

**Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2021**
<Under Japanese GAAP>



February 14, 2022

Company name: Japan Post Holdings Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
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 Scheduled date of filing interim securities report: February 14, 2022
 Scheduled date of commencing dividend payments: -
 Trading accounts: Unestablished
 Availability of supplementary briefing material on interim financial results: Available
 Schedule of interim financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2021

(April 1, 2021 to December 31, 2021)

(1) Consolidated Results of Operations (% indicates changes from the previous corresponding period.)

	Ordinary income		Net ordinary income		Net income attributable to Japan Post Holdings	
	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2021	8,512,973	(2.2)	776,234	9.5	403,453	3.4
Nine months ended December 31, 2020	8,700,507	(3.9)	708,807	2.9	390,013	(7.6)

(Note) Comprehensive income: Nine months ended December 31, 2021: ¥452,610 million [(87.3) %]
 Nine months ended December 31, 2020: ¥3,560,664 million [338.1 %]

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2021	105.12	-
Nine months ended December 31, 2020	96.46	-

(Note) Because there was no potential common stock, the amount for diluted net income per share is omitted.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio (Note)
	Million yen	Million yen	%
As of December 31, 2021	301,053,363	15,993,410	4.4
As of March 31, 2021	297,738,131	16,071,067	4.6

(Reference) Equity: As of December 31, 2021: ¥13,381,579 million
 As of March 31, 2021: ¥13,794,361 million

(Note) Equity ratio = [(Net assets – Non-controlling interests) / Total assets] x 100

2. Dividends

	Annual dividend				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2021	Yen -	Yen 0.00	Yen -	Yen 50.00	Yen 50.00
Fiscal year ending March 31, 2022	-	0.00	-		
Fiscal year ending March 31, 2022 (Forecast)				50.00	50.00

(Note) Revision of dividends forecast to the latest announcement: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Ordinary income		Net ordinary income		Net income attributable to Japan Post Holdings		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2022	11,150,000	(4.9)	920,000	0.6	480,000	14.8	126.09

(Note) Revision of financial results forecast to the latest announcement: None

* Notes:

- (1) Changes in significant subsidiaries during the fiscal period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Adoption of accounting method specific to preparation of interim consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No

(Note) Please refer to 2. Interim Consolidated Financial Statements and Primary Notes (3) Notes to Interim Consolidated Financial Statements (Changes in Accounting Policies) on page 8 of the Attachment for details.
- (4) Total number of shares issued (common stock)
 - 1) Total number of shares issued at the end of the fiscal period (including treasury stock):
 - As of December 31, 2021: 3,767,870,229 shares
 - As of March 31, 2021: 4,500,000,000 shares
 - 2) Total number of treasury stock at the end of the fiscal period:
 - As of December 31, 2021: 56,471,751 shares
 - As of March 31, 2021: 456,635,301 shares
 - 3) Average number of shares during the fiscal period:
 - Nine months ended December 31, 2021: 3,838,131,742 shares
 - Nine months ended December 31, 2020: 4,043,354,659 shares

(Note) The total number of treasury stock at the end of the fiscal period includes the shares of the Company held by the management board benefit trust of 392,000 shares and 496,100 shares as of December 31, 2021 and March 31, 2021, respectively. The number of treasury stock excluded from calculation of the average number of shares during the fiscal period includes the shares of the Company held by the management board benefit trust of 424,418 shares and 506,140 shares for the nine months ended December 31, 2021 and 2020, respectively.

* This summary of interim consolidated financial results is outside the scope of interim audit procedures by Certified Public Accountants or Audit Firm.

* Explanation on appropriate use of financial results forecast and other specific matters

Forecasts and other forward-looking statements presented in this document are based on information that the Company is aware of at present and certain assumptions that the Company has deemed reasonable, and the Company provides no assurance that the forecasts will be achieved or with respect to any other forward-looking statements. The actual future results may vary considerably depending upon various factors, such as the impact of the spread of COVID-19, interest rate fluctuations, stock price fluctuations, foreign exchange fluctuations, asset value fluctuations, changes in the economic and financial environment, changes in the competitive environment, the occurrence of large-scale disasters, etc. and changes in laws and regulations. The Company disclaims any responsibility to update any forward-looking statements contained herein to the extent permitted by law or stock exchange rule.

