

Teleconference of the Financial Results  
for the Three Months Ended June 30, 2023  
Summary of Q&A  
(August 10, 2023)

Q What is the progress of Japan Post Co.'s performance toward the full-year financial results forecast?

A Operating income and net operating income of Japan Post Co. as a whole were slightly ahead of the full-year financial results forecast, with operating income ahead by around 20% and net operating income around 50% ahead of the full-year financial results forecast of ¥20 billion.

By segment, operating income and operating expenses for the postal and domestic logistics business were lower than planned due to the number of Yu-Pack and Yu-Mail parcels handled being lower than planned. Operating income/loss was generally in line with the plan.

The post office business was slightly ahead of the plan. This is because while income from banking and insurance commissions was lower than planned, segment operating income has exceeded the plan due to increased revenue from postal counter operations, and in addition, operating expenses were lower than planned due to a decrease in personnel and non-personnel expenses.

The international logistics business was behind the plan due mainly to a decrease in cargo rates and volume of business handled in the Global Forwarding business.

Q What is the status and future outlook of negotiations with corporates regarding Yu-Pack shipping fees?

A We are not at a stage where we can give specific details.

Q What is the extent of the increase in collection, transport and delivery outsourcing expenses due to the adjustments to collection and delivery outsourcing contracts?

A We refrain from stating specific amounts, but the year-on-year increase was several hundred million yen as of June 30, 2023. While this is expected to affect the full-year financial results forecast to a degree, the impact is within the scope of our initial assumptions.

Q What is the reason behind the year-on-year increase in funds to maintain post office network? In addition, will the impact of factors such as price hikes be incorporated into estimates from the next and subsequent fiscal years?

A The funds to maintain post office network are calculated based on "essential costs for maintaining a post office network," and these increased with the increase in "essential costs," which rose due to factors such as the installation of digital equipment in response to the COVID-19 pandemic and the implementation of construction works that were delayed due to the pandemic.

The funds for the next fiscal year will be calculated from now, and we consider that the impact of price hikes shall be included into the calculation to a certain extent.

Q What has been the impact of the collaboration with the Yamato Group on your performance? What is the outlook for this collaboration?

A We refrain from revealing specific figures, but we expect the collaboration to have limited impact on this fiscal year's performance as we will begin handling Nekopos business in phases from this October and whole Kuroneko DM-Bin business from February.

As regards future outlook of the collaboration, at this time we have only decided that Japan Post

**Co. took over the Nekopos and Kuroneko DM-Bin businesses and we will continue to consider the matter.**

This document is a summary of Q&A session for this conference and includes certain revisions and corrections to help readers better understand the points in the dialogue.

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