



# **Financial Results of the Principal Subsidiaries**

**for the Nine Months Ended December 31, 2020**

**February 12, 2021**

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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 Nine Months Ended December 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)
Nine months ended December 31, 2019	688.8	153.1	289.2	233.9	12.4
Nine months ended December 31, 2020	708.8	115.6	313.9	260.8	18.3
Year-on-year change	+19.9	(37.5)	+24.6	+26.9	+5.9

### 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)
Nine months ended December 31, 2019	422.0	135.9	210.0	115.0	(38.9)
Nine months ended December 31, 2020	390.0	80.7	226.3	129.0	(46.0)
Year-on-year change	(31.9)	(55.1)	+16.2	+14.0	(7.1)

\* 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. Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	1,920,713	2,069,506
Notes receivable and operating accounts receivable	302,887	331,274
Securities	15,000	15,000
Inventories	30,673	34,131
Outstanding amount of banking business consignment	-	3,048
Other current assets	104,762	85,441
Reserve for possible loan losses	(5,291)	(5,664)
Total current assets	2,368,745	2,532,738
Non-current assets		
Tangible fixed assets		
Buildings	958,586	925,537
Land	1,300,555	1,300,069
Right-of-use assets	132,401	138,530
Other tangible fixed assets	290,924	272,630
Total tangible fixed assets	2,682,468	2,636,767
Intangible assets	81,080	69,736
Investments and other assets		
Other investments and other assets	49,326	50,135
Reserve for possible loan losses	(2,207)	(2,417)
Total investments and other assets	47,118	47,718
Total non-current assets	2,810,668	2,754,221
Total assets	5,179,414	5,286,960

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes payable and operating accounts payable	98,997	118,413
Short-term borrowings	159,972	157,661
Current portion of long-term borrowings	108,804	124,112
Other accounts payable	279,410	163,992
Outstanding amount of banking business consignment	3,160	-
Outstanding amount of life insurance business consignment	1,004	1,179
Income taxes payable	17,656	7,063
Deposits received	247,054	219,862
Fund deposits for post offices	870,000	1,020,000
Reserve for bonuses	108,042	30,867
Other current liabilities	178,874	257,750
<b>Total current liabilities</b>	<b>2,072,977</b>	<b>2,100,903</b>
<b>Long-term liabilities</b>		
Long-term borrowings	23,324	5,304
Lease obligations	148,492	157,771
Deferred tax liabilities	10,215	10,731
Reserve for losses on rebuilding of branches	197	197
Reserve for management board benefit trust	280	261
Liability for retirement benefits	1,994,725	2,033,064
Other long-term liabilities	73,822	71,704
<b>Total long-term liabilities</b>	<b>2,251,057</b>	<b>2,279,035</b>
<b>Total liabilities</b>	<b>4,324,035</b>	<b>4,379,939</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	400,000	400,000
Capital surplus	141,919	141,926
Retained earnings	256,175	293,338
<b>Total shareholders' equity</b>	<b>798,095</b>	<b>835,264</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized gains (losses) on available-for-sale securities	11	(70)
Net deferred gains (losses) on hedges	56	(721)
Foreign currency translation adjustments	(89,698)	(93,781)
Accumulated adjustments for retirement benefits	137,082	153,531
<b>Total accumulated other comprehensive income</b>	<b>47,451</b>	<b>58,958</b>
Non-controlling interests	9,831	12,797
<b>Total net assets</b>	<b>855,378</b>	<b>907,021</b>
<b>Total liabilities and net assets</b>	<b>5,179,414</b>	<b>5,286,960</b>

