

**Summary of Consolidated Financial Results
for the Fiscal Year Ended March 31, 2022**
<Under Japanese GAAP>



May 13, 2022

Company name: Japan Post Holdings Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
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 Scheduled date of Annual General Meeting of Shareholders: June 17, 2022
 Scheduled date of filing securities report: June 20, 2022
 Scheduled date of commencing dividend payments: June 20, 2022
 Trading accounts: Unestablished
 Availability of supplementary briefing material on financial results: Available
 Schedule of 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 Fiscal Year Ended March 31, 2022**(April 1, 2021 to March 31, 2022)**

(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	%
Fiscal year ended March 31, 2022	11,264,774	(3.9)	991,464	8.5	501,685	20.0
Fiscal year ended March 31, 2021	11,720,403	(1.9)	914,164	5.8	418,238	(13.5)

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥(805,187) million [- %]
 Fiscal year ended March 31, 2021: ¥3,567,160 million [- %]

	Net income per share	Diluted net income per share	Return on equity	Net ordinary income to total assets	Net ordinary income to ordinary income
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2022	131.93	-	3.8	0.3	8.8
Fiscal year ended March 31, 2021	103.44	-	3.4	0.3	7.8

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended March 31, 2022: ¥1,527 million
 Fiscal year ended March 31, 2021: ¥560 million

(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)	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	303,846,980	14,688,981	4.1	3,361.06
As of March 31, 2021	297,738,131	16,071,067	4.6	3,411.60

(Reference) Equity: As of March 31, 2022: ¥12,309,391 million

As of March 31, 2021: ¥13,794,361 million

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

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the fiscal year
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2022	4,984,168	1,413,220	(621,040)	68,419,223
Fiscal year ended March 31, 2021	6,965,155	2,015,201	50,578	62,637,954

2. Dividends

	Annual dividend					Total dividends paid (Annual)	Dividend payout ratio (Consolidated)	Dividends on net assets ratio (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2021	-	0.00	-	50.00	50.00	202,193	48.3	1.6
Fiscal year ended March 31, 2022	-	0.00	-	50.00	50.00	183,136	37.9	1.5
Fiscal year ending March 31, 2023 (Forecast)	-	0.00	-	50.00	50.00		45.7	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023

(April 1, 2022 to March 31, 2023)

(% 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	%	
Fiscal year ending March 31, 2023	10,670,000	(5.3)	700,000	(29.4)	400,000	(20.3)	Yen 109.36

(Note) The Company implemented a share repurchase from November 1, 2021 to April 7, 2022, based on a resolution made at the Board of Directors meeting held on October 6, 2021. The Company also plans to cancel treasury stock on May 20, 2022, based on a resolution made at the Board of Directors meeting held on April 25, 2022.

Net income per share in the consolidated financial results forecast has been calculated after considering the impact of this share repurchase and cancellation of treasury stock, but without considering the impact of the share repurchase based on the separate “Notice Concerning the Determination of Matters Related to the Acquisition of Treasury Stock” released today.

*** Notes:**

- (1) Changes in significant subsidiaries during the fiscal year under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) 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: Yes
 - 4) Retrospective restatement: No(Note) Please refer to 3. Consolidated Financial Statements and Primary Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies) and (Changes in Accounting Estimates) on pages 15 and 16 of the Attachment for details.
- (3) Total number of shares issued (common stock)
 - 1) Total number of shares issued at the end of the fiscal year (including treasury stock):
As of March 31, 2022: 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 year:
As of March 31, 2022: 105,519,251 shares
As of March 31, 2021: 456,635,301 shares
 - 3) Average number of shares during the fiscal year:
Fiscal year ended March 31, 2022: 3,802,720,644 shares
Fiscal year ended March 31, 2021: 4,043,357,135 shares(Note) The total number of treasury stock at the end of the fiscal year includes the shares of the Company held by the management board benefit trust of 375,400 shares and 496,100 shares as of March 31, 2022 and 2021, respectively. The number of treasury stock excluded from calculation of the average number of shares during the fiscal year includes the shares of the Company held by the management board benefit trust of 413,423 shares and 503,664 shares for the fiscal year ended March 31, 2022 and 2021, respectively.

(Summary of non-consolidated financial results)

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022**(April 1, 2021 to March 31, 2022)**

(1) Non-consolidated Results of Operations (% indicates changes from the previous corresponding period.)

	Operating income		Net operating income		Net ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2022	284,688	69.5	203,545	94.1	217,753	89.7	325,460	-
Fiscal year ended March 31, 2021	167,933	(42.0)	104,871	(55.6)	114,800	(52.8)	(2,129,989)	-

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2022	85.59	-
Fiscal year ended March 31, 2021	(526.79)	-

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

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio (Note)	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	5,848,650	5,740,721	98.2	1,567.50
As of March 31, 2021	5,997,547	5,912,969	98.6	1,462.39

(Reference) Equity: As of March 31, 2022: ¥5,740,721 million

As of March 31, 2021: ¥5,912,969 million

(Note) Equity ratio = (Net assets / Total assets) x 100

* This summary of consolidated financial results is outside the scope of 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, the impact of the invasion of Ukraine by Russia, 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. Please refer to 1. Overview of Results of Operations, etc. (1) Explanation of Results of Operations (Consolidated financial results forecast for the fiscal year ending March 31, 2023) on page 5 of the Attachment for the assumptions on which the financial results forecasts have been based, and precautions, etc. regarding their use.

[Attachment]

Table of Contents

1. Overview of Results of Operations, etc.	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	5
(3) Basic Policy on Profit Distribution and Dividends for the Current Fiscal Year and Next Fiscal Year.....	6
2. Basic Approach Concerning Selection of Accounting Standards	6
3. Consolidated Financial Statements and Primary Notes	7
(1) Consolidated Balance Sheets	7
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	9
Consolidated Statements of Income.....	9
Consolidated Statements of Comprehensive Income.....	10
(3) Consolidated Statements of Changes in Net Assets	11
(4) Consolidated Statements of Cash Flows	13
(5) Notes to Consolidated Financial Statements	15
(Notes on Going-Concern Assumption).....	15
(Changes in Accounting Policies).....	15
(Changes in Accounting Estimates)	16
(Segment Information).....	17
(Per Share Data).....	18
(Subsequent Events)	19
4. Non-consolidated Financial Statements.....	21
(1) Non-consolidated Balance Sheets	21
(2) Non-consolidated Statements of Income	23
(3) Non-consolidated Statements of Changes in Net Assets.....	24

Supplementary Briefing Material:

Materials for Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

1. Overview of Results of Operations, etc.

(1) Explanation of Results of Operations

Consolidated ordinary income amounted to ¥11,264,774 million (down ¥455,628 million year-on-year) and consolidated net ordinary income amounted to ¥991,464 million (up ¥77,300 million year-on-year). Net income attributable to Japan Post Holdings amounted to ¥501,685 million (up ¥83,446 million year-on-year), which comprises consolidated net ordinary income after adjusting for items including extraordinary gains (losses) and provision for reserve for policyholder dividends.

