



# **Overview of Consolidated Financial Results of Japan Post Co.**

**for the Six Months Ended September 30, 2023**

**November 13, 2023**

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## 1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	1,761,329	1,495,977
Notes receivable, operating accounts receivable and contract assets	284,308	278,513
Securities	15,000	15,000
Inventories	56,190	61,002
Outstanding amount of banking business consignment	13,803	46,323
Other current assets	51,169	59,083
Reserve for possible loan losses	(968)	(876)
Total current assets	2,180,833	1,955,023
Non-current assets		
Tangible fixed assets		
Buildings	844,242	893,824
Land	1,291,080	1,356,055
Right-of-use assets	48,380	53,765
Other tangible fixed assets	359,327	208,445
Total tangible fixed assets	2,543,030	2,512,091
Intangible assets	72,161	88,967
Investments and other assets		
Other investments and other assets	80,455	80,206
Reserve for possible loan losses	(3,456)	(3,269)
Total investments and other assets	76,998	76,936
Total non-current assets	2,692,190	2,677,995
Total assets	4,873,023	4,633,018

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes payable and operating accounts payable	104,703	105,473
Short-term borrowings	144,506	147,575
Other accounts payable	260,965	163,378
Outstanding amount of life insurance business consignment	1,149	942
Income taxes payable	4,127	12,532
Deposits received	205,542	167,719
Fund deposits for post offices	840,000	810,000
Reserve for bonuses	105,985	105,857
Reserve for losses on rebuilding of branches	197	197
Other current liabilities	182,059	162,976
<b>Total current liabilities</b>	<b>1,849,237</b>	<b>1,676,653</b>
Long-term liabilities		
Lease obligations	86,598	90,111
Deferred tax liabilities	9,488	10,158
Reserve for management board benefit Trust	153	134
Liability for retirement benefits	1,988,082	2,008,229
Other long-term liabilities	90,194	90,787
<b>Total long-term liabilities</b>	<b>2,174,517</b>	<b>2,199,420</b>
<b>Total liabilities</b>	<b>4,023,754</b>	<b>3,876,074</b>
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	141,930	141,930
Retained earnings	294,446	211,302
<b>Total shareholders' equity</b>	<b>836,377</b>	<b>753,233</b>
Accumulated other comprehensive Income		
Net unrealized gains (losses) on available-for-sale securities	143	359
Net deferred gains (losses) on hedges	33	-
Foreign currency translation Adjustments	(116,148)	(114,379)
Accumulated adjustments for retirement benefits	107,911	96,920
<b>Total accumulated other comprehensive Loss</b>	<b>(8,060)</b>	<b>(17,098)</b>
Non-controlling interests	20,951	20,810
<b>Total net assets</b>	<b>849,268</b>	<b>756,944</b>
<b>Total liabilities and net assets</b>	<b>4,873,023</b>	<b>4,633,018</b>

