

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 <Under Japanese GAAP>



May 15, 2024

Company name: Japan Post Holdings Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
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 Scheduled date of Annual General Meeting of Shareholders: June 19, 2024
 Scheduled date of filing securities report: June 20, 2024
 Scheduled date of commencing dividend payments: June 20, 2024
 Trading accounts: Unestablished
 Availability of supplementary briefing material on financial results: Available
 Schedule of 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 Fiscal Year Ended March 31, 2024

(April 1, 2023 to March 31, 2024)

(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	%
Fiscal year ended March 31, 2024	11,982,152	7.6	668,316	1.6	268,685	(37.7)
Fiscal year ended March 31, 2023	11,138,570	-	657,663	-	431,045	-

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥1,256,009 million [- %]
 Fiscal year ended March 31, 2023: ¥(305,245) million [- %]

	Net income per share	Diluted net income per share	Return on equity	Net ordinary income to total assets	Net ordinary income to ordinary income
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	80.26	-	2.6	0.2	5.6
Fiscal year ended March 31, 2023	120.82	-	3.9	0.2	5.9

(Reference) Equity in earnings (losses) of affiliates: Fiscal year ended March 31, 2024: ¥934 million

Fiscal year ended March 31, 2023: ¥1,387 million

- (Notes) 1. Because there was no potential common stock, the amount for diluted net income per share is omitted.
 2. Pursuant to a change in accounting policy from the fiscal year ended March 31, 2024, the figures for the fiscal year ended March 31, 2023 have been presented after retrospective application, and changes from the previous corresponding period are not shown. Please refer to 3. Consolidated Financial Statements and Primary Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies) on page 16 of the Attachment for details.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	298,689,150	15,738,530	3.4	3,202.94
As of March 31, 2023	296,093,652	15,096,168	3.4	2,912.16

(Reference) Equity: As of March 31, 2024: ¥10,265,683 million

As of March 31, 2023: ¥10,075,506 million

(Notes) 1. Pursuant to a change in accounting policy from the fiscal year ended March 31, 2024, the figures as of March 31, 2023 have been presented after retrospective application. Please refer to 3. Consolidated Financial Statements and Primary Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies) on page 16 of the Attachment for details.

2. Equity ratio = [(Net assets – Non-controlling interests) / Total assets] x 100

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the fiscal year
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2024	(2,359,045)	(7,718,612)	(606,258)	59,504,011
Fiscal year ended March 31, 2023	(8,154,220)	9,352,146	552,634	70,181,478

2. Dividends

	Annual dividend					Total dividends paid (Annual)	Dividend payout ratio (Consolidated)	Dividends on net assets ratio (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2023	-	0.00	-	50.00	50.00	173,047	41.4	1.6
Fiscal year ended March 31, 2024	-	25.00	-	25.00	50.00	163,017	62.3	1.6
Fiscal year ending March 31, 2025 (Forecast)	-	25.00	-	25.00	50.00		57.2	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% 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, 2025	11,280,000	(5.9)	760,000	13.7	280,000	4.2	87.36

(Note) Net income attributable to Japan Post Holdings has been calculated based on the ratio of shareholders' equity held by Japan Post Holdings in Japan Post Bank (61.5%) and Japan Post Insurance (49.8%), etc. Net income per share in the consolidated financial results forecast has been calculated without considering the impact of the share repurchase based on the separate "Notice Concerning the Determination of Matters Related to the Acquisition of Treasury Stock" released today.

*** Notes:**

- (1) Changes in significant subsidiaries during the fiscal year 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: No
 - 2) Changes in accounting policies other than 1) above: Yes
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No(Note) Please refer to 3. Consolidated Financial Statements and Primary Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies) on page 16 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 year (including treasury stock):
 - As of March 31, 2024: 3,461,049,500 shares
 - As of March 31, 2023: 3,657,797,700 shares
 - 2) Total number of treasury stock at the end of the fiscal year:
 - As of March 31, 2024: 255,967,993 shares
 - As of March 31, 2023: 197,988,773 shares
 - 3) Average number of shares during the fiscal year:
 - Fiscal year ended March 31, 2024: 3,347,485,643 shares
 - Fiscal year ended March 31, 2023: 3,567,713,664 shares(Note) The total number of treasury stock at the end of the fiscal year includes the shares of the Company held by the management board benefit trust of 1,058,700 shares and 1,140,500 shares as of March 31, 2024 and 2023, respectively. The number of treasury stock excluded from calculation of the average number of shares during the fiscal year includes the shares of the Company held by the management board benefit trust of 1,078,381 shares and 1,022,544 shares for the fiscal year ended March 31, 2024 and 2023, respectively.

(Summary of non-consolidated financial results)

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024

(April 1, 2023 to March 31, 2024)

(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	%
Fiscal year ended March 31, 2024	219,644	(14.7)	145,502	(19.5)	162,776	(18.2)	158,023	(46.2)
Fiscal year ended March 31, 2023	257,559	(9.5)	180,637	(11.3)	198,881	(8.7)	293,787	(9.7)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2024	47.21	-
Fiscal year ended March 31, 2023	82.35	-

(Note) Because there was no potential common stock, the amount for diluted net income per share is omitted.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio (Note)	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	5,300,393	5,163,805	97.4	1,611.13
As of March 31, 2023	5,762,311	5,625,034	97.6	1,625.82

(Reference) Equity: As of March 31, 2024: ¥5,163,805 million

As of March 31, 2023: ¥5,625,034 million

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

* This summary of consolidated financial results is outside the scope of 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 changes in monetary policy and economic fluctuation in Japan and overseas, 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. Please refer to 1. Overview of Results of Operations, etc. (1) Explanation of Results of Operations (Consolidated financial results forecast for the fiscal year ending March 31, 2025) on page 4 of the Attachment for the assumptions on which the financial results forecasts have been based, and precautions, etc. regarding their use.

[Attachment]

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Supplementary Briefing Material:

Materials for Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

1. Overview of Results of Operations, etc.

(1) Explanation of Results of Operations

Consolidated ordinary income amounted to ¥11,982,152 million (up ¥843,581 million year-on-year*) and consolidated net ordinary income amounted to ¥668,316 million (up ¥10,653 million year-on-year*). Net income attributable to Japan Post Holdings amounted to ¥268,685 million (down ¥162,359 million year-on-year*), which comprises consolidated net ordinary income after adjusting for items including extraordinary gains (losses) and provision for reserve for policyholder dividends.

Financial results by segment are as follows.