Financial results by segment are as follows.

(Postal and Domestic Logistics Business Segment)

In the postal and domestic logistics business, Japan Post Co., Ltd. (hereinafter referred to as “Japan Post Co.”) suspended postal deliveries of regular mail and Yu-Mail on Saturdays and postponed delivery dates, pursuant to the enforcement of the Act to Partially Amend the Postal Act and the Act on Correspondence Delivery by Private Business Operators (Act No. 70 of 2020).

We made efforts to maintain the use of mails by providing New Year’s postcards services through smartphones, as well as activities to convey the joy of sending and receiving letters. We also endeavored to enhance customer convenience in collaboration with other companies, commencing sales of Yu-Packet Post Mailing Stickers and the Omatome App to ensure we capture the growing markets for e-commerce and online flea markets.

In July 2021, we established JP Rakuten Logistics, Inc., jointly owned by Japan Post Co. and Rakuten Group, Inc., for purposes including the creation of shared logistics centers, delivery and pick-up systems. In September 2021, we concluded a basic agreement with Sagawa Express Co., Ltd. regarding collaboration in the co-creation of logistics services, with the aim of achieving business growth for both companies. At the same time, we engaged in initiatives including the eradication of internal crimes including the abandonment or concealment of mail and other items, and customer information protection, based on our basic view of compliance as a top-priority management issue.

As a result of these initiatives, in the postal and domestic logistics business for the fiscal year ended March 31, 2022, income from international mails increased due to the resumption of services, but income from parcels fell due to a decline in Yu-Pack (including Yu-Packet) volumes, and income from New Year’s postcards also declined. Accordingly, ordinary income amounted to ¥2,043,624 million (down ¥28,252 million year-on-year) and net ordinary income amounted to ¥103,898 million (down ¥22,689 million year-on-year). In addition, operating income amounted to ¥2,041,210 million (down ¥27,215 million year-on-year) and net operating income amounted to ¥102,245 million (down ¥21,471 million year-on-year) in the postal and domestic logistics business of Japan Post Co. for the fiscal year ended March 31, 2022.

(Post Office Business Segment)

In the post office business, Japan Post Co. had previously suspended active solicitation activities for Japan Post Insurance products, investment trusts and allied financial instruments (variable annuities, medical insurance with eased underwriting conditions, and accident insurance) at post offices, etc., but we decided to commence these business operations aimed at regaining customers’ trust, and have engaged in initiatives for this purpose since October 2020. From April 2021 onwards, while continuing these business operations aimed at regaining customers’ trust, we shifted to a new sales stance aimed at building relationships of trust with our customers through business activities, by ascertaining anticipated customer needs and providing information and proposals on financial instruments to meet these needs.

Regarding measures to radically eliminate improper solicitation actions, in addition to implementing multiple checks at the subscription stage, we continued to engage in initiatives aimed at improving solicitation quality and enhancing the solicitation quality control scheme, such as building a solicitation quality data management platform and strengthening guidance and risk management for sales personnel. From April 2022, we engaged in constructing a new sales structure for Japan Post Insurance products, including the introduction of a system

assigning designated sales personnel to each customer, to further enhance specialized customer service from the perspective of diligently responding to increasingly diverse customer needs.

In addition, we engaged in the optimization of the post office network through measures such as opening new post offices in locations such as shopping centers and reviewing the position of existing post offices, and progressed with the development of unique and diverse post offices catering to the needs of local communities and customers to boost the value of the post office network. We also worked on measures to eradicate the embezzlement of funds and other internal crimes, protect customer data, combat money laundering and the financing of terrorism, as well as for issues such as the insurance solicitation problem described above, based on our view of compliance as a top-priority management issue.

As a result of these initiatives, in the post office business for the fiscal year ended March 31, 2022, ordinary income amounted to ¥1,158,552 million (down ¥126,913 million year-on-year*), with a decline in income from the merchandising business due to the impact of the application of a new Accounting Standard for Revenue Recognition and the absence of the income from real estate sales recorded in the previous fiscal year, as well as a decrease in insurance commissions and banking commissions. Net ordinary income amounted to ¥24,742 million (down ¥15,103 million year-on-year*), despite a decrease in ordinary expenses due mainly to a decrease in expenses associated with the decline in income from the merchandising business. In addition, operating income amounted to ¥1,151,797 million (down ¥91,669 million year-on-year) and net operating income amounted to ¥24,569 million (down ¥13,157 million year-on-year) in the post office business of Japan Post Co. for the fiscal year ended March 31, 2022.

*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 fiscal year ended March 31, 2022. Accordingly, year-on-year differences are stated according to the figures after the reclassification of segments.

(International Logistics Business Segment)

In the international logistics business, we continued to engage in the transformation plan of Toll Holdings Limited, a consolidated subsidiary of Japan Post Co. We completed the sale of the Global Express business, which was persistently operating at a loss, in August 2021. In addition to implementing measures to enhance efficiency, including the rationalization of the Australian business, we proceeded with the shift to a business model centered on Asia, including Japan, developing our businesses focused on specific countries and industries forecast to grow in the Asian region. We also continued to expand B-to-B businesses mainly through our contract logistics, utilizing JP Toll Logistics Co., Ltd.

As a result of these initiatives, in the international logistics business for the fiscal year ended March 31, 2022, income in the Global Forwarding business was boosted by rising cargo demand, but the segment suffered the impact of a decline in large-scale handling associated with COVID-19 response in the Global Logistics business and a fall in income due to the sale of the Global Express business. Ordinary income amounted to ¥687,817 million (down ¥62,251 million year-on-year). Ordinary expenses fell significantly, with a decrease in expenses corresponding to lower income from the Global Logistics business and the absence of expenses from the Global Express business, despite an increase in expenses corresponding to higher income from the Global Forwarding business, and net ordinary income amounted to ¥21,226 million (net ordinary loss of ¥7,003 million in the previous fiscal year). Operating income in the international logistics business of Japan Post Co. amounted to ¥687,506 million (down ¥62,372 million year-on-year) and net operating income (EBIT) in the international logistics business of Japan Post Co. amounted to ¥28,788 million (up ¥25,282 million year-on-year) for the fiscal year ended March 31, 2022.

