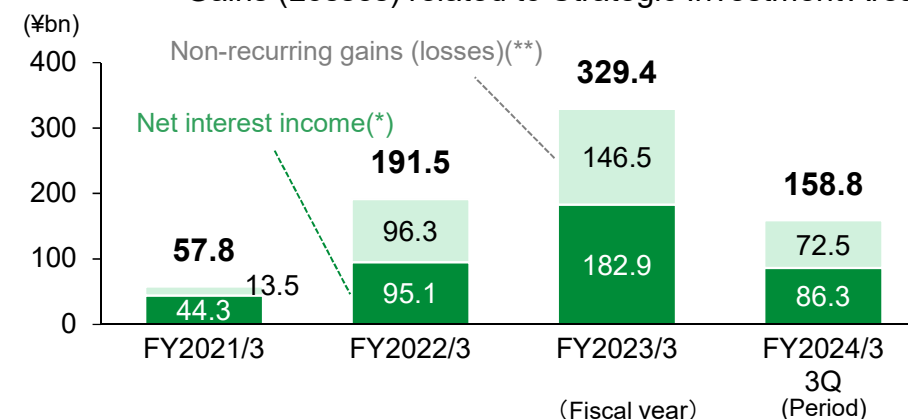
Non-consolidated

- Net interest income decreased by ¥60.0 bn year on year to ¥541.8 bn and interest rate spread was 0.31% for the nine months ended December 31, 2023.
- Net interest income decreased mainly due to an increase in foreign currency funding costs associated with a rise in overseas interest rates.



	For the nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2022 (A)	December 31, 2023 (B)	
Net interest income	601.9	541.8	(60.0)
Interest income	906.2	1,039.9	133.7
Interest on Japanese government bonds	186.4	139.8	(46.6)
Interest on foreign securities	660.8	831.1	170.2
Strategic investment areas(*)	150.5	86.3	(64.2)
Interest expenses	304.3	498.1	193.8

【(Reference) Trend of Net Interest Income and Non-recurring Gains (Losses) related to Strategic Investment Areas】



◆ Net income related to strategic investment areas contribute to non-recurring gains (losses) in addition to net interest income.

* Private equity funds (profit distribution) and real estate funds (debt), etc.

** Private equity funds (redemption gains (losses)) and real estate funds (equity·debt), etc.

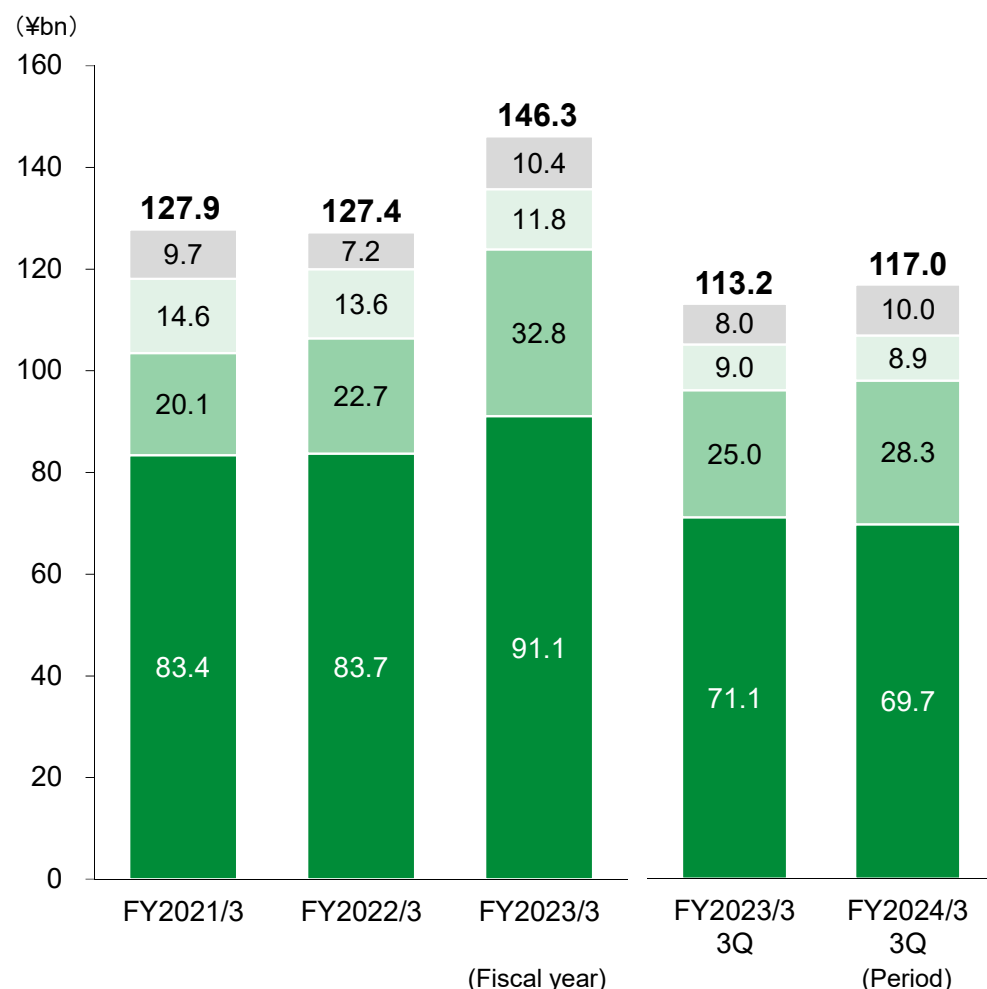
3. Net Fees and Commissions

Non-consolidated

■ Net fees and commissions for the nine months ended December 31, 2023 increased by ¥3.7 bn year on year to ¥117.0 bn.

