

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 <Under Japanese GAAP>



November 11, 2022

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 Scheduled date of filing interim securities report: November 25, 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 Six Months Ended September 30, 2022

(April 1, 2022 to September 30, 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	%
Six months ended September 30, 2022	5,450,460	(5.2)	294,391	(46.2)	205,912	(22.3)
Six months ended September 30, 2021	5,750,780	2.0	547,668	51.9	265,163	48.2

(Note) Comprehensive income: Six months ended September 30, 2022: ¥(860,052) million [-%]
 Six months ended September 30, 2021: ¥480,185 million [(82.6)%]

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2022	56.81	-
Six months ended September 30, 2021	68.33	-

(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 September 30, 2022	295,203,305	13,509,037	3.8
As of March 31, 2022	303,846,980	14,688,981	4.1

(Reference) Equity: As of September 30, 2022: ¥11,319,209 million
 As of March 31, 2022: ¥12,309,391 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, 2022	Yen -	Yen 0.00	Yen -	Yen 50.00	Yen 50.00
Fiscal year ending March 31, 2023	-	0.00			
Fiscal year ending March 31, 2023 (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, 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	%	Yen
Fiscal year ending March 31, 2023	10,670,000	(5.3)	700,000	(29.4)	400,000	(20.3)	111.39

(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) 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 (4) Notes to Interim Consolidated Financial Statements (Changes in Accounting Policies) on page 10 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 period (including treasury stock):
 - As of September 30, 2022: 3,657,797,700 shares
 - As of March 31, 2022: 3,767,870,229 shares
 - 2) Total number of treasury stock at the end of the fiscal period:
 - As of September 30, 2022: 100,488,423 shares
 - As of March 31, 2022: 105,519,251 shares
 - 3) Average number of shares during the fiscal period:
 - Six months ended September 30, 2022: 3,624,799,705 shares
 - Six months ended September 30, 2021: 3,880,481,363 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 1,140,500 shares and 375,400 shares as of September 30, 2022 and March 31, 2022, 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 905,232 shares and 440,716 shares for the six months ended September 30, 2022 and 2021, respectively.

(Summary of non-consolidated financial results)

1. Non-consolidated Financial Results for the Six Months Ended September 30, 2022

(April 1, 2022 to September 30, 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	%
Six months ended September 30, 2022	213,022	(8.8)	174,025	(10.8)	183,095	(9.3)	195,445	(34.6)
Six months ended September 30, 2021	233,574	82.1	195,036	93.9	201,962	91.5	298,990	-

	Net income per share
	Yen
Six months ended September 30, 2022	53.92
Six months ended September 30, 2021	77.05

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio (Note)
	Million yen	Million yen	%
As of September 30, 2022	5,756,087	5,613,946	97.5
As of March 31, 2022	5,848,650	5,740,721	98.2

(Reference) Equity: As of September 30, 2022: ¥5,613,946 million

As of March 31, 2022: ¥5,740,721 million

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

* 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, the impact of Russia's invasion of Ukraine, 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]

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Supplementary Briefing Material:

Materials for Consolidated Financial Results for the Six Months Ended September 30, 2022

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 six months ended September 30, 2022 amounted to ¥5,450,460 million (down ¥300,319 million year-on-year), of which the postal and domestic logistics business segment accounted for ¥949,584 million (down ¥5,454 million year-on-year); the post office business segment accounted for ¥538,804 million (down ¥39,483 million year-on-year*); the international logistics business segment accounted for ¥323,475 million (down ¥43,427 million year-on-year); the banking business segment accounted for ¥928,802 million (down ¥225,245 million year-on-year); and the life insurance business segment accounted for ¥3,202,443 million (down ¥23,678 million year-on-year).

