



Overview of Consolidated Financial Results of Japan Post Co.

for the Six Months Ended September 30, 2022

November 11, 2022

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1. Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	2,116,337	1,941,564
Notes receivable, operating accounts receivable and contract assets	313,807	320,835
Securities	15,000	15,000
Inventories	39,439	41,505
Outstanding amount of banking business consignment	17,988	29,232
Other current assets	43,724	63,281
Reserve for possible loan losses	(1,064)	(1,052)
Total current assets	2,545,232	2,410,366
Non-current assets		
Tangible fixed assets		
Buildings	855,718	847,306
Land	1,293,431	1,289,016
Right-of-use assets	63,946	60,609
Other tangible fixed assets	296,127	281,577
Total tangible fixed assets	2,509,224	2,478,509
Intangible assets	47,994	58,262
Investments and other assets		
Other investments and other assets	81,983	83,360
Reserve for possible loan losses	(3,467)	(3,495)
Total investments and other assets	78,515	79,864
Total non-current assets	2,635,734	2,616,636
Total assets	5,180,966	5,027,003

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes payable and operating accounts payable	108,621	104,599
Short-term borrowings	160,569	350,261
Current portion of long-term borrowings	163,642	-
Other accounts payable	248,664	154,097
Outstanding amount of life insurance business consignment	1,583	1,170
Income taxes payable	24,180	14,251
Deposits received	221,994	194,938
Fund deposits for post offices	860,000	860,000
Reserve for bonuses	113,800	104,895
Other current liabilities	166,070	180,293
Total current liabilities	2,069,126	1,964,506
Long-term liabilities		
Lease obligations	103,241	99,140
Deferred tax liabilities	10,990	11,239
Reserve for losses on rebuilding of branches	197	197
Reserve for management board benefit trust	227	118
Liability for retirement benefits	1,995,085	2,036,454
Other long-term liabilities	91,942	90,546
Total long-term liabilities	2,201,686	2,237,697
Total liabilities	4,270,812	4,202,204
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	141,930	141,930
Retained earnings	327,640	260,747
Total shareholders' equity	869,571	802,678
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	28	264
Net deferred gains (losses) on hedges	(212)	944
Foreign currency translation adjustments	(112,443)	(119,947)
Accumulated adjustments for retirement benefits	133,987	122,476
Total accumulated other comprehensive income	21,360	3,737
Non-controlling interests	19,222	18,382
Total net assets	910,154	824,799
Total liabilities and net assets	5,180,966	5,027,003

2. Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive Income
 (1) 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
Operating income		
Postal service business income	938,889	938,427
Commissions for banking business consignment	181,737	174,297
Commissions for life insurance business consignment	96,545	69,419
Funds to maintain post office network	145,495	140,409
International logistics business income	366,716	323,088
Other operating income	56,212	55,871
Total operating income	1,785,598	1,701,513
Operating costs	1,630,371	1,553,811
Gross operating income	155,226	147,702
Sales, general and administrative costs	116,676	112,693
Net operating income	38,550	35,008
Other income		
Interest income	79	251
Dividend income	17	124
Equity in earnings of affiliates	206	604
Foreign exchange gains	-	1,749
Subsidy income	479	795
Others	2,350	2,082
Total other income	3,134	5,607
Other expenses		
Interest expenses	4,975	5,439
Provision for reserve for possible loan losses	1,145	36
Others	687	476
Total other expenses	6,808	5,952
Net ordinary income	34,876	34,663
Extraordinary gains		
Gains on sales of fixed assets	2,932	5,637
Insurance claim income	4,154	831
Others	359	114
Total extraordinary gains	7,446	6,583
Extraordinary losses		
Losses on sales of fixed assets	408	118
Losses on disposal of fixed assets	904	345
Losses on impairment of fixed assets	1,023	452
Losses on sale of businesses	10,696	-
Others	3,881	24
Total extraordinary losses	16,914	941
Income before income taxes	25,408	40,305
Income taxes current	16,044	14,861
Income taxes deferred	3,058	(516)
Total income taxes	19,103	14,344
Net income	6,305	25,961
Net loss attributable to non-controlling interests	(114)	(363)
Net income attributable to Japan Post Co.	6,420	26,324

(2) 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	6,305	25,961
Other comprehensive income (loss)		
Net unrealized gains (losses) on available-for-sale securities	17	232
Net deferred gains (losses) on hedges	(20)	1,157
Foreign currency translation adjustments	10,295	(7,260)
Adjustments for retirement benefits	(11,617)	(11,511)
Share of other comprehensive income (loss) of affiliates	(0)	3
Total other comprehensive loss	(1,326)	(17,379)
Comprehensive income	4,979	8,581
Total comprehensive income (loss) attributable to:		
Japan Post Co.	5,816	8,702
Non-controlling interests	(836)	(120)

3. Segment Information

Six months ended September 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	947,563	471,318	366,716	1,785,598	-	1,785,598
Intersegment operating income	6,489	101,573	110	108,174	-	108,174
Total	954,052	572,891	366,827	1,893,772	-	1,893,772
Segment profit	7,206	19,583	15,498	42,288	-	42,288

(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	42,288
Segment profit in other business	-
Eliminations of intersegment transactions	424
Corporate expenses ^(Note)	(1,773)
Other adjustments	(2,388)
Net operating income on the interim consolidated statements of income	38,550

(Note)

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

Six months ended September 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	941,277	437,147	323,088	1,701,513	-	1,701,513
Intersegment operating Income	5,685	100,741	141	106,567	-	106,567
Total	946,963	537,888	323,229	1,808,080	-	1,808,080
Segment profit (loss)	(6,330)	37,198	8,195	39,063	-	39,063

(Note)

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

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

(Millions of yen)

Items	Amount
Total segment profit of reportable segments	39,063
Segment profit in other business	-
Eliminations of intersegment transactions	412
Corporate expenses (Note)	(1,049)
Other adjustments	(3,418)
Net operating income on the interim consolidated statements of income	35,008

(Note)

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