

Company Briefing  
(Financial Results for the Six Months Ended September 30, 2021)  
Part 1. Summary of Q&A  
(November 18, 2021)

Q How is your plan for digital post offices progressing, and what sense do you have of possible success?

A Regarding digital post offices, we are considering ways to enhance customer convenience across the Japan Post Group, mainly through JP Digital Co., Ltd., which we established in July this year. These include building a “One ID” system and Group platform apps.

We are also progressively reviewing any remaining analog work flows within each Group company. JP Digital Co., Ltd. is playing a central role in coordinating this effort across the entire Group. As well as enhancing customer convenience by reducing waiting times, for example, we aim to use the resources freed-up through this review to expand into new businesses such as inheritance, end of life planning, and business consignment from local governments.

Q What conditions will be required to see an increase in dividends?

A Under “JP Vision 2025,” we aim to sustain stable annual dividends of 50 yen per share, while also improving capital efficiency through the flexible acquisition of treasury stock. I think that we are steadily achieving shareholder returns. We acquired 250 billion yen of treasury stock in June, and from November 1 we are in the process of acquiring up to a further 100 billion yen of treasury stock through market purchases. We will continue to pursue the best means possible to achieve shareholder returns.

Q You issued a press release in June regarding further developments in the “Strategic Alliance Based on Capital Relationship” with Aflac. What was behind the timing of the release, and what benefits do you anticipate?

A We resumed sales of Japan Post Insurance products from April this year. The press release you mention was the result of negotiation and consensus between our two company groups regarding the importance and strengthening of digital transformation (DX) as well as various training and other activities aimed at reinforcing sales systems from summer or autumn onward. It represents a renewed agreement based on our approach to a co-creation platform.

Q Regarding the resumption of sales of Japan Post Insurance products, isn't it possible that employees may have lost their focus on sales this fiscal year, given preparations to dispatch consultants and the decision not to set sales targets for the fiscal year?

A We are in the process of implementing training on the use of language and enhancing our new product lineup, to enable our sales staff to dispel any concerns that may have arisen while we were refraining from sales activities, and sell our products with confidence. The senior management of Japan Post Insurance, including the President, have also begun their fourth meeting with frontline employees. We will take the opinions of these employees into account as we work to build new systems, including the reorganization of sales hubs, and reflect this in results.

Q How is the alliance with the Rakuten Group progressing? Are you considering making any further investments?

A We will disclose more information before the end of the year regarding collaboration in Japan Post Bank's card business. I will refrain from commenting in detail on other projects under consideration, but we are in discussions to ensure that the alliance produces benefits across the Japan Post Group. DX in the logistics sector is progressing as planned, and we aim to reflect these improvements in actual numbers going forward. We feel that our partnership with the Rakuten Group will bring benefits in terms of products and services, as well as promoting DX across the Japan Post Group and facilitating market expansion, including access to the younger generation. We are not considering further investment at this stage.

Q What are the chances that losses at JP Rakuten Logistics, Inc. will deepen as profits lag investment, and if so, what might be the scale of such losses?

A In the logistics sector, we are aiming to increase the volume of Yu-Pack handled at joint logistics bases from approximately 300 million to 500 million units by FY2025, through our partnership with the Rakuten Group.

JP Rakuten Logistics, Inc. was only recently established, and is still in the upfront investment phase. The specific scale of this investment will depend on future consideration and contractual terms, but at present, we plan to cover this amount through rental and leasing.

We will continue to monitor the business and funding status of JP Rakuten Logistics, Inc., and take any action as necessary.

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