



# **Financial Results of the Principal Subsidiaries**

**for the Six Months Ended September 30, 2020**

**November 13, 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 Six Months Ended September 30, 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)
Six months ended September 30, 2019	402.6	51.4	201.1	141.5	8.5
Six months ended September 30, 2020	360.6	15.5	172.0	162.7	10.3
Year-on-year change	(41.9)	(35.9)	(29.1)	+21.2	+1.8

### Net income (loss)

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank (Consolidated)	Japan Post Insurance (Consolidated)	Others (Including consolidated accounting procedures)
Six months ended September 30, 2019	236.5	38.4	144.8	76.3	(23.0)
Six months ended September 30, 2020	178.9	(6.5)	124.2	93.6	(32.4)
Year-on-year change	(57.6)	(44.9)	(20.6)	+17.3	(9.4)

\* The amounts of net income attributable to Japan Post Holdings, net income (loss) 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 (loss) of Japan Post Holdings (consolidated), Japan Post Co. (consolidated), Japan Post Bank (consolidated) and Japan Post Insurance (consolidated), respectively.



## **II Japan Post Co.**

## 1. Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	1,920,713	1,792,721
Notes receivable and operating accounts receivable	302,887	293,246
Securities	15,000	15,000
Inventories	30,673	33,104
Outstanding amount of banking business consignment	-	14,675
Other current assets	104,762	91,073
Reserve for possible loan losses	(5,291)	(6,207)
Total current assets	2,368,745	2,233,615
Non-current assets		
Tangible fixed assets		
Buildings	958,586	942,184
Land	1,300,555	1,299,199
Right-of-use assets	132,401	134,586
Other tangible fixed assets	290,924	271,439
Total tangible fixed assets	2,682,468	2,647,410
Intangible assets	81,080	77,508
Investments and other assets		
Other investments and other assets	49,326	49,882
Reserve for possible loan losses	(2,207)	(2,368)
Total investments and other assets	47,118	47,514
Total non-current assets	2,810,668	2,772,433
Total assets	5,179,414	5,006,049

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable and operating accounts payable	98,997	90,268
Short-term borrowings	159,972	160,589
Current portion of long-term borrowings	108,804	126,928
Other accounts payable	279,410	144,858
Outstanding amount of banking business consignment	3,160	-
Outstanding amount of life insurance business consignment	1,004	1,731
Income taxes payable	17,656	15,698
Deposits received	247,054	210,466
Fund deposits for post offices	870,000	870,000
Reserve for bonuses	108,042	111,760
Other current liabilities	178,874	205,466
<b>Total current liabilities</b>	<b>2,072,977</b>	<b>1,937,768</b>
<b>Long-term liabilities</b>		
Long-term borrowings	23,324	27
Lease obligations	148,492	152,872
Deferred tax liabilities	10,215	10,458
Reserve for losses on rebuilding of branches	197	197
Reserve for management board benefit trust	280	261
Liability for retirement benefits	1,994,725	2,006,774
Other long-term liabilities	73,822	71,366
<b>Total long-term liabilities</b>	<b>2,251,057</b>	<b>2,241,958</b>
<b>Total liabilities</b>	<b>4,324,035</b>	<b>4,179,727</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	400,000	400,000
Capital surplus	141,919	141,919
Retained earnings	256,175	206,094
<b>Total shareholders' equity</b>	<b>798,095</b>	<b>748,014</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized gains (losses) on available-for-sale securities	11	(35)
Net deferred gains (losses) on hedges	56	(776)
Foreign currency translation adjustments	(89,698)	(91,981)
Accumulated adjustments for retirement benefits	137,082	159,613
<b>Total accumulated other comprehensive income</b>	<b>47,451</b>	<b>66,819</b>
Non-controlling interests	9,831	11,487
<b>Total net assets</b>	<b>855,378</b>	<b>826,321</b>
<b>Total liabilities and net assets</b>	<b>5,179,414</b>	<b>5,006,049</b>