Trend of Net Fees and Commissions

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



Breakdown of Net Fees and Commissions

	For the nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2022 (A)	December 31, 2023 (B)	
Net fees and commissions relating to	113.2	117.0	3.7
Exchange and settlement transactions	71.1	69.7	(1.3)
ATMs	25.0	28.3	3.3
Investment trusts(*)	9.0	8.9	(0.1)
Others	8.0	10.0	2.0

Results of Investment Trusts Sales (Contract Basis)

	For the nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2022 (A)	December 31, 2023 (B)	
Number of contracts (thousands)	4,141	5,479	1,338
Sales amount (billions of yen)	179.2	208.7	29.5

	As of December 31, 2022 (A)	As of December 31, 2023 (B)	Increase (Decrease) (B) – (A)
Number of investment trust accounts (thousands)	1,282	1,393	110
Net assets (billions of yen)	2,364.3	2,492.1	127.7

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

(FY2022/3 – FY2026/3)**]

	As of March 31, 2023 (A)	As of December 31, 2023 (B)	Increase (Decrease) (B) – (A)
Number of accounts registered in the Bankbook app (ten thousands)	745	958	213
Number of Tsumitate NISA Operation Accounts (ten thousands)	23	32	9

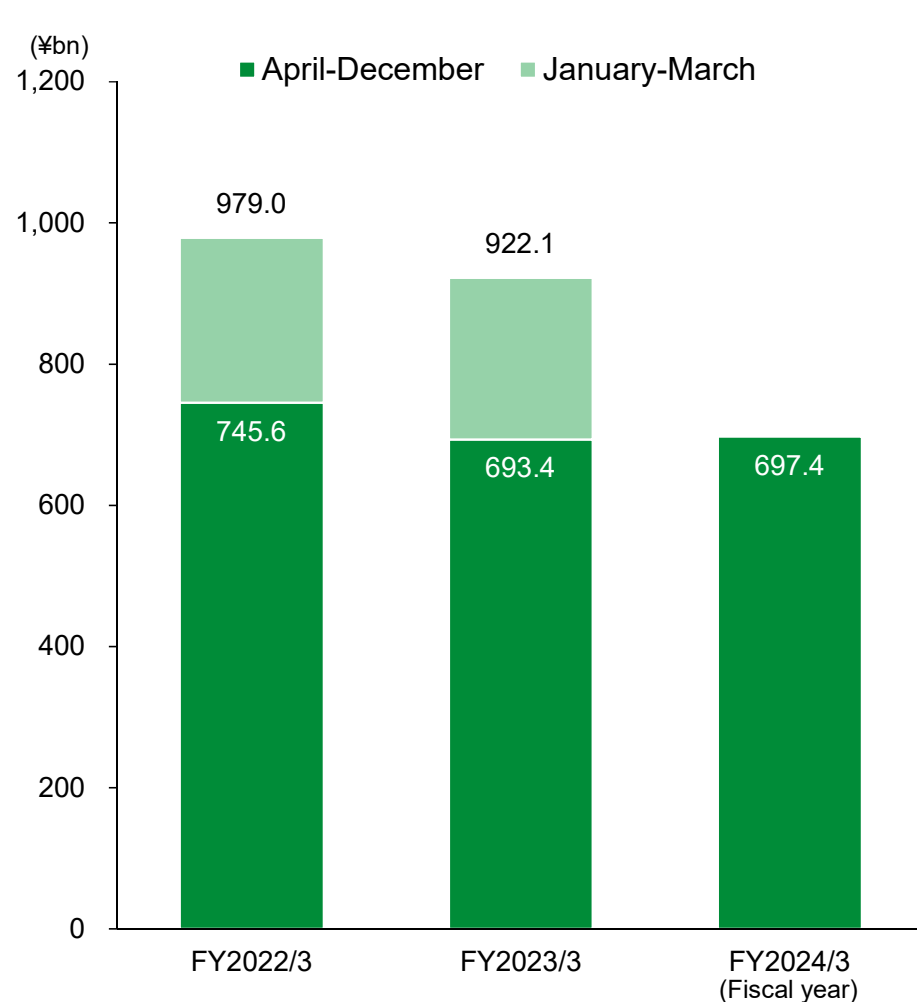
* Investment trusts include Yucho Fund wraps(discretionary investment contract services).

** 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 nine months ended December 31, 2023 increased by ¥3.9 bn year on year to ¥697.4 bn.



	For the nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2022 (A)	December 31, 2023 (B)	
Personnel expenses (*)	83.9	83.0	(0.9)
Salaries and allowances	68.5	67.3	(1.1)
Non-personnel expenses	582.6	588.5	5.8
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	259.6	242.3	(17.2)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network	173.0	182.7	9.6
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	20.6	20.9	0.3
Taxes and dues	26.8	25.9	(0.9)
Total	693.4	697.4	3.9

* Personnel expenses include non-recurring losses.

5. Financial Conditions

Non-consolidated

- Total assets decreased by ¥0.4 tn from March 31, 2023, to ¥229.1 tn as of December 31, 2023.
- Securities increased by ¥8.6 tn from March 31, 2023, to ¥141.4 tn as of December 31, 2023.
- Deposits decreased by ¥0.0 tn from March 31, 2023, to ¥194.9 tn as of December 31, 2023.

