



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

**for the Three Months Ended June 30, 2023**

**August 10, 2023**

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## 1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	1,761,329	1,438,366
Notes receivable, operating accounts receivable and contract assets	284,308	302,600
Securities	15,000	15,000
Inventories	56,190	57,573
Outstanding amount of banking business consignment	13,803	32,581
Other current assets	51,169	78,219
Reserve for possible loan losses	(968)	(927)
Total current assets	2,180,833	1,923,412
Non-current assets		
Tangible fixed assets		
Buildings	844,242	908,489
Land	1,291,080	1,356,930
Right-of-use assets	48,380	53,639
Other tangible fixed assets	359,327	207,284
Total tangible fixed assets	2,543,030	2,526,343
Intangible assets	72,161	79,512
Investments and other assets		
Other investments and other assets	80,455	81,230
Reserve for possible loan losses	(3,456)	(3,318)
Total investments and other assets	76,998	77,912
Total non-current assets	2,692,190	2,683,767
Total assets	4,873,023	4,607,180

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes payable and operating accounts payable	104,703	104,205
Short-term borrowings	144,506	150,671
Other accounts payable	260,965	167,218
Outstanding amount of life insurance business consignment	1,149	1,137
Income taxes payable	4,127	7,191
Deposits received	205,542	197,497
Fund deposits for post offices	840,000	810,000
Reserve for bonuses	105,985	33,028
Reserve for losses on rebuilding of branches	197	197
Other current liabilities	182,059	169,764
<b>Total current liabilities</b>	<b>1,849,237</b>	<b>1,640,913</b>
Long-term liabilities		
Lease obligations	86,598	90,510
Deferred tax liabilities	9,488	10,351
Reserve for management board benefit trust	153	135
Liability for retirement benefits	1,988,082	1,986,599
Other long-term liabilities	90,194	86,922
<b>Total long-term liabilities</b>	<b>2,174,517</b>	<b>2,174,520</b>
<b>Total liabilities</b>	<b>4,023,754</b>	<b>3,815,433</b>
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	141,930	141,930
Retained earnings	294,446	241,727
<b>Total shareholders' equity</b>	<b>836,377</b>	<b>783,658</b>
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	143	273
Net deferred gains (losses) on hedges	33	-
Foreign currency translation adjustments	(116,148)	(115,617)
Accumulated adjustments for retirement benefits	107,911	102,435
<b>Total accumulated other comprehensive loss</b>	<b>(8,060)</b>	<b>(12,907)</b>
Non-controlling interests	20,951	20,995
<b>Total net assets</b>	<b>849,268</b>	<b>791,746</b>
<b>Total liabilities and net assets</b>	<b>4,873,023</b>	<b>4,607,180</b>

## 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, 2022	Three months ended June 30, 2023
<b>Operating income</b>		
Postal service business income	485,821	479,428
Commissions for banking business consignment	89,797	84,604
Commissions for life insurance business consignment	34,967	31,956
Funds to maintain post office network	70,204	75,014
International logistics business income	147,073	103,445
Other operating income	25,690	26,979
<b>Total operating income</b>	<b>853,555</b>	<b>801,430</b>
<b>Operating costs</b>	<b>769,642</b>	<b>738,420</b>
Gross operating income	83,913	63,009
Sales, general and administrative costs	57,161	53,395
<b>Net operating income</b>	<b>26,751</b>	<b>9,614</b>
<b>Other income</b>		
Interest income	116	297
Dividend income	114	6
Equity in earnings of affiliates	493	-
Foreign exchange gains	1,116	349
Others	945	858
<b>Total other income</b>	<b>2,786</b>	<b>1,512</b>
<b>Other expenses</b>		
Interest expenses	1,986	2,390
Equity in losses of affiliates	-	80
Others	167	249
<b>Total other expenses</b>	<b>2,154</b>	<b>2,720</b>
<b>Net ordinary income</b>	<b>27,383</b>	<b>8,406</b>
<b>Extraordinary gains</b>		
Gains on sales of fixed assets	5,457	471
Compensation for transfer	72	1,191
Insurance claim income	-	2,093
Others	-	456
<b>Total extraordinary gains</b>	<b>5,529</b>	<b>4,212</b>
<b>Extraordinary losses</b>		
Losses on sales of fixed assets	50	156
Losses on disposal of fixed assets	141	408
Losses on impairment of fixed assets	29	-
Losses on business restructuring	-	203
Others	23	20
<b>Total extraordinary losses</b>	<b>245</b>	<b>789</b>
<b>Income before income taxes</b>	<b>32,668</b>	<b>11,830</b>
Income taxes current	2,852	1,949
Income taxes deferred	190	768
<b>Total income taxes</b>	<b>3,042</b>	<b>2,717</b>
<b>Net income</b>	<b>29,625</b>	<b>9,112</b>
Net loss attributable to non-controlling interests	(129)	(279)
<b>Net income attributable to Japan Post Co.</b>	<b>29,754</b>	<b>9,392</b>

(2) 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	29,625	9,112
Other comprehensive income (loss)		
Net unrealized gains (losses) on available-for-sale securities	143	130
Net deferred gains (losses) on hedges	192	(33)
Foreign currency translation adjustments	(5,433)	1,348
Adjustments for retirement benefits	(5,755)	(5,475)
Share of other comprehensive income of affiliates	1	0
Total other comprehensive loss	(10,851)	(4,030)
Comprehensive income	18,774	5,082
Total comprehensive income (loss) attributable to:		
Japan Post Co.	18,793	4,544
Non-controlling interests	(19)	537

### 3. Segment Information

Three months ended June 30, 2022

#### (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)	Subtotal		
Operating income						
Operating income from third parties	487,241	219,240	147,073	853,555	-	853,555
Intersegment operating income	2,297	50,386	41	52,725	-	52,725
Total	489,538	269,626	147,115	906,280	-	906,280
Segment profit	4,016	20,780	4,037	28,834	-	28,834

(Note)

The amount presented in segment profit 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	28,834
Segment profit in other business	-
Eliminations of intersegment transactions	207
Corporate expenses (Note)	(589)
Other adjustments	(1,701)
Net operating income on the consolidated statements of income	26,751

(Note)

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

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)	Subtotal		
Operating income						
Operating income from third parties	480,829	217,154	103,445	801,430	-	801,430
Intersegment operating income	2,124	50,573	67	52,765	-	52,765
Total	482,953	267,728	103,513	854,195	-	854,195
Segment profit (loss)	(6,999)	17,389	824	11,213	-	11,213

(Note)

The amount presented in segment profit 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 (Note)	(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.

(3) Changes in reportable segments

(Changes in classification of reportable segments)

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.

The segment information for the three months ended June 30, 2022 was presented based on the new classification.

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

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.