



Financial Results of the Principal Subsidiaries

for the Nine Months Ended December 31, 2021

February 14, 2022

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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 Nine Months Ended December 31, 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)
Nine months ended December 31, 2020	708.8	115.6	313.9	260.8	18.3
Nine months ended December 31, 2021	776.2	113.7	394.5	270.0	(2.0)
Year-on-year change	+67.4	(1.9)	+80.6	+9.2	(20.4)

Net 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)
Nine months ended December 31, 2020	390.0	80.7	226.3	129.0	(46.0)
Nine months ended December 31, 2021	403.4	85.1	287.6	119.5	(88.8)
Year-on-year change	+13.4	+4.3	+61.2	(9.4)	(42.7)

* The amounts of net income attributable to Japan Post Holdings, net income 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 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 December 31, 2021
Assets		
Current assets		
Cash and deposits	2,013,482	2,184,640
Notes receivable and operating accounts receivable	311,686	-
Notes receivable, operating accounts receivable and contract assets	-	302,561
Securities	15,000	15,000
Inventories	38,958	37,839
Outstanding amount of banking business consignment	-	6,955
Other current assets	72,237	88,055
Reserve for possible loan losses	(6,302)	(939)
Total current assets	2,445,061	2,634,114
Non-current assets		
Tangible fixed assets		
Buildings	922,933	858,093
Land	1,299,545	1,296,185
Right-of-use assets	98,375	61,541
Other tangible fixed assets	306,767	270,057
Total tangible fixed assets	2,627,622	2,485,878
Intangible assets	52,494	46,921
Investments and other assets		
Other investments and other assets	53,038	79,582
Reserve for possible loan losses	(2,708)	(3,853)
Total investments and other assets	50,330	75,729
Total non-current assets	2,730,446	2,608,528
Total assets	5,175,507	5,242,643

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes payable and operating accounts payable	101,045	123,405
Short-term borrowings	169,027	152,154
Current portion of long-term borrowings	136,445	149,247
Other accounts payable	203,842	153,013
Outstanding amount of banking business consignment	10,279	-
Outstanding amount of life insurance business consignment	1,620	1,339
Income taxes payable	4,918	14,282
Deposits received	237,681	206,298
Fund deposits for post offices	870,000	1,010,000
Reserve for bonuses	112,137	31,916
Other current liabilities	209,498	223,567
Total current liabilities	2,056,497	2,065,224
Long-term liabilities		
Long-term borrowings	5,208	-
Lease obligations	167,466	99,895
Deferred tax liabilities	9,232	9,233
Reserve for losses on rebuilding of branches	197	197
Reserve for management board benefit trust	256	156
Liability for retirement benefits	1,984,765	2,055,157
Other long-term liabilities	80,590	93,730
Total long-term liabilities	2,247,717	2,258,370
Total liabilities	4,304,214	4,323,595
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	141,926	141,929
Retained earnings	266,013	319,558
Total shareholders' equity	807,939	861,487
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	27	82
Net deferred gains (losses) on hedges	113	(68)
Foreign currency translation adjustments	(104,433)	(97,921)
Accumulated adjustments for retirement benefits	154,053	136,422
Total accumulated other comprehensive income	49,760	38,515
Non-controlling interests	13,593	19,044
Total net assets	871,293	919,047
Total liabilities and net assets	5,175,507	5,242,643

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

(1) Interim Consolidated Statements of Income

Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Operating income		
Postal service business income	1,539,101	1,508,431
Commissions for banking business consignment	279,225	270,560
Commissions for life insurance business consignment	158,697	143,487
Funds to maintain post office network	220,093	218,243
International logistics business income	564,013	530,150
Other operating income	142,459	87,574
Total operating income	2,903,592	2,758,447
Operating costs	2,598,624	2,465,685
Gross operating income	304,967	292,761
Sales, general and administrative costs	184,469	173,333
Net operating income	120,498	119,428
Other income		
Interest income	98	204
Dividend income	8	65
Equity in earnings of affiliates	254	304
Subsidy income	2,533	659
Others	2,065	2,060
Total other income	4,959	3,294
Other expenses		
Interest expenses	8,070	6,552
Provision for reserve for possible loan losses	405	1,180
Foreign exchange losses	664	658
Others	701	624
Total other expenses	9,841	9,015
Net ordinary income	115,615	113,707
Extraordinary gains		
Gains on sales of fixed assets	3,814	6,119
Compensation for transfer	1,040	922
Insurance claim income	1,925	4,158
Contribution for post office refurbishment expenses	2,472	-
Others	1,902	38
Total extraordinary gains	11,155	11,239
Extraordinary losses		
Losses on sales of fixed assets	155	507
Losses on disposal of fixed assets	1,114	1,312
Losses on impairment of fixed assets	5,876	1,960
Losses on sale of businesses	-	10,705
Post office refurbishment expenses	2,472	-
Others	6,430	4,379
Total extraordinary losses	16,049	18,865
Income before income taxes	110,721	106,080
Income taxes current	28,402	18,002
Income taxes deferred	3	3,452
Total income taxes	28,406	21,455
Net income	82,315	84,625
Net income (loss) attributable to non-controlling interests	1,574	(509)
Net income attributable to Japan Post Co.	80,740	85,135

Japan Post Co.

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

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net income	82,315	84,625
Other comprehensive income (loss)		
Net unrealized gains (losses) on available-for-sale securities	(75)	54
Net deferred gains (losses) on hedges	(778)	(181)
Foreign currency translation adjustments	(2,568)	6,174
Adjustments for retirement benefits	16,449	(17,631)
Share of other comprehensive income (loss) of affiliates	(5)	0
Total other comprehensive income (loss)	13,020	(11,582)
Comprehensive income	95,335	73,043
Total comprehensive income (loss) attributable to:		
Japan Post Co.	92,247	73,890
Non-controlling interests	3,088	(847)

3. Segment Information

Nine months ended December 31, 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	1,543,264	796,314	564,013	2,903,592	-	2,903,592
Intersegment operating income	10,040	158,275	150	168,467	-	168,467
Total	1,553,305	954,590	564,164	3,072,059	-	3,072,059
Segment profit (loss)	86,798	41,603	(776)	127,625	-	127,625

(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	127,625
Segment profit in other business	-
Eliminations of intersegment transactions	977
Corporate expenses ^(Note)	(1,879)
Other adjustments	(6,225)
Net operating income on the interim consolidated statements of income	120,498

(Note)

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

Japan Post Co.

Nine months ended December 31, 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	1,512,665	715,631	530,150	2,758,447	-	2,758,447
Intersegment operating income	10,822	157,767	171	168,760	-	168,760
Total	1,523,488	873,398	530,321	2,927,208	-	2,927,208
Segment profit	71,293	29,006	22,949	123,250	-	123,250

(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	123,250
Segment profit in other business	-
Eliminations of intersegment transactions	651
Corporate expenses ^(Note)	(2,255)
Other adjustments	(2,217)
Net operating income on the interim consolidated statements of income	119,428

(Note)

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