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JAPAN POST GROUP

Overview of Consolidated Financial Results of Japan Post Co.

for the Six Months Ended September 30, 2026

November 13, 2026

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1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	1,275,355	1,310,106
Notes receivable, operating accounts receivable and contract assets	334,946	393,483
Securities	15,000	15,000
Inventories	35,565	31,138
CMS deposits paid	835,816	645,748
Outstanding amount of banking business consignment	15,953	24,073
Other current assets	52,589	75,927
Reserve for possible loan losses	(1,111)	(1,177)
Total current assets	2,564,115	2,494,301
Non-current assets		
Tangible fixed assets		
Buildings	896,441	863,471
Land	1,419,519	1,525,136
Right-of-use assets	80,784	99,913
Other tangible fixed assets	256,126	260,029
Total tangible fixed assets	2,652,872	2,748,551
Intangible assets	95,958	91,875
Investments and other assets		
Other investments and other assets	241,599	242,207
Reserve for possible loan losses	(2,503)	(2,611)
Total investments and other assets	239,095	239,595
Total non-current assets	2,987,925	3,080,022
Total assets	5,552,041	5,574,323

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes payable and operating accounts payable	145,489	138,873
Short-term borrowings	173,140	213,299
Current portion of long-term borrowings	12,105	20,053
Other accounts payable	289,825	144,760
Outstanding amount of life insurance business consignment	640	533
Income taxes payable	18,263	16,919
Deposits received	164,475	138,520
Fund deposits for post offices	770,000	861,000
Reserve for bonuses	96,413	109,373
Reserve for management bonuses	795	821
Other current liabilities	169,165	170,274
Total current liabilities	1,840,316	1,814,430
Long-term liabilities		
Long-term borrowings	292,776	332,088
Lease obligations	107,489	135,610
Deferred tax liabilities	26,473	23,683
Reserve for management board benefit trust	421	279
Liability for retirement benefits	1,635,215	1,673,726
Other long-term liabilities	83,518	93,565
Total long-term liabilities	2,145,895	2,258,954
Total liabilities	3,986,212	4,073,385
Net assets		
Shareholders' equity		
Capital stock	700,000	700,000
Capital surplus	441,934	441,934
Retained earnings	252,665	205,410
Total shareholders' equity	1,394,599	1,347,345
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	4,087	5,235
Net deferred gains (losses) on hedges	154	230
Foreign currency translation adjustments	(117,938)	(117,764)
Accumulated adjustments for retirement benefits	254,416	235,433
Total accumulated other comprehensive income	140,720	123,134
Non-controlling interests	30,509	30,458
Total net assets	1,565,829	1,500,938
Total liabilities and net assets	5,552,041	5,574,323

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

(1) Consolidated Statements of Income

Six months ended September 30

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Operating income		
Postal service business income	1,108,518	1,081,624
Commissions for banking business consignment	154,286	154,172
Commissions for life insurance business consignment	45,051	35,355
Funds to maintain post office network	160,343	166,714
International logistics business income	231,596	323,767
Other operating income	75,605	77,838
Total operating income	1,775,402	1,839,473
Operating costs	1,661,524	1,751,444
Gross operating income	113,877	88,029
Sales, general and administrative costs	118,107	124,562
Net operating loss	(4,229)	(36,533)
Other income		
Interest income	2,195	4,384
Dividend income	318	371
Equity in earnings of affiliates	459	537
Subsidy income	1,101	649
Others	2,127	1,295
Total other income	6,202	7,237
Other expenses		
Interest expenses	6,890	8,271
Share issuance costs	2,100	-
Others	1,580	1,234
Total other expenses	10,571	9,506
Net ordinary loss	(8,598)	(38,801)
Extraordinary gains		
Gains on sale of fixed assets	1,013	2,527
Gains on negative goodwill	8,808	-
Contribution received for bonus payments	-	9,681
Others	964	1,409
Total extraordinary gains	10,786	13,618
Extraordinary losses		
Losses on sale of fixed assets	132	1,234
Losses on disposal of fixed assets	1,063	919
Losses on impairment of fixed assets	1,959	320
Losses on business restructuring	228	1,254
Overseas tax practice-related loss	-	2,189
Others	319	1,316
Total extraordinary losses	3,703	7,235
Loss before income taxes	(1,515)	(32,418)
Income taxes current	6,267	496
Income taxes deferred	480	(3,400)
Total income taxes	6,748	(2,903)
Net loss	(8,264)	(29,514)
Net income attributable to non-controlling interests	991	468
Net loss attributable to Japan Post Co.	(9,256)	(29,983)

(2) Consolidated Statements of Comprehensive Income

Six months ended September 30

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net loss	(8,264)	(29,514)
Other comprehensive loss		
Net unrealized gains (losses) on available-for-sale securities	1,947	1,126
Net deferred gains (losses) on hedges	(36)	76
Foreign currency translation adjustments	(316)	17
Adjustments for retirement benefits	(8,931)	(18,983)
Share of other comprehensive income of affiliates	7	24
Total other comprehensive loss	(7,328)	(17,738)
Comprehensive loss	(15,592)	(47,253)
Total comprehensive income (loss) attributable to:		
Japan Post Co.	(17,126)	(47,569)
Non-controlling interests	1,533	315

3. Segment Information

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

Six months ended September 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	1,111,352	400,374	231,596	32,079	1,775,402	-	1,775,402
Intersegment operating income	4,493	105,824	327	570	111,216	-	111,216
Total	1,115,846	506,198	231,924	32,650	1,886,618	-	1,886,618
Segment profit (loss)	(25,588)	8,279	4,238	10,436	(2,633)	-	(2,633)

(Note)

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

Six months ended September 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	1,084,859	396,075	323,767	34,770	1,839,473	-	1,839,473
Intersegment operating income	5,505	106,740	355	567	113,168	-	113,168
Total	1,090,365	502,815	324,123	35,338	1,952,642	-	1,952,642
Segment profit (loss)	(58,314)	2,667	8,929	14,449	(32,268)	-	(32,268)

(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 loss on the consolidated statements of income

(Millions of yen)

Items	Six months ended September 30, 2025	Six months ended September 30, 2026
Total segment profit (loss) of reportable segments	(2,633)	(32,268)
Segment profit in other business	-	-
Eliminations of intersegment transactions	413	391
Corporate expenses (Note)	(1,297)	(1,204)
Other adjustments	(712)	(3,451)
Net operating loss on the consolidated statements of income	(4,229)	(36,533)

(Note)

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