Consolidated net ordinary income amounted to ¥294,391 million (down ¥253,276 million year-on-year) as a result of net ordinary loss of ¥4,340 million in the postal and domestic logistics business segment (net ordinary income of ¥7,728 million for the same period of the previous fiscal year); net ordinary income of ¥37,899 million in the post office business segment (up ¥18,604 million year-on-year*); net ordinary income of ¥3,315 million in the international logistics business segment (down ¥7,511 million year-on-year); net ordinary income of ¥220,124 million in the banking business segment (down ¥105,464 million year-on-year); and net ordinary income of ¥33,903 million in the life insurance business segment (down ¥149,980 million year-on-year).

As a result of the above, net income attributable to Japan Post Holdings amounted to ¥205,912 million (down ¥59,250 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 business conducted by Japan Post Building Management Co., Ltd., which was previously included in the “post office business,” has been reclassified as part of “other business” beginning from the six months ended September 30, 2022. 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 ¥295,203,305 million, down ¥8,643,675 million from the end of the previous fiscal year.

Major factors include an increase in other assets of ¥894,570 million and an increase in money held in trust of ¥765,599 million, as well as a decrease in cash and due from banks of ¥6,459,968 million and a decrease in securities of ¥4,133,284 million.

2) Liabilities

Consolidated total liabilities were ¥281,694,267 million, down ¥7,463,731 million from the end of the previous fiscal year.

Major factors include an increase in other liabilities of ¥1,253,921 million and an increase in deposits of ¥520,787 million, as well as a decrease in borrowed money of ¥5,351,501 million, a decrease in payables under repurchase agreements of ¥2,340,993 million and a decrease in policy reserves of ¥1,492,605 million.

3) Net Assets

Consolidated total net assets were ¥13,509,037 million, down ¥1,179,944 million from the end of the previous fiscal year.

Major factors include an increase in retained earnings of ¥22,776 million, as well as a decrease in net unrealized gains (losses) on available-for-sale securities of ¥680,348 million and a decrease in net deferred gains (losses) on hedges of ¥204,659 million.

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

The consolidated financial results forecast for the fiscal year ending March 31, 2023 remains unchanged from the full year forecast announced on May 13, 2022.

2. Interim Consolidated Financial Statements and Primary Notes

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Cash and due from banks	68,502,665	62,042,697
Call loans	2,510,000	2,400,000
Receivables under resale agreements	11,958,586	11,179,575
Receivables under securities borrowing transactions	-	454,022
Monetary claims bought	436,845	419,140
Trading account securities	11	10
Money held in trust	10,762,356	11,527,955
Securities	193,172,232	189,038,948
Loans	8,693,923	9,343,228
Foreign exchanges	213,924	160,555
Other assets	3,183,566	4,078,137
Tangible fixed assets	3,105,104	3,085,413
Intangible assets	224,931	238,316
Asset for retirement benefits	69,639	69,594
Deferred tax assets	1,019,228	1,171,765
Reserve for possible loan losses	(6,036)	(6,057)
Total assets	303,846,980	295,203,305

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Deposits	191,731,173	192,251,960
Payables under repurchase agreements	22,032,546	19,691,552
Policy reserves and others	58,196,072	56,679,325
Reserve for outstanding claims	402,608	424,702
Policy reserves	56,533,454	55,040,848
Reserve for policyholder dividends	1,260,009	1,213,774
Payables under securities lending transactions	3,751,134	4,035,192
Borrowed money	5,942,886	591,385
Foreign exchanges	697	1,152
Bonds	300,000	335,000
Other liabilities	3,455,867	4,709,788
Reserve for bonuses	127,237	123,967
Liability for retirement benefits	2,223,051	2,265,466
Reserve for employee stock ownership plan trust	515	251
Reserve for management board benefit trust	1,139	889
Reserve for reimbursement of deposits	58,813	56,848
Reserve under the special laws	972,606	891,195
Reserve for price fluctuations	972,606	891,195
Deferred tax liabilities	364,257	60,290
Total liabilities	289,157,998	281,694,267
Net assets		
Capital stock	3,500,000	3,500,000
Capital surplus	1,458,718	1,355,862
Retained earnings	6,138,069	6,160,845
Treasury stock	(96,106)	(96,524)
Total shareholders' equity	11,000,681	10,920,183
Net unrealized gains (losses) on available-for-sale securities	1,731,180	1,050,832
Net deferred gains (losses) on hedges	(479,930)	(684,590)
Foreign currency translation adjustments	(112,443)	(119,947)
Accumulated adjustments for retirement benefits	169,902	152,731
Total accumulated other comprehensive income	1,308,709	399,025
Non-controlling interests	2,379,590	2,189,827
Total net assets	14,688,981	13,509,037
Total liabilities and net assets	303,846,980	295,203,305