(Postal and Domestic Logistics Business Segment)

In the postal and domestic logistics business, Japan Post Co., Ltd. (“Japan Post Co.”) strove to expand revenue from parcels, including through the provision of products and services to meet customer needs, enabling them to send and receive parcels more conveniently, and stronger collaboration with Rakuten Group, Inc., Sagawa Express Co., Ltd., and other companies. During the fiscal year ended March 31, 2024, we also launched a partnership with the Yamato Group, commencing the use of Japan Post Co.’s delivery network for the delivery of small, flat parcels and booklet parcels (mail-bin) posted through the Yamato Group. We also worked to enhance productivity by using digital technology to improve operational efficiency, as well as through more extensive cost-control efforts in line with business volume.

In October 2023, we revised the Yu-Pack basic shipping fee and other charges based on the increasing cost burden due to rising prices and personnel expenses in the logistics industry. This will enable us to provide stable, high-quality logistics services into the future.

As a result of these initiatives, in the postal and domestic logistics business for the fiscal year ended March 31, 2024, ordinary income amounted to ¥1,980,509 million (down ¥79,889 million year-on-year*), mainly due to a decline in mail, Yu-Mail, and New Year’s postcards, although Yu-Pack volumes rose for Yu-Packet. Despite continued cost control initiatives and other measures, operating expenses increased, mainly due to the impact of a rise in personnel expenses and collection, transport and delivery outsourcing expenses, and we recorded a net ordinary loss of ¥64,969 million (compared to net ordinary income of ¥35,454 million in the previous fiscal year*). In addition, operating income amounted to ¥1,975,570 million (down ¥80,866 million year-on-year*) and the net operating loss amounted to ¥68,623 million (compared to net operating income of ¥33,007 million in the previous fiscal year*) in the postal and domestic logistics business of Japan Post Co. for the fiscal year ended March 31, 2024.

(Post Office Business Segment)

In the post office business, after issues were discovered in the quality of insurance solicitations for Japan Post Insurance products in the fiscal year ended March 31, 2020, Japan Post Co. has established a business improvement plan based on the structural causes of the issues, has recognized the implementation of this plan as a top-priority management issue, and has implemented measures to prevent recurrence. In December 2023, we received notice from the regulatory authorities that the submission of reports based on the business improvement order would no longer be required, and that the status of progress on improvements would be checked on a continuing basis through regular supervision and monitoring. In view of this, the Group’s senior management determined to demonstrate leadership in continually confirming the effectiveness of measures and revising them when and as appropriate. A framework has been put in place for the sharing of the status of improvements observed across all the relevant divisions in the Group and the continuation of discussions on the necessary revisions. As we continue our efforts to thoroughly spread and embed the measures implemented to prevent recurrence, we recommenced recommendations for customers aged 70 and above from January 2024. In the same month, we also launched the sale of lump-sum payment whole life insurance, and we have striven to expand post office usage through proposal activities tailored to customer needs, while thoroughly ensuring customer-first sales activities.

In addition, we have also developed a wide range of different products and services to match the needs of various regions and customers through initiatives such as providing administrative services on consignment to local governments and collaboration with regional financial institutions. We are also progressing with the digitalization of counter operations in an effort to boost productivity.

In the real estate business, we have continued to pursue the leasing business with initiatives such as JP Tower (commercial facility name: KITTE). In the fiscal year ended March 31, 2024, we completed construction of JP Tower Osaka and Azabudai Hills Mori JP Tower, and we have worked to strengthen and enhance the business through efforts such as the sale of residences and the opening of commercial facilities.

As a result of these initiatives, in the post office business for the fiscal year ended March 31, 2024, ordinary income amounted to ¥1,113,912 million (up ¥38,149 million year-on-year) due to an increase in revenue from the real estate business associated with the posting of income from real estate sales. Net ordinary income amounted to ¥73,490 million (up ¥23,023 million year-on-year), with an increase in ordinary expenses due mainly to the cost of real estate sales. In addition, operating income amounted to ¥1,112,929 million (up ¥38,888 million year-on-year) and net operating income amounted to ¥72,962 million (up ¥23,650 million year-on-year) in the post office business of Japan Post Co. for the fiscal year ended March 31, 2024.

(International Logistics Business Segment)

In the international logistics business, we continued to engage in the transformation plan of Toll Holdings Pty Limited, a consolidated subsidiary of Japan Post Co. In addition to implementing measures to improve the profitability of the Australian business, we proceeded with the shift to a business model centered on Asia, developing our businesses focused on specific countries and industries forecast to grow in the Asian region. During the fiscal year ended March 31, 2024, we continued to thoroughly implement cost reduction measures.

As a result of these initiatives, in the international logistics business for the fiscal year ended March 31, 2024, ordinary income amounted to ¥450,023 million (down ¥89,892 million year-on-year*), due to a fall in unit prices for cargo in the Global Forwarding business. In addition to a decrease in expenses from the Global Forwarding business commensurate with the decline in income, ordinary expenses fell due partly to cost cuts in the logistics business, and net ordinary income amounted to ¥1,713 million (net ordinary loss of ¥797 million in the previous fiscal year*). Operating income in the international logistics business of Japan Post Co. amounted to ¥448,814 million (down ¥90,383 million year-on-year*) and net operating income (EBIT) in the international logistics business of Japan Post Co. amounted to ¥9,582 million (down ¥894 million year-on-year*) for the fiscal year ended March 31, 2024.

(Banking Business Segment)

In the banking business, at Japan Post Bank Co., Ltd. (“Japan Post Bank”), we engaged in the sustainable enhancement of corporate value based on the five key strategies established under the Medium-term Management Plan (fiscal year ended March 31, 2022 through fiscal year ending March 31, 2026): “Innovating retail business into a new form by realizing complementarity between the physical and the digital,” “Business reforms and productivity improvement through the active utilization of digital technology,” “Enhancing funds flow to regional communities and the regional relationship functions through various frameworks,” “Deepening market operations and risk management with an awareness of stress tolerance,” and “Strengthening the management base to become a more trusted bank.”

As a result of these initiatives, in the banking business for the fiscal year ended March 31, 2024, ordinary income amounted to ¥2,651,686 million (up ¥587,571 million year-on-year), with an increase in extraordinary income supported by revenue from private equity and real estate funds. This was despite a decline in net interest income due to an increase in foreign currency funding costs and a decrease in net other operating income due to a decrease in gains (losses) on foreign exchanges. Ordinary expenses saw a decline in commissions paid to Japan

Post Co., but general and administrative expenses increased, and net ordinary income amounted to ¥496,038 million (up ¥40,501 million year-on-year).