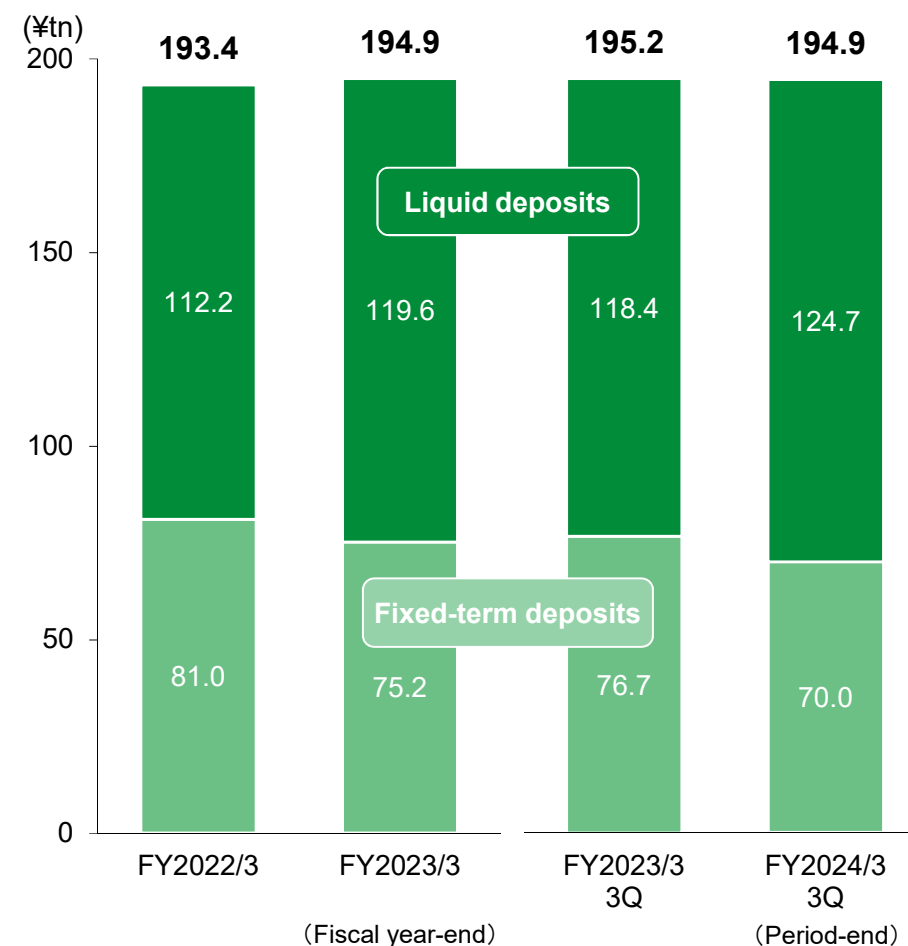
Overview of Balance Sheet

Total assets ¥229.1 tn (As of December 31, 2023)

Securities	Deposits
¥141.4 tn	¥194.9 tn
JGBs ¥41.6 tn	
Foreign securities, etc. ¥83.3 tn	
Others(*)	Others(*)
¥87.6 tn	¥24.6 tn
Money held in trust ¥6.3 tn	
Loans ¥6.0 tn	
	Net assets
	¥9.5 tn