(Banking Business Segment)

In the banking business, at Japan Post Bank Co., Ltd. (hereinafter referred to as “Japan Post Bank”), we engaged in the five key strategies established under the Medium-term Management Plan (“Innovating retail business into a new form by realizing complementarity between the physical and the digital,” “Business reforms and productivity improvement through the active utilization of digital technology,” “Enhancing funds flow to regional communities and the regional relationship functions through various frameworks,” “Deepening market operations and risk management with an awareness of stress tolerance,” and “Strengthening the management base to become a more trusted bank”), steadily proceeding to solidify the foundations of each strategy.

In addition to transforming the business model through these initiatives, we strengthened the sustainability of our businesses, promoting management to enhance corporate value while also resolving social issues (ESG management).

As a result of these initiatives, in the banking business for the fiscal year ended March 31, 2022, net other operating income declined due mainly to a decrease in gains on redemption of foreign bonds, but net interest income increased, primarily as a result of an increase in income from foreign bond investment trusts and private equity funds, and non-recurring gains increased due mainly to an expansion in private equity funds and real estate funds. As a result, ordinary income amounted to ¥1,977,642 million (up ¥30,929 million year-on-year), while net ordinary income amounted to ¥490,893 million (up ¥96,686 million year-on-year).

(Life Insurance Business Segment)

In the life insurance business, Japan Post Insurance Co., Ltd. (hereinafter referred to as “Japan Post Insurance”) continued to engage in initiatives to regain customers’ trust, after issues were discovered in the quality of insurance solicitations for Japan Post Insurance products in the fiscal year ended March 31, 2020. As measures to prevent recurrence, we steadily implemented the initiatives set forth in the business improvement plan submitted to the Financial Services Agency of Japan: “create a healthy corporate culture and establishing an appropriate sales promotion scheme,” “strengthen the appropriate solicitation quality control scheme” and “strengthen the governance function of the Board of Directors, etc.”

From April 2021, we shifted to a new sales style aimed at progressively building relationships of trust with customers through our sales activities. Moreover, in view of the need for each individual employee involved in Japan Post Insurance sales to engage in sales activities and proposals that provide customers with a sense of security and conviction, we established the “Japan Post Insurance Pledge” in September 2021, which we have thoroughly followed and implemented.

In addition to the initiatives to regain trust described above, we focused on initiatives to reinforce the business foundations such as “Establishment of new Japan Post Insurance sales system,” “Enhancement of insurance services,” and reinforcement of business foundation, including “Achieving greater depth and sophistication of asset management,” as well as “Improving customer experience value (CX).”

As a result of these initiatives, in the life insurance business for the fiscal year ended March 31, 2022, ordinary income amounted to ¥6,454,208 million (down ¥332,018 million year-on-year), while net ordinary income amounted to ¥356,113 million (up ¥10,377 million year-on-year), due mainly to an increase in core profit attributable to an increase in positive spread, and an improvement in net capital gains (losses), despite a decrease in insurance-related income resulting from fewer policies in force.

(Consolidated financial results forecast for the fiscal year ending March 31, 2023)

With regard to the consolidated financial results forecast for the fiscal year ending March 31, 2023, ordinary income of ¥10,670,000 million, net ordinary income of ¥700,000 million and net income attributable to Japan Post Holdings of ¥400,000 million are anticipated.

The forecast of segment profit by segment (net ordinary income for each segment) is as follows:

• Postal and domestic logistics business	¥55,000 million
• Post office business	¥35,000 million
• International logistics business	¥5,000 million
• Banking business	¥445,000 million
• Life insurance business	¥160,000 million

In addition, net income forecasts at the principal subsidiaries are as follows.

At Japan Post Co. (consolidated), net income attributable to Japan Post Co. is forecast at ¥60,000 million (down ¥33,217 million year-on-year), due to the expansion of income in the parcels field resulting from collaboration with other companies and stronger logistics solutions, as well as financial sales proposal activities for products and services to meet customer needs, and initiatives to enhance productivity through progressive digitalization.

At Japan Post Bank (consolidated), net income attributable to Japan Post Bank is forecast at ¥320,000 million (down ¥35,070 million year-on-year), due to rising foreign currency funding costs, despite an anticipated increase in income from private equity funds.

At Japan Post Insurance (consolidated), net income attributable to Japan Post Insurance is forecast at ¥71,000 million (down ¥87,062 million year-on-year), mainly owing to an increase in operating expenses associated with the acceptance of consultants from Japan Post Co. under the new Japan Post Insurance sales structure from April 2022 and the normalization of business operations.

Net income attributable to non-controlling interests for Japan Post Holdings (consolidated) is forecast at ¥60,000 million.

(2) Explanation of Financial Position

1) Condition of assets, liabilities and net assets

Consolidated total assets were ¥303,846,980 million, up ¥6,108,849 million from the end of the previous fiscal year.

Major factors include an increase in cash and due from banks of ¥5,783,552 million, an increase in receivables under resale agreements of ¥2,237,225 million, and an increase in call loans of ¥990,000 million, as well as a decrease in receivables under securities borrowing transactions of ¥2,585,087 million, and a decrease in loans of ¥961,887 million.

Consolidated total liabilities were ¥289,157,998 million, up ¥7,490,935 million from the end of the previous fiscal year.

Major factors include an increase in payables under repurchase agreements of ¥7,146,065 million, an increase in deposits of ¥3,746,412 million and an increase in borrowed money of ¥1,714,705 million, as well as a decrease in policy reserves of ¥2,864,265 million and a decrease in payables under securities lending transactions of ¥2,340,878 million.

Consolidated total net assets were ¥14,688,981 million, down ¥1,382,085 million from the end of the previous fiscal year.

Major factors include an increase in retained earnings of ¥1,763,839 million, an increase in treasury stock of ¥735,555 due mainly to the cancellation of treasury stock, and an increase in non-controlling interests of ¥102,885 million, as well as a decrease in capital surplus of ¥2,626,473 million, a decrease in net unrealized gains (losses) on available-for-sale securities of ¥1,162,740 million, and a decrease in net deferred gains (losses) on hedges of ¥150,654 million.

