

Selected Financial Information

For the Three Months Ended June 30, 2024

August 9, 2024



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【Consolidated subsidiaries, etc.】

Consolidated subsidiaries	15 companies Principal companies: JAPAN POST BANK LOAN CENTER Co., Ltd. Japan Post Investment Corporation JAPAN POST BANK CAPITAL PARTNERS Co., Ltd.
Affiliates accounted for by the equity method	ATM Japan Business Service, Ltd. JP Asset Management Co., Ltd.

Financial Data

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Note: All Japanese yen figures in the financial statements of JAPAN POST BANK Co., Ltd. (the “Bank”) and its consolidated subsidiaries (the “Group”) have been rounded down. Accordingly, the total of each account may not be equal to the combined total of individual items.

Financial Highlights

1. Results of Operations

Consolidated

- Net income attributable to owners of parent increased by ¥9.4 bn year on year to ¥96.2 bn. It equated to 26.3% of the full-year earnings forecast and remained strong.

	For the three months ended		Increase (Decrease) (B) – (A)
	June 30, 2023 (A)	June 30, 2024 (B)	
	(¥bn, %)		
Consolidated gross operating profit	189.3	319.0	129.6
Net interest income	169.1	258.6	89.4
Net fees and commissions	38.6	39.3	0.6
Net other operating income (loss)	(18.4)	20.9	39.4
Gains (losses) on foreign exchanges	(12.8)	21.2	34.0
Gains (losses) on bonds	(5.6)	(0.3)	5.3
General and administrative expenses (*)	237.3	238.0	0.7
Provision for general reserve for possible loan losses	0.0	0.0	(0.0)
Consolidated net operating profit	(47.9)	80.9	128.8
Non-recurring gains (losses)	166.4	56.7	(109.6)
Net ordinary income	118.4	137.7	19.2
Net income attributable to owners of parent	86.8	96.2	9.4
【Reference**】			
ROE (based on shareholders' equity)	3.71%	4.05%	0.33 %
OHR (basis including gains (losses) on money held in trust)	66.99%	63.50%	(3.48)%

- Net interest income for the three months ended June 30, 2024 increased by ¥89.4 bn year on year, mainly due to an increase in income related to foreign bonds investment trusts. Net fees and commissions increased by ¥0.6 bn year on year. Net other operating income increased by ¥39.4 bn year on year, due to an increase in gains (losses) on foreign exchanges.
- General and administrative expenses increased by ¥0.7 bn year on year.
- Non-recurring gains decreased by ¥109.6 bn year on year, due to a decrease in gains on sales of stocks associated with operations for risk controls while income from private equity funds, etc. increased.
- Net ordinary income increased by ¥19.2 bn year on year, and equated to 26.2% of the full-year earnings forecast of ¥525.0 bn.
- Net income attributable to owners of parent equated to 26.3% of the full-year earnings forecast of ¥365.0 bn.

* General and administrative expenses exclude non-recurring losses.

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

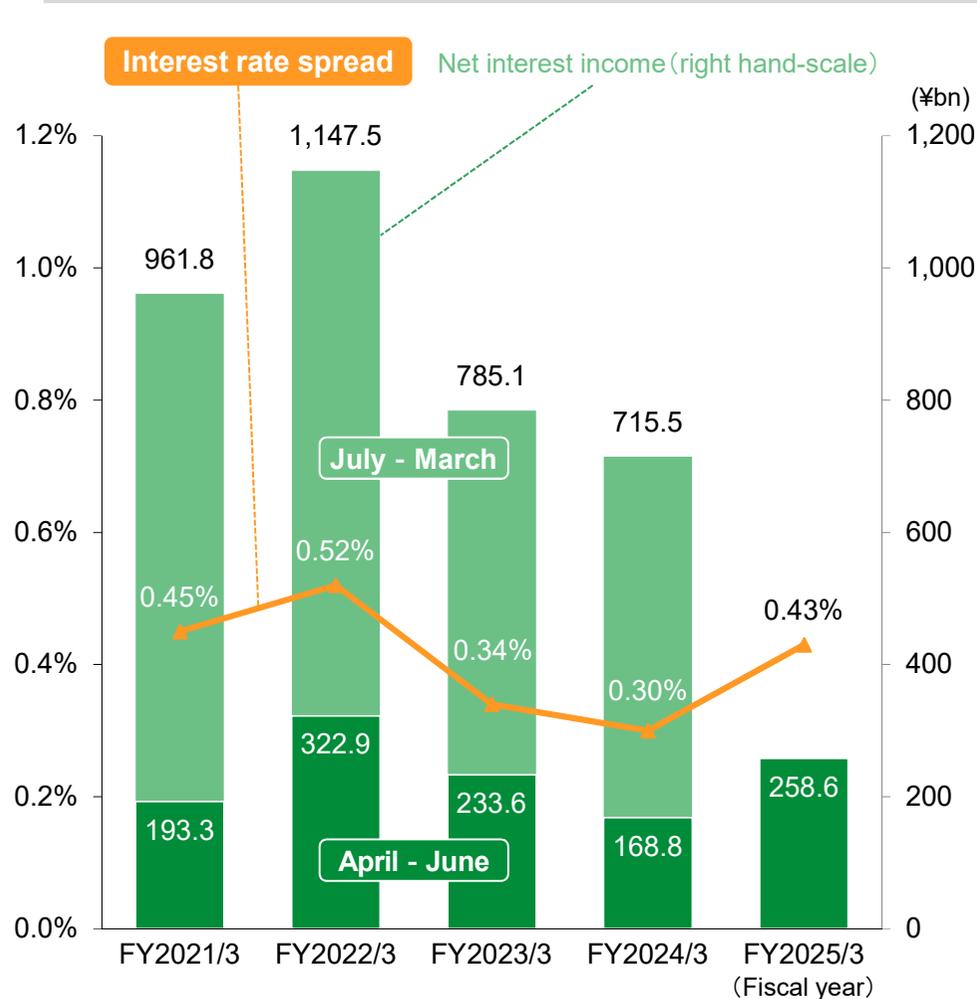
OHR = general and administrative expenses / (net interest income, etc. + net fees and commissions) x 100

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

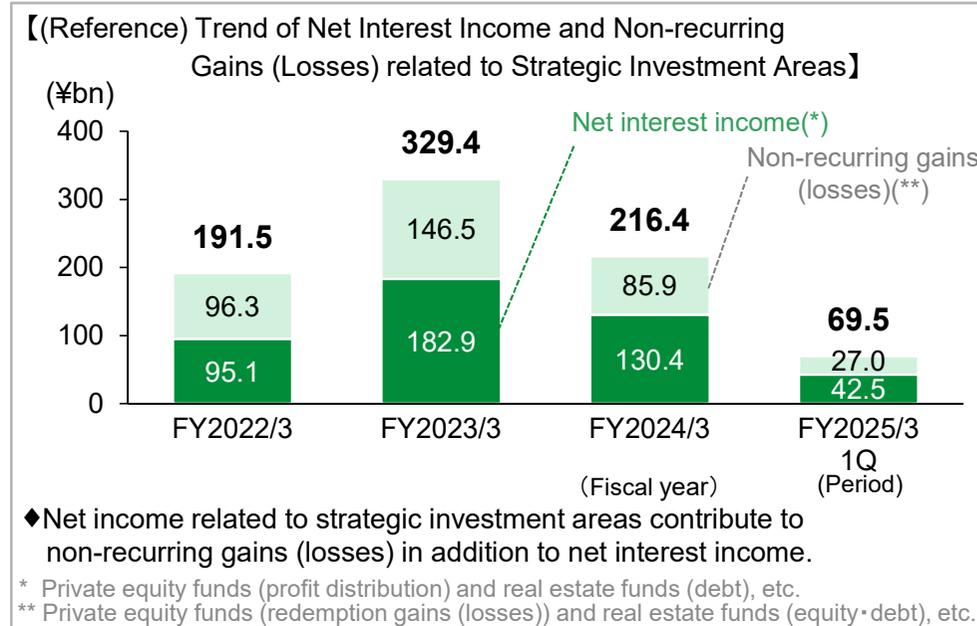
2. Trend of Net Interest Income and Interest Rate Spread

Non-consolidated

- Net interest income increased by ¥89.8 bn year on year to ¥258.6 bn and interest rate spread was 0.43% for the three months ended June 30, 2024.
- Interest on foreign securities increased mainly due to an increase in income related to foreign bonds investment trusts.



