

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 <Under Japanese GAAP>



November 12, 2021

Company name: Japan Post Holdings Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
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 Scheduled date of filing interim securities report: November 26, 2021
 Scheduled date of commencing dividend payments: -
 Trading accounts: Unestablished
 Availability of supplementary briefing material on interim financial results: Available
 Schedule of interim 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 Six Months Ended September 30, 2021

(April 1, 2021 to September 30, 2021)

(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	%
Six months ended September 30, 2021	5,750,780	2.0	547,668	51.9	265,163	48.2
Six months ended September 30, 2020	5,639,129	(5.5)	360,636	(10.4)	178,951	(24.4)

(Note) Comprehensive income: Six months ended September 30, 2021: ¥480,185 million [(82.6)%]
 Six months ended September 30, 2020: ¥2,759,243 million [316.0%]

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2021	68.33	-
Six months ended September 30, 2020	44.26	-

(Note) Because there was no potential common stock, the amount for diluted net income per share is omitted.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio (Note)
	Million yen	Million yen	%
As of September 30, 2021	299,281,946	16,078,548	4.5
As of March 31, 2021	297,738,131	16,071,067	4.6

(Reference) Equity: As of September 30, 2021: ¥13,449,755 million
 As of March 31, 2021: ¥13,794,361 million

(Note) 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
Fiscal year ended March 31, 2021	Yen -	Yen 0.00	Yen -	Yen 50.00	Yen 50.00
Fiscal year ending March 31, 2022	-	0.00			
Fiscal year ending March 31, 2022 (Forecast)			-	50.00	50.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(% 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	%	Yen
Fiscal year ending March 31, 2022	11,150,000	(4.9)	920,000	0.6	480,000	14.8	125.52

(Note 1) Revision of financial results forecast to the latest announcement: Yes

(Note 2) For the revisions to the consolidated financial results forecast, please refer to “Notice Regarding Revisions to the Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022” released today.

*** 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) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No(Note) Please refer to 2. Interim Consolidated Financial Statements and Primary Notes (4) Notes to Interim Consolidated Financial Statements (Changes in Accounting Policies) on page 10 of the Attachment for details.
- (3) 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 September 30, 2021: 3,767,870,229 shares
 - As of March 31, 2021: 4,500,000,000 shares
 - 2) Total number of treasury stock at the end of the fiscal period:
 - As of September 30, 2021: 492,000 shares
 - As of March 31, 2021: 456,635,301 shares
 - 3) Average number of shares during the fiscal period:
 - Six months ended September 30, 2021: 3,880,481,363 shares
 - Six months ended September 30, 2020: 4,043,349,612 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 392,000 shares and 496,100 shares as of September 30, 2021 and March 31, 2021, respectively. The number of treasury stock excluded from 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 440,716 shares and 511,187 shares for the six months ended September 30, 2021 and 2020, respectively.

(Summary of non-consolidated financial results)

1. Non-consolidated Financial Results for the Six Months Ended September 30, 2021

(April 1, 2021 to September 30, 2021)

(1) Non-consolidated Results of Operations (% indicates changes from the previous corresponding period.)

	Operating income		Net operating income		Net ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2021	233,574	82.1	195,036	93.9	201,962	91.5	298,990	-
Six months ended September 30, 2020	128,284	(16.8)	100,602	(21.1)	105,466	(18.8)	(2,931,673)	-

	Net income per share
	Yen
Six months ended September 30, 2021	77.05
Six months ended September 30, 2020	(725.06)

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio (Note)
	Million yen	Million yen	%
As of September 30, 2021	5,816,890	5,749,560	98.8
As of March 31, 2021	5,997,547	5,912,969	98.6

(Reference) Equity: As of September 30, 2021: ¥5,749,560 million

As of March 31, 2021: ¥5,912,969 million

(Note) Equity ratio = (Net assets / Total assets) x 100

* This summary of interim consolidated financial results is outside the scope of interim audit procedures 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 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 the impact of the spread of COVID-19, interest rate fluctuations, stock price fluctuations, foreign exchange fluctuations, asset value fluctuations, changes in the economic and financial environment, 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 Six Months Ended September 30, 2021