2) Cash flows

Cash and cash equivalents at the end of the current fiscal year were ¥68,419,223 million, up ¥5,781,269 million from the beginning of the current fiscal year.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to ¥4,984,168 million (down ¥1,980,987 million in inflow year-on-year), as a result of investment and procurement of funds in the banking business, along with income from insurance premiums and payment of insurance claims, etc. in the life insurance business.

(Cash flows from investing activities)

Net cash provided by investing activities amounted to ¥1,413,220 million (down ¥601,981 million in inflow year-on-year), as a result of cash inflows mainly owing to proceeds from sale and redemption of securities in the banking business and life insurance business, as well as cash outflows mainly due to purchases of securities.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥621,040 million (compared to ¥50,578 million provided in the previous fiscal year), mainly as a result of the acquisition of treasury stock.

(3) Basic Policy on Profit Distribution and Dividends for the Current Fiscal Year and Next Fiscal Year

The Company considers returning profits to shareholders to be an important management measure and sets out its basic policy to continuously provide stable return to shareholders in accordance with the results of operations.

With regard to dividends from retained earnings, the Company aims to provide stable returns to shareholders while maintaining required internal reserves and paying attention to capital efficiency. Accordingly, the Company aims to sustain stable dividend per share, while maintaining an annual dividend per share of roughly ¥50 until the fiscal year ending March 31, 2026.

The decision-making body concerning dividends from retained earnings is set to be the Board of Directors as per the provisions of the Articles of Incorporation in order to ensure flexible management operations. In addition, it is stipulated that dividends from retained earnings are to be paid with March 31 and September 30 of each year as record dates.

With regard to dividends for the fiscal year ended March 31, 2022, based on a comprehensive judgment of the consolidated financial results and other factors, the annual dividend on common stock will be ¥50 per share.

Annual dividend is scheduled to be ¥50 per share for the next fiscal year ending March 31, 2023, taking into consideration the consolidated financial results forecast, stability of dividends and other factors.

Internal reserves will be utilized mainly for investments to capture growth opportunities and capital policies with awareness on capital efficiency, aiming at enhancement of corporate value.

In accordance with Article 11 of the Act on Japan Post Holdings Co., Ltd., payment of dividends from retained earnings or other appropriation of retained earnings (excluding disposition of loss) of the Company shall not be effective without approval of the Minister for Internal Affairs and Communications.

2. Basic Approach Concerning Selection of Accounting Standards

The Group prepares the consolidated financial statements based on Japanese GAAP. It will consider its approach to the future adoption of the International Financial Reporting Standards (IFRS) in consideration of factors such as trends in accounting standards in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Cash and due from banks	62,719,113	68,502,665
Call loans	1,520,000	2,510,000
Receivables under resale agreements	9,721,360	11,958,586
Receivables under securities borrowing transactions	2,585,087	-
Monetary claims bought	638,985	436,845
Trading account securities	13	11
Money held in trust	10,029,932	10,762,356
Securities	193,703,491	193,172,232
Loans	9,655,811	8,693,923
Foreign exchanges	80,847	213,924
Other assets	2,716,321	3,183,566
Tangible fixed assets	3,153,739	3,105,104
Buildings	1,106,006	1,038,414
Land	1,543,915	1,608,472
Construction in progress	136,149	165,308
Other tangible fixed assets	367,668	292,909
Intangible assets	240,194	224,931
Software	217,282	197,692
Goodwill	2,383	8,905
Other intangible assets	20,528	18,333
Asset for retirement benefits	64,184	69,639
Deferred tax assets	919,448	1,019,228
Reserve for possible loan losses	(10,400)	(6,036)
Total assets	297,738,131	303,846,980

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Deposits	187,984,760	191,731,173
Payables under repurchase agreements	14,886,481	22,032,546
Policy reserves and others	61,159,597	58,196,072
Reserve for outstanding claims	419,021	402,608
Policy reserves	59,397,720	56,533,454
Reserve for policyholder dividends	1,342,855	1,260,009
Payables under securities lending transactions	6,092,013	3,751,134
Borrowed money	4,228,180	5,942,886
Foreign exchanges	514	697
Bonds	300,000	300,000
Other liabilities	2,851,705	3,455,867
Reserve for bonuses	126,149	127,237
Liability for retirement benefits	2,210,273	2,223,051
Reserve for employee stock ownership plan trust	535	515
Reserve for management board benefit trust	952	1,139
Reserve for reimbursement of deposits	73,830	58,813
Reserve for insurance claims and others	2,851	-
Reserve under the special laws	904,816	972,606
Reserve for price fluctuations	904,816	972,606
Deferred tax liabilities	844,400	364,257
Total liabilities	281,667,063	289,157,998
Net assets		
Capital stock	3,500,000	3,500,000
Capital surplus	4,085,191	1,458,718
Retained earnings	4,374,229	6,138,069
Treasury stock	(831,661)	(96,106)
Total shareholders' equity	11,127,759	11,000,681
Net unrealized gains (losses) on available-for-sale securities	2,893,921	1,731,180
Net deferred gains (losses) on hedges	(329,275)	(479,930)
Foreign currency translation adjustments	(104,433)	(112,443)
Accumulated adjustments for retirement benefits	206,389	169,902
Total accumulated other comprehensive income	2,666,601	1,308,709
Non-controlling interests	2,276,705	2,379,590
Total net assets	16,071,067	14,688,981
Total liabilities and net assets	297,738,131	303,846,980

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

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Ordinary income	11,720,403	11,264,774
Postal business income	2,778,065	2,688,197
Banking business income	1,944,878	1,976,004
Life insurance business income	6,786,210	6,454,191
Other ordinary income	211,248	146,379
Ordinary expenses	10,806,238	10,273,309
Operating expenses	7,822,474	7,398,205
Personnel expenses	2,473,924	2,429,768
Depreciation and amortization	286,283	255,361
Other ordinary expenses	223,557	189,973
Net ordinary income	914,164	991,464
Extraordinary gains	13,697	29,440
Gains on sales of fixed assets	7,243	21,639
Compensation for transfer	1,482	1,185
Insurance claim income	1,973	4,383
Compensation income	1,795	-
Other extraordinary gains	1,202	2,232
Extraordinary losses	167,871	106,504
Losses on sales and disposal of fixed assets	3,259	4,609
Losses on impairment of fixed assets	93,545	11,280
Provision for reserve under the special laws	46,477	67,789
Provision for reserve for price fluctuations	46,477	67,789
Losses on sale of businesses	-	10,898
Post office refurbishment expenses	4,915	-
Other extraordinary losses	19,673	11,926
Provision for reserve for policyholder dividends	65,465	73,113
Income before income taxes	694,525	841,287
Income taxes current	224,804	221,456
Income taxes deferred	(38,998)	1,322
Total income taxes	185,806	222,779
Net income	508,718	618,508
Net income attributable to non-controlling interests	90,480	116,823
Net income attributable to Japan Post Holdings	418,238	501,685

