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Overview of Consolidated Financial Results of Japan Post Co.

for the Fiscal Year Ended March 31, 2025

May 15, 2025

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(1) [Consolidated Financial Statements]

1) [Consolidated Balance Sheets]

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	1,546,784	1,260,432
Notes receivable and operating accounts receivable	335,096	290,460
Contract assets	11,303	8,660
Securities	15,000	15,000
Inventories	36,050	32,203
Prepaid expenses	12,218	13,670
Other accounts receivable	19,003	12,570
CMS deposits paid	10,000	454,794
Outstanding amount of banking business consignment	38,655	46,530
Other current assets	23,865	23,403
Reserve for possible loan losses	(1,307)	(782)
Total current assets	2,046,669	2,156,943
Non-current assets		
Tangible fixed assets		
Buildings	945,138	902,835
Structures	30,983	29,235
Machinery and equipment	72,953	89,811
Vehicles	20,243	31,075
Tools and fixtures	28,219	46,723
Land	1,352,676	1,353,359
Right-of-use assets	56,522	54,556
Construction in progress	20,990	33,511
Total tangible fixed assets	2,527,727	2,541,107
Intangible assets		
Leasehold right	1,656	1,725
Transferable development right	14,077	14,077
Software	70,052	60,196
Other intangible assets	9,939	18,486
Total intangible assets	95,726	94,485
Investments and other assets		
Investment securities	19,012	9,977
Claims provable in bankruptcy	2,072	2,008
Long-term prepaid expenses	14,166	15,098
Asset for retirement benefits	1,905	1,634
Other investments and other assets	49,555	46,478
Reserve for possible loan losses	(2,076)	(2,012)
Total investments and other assets	84,636	73,184
Total non-current assets	2,708,091	2,708,778
Total assets	4,754,760	4,865,721

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes payable and operating accounts payable	121,669	126,782
Short-term borrowings	151,539	95,333
Current portion of long-term borrowings	-	8,599
Other accounts payable	327,405	278,242
Outstanding amount of life insurance business consignment	952	789
Accrued expenses	42,593	37,597
Income taxes payable	14,832	16,541
Consumption taxes payable	6,257	43,897
Contract liabilities	45,167	51,290
Deposits received	182,756	172,359
Fund deposits for post offices	810,000	760,000
Reserve for bonuses	103,636	108,350
Reserve for management bonuses	1,085	1,228
Other current liabilities	44,640	40,503
Total current liabilities	1,852,538	1,741,516
Long-term liabilities		
Long-term borrowings	-	287,906
Lease obligations	91,269	85,296
Deferred tax liabilities	9,548	9,384
Reserve for management board benefit trust	218	367
Liability for retirement benefits	1,935,259	1,901,596
Other long-term liabilities	94,376	98,729
Total long-term liabilities	2,130,672	2,383,281
Total liabilities	3,983,210	4,124,798
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	141,930	141,930
Retained earnings	239,605	235,405
Total shareholders' equity	781,536	777,336
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	348	319
Net deferred gains (losses) on hedges	-	(71)
Foreign currency translation adjustments	(114,313)	(118,482)
Accumulated adjustments for retirement benefits	79,636	55,571
Total accumulated other comprehensive loss	(34,328)	(62,662)
Non-controlling interests	24,341	26,250
Total net assets	771,550	740,923
Total liabilities and net assets	4,754,760	4,865,721

2) [Consolidated Statements of Income and Consolidated Statements of Comprehensive Income]
[Consolidated Statements of Income]