(Life Insurance Business Segment)

In the life insurance business, after issues were discovered in the quality of insurance solicitations for Japan Post Insurance products in the fiscal year ended March 31, 2020, Japan Post Insurance Co., Ltd. (“Japan Post Insurance”) has established a business improvement plan based on the structural causes of the issues, has recognized the implementation of this plan as a top-priority management issue, and has implemented measures to prevent recurrence. In December 2023, we received notice from the regulatory authorities that the submission of reports based on the business improvement order would no longer be required, and that the status of progress on improvements would be checked on a continuing basis through regular supervision and monitoring. In view of this, the Group’s senior management determined to demonstrate leadership in continually confirming the effectiveness of measures and revising them when and as appropriate. A framework has been put in place for the sharing of the status of improvements observed across all the relevant divisions in the Group and the continuation of discussions on the necessary revisions.

In order to provide insurance services to meet the diverse protection needs of our customers, we established the Japan Post Insurance’s new sales system, combining expertise and breadth, and provided comprehensive consulting services integrating the whole Group.

In addition to initiatives based on this Japan Post Insurance’s new sales system, we are also engaged in initiatives to reinforce the business foundations and improve customer experience value (CX).

As a result of these initiatives, in the life insurance business for the fiscal year ended March 31, 2024, ordinary income amounted to ¥6,744,227 million (up ¥364,665 million year-on-year), while net ordinary income amounted to ¥160,915 million (up ¥43,022 million year-on-year), even amid a continuing decrease in insurance premiums and others due to fewer policies in force, due to a significant improvement in net capital gains (losses) in addition to an increase in core profit due mainly to a decrease in insurance payments associated with COVID-19.

* As described in (Changes in Accounting Policies), the classifications used in the consolidated financial statements for the fiscal year ended March 31, 2023 have been changed. Moreover, 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.” Year-on-year differences are stated according to the figures after these reclassifications. Japan Post Co. also made this change in accounting policies and the classifications used in the consolidated financial statements for the fiscal year ended March 31, 2023 have been changed. Year-on-year differences for Japan Post Co. are also stated according to the figures after these reclassifications.

(Consolidated financial results forecast for the fiscal year ending March 31, 2025)

With regard to the consolidated financial results forecast for the fiscal year ending March 31, 2025, ordinary income of ¥11,280,000 million, net ordinary income of ¥760,000 million and net income attributable to Japan Post Holdings of ¥280,000 million (an increase of ¥11,314 million compared to the fiscal year ended March 31, 2024) are anticipated. This forecast incorporates equity in earnings of affiliates (ordinary income) of ¥48,000 million* due to the application of the equity method for Aflac Incorporated.

* This amount of equity in earnings of affiliates has been independently calculated by the Company from the financial results and dividends already announced by Aflac Incorporated, the corresponding value of equity and goodwill recognized by the Company, and foreign exchange rates. It has not been confirmed with Aflac Incorporated and does not represent or suggest the financial results forecast of Aflac Incorporated.

The classification of reportable segments has been revised in the fiscal year ending March 31, 2025, and the “real estate business” has been presented as an independent segment to promote integrated real estate business operations and performance management across the Group, including the real estate business in the post office business segment of Japan Post Co. and the real estate business of Japan Post Real Estate Co., Ltd. Therefore, the profit or loss for the real estate business of Japan Post Co., which was previously included in the post office business, is included in the real estate business instead, from the fiscal year ending March 31, 2025.

The forecast of segment profit (loss) by segment (net ordinary income (loss) for each segment) is as follows:

• Postal and domestic logistics business	¥4,000 million
• Post office business	¥(17,000) million
• International logistics business	¥3,000 million
• Banking business	¥525,000 million
• Life insurance business	¥200,000 million
• Real estate business	¥3,000 million

In addition, net income forecasts at the principal subsidiaries are as follows.

At Japan Post Co. (consolidated), net ordinary loss is forecast at ¥2,000 million (down ¥4,196 million from net ordinary income of ¥2,196 million in the previous fiscal year) due to an anticipated increase in operating expenses in addition to the decline in banking commissions and insurance commissions, despite an expected increase in income due to the revision of postal fees and the alliance with the Yamato Group. Net loss attributable to Japan Post Co. is forecast at ¥16,000 million (down ¥23,270 million from net income attributable to Japan Post Co. of ¥7,270 million in the previous fiscal year) due to demolition costs for company dormitories and the relocation of post offices.

At Japan Post Bank (consolidated), net income attributable to Japan Post Bank. is forecast at ¥365,000 million (up ¥8,866 million year-on-year), mainly due to the continuation of risk adjustment operations for shares (operations to sell shares for the purpose of controlling the risk of shares as risk assets), as well as an increase in interest income on Japanese government bonds, an increase in income on foreign bond investment trusts, and income from private equity and other sources in the strategic investment field.

At Japan Post Insurance (consolidated), net income attributable to Japan Post Insurance is forecast at ¥79,000 million (down ¥8,056 million year-on-year), mainly owing to contributions for standard policy reserve associated with the sale of the lump-sum payment whole life insurance and the impact of a decrease in policies in force. An increase in net ordinary income is forecast due to an improvement in net capital gains (losses) and hedging costs, but the effect of this increase on net income will be neutralized by posting an equivalent amount of provision of reserve for price fluctuations (extraordinary losses).

(2) Explanation of Financial Position

1) Condition of assets, liabilities and net assets

Consolidated total assets were ¥298,689,150 million, up ¥2,595,497 million* from the end of the previous fiscal year.

Major factors include an increase in securities of ¥11,974,024 million, an increase in other assets of ¥1,058,830 million and an increase in loans of ¥919,507 million, as well as a decrease in cash and due from banks of ¥10,735,704 million, a decrease in call loans of ¥450,000 million and a decrease in receivables under resale agreements of ¥383,402 million.

Consolidated total liabilities were ¥282,950,619 million, up ¥1,953,134 million* from the end of the previous fiscal year.

Major factors include an increase in payables under repurchase agreements of ¥5,890,316 million, an increase in payables under securities lending transactions of ¥431,926 million and an increase in borrowed money of ¥362,130 million, as well as a decrease in policy reserves of ¥3,005,427 million, a decrease in deposits of ¥1,547,818 million and a decrease in liability for retirement benefits of ¥158,477 million.

Consolidated total net assets were ¥15,738,530 million, up ¥642,362 million* from the end of the previous

fiscal year.