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

(1) Explanation of Results of Operations

Consolidated ordinary income for the six months ended September 30, 2021 amounted to ¥5,750,780 million (up ¥111,650 million year-on-year), of which the postal and domestic logistics business segment accounted for ¥955,039 million (down ¥9,217 million year-on-year); the post office business segment accounted for ¥579,172 million (down ¥60,766 million year-on-year*); the international logistics business segment accounted for ¥366,903 million (down ¥6,817 million year-on-year); the banking business segment accounted for ¥1,154,047 million (up ¥323,531 million year-on-year); and the life insurance business segment accounted for ¥3,226,121 million (down ¥159,237 million year-on-year).

Consolidated net ordinary income amounted to ¥547,668 million (up ¥187,031 million year-on-year) as a result of net ordinary income of ¥7,728 million in the postal and domestic logistics business segment (up ¥357 million year-on-year); net ordinary income of ¥19,395 million in the post office business segment (down ¥4,077 million year-on-year*); net ordinary income of ¥10,827 million in the international logistics business segment (net ordinary loss of ¥11,341 million for the same period of the previous fiscal year); net ordinary income of ¥325,588 million in the banking business segment (up ¥153,585 million year-on-year); and net ordinary income of ¥183,883 million in the life insurance business segment (up ¥21,159 million year-on-year).

As a result of the above, net income attributable to Japan Post Holdings amounted to ¥265,163 million (up ¥86,211 million year-on-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.

*The businesses conducted by Japan Post Information Technology Co., Ltd. and System Trust Laboratory Co., Ltd., which were previously included in “other business” for the purposes of classifying the Group’s reportable segment, have been reclassified as part of the “post office business” beginning from the six months ended September 30, 2021. Accordingly, year-on-year differences are stated according to the figures after the reclassification of segments.

(2) Explanation of Financial Position

1) Assets

Consolidated total assets were ¥299,281,946 million, up ¥1,543,815 million from the end of the previous fiscal year.

Major factors include an increase in receivables under resale agreements of ¥1,817,534 million, an increase in call loans of ¥1,310,000 million and an increase in securities of ¥1,212,346 million, as well as a decrease in receivables under securities borrowing transactions of ¥2,585,087 million and a decrease in loans of ¥384,449 million.

2) Liabilities

Consolidated total liabilities were ¥283,203,398 million, up ¥1,536,334 million from the end of the previous fiscal year.

Major factors include an increase in payables under repurchase agreements of ¥2,636,694 million, an increase in deposits of ¥1,972,587 million and an increase in borrowed money of ¥851,933 million, as well as a decrease in payables under securities lending transactions of ¥2,590,866 million and a decrease in policy reserves of ¥1,376,835 million.

3) Net Assets

Consolidated total net assets were ¥16,078,548 million, up ¥7,481 million from the end of the previous fiscal year.

Major factors include an increase in retained earnings of ¥1,527,317 million, an increase of treasury stock of ¥830,984 million due to the cancellation, etc., and an increase in non-controlling interests of ¥352,088 million, as well as a decrease in capital surplus of ¥2,626,119 million and a decrease in net deferred gains (losses) on hedges of ¥66,387 million.

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

The Company has revised the full year consolidated financial results forecast for the fiscal year ending March 31, 2022 announced on May 14, 2021. For details, please refer to the “Notice Regarding Revisions to the Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022” released today.

