

# Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 <Under Japanese GAAP>



August 10, 2023

Company name: Japan Post Holdings Co., Ltd.      Stock exchange listing: Tokyo Stock Exchange  
 Code number: 6178      URL: <https://www.japanpost.jp/en/>  
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 Scheduled date of filing quarterly securities report: August 10, 2023  
 Scheduled date of commencing dividend payments: -  
 Trading accounts: Unestablished  
 Availability of supplementary briefing material on quarterly financial results: Available  
 Schedule of quarterly financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(1) Consolidated Results of Operations      (% indicates changes from the previous corresponding period.)

	Ordinary income		Net ordinary income		Net income attributable to Japan Post Holdings	
	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2023	2,847,941	4.8	173,010	6.4	(8,535)	-
Three months ended June 30, 2022	2,718,248	-	162,649	-	118,573	-

(Note) Comprehensive income: Three months ended June 30, 2023: ¥760,432 million [- %]  
 Three months ended June 30, 2022: ¥(249,230) million [- %]

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2023	(2.47)	-
Three months ended June 30, 2022	32.47	-

- (Notes) 1. Because there was no potential common stock, the amount for diluted net income per share is omitted.  
 2. Pursuant to a change in accounting policy from the three months ended June 30, 2023, the figures for the three months ended June 30, 2022 have been presented after retrospective application, and changes from the previous corresponding period are not shown. Please refer to 2. Consolidated Financial Statements and Primary Notes (3) Notes to Consolidated Financial Statements (Changes in Accounting Policies) on page 8 of the Attachment for details.

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio <sup>(Note2)</sup>
	Million yen	Million yen	%
As of June 30, 2023	296,404,530	15,544,824	3.5
As of March 31, 2023	296,093,652	15,096,168	3.4

(Reference) Equity: As of June 30, 2023: ¥10,382,221 million

As of March 31, 2023: ¥10,075,506 million

(Notes) 1. Pursuant to a change in accounting policy from the three months ended June 30, 2023, the figures as of March 31, 2023 have been presented after retrospective application. Please refer to 2. Consolidated Financial Statements and Primary Notes (3) Notes to Consolidated Financial Statements (Changes in Accounting Policies) on page 8 of the Attachment for details.

2. Equity ratio = [(Net assets - Non-controlling interests) / Total assets] x 100

## 2. Dividends

	Annual dividend				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	0.00	-	50.00	50.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		25.00	-	25.00	50.00

(Note) Revision of dividends forecast to the latest announcement: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024

(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Ordinary income		Net ordinary income		Net income attributable to Japan Post Holdings		Net income per share
	Million yen	%	Million yen	%	Million yen	%	
Fiscal year ending March 31, 2024	10,860,000	(2.5)	620,000	(5.7)	240,000	(44.3)	Yen 69.37

(Note) Revision of financial results forecast to the latest announcement: None

**\* Notes:**

(1) Changes in significant subsidiaries during the fiscal period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Adoption of accounting method specific to preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: Yes

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(Note) Please refer to 2. Consolidated Financial Statements and Primary Notes (3) Notes to Consolidated Financial Statements (Changes in Accounting Policies) on page 8 of the Attachment for details.

(4) Total number of shares issued (common stock)

1) Total number of shares issued at the end of the fiscal period (including treasury stock):

As of June 30, 2023: 3,461,049,500 shares

As of March 31, 2023: 3,657,797,700 shares

2) Total number of treasury stock at the end of the fiscal period:

As of June 30, 2023: 1,213,973 shares

As of March 31, 2023: 197,988,773 shares

3) Average number of shares during the fiscal period:

Three months ended June 30, 2023: 3,459,828,512 shares

Three months ended June 30, 2022: 3,652,331,286 shares

(Note) The total number of treasury stock at the end of the fiscal period includes the shares of the Company held by the management board benefit trust of 1,113,900 shares and 1,140,500 shares as of June 30, 2023 and March 31, 2023, respectively. The number of treasury stock excluded from the calculation of the average number of shares during the fiscal period includes the shares of the Company held by the management board benefit trust of 1,120,915 shares and 650,078 shares for the three months ended June 30, 2023 and 2022, respectively.

\* The summary of consolidated financial results is outside the scope of quarterly review by Certified Public Accountants or Audit Firm.

\* Explanation on appropriate use of financial results forecast and other specific matters

Forecasts and other forward-looking statements presented in this document are based on information that the Company is aware of at present and certain assumptions that the Company has deemed reasonable, and the Company provides no assurance that the forecasts will be achieved or with respect to any other forward-looking statements. The actual future results may vary considerably depending upon various factors, such as changes in monetary policy and economic fluctuation in Japan and overseas, changes in the competitive environment, the occurrence of large-scale disasters, etc. and changes in laws and regulations. The Company disclaims any responsibility to update any forward-looking statements contained herein to the extent permitted by law or stock exchange rule.

