

Teleconference of the Financial Results for the Nine Months Ended December 31, 2025

Summary of Q&A
(February 13, 2026)

Q I would like to ask about Japan Post Co.'s progress compared to the (revised) plan by segment for the third quarter.

A Net operating income in the postal and domestic logistics business slightly exceeded the plan due to Yu-Pack and Yu-Packet volumes that were largely in line with the plan and standard mail volumes that were slightly better than expected.

In the post office business, the trend remained unchanged from the first half, and net operating income fell short of the plan due to factors such as a decrease in insurance solicitation commissions resulting from the suspension of measures to attract customers to post offices.

In the international logistics business, net operating income was largely in line with the plan due to expense reduction efforts primarily in the corporate division, despite forwarding volumes that were lower than planned.

In the real estate business, operating income, operating expenses, and net operating income were all largely in line with the plan.

Q Yu-Pack volumes have seen a year-on-year decline in the third quarter. I would like to ask about the factors behind the decline and future efforts to increase volumes.

A Yu-Pack volumes have seen a slight year-on-year decline. It has been quite difficult to analyze the factors, but as in the second quarter, we believe that the main factors are the difficult competitive environment in the parcels business, as well as the inability to carry out proactive sales activities due to the impact of the inadequate roll call incident. In our view, the impact of the inadequate roll call incident on our reputation is fading, and we need to launch a counteroffensive. Going forward, we will aim to increase volumes by strengthening our cooperative efforts with the Rakuten Group.

Q You explained that Yu-Pack unit prices overall have declined due to an increase in the ratio of corporate dispatches, but I would like to hear your assessment of unit prices compared to the plan. In addition, you said that you would work to increase Yu-Pack volumes, but how will you increase unit prices?

A One major factor behind the decline in Yu-Pack unit prices is that while it can be said that we have secured parcels from ultra large-scale customers to a certain extent, we have not been able to acquire other new customers. We believe that the current unit price level for Yu-Pack is low, and going forward, we need to continue in our efforts to set appropriate price levels and negotiate an increase in unit prices for corporations.

- Q What is the reason that you did not revise the consolidated financial results forecast for the Group?
- A As you know, Japan Post Bank raised its forecast of net income attributable to owners of the parent by ¥30 billion. However, as the impact of this on the financial results of the Group overall is limited, we decided not to revise the financial results forecast for the Group.
- Q I would like to hear your assessment of expenses in the post office business through the third quarter and ask about the outlook for the next fiscal year and beyond.
- A In the post office business, on the revenue side, insurance solicitation commissions and banking commissions are on a downward trend. In response to this, we need to strengthen governance, including thorough measures to prevent recurrence, so that we can quickly recommence the practice of inviting customers to post offices. In addition, given that the number of customers is on a decreasing trend due to the declining birthrate and aging population, even though we recommence the practice of inviting customers to post offices, we believe that we will need to utilize digitalization initiatives such as Yu ID and provide services that can meet the needs of every single customer.
- On the expense side, given that personnel expenses and non-personnel expenses remain high, we believe that it is necessary to continue reducing expenses by improving efficiency.
- Q What is the outlook for non-personnel expenses in the post office business for the fiscal year ending March 31, 2026 and the fiscal year ending March 31, 2027?
- A Non-personnel expenses for the fiscal year ending March 31, 2026 are expected to see a large year-on-year increase due to the deployment of tablet-type PCs. However, overall expenses are projected to decrease even though some of the expenses relating to this measure will remain in the fiscal year ending March 31, 2027. In addition, we will strive to reduce non-personnel expenses in general.
- Q Now that the notice of completion of the disciplinary action regarding the inadequate roll call incident has been issued, I would like to ask again about the impact of this incident on the financial results for the fiscal year ending March 31, 2026, both quantitatively and qualitatively. I would also like to ask how much improvement is expected quantitatively in the fiscal year ending March 31, 2027.
- A With regard to the quantitative impact of the inadequate roll call incident, expenses have increased by roughly ¥6 billion as of the third quarter. At the interim, we had announced an increase in expenses of ¥10 billion for the entire fiscal year ending March 31, 2026, but at present, we anticipate the increase in expenses for the entire fiscal year to be limited to roughly ¥9 billion. However, most of the ¥9 billion increase is due to an increase in outsourcing expenses caused by the administrative disposition of Japan Post Co.'s trucks, rather than light four-wheel

vehicles. As a result, expenses are not expected to fall dramatically in the fiscal year ending March 31, 2027.

With regard to the qualitative impact, we believe that the biggest factor was the inability to increase revenue by securing parcel volume due to the damage to our reputation caused by this incident.

Q Did this incident actually cause shippers to defect?

A It is true that some customers and governments have suspended transactions. However, the impact on overall parcel revenue has been limited.

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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