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Operating income		
Postal service business income	1,960,391	2,065,379
Commissions for banking business consignment	316,113	302,872
Commissions for life insurance business consignment	125,605	111,436
Funds to maintain post office network	300,057	303,001
International logistics business income	448,216	511,195
Other operating income	173,360	148,480
Total operating income	3,323,743	3,442,366
Operating costs	3,091,560	3,209,434
Gross operating income	232,182	232,932
Sales, general and administrative costs	225,813	229,412
Net operating income	6,369	3,519
Other income		
Interest income	1,215	1,890
Equity in earnings of affiliates	637	756
Subsidy income	3,696	5,941
Others	2,197	2,486
Total other income	7,747	11,075
Other expenses		
Interest expenses	9,998	11,258
Others	1,922	819
Total other expenses	11,920	12,078
Net ordinary income	2,196	2,516
Extraordinary gains		
Gains on sales of fixed assets	4,948	5,106
Reversal of losses on transfer of business	2,525	802
Insurance claim income	2,243	-
Compensation for transfer	1,612	763
Gains on negative goodwill	-	481
Receipt of contribution for special bonus payments	5,040	-
Others	2,302	432
Total extraordinary gains	18,672	7,586
Extraordinary losses		
Losses on sales of fixed assets	422	408
Losses on disposal of fixed assets	2,367	1,876
Losses on impairment of fixed assets	572	895
Losses on business restructuring	1,664	-
Others	725	1,998
Total extraordinary losses	5,753	5,179
Income before income taxes	15,115	4,923
Income taxes current	8,282	9,626
Income taxes deferred	(455)	(2,002)
Total income taxes	7,826	7,623
Net income (loss)	7,289	(2,700)
Net income attributable to non-controlling interests	18	1,500
Net income (loss) attributable to Japan Post Co.	7,270	(4,200)

[Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net income (loss)	7,289	(2,700)
Other comprehensive loss		
Net unrealized gains (losses) on available-for-sale securities	208	(27)
Net deferred gains (losses) on hedges	(33)	(71)
Foreign currency translation adjustments	3,149	(3,223)
Adjustments for retirement benefits	(28,275)	(24,065)
Share of other comprehensive loss of affiliates	(2)	(1)
Total other comprehensive loss	(24,954)	(27,389)
Comprehensive loss	(17,664)	(30,089)
Total comprehensive income (loss) attributable to:		
Japan Post Co.	(18,997)	(32,535)
Non-controlling interests	1,332	2,445

[Segment Information]

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

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments					Other	Total
	Postal and domestic logistics business	Post office business	International logistics business (Note)	Real estate business	Subtotal		
Operating income							
Operating income from third parties	1,965,972	823,492	448,216	86,063	3,323,743	-	3,323,743
Intersegment operating income	9,598	203,430	598	1,043	214,671	-	214,671
Total	1,975,570	1,026,922	448,814	87,106	3,538,414	-	3,538,414
Segment profit (loss)	(68,838)	48,553	9,582	24,622	13,920	-	13,920

(Note)

The amount presented in segment profit (loss) for the international logistics business segment is EBIT.

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments					Other	Total
	Postal and domestic logistics business	Post office business	International logistics business (Note)	Real estate business	Subtotal		
Operating income							
Operating income from third parties	2,070,931	798,049	511,195	62,190	3,442,366	-	3,442,366
Intersegment operating income	9,949	210,679	534	1,114	222,277	-	222,277
Total	2,080,881	1,008,728	511,729	63,304	3,664,644	-	3,664,644
Segment profit (loss)	(38,377)	23,194	13,365	15,139	13,321	-	13,321

(Note)

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 consolidated statements of income

(Millions of yen)

Items	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Total segment profit (loss) of reportable segments	13,920	13,321
Segment profit in other business	-	-
Eliminations of intersegment transactions	826	829
Corporate expenses (Note)	(3,020)	(3,342)
Other adjustments	(5,356)	(7,288)
Net operating income on the consolidated statements of income	6,369	3,519

(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 “real estate business” has been established as a new reportable segment beginning from the fiscal year ended March 31, 2025. The businesses conducted by the Company, previously classified into the “postal and domestic logistics business” and the “post office business” have been reclassified into the “postal and domestic logistics business,” the “post office business,” and the “real estate business”.

Segment information for the fiscal year ended March 31, 2024 has been prepared based on the segment classifications after the change.