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

Interim Consolidated Statements of Income
Six months ended September 30

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Ordinary income	5,750,780	5,450,460
Postal business income	1,301,754	1,251,518
Banking business income	1,153,286	928,047
Life insurance business income	3,226,113	3,202,015
Other ordinary income	69,625	68,879
Ordinary expenses	5,203,112	5,156,068
Operating expenses	3,671,545	3,827,970
Personnel expenses	1,219,213	1,195,499
Depreciation and amortization	130,942	114,777
Other ordinary expenses	181,410	17,821
Net ordinary income	547,668	294,391
Extraordinary gains	13,178	88,995
Gains on sales of fixed assets	8,686	6,081
Reversal of reserve under the special laws	-	81,410
Reversal of reserve for price fluctuations	-	81,410
Compensation for transfer	322	90
Insurance claim income	4,154	831
Other extraordinary gains	14	581
Extraordinary losses	57,261	1,555
Losses on sales and disposal of fixed assets	2,221	905
Losses on impairment of fixed assets	4,135	614
Provision for reserve under the special laws	35,572	-
Provision for reserve for price fluctuations	35,572	-
Losses on sale of businesses	11,077	-
Other extraordinary losses	4,254	35
Provision for reserve for policyholder dividends	36,004	27,172
Income before income taxes	467,581	354,660
Income taxes current	139,894	117,457
Income taxes deferred	(3,131)	(12,018)
Total income taxes	136,762	105,439
Net income	330,818	249,220
Net income attributable to non-controlling interests	65,655	43,307
Net income attributable to Japan Post Holdings	265,163	205,912

Interim Consolidated Statements of Comprehensive Income
Six months ended September 30

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net income	330,818	249,220
Other comprehensive income (loss)	149,367	(1,109,273)
Net unrealized gains (losses) on available-for-sale securities	237,188	(854,629)
Net deferred gains (losses) on hedges	(74,522)	(230,062)
Foreign currency translation adjustments	10,295	(7,260)
Adjustments for retirement benefits	(23,593)	(17,324)
Share of other comprehensive income (loss) of affiliates	(0)	3
Comprehensive income (loss)	480,185	(860,052)
Total comprehensive income (loss) attributable to:		
Japan Post Holdings	339,403	(695,381)
Non-controlling interests	140,782	(164,671)

(3) Interim Consolidated Statements of Changes in Net Assets
Six months ended September 30, 2021

(Millions of yen)

	Shareholders' equity					Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury stock		
Balance at the beginning of the fiscal period	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 period	3,500,000	4,085,191	4,369,257	(831,661)		11,122,787
Changes in the fiscal period						
Cash dividends		(202,193)				(202,193)
Deficit disposition		(1,267,127)	1,267,127			-
Net income attributable to Japan Post Holdings			265,163			265,163
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders		(75,982)				(75,982)
Purchase of treasury stock				(250,000)		(250,000)
Disposals of treasury stock				167		167
Cancellation of treasury stock		(1,080,816)		1,080,816		-
Net changes in items other than shareholders' equity in the fiscal period						
Net changes in the fiscal period	-	(2,626,119)	1,532,290	830,984		(262,845)
Balance at the end of the fiscal period	3,500,000	1,459,072	5,901,547	(677)		10,859,941