	For the three months ended		Increase (Decrease) (B) - (A)
	June 30, 2023 (A)	June 30, 2024 (B)	
Net interest income	168.8	258.6	89.8
Interest income	337.9	457.5	119.6
Interest on Japanese government bonds	47.7	55.0	7.3
Interest on foreign securities	268.6	369.5	100.8
Strategic investment areas(*)	32.6	42.5	9.9
Interest expenses	169.1	198.9	29.8



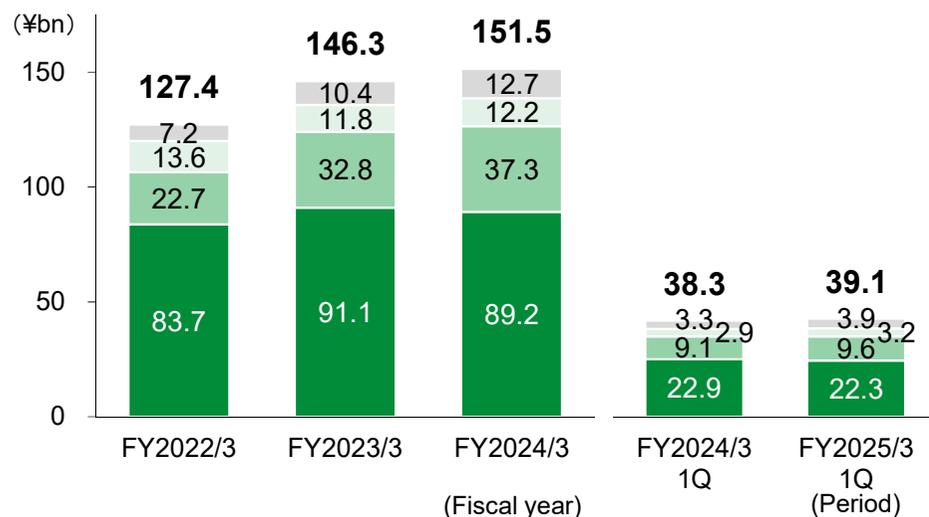
3. Net Fees and Commissions

Non-consolidated

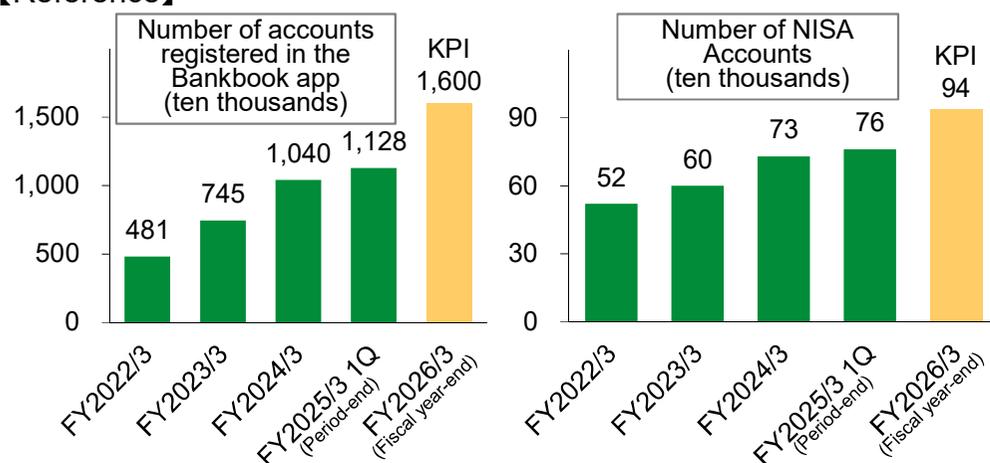
■ Net fees and commissions for the three months ended June 30, 2024 increased by ¥0.7 bn year on year to ¥39.1 bn.

Trend of Net Fees and Commissions

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



【Reference】



Breakdown of Net Fees and Commissions

(¥bn)

	For the three months ended		Increase (Decrease) (B) – (A)
	June 30, 2023 (A)	June 30, 2024 (B)	
Net fees and commissions relating to	38.3	39.1	0.7
Exchange and settlement transactions	22.9	22.3	(0.5)
ATMs	9.1	9.6	0.4
Investment trusts(*)	2.9	3.2	0.2
Others	3.3	3.9	0.6

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

Results of Investment Trusts and Yucho Fund Wraps Sales

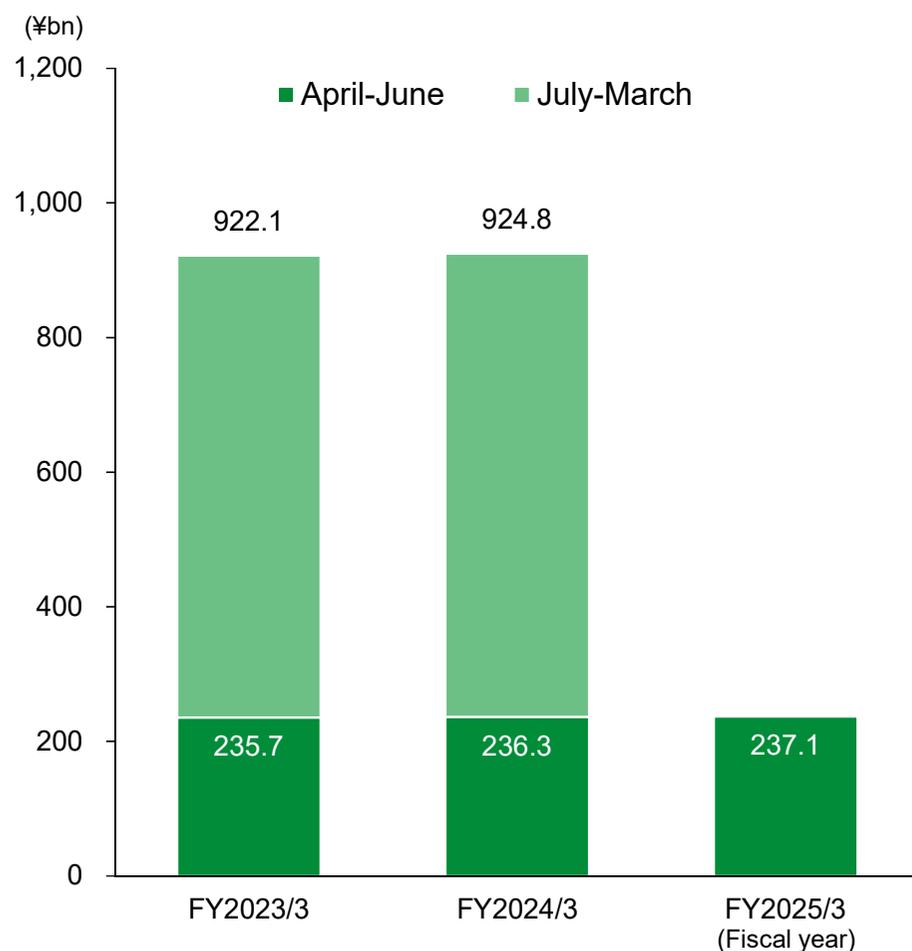
	For the three months ended		Increase (Decrease) (B) – (A)
	June 30, 2023 (A)	June 30, 2024 (B)	
Number of contracts (thousands)	1,672	2,463	791
Sales amount (billions of yen)	79.6	146.5	66.8