Major factors include an increase in net unrealized gains (losses) on available-for-sale securities of ¥698,496 million and an increase in non-controlling interests of ¥452,185 million, as well as a decrease in net deferred gains (losses) on hedges of ¥398,083 million and a decrease in treasury stock of ¥99,923 million.

* As described in (Changes in Accounting Policies), the classifications used in the consolidated financial statements for the fiscal year ended March 31, 2023 have been changed. Increases and decreases were stated according to the figures after this reclassification.

2) Cash flows

Cash and cash equivalents at the end of the current fiscal year were ¥59,504,011 million, down ¥10,677,466 million from the beginning of the current fiscal year.

(Cash flows from operating activities)

Net cash used in operating activities amounted to ¥2,359,045 million (down ¥5,795,174 million in outflow year-on-year), as a result of investment and procurement of funds in the banking business, along with income from insurance premiums and payment of insurance claims, etc. in the life insurance business.

(Cash flows from investing activities)

Net cash used in investing activities amounted to ¥7,718,612 million (compared to ¥9,352,146 million provided in the previous fiscal year), as a result of cash inflows mainly owing to proceeds from sale and redemption of securities in the banking business and life insurance business, as well as cash outflows mainly due to purchases of securities.

(Cash flows from financing activities)

Net cash used in financing activities amounted to ¥606,258 million (compared to ¥552,634 million provided in the previous fiscal year), mainly as a result of purchase of treasury stock and the payment of dividends.

(3) Basic Policy on Profit Distribution and Dividends for the Current Fiscal Year and Next Fiscal Year

The Company considers returning profits to shareholders to be an important management measure and sets out its basic policy to continuously provide stable return to shareholders in accordance with the results of operations.

With regard to dividends from retained earnings, the Company aims to provide stable returns to shareholders while maintaining required internal reserves and paying attention to capital efficiency. Accordingly, the Company aims to sustain stable dividend per share, while maintaining an annual dividend per share of roughly ¥50 until the fiscal year ending March 31, 2026.

The decision-making body concerning dividends from retained earnings is set to be the Board of Directors as per the provisions of the Articles of Incorporation in order to ensure flexible management operations. In addition, it is stipulated that dividends from retained earnings are to be paid with March 31 and September 30 of each year as record dates.

With regard to dividends for the fiscal year ended March 31, 2024, based on a comprehensive judgment of the consolidated financial results and other factors, the annual dividend on common stock will be ¥50 per share (including an interim dividend of ¥25 per share).

Annual dividend is scheduled to be ¥50 per share (including an interim dividend of ¥25 per share) for the next fiscal year ending March 31, 2025, taking into consideration the consolidated financial results forecast, stability of dividends and other factors.

Internal reserves will be utilized mainly for investments to capture growth opportunities and capital policies with awareness of capital efficiency, aiming at enhancement of corporate value.

In accordance with Article 11 of the Act on Japan Post Holdings Co., Ltd., payment of dividends from retained earnings or other appropriation of retained earnings (excluding disposition of loss) of the Company shall not be effective without approval of the Minister for Internal Affairs and Communications.

2. Basic Approach Concerning Selection of Accounting Standards

The Group prepares the consolidated financial statements based on Japanese GAAP. It will consider its approach to the future adoption of the International Financial Reporting Standards (IFRS) in consideration of factors such as trends in accounting standards in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Cash and due from banks	70,243,186	59,507,482
Call loans	2,500,000	2,050,000
Receivables under resale agreements	11,173,216	10,789,814
Receivables under securities borrowing transactions	250,241	-
Monetary claims bought	525,632	540,998
Trading account securities	19	54
Money held in trust	11,787,642	12,435,001
Securities	182,770,020	194,744,045
Loans	9,210,199	10,129,707
Foreign exchanges	124,943	181,332
Other assets	2,945,818	4,004,648
Tangible fixed assets	3,163,445	3,233,511
Buildings	1,044,100	1,182,803
Land	1,613,766	1,721,953
Construction in progress	235,520	27,779
Other tangible fixed assets	270,058	300,975
Intangible assets	266,735	298,528
Software	241,744	275,093
Goodwill	6,926	4,947
Other intangible assets	18,065	18,487
Asset for retirement benefits	76,022	74,670
Deferred tax assets	1,062,438	704,972
Reserve for possible loan losses	(5,909)	(4,841)
Allowance for investment losses	-	(775)
Total assets	296,093,652	298,689,150

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Deposits	192,420,880	190,873,061
Payables under repurchase agreements	22,057,310	27,947,626
Policy reserves and others	55,103,778	51,988,334
Reserve for outstanding claims	410,387	373,913
Policy reserves	53,518,219	50,512,792
Reserve for policyholder dividends	1,175,171	1,101,628
Payables under securities lending transactions	1,941,872	2,373,799
Borrowed money	1,791,279	2,153,409
Foreign exchanges	1,411	1,273
Bonds	335,000	461,000
Other liabilities	3,994,231	4,021,545
Reserve for bonuses	125,570	123,843
Liability for retirement benefits	2,212,694	2,054,217
Reserve for employee stock ownership plan trust	511	510
Reserve for management board benefit trust	1,176	1,432
Reserve for reimbursement of deposits	54,655	50,950
Reserve under the special laws	889,960	873,799
Reserve for price fluctuations	889,960	873,799
Deferred tax liabilities	67,152	25,815
Total liabilities	280,997,484	282,950,619
Net assets		
Capital stock	3,500,000	3,500,000
Retained earnings	6,236,757	6,202,500
Treasury stock	(201,307)	(301,230)
Total shareholders' equity	9,535,450	9,401,270
Net unrealized gains (losses) on available-for-sale securities	893,645	1,592,142
Net deferred gains (losses) on hedges	(375,143)	(773,227)
Foreign currency translation adjustments	(116,148)	(75,843)
Effect on change in discount rate assumptions	-	19,215
Accumulated adjustments for retirement benefits	137,703	102,126
Total accumulated other comprehensive income	540,056	864,413
Non-controlling interests	5,020,661	5,472,847
Total net assets	15,096,168	15,738,530
Total liabilities and net assets	296,093,652	298,689,150