## 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, 2019	Nine months ended December 31, 2020
<b>Operating income</b>		
Postal service business income	1,587,226	1,539,101
Commissions for banking business consignment	281,825	279,225
Commissions for life insurance business consignment	200,793	158,697
Funds to maintain post office network	221,455	220,093
International logistics business income	486,342	564,013
Other operating income	151,722	142,459
<b>Total operating income</b>	<b>2,929,365</b>	<b>2,903,592</b>
<b>Operating costs</b>	<b>2,579,233</b>	<b>2,598,624</b>
Gross operating income	350,131	304,967
Sales, general and administrative costs	188,420	184,469
<b>Net operating income</b>	<b>161,710</b>	<b>120,498</b>
<b>Other income</b>		
Interest income	240	98
Dividend income	11	8
Equity in earnings of affiliates	108	254
Foreign exchange gains	625	-
Subsidy income	184	2,533
Others	1,596	2,065
<b>Total other income</b>	<b>2,768</b>	<b>4,959</b>
<b>Other expenses</b>		
Interest expenses	10,356	8,070
Foreign exchange losses	-	664
Others	941	1,106
<b>Total other expenses</b>	<b>11,298</b>	<b>9,841</b>
<b>Net ordinary income</b>	<b>153,180</b>	<b>115,615</b>
<b>Extraordinary gains</b>		
Gains on sales of fixed assets	2,286	3,814
Contribution for post office refurbishment expenses	4,220	2,472
Others	2,893	4,868
<b>Total extraordinary gains</b>	<b>9,400</b>	<b>11,155</b>
<b>Extraordinary losses</b>		
Losses on sales of fixed assets	249	155
Losses on disposal of fixed assets	1,381	1,114
Losses on impairment of fixed assets	539	5,876
Post office refurbishment expenses	4,220	2,472
Others	2,321	6,430
<b>Total extraordinary losses</b>	<b>8,712</b>	<b>16,049</b>
<b>Income before income taxes</b>	<b>153,868</b>	<b>110,721</b>
Income taxes current	18,060	28,402
Income taxes deferred	(778)	3
<b>Total income taxes</b>	<b>17,282</b>	<b>28,406</b>
<b>Net income</b>	<b>136,586</b>	<b>82,315</b>
Net income attributable to non-controlling interests	675	1,574
<b>Net income attributable to Japan Post Co.</b>	<b>135,911</b>	<b>80,740</b>



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

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net income	136,586	82,315
Other comprehensive income (loss)		
Net unrealized gains (losses) on available-for-sale securities	(14)	(75)
Net deferred gains (losses) on hedges	12	(778)
Foreign currency translation adjustments	(3,624)	(2,568)
Adjustments for retirement benefits	(16,104)	16,449
Share of other comprehensive loss of affiliates	(4)	(5)
Total other comprehensive income (loss)	(19,736)	13,020
Comprehensive income	116,849	95,335
Total comprehensive income (loss) attributable to:		
Japan Post Co.	117,481	92,247
Non-controlling interests	(631)	3,088

### 3. Segment Information

Nine months ended December 31, 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	1,591,345	851,677	486,342	2,929,365	-	2,929,365
Intersegment operating income	10,323	153,106	121	163,551	-	163,551
Total	1,601,669	1,004,784	486,464	3,092,917	-	3,092,917
Segment profit (loss)	119,321	51,780	(5,913)	165,188	-	165,188

(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	165,188
Segment profit in other business	-
Eliminations of intersegment transactions	1,014
Corporate expenses <sup>(Note)</sup>	(1,498)
Other adjustments	(2,993)
Net operating income on the interim consolidated statements of income	161,710

(Note)

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

Nine months ended December 31, 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	1,543,264	796,314	564,013	2,903,592	-	2,903,592
Intersegment operating income	10,040	158,275	150	168,467	-	168,467
Total	1,553,305	954,590	564,164	3,072,059	-	3,072,059
Segment profit (loss)	86,798	41,603	(776)	127,625	-	127,625

(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	127,625
Segment profit in other business	-
Eliminations of intersegment transactions	977
Corporate expenses (Note)	(1,879)
Other adjustments	(6,225)
Net operating income on the interim consolidated statements of income	120,498

(Note)

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