



Financial Results of the Principal Subsidiaries

for the Six Months Ended September 30, 2021

November 12, 2021

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Note: Please refer to the documents on consolidated financial results announcements of Japan Post Bank and Japan Post Insurance released on the respective company's website for their consolidated financial results.

I Japan Post Holdings

Year-on-Year Changes of Income for the Six Months Ended September 30, 2021

Net ordinary income

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank (Consolidated)	Japan Post Insurance (Consolidated)	Others (Including consolidated accounting procedures)
Six months ended September 30, 2020	360.6	15.5	172.0	162.7	10.3
Six months ended September 30, 2021	547.6	34.8	325.6	183.8	3.3
Year-on-year change	+ 187.0	+ 19.3	+ 153.5	+ 21.1	(7.0)

Net income (loss)

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank (Consolidated)	Japan Post Insurance (Consolidated)	Others (Including consolidated accounting procedures)
Six months ended September 30, 2020	178.9	(6.5)	124.2	93.6	(32.4)
Six months ended September 30, 2021	265.1	6.4	235.3	80.5	(57.1)
Year-on-year change	+ 86.2	+ 12.9	+ 111.0	(13.1)	(24.6)

* The amounts of net income attributable to Japan Post Holdings, net income (loss) attributable to Japan Post Co., net income attributable to Japan Post Bank and net income attributable to Japan Post Insurance have been used for net income (loss) of Japan Post Holdings (consolidated), Japan Post Co. (consolidated), Japan Post Bank (consolidated) and Japan Post Insurance (consolidated), respectively.

II Japan Post Co.

1. Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	2,013,482	1,947,967
Notes receivable and operating accounts receivable	311,686	-
Notes receivable, operating accounts receivable and contract assets	-	271,935
Securities	15,000	15,000
Inventories	38,958	37,648
Other current assets	72,237	83,532
Reserve for possible loan losses	(6,302)	(865)
Total current assets	2,445,061	2,355,218
Non-current assets		
Tangible fixed assets		
Buildings	922,933	872,260
Land	1,299,545	1,297,385
Right-of-use assets	98,375	61,859
Other tangible fixed assets	306,767	273,424
Total tangible fixed assets	2,627,622	2,504,929
Intangible assets	52,494	46,466
Investments and other assets		
Other investments and other assets	53,038	78,838
Reserve for possible loan losses	(2,708)	(3,824)
Total investments and other assets	50,330	75,013
Total non-current assets	2,730,446	2,626,409
Total assets	5,175,507	4,981,627

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes payable and operating accounts payable	101,045	95,275
Short-term borrowings	169,027	148,842
Current portion of long-term borrowings	136,445	140,982
Other accounts payable	203,842	138,559
Outstanding amount of banking business consignment	10,279	387
Outstanding amount of life insurance business consignment	1,620	1,620
Income taxes payable	4,918	15,807
Deposits received	237,681	198,222
Fund deposits for post offices	870,000	860,000
Reserve for bonuses	112,137	113,260
Other current liabilities	209,498	183,023
Total current liabilities	2,056,497	1,895,981
Long-term liabilities		
Long-term borrowings	5,208	-
Lease obligations	167,466	99,148
Deferred tax liabilities	9,232	8,885
Reserve for losses on rebuilding of branches	197	197
Reserve for management board benefit trust	256	185
Liability for retirement benefits	1,984,765	2,029,423
Other long-term liabilities	80,590	96,821
Total long-term liabilities	2,247,717	2,234,661
Total liabilities	4,304,214	4,130,643
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	141,926	141,929
Retained earnings	266,013	240,844
Total shareholders' equity	807,939	782,773
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	27	44
Net deferred gains (losses) on hedges	113	93
Foreign currency translation adjustments	(104,433)	(93,416)
Accumulated adjustments for retirement benefits	154,053	142,435
Total accumulated other comprehensive income	49,760	49,155
Non-controlling interests	13,593	19,055
Total net assets	871,293	850,984
Total liabilities and net assets	5,175,507	4,981,627