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net income	508,718	618,508
Other comprehensive income (loss)	3,058,441	(1,423,696)
Net unrealized gains (losses) on available-for-sale securities	3,116,179	(1,210,064)
Net deferred gains (losses) on hedges	(41,932)	(169,335)
Foreign currency translation adjustments	(12,539)	(7,771)
Adjustments for retirement benefits	(3,262)	(36,525)
Share of other comprehensive loss of affiliates	(3)	0
Comprehensive income (loss)	3,567,160	(805,187)
Total comprehensive income (loss) attributable to:		
Japan Post Holdings	2,960,822	(705,175)
Non-controlling interests	606,337	(100,011)

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	3,500,000	4,084,763	4,057,087	(831,707)	10,810,143
Cumulative effects of changes in accounting policies					-
Restated balance at the beginning of the fiscal year	3,500,000	4,084,763	4,057,087	(831,707)	10,810,143
Changes in the fiscal year					
Cash dividends			(101,096)		(101,096)
Deficit disposition					-
Net income attributable to Japan Post Holdings			418,238		418,238
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders		428			428
Purchases of treasury stock					-
Disposals of treasury stock				45	45
Cancellation of treasury stock					-
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	-	428	317,142	45	317,616
Balance at the end of the fiscal year	3,500,000	4,085,191	4,374,229	(831,661)	11,127,759

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income (loss)		
Balance at the beginning of the fiscal year	295,671	(291,823)	(89,698)	209,860	124,008	1,682,622	12,616,774
Cumulative effects of changes in accounting policies							-
Restated balance at the beginning of the fiscal year	295,671	(291,823)	(89,698)	209,860	124,008	1,682,622	12,616,774
Changes in the fiscal year							
Cash dividends							(101,096)
Deficit disposition							-
Net income attributable to Japan Post Holdings							418,238
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders							428
Purchases of treasury stock							-
Disposals of treasury stock							45
Cancellation of treasury stock							-
Net changes in items other than shareholders' equity in the fiscal year	2,598,250	(37,452)	(14,734)	(3,470)	2,542,592	594,083	3,136,675
Net changes in the fiscal year	2,598,250	(37,452)	(14,734)	(3,470)	2,542,592	594,083	3,454,292
Balance at the end of the fiscal year	2,893,921	(329,275)	(104,433)	206,389	2,666,601	2,276,705	16,071,067

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	3,500,000	4,085,191	4,374,229	(831,661)	11,127,759
Cumulative effects of changes in accounting policies			(4,972)		(4,972)
Restated balance at the beginning of the fiscal year	3,500,000	4,085,191	4,369,257	(831,661)	11,122,787
Changes in the fiscal year					
Cash dividends		(202,193)			(202,193)
Deficit disposition		(1,267,127)	1,267,127		-
Net income attributable to Japan Post Holdings			501,685		501,685
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders		(76,336)			(76,336)
Purchases of treasury stock				(345,450)	(345,450)
Disposals of treasury stock				189	189
Cancellation of treasury stock		(1,080,816)		1,080,816	-
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	-	(2,626,473)	1,768,812	735,555	(122,105)
Balance at the end of the fiscal year	3,500,000	1,458,718	6,138,069	(96,106)	11,000,681

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income (loss)		
Balance at the beginning of the fiscal year	2,893,921	(329,275)	(104,433)	206,389	2,666,601	2,276,705	16,071,067
Cumulative effects of changes in accounting policies						(13)	(4,985)
Restated balance at the beginning of the fiscal year	2,893,921	(329,275)	(104,433)	206,389	2,666,601	2,276,692	16,066,081
Changes in the fiscal year							
Cash dividends							(202,193)
Deficit disposition							-
Net income attributable to Japan Post Holdings							501,685
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders							(76,336)
Purchases of treasury stock							(345,450)
Disposals of treasury stock							189
Cancellation of treasury stock							-
Net changes in items other than shareholders' equity in the fiscal year	(1,162,740)	(150,654)	(8,009)	(36,487)	(1,357,892)	102,898	(1,254,994)
Net changes in the fiscal year	(1,162,740)	(150,654)	(8,009)	(36,487)	(1,357,892)	102,898	(1,377,099)
Balance at the end of the fiscal year	1,731,180	(479,930)	(112,443)	169,902	1,308,709	2,379,590	14,688,981

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities:		
Income before income taxes	694,525	841,287
Depreciation and amortization	286,283	255,361
Losses on impairment of fixed assets	93,545	11,280
Amortization of goodwill	167	1,317
Equity in (earnings) losses of affiliates	(560)	(1,527)
Net change in reserve for outstanding claims	(42,203)	(16,412)
Net change in policy reserves	(2,895,445)	(2,864,265)
Provision for interest on policyholder dividends	8	9
Provision for reserve for policyholder dividends	65,465	73,113
Net change in reserve for possible loan losses	2	(1,403)
Net change in reserve for bonuses	3,779	504
Net change in asset and liability for retirement benefits	(18,844)	7,055
Net change in reserve for employee stock ownership plan trust	(70)	(20)
Net change in reserve for management board benefit trust	(31)	186
Net change in reserve for reimbursement of deposits	(6,494)	(15,016)
Net change in reserve for insurance claims and others	(26,870)	(2,851)
Net change in reserve for price fluctuations	46,477	67,789
Interest and dividend income	(1,011,942)	(996,273)
Interest expenses	13,287	10,830
Interest income (accrual basis)	(1,198,391)	(1,369,735)
Interest expenses (accrual basis)	241,154	226,652
Net (gains) losses on securities	236,608	219,842
Net (gains) losses on money held in trust	(360,343)	(401,224)
Net (gains) losses on foreign exchanges	(469,687)	(1,105,269)
Net (gains) losses on sales and disposal of fixed assets	(4,081)	(17,070)
Net change in loans	268,257	248,159
Net change in deposits	6,606,901	3,746,412
Net change in borrowed money	3,907,400	1,686,100
Net change in call loans	(386,825)	(1,257,041)
Net change in receivables under securities borrowing transactions for banking business	112,491	-
Net change in call money	30,856	4,575,165
Net change in payables under securities lending transactions for banking business	(714,840)	9,894
Net change in foreign exchanges (assets)	66,622	(133,076)
Net change in foreign exchanges (liabilities)	3	182
Interest received (cash basis)	1,276,210	1,337,037
Interest paid (cash basis)	(429,822)	(343,003)
Other, net	(154,631)	(417,008)
Subtotal	6,228,960	4,376,984
Interest and dividend income received	1,066,455	1,039,134
Interest expenses paid	(13,043)	(11,308)
Policyholder dividends paid	(159,817)	(155,691)
Income taxes paid	(168,644)	(274,815)
Other, net	11,245	9,864
Net cash provided by operating activities	6,965,155	4,984,168

