



Overview of Consolidated Financial Results of Japan Post Co.

for the Fiscal Year Ended March 31, 2024

May 15, 2024

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1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	1,761,329	1,546,784
Notes receivable and operating accounts receivable	275,721	335,096
Contract assets	8,587	11,303
Securities	15,000	15,000
Inventories	56,190	36,050
Prepaid expenses	9,576	12,218
Other accounts receivable	15,508	19,003
Outstanding amount of banking business consignment	13,803	38,655
Other current assets	26,084	33,865
Reserve for possible loan losses	(968)	(1,307)
Total current assets	2,180,833	2,046,669
Non-current assets		
Tangible fixed assets		
Buildings	844,242	945,138
Structures	29,640	30,983
Machinery and equipment	75,624	72,953
Vehicles	15,946	20,243
Tools and fixtures	19,100	28,219
Land	1,291,080	1,352,676
Right-of-use assets	48,380	56,522
Construction in progress	219,015	20,990
Total tangible fixed assets	2,543,030	2,527,727
Intangible assets		
Leasehold right	1,652	1,656
Transferable development right	14,077	14,077
Software	17,515	70,052
Other intangible assets	38,914	9,939
Total intangible assets	72,161	95,726
Investments and other assets		
Investment securities	17,820	19,012
Claims provable in bankruptcy	3,456	2,072
Long-term prepaid expenses	7,215	14,166
Asset for retirement benefits	1,353	1,905
Other investments and other assets	50,608	49,555
Reserve for possible loan losses	(3,456)	(2,076)
Total investments and other assets	76,998	84,636
Total non-current assets	2,692,190	2,708,091
Total assets	4,873,023	4,754,760

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes payable and operating accounts payable	104,703	121,669
Short-term borrowings	144,506	151,539
Other accounts payable	260,965	327,405
Outstanding amount of life insurance business consignment	1,149	952
Accrued expenses	64,230	42,593
Income taxes payable	4,127	14,832
Consumption taxes payable	18,785	6,257
Contract liabilities	51,243	45,167
Deposits received	205,542	182,756
Fund deposits for post offices	840,000	810,000
Reserve for bonuses	105,985	104,721
Reserve for losses on rebuilding of branches	197	-
Other current liabilities	47,799	44,640
Total current liabilities	1,849,237	1,852,538
Long-term liabilities		
Lease obligations	86,598	91,269
Deferred tax liabilities	9,488	9,548
Reserve for management board benefit trust	153	218
Liability for retirement benefits	1,988,082	1,935,259
Other long-term liabilities	90,194	94,376
Total long-term liabilities	2,174,517	2,130,672
Total liabilities	4,023,754	3,983,210
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	141,930	141,930
Retained earnings	294,446	239,605
Total shareholders' equity	836,377	781,536
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	143	348
Net deferred gains (losses) on hedges	33	-
Foreign currency translation adjustments	(116,148)	(114,313)
Accumulated adjustments for retirement benefits	107,911	79,636
Total accumulated other comprehensive loss	(8,060)	(34,328)
Non-controlling interests	20,951	24,341
Total net assets	849,268	771,550
Total liabilities and net assets	4,873,023	4,754,760

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

(1) Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Operating income		
Postal service business income	2,040,988	1,960,391
Commissions for banking business consignment	340,055	316,113
Commissions for life insurance business consignment	134,846	125,605
Funds to maintain post office network	280,818	300,057
International logistics business income	538,897	448,216
Other operating income	115,925	173,360
Total operating income	3,451,530	3,323,743
Operating costs	3,134,368	3,091,560
Gross operating income	317,162	232,182
Sales, general and administrative costs	233,361	225,813
Net operating income	83,801	6,369
Other income		
Interest income	726	1,215
Equity in earnings of affiliates	1,194	637
Foreign exchange gains	2,681	-
Subsidy income	1,664	3,696
Others	3,487	2,197
Total other income	9,753	7,747
Other expenses		
Interest expenses	12,704	9,998
Losses on foreign exchanges	-	891
Others	1,208	1,030
Total other expenses	13,913	11,920
Net ordinary income	79,641	2,196
Extraordinary gains		
Gains on sales of fixed assets	11,470	4,948
Gains on exchange of fixed assets	2,975	-
Insurance claim income	735	2,243
Reversal of losses on transfer of business	305	2,525
Receipt of contribution for special bonus payments	-	5,040
Others	857	3,915
Total extraordinary gains	16,344	18,672
Extraordinary losses		
Losses on sales of fixed assets	231	422
Losses on disposal of fixed assets	2,486	2,367
Losses on impairment of fixed assets	1,032	572
Losses on business restructuring	1,769	1,664
Extra payments for early retirements	1,843	-
Litigation expenses	969	-
Others	557	725
Total extraordinary losses	8,888	5,753
Income before income taxes	87,097	15,115
Income taxes current	28,132	8,282
Income taxes deferred	(1,926)	(455)
Total income taxes	26,206	7,826
Net income	60,891	7,289
Net income (loss) attributable to non-controlling interests	(1,199)	18
Net income attributable to Japan Post Co.	62,090	7,270

(2) Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net income	60,891	7,289
Other comprehensive loss		
Net unrealized gains (losses) on available-for-sale securities	109	208
Net deferred gains (losses) on hedges	246	(33)
Foreign currency translation adjustments	(4,039)	3,149
Adjustments for retirement benefits	(26,076)	(28,275)
Share of other comprehensive income (loss) of affiliates	6	(2)
Total other comprehensive loss	(29,755)	(24,954)
Comprehensive income (loss)	31,135	(17,664)
Total comprehensive income (loss) attributable to:		
Japan Post Co.	32,669	(18,997)
Non-controlling interests	(1,533)	1,332

3. Segment Information

(1) Operating income and segment profit (loss) of reportable segments

Fiscal year ended March 31, 2023

(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	2,046,675	865,957	538,897	3,451,530	-	3,451,530
Intersegment operating income	9,762	208,083	300	218,146	-	218,146
Total	2,056,437	1,074,041	539,198	3,669,677	-	3,669,677
Segment profit	33,007	49,311	10,476	92,796	-	92,796

(Note)

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

Fiscal year ended March 31, 2024

(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	1,965,972	909,555	448,216	3,323,743	-	3,323,743
Intersegment operating income	9,598	203,374	598	213,571	-	213,571
Total	1,975,570	1,112,929	448,814	3,537,315	-	3,537,315
Segment profit (loss)	(68,623)	72,962	9,582	13,920	-	13,920

(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	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Total segment profit of reportable segments	92,796	13,920
Segment profit in other business	-	-
Eliminations of intersegment transactions	824	826
Corporate expenses ^(Note)	(2,501)	(3,020)
Other adjustments	(7,317)	(5,356)
Net operating income on the consolidated statements of income	83,801	6,369

(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 fiscal year ended March 31, 2024.

The segment information for the fiscal year ended March 31, 2023, 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 fiscal year ended March 31, 2024.

The figures presented in segment information for the fiscal year ended March 31, 2023 have been prepared after the retrospective application of this change.