2. Interim Consolidated Financial Statements and Primary Notes

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Cash and due from banks	62,719,113	62,842,261
Call loans	1,520,000	2,830,000
Receivables under resale agreements	9,721,360	11,538,895
Receivables under securities borrowing transactions	2,585,087	-
Monetary claims bought	638,985	559,718
Trading account securities	13	0
Money held in trust	10,029,932	10,361,716
Securities	193,703,491	194,915,837
Loans	9,655,811	9,271,362
Foreign exchanges	80,847	89,987
Other assets	2,716,321	2,608,945
Tangible fixed assets	3,153,739	3,092,983
Intangible assets	240,194	231,116
Asset for retirement benefits	64,184	64,433
Deferred tax assets	919,448	880,861
Reserve for possible loan losses	(10,400)	(6,174)
Total assets	297,738,131	299,281,946

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Deposits	187,984,760	189,957,347
Payables under repurchase agreements	14,886,481	17,523,175
Policy reserves and others	61,159,597	59,728,852
Reserve for outstanding claims	419,021	407,043
Policy reserves	59,397,720	58,020,884
Reserve for policyholder dividends	1,342,855	1,300,925
Payables under securities lending transactions	6,092,013	3,501,146
Borrowed money	4,228,180	5,080,114
Foreign exchanges	514	431
Bonds	300,000	300,000
Other liabilities	2,851,705	2,832,782
Reserve for bonuses	126,149	126,791
Liability for retirement benefits	2,210,273	2,258,743
Reserve for employee stock ownership plan trust	535	258
Reserve for management board benefit trust	952	845
Reserve for reimbursement of deposits	73,830	71,756
Reserve for insurance claims and others	2,851	2,651
Reserve under the special laws	904,816	940,388
Reserve for price fluctuations	904,816	940,388
Deferred tax liabilities	844,400	878,109
Total liabilities	281,667,063	283,203,398
Net assets		
Capital stock	3,500,000	3,500,000
Capital surplus	4,085,191	1,459,072
Retained earnings	4,374,229	5,901,547
Treasury stock	(831,661)	(677)
Total shareholders' equity	11,127,759	10,859,941
Net unrealized gains (losses) on available-for-sale securities	2,893,921	2,896,409
Net deferred gains (losses) on hedges	(329,275)	(395,663)
Foreign currency translation adjustments	(104,433)	(93,416)
Accumulated adjustments for retirement benefits	206,389	182,484
Total accumulated other comprehensive income	2,666,601	2,589,813
Non-controlling interests	2,276,705	2,628,793
Total net assets	16,071,067	16,078,548
Total liabilities and net assets	297,738,131	299,281,946

(2) Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive Income

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
Ordinary income	5,639,129	5,750,780
Postal business income	1,318,047	1,301,754
Banking business income	829,693	1,153,286
Life insurance business income	3,385,350	3,226,113
Other ordinary income	106,038	69,625
Ordinary expenses	5,278,492	5,203,112
Operating expenses	3,883,451	3,671,545
Personnel expenses	1,229,740	1,219,213
Depreciation and amortization	143,517	130,942
Other ordinary expenses	21,782	181,410
Net ordinary income	360,636	547,668
Extraordinary gains	33,377	13,178
Gains on sales of fixed assets	2,379	8,686
Reversal of reserve under the special laws	27,439	-
Reversal of reserve for price fluctuations	27,439	-
Compensation for transfer	982	322
Insurance claim income	484	4,154
Compensation income	1,795	-
Other extraordinary gains	294	14
Extraordinary losses	15,380	57,261
Losses on sales and disposal of fixed assets	1,127	2,221
Losses on impairment of fixed assets	9,305	4,135
Provision for reserve under the special laws	-	35,572
Provision for reserve for price fluctuations	-	35,572
Losses on sale of businesses	-	11,077
Post office refurbishment expenses	976	-
Other extraordinary losses	3,970	4,254
Provision for reserve for policyholder dividends	47,281	36,004
Income before income taxes	331,351	467,581
Income taxes current	101,377	139,894
Income taxes deferred	4,125	(3,131)
Total income taxes	105,503	136,762
Net income	225,848	330,818
Net income attributable to non-controlling interests	46,896	65,655
Net income attributable to Japan Post Holdings	178,951	265,163