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

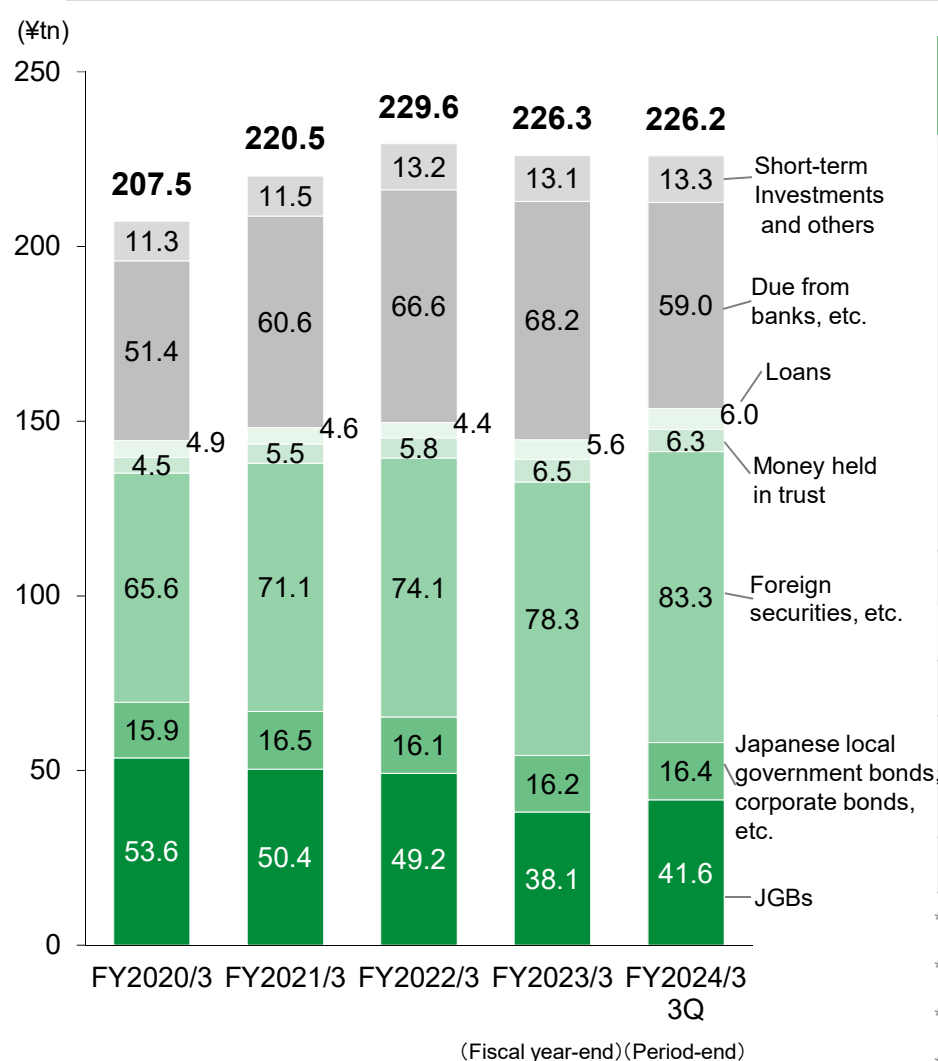
Trend of Deposit Balance



6. Asset Management Status

Non-consolidated

■ Included in investment assets as of December 31, 2023, JGBs were ¥41.6 tn and foreign securities, etc. were ¥83.3 tn.



Categories	As of March 31, 2023 (A)	%	As of December 31, 2023 (B)	%	Increase (Decrease) (B) – (A)
Securities	132,769.4	58.6	141,437.9	62.5	8,668.5
Japanese government bonds	38,114.7	16.8	41,630.7	18.3	3,516.0
Japanese local government bonds, corporate bonds, etc. (*)	16,297.4	7.1	16,460.1	7.2	162.7
Foreign securities, etc.	78,357.2	34.6	83,347.0	36.8	4,989.7
Foreign bonds	26,139.0	11.5	28,018.8	12.3	1,879.8
Investment trusts (**)	52,110.2	23.0	55,200.3	24.3	3,090.1
Money held in trust	6,564.7	2.8	6,395.4	2.8	(169.3)
Domestic stocks	1,857.6	0.8	1,324.8	0.5	(532.7)
Loans	5,604.3	2.4	6,007.8	2.6	403.4
Due from banks, etc. (***)	68,283.5	30.1	59,084.5	26.1	(9,199.0)
Short-term investments and others (****)	13,158.3	5.8	13,371.0	5.9	212.6
Total	226,380.4	100.0	226,296.7	100.0	(83.7)

* “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 ¥69.6 bn as of December 31, 2023 (before application of tax effect accounting), decreased by ¥144.4 bn from March 31, 2023.

(¥bn)

	As of March 31, 2023 (A)		As of December 31, 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	114,431.5	1,544.1	426.8
Securities (a)	106,201.2	1,216.1	108,036.1	2,386.6	1,170.4
Japanese government bonds	23,072.1	(423.8)	23,599.9	(795.2)	(371.4)
Foreign bonds	22,365.2	1,476.1	22,020.9	2,544.2	1,068.1
Investment trusts (*)	52,110.2	184.0	55,200.3	668.9	484.9
Others	8,653.6	(20.1)	7,214.8	(31.3)	(11.1)
Effect of fair value hedge accounting (b)		(1,306.0)		(1,705.2)	(399.1)
Money held in trust (c)	6,564.7	1,207.2	6,395.4	862.7	(344.4)
Domestic stocks	1,857.6	1,104.9	1,324.8	804.0	(300.8)
Others	4,707.0	102.2	5,070.5	58.6	(43.6)
Derivatives for which deferred hedge accounting is applied (d)	18,078.0	(903.3)	17,375.0	(1,474.5)	(571.2)
Total (a) + (b) + (c) + (d)		214.0		69.6	(144.4)

* Investment trusts are mainly invested in foreign bonds. Net unrealized gains on investment trusts include those of private equity funds (¥1,061.3 bn and ¥1,050.0 bn as of December 31, 2023 and March 31, 2023, respectively).

【Reference】

(¥bn)