[Attachment]

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Supplementary Briefing Material:

Materials for Consolidated Financial Results for the Three Months Ended June 30, 2023

## 1. Qualitative Information on Consolidated Financial Results for the Fiscal Period under Review

### (1) Explanation of Results of Operations

Consolidated ordinary income for the three months ended June 30, 2023 amounted to ¥2,847,941 million (up ¥129,692 million year-on-year\*), of which the postal and domestic logistics business segment accounted for ¥483,915 million (down ¥6,865 million year-on-year\*); the post office business segment accounted for ¥268,095 million (down ¥2,099 million year-on-year); the international logistics business segment accounted for ¥103,809 million (down ¥43,419 million year-on-year\*); the banking business segment accounted for ¥643,457 million (up ¥194,582 million year-on-year); and the life insurance business segment accounted for ¥1,593,781 million (down ¥15,860 million year-on-year).

Consolidated net ordinary income amounted to ¥173,010 million (up ¥10,361 million year-on-year\*) as a result of net ordinary loss of ¥6,389 million in the postal and domestic logistics business segment (net ordinary income of ¥4,959 million in the same period of the previous fiscal year\*); net ordinary income of ¥17,670 million in the post office business segment (down ¥3,577 million year-on-year); net ordinary loss of ¥1,065 million in the international logistics business segment (net ordinary income of ¥2,327 million in the same period of the previous fiscal year\*); net ordinary income of ¥118,438 million in the banking business segment (down ¥1,979 million year-on-year); and net ordinary income of ¥43,637 million in the life insurance business segment (up ¥30,203 million year-on-year).

In addition, a loss on valuation of securities of ¥85,058 million was recorded as extraordinary losses in the three months ended June 30, 2023, due to impairment of securities held by the Company (the stock in Rakuten Group, Inc.), the market value of which has significantly declined.

As a result of the above, net loss attributable to Japan Post Holdings amounted to ¥8,535 million (net income attributable to Japan Post Holdings of ¥118,573 million in the same period of the previous fiscal year), which comprises consolidated net ordinary income after adjusting for extraordinary gains (losses), provision for reserve for policyholder dividends, income taxes and net income attributable to non-controlling interests.

\* As described in (Changes in Accounting Policies), the classifications used in the consolidated financial statements for the three months ended June 30, 2022 have been changed. Moreover, 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.” Year-on-year differences were stated according to the figures after these reclassifications.

### (2) Explanation of Financial Position

#### 1) Assets

Consolidated total assets were ¥296,404,530 million, up ¥310,877 million\* from the end of the previous fiscal year.

Major factors include an increase in securities of ¥2,304,903 million, an increase in receivables under securities borrowing transactions of ¥1,229,375 million, an increase in receivables under resale agreements of ¥1,172,246 million, an increase in other assets of ¥868,899 million and an increase in money held in trust of ¥475,733 million, as well as a decrease in cash and due from banks of ¥5,447,835 million, a decrease in deferred tax assets of ¥172,126 million and a decrease in call loans of ¥145,000 million.

#### 2) Liabilities

Consolidated total liabilities were ¥280,859,705 million, down ¥137,779 million\* from the end of the previous fiscal year.

Major factors include an increase in deposits of ¥1,386,249 million, an increase in other liabilities of ¥321,965 million and an increase in payables under securities lending transactions of ¥128,675 million, as well as a decrease in payables under repurchase agreements of ¥1,260,923 million and a decrease in policy reserves of ¥688,187 million.

#### 3) Net Assets

Consolidated total net assets were ¥15,544,824 million, up ¥448,656 million\* from the end of the previous

fiscal year.

Major factors include an increase in net unrealized gains (losses) on available-for-sale securities of ¥688,217 million, an increase in treasury stock of ¥200,017 million and an increase in non-controlling interests of ¥141,941 million, as well as a decrease in retained earnings of ¥334,282 million and a decrease in net deferred gains (losses) on hedges of ¥240,238 million.

\* As described in (Changes in Accounting Policies), the classifications used in the consolidated financial statements for the fiscal year ended March 31, 2023 have been changed. Increases and decreases were stated according to the figures after this reclassification.

### (3) Explanation of Consolidated Financial Results Forecast and Other Future Projections

The consolidated financial results forecast for the fiscal year ending March 31, 2024 remains unchanged from the full year forecast announced on May 15, 2023.

