



Overview of Consolidated Financial Results of Japan Post Co.

for the Three Months Ended June 30, 2022

August 10, 2022

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1. Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	2,116,337	1,884,207
Notes receivable, operating accounts receivable and contract assets	313,807	340,136
Securities	15,000	15,000
Inventories	39,439	40,744
Outstanding amount of banking business consignment	17,988	17,947
Other current assets	43,724	70,569
Reserve for possible loan losses	(1,064)	(1,374)
Total current assets	2,545,232	2,367,230
Non-current assets		
Tangible fixed assets		
Buildings	855,718	843,522
Land	1,293,431	1,289,602
Right-of-use assets	63,946	62,945
Other tangible fixed assets	296,127	291,975
Total tangible fixed assets	2,509,224	2,488,045
Intangible assets	47,994	55,716
Investments and other assets		
Other investments and other assets	81,983	83,415
Reserve for possible loan losses	(3,467)	(3,446)
Total investments and other assets	78,515	79,968
Total non-current assets	2,635,734	2,623,731
Total assets	5,180,966	4,990,961

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes payable and operating accounts payable	108,621	104,751
Short-term borrowings	160,569	344,216
Current portion of long-term borrowings	163,642	2
Other accounts payable	248,664	169,251
Outstanding amount of life insurance business consignment	1,583	1,585
Income taxes payable	24,180	7,842
Deposits received	221,994	222,022
Fund deposits for post offices	860,000	860,000
Reserve for bonuses	113,800	33,263
Other current liabilities	166,070	186,451
Total current liabilities	2,069,126	1,929,387
Long-term liabilities		
Lease obligations	103,241	101,888
Deferred tax liabilities	10,990	12,235
Reserve for losses on rebuilding of branches	197	197
Reserve for management board benefit trust	227	118
Liability for retirement benefits	1,995,085	2,020,884
Other long-term liabilities	91,942	91,083
Total long-term liabilities	2,201,686	2,226,407
Total liabilities	4,270,812	4,155,794
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	141,930	141,930
Retained earnings	327,640	264,160
Total shareholders' equity	869,571	806,091
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	28	174
Net deferred gains (losses) on hedges	(212)	(20)
Foreign currency translation adjustments	(112,443)	(117,986)
Accumulated adjustments for retirement benefits	133,987	128,232
Total accumulated other comprehensive income	21,360	10,399
Non-controlling interests	19,222	18,676
Total net assets	910,154	835,167
Total liabilities and net assets	5,180,966	4,990,961

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

(1) Interim Consolidated Statements of Income

Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Operating income		
Postal service business income	484,211	470,901
Commissions for banking business consignment	93,546	89,797
Commissions for life insurance business consignment	48,644	34,967
Funds to maintain post office network	72,747	70,204
International logistics business income	181,076	161,992
Other operating income	22,003	25,690
Total operating income	902,230	853,555
Operating costs	805,234	769,616
Gross operating income	96,995	83,938
Sales, general and administrative costs	60,156	57,197
Net operating income	36,838	26,741
Other income		
Interest income	35	116
Dividend income	4	114
Equity in earnings of affiliates	134	493
Foreign exchange gains	-	1,116
Subsidy income	330	435
Others	1,219	509
Total other income	1,723	2,786
Other expenses		
Interest expenses	2,654	2,030
Provision for reserve for possible loan losses	1,052	15
Others	297	151
Total other expenses	4,004	2,198
Net ordinary income	34,558	27,329
Extraordinary gains		
Gains on sales of fixed assets	1,544	5,457
Others	113	72
Total extraordinary gains	1,658	5,529
Extraordinary losses		
Losses on sales of fixed assets	57	50
Losses on disposal of fixed assets	191	141
Losses on impairment of fixed assets	509	29
Others	7	23
Total extraordinary losses	767	245
Income before income taxes	35,450	32,613
Income taxes current	2,091	2,815
Income taxes deferred	273	190
Total income taxes	2,365	3,005
Net income	33,084	29,608
Net income (loss) attributable to non-controlling interests	399	(129)
Net income attributable to Japan Post Co.	32,685	29,737

(2) Interim Consolidated Statements of Comprehensive Income
 Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net income	33,084	29,608
Other comprehensive income (loss)		
Net unrealized gains (losses) on available-for-sale securities	(1)	143
Net deferred gains (losses) on hedges	(22)	192
Foreign currency translation adjustments	1,785	(5,433)
Adjustments for retirement benefits	(5,604)	(5,755)
Share of other comprehensive income of affiliates	1	1
Total other comprehensive loss	(3,841)	(10,851)
Comprehensive income	29,243	18,756
Total comprehensive income (loss) attributable to:		
Japan Post Co.	29,223	18,776
Non-controlling interests	19	(19)

3. Segment Information

Three months ended June 30, 2021

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

(Millions of yen)

	Reportable segments				Other	Total
	Postal and domestic logistics business	Post office business	International logistics business (Note)	Subtotal		
Operating income						
Operating income from third parties	485,622	235,531	181,076	902,230	-	902,230
Intersegment operating income	2,896	50,688	59	53,643	-	53,643
Total	488,519	286,219	181,135	955,873	-	955,873
Segment profit	20,327	11,361	6,507	38,197	-	38,197

(Note)

The amount presented in segment profit for the international logistics business segment is EBIT.

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

(Millions of yen)

Items	Amount
Total segment profit of reportable segments	38,197
Segment profit in other business	-
Eliminations of intersegment transactions	200
Corporate expenses (Note)	(613)
Other adjustments	(945)
Net operating income on the interim consolidated statements of income	36,838

(Note)

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

Three months ended June 30, 2022

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

(Millions of yen)

	Reportable segments				Other	Total
	Postal and domestic logistics business	Post office business	International logistics business (Note)	Subtotal		
Operating income						
Operating income from third parties	472,321	219,240	161,992	853,555	-	853,555
Intersegment operating income	2,686	50,386	75	53,148	-	53,148
Total	475,008	269,626	162,068	906,703	-	906,703
Segment profit	3,972	20,780	4,086	28,838	-	28,838

(Note)

The amount presented in segment profit for the international logistics business segment is EBIT.

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

(Millions of yen)

Items	Amount
Total segment profit of reportable segments	28,838
Segment profit in other business	-
Eliminations of intersegment transactions	207
Corporate expenses (Note)	(589)
Other adjustments	(1,716)
Net operating income on the interim consolidated statements of income	26,741

(Note)

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