

Teleconference of the Financial Results  
for the Nine Months Ended December 31, 2021  
Summary of Q&A  
(February 14, 2022)

Q Japan Post Co.'s percentage achievement for net income is quite high. Will there be no upwards revision to the forecast for the fiscal year? What is the situation in each segment?

A Japan Post Co. is making smooth progress in terms of operating income and net ordinary income, but its income forecast for the fourth quarter is low due to the structure of the business. In terms of individual segments, while conditions are difficult in the postal and domestic logistics business and the post office business, income has increased substantially year-on-year in the international logistics business thanks to outperformance in the Global Forwarding business.

Q The factors that caused the decrease in Yu-Pack volumes appear to have abated, so what is behind the continuing decline, and when is a turnaround expected?

A We have seen subsidence in the growth in stay-at-home consumption that occurred in the previous fiscal year. This subsidence is gradually easing, but the competitive environment is extremely intense. Through initiatives such as our alliance with the Rakuten Group, we aim to ensure that we capture growing demand in areas such as the e-commerce market.

Q Do you imply that the competitive environment is so intense that it would not be possible to increase volumes except through the alliance with the Rakuten Group?

A We are facing intense competition. We will endeavor to grow volumes, not through price competition but rather by enhancing convenience, and secure profits through initiatives such as cost reductions.

Q Regarding the international logistics business, what is the approximate level of operating income that can be achieved based on current capacity?

A Profits have risen not only for Toll, but across the Global Forwarding business, as a result of rising prices due to an increase in international cargo demand this fiscal year. We do not regard these results as representative of the current capacity of the international logistics business. In the Global Logistics business too, although the increase in special procurement demand due to the impact of COVID-19 has begun to subside, it continues to have an influence, these results cannot be said to represent actual current capacity. From next fiscal year onward, we will

continue to aim for the income level targeted under the Medium-term Management Plan for the international logistics business, through initiatives such as shifting to a business model focusing on Asia and improving unprofitable businesses.

Q What was the income from the real estate business in the third quarter?

A Operating income in the real estate business of Japan Post Co. was ¥25.9 billion, down ¥3.5 billion year-on-year.

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