



Overview of Consolidated Financial Results of Japan Post Co.

for the Nine Months Ended December 31, 2022

February 14, 2023

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1. Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	2,116,337	2,117,201
Notes receivable, operating accounts receivable and contract assets	313,807	330,843
Securities	15,000	15,000
Inventories	39,439	40,128
Outstanding amount of banking business consignment	17,988	33,924
Other current assets	43,724	69,023
Reserve for possible loan losses	(1,064)	(908)
Total current assets	2,545,232	2,605,213
Non-current assets		
Tangible fixed assets		
Buildings	855,718	833,161
Land	1,293,431	1,288,284
Right-of-use assets	63,946	61,179
Other tangible fixed assets	296,127	279,519
Total tangible fixed assets	2,509,224	2,462,145
Intangible assets	47,994	62,904
Investments and other assets		
Other investments and other assets	81,983	81,399
Reserve for possible loan losses	(3,467)	(3,498)
Total investments and other assets	78,515	77,900
Total non-current assets	2,635,734	2,602,950
Total assets	5,180,966	5,208,164

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes payable and operating accounts payable	108,621	121,876
Short-term borrowings	160,569	345,183
Current portion of long-term borrowings	163,642	-
Other accounts payable	248,664	156,199
Outstanding amount of life insurance business consignment	1,583	1,019
Income taxes payable	24,180	1,966
Deposits received	221,994	193,277
Fund deposits for post offices	860,000	1,010,000
Reserve for bonuses	113,800	30,214
Other current liabilities	166,070	194,621
Total current liabilities	2,069,126	2,054,358
Long-term liabilities		
Lease obligations	103,241	98,882
Deferred tax liabilities	10,990	10,694
Reserve for losses on rebuilding of branches	197	197
Reserve for management board benefit trust	227	118
Liability for retirement benefits	1,995,085	2,062,135
Other long-term liabilities	91,942	89,532
Total long-term liabilities	2,201,686	2,261,561
Total liabilities	4,270,812	4,315,920
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	141,930	141,930
Retained earnings	327,640	326,252
Total shareholders' equity	869,571	868,183
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	28	135
Net deferred gains (losses) on hedges	(212)	153
Foreign currency translation adjustments	(112,443)	(114,409)
Accumulated adjustments for retirement benefits	133,987	116,720
Total accumulated other comprehensive income	21,360	2,600
Non-controlling interests	19,222	21,460
Total net assets	910,154	892,243
Total liabilities and net assets	5,180,966	5,208,164

2. Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive Income

(1) Interim Consolidated Statements of Income

Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Operating income		
Postal service business income	1,508,431	1,495,467
Commissions for banking business consignment	270,560	259,623
Commissions for life insurance business consignment	143,487	102,734
Funds to maintain post office network	218,243	210,613
International logistics business income	530,150	475,446
Other operating income	87,574	91,217
Total operating income	2,758,447	2,635,103
Operating costs	2,465,685	2,355,454
Gross operating income	292,761	279,648
Sales, general and administrative costs	173,333	172,471
Net operating income	119,428	107,177
Other income		
Interest income	204	416
Dividend income	65	124
Equity in earnings of affiliates	304	724
Foreign exchange gains	-	2,044
Subsidy income	659	1,185
Others	2,060	2,679
Total other income	3,294	7,174
Other expenses		
Interest expenses	6,552	9,516
Provision for reserve for possible loan losses	1,180	100
Others	1,283	745
Total other expenses	9,015	10,362
Net ordinary income	113,707	103,989
Extraordinary gains		
Gains on sales of fixed assets	6,119	6,166
Insurance claim income	4,158	819
Others	961	152
Total extraordinary gains	11,239	7,138
Extraordinary losses		
Losses on sales of fixed assets	507	222
Losses on disposal of fixed assets	1,312	837
Losses on impairment of fixed assets	1,960	651
Losses on sale of businesses	10,705	-
Litigation expenses	-	969
Others	4,379	46
Total extraordinary losses	18,865	2,727
Income before income taxes	106,080	108,401
Income taxes current	18,002	17,443
Income taxes deferred	3,452	(196)
Total income taxes	21,455	17,247
Net income	84,625	91,154
Net loss attributable to non-controlling interests	(509)	(675)
Net income attributable to Japan Post Co.	85,135	91,829

(2) Interim Consolidated Statements of Comprehensive Income
 Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net income	84,625	91,154
Other comprehensive income (loss)		
Net unrealized gains (losses) on available-for-sale securities	54	102
Net deferred gains (losses) on hedges	(181)	366
Foreign currency translation adjustments	6,174	(2,325)
Adjustments for retirement benefits	(17,631)	(17,267)
Share of other comprehensive income of affiliates	0	4
Total other comprehensive loss	(11,582)	(19,119)
Comprehensive income	73,043	72,034
Total comprehensive income (loss) attributable to:		
Japan Post Co.	73,890	73,069
Non-controlling interests	(847)	(1,034)

3. Segment Information

Nine months ended December 31, 2021

(1) Operating income and segment profit (loss) of reportable segments

(Millions of yen)

	Reportable segments				Other	Total
	Postal and domestic logistics business	Post office business	International logistics business (Note)	Subtotal		
Operating income						
Operating income from third parties	1,512,665	715,631	530,150	2,758,447	-	2,758,447
Intersegment operating income	10,822	157,767	171	168,760	-	168,760
Total	1,523,488	873,398	530,321	2,927,208	-	2,927,208
Segment profit	71,293	29,006	22,949	123,250	-	123,250

(Note)

The amount presented in segment profit for the international logistics business segment is EBIT.

(2) Reconciliation between total segment profit (loss) of reportable segments and net operating income on the interim consolidated statements of income

(Millions of yen)

Items	Amount
Total segment profit of reportable segments	123,250
Segment profit in other business	-
Eliminations of intersegment transactions	651
Corporate expenses (Note)	(2,255)
Other adjustments	(2,217)
Net operating income on the interim consolidated statements of income	119,428

(Note)

“Corporate expenses” consists mainly of general and administrative costs which are not attributable to any reportable segments.

Nine months ended December 31, 2022

(1) Operating income and segment profit (loss) of reportable segments

(Millions of yen)

	Reportable segments				Other	Total
	Postal and domestic logistics business	Post office business	International logistics business (Note)	Subtotal		
Operating income						
Operating income from third parties	1,499,737	659,919	475,446	2,635,103	-	2,635,103
Intersegment operating income	8,968	156,314	215	165,498	-	165,498
Total	1,508,705	816,234	475,662	2,800,602	-	2,800,602
Segment profit	45,301	57,544	10,878	113,724	-	113,724

(Note)

The amount presented in segment profit for the international logistics business segment is EBIT.

(2) Reconciliation between total segment profit (loss) of reportable segments and net operating income on the interim consolidated statements of income

(Millions of yen)

Items	Amount
Total segment profit of reportable segments	113,724
Segment profit in other business	-
Eliminations of intersegment transactions	627
Corporate expenses ^(Note)	(1,757)
Other adjustments	(5,416)
Net operating income on the interim consolidated statements of income	107,177

(Note)

“Corporate expenses” consists mainly of general and administrative costs which are not attributable to any reportable segments.