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Ordinary income	11,138,570	11,982,152
Postal business income	2,559,172	2,389,527
Banking business income	2,062,509	2,648,693
Life insurance business income	6,374,579	6,744,165
Other ordinary income	142,308	199,767
Ordinary expenses	10,480,907	11,313,835
Operating expenses	7,786,792	8,276,204
Personnel expenses	2,434,331	2,416,440
Depreciation and amortization	226,382	242,690
Other ordinary expenses	33,400	378,500
Net ordinary income	657,663	668,316
Extraordinary gains	112,235	28,382
Gains on sales of fixed assets	20,593	3,319
Reversal of reserve under the special laws	82,645	16,161
Reversal of reserve for price fluctuations	82,645	16,161
Compensation for transfer	832	1,612
Insurance claim income	735	2,243
Reversal of losses on transfer of business	305	2,525
Gains on sale of businesses	6,995	-
Other extraordinary gains	126	2,520
Extraordinary losses	12,456	11,770
Losses on sales and disposal of fixed assets	3,859	6,400
Losses on impairment of fixed assets	3,224	2,837
Losses on business restructuring	1,769	1,664
Extra payments for early retirements	1,992	-
Litigation expenses	969	-
Other extraordinary losses	640	868
Provision for reserve for policyholder dividends	62,067	55,899
Income before income taxes	695,374	629,029
Income taxes current	193,240	167,045
Income taxes deferred	(18,532)	14,522
Total income taxes	174,707	181,568
Net income	520,666	447,460
Net income attributable to non-controlling interests	89,620	178,774
Net income attributable to Japan Post Holdings	431,045	268,685

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net income	520,666	447,460
Other comprehensive income (loss)	(825,912)	808,548
Net unrealized gains (losses) on available-for-sale securities	(707,864)	1,493,174
Net deferred gains (losses) on hedges	(82,206)	(648,859)
Foreign currency translation adjustments	(4,039)	3,149
Adjustments for retirement benefits	(31,807)	(38,912)
Share of other comprehensive income (loss) of affiliates	6	(2)
Comprehensive income (loss)	(305,245)	1,256,009
Total comprehensive income (loss) attributable to:		
Japan Post Holdings	(283,503)	612,810
Non-controlling interests	(21,741)	643,198

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	3,500,000	1,458,718	6,138,069	(96,106)	11,000,681
Cumulative effects of changes in accounting policies			(2,066)		(2,066)
Restated balance at the beginning of the fiscal year	3,500,000	1,458,718	6,136,002	(96,106)	10,998,614
Changes in the fiscal year					
Cash dividends			(183,136)		(183,136)
Net income attributable to Japan Post Holdings			431,045		431,045
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders		(1,505,816)			(1,505,816)
Purchases of treasury stock				(205,355)	(205,355)
Disposals of treasury stock				98	98
Cancellation of treasury stock		(100,056)		100,056	-
Change in scope of equity method					-
Transfer from retained earnings to capital surplus		147,154	(147,154)		-
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	-	(1,458,718)	100,754	(105,200)	(1,463,164)
Balance at the end of the fiscal year	3,500,000	-	6,236,757	(201,307)	9,535,450

	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	Effect on change in discount rate assumptions	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	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								(2,066)
Restated balance at the beginning of the fiscal year	1,731,180	(479,930)	(112,443)	-	169,902	1,308,709	2,379,590	14,686,914
Changes in the fiscal year								
Cash dividends								(183,136)
Net income attributable to Japan Post Holdings								431,045
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders								(1,505,816)
Purchases of treasury stock								(205,355)
Disposals of treasury stock								98
Cancellation of treasury stock								-
Change in scope of equity method								-
Transfer from retained earnings to capital surplus								-
Net changes in items other than shareholders' equity in the fiscal year	(837,535)	104,786	(3,705)	-	(32,198)	(768,652)	2,641,071	1,872,418
Net changes in the fiscal year	(837,535)	104,786	(3,705)	-	(32,198)	(768,652)	2,641,071	409,253
Balance at the end of the fiscal year	893,645	(375,143)	(116,148)	-	137,703	540,056	5,020,661	15,096,168

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	3,500,000	-	6,236,757	(201,307)	9,535,450
Cumulative effects of changes in accounting policies					-
Restated balance at the beginning of the fiscal year	3,500,000	-	6,236,757	(201,307)	9,535,450
Changes in the fiscal year					
Cash dividends			(255,911)		(255,911)
Net income attributable to Japan Post Holdings			268,685		268,685
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders		47,211			47,211
Purchases of treasury stock				(299,999)	(299,999)
Disposals of treasury stock				87	87
Cancellation of treasury stock		(199,989)		199,989	-
Change in scope of equity method			105,747		105,747
Transfer from retained earnings to capital surplus		152,777	(152,777)		-
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	-	-	(34,256)	(99,923)	(134,180)
Balance at the end of the fiscal year	3,500,000	-	6,202,500	(301,230)	9,401,270

	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	Effect on change in discount rate assumptions	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	893,645	(375,143)	(116,148)	-	137,703	540,056	5,020,661	15,096,168
Cumulative effects of changes in accounting policies								-
Restated balance at the beginning of the fiscal year	893,645	(375,143)	(116,148)	-	137,703	540,056	5,020,661	15,096,168
Changes in the fiscal year								
Cash dividends								(255,911)
Net income attributable to Japan Post Holdings								268,685
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders								47,211
Purchases of treasury stock								(299,999)
Disposals of treasury stock								87
Cancellation of treasury stock								-
Change in scope of equity method								105,747
Transfer from retained earnings to capital surplus								-
Net changes in items other than shareholders' equity in the fiscal year	698,496	(398,083)	40,305	19,215	(35,576)	324,356	452,185	776,542
Net changes in the fiscal year	698,496	(398,083)	40,305	19,215	(35,576)	324,356	452,185	642,362
Balance at the end of the fiscal year	1,592,142	(773,227)	(75,843)	19,215	102,126	864,413	5,472,847	15,738,530