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

### (1) Consolidated Statements of Income Six months ended September 30

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
<b>Operating income</b>		
Postal service business income	968,229	934,024
Commissions for banking business consignment	174,297	163,388
Commissions for life insurance business consignment	69,419	62,520
Funds to maintain post office network	140,409	150,028
International logistics business income	293,285	212,662
Other operating income	55,871	57,219
<b>Total operating income</b>	<b>1,701,513</b>	<b>1,579,844</b>
<b>Operating costs</b>	<b>1,553,862</b>	<b>1,492,178</b>
Gross operating income	147,651	87,666
<b>Sales, general and administrative costs</b>	<b>112,620</b>	<b>107,853</b>
<b>Net operating income (loss)</b>	<b>35,030</b>	<b>(20,187)</b>
<b>Other income</b>		
Interest income	251	628
Dividend income	124	7
Equity in earnings of affiliates	604	4
Foreign exchange gains	1,749	273
Subsidy income	795	813
Others	2,082	1,106
<b>Total other income</b>	<b>5,607</b>	<b>2,833</b>
<b>Other expenses</b>		
Interest expenses	5,351	5,091
Others	512	537
<b>Total other expenses</b>	<b>5,864</b>	<b>5,628</b>
<b>Net ordinary income (loss)</b>	<b>34,773</b>	<b>(22,983)</b>
<b>Extraordinary gains</b>		
Gains on sales of fixed assets	5,637	2,227
Compensation for transfer	90	1,323
Insurance claim income	831	2,126
Reversal of losses on transfer of business	-	1,808
Others	23	1,310
<b>Total extraordinary gains</b>	<b>6,583</b>	<b>8,796</b>
<b>Extraordinary losses</b>		
Losses on sales of fixed assets	118	241
Losses on disposal of fixed assets	345	705
Losses on impairment of fixed assets	452	318
Losses on business restructuring	-	475
Others	24	644
<b>Total extraordinary losses</b>	<b>941</b>	<b>2,387</b>
Income (loss) before income taxes	40,415	(16,574)
Income taxes current	14,933	4,267
Income taxes deferred	(542)	639
<b>Total income taxes</b>	<b>14,391</b>	<b>4,907</b>
<b>Net income (loss)</b>	<b>26,024</b>	<b>(21,481)</b>
<b>Net loss attributable to non-controlling interests</b>	<b>(363)</b>	<b>(449)</b>
<b>Net income (loss) attributable to Japan Post Co.</b>	<b>26,387</b>	<b>(21,032)</b>

(2) Consolidated Statements of Comprehensive Income  
Six months ended September 30

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net income (loss)	26,024	(21,481)
Other comprehensive loss		
Net unrealized gains (losses) on available-for-sale securities	232	218
Net deferred gains (losses) on hedges	1,157	(33)
Foreign currency translation adjustments	(7,260)	2,625
Adjustments for retirement benefits	(11,511)	(10,990)
Share of other comprehensive income (loss) of affiliates	3	(2)
Total other comprehensive loss	(17,379)	(8,182)
Comprehensive income (loss)	8,644	(29,663)
Total comprehensive income (loss) attributable to:		
Japan Post Co.	8,765	(30,071)
Non-controlling interests	(120)	407

### 3. Segment Information

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	971,080	437,147	293,285	1,701,513	-	1,701,513
Intersegment operating income	4,922	100,741	134	105,798	-	105,798
Total	976,002	537,888	293,420	1,807,311	-	1,807,311
Segment profit (loss)	(6,275)	37,198	8,133	39,057	-	39,057

(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 consolidated statements of income

(Millions of yen)

Items	Amount
Total segment profit (loss) of reportable segments	39,057
Segment profit in other business	-
Eliminations of intersegment transactions	412
Corporate expenses (Note)	(1,049)
Other adjustments	(3,389)
Net operating income on the consolidated statements of income	35,030

(Note)

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

Six months ended September 30, 2023

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	936,824	430,356	212,662	1,579,844	-	1,579,844
Intersegment operating income	4,765	99,672	338	104,775	-	104,775
Total	941,589	530,028	213,000	1,684,619	-	1,684,619
Segment profit (loss)	(50,760)	30,471	3,475	(16,813)	-	(16,813)

(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 consolidated statements of income

(Millions of yen)

Items	Amount
Total segment profit (loss) of reportable segments	(16,813)
Segment profit in other business	-
Eliminations of intersegment transactions	426
Corporate expenses (Note)	(1,451)
Other adjustments	(2,349)
Net operating loss on the consolidated statements of income	(20,187)

(Note)

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

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 JP Logistics Group Co., Ltd. and JP Logistics Co., Ltd., which were previously included in the “international logistics business,” have been reclassified as part of the “postal and domestic logistics business” beginning from the three months ended June 30, 2023.

The segment information for the six months ended September 30, 2022 was presented based on the new classification.

(Change in Accounting Treatment from the International Financial Reporting Standards to Japanese Accounting Standards)

JP Logistics Group Co., Ltd. and JP Logistics Co., Ltd., which were previously included in the “international logistics business” and therefore applied the International Financial Reporting Standards, have adopted Japanese Accounting Standards from the beginning of the three months ended June 30, 2023.

The figures presented in segment information for the six months ended September 30, 2022 have been prepared after the retrospective application of this change.