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JAPAN POST GROUP

Overview of Consolidated Financial Results of Japan Post Co.

for the Three Months Ended June 30, 2026

August 7, 2026

Table of Contents

1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	1,275,355	1,228,507
Notes receivable, operating accounts receivable and contract assets	334,946	368,306
Securities	15,000	15,000
Inventories	35,565	30,887
CMS deposits paid	835,816	678,409
Outstanding amount of banking business consignment	15,953	43,181
Other current assets	52,589	97,469
Reserve for possible loan losses	(1,111)	(1,190)
Total current assets	2,564,115	2,460,571
Non-current assets		
Tangible fixed assets		
Buildings	896,441	882,708
Land	1,419,519	1,416,763
Right-of-use assets	80,784	88,912
Other tangible fixed assets	256,126	261,251
Total tangible fixed assets	2,652,872	2,649,635
Intangible assets	95,958	92,801
Investments and other assets		
Other investments and other assets	241,599	240,317
Reserve for possible loan losses	(2,503)	(2,572)
Total investments and other assets	239,095	237,744
Total non-current assets	2,987,925	2,980,181
Total assets	5,552,041	5,440,753

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes payable and operating accounts payable	145,489	140,391
Short-term borrowings	173,140	188,363
Current portion of long-term borrowings	12,105	35,820
Other accounts payable	289,825	165,511
Outstanding amount of life insurance business consignment	640	717
Income taxes payable	18,263	9,493
Deposits received	164,475	157,840
Fund deposits for post offices	770,000	831,000
Reserve for bonuses	96,413	29,565
Reserve for management bonuses	795	844
Other current liabilities	169,165	183,290
Total current liabilities	1,840,316	1,742,841
Long-term liabilities		
Long-term borrowings	292,776	272,058
Lease obligations	107,489	114,556
Deferred tax liabilities	26,473	26,420
Reserve for management board benefit trust	421	279
Liability for retirement benefits	1,635,215	1,649,983
Other long-term liabilities	83,518	84,168
Total long-term liabilities	2,145,895	2,147,468
Total liabilities	3,986,212	3,890,309
Net assets		
Shareholders’ equity		
Capital stock	700,000	700,000
Capital surplus	441,934	441,934
Retained earnings	252,665	244,912
Total shareholders’ equity	1,394,599	1,386,847
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	4,087	4,278
Net deferred gains (losses) on hedges	154	60
Foreign currency translation adjustments	(117,938)	(116,932)
Accumulated adjustments for retirement benefits	254,416	244,925
Total accumulated other comprehensive income	140,720	132,332
Non-controlling interests	30,509	31,263
Total net assets	1,565,829	1,550,443
Total liabilities and net assets	5,552,041	5,440,753

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, 2025	Three months ended June 30, 2026
Operating income		
Postal service business income	567,589	561,826
Commissions for banking business consignment	79,916	79,675
Commissions for life insurance business consignment	22,445	16,837
Funds to maintain post office network	80,171	83,357
International logistics business income	109,075	154,365
Other operating income	35,533	40,497
Total operating income	894,731	936,561
Operating costs	822,001	870,755
Gross operating income	72,729	65,805
Sales, general and administrative costs	61,138	60,089
Net operating income	11,590	5,715
Other income		
Interest income	883	2,075
Dividend income	239	288
Equity in earnings of affiliates	262	306
Others	1,765	1,037
Total other income	3,149	3,708
Other expenses		
Interest expenses	3,404	4,197
Share issuance costs	2,100	-
Others	821	976
Total other expenses	6,326	5,174
Net ordinary income	8,414	4,249
Extraordinary gains		
Gains on sale of fixed assets	383	235
Gains on negative goodwill	8,808	-
Contribution received for bonus payments	-	9,681
Others	18	386
Total extraordinary gains	9,210	10,302
Extraordinary losses		
Losses on sale of fixed assets	41	1,190
Losses on disposal of fixed assets	599	531
Losses on impairment of fixed assets	1,666	12
Others	162	895
Total extraordinary losses	2,469	2,629
Income before income taxes	15,154	11,922
Income taxes current	2,866	1,147
Income taxes deferred	325	396
Total income taxes	3,192	1,543
Net income	11,962	10,378
Net income attributable to non-controlling interests	733	859
Net income attributable to Japan Post Co.	11,229	9,519

(Note)

In the three months ended June 30, 2025, Japan Post Co., Ltd., implemented provisional accounting treatment for the business combination with JP Tonami Group Co., Ltd., executed on April 17, 2025. The accounting treatment was subsequently finalized in the three months ended September 30, 2025. Pursuant to this finalization of provisional accounting treatment, the consolidated financial statements for the three months ended June 30, 2025 have been reclassified.

(2) Consolidated Statements of Comprehensive Income

Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net income	11,962	10,378
Other comprehensive loss		
Net unrealized gains (losses) on available-for-sale securities	494	186
Net deferred gains (losses) on hedges	(133)	(94)
Foreign currency translation adjustments	(1,322)	1,256
Adjustments for retirement benefits	(4,465)	(9,491)
Share of other comprehensive income (loss) of affiliates	(0)	6
Total other comprehensive loss	(5,427)	(8,137)
Comprehensive income	6,534	2,241
Total comprehensive income attributable to:		
Japan Post Co.	5,593	1,130
Non-controlling interests	941	1,111

3. Segment Information

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

Three months ended June 30, 2025

(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	568,992	201,460	109,075	15,202	894,731	-	894,731
Intersegment operating income	2,002	53,218	170	282	55,672	-	55,672
Total	570,994	254,679	109,245	15,484	950,404	-	950,404
Segment profit	483	6,229	420	5,009	12,143	-	12,143

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

Three months ended June 30, 2026

(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	563,444	199,194	154,365	19,556	936,561	-	936,561
Intersegment operating income	2,568	53,539	159	281	56,548	-	56,548
Total	566,013	252,734	154,524	19,837	993,109	-	993,109
Segment profit (loss)	(5,695)	2,025	2,390	8,098	6,820	-	6,820

(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	Three months ended June 30, 2025	Three months ended June 30, 2026
Total segment profit (loss) of reportable segments	12,143	6,820
Segment profit in other business	-	-
Eliminations of intersegment transactions	203	189
Corporate expenses (Note)	(622)	(651)
Other adjustments	(133)	(642)
Net operating income on the consolidated statements of income	11,590	5,715

(Note)
"Corporate expenses" consists mainly of general and administrative costs which are not attributable to any reportable segments.