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities:		
Income before income taxes	695,374	629,029
Depreciation and amortization	226,382	242,690
Losses on impairment of fixed assets	3,224	2,837
Amortization of goodwill	2,082	2,241
Equity in (earnings) losses of affiliates	(1,387)	(934)
Net change in reserve for outstanding claims	7,778	(36,474)
Net change in policy reserves	(3,015,234)	(3,005,427)
Provision for interest on policyholder dividends	9	137
Provision for reserve for policyholder dividends	62,067	55,899
Net change in reserve for possible loan losses	(106)	(1,158)
Net change in allowance for investment losses	-	775
Net change in reserve for bonuses	(1,543)	(2,167)
Net change in asset and liability for retirement benefits	(16,740)	(157,125)
Net change in reserve for employee stock ownership plan trust	(3)	(0)
Net change in reserve for management board benefit trust	36	256
Net change in reserve for reimbursement of deposits	(4,158)	(3,704)
Net change in reserve for price fluctuations	(82,645)	(16,161)
Interest and dividend income	(959,368)	(880,922)
Interest expenses	17,441	15,084
Interest income (accrual basis)	(1,243,685)	(1,397,149)
Interest expenses (accrual basis)	458,165	698,339
Net (gains) losses on securities	142,927	335,057
Net (gains) losses on money held in trust	(397,198)	(1,178,290)
Net (gains) losses on foreign exchanges	(1,337,823)	(1,952,134)
Net (gains) losses on sales and disposal of fixed assets	(13,795)	3,019
Net change in loans	(1,163,957)	(1,245,258)
Net change in deposits	689,707	(1,547,818)
Net change in negotiable certificates of deposit	-	65,000
Net change in borrowed money	(3,971,000)	352,300
Net change in call loans	140	455,898
Net change in receivables under securities borrowing transactions for banking business	(250,241)	250,241
Net change in call money	(1,145,024)	5,726,004
Net change in payables under securities lending transactions for banking business	427,434	431,926
Net change in foreign exchanges (assets)	88,980	(56,389)
Net change in foreign exchanges (liabilities)	714	(138)
Interest received (cash basis)	1,195,051	1,366,232
Interest paid (cash basis)	(411,768)	(670,306)
Other, net	1,129,782	(1,446,019)
Subtotal	(8,868,379)	(2,964,610)
Interest and dividend income received	997,428	892,621
Interest expenses paid	(17,632)	(15,301)
Policyholder dividends paid	(146,714)	(129,463)
Income taxes paid	(124,689)	(148,773)
Other, net	5,767	6,481
Net cash used in operating activities	(8,154,220)	(2,359,045)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities:		
Purchases of call loans	(7,380,000)	(7,340,000)
Proceeds from redemption of call loans	7,380,000	7,340,000
Net change in receivables under resale agreements	735,373	337,571
Net change in payables under repurchase agreements	1,169,788	164,312
Purchases of monetary claims bought	(119,988)	(19,995)
Proceeds from sale and redemption of monetary claims bought	111,808	41,682
Net change in payables under securities lending transactions for life insurance business	(2,236,696)	-
Purchases of securities	(47,557,119)	(44,988,211)
Proceeds from sale of securities	19,019,006	7,868,266
Proceeds from redemption of securities	38,666,999	28,411,241
Purchases of money held in trust	(1,024,238)	(1,115,426)
Proceeds from sale of money held in trust	655,650	1,925,834
Payments for loans	(421,335)	(444,874)
Proceeds from collection of loans	1,067,457	769,394
Purchases of tangible fixed assets	(230,999)	(203,785)
Proceeds from sale of tangible fixed assets	30,623	7,696
Purchases of intangible assets	(92,214)	(116,185)
Purchase of stocks of subsidiaries and affiliates	(6,688)	(4,460)
Proceeds from sale of stocks of subsidiaries and affiliates	-	23
Purchases of stocks of subsidiaries resulting in change in the scope of consolidation	(121)	(1,395)
Proceeds from purchases of stocks of subsidiaries resulting in change in the scope of consolidation	-	3
Other, net	(415,158)	(350,302)
Net cash provided by (used in) investing activities	9,352,146	(7,718,612)
Cash flows from financing activities:		
Proceeds from borrowings	97,980	116,256
Repayment of borrowings	(276,511)	(125,440)
Proceeds from issuance of bonds	34,887	125,320
Purchase of treasury stock	(205,355)	(299,999)
Purchases of treasury stock of subsidiaries	(52,322)	(57,289)
Proceeds from disposals of treasury stock of subsidiaries	55	48
Dividends paid	(182,997)	(255,684)
Dividends paid to non-controlling interests	(41,858)	(91,028)
Proceeds from sale of stocks of subsidiaries that do not result in change in the scope of consolidation	1,191,910	-
Other, net	(13,153)	(18,441)
Net cash provided by (used in) financing activities	552,634	(606,258)
Effect of exchange rate changes on cash and cash equivalents	11,693	6,449
Net change in cash and cash equivalents	1,762,254	(10,677,466)
Cash and cash equivalents at the beginning of the fiscal year	68,419,223	70,181,478
Cash and cash equivalents at the end of the fiscal year	70,181,478	59,504,011

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

None

(Changes in Accounting Policies)

The Company's consolidated subsidiaries 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 fiscal year ended March 31, 2024.

This change is part of measures taken to expand domestic B-to-B businesses under JP Vision 2025 (announced in May 2021). From the beginning of the fiscal year ended March 31, 2024, Japan Post Co. has made these consolidated subsidiaries its wholly-owned subsidiaries, whereby their businesses have been restructured, and they have been reclassified from the "international logistics business" to the "postal and domestic logistics business", which applies Japanese Accounting Standards, for the purpose of appropriately managing profit and loss across the Group.

The Company has applied this new accounting policy retrospectively, and the consolidated financial statements for the fiscal year ended March 31, 2023 have been prepared after its retrospective application.

As a result, changes have been made to the presentation of these financial statements. Primarily, in the consolidated balance sheets for the fiscal year ended March 31, 2023, tangible fixed assets, deferred tax assets, other liabilities, and retained earnings were ¥15,234 million, ¥2,870 million, ¥15,846 million, and ¥2,087 million, respectively, lower than if calculated prior to retrospective application. In the consolidated statements of income for the fiscal year ended March 31, 2023, net ordinary income and income before income taxes were ¥164 million and ¥162 million, respectively, higher than if calculated prior to retrospective application. In the consolidated statements of cash flows for the fiscal year ended March 31, 2023, cash flows from operating activities were ¥2,993 million lower, and cash flows from financing activities were ¥2,993 million higher than if calculated prior to retrospective application.

As the cumulative effect of the change has been reflected in the beginning balance of net assets in the fiscal year ended March 31, 2023, the balance of retained earnings on April 1, 2022 was ¥2,066 million lower than if calculated prior to retrospective application.

(Changes in Presentation Method)

(Consolidated Statements of Income)

"Reversal of losses on transfer of business" and "losses on business restructuring," which were included in "other extraordinary gains" and "other extraordinary losses," respectively, in the fiscal year ended March 31, 2023, have been presented separately in the fiscal year ended March 31, 2024, due to an increase in materiality. The financial statements for the fiscal year ended March 31, 2023 have been changed to reflect these changes in presentation method.

