



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

**for the Nine Months Ended December 31, 2023**

**February 14, 2024**

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## 1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	1,761,329	1,601,546
Notes receivable, operating accounts receivable and contract assets	284,308	352,373
Securities	15,000	15,000
Inventories	56,190	46,071
Outstanding amount of banking business consignment	13,803	57,485
Other current assets	51,169	60,062
Reserve for possible loan losses	(968)	(784)
Total current assets	2,180,833	2,131,755
Non-current assets		
Tangible fixed assets		
Buildings	844,242	920,061
Land	1,291,080	1,355,227
Right-of-use assets	48,380	53,573
Other tangible fixed assets	359,327	174,519
Total tangible fixed assets	2,543,030	2,503,382
Intangible assets	72,161	94,210
Investments and other assets		
Other investments and other assets	80,455	77,187
Reserve for possible loan losses	(3,456)	(3,282)
Total investments and other assets	76,998	73,905
Total non-current assets	2,692,190	2,671,498
Total assets	4,873,023	4,803,253

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes payable and operating accounts payable	104,703	119,976
Short-term borrowings	144,506	147,501
Other accounts payable	260,965	173,241
Outstanding amount of life insurance business consignment	1,149	973
Income taxes payable	4,127	9,413
Deposits received	205,542	167,256
Fund deposits for post offices	840,000	960,000
Reserve for bonuses	105,985	29,230
Reserve for losses on rebuilding of branches	197	197
Other current liabilities	182,059	174,213
<b>Total current liabilities</b>	<b>1,849,237</b>	<b>1,782,005</b>
Long-term liabilities		
Lease obligations	86,598	88,299
Deferred tax liabilities	9,488	10,185
Reserve for management board benefit trust	153	134
Liability for retirement benefits	1,988,082	2,031,495
Other long-term liabilities	90,194	92,846
<b>Total long-term liabilities</b>	<b>2,174,517</b>	<b>2,222,962</b>
<b>Total liabilities</b>	<b>4,023,754</b>	<b>4,004,967</b>
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	141,930	141,930
Retained earnings	294,446	257,147
<b>Total shareholders' equity</b>	<b>836,377</b>	<b>799,078</b>
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	143	270
Net deferred gains (losses) on hedges	33	-
Foreign currency translation adjustments	(116,148)	(116,193)
Accumulated adjustments for retirement benefits	107,911	91,432
<b>Total accumulated other comprehensive loss</b>	<b>(8,060)</b>	<b>(24,490)</b>
Non-controlling interests	20,951	23,697
<b>Total net assets</b>	<b>849,268</b>	<b>798,286</b>
<b>Total liabilities and net assets</b>	<b>4,873,023</b>	<b>4,803,253</b>

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

### (1) Consolidated Statements of Income Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
<b>Operating income</b>		
Postal service business income	1,540,944	1,470,857
Commissions for banking business consignment	259,623	242,442
Commissions for life insurance business consignment	102,734	92,996
Funds to maintain post office network	210,613	225,042
International logistics business income	429,970	332,882
Other operating income	91,217	130,698
<b>Total operating income</b>	<b>2,635,103</b>	<b>2,494,920</b>
<b>Operating costs</b>	<b>2,355,530</b>	<b>2,301,240</b>
Gross operating income	279,573	193,680
Sales, general and administrative costs	172,362	164,912
<b>Net operating income</b>	<b>107,210</b>	<b>28,768</b>
<b>Other income</b>		
Interest income	416	914
Dividend income	124	7
Equity in earnings of affiliates	724	295
Foreign exchange gains	2,044	-
Subsidy income	1,185	1,200
Others	2,669	1,432
<b>Total other income</b>	<b>7,164</b>	<b>3,851</b>
<b>Other expenses</b>		
Interest expenses	9,388	7,614
Others	846	1,184
<b>Total other expenses</b>	<b>10,235</b>	<b>8,799</b>
<b>Net ordinary income</b>	<b>104,140</b>	<b>23,820</b>
<b>Extraordinary gains</b>		
Gains on sales of fixed assets	6,166	4,092
Compensation for transfer	127	1,382
Insurance claim income	819	2,149
Reversal of losses on transfer of business	-	1,828
Others	25	1,580
<b>Total extraordinary gains</b>	<b>7,138</b>	<b>11,033</b>
<b>Extraordinary losses</b>		
Losses on sales of fixed assets	222	316
Losses on disposal of fixed assets	837	1,399
Losses on impairment of fixed assets	651	318
Losses on business restructuring	-	748
Litigation expenses	969	-
Others	46	647
<b>Total extraordinary losses</b>	<b>2,727</b>	<b>3,431</b>
<b>Income before income taxes</b>	<b>108,552</b>	<b>31,422</b>
Income taxes current	17,551	6,150
Income taxes deferred	(221)	800
<b>Total income taxes</b>	<b>17,329</b>	<b>6,951</b>
<b>Net income</b>	<b>91,222</b>	<b>24,470</b>
Net loss attributable to non-controlling interests	(675)	(341)
<b>Net income attributable to Japan Post Co.</b>	<b>91,897</b>	<b>24,812</b>

(2) Consolidated Statements of Comprehensive Income  
 Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net income	91,222	24,470
Other comprehensive loss		
Net unrealized gains (losses) on available-for-sale securities	102	130
Net deferred gains (losses) on hedges	366	(33)
Foreign currency translation adjustments	(2,325)	1,008
Adjustments for retirement benefits	(17,267)	(16,478)
Share of other comprehensive income (loss) of affiliates	4	(3)
Total other comprehensive loss	(19,119)	(15,376)
Comprehensive income	72,102	9,094
Total comprehensive income (loss) attributable to:		
Japan Post Co.	73,137	8,382
Non-controlling interests	(1,034)	711

### 3. Segment Information

Nine months ended December 31, 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	1,545,214	659,919	429,970	2,635,103	-	2,635,103
Intersegment operating income	7,776	156,314	216	164,307	-	164,307
Total	1,552,990	816,234	430,186	2,799,411	-	2,799,411
Segment profit	45,556	57,544	10,598	113,699	-	113,699

(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 consolidated statements of income

(Millions of yen)

Items	Amount
Total segment profit of reportable segments	113,699
Segment profit in other business	-
Eliminations of intersegment transactions	627
Corporate expenses (Note)	(1,757)
Other adjustments	(5,358)
Net operating income on the consolidated statements of income	107,210

(Note)

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

Nine months ended December 31, 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	1,475,048	686,989	332,882	2,494,920	-	2,494,920
Intersegment operating income	7,538	152,797	454	160,790	-	160,790
Total	1,482,587	839,787	333,336	2,655,711	-	2,655,711
Segment profit (loss)	(37,807)	66,071	5,471	33,736	-	33,736

(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	33,736
Segment profit in other business	-
Eliminations of intersegment transactions	635
Corporate expenses (Note)	(2,060)
Other adjustments	(3,542)
Net operating income on the consolidated statements of income	28,768

(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 nine months ended December 31, 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 nine months ended December 31, 2022 have been prepared after the retrospective application of this change.