	As of		Increase (Decrease) (B) – (A)
	March 31, 2024 (A)	June 30, 2024 (B)	
Balance	2,766.3	2,898.0	131.7
Investment trusts	2,664.4	2,761.9	97.4
Yucho Fund Wraps	101.8	136.1	34.3

4. Trend of General and Administrative Expenses

Non-consolidated

■ General and administrative expenses for the three months ended June 30, 2024 increased by ¥0.7 bn year on year to ¥237.1 bn.



	For the three months ended		Increase (Decrease) (B) – (A)
	June 30, 2023 (A)	June 30, 2024 (B)	
Personnel expenses (*)	27.6	26.6	(1.0)
Salaries and allowances	22.7	22.5	(0.1)
Non-personnel expenses	199.9	197.1	(2.7)
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	84.6	81.6	(2.9)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network	60.9	61.6	0.7
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	6.9	7.0	0.0
Taxes and dues	8.7	13.2	4.5
Total	236.3	237.1	0.7

* Personnel expenses include non-recurring losses.

5. Financial Conditions

Non-consolidated

- Total assets were ¥238.6 tn as of June 30, 2024.
- As of June 30, 2024, Deposits were ¥193.3 tn, Liquid deposits were ¥125.4 tn, Fixed-term deposits were ¥67.7 tn.

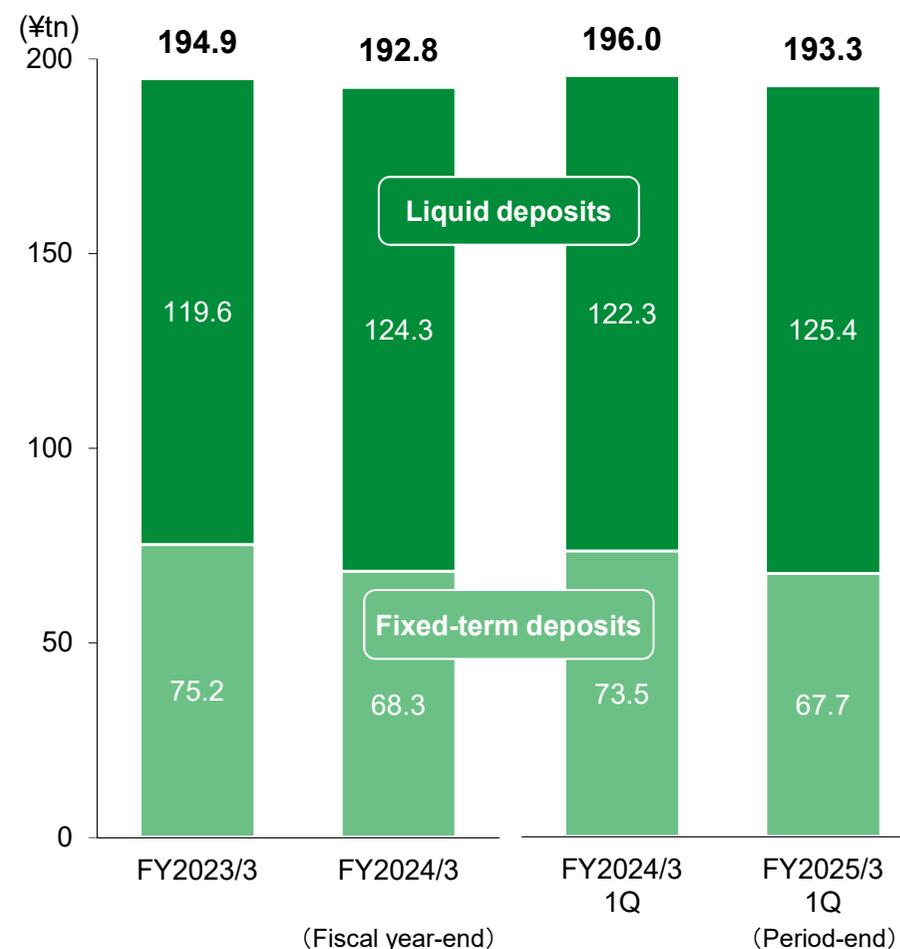
Overview of Balance Sheet

Total assets ¥238.6 tn (As of June 30, 2024)

Securities	Deposits
¥149.8 tn	¥193.3 tn
<div style="border: 1px solid black; padding: 2px;">JGBs ¥44.7 tn</div> <div style="border: 1px solid black; padding: 2px;">Foreign securities, etc. ¥89.2 tn</div>	
Others(*)	Others(*)
¥88.7 tn	¥36.1 tn
<div style="border: 1px solid black; padding: 2px;">Money held in trust ¥6.2 tn</div> <div style="border: 1px solid black; padding: 2px;">Loans ¥5.7 tn</div>	<div style="background-color: #000000; color: white; padding: 2px;">Net assets</div> <div style="text-align: center;">¥9.2 tn</div>