[Attachment]

Table of Contents

1. Qualitative Information on Interim Consolidated Financial Results for the Fiscal Period under Review	2
(1) Explanation of Results of Operations.....	2
(2) Explanation of Financial Position	2
(3) Explanation of Consolidated Financial Results Forecast and Other Future Projections	3
2. Interim Consolidated Financial Statements and Primary Notes	4
(1) Interim Consolidated Balance Sheets.....	4
(2) Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive Income	6
(3) Notes to Interim Consolidated Financial Statements	8
(Notes on Going-Concern Assumption)	8
(Notes to Significant Changes in Shareholders' Equity)	8
(Changes in Accounting Policies).....	8
(Segment Information)	10

Supplementary Briefing Material:

Materials for Consolidated Financial Results for the Nine Months Ended December 31, 2021

1. Qualitative Information on Interim Consolidated Financial Results for the Fiscal Period under Review

(1) Explanation of Results of Operations

Consolidated ordinary income for the nine months ended December 31, 2021 amounted to ¥8,512,973 million (down ¥187,534 million year-on-year), of which the postal and domestic logistics business segment accounted for ¥1,524,902 million (down ¥30,660 million year-on-year); the post office business segment accounted for ¥879,891 million (down ¥112,043 million year-on-year*); the international logistics business segment accounted for ¥530,519 million (down ¥33,748 million year-on-year); the banking business segment accounted for ¥1,555,637 million (up ¥241,952 million year-on-year); and the life insurance business segment accounted for ¥4,821,041 million (down ¥306,294 million year-on-year).

Consolidated net ordinary income amounted to ¥776,234 million (up ¥67,427 million year-on-year) as a result of net ordinary income of ¥72,034 million in the postal and domestic logistics business segment (down ¥16,199 million year-on-year); net ordinary income of ¥28,980 million in the post office business segment (down ¥13,691 million year-on-year*); net ordinary income of ¥16,983 million in the international logistics business segment (net ordinary loss of ¥8,339 million for the same period of the previous fiscal year); net ordinary income of ¥394,495 million in the banking business segment (up ¥80,613 million year-on-year); and net ordinary income of ¥270,097 million in the life insurance business segment (up ¥9,205 million year-on-year).

As a result of the above, net income attributable to Japan Post Holdings amounted to ¥403,453 million (up ¥13,440 million year-on-year), which comprises consolidated net ordinary income after adjusting for extraordinary gains (losses), provision for reserve for policyholder dividends, income taxes and net income attributable to non-controlling interests.

*The businesses conducted by Japan Post Information Technology Co., Ltd. and System Trust Laboratory Co., Ltd., which were previously included in “other business” for the purposes of classifying the Group’s reportable segment, have been reclassified as part of the “post office business” beginning from the three months ended September 30, 2021. Accordingly, year-on-year differences are stated according to the figures after the reclassification of segments.

(2) Explanation of Financial Position

1) Assets

Consolidated total assets were ¥301,053,363 million, up ¥3,315,232 million from the end of the previous fiscal year.

Major factors include an increase in receivables under resale agreements of ¥3,795,823 million, an increase in call loans of ¥1,125,000 million and an increase in securities of ¥1,117,637 million, as well as a decrease in cash and due from banks of ¥1,673,319 million and a decrease in receivables under securities borrowing transactions of ¥816,987 million.

2) Liabilities

Consolidated total liabilities were ¥285,059,953 million, up ¥3,392,889 million from the end of the previous fiscal year.

Major factors include an increase in deposits of ¥4,260,930 million, an increase in payables under repurchase agreements of ¥3,687,723 million and an increase in borrowed money of ¥827,467 million, as well as a decrease in payables under securities lending transactions of ¥2,905,322 million, a decrease in policy reserves of ¥2,112,962 million and a decrease in other liabilities of ¥276,631 million.

3) Net Assets

Consolidated total net assets were ¥15,993,410 million, down ¥77,657 million from the end of the previous fiscal year.

Major factors include an increase in retained earnings of ¥1,665,608 million, an increase in treasury stock of

¥782,437 million mainly due to the cancellation of shares, and an increase in non-controlling interests of ¥335,125 million, as well as a decrease in capital surplus of ¥2,626,484 million, a decrease in net deferred gains (losses) on hedges of ¥123,156 million and a decrease in net unrealized gains (losses) on available-for-sale securities of ¥85,204 million.