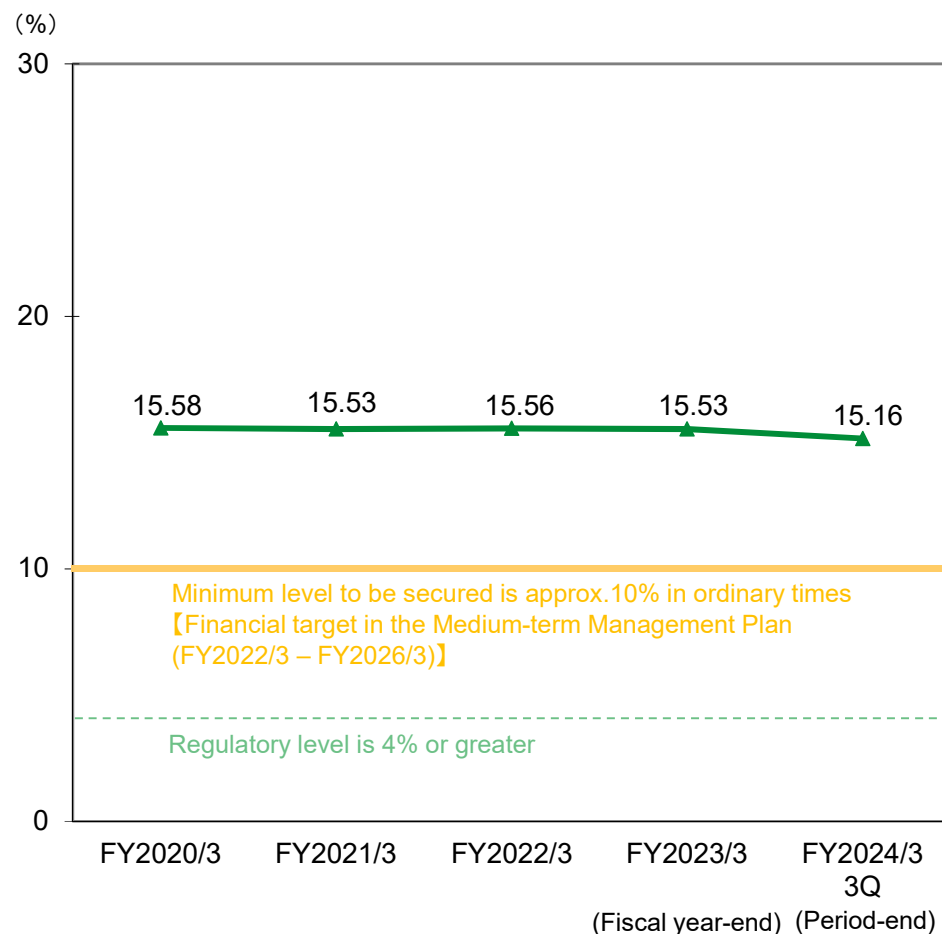
	As of March 31, 2023 (A)		As of December 31, 2023 (B)		Increase (Decrease) (B) – (A)
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Net unrealized gains (losses)
Held-to-maturity securities	27,053.6	(305.3)	33,842.2	(557.4)	(252.1)

8. Trend of Capital Adequacy Ratio

Consolidated

- Capital adequacy ratio (domestic standard) was 15.16% as of December 31, 2023.
(Reference) Common Equity Tier1 capital ratio (international standard, estimate) was 13.16%.

【Domestic standard】



【Domestic standard】

	As of March 31, 2023 (A)	As of December 31, 2023 (B)	Increase (Decrease) (B) – (A)
Total capital (a)	9,224.4	9,423.3	198.9
Total amount of risk-weighted assets (b)	59,395.1	62,152.2	2,757.0
Credit risk-weighted assets	56,938.2	59,861.5	2,923.3
Capital adequacy ratio (a) / (b)	15.53%	15.16%	(0.36)%

【(Reference) International standard, estimate*】

	As of March 31, 2023 (A)	As of December 31, 2023 (B)	Increase (Decrease) (B) – (A)
Common Equity Tier1 capital ratio (CET1 ratio)	14.28%	13.16%	(1.11)%
Excluding unrealized gains on available-for-sale securities (**)	14.01%	13.07%	(0.94)%

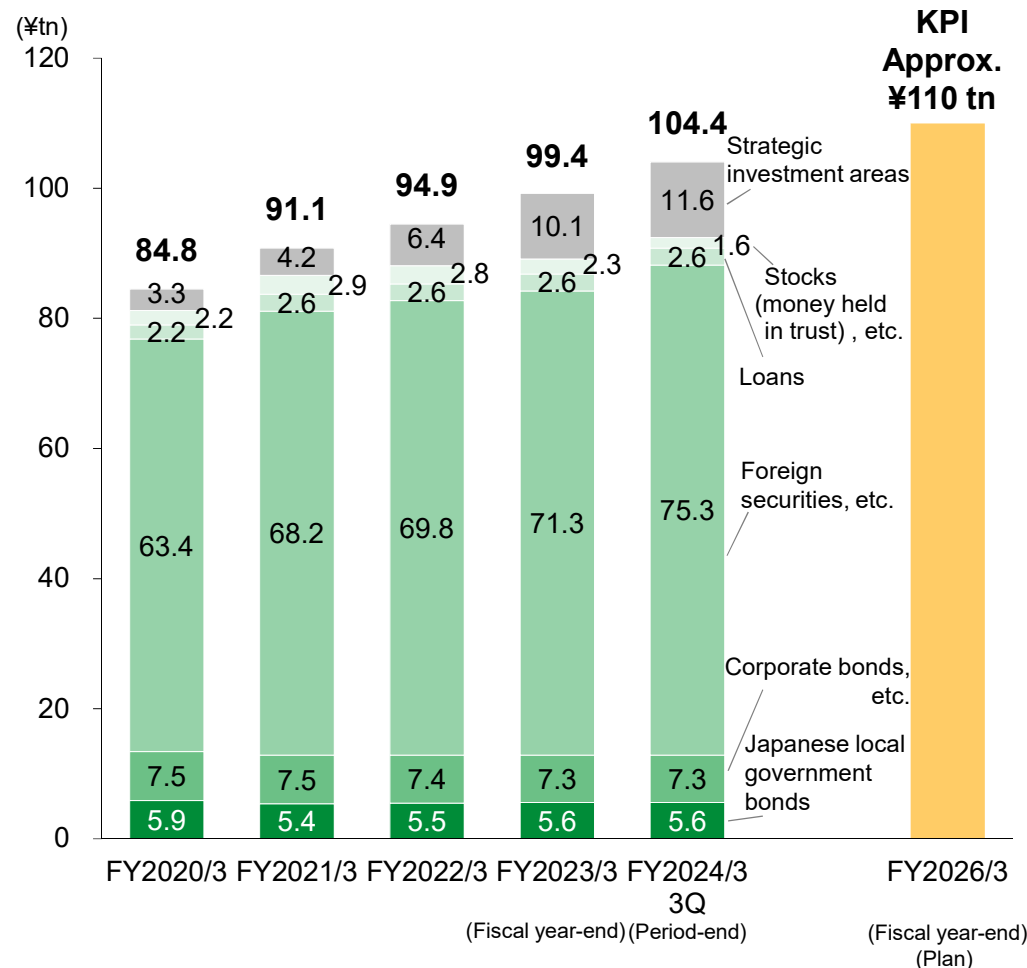
* Calculation for some items are simplified.