As a result, in the consolidated statements of income for the fiscal year ended March 31, 2023, "other extraordinary gains" of ¥432 million have been reclassified as "reversal of losses on transfer of business" of ¥305 million and "other extraordinary gains" of ¥126 million, and "other extraordinary losses" of ¥2,409 million have been reclassified as "losses on business restructuring" of ¥1,769 million and "other extraordinary losses" of ¥640 million.

(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	1,945,993	140,479	449,424	2,648,693	6,744,165	11,928,755	52,279	11,981,034
Intersegment ordinary income	34,516	973,433	598	2,993	62	1,011,604	233,183	1,244,787
Total	1,980,509	1,113,912	450,023	2,651,686	6,744,227	12,940,359	285,462	13,225,822
Segment profit (loss)	(64,969)	73,490	1,713	496,038	160,915	667,187	154,991	822,179

- (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 ¥149,270 million.

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

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

(Millions of yen)

Items	Fiscal year ended March 31, 2024
Total ordinary income of reportable segments	12,940,359
Ordinary income of other business	285,462
Eliminations of intersegment transactions	(1,244,787)
Adjustments	1,117
Ordinary income on the consolidated statements of income	11,982,152

- (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 consolidated statements of income.

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

(Millions of yen)

Items	Fiscal year ended March 31, 2024
Total segment profit (loss) of reportable segments	667,187
Segment profit in other business	154,991
Eliminations of intersegment transactions	(148,538)
Adjustments	(5,324)
Net ordinary income on the consolidated statements of income	668,316

- (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 consolidated statements of income.

3. Changes in reportable segments

(Changes in Classification of Reportable Segments)

As stated in (Changes in Accounting Policies), 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 fiscal year ended March 31, 2024.

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

As stated in (Changes in Accounting Policies), 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 fiscal year ended March 31, 2024.

(Per Share Data)

Items		Fiscal year ended March 31, 2024
Net assets per share	Yen	3,202.94
Net income per share	Yen	80.26

(Notes) 1. Because there was no potential common stock, the amount for diluted net income per share is omitted.

2. Net assets per share is calculated based on the following:

Items		As of March 31, 2024
Net assets	Millions of yen	15,738,530
Amount deducted from net assets	Millions of yen	5,472,847
Of which: Non-controlling interests	Millions of yen	5,472,847
Net assets attributable to common stock at the fiscal year-end	Millions of yen	10,265,683
Number of common stock outstanding at the fiscal year-end used for the calculation of net assets per share	Thousands of shares	3,205,081

3. The number of treasury stock excluded from the number of common stock outstanding at the fiscal year-end used for the calculation of net assets per share includes the number of shares of the Company held by the management board benefit trust. The number of shares of the Company held by the management board benefit trust excluded from the calculation of net assets per share was 1,058,700 shares as of March 31, 2024.

4. Net income per share is calculated based on the following:

Items		Fiscal year ended March 31, 2024
Net income attributable to Japan Post Holdings	Millions of yen	268,685
Amount not attributable to common stockholders	Millions of yen	-
Net income attributable to common stock	Millions of yen	268,685
Average number of common stock outstanding during the fiscal year	Thousands of shares	3,347,485

5. The number of treasury stock excluded from the average number of common stock outstanding during the fiscal year used for the calculation of net income per share includes the number of shares of the Company held by the management board benefit trust. The average number of shares of the Company held by the management board benefit trust excluded from the calculation of net income per share was 1,078,381 shares for the fiscal year ended March 31, 2024.

(Subsequent Events)

(Issuance of Subordinated Unsecured Bonds for Domestic Public Offering)

As indicated below, Japan Post Insurance, a consolidated subsidiary of the Company, issued subordinated unsecured bonds by way of domestic public offering on April 17, 2024, and payment for the bonds was completed on the same day.

1. Name of bond	Fourth series of subordinated unsecured bonds with interest deferral option and early redemption option
2. Principal amount	¥100 billion
3. Denomination	¥100 million
4. Maturity date	April 17, 2054 The Company may, at its discretion, redeem the bond (i) on April 17, 2034 and every date which falls five, or a multiple of five, years thereafter or (ii) upon the occurrence and continuation of a regulatory event, a tax deductibility event or a rating agency event on and after the payment date, subject to the prior approval of the regulatory authority.
5. Interest rate	(1) From the day immediately following April 17, 2024 until April 17, 2034: 2.133% (2) From the day immediately following April 17, 2034: 5-years JGB plus 2.300% (reset every 5 years)
6. Interest payment dates	April 17 and October 17 of each year
7. Issue price	¥100 per amount of ¥100 of each bond
8. Redemption price	¥100 per amount of ¥100 of each bond
9. Payment date	April 17, 2024
10. Collateral and guarantees	No collateral or guarantee will be provided.
11. Prioritization	As to the payment of debt in liquidation or other proceedings of the issuer, the bonds shall be subordinated to general debt, ranking substantially pari passu with its pari-passu subordinated debt as well as its most preferred stock of the issuer (if issued by the issuer in future) and shall be senior to its common stock.
12. Purpose of funds	General working capital

(Acquisition of Treasury Stock)

The Company resolved, at the meeting of its Board of Directors held on May 15, 2024, on matters concerning the acquisition of treasury stock in accordance with Article 39, Paragraph 1 of the Company's Articles of Incorporation complying with Article 459, Paragraph 1, Item 1 of the Companies Act.

1. Reason for the acquisition of treasury stock

The Company will acquire treasury stock for the purpose of enhancing shareholder returns and improving capital efficiency, in accordance with its capital strategy under the Group Medium-term Management Plan "JP Vision 2025+."