## 2. Consolidated Financial Statements and Primary Notes

## (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Cash and due from banks	70,243,186	64,795,350
Call loans	2,500,000	2,355,000
Receivables under resale agreements	11,173,216	12,345,463
Receivables under securities borrowing transactions	250,241	1,479,616
Monetary claims bought	525,632	502,328
Trading account securities	19	13
Money held in trust	11,787,642	12,263,375
Securities	182,770,020	185,074,923
Loans	9,210,199	9,199,335
Foreign exchanges	124,943	189,755
Other assets	2,945,818	3,814,718
Tangible fixed assets	3,163,445	3,151,842
Intangible assets	266,735	272,264
Asset for retirement benefits	76,022	76,011
Deferred tax assets	1,062,438	890,312
Reserve for possible loan losses	(5,909)	(5,784)
<b>Total assets</b>	<b>296,093,652</b>	<b>296,404,530</b>

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Deposits	192,420,880	193,807,129
Payables under repurchase agreements	22,057,310	20,796,386
Policy reserves and others	55,103,778	54,364,470
Reserve for outstanding claims	410,387	378,260
Policy reserves	53,518,219	52,830,032
Reserve for policyholder dividends	1,175,171	1,156,177
Payables under securities lending transactions	1,941,872	2,070,547
Borrowed money	1,791,279	1,796,818
Foreign exchanges	1,411	1,144
Bonds	335,000	335,000
Other liabilities	3,994,231	4,316,196
Reserve for bonuses	125,570	37,780
Liability for retirement benefits	2,212,694	2,240,911
Reserve for employee stock ownership plan trust	511	269
Reserve for management board benefit trust	1,176	1,068
Reserve for reimbursement of deposits	54,655	53,491
Reserve under the special laws	889,960	887,198
Reserve for price fluctuations	889,960	887,198
Deferred tax liabilities	67,152	151,290
<b>Total liabilities</b>	<b>280,997,484</b>	<b>280,859,705</b>
<b>Net assets</b>		
Capital stock	3,500,000	3,500,000
Retained earnings	6,236,757	5,902,474
Treasury stock	(201,307)	(1,289)
<b>Total shareholders' equity</b>	<b>9,535,450</b>	<b>9,401,185</b>
Net unrealized gains (losses) on available-for-sale securities	893,645	1,581,863
Net deferred gains (losses) on hedges	(375,143)	(615,381)
Foreign currency translation adjustments	(116,148)	(115,617)
Accumulated adjustments for retirement benefits	137,703	130,171
<b>Total accumulated other comprehensive income</b>	<b>540,056</b>	<b>981,035</b>
Non-controlling interests	5,020,661	5,162,603
<b>Total net assets</b>	<b>15,096,168</b>	<b>15,544,824</b>
<b>Total liabilities and net assets</b>	<b>296,093,652</b>	<b>296,404,530</b>



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

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Ordinary income	2,718,248	2,847,941
Postal business income	627,778	578,276
Banking business income	448,587	641,910
Life insurance business income	1,609,407	1,593,777
Other ordinary income	32,474	33,976
Ordinary expenses	2,555,598	2,674,930
Operating expenses	1,892,649	1,929,640
Personnel expenses	597,444	596,302
Depreciation and amortization	56,989	59,026
Other ordinary expenses	8,515	89,960
Net ordinary income	162,649	173,010
Extraordinary gains	34,190	7,022
Gains on sales of fixed assets	5,457	508
Reversal of reserve under the special laws	26,428	2,761
Reversal of reserve for price fluctuations	26,428	2,761
Compensation for transfer	72	1,191
Insurance claim income	-	2,093
Other extraordinary gains	2,232	467
Extraordinary losses	418	86,092
Losses on sales and disposal of fixed assets	384	796
Losses on impairment of fixed assets	29	-
Losses on valuation of securities	-	85,058
Other extraordinary losses	4	237
Provision for reserve for policyholder dividends	11,533	15,743
Income before income taxes	184,888	78,196
Income taxes current	73,761	54,116
Income taxes deferred	(23,341)	(10,346)
Total income taxes	50,420	43,769
Net income	134,467	34,427
Net income attributable to non-controlling interests	15,894	42,962
Net income (loss) attributable to Japan Post Holdings	118,573	(8,535)

Consolidated Statements of Comprehensive Income  
Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net income	134,467	34,427
Other comprehensive income (loss)	(383,698)	726,005
Net unrealized gains (losses) on available-for-sale securities	(117,986)	1,122,766
Net deferred gains (losses) on hedges	(251,617)	(390,425)
Foreign currency translation adjustments	(5,433)	1,348
Adjustments for retirement benefits	(8,662)	(7,684)
Share of other comprehensive income of affiliates	1	0
Comprehensive income (loss)	(249,230)	760,432
Total comprehensive income (loss) attributable to:		
Japan Post Holdings	(194,211)	432,456
Non-controlling interests	(55,019)	327,976

