

Teleconference of the Financial Results for the Fiscal Year Ended March 31, 2026

Summary of Q&A

(May 15, 2026)

- Q On what basis did you determine the dividend level of ¥60 per share? You have also indicated your outlook for a progressive dividend policy; what assumptions or factors will enable you to raise the level of dividends in the future?
- A During the three years of the Medium-term Management Plan, the dividends we receive from Japan Post Bank and Japan Post Insurance are generally increasing, and Japan Post will also be able to secure a certain level of profit with the revision of postal rates. Therefore, on the premise of ensuring sufficient funding for dividend payments, we made the decision to increase dividends at this stage to return profits to shareholders, while also taking into account the balance between investment and shareholder returns.
- Group profits are increasing, regardless of whether or not the revision of postal rates proceeds. We therefore believe that there is sufficient leverage to increase dividends, and we introduced a policy of progressive dividends, starting with a minimum of ¥60 per share.
- Q In your profit targets for the real estate business, you forecast a year-on-year increase in net operating income. What are the specific factors contributing to this profit increase? How is the monetization of owned real estate incorporated into your performance targets and cash allocation?
- A We are conservatively estimating net operating income of ¥28 billion for the fiscal year ending March 31, 2029, based on the development projects currently under consideration.
- We are also considering the sale of some of our owned real estate from the perspective of replacing low-return assets, but the scale of any such sale would be small, and we are using the present Medium-term Management Plan period to prepare for future monetization.
- In the future, we anticipate the establishment of a real estate investment consulting firm as a subsidiary of Japan Post Real Estate Co., Ltd. This subsidiary would earn fees to undertake the full-scale asset monetization.
- Q What sort of program is being considered for the revision of postal rates, and how much would rates rise? What level of fees would enable you to achieve a net income of ¥700 billion?
- A A bill to amend the Postal Act has been submitted to the ordinary session of the National Diet. At present, the maximum postal rates are stipulated by ministerial ordinance, but it is expected that this will change to an authorization system based on applications from Japan Post, enabling flexible rate revisions within the scope of the approval.
- If the bill becomes law, we expect to raise prices by about ¥20, on average, in October 2027, taking into account the time required to prepare government ordinances and other procedures.

In the fiscal year ending March 31, 2029, assuming the results fully reflect the effect of this revision, we expect the Group to achieve net income of ¥700 billion and the postal and domestic logistics business segment to achieve net operating income of ¥23 billion.

Q What is your policy on the unit price for packages? You mention a more flexible rate system; are you going to reduce rates depending on the shipper?

A I will refrain from commenting on our specific targets for package unit prices. We will continue to engage in appropriate price-setting through individual negotiations on unit prices for corporate customers so that we can pass on the rising costs of goods and labor, and secure profits. Basically, we are moving toward raising charges.

Q What is your policy regarding the sale of shares of Japan Post Bank and Japan Post Insurance under the current Medium-term Management Plan? You state that you will continue to consider further sales; is it possible that such a sale could occur within these three years? Several conditions for such a sale are listed in the Medium-term Management Plan; is there an order of priority among these conditions?

A We have received information that a revision proposed under a government member's bill to amend the Postal Service Privatization Act, which would obligate Japan Post Holdings to hold one-third of the shares of Japan Post Bank and Japan Post Insurance for the time being. Although a clear decision has not yet been made, our basic stance is that we may also consider selling shares of these two companies if there is an increase in funding needs for growth investments. If such funding becomes necessary, we will consider selling up to one-third of the shares of Japan Post Bank and Japan Post Insurance. In addition to growth investments, the proceeds of such sales could also be used to fund share buybacks. For this reason, we do not anticipate sales on the scale of the second and third partial sales of shares of Japan Post Bank, and we have not included additional sales in our plan.

Q What are your priorities and your approach regarding the strategic investment of ¥300 billion under the current Medium-term Management Plan? How much of your investment plan was implemented under the previous Medium-term Management Plan?

A The strategic investment amount of ¥300 billion is an upper limit, and is premised on potential investments if good opportunities arise in the future. Our priorities are the real estate business and the logistics business, which we have designated as growth areas. Additionally, we would also like to make investments, albeit not large in scale, for the development of new products that utilize the post office network, such as lifestyle support, if we find good partners. Under the previous Medium-term Management Plan "JP Vision 2025+," announced in May 2024, we presented an investment plan of ¥400 billion. Of this, ¥300 billion was used for logistics, real estate, and IT investments.

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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