(3) Explanation of Consolidated Financial Results Forecast and Other Future Projections

The consolidated financial results forecast for the fiscal year ending March 31, 2022 remains unchanged from the full year forecast announced on November 12, 2021.

2. Interim Consolidated Financial Statements and Primary Notes

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Cash and due from banks	62,719,113	61,045,793
Call loans	1,520,000	2,645,000
Receivables under resale agreements	9,721,360	13,517,184
Receivables under securities borrowing transactions	2,585,087	1,768,099
Monetary claims bought	638,985	428,731
Trading account securities	13	7
Money held in trust	10,029,932	10,520,074
Securities	193,703,491	194,821,128
Loans	9,655,811	9,239,981
Foreign exchanges	80,847	88,520
Other assets	2,716,321	2,735,863
Tangible fixed assets	3,153,739	3,061,072
Intangible assets	240,194	221,874
Asset for retirement benefits	64,184	64,395
Deferred tax assets	919,448	901,995
Reserve for possible loan losses	(10,400)	(6,356)
Total assets	297,738,131	301,053,363

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Deposits	187,984,760	192,245,691
Payables under repurchase agreements	14,886,481	18,574,204
Policy reserves and others	61,159,597	58,949,872
Reserve for outstanding claims	419,021	388,008
Policy reserves	59,397,720	57,284,757
Reserve for policyholder dividends	1,342,855	1,277,106
Payables under securities lending transactions	6,092,013	3,186,690
Borrowed money	4,228,180	5,055,647
Foreign exchanges	514	495
Bonds	300,000	300,000
Other liabilities	2,851,705	2,575,074
Reserve for bonuses	126,149	35,372
Liability for retirement benefits	2,210,273	2,287,669
Reserve for employee stock ownership plan trust	535	255
Reserve for management board benefit trust	952	806
Reserve for reimbursement of deposits	73,830	70,609
Reserve for insurance claims and others	2,851	1,951
Reserve under the special laws	904,816	962,409
Reserve for price fluctuations	904,816	962,409
Deferred tax liabilities	844,400	813,203
Total liabilities	281,667,063	285,059,953
Net assets		
Capital stock	3,500,000	3,500,000
Capital surplus	4,085,191	1,458,707
Retained earnings	4,374,229	6,039,837
Treasury stock	(831,661)	(49,224)
Total shareholders' equity	11,127,759	10,949,320
Net unrealized gains (losses) on available-for-sale securities	2,893,921	2,808,717
Net deferred gains (losses) on hedges	(329,275)	(452,431)
Foreign currency translation adjustments	(104,433)	(97,921)
Accumulated adjustments for retirement benefits	206,389	173,894
Total accumulated other comprehensive income	2,666,601	2,432,258
Non-controlling interests	2,276,705	2,611,831
Total net assets	16,071,067	15,993,410
Total liabilities and net assets	297,738,131	301,053,363

(2) Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive Income

Interim Consolidated Statements of Income
Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Ordinary income	8,700,507	8,512,973
Postal business income	2,086,852	2,022,874
Banking business income	1,312,419	1,554,442
Life insurance business income	5,127,323	4,821,029
Other ordinary income	173,913	114,626
Ordinary expenses	7,991,700	7,736,738
Operating expenses	5,879,973	5,524,819
Personnel expenses	1,858,243	1,831,223
Depreciation and amortization	214,375	195,436
Other ordinary expenses	39,107	185,258
Net ordinary income	708,807	776,234
Extraordinary gains	9,143	23,355
Gains on sales of fixed assets	3,946	18,257
Compensation for transfer	1,040	922
Insurance claim income	1,925	4,158
Compensation income	1,795	-
Other extraordinary gains	435	16
Extraordinary losses	29,994	82,292
Losses on sales and disposal of fixed assets	1,946	2,949
Losses on impairment of fixed assets	10,875	5,796
Provision for reserve under the special laws	5,389	57,592
Provision for reserve for price fluctuations	5,389	57,592
Losses on sale of businesses	-	11,203
Post office refurbishment expenses	2,075	-
Other extraordinary losses	9,707	4,750
Provision for reserve for policyholder dividends	68,523	51,289
Income before income taxes	619,432	666,008
Income taxes current	168,494	181,193
Income taxes deferred	(10,550)	(9,175)
Total income taxes	157,943	172,018
Net income	461,489	493,990
Net income attributable to non-controlling interests	71,475	90,536
Net income attributable to Japan Post Holdings	390,013	403,453