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

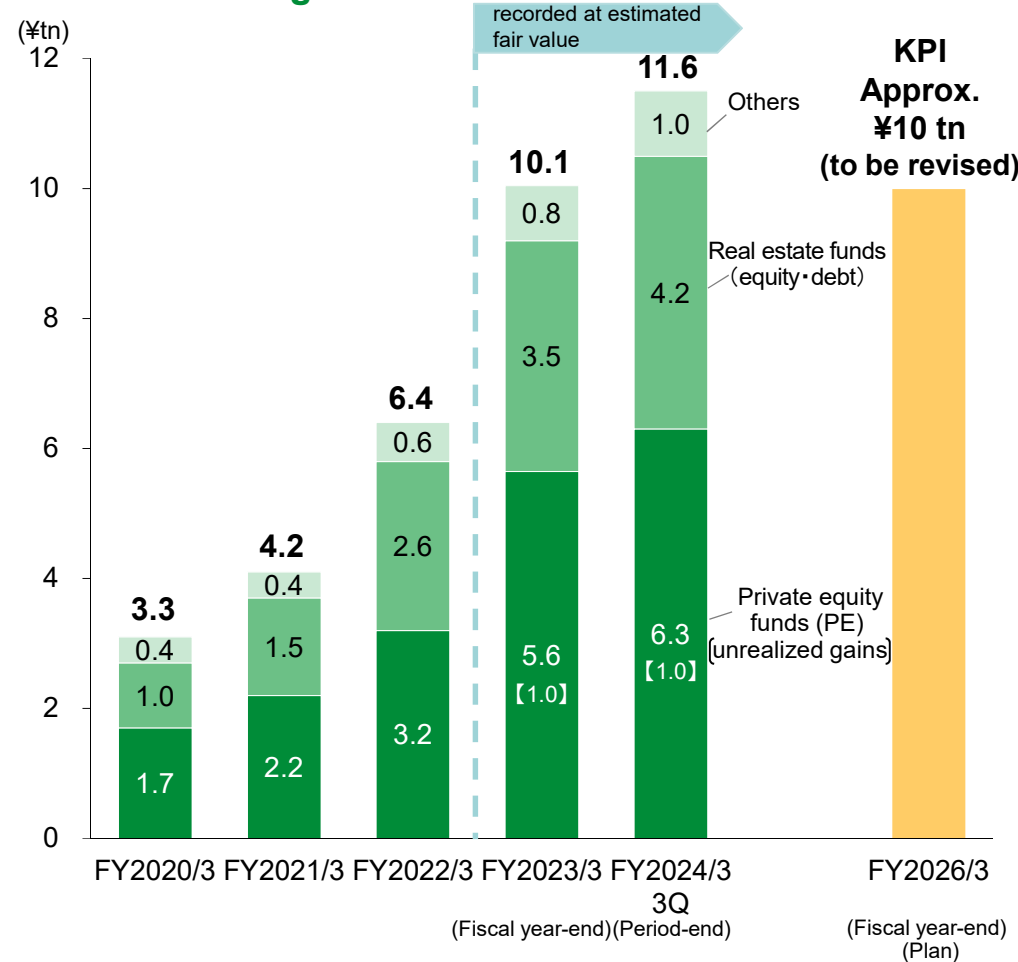
(Reference) Trend of Balance of Risk Assets

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 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.)

5. Since the balance of strategic investment areas as of the end of FY2024/3 3Q was higher than the KPI as of the end of FY2026/3, the KPI will be revised.

The revision will be announced in May 2024, along with the revised Medium-term Management Plan.

Financial Data



1. Summarized Balance Sheets

Non-consolidated

	As of March 31, 2023 (A)	As of December 31, 2023 (B)	Increase (Decrease) (B) – (A)
Total assets	229,545,202	229,109,485	(435,716)
Cash and due from banks	68,217,495	58,980,174	(9,237,321)
Call loans	2,460,000	2,130,000	(330,000)
Receivables under resale agreements	9,788,452	9,764,172	(24,279)
Receivables under securities borrowing transactions	250,241	—	(250,241)
Monetary claims bought	478,286	449,326	(28,960)
Trading account securities	19	72	53
Money held in trust	6,564,738	6,395,402	(169,335)
Securities	132,769,420	141,437,931	8,668,511
Loans	5,604,366	6,007,818	403,451
Foreign exchanges	124,943	159,483	34,539
Other assets	2,994,691	3,434,782	440,090
Tangible fixed assets	190,216	194,699	4,483
Intangible fixed assets	77,118	85,448	8,330
Deferred tax assets	26,245	71,202	44,957
Reserve for possible loan losses	(1,033)	(1,029)	3