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

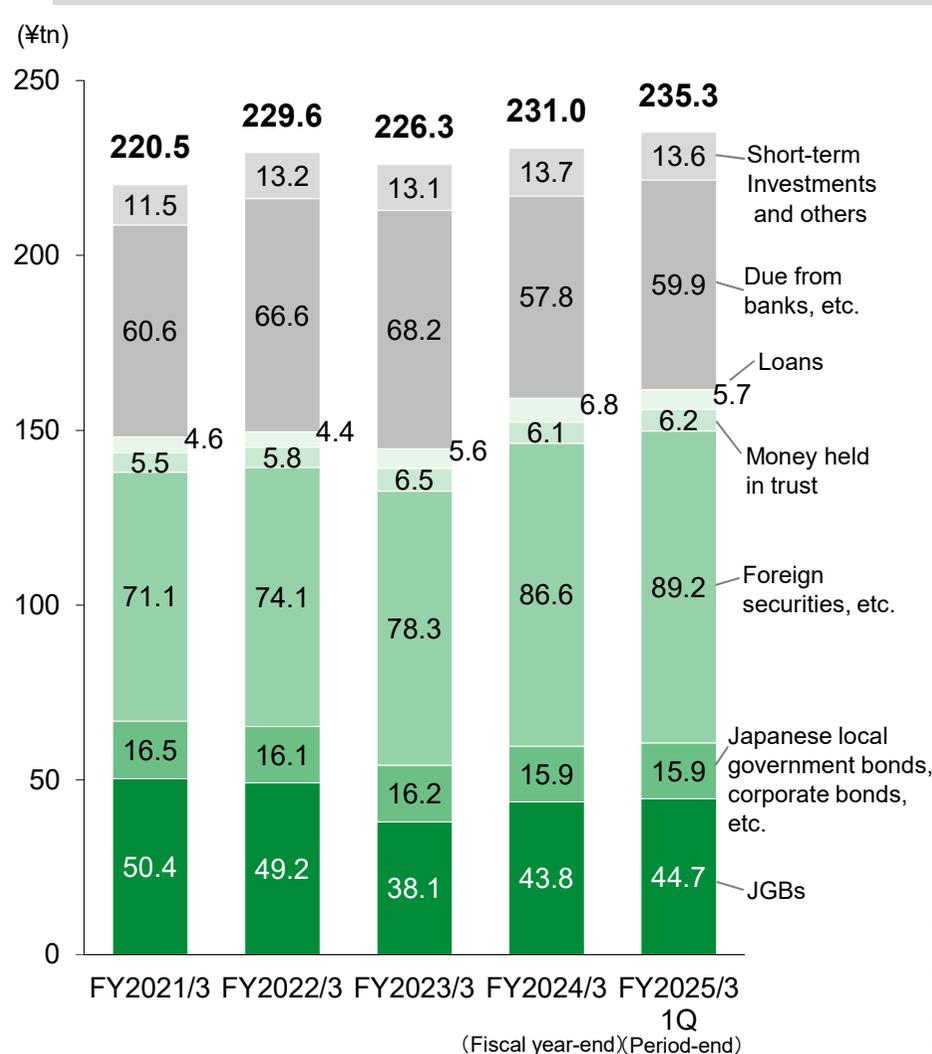
Trend of Deposit Balance



6. Asset Management Status

Non-consolidated

■ Included in investment assets as of June 30, 2024, JGBs were ¥44.7 tn and foreign securities, etc. were ¥89.2 tn.



Categories	As of March 31, 2024 (A)	%	As of June 30, 2024 (B)	%	Increase (Decrease) (B) – (A)
Securities	146,459.3	63.3	149,846.4	63.6	3,387.0
Japanese government bonds	43,862.0	18.9	44,732.2	19.0	870.1
Japanese local government bonds, corporate bonds, etc. (*)	15,992.3	6.9	15,910.3	6.7	(81.9)
Foreign securities, etc.	86,604.8	37.4	89,203.7	37.9	2,598.8
Foreign bonds	29,326.7	12.6	30,313.2	12.8	986.4
Investment trusts (**)	57,156.0	24.7	58,763.9	24.9	1,607.9
Money held in trust	6,163.5	2.6	6,262.7	2.6	99.2
Domestic stocks	1,127.5	0.4	1,156.2	0.4	28.7
Loans	6,848.3	2.9	5,721.7	2.4	(1,126.6)
Due from banks, etc. (***)	57,872.3	25.0	59,926.9	25.4	2,054.6
Short-term investments and others (****)	13,714.4	5.9	13,603.7	5.7	(110.7)
Total	231,058.0	100.0	235,361.6	100.0	4,303.5

* “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 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 ¥(384.2) bn as of June 30, 2024 (before application of tax effect accounting), decreased by ¥506.6 bn from March 31, 2024.

(¥bn)

	As of March 31, 2024 (A)		As of June 30, 2024 (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	115,528.0	1,947.5	114,752.7	2,032.1	84.6
Securities (a)	109,364.4	3,458.9	108,489.9	3,789.7	330.7
Japanese government bonds	23,312.9	(881.5)	21,546.2	(1,319.6)	(438.1)
Foreign bonds	22,408.5	3,393.0	22,140.2	4,092.7	699.6
Investment trusts (*)	57,156.0	988.1	58,763.9	1,083.3	95.1
Others	6,486.9	(40.7)	6,039.4	(66.6)	(25.9)
Effect of fair value hedge accounting (b)		(2,256.2)		(2,449.5)	(193.2)
Money held in trust (c)	6,163.5	744.7	6,262.7	691.9	(52.8)
Domestic stocks	1,127.5	732.7	1,156.2	716.3	(16.3)
Others	5,036.0	12.0	5,106.4	(24.4)	(36.5)
Derivatives for which deferred hedge accounting is applied (d)	17,353.0	(1,825.0)	17,328.8	(2,416.3)	(591.3)
Total (a) + (b) + (c) + (d)		122.4		(384.2)	(506.6)

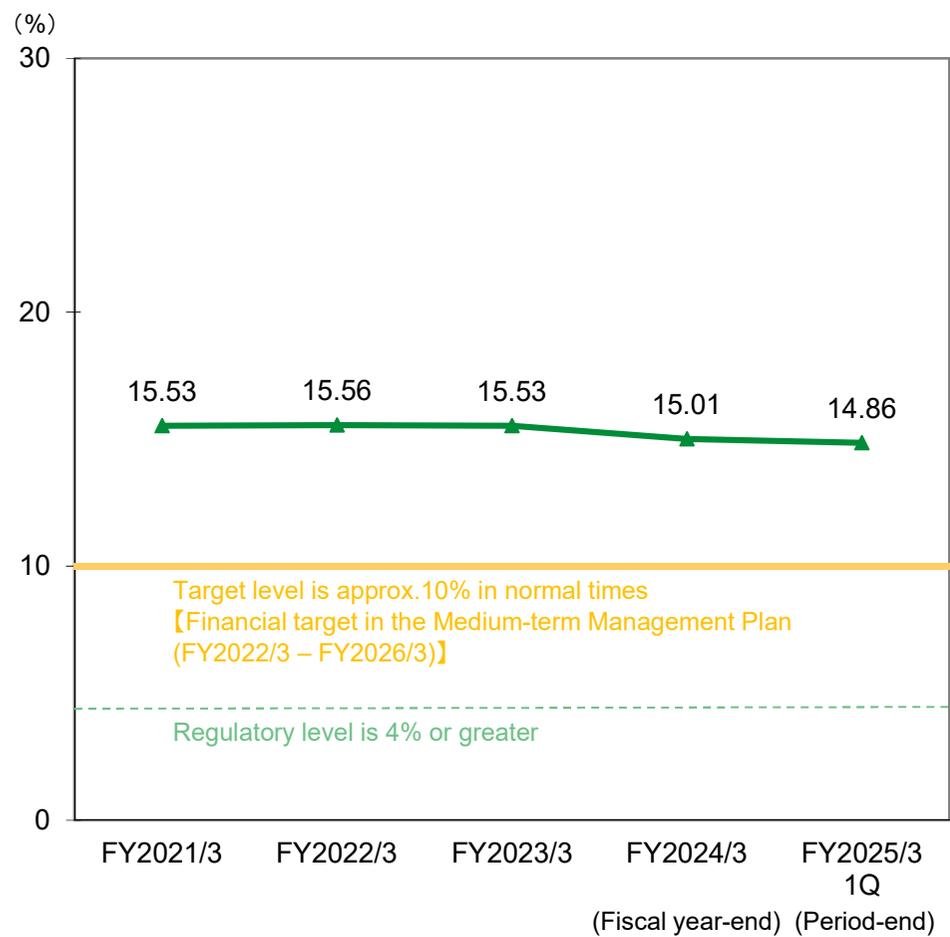
* Investment trusts are mainly invested in foreign bonds. Net unrealized gains on investment trusts include those of private equity funds (¥1,297.4 bn and ¥1,172.6 bn as of June 30, 2024 and March 31, 2024, respectively).