	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 period	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 period	2,893,921	(329,275)	(104,433)	206,389	2,666,601	2,276,692	16,066,081
Changes in the fiscal period							
Cash dividends							(202,193)
Deficit disposition							-
Net income attributable to Japan Post Holdings							265,163
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders							(75,982)
Purchase of treasury stock							(250,000)
Disposals of treasury stock							167
Cancellation of treasury stock							-
Net changes in items other than shareholders' equity in the fiscal period	2,487	(66,387)	11,016	(23,905)	(76,788)	352,101	275,312
Net changes in the fiscal period	2,487	(66,387)	11,016	(23,905)	(76,788)	352,101	12,467
Balance at the end of the fiscal period	2,896,409	(395,663)	(93,416)	182,484	2,589,813	2,628,793	16,078,548

Six months ended September 30, 2022

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal period	3,500,000	1,458,718	6,138,069	(96,106)	11,000,681
Cumulative effects of changes in accounting policies					-
Restated balance at the beginning of the fiscal period	3,500,000	1,458,718	6,138,069	(96,106)	11,000,681
Changes in the fiscal period					
Cash dividends			(183,136)		(183,136)
Deficit disposition					-
Net income attributable to Japan Post Holdings			205,912		205,912
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders		(2,799)			(2,799)
Purchase of treasury stock				(100,573)	(100,573)
Disposals of treasury stock				98	98
Cancellation of treasury stock		(100,056)		100,056	-
Net changes in items other than shareholders' equity in the fiscal period					
Net changes in the fiscal period	-	(102,855)	22,776	(418)	(80,497)
Balance at the end of the fiscal period	3,500,000	1,355,862	6,160,845	(96,524)	10,920,183

	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 period	1,731,180	(479,930)	(112,443)	169,902	1,308,709	2,379,590	14,688,981
Cumulative effects of changes in accounting policies							-
Restated balance at the beginning of the fiscal period	1,731,180	(479,930)	(112,443)	169,902	1,308,709	2,379,590	14,688,981
Changes in the fiscal period							
Cash dividends							(183,136)
Deficit disposition							-
Net income attributable to Japan Post Holdings							205,912
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders							(2,799)
Purchase of treasury stock							(100,573)
Disposals of treasury stock							98
Cancellation of treasury stock							-
Net changes in items other than shareholders' equity in the fiscal period	(680,348)	(204,659)	(7,503)	(17,170)	(909,683)	(189,763)	(1,099,446)
Net changes in the fiscal period	(680,348)	(204,659)	(7,503)	(17,170)	(909,683)	(189,763)	(1,179,944)
Balance at the end of the fiscal period	1,050,832	(684,590)	(119,947)	152,731	399,025	2,189,827	13,509,037

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

None

(Changes in Accounting Policies)

(Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has applied “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as “Implementation Guidance on Fair Value Measurement Accounting Standard”), from the start of the six months ended September 30, 2022. The Company has applied the new accounting policy prescribed under Implementation Guidance on Fair Value Measurement Accounting Standard prospectively, in accordance with the transitional treatment prescribed under Paragraph 27-2 of Implementation Guidance on Fair Value Measurement Accounting Standard. Pursuant to this application, the method used to measure the value of certain investment trusts on the consolidated balance sheets has changed from acquisition cost to fair value.

(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	930,934	39,214	323,334	928,047	3,202,015	5,423,546	24,674	5,448,220
Intersegment ordinary income	18,650	499,590	141	754	428	519,565	214,501	734,066
Total	949,584	538,804	323,475	928,802	3,202,443	5,943,111	239,175	6,182,286
Segment profit (loss)	(4,340)	37,899	3,315	220,124	33,903	290,901	180,962	471,863

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

2. "Other business" includes the hospital business. Segment profit in "Other business" includes dividend income from subsidiaries and affiliates recorded by the Company in the amount of ¥175,825 million.