Interim Consolidated Statements of Comprehensive Income
 Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net income	461,489	493,990
Other comprehensive income (loss)	3,099,175	(41,380)
Net unrealized gains (losses) on available-for-sale securities	3,031,080	123,077
Net deferred gains (losses) on hedges	75,203	(138,351)
Foreign currency translation adjustments	(2,568)	6,174
Adjustments for retirement benefits	(4,534)	(32,281)
Share of other comprehensive income (loss) of affiliates	(5)	0
Comprehensive income	3,560,664	452,610
Total comprehensive income attributable to:		
Japan Post Holdings	2,986,273	320,141
Non-controlling interests	574,390	132,468

(3) Notes to Interim Consolidated Financial Statements
(Notes on Going-Concern Assumption)

None

(Notes to Significant Changes in Shareholders' Equity)
(Appropriation of Surplus)

The Company resolved an appropriation of surplus at the meeting of the Board of Directors held on May 14, 2021, based on the provisions of Article 452 and Article 459, Paragraph 1, Item 3 of the Companies Act, and Article 39, Paragraph 1 of the Company's Articles of Incorporation, consisting of the transfer of an amount from other capital surplus to retained earnings brought forward, to supplement the deficit in retained earnings brought forward. This appropriation of surplus was executed effective the same day. As a result, during the nine months ended December 31, 2021, capital surplus decreased by ¥1,267,127 million, and retained earnings increased by the same amount.

(Acquisition of treasury stock)

The Company resolved, at the meeting of its Board of Directors held on June 10, 2021, on matters concerning the acquisition of its treasury stock in accordance with Article 39, Paragraph 1 of the Company's Articles of Incorporation complying with Article 459, Paragraph 1, Item 1 of the Companies Act. The acquisition was completed on June 11, 2021. As a result, during the nine months ended December 31, 2021, treasury stock increased by ¥249,999 million (276,090,500 shares).

Moreover, the Company resolved, at the meeting of its Board of Directors held on October 6, 2021, on the following matters concerning the acquisition of its treasury stock in accordance with Article 39, Paragraph 1 of the Company's Articles of Incorporation complying with Article 459, Paragraph 1, Item 1 of the Companies Act. As a result, during the nine months ended December 31, 2021, treasury stock increased by ¥48,546 million (55,979,700 shares).

- | | |
|--|---|
| (1) Class of shares to be acquired: | Common stock of the Company |
| (2) Total number of shares to be acquired: | 133,000,000 shares (maximum)
(The ratio of the total number of shares to be acquired to the total number of shares issued, excluding treasury stock, will be 3.5%) |
| (3) Total value of shares to be acquired: | ¥100,000 million (maximum) |
| (4) Acquisition period: | From November 1, 2021 to April 28, 2022 |
| (5) Method of the acquisition: | Market purchases based on a discretionary transaction contract with respect to the acquisition of treasury stock |

(Cancellation of Treasury Stock)

The Company resolved to cancel its treasury stock at the meeting of the Board of Directors held on June 18, 2021, based on the provisions of Article 178 of the Companies Act. The Company cancelled 732,129,771 shares of treasury stock, effective June 30, 2021. As a result, during the nine months ended December 31, 2021, capital surplus and treasury stock each decreased by ¥1,080,816 million.

As a result of these actions, as of December 31, 2021 the balance of capital surplus was ¥1,458,707 million, the balance of retained earnings was ¥6,039,837 million, and the balance of treasury stock was ¥49,224 million.

(Changes in Accounting Policies)

(Application of the Accounting Standard for Revenue Recognition, etc.)

The Company has applied "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020; hereinafter referred to as "Revenue Recognition Accounting Standard"), etc. from the beginning of the three months ended June 30, 2021. Under Revenue Recognition

Accounting Standard, the Company recognizes revenue at the time when control over the promised goods or services are transferred to the customer, in an amount equal to the consideration expected to be received for the said goods or services. Previously, revenue from post and parcels in the postal and domestic logistics business had been recognized at the time of acceptance, but pursuant to the application of Revenue Recognition Accounting Standard, etc., revenue is now progressively recognized during the period from the time of acceptance to the time when delivery is completed. Moreover, regarding revenue from catalogue sales, etc. in the post office business, the full amount of the consideration received from customers had previously been recognized as revenue, but pursuant to the application of Revenue Recognition Accounting Standard, etc., these are treated as transactions undertaken as an agent, and only the net amount after deducting corresponding payments to suppliers is recognized as revenue.