8. Trend of Capital Adequacy Ratio

Consolidated

■ Capital adequacy ratio (domestic standard) was 14.86% as of June 30, 2024.
 (Reference) Common Equity Tier1 capital ratio (international standard, estimate) was 12.22%.

【Domestic standard】



【Domestic standard】

	As of March 31, 2024 (A)	As of June 30, 2024 (B)	Increase (Decrease) (B) – (A)
Total capital (a)	9,325.9	9,415.7	89.8
Total amount of risk-weighted assets (b)	62,119.0	63,357.4	1,238.4
Credit risk-weighted assets	60,035.0	61,273.4	1,238.4
Capital adequacy ratio (a) / (b)	15.01%	14.86%	(0.15)%

【(Reference) International standard, estimate】

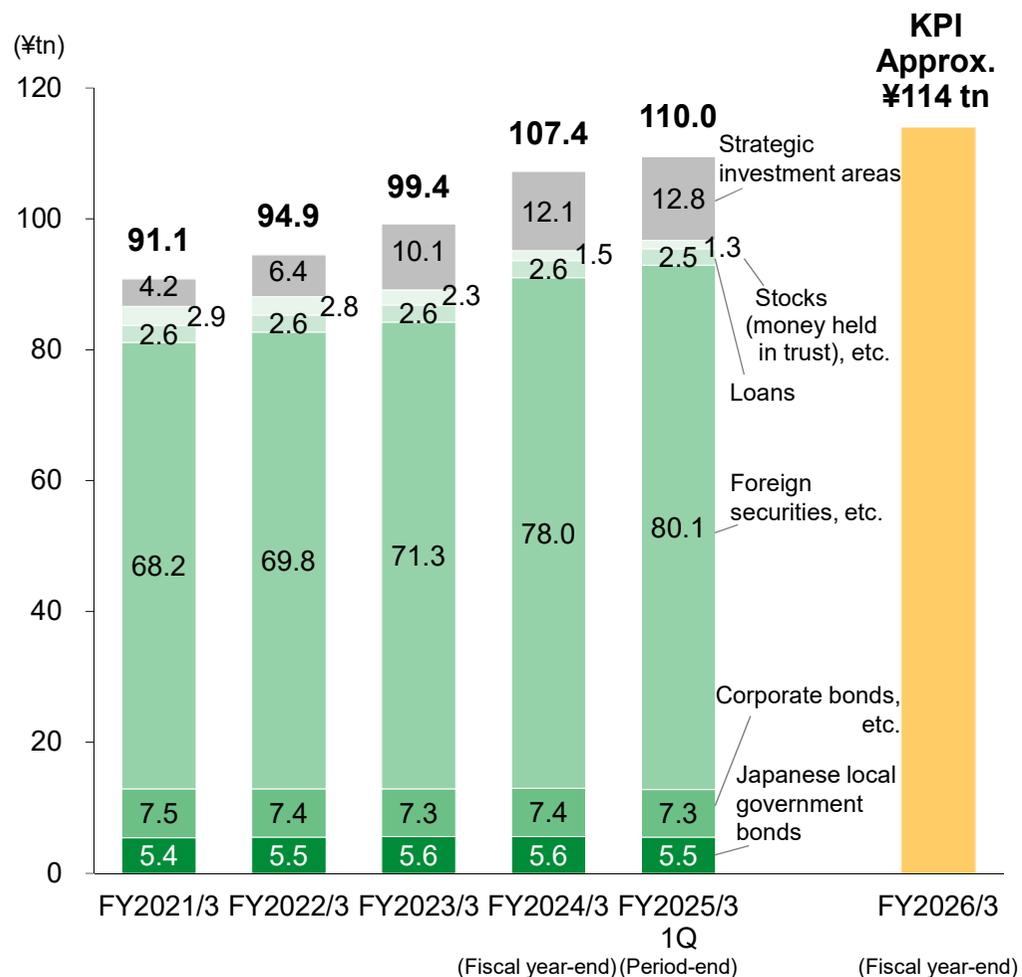
	As of March 31, 2024 (A)	As of June 30, 2024 (B)	Increase (Decrease) (B) – (A)
Common Equity Tier1 capital ratio (CET1 ratio)	13.39%	12.22%	(1.17)%
Excluding unrealized gains on available-for-sale securities	13.23%	12.22%	(1.00)%

Notes: 1. Calculation for some items in the CET1 ratio are simplified.
 2. The CET1 ratios are on the finalized Basel III basis.

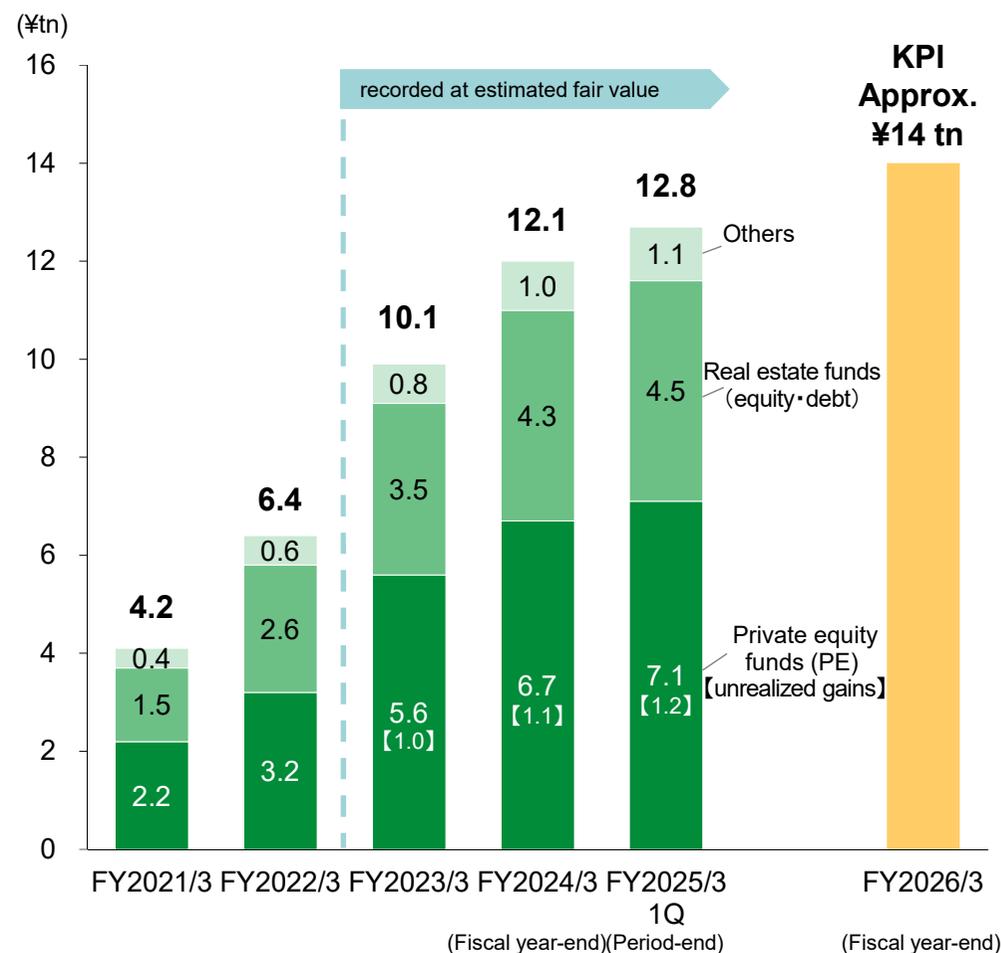
(Reference) Trend of Balance of Risk Assets

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 "Asset Management Status."
 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 in 2021), which the Bank has applied from the beginning of the fiscal year ended March 31, 2023. (Private equity and certain other funds are recorded at book value as of dates on or before March 31, 2022.)