2. Reconciliation of amounts reported on reportable segments and interim consolidated financial statements

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

(Millions of yen)

Items	Amount
Total ordinary income of reportable segments	5,943,111
Ordinary income of other business	239,175
Eliminations of intersegment transactions	(734,066)
Adjustments	2,240
Ordinary income on the interim consolidated statements of income	5,450,460

(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 interim consolidated statements of income.

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

(Millions of yen)

Items	Amount
Total segment profit of reportable segments	290,901
Segment profit in other business	180,962
Eliminations of intersegment transactions	(176,160)
Adjustments	(1,311)
Net ordinary income on the interim consolidated statements of income	294,391

(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 business conducted by Japan Post Building Management Co., Ltd., which was previously included in the “post office business,” has been reclassified as part of “other business” beginning from the six months ended September 30, 2022.

3. Interim Non-consolidated Financial Statements

(1) Interim Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	142,756	174,299
Inventories	317	189
Prepaid expenses	774	1,566
Short-term loan	53,704	80,614
Accounts receivable	36,153	17,464
Income taxes receivable	37,289	46,036
Others	5,867	16,991
Reserve for possible loan losses	(4)	(5)
Total current assets	276,859	337,155
Non-current assets		
Tangible fixed assets		
Buildings	43,093	36,478
Tools and fixtures	18,352	15,261
Land	91,737	89,698
Others	3,146	1,467
Total tangible fixed assets	156,328	142,905
Intangible assets	19,461	16,426
Investments and other assets		
Investment securities	147,465	98,348
Stocks of subsidiaries and affiliates	4,737,230	4,629,908
Money held in trust	412,160	425,634
Long-term loan	62,329	64,126
Claims provable in bankruptcy	63	62
Long-term prepaid expenses	1,445	1,178
Prepaid pension costs	36,898	41,889
Others	172	213
Reserve for possible loan losses	(63)	(62)
Allowance for investment loss	(1,700)	(1,700)
Total investments and other assets	5,396,001	5,259,599
Total non-current assets	5,571,791	5,418,932
Total assets	5,848,650	5,756,087

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable	16,237	12,366
Accrued expenses	1,042	1,715
Income taxes payable	151	22
Accrued consumption taxes	3,185	847
Reserve for bonuses	1,371	1,308
Others	2,221	12,692
Total current liabilities	24,210	28,952
Long-term liabilities		
Bonds	-	35,000
Reserve for retirement benefits	24,130	19,834
Reserve for management board benefit trust	315	173
Reserve for compensation for accidents in the course of duty	16,022	15,716
Others	43,250	42,462
Total long-term liabilities	83,719	113,188
Total liabilities	107,929	142,141
Net assets		
Shareholders' equity		
Capital stock	3,500,000	3,500,000
Capital surplus		
Capital reserve	875,000	875,000
Other capital surplus	1,078,718	978,662
Total capital surplus	1,953,718	1,853,662
Retained earnings		
Other retained earnings		
Retained earnings brought forward	325,471	337,780
Total retained earnings	325,471	337,780
Treasury stock	(96,106)	(96,524)
Total shareholders' equity	5,683,084	5,594,918
Valuation and translation adjustments		
Net unrealized gains (losses) on available-for-sale securities	57,636	19,028
Total valuation and translation adjustments	57,636	19,028
Total net assets	5,740,721	5,613,946
Total liabilities and net assets	5,848,650	5,756,087

