

Overview of Consolidated Financial Results of Japan Post Co.

for the Nine Months Ended December 31, 2024

February 14, 2025

Table of Contents

1. Consolidated Balance Sheets.....	1
2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	3
(1) Consolidated Statements of Income	3
(2) Consolidated Statements of Comprehensive Income	4
3. Segment Information	5

1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	1,546,784	1,299,618
Notes receivable, operating accounts receivable and contract assets	346,400	339,023
Securities	15,000	15,000
Inventories	36,050	32,676
Outstanding amount of banking business consignment	38,655	76,481
Other current assets	65,087	323,769
Reserve for possible loan losses	(1,307)	(606)
Total current assets	2,046,669	2,085,963
Non-current assets		
Tangible fixed assets		
Buildings	945,138	899,406
Land	1,352,676	1,352,685
Right-of-use assets	56,522	55,828
Other tangible fixed assets	173,390	212,310
Total tangible fixed assets	2,527,727	2,520,231
Intangible assets	95,726	91,850
Investments and other assets		
Other investments and other assets	86,712	74,655
Reserve for possible loan losses	(2,076)	(2,117)
Total investments and other assets	84,636	72,538
Total non-current assets	2,708,091	2,684,620
Total assets	4,754,760	4,770,583

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes payable and operating accounts payable	121,669	125,815
Short-term borrowings	151,539	91,468
Other accounts payable	327,405	157,524
Outstanding amount of life insurance business consignment	952	929
Income taxes payable	14,832	10,974
Deposits received	182,756	158,312
Fund deposits for post offices	810,000	940,000
Reserve for bonuses	104,721	29,427
Other current liabilities	138,659	201,197
Total current liabilities	1,852,538	1,715,648
Long-term liabilities		
Long-term borrowings	-	109,134
Lease obligations	91,269	87,487
Deferred tax liabilities	9,548	12,369
Reserve for management board benefit trust	218	247
Liability for retirement benefits	1,935,259	1,991,534
Other long-term liabilities	94,376	98,595
Total long-term liabilities	2,130,672	2,299,369
Total liabilities	3,983,210	4,015,018
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	141,930	141,930
Retained earnings	239,605	237,068
Total shareholders' equity	781,536	778,999
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	348	456
Foreign currency translation adjustments	(114,313)	(114,154)
Accumulated adjustments for retirement benefits	79,636	65,714
Total accumulated other comprehensive loss	(34,328)	(47,983)
Non-controlling interests	24,341	24,549
Total net assets	771,550	755,565
Total liabilities and net assets	4,754,760	4,770,583

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

(1) Consolidated Statements of Income

Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Operating income		
Postal service business income	1,470,857	1,535,618
Commissions for banking business consignment	242,442	233,446
Commissions for life insurance business consignment	92,996	85,382
Funds to maintain post office network	225,042	227,251
International logistics business income	332,882	395,676
Other operating income	130,698	115,730
Total operating income	2,494,920	2,593,105
Operating costs	2,301,240	2,418,738
Gross operating income	193,680	174,366
Sales, general and administrative costs	164,912	167,428
Net operating income	28,768	6,938
Other income		
Interest income	914	1,242
Dividend income	7	20
Equity in earnings of affiliates	295	566
Subsidy income	1,200	1,626
Others	1,432	1,502
Total other income	3,851	4,958
Other expenses		
Interest expenses	7,614	8,146
Others	1,184	841
Total other expenses	8,799	8,987
Net ordinary income	23,820	2,909
Extraordinary gains		
Gains on sale of fixed assets	4,092	4,580
Others	6,940	1,376
Total extraordinary gains	11,033	5,956
Extraordinary losses		
Losses on sale of fixed assets	316	312
Losses on disposal of fixed assets	1,399	1,069
Losses on impairment of fixed assets	318	740
Losses on business restructuring	748	-
Others	647	1,820
Total extraordinary losses	3,431	3,942
Income before income taxes	31,422	4,924
Income taxes current	6,150	6,388
Income taxes deferred	800	331
Total income taxes	6,951	6,720
Net income (loss)	24,470	(1,795)
Net income (loss) attributable to non-controlling interests	(341)	741
Net income (loss) attributable to Japan Post Co.	24,812	(2,537)

(2) Consolidated Statements of Comprehensive Income
Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net income (loss)	24,470	(1,795)
Other comprehensive loss		
Net unrealized gains (losses) on available-for-sale securities	130	109
Net deferred gains (losses) on hedges	(33)	-
Foreign currency translation adjustments	1,008	126
Adjustments for retirement benefits	(16,478)	(13,922)
Share of other comprehensive loss of affiliates	(3)	(1)
Total other comprehensive loss	(15,376)	(13,687)
Comprehensive income (loss)	9,094	(15,483)
Total comprehensive income (loss) attributable to:		
Japan Post Co.	8,382	(16,192)
Non-controlling interests	711	709

3. Segment Information

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

Nine months ended December 31, 2023

(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	1,475,048	625,051	332,882	61,938	2,494,920	-	2,494,920
Intersegment operating income	7,538	152,817	454	782	161,591	-	161,591
Total	1,482,587	777,869	333,336	62,720	2,656,512	-	2,656,512
Segment profit (loss)	(37,976)	47,138	5,471	19,102	33,736	-	33,736

(Note)

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

Nine months ended December 31, 2024

(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	1,539,777	608,593	395,676	49,058	2,593,105	-	2,593,105
Intersegment operating income	8,000	157,459	415	831	166,706	-	166,706
Total	1,547,778	766,052	396,091	49,889	2,759,811	-	2,759,811
Segment profit (loss)	(37,855)	29,937	9,135	12,982	14,200	-	14,200

(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	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Total segment profit (loss) of reportable segments	33,736	14,200
Segment profit in other business	-	-
Eliminations of intersegment transactions	635	633
Corporate expenses (Note)	(2,060)	(2,331)
Other adjustments	(3,542)	(5,564)
Net operating income on the consolidated statements of income	28,768	6,938

(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 nine months ended December 31, 2023 has been prepared based on the segment classifications after the change.