Financial Data

1. Summarized Balance Sheets

Non-consolidated

	As of March 31, 2024 (A)	As of June 30, 2024 (B)	Increase (Decrease) (B) – (A)
Total assets	233,854,645	238,644,177	4,789,531
Cash and due from banks	57,701,930	59,739,627	2,037,697
Call loans	2,010,000	1,725,000	(285,000)
Receivables under resale agreements	9,742,621	9,454,684	(287,937)
Monetary claims bought	515,606	518,158	2,552
Trading account securities	54	151	96
Money held in trust	6,163,585	6,262,789	99,203
Securities	146,459,322	149,846,411	3,387,089
Loans	6,848,393	5,721,723	(1,126,670)
Foreign exchanges	181,332	113,943	(67,389)
Other assets	3,888,973	4,766,174	877,201
Tangible fixed assets	198,034	200,207	2,173
Intangible fixed assets	87,008	87,042	33
Deferred tax assets	58,850	209,333	150,483
Reserve for possible loan losses	(1,066)	(1,069)	(2)

(Millions of yen)

	As of March 31, 2024 (A)	As of June 30, 2024 (B)	Increase (Decrease) (B) – (A)
Total liabilities and net assets	233,854,645	238,644,177	4,789,531
Total liabilities	224,193,373	229,424,928	5,231,555
Deposits	192,802,939	193,303,626	500,686
Payables under repurchase agreements	24,042,626	27,773,420	3,730,794
Payables under securities lending transactions	2,373,799	2,679,057	305,258
Borrowed money	1,984,900	1,984,900	–
Foreign exchanges	1,273	1,259	(13)
Other liabilities	2,925,056	3,626,148	701,091
Reserve for bonuses	7,249	1,764	(5,484)
Reserve for employees' retirement benefits	3,641	3,776	135
Reserve for employee stock ownership plan trust	510	199	(310)
Reserve for management board benefit trust	427	417	(9)
Reserve for reimbursement of deposits	50,950	50,357	(592)
Total net assets	9,661,272	9,219,248	(442,024)
Capital stock	3,500,000	3,500,000	–
Capital surplus	3,500,000	3,500,000	–
Retained earnings	2,571,077	2,478,191	(92,886)
Treasury stock	(1,523)	(1,245)	278
Total shareholders' equity	9,569,554	9,476,946	(92,607)
Net unrealized gains (losses) on available-for-sale securities	1,357,803	1,418,645	60,841
Net deferred gains (losses) on hedges	(1,266,085)	(1,676,343)	(410,258)
Total valuation and translation adjustments	91,718	(257,698)	(349,416)

2. Income Analysis

Non-consolidated

	For the three months ended		(B) – (A)
	June 30, 2023 (A)	June 30, 2024 (B)	
Gross operating profit	188,005	318,752	130,746
Net interest income	168,806	258,632	89,826
Net fees and commissions	38,344	39,134	789
Net other operating income (loss)	(19,145)	20,985	40,131
Gains (losses) on foreign exchanges	(13,469)	21,245	34,715
Gains (losses) on bonds	(5,679)	(330)	5,349
General and administrative expenses	(236,660)	(237,438)	(778)
Personnel expenses	(28,028)	(26,963)	1,064
Non-personnel expenses	(199,905)	(197,189)	2,716
Taxes and dues	(8,726)	(13,285)	(4,559)
Operating profit (before provision for general reserve for possible loan losses)	(48,654)	81,314	129,968
Core net operating profit	(42,974)	81,644	124,619
Excluding gains (losses) on cancellation of investment trusts	(43,872)	83,979	127,852
Provision for general reserve for possible loan losses	(1)	(1)	0
Net operating profit	(48,656)	81,312	129,969
Non-recurring gains (losses)	168,475	47,155	(121,319)
Gains (losses) related to stocks	(63,580)	771	64,351
Gains (losses) on money held in trust	241,691	44,832	(196,859)
Net ordinary income	119,818	128,468	8,649

(Millions of yen)

	For the three months ended		(B) – (A)
	June 30, 2023 (A)	June 30, 2024 (B)	
Extraordinary income (loss)	(119)	(91)	27
Gains (losses) on sales and disposals of fixed assets	(119)	(90)	28
Losses on impairment of fixed assets	–	(0)	(0)
Income before income taxes	119,699	128,377	8,677
Income taxes – current	(31,301)	(33,109)	(1,807)
Income taxes – deferred	(862)	(3,707)	(2,845)
Total income taxes	(32,163)	(36,817)	(4,653)
Net income	87,535	91,560	4,024
Gains (losses) on money held in trust	241,691	44,832	(196,859)
Dividends and interest income	24,569	36,308	11,738
Gains (losses) on sales of stocks	234,470	35,284	(199,185)
Impairment losses	(525)	(354)	170
Withholding income tax, etc.	(16,823)	(26,405)	(9,582)
Credit-related expenses	(1)	9	10
Provision for general reserve for possible loan losses	(1)	9	10

- Notes: 1. General and administrative expenses exclude non-recurring losses related to retirement benefit costs (¥327 million and ¥346 million recorded as profits for the three months ended June 30, 2024 and 2023, 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, 2023 (A)	June 30, 2024 (B)	
Net interest income	60,029	71,809	11,780
Interest income	67,183	87,881	20,698
Interest on Japanese government bonds	47,793	55,095	7,302
Interest expenses	7,154	16,072	8,917

(2) Overseas (Millions of yen)

	For the three months ended		Increase (Decrease) (B) – (A)
	June 30, 2023 (A)	June 30, 2024 (B)	
Net interest income	108,776	186,823	78,046
Interest income	270,783	372,265	101,481
Interest on foreign securities	268,698	369,503	100,804
Interest expenses	162,006	185,442	23,435

(3) Total (Millions of yen)

	For the three months ended		Increase (Decrease) (B) – (A)
	June 30, 2023 (A)	June 30, 2024 (B)	
Net interest income	168,806	258,632	89,826
Interest income	337,939	457,575	119,636
Interest expenses	169,132	198,942	29,809

- 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, 2024, ¥2,571 million; three months ended June 30, 2023, ¥28 million). The interest are offset to calculate totals.