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

## (1) Interim Consolidated Statements of Income

Six months ended September 30

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
<b>Operating income</b>		
Postal service business income	981,548	954,335
Commissions for banking business consignment	189,162	187,238
Commissions for life insurance business consignment	141,070	99,371
Funds to maintain post office network	147,636	146,729
International logistics business income	318,129	373,535
Other operating income	92,462	84,446
<b>Total operating income</b>	<b>1,870,010</b>	<b>1,845,656</b>
<b>Operating costs</b>	<b>1,691,074</b>	<b>1,708,506</b>
Gross operating income	178,935	137,150
Sales, general and administrative costs	122,152	119,094
<b>Net operating income</b>	<b>56,783</b>	<b>18,056</b>
<b>Other income</b>		
Interest income	217	84
Dividend income	11	4
Equity in earnings of affiliates	-	138
Foreign exchange gains	944	376
Subsidy income	144	1,623
Others	1,012	1,634
<b>Total other income</b>	<b>2,331</b>	<b>3,862</b>
<b>Other expenses</b>		
Interest expenses	7,045	5,526
Equity in losses of affiliates	49	-
Others	564	864
<b>Total other expenses</b>	<b>7,659</b>	<b>6,390</b>
<b>Net ordinary income</b>	<b>51,454</b>	<b>15,527</b>
<b>Extraordinary gains</b>		
Gains on sales of fixed assets	1,930	2,247
Compensation for transfer	1,347	982
Compensation income	-	1,795
Contribution for post office refurbishment expenses	2,478	1,184
Others	68	591
<b>Total extraordinary gains</b>	<b>5,824</b>	<b>6,802</b>
<b>Extraordinary losses</b>		
Losses on sales of fixed assets	172	44
Losses on disposal of fixed assets	1,244	735
Losses on impairment of fixed assets	139	4,633
Post office refurbishment expenses	2,478	1,184
Others	863	3,659
<b>Total extraordinary losses</b>	<b>4,898</b>	<b>10,257</b>
<b>Income before income taxes</b>	<b>52,380</b>	<b>12,072</b>
Income taxes current	13,719	18,136
Income taxes deferred	(115)	(230)
<b>Total income taxes</b>	<b>13,603</b>	<b>17,906</b>
<b>Net income (loss)</b>	<b>38,777</b>	<b>(5,833)</b>
Net income attributable to non-controlling interests	369	669
<b>Net income (loss) attributable to Japan Post Co.</b>	<b>38,407</b>	<b>(6,503)</b>



Japan Post Co.

(2) Interim Consolidated Statements of Comprehensive Income  
Six months ended September 30

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net income (loss)	38,777	(5,833)
Other comprehensive income (loss)		
Net unrealized gains (losses) on available-for-sale securities	(32)	(41)
Net deferred gains (losses) on hedges	16	(833)
Foreign currency translation adjustments	(3,887)	(1,182)
Adjustments for retirement benefits	(10,736)	22,531
Share of other comprehensive loss of affiliates	(5)	(5)
Total other comprehensive income (loss)	(14,645)	20,468
Comprehensive income	24,131	14,634
Total comprehensive income (loss) attributable to:		
Japan Post Co.	25,509	12,864
Non-controlling interests	(1,377)	1,769

## 3. Segment Information

Six months ended September 30, 2019

## (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 2)	Subtotal		
Operating income <sup>(Note 1)</sup>						
Operating income from third parties	984,281	567,598	318,129	1,870,010	-	1,870,010
Intersegment operating income	6,409	97,917	81	104,408	-	104,408
Total	990,691	665,516	318,210	1,974,418	-	1,974,418
Segment profit (loss)	28,354	36,039	(4,778)	59,615	-	59,615

(Notes)

1. "Operating income" is presented instead of net sales which is typical for companies in other industries.
2. The amount presented in segment 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 interim consolidated statements of income

(Millions of yen)

Items	Amount
Total segment profit (loss) of reportable segments	59,615
Segment profit in other business	-
Eliminations of intersegment transactions	664
Corporate expenses <sup>(Note)</sup>	(1,125)
Other adjustments	(2,371)
Net operating income on the interim consolidated statements of income	56,783

(Note)

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

Six months ended September 30, 2020

(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 2)	Subtotal		
Operating income (Note 1)						
Operating income from third parties	957,107	515,013	373,535	1,845,656	-	1,845,656
Intersegment operating income	5,643	101,652	96	107,392	-	107,392
Total	962,750	616,666	373,631	1,953,048	-	1,953,048
Segment profit (loss)	6,498	22,829	(6,174)	23,154	-	23,154

(Notes)

1. "Operating income" is presented instead of net sales which is typical for companies in other industries.
2. The amount presented in segment 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 interim consolidated statements of income

(Millions of yen)

Items	Amount
Total segment profit (loss) of reportable segments	23,154
Segment profit in other business	-
Eliminations of intersegment transactions	659
Corporate expenses (Note)	(1,095)
Other adjustments	(4,662)
Net operating income on the interim consolidated statements of income	18,056

(Note)

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