(2) Interim Non-consolidated Statements of Income
Six months ended September 30

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Operating income		
Brand royalty income	6,521	6,346
Dividend income from subsidiaries and affiliates	194,419	175,825
Income from business consignment	21,763	22,899
Subsidy income equivalent to deposit insurance premiums	121	48
Income from hospital business	6,866	7,485
Income from hotel business	3,882	417
Total operating income	233,574	213,022
Operating expenses		
Expenses for business consignment	22,182	23,375
Expenses for hospital business	8,765	8,985
Expenses for hotel business	8,204	1,415
Administrative expenses	(614)	5,219
Total operating expenses	38,537	38,996
Net operating income	195,036	174,025
Other income		
Dividend income	4,540	6,129
Rent income	1,403	1,366
Others	1,882	2,509
Total other income	7,827	10,005
Other expenses		
Interest on bonds	-	12
Rent expenses	664	657
Others	236	265
Total other expenses	900	936
Net ordinary income	201,962	183,095
Extraordinary gains		
Gains on sales of fixed assets	44	443
Gains on sales of stocks of subsidiaries and affiliates	87,530	3,395
Others	2,968	557
Total extraordinary gains	90,544	4,396
Extraordinary losses		
Losses on sales and disposal of fixed assets	207	90
Losses on impairment of fixed assets	3,100	161
Others	753	30
Total extraordinary losses	4,061	282
Income before income taxes	288,445	187,209
Income taxes current	(10,544)	(8,235)
Total income taxes	(10,544)	(8,235)
Net income	298,990	195,445

(3) Interim Non-consolidated Statements of Changes in Net Assets
Six months ended September 30, 2021

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at the beginning of the fiscal period	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 period	3,500,000	875,000	3,628,856	4,503,856	(1,267,115)	(1,267,115)
Changes in the fiscal period						
Cash dividends			(202,193)	(202,193)		
Deficit disposition			(1,267,127)	(1,267,127)	1,267,127	1,267,127
Net income					298,990	298,990
Purchase 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 period						
Net changes in the fiscal period	-	-	(2,550,137)	(2,550,137)	1,566,117	1,566,117
Balance at the end of the fiscal period	3,500,000	875,000	1,078,718	1,953,718	299,002	299,002

	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 period	(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 period	(831,661)	5,905,078	7,903	7,903	5,912,981
Changes in the fiscal period					
Cash dividends		(202,193)			(202,193)
Deficit disposition		-			-
Net income		298,990			298,990
Purchase of treasury stock	(250,000)	(250,000)			(250,000)
Disposals of treasury stock	167	167			167
Cancellation of treasury stock	1,080,816	-			-
Net changes in items other than shareholders' equity in the fiscal period			(10,385)	(10,385)	(10,385)
Net changes in the fiscal period	830,984	(153,035)	(10,385)	(10,385)	(163,420)
Balance at the end of the fiscal period	(677)	5,752,043	(2,482)	(2,482)	5,749,560

Six months ended September 30, 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 period	3,500,000	875,000	1,078,718	1,953,718	325,471	325,471
Cumulative effects of changes in accounting policies						
Restated balance at the beginning of the fiscal period	3,500,000	875,000	1,078,718	1,953,718	325,471	325,471
Changes in the fiscal period						
Cash dividends					(183,136)	(183,136)
Deficit disposition						
Net income					195,445	195,445
Purchase of treasury stock						
Disposals of treasury stock						
Cancellation of treasury stock			(100,056)	(100,056)		
Net changes in items other than shareholders' equity in the fiscal period						
Net changes in the fiscal period	-	-	(100,056)	(100,056)	12,308	12,308
Balance at the end of the fiscal period	3,500,000	875,000	978,662	1,853,662	337,780	337,780

	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 period	(96,106)	5,683,084	57,636	57,636	5,740,721
Cumulative effects of changes in accounting policies		-			-
Restated balance at the beginning of the fiscal period	(96,106)	5,683,084	57,636	57,636	5,740,721
Changes in the fiscal period					
Cash dividends		(183,136)			(183,136)
Deficit disposition		-			-
Net income		195,445			195,445
Purchase of treasury stock	(100,573)	(100,573)			(100,573)
Disposals of treasury stock	98	98			98
Cancellation of treasury stock	100,056	-			-
Net changes in items other than shareholders' equity in the fiscal period			(38,608)	(38,608)	(38,608)
Net changes in the fiscal period	(418)	(88,166)	(38,608)	(38,608)	(126,774)
Balance at the end of the fiscal period	(96,524)	5,594,918	19,028	19,028	5,613,946