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	225,848	330,818
Other comprehensive income	2,533,395	149,367
Net unrealized gains (losses) on available-for-sale securities	2,525,903	237,188
Net deferred gains (losses) on hedges	(843)	(74,522)
Foreign currency translation adjustments	(1,182)	10,295
Adjustments for retirement benefits	9,523	(23,593)
Share of other comprehensive loss of affiliates	(5)	(0)
Comprehensive income	2,759,243	480,185
Total comprehensive income attributable to:		
Japan Post Holdings	2,315,447	339,403
Non-controlling interests	443,795	140,782

(3) Interim Consolidated Statements of Changes in Net Assets
Six months ended September 30, 2020

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal period	3,500,000	4,084,763	4,057,087	(831,707)	10,810,143
Cumulative effects of changes in accounting policies					-
Restated balance at the beginning of the fiscal period	3,500,000	4,084,763	4,057,087	(831,707)	10,810,143
Changes in the fiscal period					
Cash dividends			(101,096)		(101,096)
Deficit disposition					-
Net income attributable to Japan Post Holdings			178,951		178,951
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders		421			421
Purchase of treasury stock					-
Disposals of treasury stock				45	45
Cancellation of treasury stock					-
Net changes in items other than shareholders' equity in the fiscal period					
Net changes in the fiscal period	-	421	77,855	45	78,321
Balance at the end of the fiscal period	3,500,000	4,085,184	4,134,942	(831,661)	10,888,465

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income (loss)		
Balance at the beginning of the fiscal period	295,671	(291,823)	(89,698)	209,860	124,008	1,682,622	12,616,774
Cumulative effects of changes in accounting policies							-
Restated balance at the beginning of the fiscal period	295,671	(291,823)	(89,698)	209,860	124,008	1,682,622	12,616,774
Changes in the fiscal period							
Cash dividends							(101,096)
Deficit disposition							-
Net income attributable to Japan Post Holdings							178,951
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders							421
Purchase of treasury stock							-
Disposals of treasury stock							45
Cancellation of treasury stock							-
Net changes in items other than shareholders' equity in the fiscal period	2,130,461	(835)	(2,282)	9,162	2,136,504	429,428	2,565,933
Net changes in the fiscal period	2,130,461	(835)	(2,282)	9,162	2,136,504	429,428	2,644,255
Balance at the end of the fiscal period	2,426,132	(292,659)	(91,981)	219,022	2,260,513	2,112,051	15,261,029

Six months ended September 30, 2021

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal period	3,500,000	4,085,191	4,374,229	(831,661)	11,127,759
Cumulative effects of changes in accounting policies			(4,972)		(4,972)
Restated balance at the beginning of the fiscal period	3,500,000	4,085,191	4,369,257	(831,661)	11,122,787
Changes in the fiscal period					
Cash dividends		(202,193)			(202,193)
Deficit disposition		(1,267,127)	1,267,127		-
Net income attributable to Japan Post Holdings			265,163		265,163
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders		(75,982)			(75,982)
Purchase of treasury stock				(250,000)	(250,000)
Disposals of treasury stock				167	167
Cancellation of treasury stock		(1,080,816)		1,080,816	-
Net changes in items other than shareholders' equity in the fiscal period					
Net changes in the fiscal period	-	(2,626,119)	1,532,290	830,984	(262,845)
Balance at the end of the fiscal period	3,500,000	1,459,072	5,901,547	(677)	10,859,941

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income (loss)		
Balance at the beginning of the fiscal period	2,893,921	(329,275)	(104,433)	206,389	2,666,601	2,276,705	16,071,067
Cumulative effects of changes in accounting policies						(13)	(4,985)
Restated balance at the beginning of the fiscal period	2,893,921	(329,275)	(104,433)	206,389	2,666,601	2,276,692	16,066,081
Changes in the fiscal period							
Cash dividends							(202,193)
Deficit disposition							-
Net income attributable to Japan Post Holdings							265,163
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders							(75,982)
Purchase of treasury stock							(250,000)
Disposals of treasury stock							167
Cancellation of treasury stock							-
Net changes in items other than shareholders' equity in the fiscal period	2,487	(66,387)	11,016	(23,905)	(76,788)	352,101	275,312
Net changes in the fiscal period	2,487	(66,387)	11,016	(23,905)	(76,788)	352,101	12,467
Balance at the end of the fiscal period	2,896,409	(395,663)	(93,416)	182,484	2,589,813	2,628,793	16,078,548