In applying the Revenue Recognition Accounting Standard, etc., the Company has followed the transitional treatment stipulated under the proviso of Paragraph 84 of Revenue Recognition Accounting Standard, adjusting retained earnings at the start of the three months ended June 30, 2021 to account for the cumulative effect of retrospective application of the new accounting policy prior to that time, and applying the new accounting policy from the adjusted balance.

As a result, ordinary income for the nine months ended December 31, 2021 was ¥57,082 million lower, ordinary expenses were ¥52,025 million lower, and net ordinary income and income before income taxes were each ¥5,057 million lower than under the previous accounting policy. In addition, the balance of retained earnings at the start of the nine months ended December 31, 2021 was ¥4,972 million lower than under the previous accounting policy.

(Application of the Accounting Standard for Fair Value Measurement, etc.)

The Company has applied “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as “Fair Value Measurement Accounting Standard”), etc. from the start of the three months ended June 30, 2021. The Company has applied the new accounting policy prescribed under Fair Value Measurement Accounting Standard, etc. prospectively, in accordance with the transitional treatment prescribed under Paragraph 19 of Fair Value Measurement Accounting Standard and Paragraph 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). Pursuant to this application, the valuation method for shares with a market price has been changed from fair value based on the average market price, etc. over the month prior to fiscal closing, to fair value based on market price, etc. on the fiscal closing day.

(Segment Information)

1. Ordinary income and segment profit (loss) of reportable segments

(Millions of yen)

	Reportable Segments						Other business	Total
	Postal and domestic logistics business	Post office business	International logistics business	Banking business	Life insurance business	Subtotal		
Ordinary income								
Ordinary income from third parties	1,493,912	72,357	530,348	1,554,442	4,821,029	8,472,089	40,100	8,512,190
Intersegment ordinary income	30,990	807,534	171	1,194	12	839,902	259,306	1,099,209
Total	1,524,902	879,891	530,519	1,555,637	4,821,041	9,311,992	299,407	9,611,399
Segment profit	72,034	28,980	16,983	394,495	270,097	782,592	207,050	989,642

(Notes) 1. Ordinary income is presented instead of net sales which is typical for companies in other industries.

2. "Other business" includes the hotel business and hospital business. Segment profit in "Other business" includes dividend income from subsidiaries and affiliates recorded by the Company in the amount of ¥203,393 million.

2. Reconciliation between total segment profit (loss) of reportable segments and amounts reported on the interim consolidated statements of income

(Millions of yen)

Items	Amount
Total segment profit of reportable segments	782,592
Segment profit in other business	207,050
Eliminations of intersegment transactions	(211,269)
Adjustments	(2,138)
Net ordinary income on the interim consolidated statements of income	776,234

(Note) "Adjustments" are primarily due to differences in the calculation methods used for segment profit for the international logistics business segment and net ordinary income on the interim consolidated statements of income.

3. Changes in reportable segments

(Changes in Classification of Reportable Segments)

Pursuant to a partial change in performance management classifications within the Group, the businesses conducted by Japan Post Information Technology Co., Ltd. and System Trust Laboratory Co., Ltd., which were previously included in "other business" for the purposes of classifying the Group's reportable segment, have been reclassified as part of the "post office business" beginning from the three months ended September 30, 2021.

(Application of the Accounting Standard for Revenue Recognition, etc.)

As described in "(Changes in Accounting Policies)," the Company has applied Revenue Recognition Accounting Standard, etc. from the beginning of the three months ended June 30, 2021. With this change in the accounting treatment for revenue recognition, the Company has correspondingly changed the method used to calculate business segment profit or loss.

As a result of this change, during the nine months ended December 31, 2021, ordinary income for the postal and domestic logistics business was ¥5,759 million lower than under the previous method, while segment profit was ¥5,077 million lower. For the post office business, ordinary income was ¥50,807 million lower than under the previous method. For the banking business, ordinary income was ¥468 million lower than under the previous method, while segment profit was ¥50 million higher. For other business, ordinary income was ¥489 million lower than under the previous method, and segment profit was ¥30 million lower.