(3) Notes to Consolidated Financial Statements  
(Notes on Going-Concern Assumption)

None

(Notes to Significant Changes in Shareholders' Equity)  
(Cancellation of Treasury Stock)

The Company resolved, at the meeting of its Board of Directors held on March 29, 2023, to cancel treasury stock in accordance with the provisions of Article 178 of the Companies Act. The Company cancelled 196,748,200 shares of treasury stock, effective April 20, 2023. As a result, during the three months ended June 30, 2023, capital surplus and treasury stock each decreased by ¥199,989 million. As this cancellation of treasury stock resulted in a negative balance of other capital surplus, the balance of other capital surplus was returned to zero and the corresponding negative amount was deducted from other retained earnings.

As a result of these actions, as of June 30, 2023, the balance of retained earnings was ¥5,902,474 million and the balance of treasury stock was ¥1,289 million.

(Changes in Accounting Policies)

The Company's consolidated subsidiaries 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 three months ended June 30, 2023.

This change is part of measures taken to expand domestic B-to-B businesses under JP Vision 2025 (announced in May 2021). From the beginning of the three months ended June 30, 2023, Japan Post Co., Ltd. has made these consolidated subsidiaries its wholly-owned subsidiaries, whereby their businesses have been restructured, and they have been reclassified from the "international logistics business" to the "postal and domestic logistics business", which applies Japanese Accounting Standards, for the purpose of appropriately managing profit and loss across the Group.

The Company has applied this new accounting policy retrospectively, and the consolidated financial statements for the three months ended June 30, 2022 and the fiscal year ended March 31, 2023 have been prepared after its retrospective application.

As a result, in the consolidated statements of income for the three months ended June 30, 2022, net ordinary income and income before income taxes are each ¥54 million higher than if calculated prior to retrospective application.

Moreover, as the cumulative effect of the change has been reflected in the beginning balance of net assets in the fiscal year ended March 31, 2023, the balance of retained earnings on April 1, 2022 after the retrospective application has decreased by ¥2,066 million.

## (Segment Information)

## 1. Ordinary income and segment profit (loss) of reportable segments

(Millions of yen)

	Reportable Segments						Other business	Total
	Postal and domestic logistics business	Post office business	International logistics business	Banking business	Life insurance business	Subtotal		
Ordinary income								
Ordinary income from third parties	475,727	18,747	103,742	641,910	1,593,777	2,833,904	13,773	2,847,678
Intersegment ordinary income	8,188	249,348	67	1,547	4	259,156	159,994	419,150
Total	483,915	268,095	103,809	643,457	1,593,781	3,093,060	173,768	3,266,828
Segment profit (loss)	(6,389)	17,670	(1,065)	118,438	43,637	172,291	142,589	314,880

- (Notes)
1. Ordinary income is presented instead of net sales which is typical for companies in other industries.
  2. “Other business” includes the hospital business. Segment profit in “Other business” includes dividend income from subsidiaries and affiliates recorded by the Company in the amount of ¥140,295 million.

## 2. Reconciliation between total segment profit (loss) of reportable segments and net ordinary income on the consolidated statements of income

(Millions of yen)

Items	Amount
Total segment profit (loss) of reportable segments	172,291
Segment profit in other business	142,589
Eliminations of intersegment transactions	(140,823)
Adjustments	(1,046)
Net ordinary income on the consolidated statements of income	173,010

(Note) “Adjustments” are primarily due to differences in the calculation methods used for segment loss of the international logistics business segment and the calculation methods used for net ordinary income in the consolidated statements of income.

## 3. Changes in reportable segments

## (Changes in Classification of Reportable Segments)

As stated in (Changes in Accounting Policies), 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 three months ended June 30, 2023.

## (Change in Accounting Treatment from the International Financial Reporting Standards to Japanese Accounting Standards)

As stated in (Changes in Accounting Policies), 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 three months ended June 30, 2023.

The figures presented in segment information for the three months ended June 30, 2022 have been prepared after the retrospective application of this change.

## (Subsequent events)

The Board of Directors of Japan Post Insurance Co., Ltd., a consolidated subsidiary of the Company, adopted a resolution on August 10, 2023 concerning the issuance of subordinated unsecured bonds for domestic public

offering and has submitted an amended shelf registration statement concerning the issuance of subordinated unsecured bonds for domestic public offering to the Director-General of the Kanto Local Finance Bureau.

The maximum amount to be issued is ¥200 billion, and it is planned to use the funds mainly as general working capital.

The specific timing, total amount, interest rate, and other matters concerning this issuance will be determined based on the comprehensive consideration of factors such as the demand situation and interest rate trends.