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

None

(Changes in Accounting Policies)

(Application of the Accounting Standard for Revenue Recognition, etc.)

The Company has applied “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020; hereinafter referred to as “Revenue Recognition Accounting Standard”), etc. from the beginning of the six months ended September 30, 2021. Under Revenue Recognition Accounting Standard, the Company recognizes revenue at the time when control over the promised goods or services are transferred to the customer, in an amount equal to the consideration expected to be received for the said goods or services. Previously, revenue from post and parcels in the postal and domestic logistics business had been recognized at the time of acceptance, but pursuant to the application of Revenue Recognition Accounting Standard, etc., revenue is now progressively recognized during the period from the time of acceptance to the time when delivery is completed. Moreover, regarding revenue from catalogue sales, etc. in the post office business, the full amount of the consideration received from customers had previously been recognized as revenue, but pursuant to the application of Revenue Recognition Accounting Standard, etc., these are treated as transactions undertaken as an agent, and only the net amount after deducting corresponding payments to suppliers is recognized as revenue.

In applying the Revenue Recognition Accounting Standard, etc., the Company has followed the transitional treatment stipulated under the proviso of Paragraph 84 of Revenue Recognition Accounting Standard, adjusting retained earnings at the start of the six months ended September 30, 2021 to account for the cumulative effect of retrospective application of the new accounting policy prior to that time, and applying the new accounting policy from the adjusted balance.

As a result, on the interim consolidated balance sheets as of September 30, 2021, other assets decreased by ¥3,173 million and other liabilities increased by ¥1,467 million, compared with the accounting policy prior to the application of the Revenue Recognition Accounting Standard, etc. On the interim consolidated statements of income for the six months ended September 30, 2021, ordinary income was ¥29,707 million lower, ordinary expenses were ¥30,436 million lower, and net ordinary income and income before income taxes were each ¥729 million higher than under the previous accounting policy.

On the interim consolidated statements of changes in net assets, the balance of retained earnings at the start of the six months ended September 30, 2021 was ¥4,972 million lower than under the previous accounting policy, reflecting the cumulative effect of applying the new accounting policy on net assets at the start of the period.

(Application of the Accounting Standard for Fair Value Measurement, etc.)

The Company has applied “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as “Fair Value Measurement Accounting Standard”), etc. from the start of the six months ended September 30, 2021. The Company has applied the new accounting policy prescribed under Fair Value Measurement Accounting Standard, etc. prospectively, in accordance with the transitional treatment prescribed under Paragraph 19 of Fair Value Measurement Accounting Standard and Paragraph 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). Pursuant to this application, the valuation method for shares with a market price has been changed from fair value based on the average market price, etc. over the month prior to fiscal closing, to fair value based on market price, etc. on the fiscal closing day.

(Changes in Presentation)

(Interim Consolidated Statements of Income)

“Insurance claim income” included in “other extraordinary gains” for the six months ended September 30, 2020 has been separately presented from the six months ended September 30, 2021, due to its increased significance. To reflect this change in the presentation method, the interim consolidated financial statements for the six months ended September 30, 2020 have been reclassified.

As a result, ¥779 million presented as “other extraordinary gains” in the interim consolidated statements of income for the six months ended September 30, 2020 has been reclassified into ¥484 million of “insurance claim income” and ¥294 million of “other extraordinary gains.”