4. Interest Rate Spread

Non-consolidated

	For the three months ended		Increase (Decrease) (B) – (A)
	June 30, 2023 (A)	June 30, 2024 (B)	
Yield on interest-earning assets (a)	0.61%	0.80%	0.18%
Total cost of funding (including general and administrative expenses) (b)	0.77	0.80	0.03
Interest rate on interest-bearing liabilities (c)	0.32	0.36	0.04
Overall interest rate spread (a) - (b)	(0.15)	(0.00)	0.15
Interest rate spread (a) - (c)	0.29	0.43	0.14

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, 2023 (A)			June 30, 2024 (B)			
	Average balance	Interest	Earnings yield	Average balance	Interest	Earnings yield	Earnings yield
Interest-earning assets	220,390,944	337,939	0.61%	228,366,940	457,575	0.80%	0.18%
Loans	5,618,176	2,362	0.16	6,237,544	2,609	0.16	(0.00)
Securities	137,496,149	325,893	0.95	150,182,117	435,688	1.16	0.21
Due from banks, etc.	66,613,831	7,700	0.04	60,227,104	15,269	0.10	0.05
Interest-bearing liabilities	210,538,306	169,132	0.32	217,486,923	198,942	0.36	0.04
Deposits	195,356,941	2,858	0.00	192,708,112	7,972	0.01	0.01
Payables under securities lending transactions	2,046,826	27,233	5.33	2,511,204	34,980	5.58	0.25

- 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, 2024, ¥5,514,784 million; three months ended June 30, 2023, ¥5,296,474 million) is excluded from interest-earning assets, and the average balance corresponding to money held in trust (three months ended June 30, 2024, ¥5,514,784 million; three months ended June 30, 2023, ¥5,296,474 million) and the corresponding interest (three months ended June 30, 2024, ¥5,044 million; three months ended June 30, 2023, ¥4,254 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 ¥4,252 million for the three months ended June 30, 2024 (¥28,131 million for the three months ended June 30, 2023).
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. Asset Management Status

Non-consolidated

(Millions of yen, %)

	As of March 31, 2024 (A)		As of June 30, 2024 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Due from banks, etc.	57,872,310	25.04	59,926,992	25.46	2,054,681
Call loans	2,010,000	0.86	1,725,000	0.73	(285,000)
Receivables under resale agreements	9,742,621	4.21	9,454,684	4.01	(287,937)
Money held in trust	6,163,585	2.66	6,262,789	2.66	99,203
Domestic stocks	1,127,552	0.48	1,156,295	0.49	28,743
Domestic bonds	1,210,849	0.52	1,170,598	0.49	(40,250)
Securities	146,459,322	63.38	149,846,411	63.66	3,387,089
Japanese government bonds	43,862,083	18.98	44,732,257	19.00	870,174
Japanese local government bonds	5,634,828	2.43	5,594,910	2.37	(39,918)
Short-term corporate bonds	891,924	0.38	827,250	0.35	(64,673)
Japanese corporate bonds	9,443,422	4.08	9,464,040	4.02	20,617
Japanese stocks	22,177	0.00	24,177	0.01	2,000
Other securities	86,604,885	37.48	89,203,775	37.90	2,598,889
Foreign bonds	29,326,788	12.69	30,313,276	12.87	986,487
Investment trusts	57,156,052	24.73	58,763,969	24.96	1,607,917
Loans	6,848,393	2.96	5,721,723	2.43	(1,126,670)
Others	1,961,809	0.84	2,424,039	1.02	462,229
Total	231,058,043	100.00	235,361,640	100.00	4,303,597

Notes: 1. "Due from banks, etc." consists of Bank of Japan deposits and monetary claims bought.

2. Investment trusts are mainly invested in foreign bonds. Investment trusts include private equity funds, etc.

7. Unrealized Gains (Losses) on Financial Instruments

Non-consolidated

Available-for-sale

(Millions of yen)

	As of March 31, 2024 (A)	As of June 30, 2024 (B)	Increase (Decrease) (B) – (A)
Total net unrealized gains (losses) (1)+(2)+(3)	122,475	(384,210)	(506,686)

Note: Total net unrealized gains (losses) exclude gains (losses) which are included in the statements of income because of the application of fair value hedge accounting.

(1) Available-for-sale Securities

(Millions of yen)

	As of March 31, 2024 (A)		As of June 30, 2024 (B)		Increase (Decrease) (B) – (A)	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Japanese stocks	18,927	—	18,927	—	—	—
Bonds	29,210,352	(921,095)	26,988,047	(1,384,448)	(2,222,304)	(463,353)
Japanese government bonds	23,312,956	(881,501)	21,546,285	(1,319,691)	(1,766,671)	(438,190)
Japanese local government bonds	1,334,299	(2,956)	1,173,011	(5,913)	(161,288)	(2,957)
Short-term corporate bonds	891,924	—	827,250	—	(64,673)	—
Japanese corporate bonds	3,671,172	(36,637)	3,441,500	(58,843)	(229,671)	(22,206)
Others	80,135,217	4,380,056	81,482,992	5,174,179	1,347,774	794,123
Foreign bonds	22,408,537	3,393,049	22,140,285	4,092,743	(268,251)	699,694
Investment trusts	57,156,052	988,130	58,763,969	1,083,315	1,607,917	95,185
Total	109,364,497	3,458,961	108,489,967	3,789,731	(874,530)	330,770

Notes: 1. Available-for-sale Securities shown above include “monetary claims bought” in addition to “securities.”

2. Net unrealized gains (losses) shown above are calculated by deducting the acquisition cost from the amount on the balance sheet.

3. Of net unrealized gains (losses) shown above, ¥2,449,523 million and ¥2,256,228 million profits were included in the statement of income for the three months ended June 30, 2024 and the fiscal year ended March 31, 2024, respectively, because of the application of fair value hedge accounting.

4. Investment trusts are mainly invested in foreign bonds. Net unrealized gains on investment trusts include those of private equity funds.

5. No impairment loss was recognized for the three months ended June 30, 2024. Impairment loss for the fiscal year ended March 31, 2024 amounted to ¥19 million.

7. Unrealized Gains (Losses) on Financial Instruments

Non-consolidated

(2) Money Held in Trust Classified as Available-for-sale

(Millions of yen)

	As of March 31, 2024 (A)		As of June 30, 2024 (B)		Increase (Decrease) (B) – (A)	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Money held in trust classified as available-for-sale	6,163,585	744,794	6,262,789	691,939	99,203	(52,855)
Domestic stocks	1,127,552	732,729	1,156,295	716,385	28,743	(16,343)
Domestic bonds	1,210,849	(86,482)	1,170,598	(123,857)	(40,250)	(37,374)

Notes: 1. Net unrealized gains (losses) shown above are calculated by deducting the acquisition cost from the amount on the balance sheet.

2. Impairment losses for the three months ended June 30, 2024 and the fiscal year ended March 31, 2024 amounted to ¥354 million and ¥378 million, respectively.

(3) Derivatives under Hedge Accounting (Deferred Hedge Accounting)

(Millions of yen)

	As of March 31, 2024 (A)		As of June 30, 2024 (B)		Increase (Decrease) (B) – (A)	
	Notional amount	Net deferred gains (losses)	Notional amount	Net deferred gains (losses)	Notional amount	Net deferred gains (losses)
Interest rate swaps	8,549,838	67,838	8,463,148	86,183	(86,690)	18,344
Currency swaps	8,803,258	(1,892,890)	8,865,673	(2,502,541)	62,414	(609,651)
Foreign exchange forward contracts	—	—	—	—	—	—
Total	17,353,097	(1,825,051)	17,328,822	(2,416,358)	(24,275)	(591,307)

Notes: 1. Net deferred gains (losses) are those before application of tax effect accounting.