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

(1) Interim Consolidated Statements of Income

Six months ended September 30

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Operating income		
Postal service business income	954,335	938,889
Commissions for banking business consignment	187,238	181,737
Commissions for life insurance business consignment	99,371	96,545
Funds to maintain post office network	146,729	145,495
International logistics business income	373,535	366,716
Other operating income	84,446	56,212
Total operating income	1,845,656	1,785,598
Operating costs	1,708,506	1,630,371
Gross operating income	137,150	155,226
Sales, general and administrative costs	119,094	116,676
Net operating income	18,056	38,550
Other income		
Interest income	84	79
Dividend income	4	17
Equity in earnings of affiliates	138	206
Foreign exchange gains	376	-
Subsidy income	1,623	479
Others	1,634	2,350
Total other income	3,862	3,134
Other expenses		
Interest expenses	5,526	4,975
Provision for reserve for possible loan losses	352	1,145
Foreign exchange losses	-	229
Others	511	457
Total other expenses	6,390	6,808
Net ordinary income	15,527	34,876
Extraordinary gains		
Gains on sales of fixed assets	2,247	2,932
Compensation for transfer	982	322
Compensation income	1,795	-
Insurance claim income	484	4,154
Contribution for post office refurbishment expenses	1,184	-
Others	107	37
Total extraordinary gains	6,802	7,446
Extraordinary losses		
Losses on sales of fixed assets	44	408
Losses on disposal of fixed assets	735	904
Losses on impairment of fixed assets	4,633	1,023
Losses on sale of businesses	-	10,696
Post office refurbishment expenses	1,184	-
Others	3,659	3,881
Total extraordinary losses	10,257	16,914
Income before income taxes	12,072	25,408
Income taxes current	18,136	16,044
Income taxes deferred	(230)	3,058
Total income taxes	17,906	19,103
Net income (loss)	(5,833)	6,305
Net income (loss) attributable to non-controlling interests	669	(114)
Net income (loss) attributable to Japan Post Co.	(6,503)	6,420

Japan Post Co.

(2) Interim Consolidated Statements of Comprehensive Income
Six months ended September 30

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net income (loss)	(5,833)	6,305
Other comprehensive income (loss)		
Net unrealized gains (losses) on available-for-sale securities	(41)	17
Net deferred gains (losses) on hedges	(833)	(20)
Foreign currency translation adjustments	(1,182)	10,295
Adjustments for retirement benefits	22,531	(11,617)
Share of other comprehensive loss of affiliates	(5)	(0)
Total other comprehensive income (loss)	20,468	(1,326)
Comprehensive income	14,634	4,979
Total comprehensive income (loss) attributable to:		
Japan Post Co.	12,864	5,816
Non-controlling interests	1,769	(836)

3. Segment Information

Six months ended September 30, 2020

(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 2)	Subtotal		
Operating income ^(Note 1)						
Operating income from third parties	957,107	515,013	373,535	1,845,656	-	1,845,656
Intersegment operating income	5,643	101,652	96	107,392	-	107,392
Total	962,750	616,666	373,631	1,953,048	-	1,953,048
Segment profit (loss)	6,498	22,829	(6,174)	23,154	-	23,154

(Notes)

1. "Operating income" is presented instead of net sales which is typical for companies in other industries.
2. 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 interim consolidated statements of income

(Millions of yen)

Items	Amount
Total segment profit of reportable segments	23,154
Segment profit in other business	-
Eliminations of intersegment transactions	659
Corporate expenses ^(Note)	(1,095)
Other adjustments	(4,662)
Net operating income on the interim consolidated statements of income	18,056

(Note)

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

Japan Post Co.

Six months ended September 30, 2021

(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 2)	Subtotal		
Operating income (Note 1)						
Operating income from third parties	947,563	471,318	366,716	1,785,598	-	1,785,598
Intersegment operating income	6,489	101,573	110	108,174	-	108,174
Total	954,052	572,891	366,827	1,893,772	-	1,893,772
Segment profit	7,206	19,583	15,498	42,288	-	42,288

(Notes)

1. "Operating income" is presented instead of net sales which is typical for companies in other industries.
2. 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 interim consolidated statements of income

(Millions of yen)

Items	Amount
Total segment profit of reportable segments	42,288
Segment profit in other business	-
Eliminations of intersegment transactions	424
Corporate expenses (Note)	(1,773)
Other adjustments	(2,388)
Net operating income on the interim consolidated statements of income	38,550

(Note)

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