(Millions of yen)

	As of March 31, 2023 (A)	As of December 31, 2023 (B)	Increase (Decrease) (B) – (A)
Total liabilities and net assets	229,545,202	229,109,485	(435,716)
Total liabilities	219,936,223	219,574,470	(361,752)
Deposits	194,951,503	194,906,667	(44,836)
Payables under repurchase agreements	18,316,621	17,099,032	(1,217,589)
Payables under securities lending transactions	1,941,872	2,422,460	480,587
Borrowed money	1,632,600	1,772,400	139,800
Foreign exchanges	1,411	923	(488)
Other liabilities	2,891,096	3,176,507	285,411
Reserve for bonuses	7,150	1,666	(5,484)
Reserve for employees' retirement benefits	138,375	142,241	3,865
Reserve for employee stock ownership plan trust	511	258	(253)
Reserve for management board benefit trust	424	448	24
Reserve for reimbursement of deposits	54,655	51,865	(2,789)
Total net assets	9,608,979	9,535,014	(73,964)
Capital stock	3,500,000	3,500,000	—
Capital surplus	3,500,000	3,500,000	—
Retained earnings	2,480,262	2,479,458	(804)
Treasury stock	(24,510)	(1,523)	22,986
Total shareholders' equity	9,455,752	9,477,935	22,182
Net unrealized gains (losses) on available-for-sale securities	779,268	1,079,946	300,678
Net deferred gains (losses) on hedges	(626,041)	(1,022,867)	(396,825)
Total valuation and translation adjustments	153,227	57,079	(96,147)

2. Income Analysis

Non-consolidated

	For the nine months ended		(B) – (A)
	December 31, 2022 (A)	December 31, 2023 (B)	
Gross operating profit	859,839	558,674	(301,165)
Net interest income	601,900	541,818	(60,081)
Net fees and commissions	113,277	117,074	3,797
Net other operating income (loss)	144,661	(100,219)	(244,881)
Gains (losses) on foreign exchanges	231,778	(81,842)	(313,620)
Gains (losses) on bonds	(87,290)	(13,713)	73,577
General and administrative expenses	(694,711)	(698,501)	(3,789)
Personnel expenses	(85,190)	(84,058)	1,132
Non-personnel expenses	(582,676)	(588,531)	(5,854)
Taxes and dues	(26,844)	(25,911)	933
Operating profit (before provision for general reserve for possible loan losses)	165,127	(139,827)	(304,954)
Core net operating profit	252,418	(126,113)	(378,531)
Excluding gains (losses) on cancellation of investment trusts	206,054	(131,172)	(337,227)
Provision for general reserve for possible loan losses	(5)	—	5
Net operating profit	165,122	(139,827)	(304,949)
Non-recurring gains (losses)	164,683	507,140	342,457
Gains (losses) related to stocks	64,970	(174,343)	(239,313)
Gains (losses) on money held in trust	96,772	693,979	597,206
Net ordinary income	329,805	367,313	37,508

(Millions of yen)

	For the nine months ended		(B) – (A)
	December 31, 2022 (A)	December 31, 2023 (B)	
Extraordinary income (loss)	(94)	(1,046)	(951)
Gains (losses) on sales and disposals of fixed assets	(93)	(1,042)	(948)
Losses on impairment of fixed assets	(0)	(3)	(2)
Income before income taxes	329,711	366,267	36,556
Income taxes – current	(114,033)	(106,884)	7,148
Income taxes – deferred	24,326	3,302	(21,024)
Total income taxes	(89,707)	(103,582)	(13,875)
Net income	240,003	262,684	22,680
Gains (losses) on money held in trust	96,772	693,979	597,206
Dividends and interest income	98,656	105,024	6,367
Gains (losses) on sales of stocks	27,107	644,037	616,930
Impairment losses	(4,521)	(316)	4,205
Withholding income tax, etc.	(24,470)	(54,767)	(30,296)
Credit-related expenses	15	(0)	(15)
Provision for general reserve for possible loan losses	15	(0)	(15)

- Notes: 1. General and administrative expenses exclude non-recurring losses related to retirement benefit costs (¥1,038 million and ¥1,222 million recorded as profits for the nine months ended December 31, 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 nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2022 (A)	December 31, 2023 (B)	
Net interest income	338,316	178,618	(159,698)
Interest income	368,054	199,882	(168,171)
Interest on Japanese government bonds	186,493	139,872	(46,620)
Interest expenses	29,737	21,264	(8,473)

(2) Overseas

(Millions of yen)

	For the nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2022 (A)	December 31, 2023 (B)	
Net interest income	263,583	363,199	99,616
Interest income	666,658	839,429	172,771
Interest on foreign securities	660,877	831,176	170,299
Interest expenses	403,075	476,229	73,154

(3) Total

(Millions of yen)

	For the nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2022 (A)	December 31, 2023 (B)	
Net interest income	601,900	541,818	(60,081)
Interest income	906,262	1,039,995	133,732
Interest expenses	304,362	498,177	193,814