2. Hedged instruments are mainly available-for-sale securities.

【Reference】 Held-to-maturity

(Millions of yen)

	As of March 31, 2024 (A)		As of June 30, 2024 (B)		Increase (Decrease) (B) – (A)	
	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)	Amount on the balance sheet	Net unrealized gains (losses)
Total	37,540,157	(509,890)	41,803,402	(1,036,497)	4,263,244	(526,607)
Japanese government bonds	20,549,126	(753,206)	23,185,971	(1,432,804)	2,636,845	(679,598)

Note: Net unrealized gains (losses) shown above are calculated by deducting the amount on the balance sheet from the fair value.

8. General and Administrative Expenses

Non-consolidated

(Millions of yen, %)

	For the three months ended				Increase (Decrease) (B) – (A)
	June 30, 2023 (A)		June 30, 2024 (B)		
	Amount	%	Amount	%	Amount
Personnel expenses	27,681	11.71	26,636	11.23	(1,045)
Salaries and allowances	22,713	9.61	22,581	9.52	(131)
Others	4,968	2.10	4,054	1.70	(914)
Non-personnel expenses	199,905	84.59	197,189	83.16	(2,716)
Commissions on bank agency services, etc. paid to JAPAN POST Co., Ltd.	84,604	35.80	81,675	34.44	(2,928)
Contributions paid to the Organization for Postal Savings, Postal Life Insurance and Post Office Network (*)	60,907	25.77	61,683	26.01	776
Deposit insurance expenses paid to Deposit Insurance Corporation of Japan	6,981	2.95	7,021	2.96	40
Rent for land, buildings and others	2,658	1.12	2,586	1.09	(71)
Expenses on consigned businesses	17,427	7.37	17,681	7.45	254
Depreciation and amortization	9,835	4.16	10,838	4.57	1,003
Communication and transportation expenses	3,404	1.44	3,448	1.45	44
Maintenance expenses	4,782	2.02	4,308	1.81	(473)
IT expenses	4,648	1.96	3,285	1.38	(1,363)
Others	4,657	1.97	4,657	1.96	0
Taxes and dues	8,726	3.69	13,285	5.60	4,559
Total	236,313	100.00	237,110	100.00	796

* 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.

9. Loans

Non-consolidated

(Millions of yen, %)

	As of March 31, 2024 (A)		As of June 30, 2024 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Domestic (excluding Japan Offshore Market accounts)	6,828,393	100.00	5,701,723	100.00	(1,126,670)
Agriculture, forestry, fisheries, and mining	—	—	—	—	—
Manufacturing	144,420	2.11	150,577	2.64	6,156
Utilities, information/communications, and transportation	79,832	1.16	84,555	1.48	4,723
Wholesale and retail	54,001	0.79	50,589	0.88	(3,412)
Finance and insurance	415,182	6.08	405,193	7.10	(9,988)
Construction and real estate	121,101	1.77	119,273	2.09	(1,827)
Services and goods rental/leasing	72,422	1.06	70,894	1.24	(1,528)
Central and local governments	5,868,195	85.93	4,757,878	83.44	(1,110,317)
Others	73,236	1.07	62,760	1.10	(10,475)
Overseas and Japan Offshore Market accounts	20,000	100.00	20,000	100.00	—
Governments	—	—	—	—	—
Others	20,000	100.00	20,000	100.00	—
Total	6,848,393		5,721,723		(1,126,670)

Notes: 1. "Domestic" represents loans to residents of Japan, while "overseas" represents loans to non-residents of Japan.

2. Of "Finance and insurance," loans to the Organization for Postal Savings, Postal Life Insurance and Post Office Network, were ¥82,878 million and ¥118,384 million as of June 30, 2024 and March 31, 2024, respectively.

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

10. Balances by Type of Deposit

Non-consolidated

(Millions of yen, %)

	As of March 31, 2024 (A)		As of June 30, 2024 (B)		Increase (Decrease) (B) – (A)
	Amount	%	Amount	%	Amount
Liquid deposits	124,314,467	64.47	125,470,914	64.90	1,156,446
Transfer deposits	12,694,358	6.58	11,934,770	6.17	(759,587)
Ordinary deposits, etc.	110,801,852	57.46	112,710,952	58.30	1,909,100
Savings deposits	818,257	0.42	825,191	0.42	6,933
Fixed-term deposits	68,379,585	35.46	67,707,218	35.02	(672,367)
Time deposits	3,581,797	1.85	5,348,425	2.76	1,766,628
TEIGAKU deposits	64,797,788	33.60	62,358,793	32.25	(2,438,995)
Other deposits	108,885	0.05	125,493	0.06	16,607
Subtotal	192,802,939	100.00	193,303,626	100.00	500,686
Negotiable certificates of deposit	—	—	—	—	—
Total	192,802,939	100.00	193,303,626	100.00	500,686
Deposits including accrued interest	192,857,132		193,353,221		496,089

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.

11. Problem Assets Disclosed under the Financial Reconstruction Act

Non-consolidated

(Millions of yen, %)

	As of March 31, 2024 (A)	As of June 30, 2024 (B)	Increase (Decrease) (B) – (A)
Loans to borrowers classified as bankrupt or quasi-bankrupt	–	–	–
Loans to borrowers classified as doubtful	0	0	0
Loans requiring close monitoring	–	–	–
Subtotal (a)	0	0	0
Loans to borrowers classified as normal	7,032,687	5,838,431	(1,194,255)
Total (b)	7,032,687	5,838,431	(1,194,255)
Non-performing loan ratio (a) / (b)	0.00%	0.00%	0.00%

(Reference) Securitized Products Exposure

Non-consolidated

As of March 31, 2024 and June 30, 2024, the Bank held the following securitized products.

The Bank's holdings of securitized products were limited to securitization exposure as a 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, 2024			As of June 30, 2024		
		Acquisition cost	Net unrealized gains (losses)	Credit ratings	Acquisition cost	Net unrealized gains (losses)	Credit ratings
Domestic	Residential mortgage-backed securities (RMBS)	1,188,174	(34,502)	AAA	1,205,722	(53,577)	AAA
	Held-to-maturity	354,848	(18,913)	AAA	397,092	(26,973)	AAA
	Available-for-sale	833,326	(15,588)	AAA	808,629	(26,603)	AAA
	Collateralized loan obligations (CLO)	—	—	—	—	—	—
	Other securitized products	325,031	(420)	AAA	324,943	(916)	AAA
	Commercial mortgage-backed securities (CMBS)	—	—	—	—	—	—
	Collateralized debt obligations (CDO)	483	7	AAA	447	6	AAA
	Subtotal	1,513,688	(34,915)		1,531,113	(54,487)	
Overseas	Residential mortgage-backed securities (RMBS)	21,302	4,799	AAA	19,996	6,561	AAA
	Collateralized loan obligations (CLO)	2,765,100	649,484	AAA	2,675,194	738,085	AAA
	Held-to-maturity	2,020,261	363,990	AAA	2,204,742	517,031	AAA
	Available-for-sale	744,839	285,494	AAA	470,452	221,054	AAA
	Subtotal	2,786,402	654,283		2,695,190	744,647	
Total		4,300,091	619,368		4,226,303	690,159	

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): ¥6,484 million as of June 30, 2024, compared with ¥4,909 million as of March 31, 2024. Available-for-sale securities (fair value hedge accounting was applicable): ¥652 million as of June 30, 2024, compared with ¥716 million as of March 31, 2024.

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 Semi-annual Securities 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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