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from investing activities:		
Purchases of call loans	(7,660,000)	(7,600,000)
Proceeds from redemption of call loans	7,910,000	7,690,000
Net change in receivables under resale agreements	-	(2,096,833)
Net change in payables under repurchase agreements	-	2,570,899
Purchases of monetary claims bought	(1,434,928)	(384,982)
Proceeds from sale and redemption of monetary claims bought	1,476,386	621,790
Net change in receivables under securities borrowing transactions for life insurance business	606,623	2,585,087
Net change in payables under securities lending transactions for life insurance business	297,328	(2,350,772)
Purchases of securities	(33,050,485)	(44,871,665)
Proceeds from sale of securities	5,705,239	7,159,507
Proceeds from redemption of securities	28,137,974	38,079,332
Purchases of money held in trust	(1,167,348)	(1,136,176)
Proceeds from sale of money held in trust	780,139	885,997
Payments for loans	(571,239)	(435,102)
Proceeds from collection of loans	1,269,999	1,146,131
Purchases of tangible fixed assets	(172,376)	(140,274)
Proceeds from sale of tangible fixed assets	18,540	45,991
Purchases of intangible assets	(54,472)	(63,516)
Proceeds from sale of stocks of subsidiaries and affiliates	7	-
Purchases of stocks of subsidiaries resulting in change in the scope of consolidation	-	(23,721)
Proceeds from purchases of stocks of subsidiaries resulting in change in the scope of consolidation	-	4,990
Payments for sale of stocks of subsidiaries resulting in change in the scope of consolidation	-	(30)
Proceeds from sale of stocks of subsidiaries resulting in change in the scope of consolidation	649	-
Other, net	(76,837)	(273,431)
Net cash provided by investing activities	2,015,201	1,413,220
Cash flows from financing activities:		
Proceeds from borrowings	186,728	89,187
Repayment of borrowings	(204,584)	(98,193)
Proceeds from issuance of bonds	198,798	-
Purchase of treasury stock	-	(345,450)
Purchases of treasury stock of subsidiaries	(295)	(548)
Proceeds from disposals of treasury stock of subsidiaries	71	52
Dividends paid	(101,257)	(202,176)
Dividends paid to non-controlling interests	(18,125)	(45,894)
Purchases of stocks of subsidiaries that do not result in change in the scope of consolidation	(1)	(1)
Proceeds from sale of stocks of subsidiaries that do not result in change in the scope of consolidation	12	1,189
Other, net	(10,766)	(19,205)
Net cash provided by financing activities	50,578	(621,040)
Effect of exchange rate changes on cash and cash equivalents	3,161	4,920
Net change in cash and cash equivalents	9,034,097	5,781,269
Cash and cash equivalents at the beginning of the fiscal year	53,603,857	62,637,954
Cash and cash equivalents at the end of the fiscal year	62,637,954	68,419,223

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

None

(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 fiscal year ended March 31, 2022. 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 businesses 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 the merchandising business, including catalogue sales, etc., 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 fiscal year ended March 31, 2022 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, on the consolidated balance sheets as of March 31, 2022, other assets were ¥5,024 million lower and other liabilities were ¥1,649 million higher compared with the accounting policy prior to the application of the Revenue Recognition Accounting Standard, etc. On the consolidated statements of income for the fiscal year ended March 31, 2022, ordinary income was ¥62,793 million lower, ordinary expenses were ¥60,854 million lower, and net ordinary income and income before income taxes were each ¥1,938 million lower.

On the consolidated statements of cash flows for the fiscal year ended March 31, 2022, income before income taxes was ¥1,938 million lower, and other, net, above the subtotal of cash flows from operating activities was ¥6,673 million higher than under the previous accounting policy.

On the consolidated statements of changes in net assets for the fiscal year ended March 31, 2022, the balance of retained earnings at the beginning of the fiscal year was ¥4,972 million lower than under the previous accounting policy, reflecting the cumulative effect of applying the new accounting policy on net assets at the beginning of the fiscal year.

The impact on per share data is presented in the relevant section.

(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 fiscal year ended March 31, 2022. 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.

(Changes in Accounting Estimates)

Previously, the Company amortized actuarial differences and prior service cost related to the public service pension over a period of eight years. From the fiscal year ended March 31, 2022, the Company changed the amortization period to seven years, due to a decrease in the estimated average remaining payment periods for eligible personnel.

Ordinary expenses for the fiscal year ended March 31, 2022 were ¥3,736 million lower as a result of this change, and ordinary income and income before income taxes were higher by the same amount.

(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	2,003,084	88,635	687,579	1,976,004	6,454,191	11,209,496	52,826	11,262,323
Intersegment ordinary income	40,540	1,069,917	237	1,637	16	1,112,348	278,899	1,391,247
Total	2,043,624	1,158,552	687,817	1,977,642	6,454,208	12,321,845	331,725	12,653,571
Segment profit	103,898	24,742	21,226	490,893	356,113	996,874	209,273	1,206,147

- (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 of amounts reported on reportable segments and consolidated financial statements

(1) Reconciliation between total ordinary income of reportable segments and ordinary income on the consolidated statements of income

(Millions of yen)

Items	Fiscal year ended March 31, 2022
Total ordinary income of reportable segments	12,321,845
Ordinary income of other business	331,725
Eliminations of intersegment transactions	(1,391,247)
Adjustments	2,451
Ordinary income on the consolidated statements of income	11,264,774

- (Notes) 1. Ordinary income is presented instead of net sales which is typical for companies in other industries.
2. "Adjustments" are primarily due to differences in the calculation methods used for ordinary income for the international logistics business segment and the consolidated statements of income.