(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	935,884	41,674	366,792	1,153,286	3,226,113	5,723,751	25,871	5,749,622
Intersegment ordinary income	19,154	537,497	110	761	8	557,532	231,428	788,961
Total	955,039	579,172	366,903	1,154,047	3,226,121	6,281,284	257,300	6,538,584
Segment profit	7,728	19,395	10,827	325,588	183,883	547,423	199,017	746,440

(Notes) 1. Ordinary income is presented instead of net sales which is typical for companies in other industries.

2. "Other business" includes the hotel business and hospital business. Segment profit in "Other business" includes dividend income from subsidiaries and affiliates recorded by the Company in the amount of ¥194,419 million.

2. Reconciliation of amounts reported on reportable segments and interim consolidated financial statements

(1) Reconciliation between total ordinary income of reportable segments and ordinary income on the interim consolidated statements of income

(Millions of yen)

Items	Amount
Total ordinary income of reportable segments	6,281,284
Ordinary income of other business	257,300
Eliminations of intersegment transactions	(788,961)
Adjustments	1,157
Ordinary income on the interim consolidated statements of income	5,750,780

(Notes) 1. Ordinary income is presented instead of net sales which is typical for companies in other industries.

2. "Adjustments" are primarily due to differences in the calculation methods used for ordinary income for the international logistics business segment and the interim consolidated statements of income.

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

(Millions of yen)

Items	Amount
Total segment profit of reportable segments	547,423
Segment profit in other business	199,017
Eliminations of intersegment transactions	(197,296)
Adjustments	(1,475)
Net ordinary income on the interim consolidated statements of income	547,668

(Note) "Adjustments" are primarily due to differences in the calculation methods used for segment profit for the international logistics business segment and net ordinary income on the interim consolidated statements of income.

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 Japan Post Information Technology Co., Ltd. and System Trust Laboratory Co., Ltd., which were previously included in “other business” for the purposes of classifying the Group’s reportable segment, have been reclassified as part of the “post office business” beginning from the six months ended September 30, 2021.

(Application of the Accounting Standard for Revenue Recognition, etc.)

As described in “(Changes in Accounting Policies),” the Company has applied Revenue Recognition Accounting Standard, etc. from the beginning of the six months ended September 30, 2021. With this change in the accounting treatment for revenue recognition, the Company has correspondingly changed the method used to calculate business segment profit or loss.

As a result of this change, during the six months ended September 30, 2021, ordinary income for the postal and domestic logistics business was ¥54 million higher than under the previous method, while segment profit was ¥684 million higher. For the post office business, ordinary income was ¥29,501 million lower than under the previous method. For the banking business, ordinary income was ¥294 million lower than under the previous method, while segment profit was ¥50 million higher. For other business, ordinary income was ¥243 million lower than under the previous method, and segment profit was ¥5 million lower.

(Subsequent Events)

(Acquisition of treasury stock)

The Company resolved, at the meeting of its Board of Directors held on October 6, 2021, on matters concerning the acquisition of its treasury stock in accordance with Article 39, Paragraph 1 of the Company’s Articles of Incorporation complying with Article 459, Paragraph 1, Item 1 of the Companies Act.

1. Reasons for the acquisition

The acquisition will be implemented with the aim of improving capital efficiency and enhancing shareholder returns, while taking into consideration the supply-demand balance following the offering of common stock of the Company as announced on October 6, 2021 in the “Notice Concerning the Offering of Shares and Change in Controlling Shareholder other than Parent Company.”

