



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

**for the Three Months Ended June 30, 2024**

**August 9, 2024**

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## 1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	1,546,784	1,165,835
Notes receivable, operating accounts receivable and contract assets	346,400	331,565
Securities	15,000	15,000
Inventories	36,050	30,858
Outstanding amount of banking business consignment	38,655	18,526
Other current assets	65,087	363,764
Reserve for possible loan losses	(1,307)	(1,610)
Total current assets	2,046,669	1,923,940
Non-current assets		
Tangible fixed assets		
Buildings	945,138	930,314
Land	1,352,676	1,353,728
Right-of-use assets	56,522	58,908
Other tangible fixed assets	173,390	179,579
Total tangible fixed assets	2,527,727	2,522,530
Intangible assets	95,726	94,803
Investments and other assets		
Other investments and other assets	86,712	88,005
Reserve for possible loan losses	(2,076)	(2,042)
Total investments and other assets	84,636	85,963
Total non-current assets	2,708,091	2,703,297
Total assets	4,754,760	4,627,237

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes payable and operating accounts payable	121,669	124,079
Short-term borrowings	151,539	144,275
Other accounts payable	327,405	171,148
Outstanding amount of life insurance business consignment	952	935
Income taxes payable	14,832	7,552
Deposits received	182,756	162,830
Fund deposits for post offices	810,000	890,000
Reserve for bonuses	104,721	31,940
Other current liabilities	138,659	164,767
Total current liabilities	1,852,538	1,697,531
Long-term liabilities		
Long-term borrowings	-	33,213
Lease obligations	91,269	90,525
Deferred tax liabilities	9,548	9,751
Reserve for management board benefit trust	218	247
Liability for retirement benefits	1,935,259	1,946,460
Other long-term liabilities	94,376	97,942
Total long-term liabilities	2,130,672	2,178,142
Total liabilities	3,983,210	3,875,673
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	141,930	141,930
Retained earnings	239,605	221,322
Total shareholders' equity	781,536	763,252
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	348	471
Foreign currency translation adjustments	(114,313)	(112,875)
Accumulated adjustments for retirement benefits	79,636	74,995
Total accumulated other comprehensive loss	(34,328)	(37,408)
Non-controlling interests	24,341	25,719
Total net assets	771,550	751,564
Total liabilities and net assets	4,754,760	4,627,237

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

### (1) Consolidated Statements of Income

Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
<b>Operating income</b>		
Postal service business income	479,428	474,586
Commissions for banking business consignment	84,604	81,675
Commissions for life insurance business consignment	31,956	30,489
Funds to maintain post office network	75,014	75,750
International logistics business income	103,445	124,631
Other operating income	26,979	43,465
<b>Total operating income</b>	<b>801,430</b>	<b>830,599</b>
<b>Operating costs</b>	<b>738,420</b>	<b>790,725</b>
Gross operating income	63,009	39,873
Sales, general and administrative costs	53,395	54,593
<b>Net operating income (loss)</b>	<b>9,614</b>	<b>(14,719)</b>
<b>Other income</b>		
Interest income	297	351
Dividend income	6	4
Equity in earnings of affiliates	-	237
Foreign exchange gains	349	64
Subsidy income	269	385
Others	589	578
<b>Total other income</b>	<b>1,512</b>	<b>1,621</b>
<b>Other expenses</b>		
Interest expenses	2,390	2,712
Equity in losses of affiliates	80	-
Others	249	244
<b>Total other expenses</b>	<b>2,720</b>	<b>2,956</b>
<b>Net ordinary income (loss)</b>	<b>8,406</b>	<b>(16,054)</b>
<b>Extraordinary gains</b>		
Gains on sale of fixed assets	471	543
Compensation for transfer	1,191	117
Insurance claim income	2,093	-
Others	456	-
<b>Total extraordinary gains</b>	<b>4,212</b>	<b>660</b>
<b>Extraordinary losses</b>		
Losses on sales of fixed assets	156	55
Losses on disposal of fixed assets	408	196
Losses on impairment of fixed assets	-	16
Losses on business restructuring	203	-
Others	20	132
<b>Total extraordinary losses</b>	<b>789</b>	<b>401</b>
<b>Income (loss) before income taxes</b>	<b>11,830</b>	<b>(15,795)</b>
Income taxes current	1,949	2,146
Income taxes deferred	768	54
<b>Total income taxes</b>	<b>2,717</b>	<b>2,200</b>
<b>Net income (loss)</b>	<b>9,112</b>	<b>(17,995)</b>
<b>Net income (loss) attributable to non-controlling interests</b>	<b>(279)</b>	<b>287</b>
<b>Net income (loss) attributable to Japan Post Co.</b>	<b>9,392</b>	<b>(18,283)</b>

(2) Consolidated Statements of Comprehensive Income  
Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net income (loss)	9,112	(17,995)
Other comprehensive loss		
Net unrealized gains (losses) on available-for-sale securities	130	123
Net deferred gains (losses) on hedges	(33)	-
Foreign currency translation adjustments	1,348	2,865
Adjustments for retirement benefits	(5,475)	(4,640)
Share of other comprehensive income (loss) of affiliates	0	(0)
Total other comprehensive loss	(4,030)	(1,652)
Comprehensive income (loss)	5,082	(19,648)
Total comprehensive income (loss) attributable to:		
Japan Post Co.	4,544	(21,363)
Non-controlling interests	537	1,715

### 3. Segment Information

Three months ended June 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)	Real estate business	Subtotal		
Operating income							
Operating income from third parties	480,829	209,220	103,445	7,934	801,430	-	801,430
Intersegment operating income	2,124	50,580	67	256	53,028	-	53,028
Total	482,953	259,800	103,513	8,190	854,459	-	854,459
Segment profit (loss)	(7,052)	17,894	824	(451)	11,213	-	11,213

(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 of reportable segments	11,213
Segment profit in other business	-
Eliminations of intersegment transactions	205
Corporate expenses <sup>(Note)</sup>	(762)
Other adjustments	(1,042)
Net operating income on the consolidated statements of income	9,614

(Note)

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

Three months ended June 30, 2024

(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)	Real estate business	Subtotal		
Operating income							
Operating income from third parties	475,975	205,529	124,631	24,462	830,599	-	830,599
Intersegment operating income	2,380	50,783	144	263	53,572	-	53,572
Total	478,356	256,313	124,776	24,725	884,172	-	884,172
Segment profit (loss)	(36,492)	13,885	994	8,617	(12,994)	-	(12,994)

(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	(12,994)
Segment profit in other business	-
Eliminations of intersegment transactions	206
Corporate expenses (Note)	(764)
Other adjustments	(1,167)
Net operating loss on the consolidated statements of income	(14,719)

(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 “real estate business” has been established as a new reportable segment beginning from the three months ended June 30, 2024. The businesses conducted by the Company, previously classified into the “postal and domestic logistics business” and the “post office business” have been reclassified into the “postal and domestic logistics business,” the “post office business,” and the “real estate business”.

Segment information for the three months ended June 30, 2023 has been prepared based on the segment classifications after the change.