



Financial Results of the Principal Subsidiaries

for the Fiscal Year Ended March 31, 2020

May 15, 2020

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Note: Please refer to the documents on consolidated financial results announcements of Japan Post Bank and Japan Post Insurance released on the respective company's website for their consolidated financial results.

I Japan Post Holdings

Year-on-Year Changes of Income for the Fiscal Year Ended March 31, 2020

Net ordinary income

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank (Consolidated)	Japan Post Insurance (Consolidated)	Others (Including consolidated accounting procedures)
Fiscal year ended March 31, 2019	830.6	179.8	373.9	264.8	11.9
Fiscal year ended March 31, 2020	864.4	168.1	379.1	286.6	30.6
Year-on-year change	+33.7	(11.7)	+5.1	+21.7	+18.6

Net income

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank (Consolidated)	Japan Post Insurance (Consolidated)	Others (Including consolidated accounting procedures)
Fiscal year ended March 31, 2019	479.4	126.6	266.1	120.4	(33.8)
Fiscal year ended March 31, 2020	483.7	87.1	273.4	150.6	(27.5)
Year-on-year change	+4.3	(39.4)	+7.2	+30.2	+6.3

* The amounts of net income attributable to Japan Post Holdings, net income attributable to Japan Post Co., net income attributable to Japan Post Bank and net income attributable to Japan Post Insurance have been used for net income of Japan Post Holdings (consolidated), Japan Post Co. (consolidated), Japan Post Bank (consolidated) and Japan Post Insurance (consolidated), respectively.

II Japan Post Co.

1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	1,871,936	1,920,713
Notes receivable and operating accounts receivable	347,649	302,887
Securities	15,000	15,000
Inventories	21,727	30,673
Prepaid expenses	8,619	8,608
Other accounts receivable	24,506	19,164
Outstanding amount of banking business consignment	22,767	-
Other current assets	57,763	76,990
Reserve for possible loan losses	(2,832)	(5,291)
Total current assets	2,367,139	2,368,745
Non-current assets		
Tangible fixed assets		
Buildings	1,013,063	958,586
Structures	31,141	31,301
Machinery and equipment	144,882	113,161
Vehicles	16,660	17,904
Tools and fixtures	52,819	37,193
Land	1,306,333	1,300,555
Right-of-use assets	-	132,401
Construction in progress	100,478	91,363
Total tangible fixed assets	2,665,379	2,682,468
Intangible assets		
Leasehold right	1,667	1,664
Transferable development right	14,077	14,077
Software	48,847	49,634
Other intangible assets	33,352	15,702
Total intangible assets	97,944	81,080
Investments and other assets		
Investment securities	14,912	12,726
Claims provable in bankruptcy	2,007	2,205
Long-term prepaid expenses	10,464	9,372
Asset for retirement benefits	1,122	809
Other investments and other assets	25,843	24,211
Reserve for possible loan losses	(2,004)	(2,207)
Total investments and other assets	52,345	47,118
Total non-current assets	2,815,669	2,810,668
Total assets	5,182,809	5,179,414

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Notes payable and operating accounts payable	101,504	98,997
Short-term borrowings	124,752	159,972
Current portion of long-term borrowings	76,509	108,804
Other accounts payable	311,386	279,410
Outstanding amount of banking business consignment	-	3,160
Outstanding amount of life insurance business consignment	2,577	1,004
Accrued expenses	46,610	37,821
Income taxes payable	16,837	17,656
Consumption taxes payable	57,458	28,297
Unearned postage income	47,278	45,063
Deposits received	280,030	247,054
Fund deposits for post offices	870,000	870,000
Reserve for bonuses	108,463	108,042
Other current liabilities	37,443	67,692
Total current liabilities	2,080,852	2,072,977
Long-term liabilities		
Long-term borrowings	75,760	23,324
Lease obligations	16,595	148,492
Deferred tax liabilities	12,167	10,215
Reserve for losses on rebuilding of branches	197	197
Reserve for management board benefit trust	310	280
Liability for retirement benefits	2,010,351	1,994,725
Other long-term liabilities	71,443	73,822
Total long-term liabilities	2,186,826	2,251,057
Total liabilities	4,267,678	4,324,035
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	142,661	141,919
Retained earnings	294,738	256,175
Total shareholders' equity	837,400	798,095
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	38	11
Net deferred gains (losses) on hedges	30	56
Foreign currency translation adjustments	(89,350)	(89,698)
Accumulated adjustments for retirement benefits	153,924	137,082
Total accumulated other comprehensive income	64,644	47,451
Non-controlling interests	13,085	9,831
Total net assets	915,130	855,378
Total liabilities and net assets	5,182,809	5,179,414