2. Details of matters related to the acquisition

- | | |
|--|--|
| (1) Class of shares acquired: | Common stock of the Company |
| (2) Total number of shares to be acquired: | 320,000,000 shares (maximum)
(The ratio of the total number of shares to be acquired to the total number of shares issued, excluding treasury stock, will be 10.0%) |
| (3) Total value of shares to be acquired: | ¥350,000 million (maximum) |
| (4) Acquisition period: | From May 16, 2024 to March 31, 2025 |
| (5) Method of the acquisition: | Purchases through trading on the auction market of the Tokyo Stock Exchange, Inc. |

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	1,318,201	985,035
Inventories	141	179
Prepaid expenses	784	924
Short-term loan	66,283	120,363
Accounts receivable	24,992	13,566
Income taxes receivable	47,522	31,207
Others	1,200	1,642
Reserve for possible loan losses	(3)	(7)
Total current assets	1,459,123	1,152,913
Non-current assets		
Tangible fixed assets		
Buildings	35,446	33,888
Structures	939	874
Machinery and equipment	140	108
Vehicles	23	18
Tools and fixtures	12,632	7,621
Land	85,935	85,065
Construction in progress	556	382
Total tangible fixed assets	135,674	127,959
Intangible assets		
Software	12,515	6,282
Others	389	559
Total intangible assets	12,905	6,841
Investments and other assets		
Investment securities	99,069	146,624
Stocks of subsidiaries and affiliates	3,446,563	3,703,448
Money held in trust	450,583	—
Long-term loan	112,005	109,347
Claims provable in bankruptcy	63	27
Long-term prepaid expenses	988	433
Prepaid pension costs	46,881	54,336
Others	217	189
Reserve for possible loan losses	(63)	(27)
Allowance for investment losses	(1,700)	(1,700)
Total investments and other assets	4,154,608	4,012,679
Total non-current assets	4,303,188	4,147,480
Total assets	5,762,311	5,300,393

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Short-term borrowings	-	3,700
Accounts payable	11,423	15,473
Accrued expenses	1,796	1,664
Income taxes payable	35	30
Accrued consumption taxes	2,086	-
Reserve for bonuses	1,300	1,308
Others	636	11,301
Total current liabilities	17,277	33,479
Long-term liabilities		
Bonds	35,000	61,000
Reserve for retirement benefits	19,001	19,584
Reserve for management board benefit trust	282	395
Reserve for compensation for accidents in the course of duty	15,424	14,710
Deferred tax liabilities	47,035	5,399
Others	3,255	2,019
Total long-term liabilities	119,999	103,109
Total liabilities	137,277	136,588
Net assets		
Shareholders' equity		
Capital stock	3,500,000	3,500,000
Capital surplus		
Capital reserve	875,000	875,000
Other capital surplus	978,662	778,673
Total capital surplus	1,853,662	1,653,673
Retained earnings		
Other retained earnings		
Retained earnings brought forward	436,123	338,234
Total retained earnings	436,123	338,234
Treasury stock	(201,307)	(301,230)
Total shareholders' equity	5,588,478	5,190,676
Valuation and translation adjustments		
Net unrealized gains (losses) on available-for-sale securities	36,556	(26,871)
Total valuation and translation adjustments	36,556	(26,871)
Total net assets	5,625,034	5,163,805
Total liabilities and net assets	5,762,311	5,300,393

(2) Non-consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Operating income		
Brand royalty income	12,692	12,424
Dividend income from subsidiaries and affiliates	184,610	149,270
Income from business consignment	46,065	46,147
Other revenue	14,192	11,802
Total operating income	257,559	219,644
Operating expenses		
Expenses for business consignment	46,216	46,044
Administrative expenses	12,107	13,819
Other business expenses	18,598	14,277
Total operating expenses	76,922	74,141
Net operating income	180,637	145,502
Other income		
Interest income	619	959
Dividend income	12,870	14,337
Rent income	2,728	2,701
Subsidy income	3,046	836
Others	967	606
Total other income	20,232	19,442
Other expenses		
Interest on bonds	92	226
Rent expenses	1,306	1,228
Expenses on systems rented to others	393	397
Others	195	316
Total other expenses	1,988	2,168
Net ordinary income	198,881	162,776
Extraordinary gains		
Gains on sales of fixed assets	1,460	1,294
Gains on sale of businesses	6,995	-
Gains on sales of stocks of subsidiaries and affiliates	71,783	-
Others	9	131
Total extraordinary gains	80,249	1,425
Extraordinary losses		
Losses on sales and disposal of fixed assets	219	284
Losses on impairment of fixed assets	262	1,148
Contribution for special bonus payments	-	5,040
Others	79	18
Total extraordinary losses	561	6,492
Income before income taxes	278,569	157,709
Income taxes current	(15,218)	(313)
Total income taxes	(15,218)	(313)
Net income	293,787	158,023

(3) Non-consolidated Statements of Changes in Net Assets
Fiscal year ended March 31, 2023

(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
Balance at the beginning of the fiscal year	3,500,000	875,000	1,078,718	1,953,718	325,471	325,471
Changes in the fiscal year						
Cash dividends					(183,136)	(183,136)
Net income					293,787	293,787
Purchases 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 year						
Net changes in the fiscal year	-	-	(100,056)	(100,056)	110,651	110,651
Balance at the end of the fiscal year	3,500,000	875,000	978,662	1,853,662	436,123	436,123

	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 year	(96,106)	5,683,084	57,636	57,636	5,740,721
Changes in the fiscal year					
Cash dividends		(183,136)			(183,136)
Net income		293,787			293,787
Purchases of treasury stock	(205,355)	(205,355)			(205,355)
Disposals of treasury stock	98	98			98
Cancellation of treasury stock	100,056	-			-
Net changes in items other than shareholders' equity in the fiscal year			(21,080)	(21,080)	(21,080)
Net changes in the fiscal year	(105,200)	(94,606)	(21,080)	(21,080)	(115,687)
Balance at the end of the fiscal year	(201,307)	5,588,478	36,556	36,556	5,625,034

Fiscal year ended March 31, 2024

(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 year	3,500,000	875,000	978,662	1,853,662	436,123	436,123
Changes in the fiscal year						
Cash dividends					(255,911)	(255,911)
Net income					158,023	158,023
Purchases of treasury stock						
Disposals of treasury stock						
Cancellation of treasury stock			(199,989)	(199,989)		
Net changes in items other than shareholders' equity in the fiscal year						
Net changes in the fiscal year	-	-	(199,989)	(199,989)	(97,888)	(97,888)
Balance at the end of the fiscal year	3,500,000	875,000	778,673	1,653,673	338,234	338,234

	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 year	(201,307)	5,588,478	36,556	36,556	5,625,034
Changes in the fiscal year					
Cash dividends		(255,911)			(255,911)
Net income		158,023			158,023
Purchases of treasury stock	(299,999)	(299,999)			(299,999)
Disposals of treasury stock	87	87			87
Cancellation of treasury stock	199,989	-			-
Net changes in items other than shareholders' equity in the fiscal year			(63,427)	(63,427)	(63,427)
Net changes in the fiscal year	(99,923)	(397,801)	(63,427)	(63,427)	(461,229)
Balance at the end of the fiscal year	(301,230)	5,190,676	(26,871)	(26,871)	5,163,805