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

(Millions of yen)

Items	Fiscal year ended March 31, 2022
Total segment profit (loss) of reportable segments	996,874
Segment profit in other business	209,273
Eliminations of intersegment transactions	(211,684)
Adjustments	(2,997)
Net ordinary income on the consolidated statements of income	991,464

- (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 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 fiscal year ended March 31, 2022.

(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. beginning with the consolidated financial statements for the fiscal year ended March 31, 2022. 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 fiscal year ended March 31, 2022, ordinary income for the postal and domestic logistics business was ¥2,689 million lower than under the previous method, while segment profit was ¥1,980 million lower. For the post office business, ordinary income was ¥59,679 million lower than under the previous method. For the banking business, ordinary income was ¥779 million lower than under the previous method, while segment profit was ¥51 million higher. For other business, ordinary income was ¥534 million lower than under the previous method, and segment profit was ¥9 million lower.

(Per Share Data)

Items		Fiscal year ended March 31, 2022
Net assets per share	Yen	3,361.06
Net income per share	Yen	131.93

- (Notes)
1. Because there was no potential common stock, the amount for diluted net income per share is omitted.
 2. As described in “(Changes in Accounting Policies),” the Company has applied Revenue Recognition Accounting Standard, etc. from the beginning of the fiscal year ended March 31, 2022. As a result of this change, net assets per share and net income per share for the fiscal year ended March 31, 2022 were each ¥0.51 lower than under the previous accounting policy.
 3. Net assets per share is calculated based on the following:

Items		As of March 31, 2022
Net assets	Millions of yen	14,688,981
Amount deducted from net assets	Millions of yen	2,379,590
Of which: Non-controlling interests	Millions of yen	2,379,590
Net assets attributable to common stock at the fiscal year-end	Millions of yen	12,309,391
Number of common stock outstanding at the fiscal year-end used for the calculation of net assets per share	Thousands of shares	3,662,350

4. The number of treasury stock excluded from the number of common stock outstanding at the fiscal year-end used for the calculation of net assets per share includes the number of shares of the Company held by the management board benefit trust. The number of shares of the Company held by the management board benefit trust excluded from the calculation of net assets per share was 375,400 shares as of March 31, 2022.

5. Net income per share is calculated based on the following:

Items		Fiscal year ended March 31, 2022
Net income attributable to Japan Post Holdings	Millions of yen	501,685
Amount not attributable to common stockholders	Millions of yen	-
Net income attributable to common stock	Millions of yen	501,685
Average number of common stock outstanding during the fiscal year	Thousands of shares	3,802,720

6. The number of treasury stock excluded from the average number of common stock outstanding during the fiscal year used for the calculation of net income per share includes the number of shares of the Company held by the management board benefit trust. The average number of shares of the Company held by the management board benefit trust excluded from the calculation of net income per share was 413,423 shares for the fiscal year ended March 31, 2022.

(Subsequent Events)

(Cancellation of treasury stock)

The Company resolved, at the meeting of its Board of Directors held on April 25, 2022, to cancel treasury stock in accordance with the provisions of Article 178 of the Companies Act.

1. Reason for the cancellation of treasury stock

The Company will cancel treasury stock for the purpose of dispelling concerns over future dilution.

2. Details of matters related to the cancellation

- (1) Class of shares to be cancelled: Common stock of the Company
- (2) Total number of shares to be cancelled: 110,072,529 shares
(The ratio of the total number of shares to be cancelled to the total number of shares issued, prior to the cancellation, will be 2.92%)
- (3) Planned date of cancellation: May 20, 2022

(Reference)

Total number of shares issued after the cancellation: 3,657,797,700 shares

(Acquisition of treasury stock)

The Company resolved, at the meeting of its Board of Directors held on May 13, 2022, on matters concerning the acquisition of 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.

1. Reason for the acquisition of treasury stock

The Company will acquire treasury stock for the purpose of improving capital efficiency and enhancing shareholder returns, in accordance with its capital strategy under the Group Medium-term Management Plan "JP Vision 2025."

2. Details of matters related to the acquisition

- | | |
|--|---|
| (1) Class of shares acquired: | Common stock of the Company |
| (2) Total number of shares to be acquired: | 278,000,000 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 7.6%) |
| (3) Total value of shares to be acquired: | ¥200,000 million (maximum) |
| (4) Acquisition period: | From May 16, 2022 to March 31, 2023 |
| (5) Method of the acquisition: | Market purchases based on a discretionary transaction contract with respect to the acquisition of treasury stock |

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	189,791	142,756
Inventories	386	317
Prepaid expenses	242	774
Short-term loan	22,949	53,704
Accounts receivable	13,938	36,153
Income taxes receivable	24,097	37,289
Others	1,292	5,867
Reserve for possible loan losses	(596)	(4)
Total current assets	252,101	276,859
Non-current assets		
Tangible fixed assets		
Buildings	48,722	43,093
Structures	2,033	2,185
Machinery and equipment	843	602
Vehicles	72	63
Tools and fixtures	23,606	18,352
Land	89,889	91,737
Construction in progress	981	294
Total tangible fixed assets	166,149	156,328
Intangible assets		
Software	19,408	18,229
Others	4,042	1,232
Total intangible assets	23,450	19,461
Investments and other assets		
Investment securities	186,890	147,465
Stocks of subsidiaries and affiliates	5,040,211	4,737,230
Money held in trust	293,063	412,160
Long-term loan	20,926	62,329
Claims provable in bankruptcy	61	63
Long-term prepaid expenses	1,842	1,445
Prepaid pension costs	17,890	36,898
Others	172	172
Reserve for possible loan losses	(61)	(63)
Allowance for investment loss	(5,152)	(1,700)
Total investments and other assets	5,555,845	5,396,001
Total non-current assets	5,745,446	5,571,791
Total assets	5,997,547	5,848,650