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

(1) Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Operating income		
Postal service business income	2,095,579	2,107,126
Commissions for banking business consignment	600,661	369,716
Commissions for life insurance business consignment	358,100	248,798
Funds to maintain post office network	-	295,273
International logistics business income	700,650	634,788
Other operating income	205,678	183,615
Total operating income	3,960,669	3,839,318
Operating costs	3,519,626	3,408,378
Gross operating income	441,043	430,939
Sales, general and administrative costs	259,021	251,905
Net operating income	182,021	179,034
Other income		
Interest income	617	248
Equity in earnings of affiliates	473	-
Foreign exchange gains	522	798
Subsidy income	1,371	523
Others	3,060	2,484
Total other income	6,045	4,055
Other expenses		
Interest expenses	6,469	13,576
Equity in losses of affiliates	-	31
Others	1,731	1,371
Total other expenses	8,201	14,979
Net ordinary income	179,865	168,111
Extraordinary gains		
Gains on sales of fixed assets	7,225	2,375
Contribution for post office refurbishment expenses	20,216	12,094
Others	2,414	3,403
Total extraordinary gains	29,855	17,874
Extraordinary losses		
Losses on sales of fixed assets	114	410
Losses on disposal of fixed assets	3,138	2,775
Losses on impairment of fixed assets	8,896	20,833
Post office refurbishment expenses	20,216	12,094
Others	11,026	17,985
Total extraordinary losses	43,391	54,099
Income before income taxes	166,329	131,885
Income taxes current	38,811	45,898
Income taxes deferred	362	(1,943)
Total income taxes	39,174	43,955
Net income	127,155	87,930
Net income attributable to non-controlling interests	541	775
Net income attributable to Japan Post Co.	126,614	87,155

(2) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net income	127,155	87,930
Other comprehensive loss		
Net unrealized gains (losses) on available-for-sale securities	57	(22)
Net deferred gains (losses) on hedges	80	25
Foreign currency translation adjustments	(3,888)	(2,786)
Adjustments for retirement benefits	(19,605)	(16,842)
Share of other comprehensive loss of affiliates	(2)	(4)
Total other comprehensive loss	(23,358)	(19,629)
Comprehensive income	103,796	68,300
Total comprehensive income (loss) attributable to:		
Japan Post Co.	103,664	69,962
Non-controlling interests	131	(1,662)

3. Segment Information

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

Fiscal year ended March 31, 2019

(Millions of yen)

	Reportable segments				Other	Total
	Postal and domestic logistics business	Post office business	International logistics business (Note 2)	Subtotal		
Operating income (Note 1)						
Operating income from third parties	2,101,029	1,158,989	700,650	3,960,669	-	3,960,669
Intersegment operating income	13,921	203,589	-	217,510	-	217,510
Total	2,114,950	1,362,579	700,650	4,178,180	-	4,178,180
Segment profit	121,388	59,619	10,300	191,308	-	191,308

(Notes)

1. "Operating income" is presented instead of net sales which is typical for companies in other industries.
2. The amount presented in segment profit for the international logistics business segment is EBIT.

Fiscal year ended March 31, 2020

(Millions of yen)

	Reportable segments				Other	Total
	Postal and domestic logistics business	Post office business	International logistics business (Note 2)	Subtotal		
Operating income (Note 1)						
Operating income from third parties	2,112,596	1,091,933	634,788	3,839,318	-	3,839,318
Intersegment operating income	12,717	206,840	165	219,724	-	219,724
Total	2,125,313	1,298,774	634,954	4,059,042	-	4,059,042
Segment profit (loss)	147,505	44,598	(8,683)	183,420	-	183,420

(Notes)

1. "Operating income" is presented instead of net sales which is typical for companies in other industries.
2. The amount presented in segment profit (loss) for the international logistics business segment is EBIT.

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

(Millions of yen)

Items	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Total segment profit (loss) of reportable segments	191,308	183,420
Segment profit in other business	-	-
Eliminations of intersegment transactions	1,302	1,342
Corporate expenses (Note)	(1,983)	(2,263)
Other adjustments	(8,605)	(3,465)
Net operating income on the consolidated statements of income	182,021	179,034

(Note)

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

III Japan Post Bank

Note: Please refer to the documents on consolidated financial results announcements of Japan Post Bank for consolidated financial results of the company.

IV Japan Post Insurance

Note: Please refer to the documents on consolidated financial results announcements of Japan Post Insurance for consolidated financial results of the company.