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 (nine months ended December 31, 2023, ¥(683) million; nine months ended December 31, 2022, ¥128,450 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 nine months ended		Increase (Decrease) (B) – (A)
	December 31, 2022 (A)	December 31, 2023 (B)	
Yield on interest-earning assets (a)	0.54%	0.62%	0.07%
Total cost of funding (including general and administrative expenses) (b)	0.62	0.75	0.12
Interest rate on interest-bearing liabilities (c)	0.19	0.31	0.12
Overall interest rate spread (a) - (b)	(0.08)	(0.12)	(0.04)
Interest rate spread (a) - (c)	0.35	0.31	(0.04)

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 nine months ended						Increase (Decrease) (B) – (A)
		December 31, 2022 (A)			December 31, 2023 (B)			
		Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets		220,245,159	906,262	0.54%	221,093,337	1,039,995	0.62%	0.07%
	Loans	5,119,177	7,399	0.19	5,697,552	7,207	0.16	(0.02)
	Securities	141,361,082	874,473	0.82	140,208,324	1,000,468	0.94	0.12
	Due from banks, etc.	62,575,533	20,824	0.04	63,977,658	24,925	0.05	0.00
Interest-bearing liabilities		210,911,398	304,362	0.19	211,094,394	498,177	0.31	0.12
	Deposits	194,482,664	9,932	0.00	195,056,907	8,074	0.00	(0.00)
	Payables under securities lending transactions	1,724,448	29,544	2.27	2,180,802	88,367	5.37	3.10

- 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 (nine months ended December 31, 2023, ¥5,270,249 million; nine months ended December 31, 2022, ¥5,042,672 million) is excluded from interest-earning assets, and the average balance corresponding to money held in trust (nine months ended December 31, 2023, ¥5,270,249 million; nine months ended December 31, 2022, ¥5,042,672 million) and the corresponding interest (nine months ended December 31, 2023, ¥12,437 million; nine months ended December 31, 2022, ¥9,734 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 ¥67,546 million for the nine months ended December 31, 2023 (¥82,739 million for the nine months ended December 31, 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 nine months ended				Increase (Decrease) (B) – (A)
	December 31, 2022 (A)		December 31, 2023 (B)		
	Amount	%	Amount	%	Amount
Personnel expenses	83,968	12.10	83,019	11.90	(949)
Salaries and allowances	68,509	9.87	67,355	9.65	(1,154)
Others	15,459	2.22	15,664	2.24	204
Non-personnel expenses	582,676	84.02	588,531	84.38	5,854
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	259,623	37.43	242,372	34.75	(17,251)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network (*)	173,033	24.95	182,721	26.19	9,688
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	20,636	2.97	20,944	3.00	308
Rent for land, buildings and others	8,126	1.17	7,888	1.13	(237)
Expenses on consigned businesses	49,369	7.11	51,721	7.41	2,352
Depreciation and amortization	26,288	3.79	31,582	4.52	5,294
Communication and transportation expenses	10,817	1.55	10,583	1.51	(233)
Maintenance expenses	12,299	1.77	13,406	1.92	1,106
IT expenses	10,086	1.45	13,823	1.98	3,737
Others	12,396	1.78	13,487	1.93	1,090
Taxes and dues	26,844	3.87	25,911	3.71	(933)
Total	693,489	100.00	697,462	100.00	3,972

* 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 December 31, 2023 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Liquid deposits	119,611,343	61.35	124,784,326	64.02	5,172,983
Transfer deposits	12,710,600	6.51	12,986,716	6.66	276,116
Ordinary deposits, etc.	106,132,120	54.44	110,987,704	56.94	4,855,583
Savings deposits	768,622	0.39	809,905	0.41	41,282
Fixed-term deposits	75,217,326	38.58	70,020,840	35.92	(5,196,486)
Time deposits	3,307,143	1.69	3,046,424	1.56	(260,719)
TEIGAKU deposits	71,910,183	36.88	66,974,416	34.36	(4,935,766)
Other deposits	122,833	0.06	101,500	0.05	(21,333)
Subtotal	194,951,503	100.00	194,906,667	100.00	(44,836)
Negotiable certificates of deposit	—	—	—	—	—
Total	194,951,503	100.00	194,906,667	100.00	(44,836)
Deposits including accrued interest	195,022,716		194,964,799		(57,917)

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 December 31, 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 December 31, 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	1,212,950	(30,434)	AAA
	Held-to-maturity	350,366	(10,365)	AAA	360,928	(17,493)	AAA
	Available-for-sale	923,635	(1,330)	AAA	852,021	(12,941)	AAA
	Collateralized loan obligations (CLO)	—	—	—	—	—	—
	Other securitized products	288,156	(111)	AAA	254,405	(149)	AAA
	Commercial mortgage-backed securities (CMBS)	—	—	—	—	—	—
	Collateralized debt obligations (CDO)	561	11	AAA	498	8	AAA
	Subtotal	1,562,720	(11,795)		1,467,854	(30,575)	
Overseas	Residential mortgage-backed securities (RMBS)	27,906	3,161	AAA	22,520	4,582	AAA
	Collateralized loan obligations (CLO)	2,326,005	293,625	AAA	2,723,604	475,555	AAA
	Held-to-maturity	1,408,606	106,062	AAA	1,857,159	218,210	AAA
	Available-for-sale	917,398	187,563	AAA	866,444	257,345	AAA
	Subtotal	2,353,911	296,787		2,746,124	480,137	
Total		3,916,631	284,991		4,213,978	449,562	

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):¥(1,939) million as of December 31, 2023, compared with ¥(23,642) million as of March 31, 2023. Available-for-sale securities(fair value hedge accounting was applicable):¥(585) million as of December 31, 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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