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable	25,758	16,237
Accrued expenses	884	1,042
Income taxes payable	150	151
Accrued consumption taxes	-	3,185
Reserve for bonuses	1,634	1,371
Reserve for point service program	390	-
Others	429	2,221
Total current liabilities	29,247	24,210
Long-term liabilities		
Reserve for retirement benefits	24,401	24,130
Reserve for management board benefit trust	281	315
Reserve for compensation for accidents in the course of duty	16,701	16,022
Deferred tax liabilities	5,989	35,926
Others	7,956	7,323
Total long-term liabilities	55,330	83,719
Total liabilities	84,577	107,929
Net assets		
Shareholders' equity		
Capital stock	3,500,000	3,500,000
Capital surplus		
Capital reserve	875,000	875,000
Other capital surplus	3,628,856	1,078,718
Total capital surplus	4,503,856	1,953,718
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(1,267,127)	325,471
Total retained earnings	(1,267,127)	325,471
Treasury stock	(831,661)	(96,106)
Total shareholders' equity	5,905,066	5,683,084
Valuation and translation adjustments		
Net unrealized gains (losses) on available-for-sale securities	7,903	57,636
Total valuation and translation adjustments	7,903	57,636
Total net assets	5,912,969	5,740,721
Total liabilities and net assets	5,997,547	5,848,650

(2) Non-consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Operating income		
Brand royalty income	13,397	13,040
Dividend income from subsidiaries and affiliates	97,209	203,393
Income from business consignment	37,045	45,262
Subsidy income equivalent to deposit insurance premiums	329	243
Income from hospital business	13,042	14,020
Income from hotel business	6,908	8,728
Total operating income	167,933	284,688
Operating expenses		
Expenses for business consignment	38,972	45,000
Expenses for hospital business	16,936	17,708
Expenses for hotel business	18,481	16,414
Administrative expenses	(11,328)	2,019
Total operating expenses	63,061	81,142
Net operating income	104,871	203,545
Other income		
Interest income	87	275
Dividend income	7,102	9,998
Rent income	2,665	2,804
System modification fees	166	-
Subsidy income	1,076	1,958
Others	1,081	867
Total other income	12,180	15,904
Other expenses		
Rent expenses	1,276	1,312
System modification expenses	161	-
Provision of allowance for doubtful accounts	596	2
Others	216	382
Total other expenses	2,250	1,697
Net ordinary income	114,800	217,753
Extraordinary gains		
Gains on sales of fixed assets	1,636	1,072
Gains on sales of stocks of subsidiaries and affiliates	-	87,530
Others	369	2,968
Total extraordinary gains	2,005	91,572
Extraordinary losses		
Losses on sales and disposal of fixed assets	468	295
Losses on impairment of fixed assets	5,429	3,876
Losses on valuation of stocks of subsidiaries and affiliates	2,229,597	-
Share of post office refurbishment expenses	5,518	-
Expenses related to transfer of business	-	4,717
Others	4,335	1,060
Total extraordinary losses	2,245,349	9,949
Income (loss) before income taxes	(2,128,543)	299,376
Income taxes current	1,446	(26,084)
Total income taxes	1,446	(26,084)
Net income (loss)	(2,129,989)	325,460

(3) Non-consolidated Statements of Changes in Net Assets
Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
				Retained earnings brought forward		
Balance at the beginning of the fiscal year	3,500,000	875,000	3,628,856	4,503,856	963,958	963,958
Cumulative effects of changes in accounting policies						
Restated balance at the beginning of the fiscal year	3,500,000	875,000	3,628,856	4,503,856	963,958	963,958
Changes in the fiscal year						
Cash dividends					(101,096)	(101,096)
Deficit disposition						
Net loss					(2,129,989)	(2,129,989)
Purchases of treasury stock						
Disposals of treasury stock						
Cancellation of treasury stock						
Net changes in items other than shareholders' equity in the fiscal year						
Net changes in the fiscal year	-	-	-	-	(2,231,085)	(2,231,085)
Balance at the end of the fiscal year	3,500,000	875,000	3,628,856	4,503,856	(1,267,127)	(1,267,127)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	(831,707)	8,136,107	(104,439)	(104,439)	8,031,667
Cumulative effects of changes in accounting policies		-			-
Restated balance at the beginning of the fiscal year	(831,707)	8,136,107	(104,439)	(104,439)	8,031,667
Changes in the fiscal year					
Cash dividends		(101,096)			(101,096)
Deficit disposition		-			-
Net loss		(2,129,989)			(2,129,989)
Purchases of treasury stock		-			-
Disposals of treasury stock	45	45			45
Cancellation of treasury stock		-			-
Net changes in items other than shareholders' equity in the fiscal year			112,342	112,342	112,342
Net changes in the fiscal year	45	(2,231,040)	112,342	112,342	(2,118,697)
Balance at the end of the fiscal year	(831,661)	5,905,066	7,903	7,903	5,912,969

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
				Retained earnings brought forward		
Balance at the beginning of the fiscal year	3,500,000	875,000	3,628,856	4,503,856	(1,267,127)	(1,267,127)
Cumulative effects of changes in accounting policies					11	11
Restated balance at the beginning of the fiscal year	3,500,000	875,000	3,628,856	4,503,856	(1,267,115)	(1,267,115)
Changes in the fiscal year						
Cash dividends			(202,193)	(202,193)		
Deficit disposition			(1,267,127)	(1,267,127)	1,267,127	1,267,127
Net income					325,460	325,460
Purchases of treasury stock						
Disposals of treasury stock						
Cancellation of treasury stock			(1,080,816)	(1,080,816)		
Net changes in items other than shareholders' equity in the fiscal year						
Net changes in the fiscal year	-	-	(2,550,137)	(2,550,137)	1,592,587	1,592,587
Balance at the end of the fiscal year	3,500,000	875,000	1,078,718	1,953,718	325,471	325,471

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	(831,661)	5,905,066	7,903	7,903	5,912,969
Cumulative effects of changes in accounting policies		11			11
Restated balance at the beginning of the fiscal year	(831,661)	5,905,078	7,903	7,903	5,912,981
Changes in the fiscal year					
Cash dividends		(202,193)			(202,193)
Deficit disposition		-			-
Net income		325,460			325,460
Purchases of treasury stock	(345,450)	(345,450)			(345,450)
Disposals of treasury stock	189	189			189
Cancellation of treasury stock	1,080,816	-			-
Net changes in items other than shareholders' equity in the fiscal year			49,733	49,733	49,733
Net changes in the fiscal year	735,555	(221,993)	49,733	49,733	(172,259)
Balance at the end of the fiscal year	(96,106)	5,683,084	57,636	57,636	5,740,721