2. Details of matters related to the acquisition

- | | |
|--|---|
| (1) Class of shares to be acquired: | Common stock of the Company |
| (2) Total number of shares to be acquired: | 133,000,000 shares (maximum)
(The ratio of the total number of shares to be acquired to the total number of shares issued, excluding treasury stock, will be 3.5%) |
| (3) Total value of shares to be acquired: | ¥100,000 million (maximum) |
| (4) Acquisition period: | From November 1, 2021 to April 28, 2022 |
| (5) Method of the acquisition: | Market purchases based on a discretionary transaction contract with respect to the acquisition of treasury stock |

3. Interim Non-consolidated Financial Statements

(1) Interim Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	189,791	261,558
Inventories	386	283
Prepaid expenses	242	626
Short-term loan	22,949	38,898
Accounts receivable	13,938	19,250
Income taxes receivable	24,097	35,733
Others	1,292	1,902
Reserve for possible loan losses	(596)	(4)
Total current assets	252,101	358,248
Non-current assets		
Tangible fixed assets		
Buildings	48,722	44,865
Tools and fixtures	23,606	20,660
Land	89,889	89,409
Others	3,930	3,159
Total tangible fixed assets	166,149	158,096
Intangible assets	23,450	21,403
Investments and other assets		
Investment securities	186,890	161,235
Stocks of subsidiaries and affiliates	5,040,211	4,737,170
Money held in trust	293,063	305,138
Long-term loan	20,926	46,529
Claims provable in bankruptcy	61	64
Long-term prepaid expenses	1,842	1,759
Prepaid pension costs	17,890	28,839
Others	172	170
Reserve for possible loan losses	(61)	(64)
Allowance for investment loss	(5,152)	(1,700)
Total investments and other assets	5,555,845	5,279,141
Total non-current assets	5,745,446	5,458,641
Total assets	5,997,547	5,816,890

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Accounts payable	25,758	9,474
Accrued expenses	884	910
Income taxes payable	150	74
Accrued consumption taxes	-	1,805
Reserve for bonuses	1,634	1,698
Reserve for point service program	390	-
Others	429	1,008
Total current liabilities	29,247	14,972
Long-term liabilities		
Reserve for retirement benefits	24,401	24,865
Reserve for management board benefit trust	281	210
Reserve for compensation for accidents in the course of duty	16,701	16,355
Others	13,946	10,926
Total long-term liabilities	55,330	52,357
Total liabilities	84,577	67,329
Net assets		
Shareholders' equity		
Capital stock	3,500,000	3,500,000
Capital surplus		
Capital reserve	875,000	875,000
Other capital surplus	3,628,856	1,078,718
Total capital surplus	4,503,856	1,953,718
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(1,267,127)	299,002
Total retained earnings	(1,267,127)	299,002
Treasury stock	(831,661)	(677)
Total shareholders' equity	5,905,066	5,752,043
Valuation and translation adjustments		
Net unrealized gains (losses) on available-for-sale securities	7,903	(2,482)
Total valuation and translation adjustments	7,903	(2,482)
Total net assets	5,912,969	5,749,560
Total liabilities and net assets	5,997,547	5,816,890

(2) Interim Non-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		
Brand royalty income	6,698	6,521
Dividend income from subsidiaries and affiliates	97,209	194,419
Income from business consignment	15,488	21,763
Subsidy income equivalent to deposit insurance premiums	164	121
Income from hospital business	6,363	6,866
Income from hotel business	2,358	3,882
Total operating income	128,284	233,574
Operating expenses		
Expenses for business consignment	17,003	22,182
Expenses for hospital business	8,493	8,765
Expenses for hotel business	8,685	8,204
Administrative expenses	(6,500)	(614)
Total operating expenses	27,681	38,537
Net operating income	100,602	195,036
Other income		
Dividend income	3,400	4,540
Rent income	1,326	1,403
Others	1,171	1,882
Total other income	5,898	7,827
Other expenses		
Rent expenses	628	664
Others	406	236
Total other expenses	1,034	900
Net ordinary income	105,466	201,962
Extraordinary gains		
Gains on sales of fixed assets	121	44
Gains on sales of stocks of subsidiaries and affiliates	-	87,530
Others	198	2,968
Total extraordinary gains	319	90,544
Extraordinary losses		
Losses on sales and disposal of fixed assets	96	207
Losses on impairment of fixed assets	4,674	3,100
Losses on valuation of stocks of subsidiaries and affiliates	3,040,496	-
Share of post office refurbishment expenses	1,184	-
Others	312	753
Total extraordinary losses	3,046,764	4,061
Income (loss) before income taxes	(2,940,978)	288,445
Income taxes current	(9,304)	(10,544)
Total income taxes	(9,304)	(10,544)
Net income (loss)	(2,931,673)	298,990

(3) Interim Non-consolidated Statements of Changes in Net Assets
Six months ended September 30, 2020

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at the beginning of the fiscal period	3,500,000	875,000	3,628,856	4,503,856	963,958	963,958
Cumulative effects of changes in accounting policies						
Restated balance at the beginning of the fiscal period	3,500,000	875,000	3,628,856	4,503,856	963,958	963,958
Changes in the fiscal period						
Cash dividends					(101,096)	(101,096)
Deficit disposition						
Net loss					(2,931,673)	(2,931,673)
Purchase of treasury stock						
Disposals of treasury stock						
Cancellation of treasury stock						
Net changes in items other than shareholders' equity in the fiscal period						
Net changes in the fiscal period	-	-	-	-	(3,032,769)	(3,032,769)
Balance at the end of the fiscal period	3,500,000	875,000	3,628,856	4,503,856	(2,068,811)	(2,068,811)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the fiscal period	(831,707)	8,136,107	(104,439)	(104,439)	8,031,667
Cumulative effects of changes in accounting policies		-			-
Restated balance at the beginning of the fiscal period	(831,707)	8,136,107	(104,439)	(104,439)	8,031,667
Changes in the fiscal period					
Cash dividends		(101,096)			(101,096)
Deficit disposition		-			-
Net loss		(2,931,673)			(2,931,673)
Purchase of treasury stock		-			-
Disposals of treasury stock	45	45			45
Cancellation of treasury stock		-			-
Net changes in items other than shareholders' equity in the fiscal period			5,660	5,660	5,660
Net changes in the fiscal period	45	(3,032,724)	5,660	5,660	(3,027,064)
Balance at the end of the fiscal period	(831,661)	5,103,382	(98,779)	(98,779)	5,004,603

Six months ended September 30, 2021

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
					Retained earnings brought forward	
Balance at the beginning of the fiscal period	3,500,000	875,000	3,628,856	4,503,856	(1,267,127)	(1,267,127)
Cumulative effects of changes in accounting policies					11	11
Restated balance at the beginning of the fiscal period	3,500,000	875,000	3,628,856	4,503,856	(1,267,115)	(1,267,115)
Changes in the fiscal period						
Cash dividends			(202,193)	(202,193)		
Deficit disposition			(1,267,127)	(1,267,127)	1,267,127	1,267,127
Net income					298,990	298,990
Purchase of treasury stock						
Disposals of treasury stock						
Cancellation of treasury stock			(1,080,816)	(1,080,816)		
Net changes in items other than shareholders' equity in the fiscal period						
Net changes in the fiscal period	-	-	(2,550,137)	(2,550,137)	1,566,117	1,566,117
Balance at the end of the fiscal period	3,500,000	875,000	1,078,718	1,953,718	299,002	299,002

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the fiscal period	(831,661)	5,905,066	7,903	7,903	5,912,969
Cumulative effects of changes in accounting policies		11			11
Restated balance at the beginning of the fiscal period	(831,661)	5,905,078	7,903	7,903	5,912,981
Changes in the fiscal period					
Cash dividends		(202,193)			(202,193)
Deficit disposition		-			-
Net income		298,990			298,990
Purchase of treasury stock	(250,000)	(250,000)			(250,000)
Disposals of treasury stock	167	167			167
Cancellation of treasury stock	1,080,816	-			-
Net changes in items other than shareholders' equity in the fiscal period			(10,385)	(10,385)	(10,385)
Net changes in the fiscal period	830,984	(153,035)	(10,385)	(10,385)	(163,420)
Balance at the end of the fiscal period	(677)	5,752,043	(2,482)	(2,482)	5,749,560